

MINUTES FOR BOARD OF ALDERMEN MEETING
March 11th, 2025
6:00 PM

The following elected officials were present: Mayor Beaty, Alderman Milton, Alderman Martin, Alderman Cearley, Alderman Cloninger and Alderman Withers.

The following Staff members were present: Jonathan Newton, Town Manager; Robbie Walls, Police Chief; Marcus Fleming, Police Captain; Tom Hunn, Town Attorney; Lindsey Tysinger, Town Clerk; Earl Withers III, Fire Chief; Kristin Boone, Finance Director; Alex Wallace, Parks and Recreation Director; Brittany Beam, Planner; Sonny Gibson, Electric Supervisor; and Bill Trudnak Public Works Director.

Mayor Beaty called the meeting to order at 6:00pm.

Mayor Beaty opened with the Invocation and the Pledge of Allegiance to the Flag.

Approval of Agenda:

Alderman Martin made a motion to approve the agenda with moving item 8B – Oath of Office – Town Clerk, to Recognition of Citizens, seconded by Alderman Cloninger and carried unanimously.

Approval of Minutes:

Alderman Milton motioned to approve the minutes from the February 11th Minutes, and the February 25th Work Session Minutes, seconded by Alderman Martin and carried unanimously.

Recognition of Citizens:

The Mayor opened the floor for the Recognition of Citizens and Public Comment.

Mayor Beaty administered the Oath of Office for the Town Clerk.

Dr. Duncan, of Carr Elementary School, presented the Students of the Month.

Darnell Wilson, Head Football Coach of North Gaston High School, I'm coming in support of the Little League football program that we're trying to get started back in Dallas. Benefits for having the youth program that I believe, number one, it promotes physical wellness for the young kids to get out of the house, besides playing video games. Number two, provide social and emotional support. Number three, builds teamwork and leadership skills. Number four, encourage discipline and hard work. Number five, teaches kids how to be competitive at an early age. Number six, it provides for a feeder program for local middle school and high schools. As the head coach, I will try to do a Big Brother program as well and plus our coaches will be helping and coming out and supporting the other coaches. Try to teach them techniques and stuff that we do at a high school level. So hopefully by the time they get to us, they have some kind of fundamentals of what we're doing.

Leeann Wiggins, of 128 Delview Drive, speak on behalf of Chief Robbie Walls. It is an honor to stand before you, to talk about a man who has dedicated his life to serving this community, a

man whose character has never been in question and whose love for the Town of Dallas runs deep. Robbie is not just a leader. He is a cornerstone of this Town. He is a man who walks the streets of Dallas not as a figurehead, but as someone deeply embedded in the fabric of this community. His commitment to public service to ensure the safety and well-being of each and every one of us has been unwavering. His love for Dallas is evident in every action he takes, and in the heart, he pours into this town every single day. Through the years, Robbie has shown what it means to not only be a chief, but a true public servant. He leads with integrity, compassion, and a deep sense of responsibility. He does not just enforce the law; he upholds the values that make Dallas the great place it is. Values of respect, unity, and a commitment to making sure every individual is treated with equality. Let us also not forget the personal sacrifices that Robbie has made for the betterment of this town. He has given countless hours, resources, and energy to ensure that Dallas remains safe, vibrant, and thriving. His leadership is not about personal accolades or recognition. It is about the people, about the town and about the future. And so, it is important to recognize tonight that Robbie Walls character should not be in question. His track record speaks for his support, though. His dedication and his love for Dallas are beyond reproach. He is a man who has always acted in the best interest of this community, and it is this legacy of service that we honor tonight. Robbie, your work has touched so many. You are not just a chief of police. You are a friend, a neighbor, and a true servant of the people. Thank you for everything you have done for everything you continue to do and for the heart you formed in Dallas every night, every day. Tonight, your family, we stand together to reaffirm that your commitment, your integrity, and your love for this community will never be in question. Dallas is lucky to have you, and we are grateful for your leadership. To know Robbie Walls is to love Robbie Walls and we love. Thank you.

