MONROE TOURISM DEVELOPMENT AUTHORITY
REGULAR MEETING

Member: Mayor Marion Holloway

Dowd Center Theatre
120 S. Main Street
Monroe, NC 28112
February 17, 2022 – 8:30 a.m.

AGENDA

1. Staff Notes and Approval of Minutes of Monroe Tourism Development Authority Regular Meeting of December 9, 2021
2. Finance/Occupancy Report
3. Fiscal Year 2022 Audit Contract for the Monroe Tourism Development Authority
4. Science Center Update
5. Dowd Center Theatre Update
6. Other
7. Tour of Dowd Center Theatre

MTDA/2-17-22

MONROE TOURISM DEVELOPMENT AUTHORITY

REGULAR MEETING

CONFERENCE ROOM

300 W. CROWELL STREET, MONROE, NC 28112

December 9, 2021 – 8:30 A.M.

STAFF NOTES FOR INFORMATION PURPOSES ONLY FOLLOWED BY MINUTES

Present: Vice Chairwoman Sheila Crunkleton (arr. 8:32), Ron Brown, Sharon Crowder Poston (arr. 8:35), and Lorayn DeLuca

Absent: Chairman Bobby Kilgore, Pat Kahle, MaryAnn Rasberry, and Gina Day

Staff Present: Communications and Tourism Officer Pete Hovanec, Communications and Tourism Assistant Alison Nichols, Finance Director Lisa Strickland, Accounting Manager Ashley Ivey, Assistant City Attorney Ashley Duncan Britt, Monroe Science Center Supervisor Lauren Fike, Dowd Center Theatre Supervisor James Vesce, Interim City Manager Brian Borne, and Downtown Director Matt Black

Staff Absent:

Visitors: Holiday Inn Express Manager Bradley Taylor and Arpan Bhakta

Due to a lack of quorum, Ms. Ivey proceeded with the Finance/Occupancy Report for information purposes for those in attendance. The staff notes for this item were prepared for information purposes only.

Item No. 2 Finance/Occupancy Report Ms. Ivey stated that October collections totaled $60,324. There have been four months of collections so far this fiscal year, and collections are up 51% from last year. Compared to FY20, collections are up 6%, probably because of the new hotel in operation. This was the second highest October collection total ever. The Capital Project Fund unreserved balance is $369,913, which is over and above what is committed for Science Center exhibits and building.

At this point in the meeting, a fourth member arrived, creating a quorum.

Vice Chairwoman Crunkleton called the Monroe Tourism Development Authority Regular Meeting of December 9, 2021 to order at 8:35 a.m.

Item No. 1 Approval of Minutes of Monroe Tourism Development Authority Meeting of October 14, 2021 Mr. Brown made a motion to approve the Minutes of the Monroe Tourism Development Authority Regular Meeting of October 14, 2021. Ms. DeLuca seconded the motion, which passed unanimously with the following votes:

AYES: Crunkleton, Brown, DeLuca, and Crowder Poston

NAYS: None

Item No. 3 Science Center Update Ms. Fike stated that three new exhibits for the dark room have come in: Color My Shadow, a laser table, and a write board. The oral health exhibit for the main exhibit hall has also come in. The Carolina Aviation Museum gifted a NASA zip line to go along with the Mercury space exhibit. The retail shelving and display system has been installed, and staff has received about 25% of retail items. When the point-of-sales system is live, staff will enter all the retail items into the system. Point-of-sales software training is proceeding, and back-of-house furniture is arriving.

Vice Chairwoman Crunkleton asked if there were a planned opening date.

Mr. Hovanec answered that he is hoping for March. Staff is still waiting on furniture and fencing ordered eight months to one year ago. The signage contract is in process and then will take 90 days to complete. Staff is also moving forward with the sensory room. It is just slow to get all the parts and pieces in.

Mr. Borne asked if there might be delays with the materials for the new signage.

Mr. Hovanec replied that the contractor has guaranteed materials and the time frame. Dr. Darden was filmed at the science center and is enthusiastic about the project.

Vice Chairwoman Crunkleton said that March is a good time to open to get ready for summer.

Mr. Hovanec cautioned that this opening is a moving target. Also, the science center received a $100,000 allocation from the NC budget, which will help.

Ms. Crowder Poston asked if the City owns the natural area in front of the building.

Mr. Hovanec answered affirmatively, adding that it will be repaved and fixed up possibly with the addition of a gazebo and picnic tables.

Mr. Borne added that on the Franklin Street side there is a proposed dog park.

Mr. Hovanec said that the City is hoping to make the whole area attractive for coming development.

Item No. 4 Dowd Center Theatre Update Mr. Vesce said that the theater has hosted 19 events since September 11. Events have encompassed free, ticketed, and rental situations. This is a beta testing year, and staff is establishing interest in the market. All groups who have rented the theater have expressed interest in coming back, and the schedule is filling up for next year already. There has not been a capacity event, but some events have had about 400 people. The Main Street Bistro across the street had a two-hour wait after one event, and business owners in Downtown are giving positive feedback. Staff will continue to develop relationships with Downtown merchants. Staff is on the verge of rolling out the movie schedule, but that causes a staffing issue. Staff continues to work on Covid safety protocols and policies about supervision of children and is also working to educate people about what the stage can realistically handle. Musicians have been very happy with the acoustics, and some equipment is still tied up in shipping.

Mr. Borne asked if staff has created a season yet.

Mr. Hovanec responded that staff is in the process of deciding what the City will present vs. rentals.

Mr. Vesce added that there will probably be two or three major monthly events.

Mr. Hovanec said that every event so far has been welcomed and praised. Staff is in the process of trying to get some part-time event workers. The lobby space is too small to accommodate everyone coming out of the theater, and staff is looking for ways to expand the lobby space. The original vision to revitalize the Downtown with the theater is happening: Restaurants are doing great business when they're open. Food trucks might be needed. Staff is continually trying to find the balance of what they can accommodate with keeping quality.

Mr. Borne commented that the public won't distinguish between private events and City events – they will all reflect on the City.

Ms. DeLuca noted that Mr. Vesce and his staff did an excellent job with "Inherit the Land."

Vice Chairwoman Crunkleton stated the need to figure out a way for restaurants and merchants to know the schedule at the theater.

Ms. DeLuca remarked that the schedule is on the theater website.

Mr. Hovanec said that staff will continue working with Mr. Black to communicate with Downtown businesses.

Item No. 5 Air Show Update Mr. Hovanec reminded the Board that there was no air show last year due to Covid restrictions. This year, Saturday's attendance was lower than average due to cold weather, and Sunday's attendance was higher than usual. There were major issues sourcing rental cars for the performers, but Scott Clark Toyota stepped up and saved the day. There were more last-minute pilot/plane cancellations than usual. The financials are still being reconciled but look pretty good. Veterans Day is Friday next year, and the air show will be Saturday and Sunday. Staff is considering creating a Friday car show and practice day. Staff didn't seek any sponsorships this year but will for next year. There was a free event at the theater in conjunction with the air show, but people didn't show up.

Item No. 6 Other Mr. Hovanec reminded the Board that this is Mr. Brown's and Vice Chairwoman Crunkleton's last meeting. Ron Hinson will be taking Mr. Brown's position, and Joyce Rentschler will be taking Vice Chairwoman Crunkleton's place. Dan Shive has also expressed interest in re-joining the Board. This would have been Chairman Kilgore's last meeting. Mayor-Elect Marion Holloway will be taking over Chairman Kilgore's position on the Board.

Mr. Hovanec said that a new B&B will be opening in the white house right at the airport entrance.

Mr. Hovanec announced that as of November 8, the office of Tourism and Communications took over the operation of the Monroe Country Club golf course. Staff is in the process of hiring some golf course personnel and will be hiring someone to take over communications. The goal is to try to use the golf course to drive Monroe as a destination, possibly by getting a hotel with interior entrances near the golf course. The City would love to partner with a hotel to make that happen. The golf course is a hidden gem and made money last year for the first time in a long time.

Mr. Black stated that 40 wayfinding signs have been installed in City limits. Staff is requesting gateway signs for 74 next year. All have been approved by DOT, and all signs lead to major City facilities and enterprises and use standard City of Monroe colors.

Mr. Hovanec emphasized that there are no private businesses listed on the signs – only City/government enterprises.

Ms. DeLuca made a motion to adjourn. Ms. Crowder Poston seconded the motion, which passed unanimously with the following votes:

AYES: Crunkleton, Brown, DeLuca, and Crowder Poston

NAYS: None

The meeting adjourned at 9:15 a.m.