Savanna Walls, 1003 Captains Quarter Drive, Thank you guys for allowing the town a chance to speak, I will make this short and sweet because Leeann done a phenomenal job. This is directed towards Chief Walls. You are the most selfless person I know. The way you love your family, friends, and the community. The dedication to your job never fails to amaze me in my 24 years of life. Always keep God in your corner and walk through his faith and there is nothing you cannot overcome. You are my hero, and I love you.

Mike Fields, of 1333 Philadelphia Church Road, first of all, I'd like to say Robbie is my friend, great man. Like to thank Robbie, Billy, Willie, Alex. All the department heads, all the people in this Town who work so hard to keep this Town safe, looking good and a great place to live. I would like to add to the comment about the football program. Sports for the youth in this town have really grown at an amazing rate. Great job on that. And again, Dallas has a great group of leaders, great group of people, we are proud of all of them. I would like to mention the passing of a very good friend, a fixture in Dallas for over 50 years. Anyone who knew Jack Huggins knows that he will be truly missed, Jack was a Fixture in Uptown Dallas for over 50 years. So, thank you all.

Curtis Wilson, 438 S. Gaston Street, prayed over Town.

Consent Agenda:

Item 5A - Budget Amendment – Football Startup

At the February 25th Work Session, Alex Wallace presented to the board a request to purchase football helmets, shoulder pads and some practice equipment in the amount of \$29,500 to start up Football for FY25. Once ordered, these items will take a few months to arrive and due to football practice starting in July/August, we would need to go ahead and purchase these few things in the current years budget. All other expenses for football, if passed in the FY2025 budget, will be included there. (Exhibit 5A-1)

Item 5B - Budget Amendment – Donation to Museum

Gaston County Museum is inquiring if the Town would like to sponsor their Annual Easter Egg event again this year as we have in the past. This item of discussion was mentioned at the February 25th Work Session and was agreed upon to bring a budget amendment in the amount of \$500.00 to the March 11th meeting. (Exhibit 5B-1)

Alderman Cloninger made a motion to approve the Consent Agenda, seconded by Alderman Cearley and carried unanimously.

Public Hearings:

No Public Hearings

Old Business:

No Old Business

New Business:

Item 8A - Parks & Recreation Resolution

Parks and Recreation wishes to honor Anne Martin by naming the Tee Ball Field at Carr School after her, acknowledging her role in the field's construction and her years of exceptional service as Recreation Director for the Town of Dallas, as well as her commitment to our youth and community. The recreation staff would like to hold a small ceremony on the opening day of baseball this year, Saturday, April 12, where we can unveil the field's name in her presence before the games commence that day. Attached is the Resolution. (Exhibit 8A-1)

Parks and Recreation Director, Alex Wallace presented the Resolution.

Alderman Cloninger made a motion to approve the Resolution, seconded by Alderman Martin and carried unanimously.

Item 8C - Budget Amendment – Gate for Park at Dennis Franklin Gym

At the January 28th, Work Session during citizen comment time, it was brought to the Board's attention that there is a request for a gate to be installed at the playground beside the Dennis

Franklin Gym. Due to safety concerns and the heavy traffic around the area, staff is bringing forward a budget amendment in the amount of \$1,990 to appropriate funds to purchase this gate. (Exhibit 8C-1)

Town Manager, Jonathan Newtown presented item.

Alderman Cloninger made a motion to approve the Budget Amendment, seconded by Alderman Milton and carried unanimously.

Item 8D - Audit Contract Approval for Fiscal Year 2024-25

Martin, Starnes and Associates, CPA's PA. has conducted last year's audit. It is the recommendation of Staff to contract with Martin, Starnes and Associates. for the FY2024-25 annual audit. The contract outlines that they will conduct an audit for no more than \$63,950 for all services. The cost reflects additional services required for Other Post-Employment Benefits (OPEB) and for Federal and State awards as well as normal Auditing services for the Town's Finances. The NC Local Government Commission division of the State Treasurer's Office requires that the Town approve this contract first before submitting it to their office for final approval. (Exhibit 8D 1-10)

Alderman Martin made a motion to approve the proposed audit contract for FY 2024-25, seconded by Alderman Cearley and carried unanimously.

Mayor's Report:

Mayor Beaty - Lot of community leaders that read to Carr school for Read Across America Week. It was not just at Carr School it was through Gaston County, and I'm not sure is it through all schools, obviously in America, but throughout Gaston County. So, myself, Bill Trudnak, Chief Walls, Allen, and Alex. I am thankful for the people in this community. Kathy Cloninger is our county Commissioner, she read. I am really thankful for our community leaders that read, if I did not state their name I am sorry, there were a lot of you that read and I did have a conversation with Doctor Duncan with some other leaders that missed the week, and if they did miss the week I said to reach out to you because it's not just read across America week for one week, we can go and read to our schools anytime, as long as they communicate. It is good to have our leaders. Thank you.

Alderman Milton - If I may, we can put this on our work session agenda. It is something that we have dealt with for many years, many years that I have been on the Board. And that is the intersection at Main St. there at Ingles. There has been a lot of information put out there about the intersection. Mainly what I'm talking about is the fact that it is a 3-way stop. I think we all know that it is a 4-way stop. We understand that our responsibility stops at the end of Main Street and the rest of that is Ingles's responsibility. There is not enough clear marking In that intersection. And that falls on Ingles, we need to see what we can do to get their cooperation to either put stop signs there or paint markings there that will not fade as cars approach.

Alderman Cloninger - How many businesses are there in Dallas and how many residential rooftops are there in Dallas? How many residential apartments and multifamily units are in Dallas? Then next how many are planned that we know of right now to be built in Dallas in the next three to five years. I think we need to know as a Board what our population looks like in the future, our population now is 6000. If we're bringing in a bunch of houses and more families, I don't believe Carr school can handle it. We need more to be educated on what Dallas will look like in 3 years or six years. You have got to see if our water plant and sewer plant is going to be big enough. Are we going to have enough firemen? Are we have going to have enough police officers? And if our population is going to be 10,000 in three years? Well, I know we don't have enough of those. Address that at the next Board meeting.

Manager's Report:

No updates.

Alderman Cloninger made a motion to adjourn, seconded by Alderman Milton and carried unanimously (6:42).

Closed Session-The Board requested to hold a Closed Session: To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged per NCGS §143-318-11(a)(3).

Alderman Cloninger made a motion to go into the closed session, seconded by Alderman Milton and carried unanimously at (6:55).

Discussion only, no motion was made.

Alderman Cloninger made a motion to exit the closed session and go back into open, seconded by Alderman Martin and carried unanimously at (7:58).

Alderman Cearley made a motion to adjourn, seconded by Alderman Cloninger and carried unanimously (8:04).

Hayley Beaty, Mayor

Lindsey Tysinger, Town Clerk

Town of Dallas
Budget Amendment

Date: March 11, 2025

Action: General Fund Amendment

Purpose: To appropriate funds for purchase equipment for Football

Number: REC-004

Fund	Dept	Line Item	Item Description	Original Amount	Amended Amount	Difference
10	5700	5900	Recreational Sports Supplies	\$27,500	\$57,000	\$29,500
10	3999	0000	Fund Balance Appropriated	\$518,183	\$547,683	\$29,500

Approval Signature

(Town Manager)

Town of Dallas
Budget Amendment

Date: March 11, 2025

Action: General Fund Amendment

Purpose: To appropriate funds for donation to Gaston County Museum for annual Easter Egg Hunt Event

Number: REC-002

Fund	Dept	Line Item	Item Description	Original Amount	Amended Amount	Difference
10	5700	4722	Town Sponsored Events	\$49,936	\$50,436	\$500
10	3999	0000	Fund Balance Appropriated	\$515,693	\$516,193	\$500

Approval Signature

(Town Manager)

Resolution Dedicating The T-Ball Field in Honor of Anne Martin

Whereas, Anne Martin commenced her career with the Parks and Recreation Department of the Town of Dallas on July 1st, 1999. Prior to this, she dedicated her time to volunteering; and

Whereas, On July 1st, 2001, Anne took on the role as the Parks and Recreation Director, serving in that position for 18 years; and