ATTEST:

Bobby Kilgore, Chairman

Alison H. Nichols

MTDA/12-9-21

CITY OF MONROE, NORTH CAROLINA
HOTEL OCCUPANCY TAX COLLECTIONS HISTORY

Month	Collections FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
July	$ -	$24,556.89	$27,208.12	$29,286.12	$28,559.50	$32,087.46	$24,549.05	$27,790.74	$27,818.09
August	-	25,022.32	30,345.70	30,787.10	30,115.11	32,033.40	25,786.36	28,032.25	29,928.88
September	-	23,650.32	25,663.34	27,638.59	26,326.66	30,674.71	24,355.49	25,216.46	29,075.25
October	23,898.98	25,473.20	27,055.75	28,562.74	31,670.44	30,657.74	26,223.58	28,169.20	27,991.73
November	22,494.05	21,146.42	22,983.34	25,543.85	28,526.48	24,889.11	21,999.34	24,475.06	27,316.22
December	16,840.00	18,153.54	19,603.53	22,332.76	23,850.96	22,574.32	17,584.24	19,915.52	21,837.96
January	20,665.34	20,582.21	22,515.21	23,357.77	28,635.44	23,883.63	19,615.02	21,103.77	23,391.38
February	21,943.99	21,854.75	22,916.93	26,649.30	32,343.36	23,992.82	26,678.68	22,835.19	27,762.95
March	23,020.95	27,654.43	28,608.28	31,187.99	35,210.37	27,000.53	24,336.17	28,069.68	31,538.28
April	23,655.79	24,442.11	25,763.12	28,374.34	34,877.90	29,873.15	25,712.31	26,000.83	27,103.36
May	24,877.18	29,180.42	30,325.62	31,500.43	34,667.79	30,725.91	27,459.38	27,747.78	29,612.56
June	22,969.04	26,509.85	28,506.59	30,525.80	34,605.93	27,755.05	28,609.00	29,627.13	28,256.66
Penalties/Interest	2,275.37	502.50		2,852.82	2,245.44		1,028.71		25.20
Total Collections	$202,640.69	$288,728.96	$311,495.53	$338,599.61	$371,635.38	$336,147.83	$293,937.33	$308,983.61	$331,658.52
Distribution of Collections									
Administrative Fee	$30,396.11	$43,309.34	$46,724.33	$50,789.96	$55,745.30	$10,084.43	$8,818.12	$9,269.51	$9,949.76
Operating (2/3)	$57,414.86	$81,806.54	$88,257.07	$95,936.54	$105,296.68	$108,687.80	$95,039.73	$99,904.70	$107,236.25
Capital (1/3)	$114,829.72	$163,613.08	$176,514.13	$191,873.11	$210,593.38	$217,375.60	$190,079.48	$199,809.39	$214,472.51
	$202,640.69	$288,728.96	$311,495.53	$338,599.61	$371,635.36	$336,147.83	$293,937.33	$308,983.60	$331,658.52

Month	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total from Inception
July	$29,545.33	$28,654.11	$43,035.55	$50,935.50	$57,757.87	$49,237.75	$52,555.67	$50,502.69	$36,361.82	$58,632.48	
August	29,019.70	30,116.04	36,977.80	48,845.23	56,430.47	53,328.43	53,326.15	56,119.30	33,717.52	$57,897.52	
September	34,306.54	26,188.56	36,170.00	43,971.63	52,501.28	49,280.40	57,322.54	54,601.79	36,333.99	$57,557.21	
October	30,332.49	32,977.87	39,730.02	50,450.31	62,852.14	54,883.77	61,478.56	58,576.63	47,918.88	$60,324.82	
November	23,851.33	28,593.65	36,201.55	44,935.28	53,718.49	52,159.03	52,344.58	44,677.93	33,689.77	$62,776.88	
December	20,589.31	24,367.81	29,698.95	37,857.15	42,905.99	43,020.41	41,248.49	35,855.88	30,608.58	$55,627.44	
January	24,429.80	28,568.49	33,174.57	47,446.36	49,314.76	44,917.89	45,790.70	37,998.34	34,555.26	$0.00	
February	26,817.63	31,618.26	43,506.47	49,690.07	50,786.19	49,090.46	50,174.09	41,074.64	35,790.58	$0.00	
March	32,723.61	35,351.64	45,588.42	54,238.06	58,370.59	58,151.91	55,628.08	44,213.52	49,982.86	$0.00	
April	31,967.58	33,561.95	44,006.59	56,185.32	54,463.65	55,541.22	52,298.83	24,603.84	54,315.36	$0.00	
May	30,685.57	33,436.34	46,174.97	55,415.35	59,183.07	56,465.45	58,606.08	30,748.09	57,003.16	$0.00	
June	30,805.02	37,334.32	46,835.97	56,036.83	53,968.10	56,273.88	54,481.57	36,285.75	57,435.41	$0.00	
Penalties/Interest	22.50	2.00	130.10	40.29							
Total Collections	$345,096.41	$370,771.04	$481,230.96	$596,047.38	$652,252.60	$622,350.60	$635,255.34	$515,258.40	$507,713.19	$352,816.35	
Distribution of Collections											
Administrative Fee	$10,352.89	$11,123.13	$14,436.93	$17,881.42	$16,522.53	$16,415.73	$16,352.55	$15,152.58	$15,077.13	$10,584.49	$408,986.24
Operating (2/3)	$111,581.17	$119,882.64	$273,630.07	$385,443.97	$423,820.05	$403,956.58	$412,601.86	$333,403.88	$328,424.04	$228,154.57	$3,860,479.00
Capital (1/3)	$223,162.35	$239,765.27	$193,163.96	$192,721.99	$211,910.02	$201,978.29	$206,300.93	$166,701.94	$164,212.02	$114,077.29	$3,593,154.45
	$345,096.41	$370,771.04	$481,230.96	$596,047.38	$652,252.60	$622,350.60	$635,255.34	$515,258.40	$507,713.19	$352,816.35	$7,862,619.70

Operating Fund Activity:

Fiscal Year	Total Revenue*	Operating Expense	Capital Fund Transfer Out	Increase/(Decrease) in Net Assets	Fund Balance
2004	172,430	249	114,830	57,351	57,351
2005	245,420	49,354	163,613	32,453	89,804
2006	268,539	70,628	176,514	21,397	111,201
2007	292,730	69,590	191,873	31,267	142,468
2008	319,940	79,519	210,593	29,828	172,296
2009	327,232	85,108	217,376	24,748	197,044
2010	286,292	105,147	190,079	(8,934)	188,110
2011	306,323	141,300	199,809	(34,786)	153,324
2012	338,380	218,328	214,473	(94,421)	58,903
2013	366,349	157,025	223,162	(13,839)	45,064
2014	389,562	132,144	239,765	17,653	62,717
2015	505,323	229,769	193,164	82,390	145,107
2016	603,262	324,214	192,722	86,326	231,433
2017	677,786	243,750	211,910	222,126	453,559
2018	634,804	270,913	201,978	161,913	615,472
2019	643,745	257,345	206,301	180,099	795,571
2020	599,412	270,236	166,702	162,473	958,044
2021	501,615	385,603	164,212	(48,200)	909,844

Fund Balance as of June 30, 2021 $909,844

* Includes total occupancy tax collection less adminstrative fee plus interest earnings and revenue for The Tinker Belle.

Capital Fund Activity:

Revenue		$3,593,154.45
Proceeds from 2018B Limited Obligation Bonds - Science Center		$3,651,935.65
Interest Earned Trustee Account for 2018B Limited Obligation Bonds		$80,369.64
Investment Earnings		110,382.55
Donations/Sponsorships		419,583.25
Expenses:		
Professional Fees for Civic Center		86,838
Monroe Park Master Plan and Site Assessment		23,058
Air Museum Advance Planning		19,240
Purchase "The Tinker Belle"		150,000
Capital Improvement to interior of "The Tinker Belle"		18,500
Storage Building		8,175
Tourism Study		7,500
Snow Machine		6,129
Tinker Belle Navigational Equipment		1,480
Center Theater Property		248,273
Tinker Belle Engine Purchase		80,046
Tinker Belle Tail Wheel		5,151
Purchase of Property Adjacent to Center Theater		260,497
Purchase of 318 E. Franklin Street Property		449,875
Capital Improvements to Science Center Building		3,825,572
Architectural/Engineering Services/Exhibits Consulting - Science Center		669,225
Fund Raising Services - Science Center		100,439
Capitalized Equipment/Exhibits - Science Center		431,590
Center Theater Expansion - Consulting Services		62,000
Branding Initiative/Website Design		33,830
2018B Limited Obligation Bonds - Issuance Costs - Science Center		84,256
2018B Limited Obligation Bonds - Debt Service & Annual Admin Fees		583,082
ERP Project		3,220
Cash Balance of the Capital Project Fund as of November 29, 2021		$697,448.74
Portion of Cash Balance Currently Committed in Projects:		
Projects:		
Branding Initiative	$ -	
Monroe Science Center Building	49,249.67	
Center Theatre Expansion	-	
Science Center Exhibits	240,001.11	
	$ 289,250.78	
Unreserved Cash Balance of the Capital Project Fund		$408,197.96