Whereas, Anne Martin has been a passionate advocate for youth sports, fostering a love for the game in all recreational sports among countless children and promoting the values of teamwork, sportsmanship, and building positive relationships; and

Whereas, Anne Martin's dedication and service to the Town of Dallas has left an indelible mark on our community, inspiring future generations to continue her legacy and passion for recreational sports and community involvement; and

Whereas, recognizing her lifelong contributions to the children and families of Dallas and surrounding communities; and

Whereas, as a lasting tribute to Anne Martin's service and dedication, it is fitting to dedicate the T-Ball Field at Carr Elementary in her honor; and

Now, Therefore, Be It Resolved, by the Town of Dallas Board of Aldermen, that the T-Ball Field located at Carr Elementary be known as the Anne Martin Field; and

Be It Further Resolved, that a ceremony be held on April 12th to formally dedicate the field, where Anne Martin will be honored, and their contributions celebrated by colleagues, friends, and family.

Adopted on this the 11th day of March, 2025 by the Town of Dallas Board of Aldermen.

Attested By:

Hayley Beaty, Mayor

Lindsey Tysinger, Town Clerk

(SEAL)

Town of Dallas
Budget Amendment

Date: March 11, 2025

Action: General Fund Amendment

Purpose: To appropriate funds for purchase of a gate at Dennis Franklin Gym playground

Number: REC-003

Fund	Dept	Line Item	Item Description	Original Amount	Amended Amount	Difference
10	5700	1525	M&R Parks and Courts	\$20,328	\$22,318	\$1,990
10	3999	0000	Fund Balance Appropriated	\$516,193	\$518,183	\$1,990

Approval Signature

(Town Manager)

The	Governing Board
of	Board of Aldermen
	Primary Government Unit
	Town of Dallas, NC
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
	Martin Starnes & Associates, CPAs, P.A.
	Auditor Address
	730 13th Avenue Drive SE, Hickory, NC 28602

Hereinafter referred to as Auditor

for	Fiscal Year Ending	Date Audit Will Be Submitted to LGC
	06/30/25	12/31/25

Must be within six 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. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with *Government Auditing Standards* (GAGAS). The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F (*Uniform Guidance*) and the State Single Audit Implementation Act. Currently the threshold is \$750,000 for a federal single audit and \$500,000 for a State Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will 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:

Jonathan Newton

Town Manager, Town of Dallas

jnewton@dallasnc.net

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

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

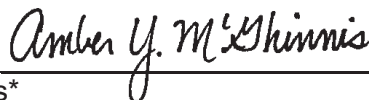
3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned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

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

Primary Government Unit	Town of Dallas, NC
Audit Fee (financial and compliance if applicable)	\$ 53,500 (\$49,750 audit + \$3,750 single audit for up to 2 programs)
Fee per Major Program (if not included above)	\$ 3,750 per major program in excess of 2
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$ 6,700
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$ 63,950 (includes 3 major programs)

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

SIGNATURE PAGE**AUDIT FIRM**

Audit Firm*	
Martin Starnes & Associates, CPAs, P.A.	
Authorized Firm Representative (typed or printed)* Amber Y. McGhinnis	Signature* 
Date* 02/28/25	Email Address* amcghinnis@msa.cpa

GOVERNMENTAL UNIT

Governmental Unit*	
Town of Dallas, NC	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	
Mayor/Chairperson (typed or printed)* Hayley Beaty, Mayor	Signature*
Date	Email Address* hbeaty@dallasnc.net

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

Sum Obligated by This Transaction:	\$ 63,950 (includes 3 major programs)
Primary Governmental Unit Finance Officer* (typed or printed) Kristin Boone, Finance Director	Signature*
Date of Pre-Audit Certificate*	Email Address* kboone@dallasnc.net

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

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

Sum Obligated by this Transaction:	\$
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



Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates, CPAs, P.A. and the
Peer Review Committee, Coastal Peer Review, Inc.

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

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of *pass*.

Dean Dorton Allen Ford, PLLC

Dean Dorton Allen Ford, PLLC

May 10, 2024