($0.00)

The Tinker Belle Operating Activity FY 2022	**Budget**	**FYTD Actual**
Revenue:		
Show Appearance Fees	20,000	$ -
Walk-Through/Merchandise Sales	10,000	1,710
Total	30,000	1,710
Expenses:		
Repair & Maintenance - Equipment	23,505	3,463
Travel	13,500	10,805
Fuel	20,000	1,486
Insurance	12,460	12,167
Contracted Services - Warriors & Warbirds	10,000	-
Merchandise for Resale	3,000	-
Marketing & Promotions	8,064	750
Printing	2,500	-
Total	93,029	28,670
Net Income (Loss)	(63,029)	(26,960)

Update and e-mail to Pete Hovanec, Mary Lou, Brian Borne, Lisa Strickland, Alison Nichols, Bethany H lawver

STAFF REPORT

TO:	Monroe Tourism Development Authority Board
VIA:	Brian J. Borne, Interim City Manager
DATE:	February 17, 2022
FROM:	Lisa Strickland, Finance Director
PREPARED BY:	Ashley Ivey, Accounting Manager
SUBJECT:	Fiscal Year 2022 Audit Contract for the Monroe Tourism Development Authority

SUMMARY STATEMENT

The purpose of this report is to provide information regarding the contract for audit services for the Monroe Tourism Development Authority to Martin Starnes & Associates, CPA's, P.A. for the year ending June 30, 2022.

REVIEW

A Request for Proposals was done in February 2014 and Martin Starnes & Associates, CPA's P.A. was the firm selected by the Finance Committee's audit selection team. The Tourism Development Authority first contracted with Martin Starnes & Associates, CPA's P.A. for the fiscal year 2014 audit. A renewed five-year service agreement was approved in fiscal year 2018 that will last through fiscal year 2023. If approved, this will be the ninth year with this audit firm. The cost estimates given by the firm for the upcoming years are as follows:

$2,900	Fiscal Year 2022
$2,900	Fiscal Year 2023

There were no disputes or conflicts with the audit firm in the prior year and the Tourism Development Authority received the audit report and financial statements in a timely manner in order to meet the Local Government Commission's submission deadline of October 31st.

The proposed contract for audit services for the Tourism Development Authority for the fiscal year ending June 30, 2022 is $2,900. This fee reflects maintaining the current level of audit services. This includes testing of internal controls to ensure that the Authority's financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and preparation of the annual financial statements.

RECOMMENDATION

Staff asks that the Monroe Tourism Development Authority Board approve the audit contract with Martin Starnes & Associates, CPA's, P.A. for $2,900.

Attachment:
Audit Contract
Engagement Letter

February 4, 2022

Lisa Strickland
City of Monroe TDA
P.O. Box 69
Monroe, NC 28111

You have requested that we audit the governmental activities and the major fund of the City of Monroe Tourism Development Authority, as of June 30, 2022, and for the year then ended, and the related notes, which collectively comprise the City of Monroe Tourism Development Authority's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that certain supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis

Auditor Responsibilities

We will conduct our audit in accordance with U.S. GAAS. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Monroe Tourism Development Authority's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the City of Monroe Tourism Development Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due

to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;

3. To provide us with:
    a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements, such as records, documentation, and other matters;
    b. Additional information that we may request from management for the purpose of the audit;
    c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
    d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report (if applicable); and
    e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report (if applicable).
4. For including the auditor's report in any document containing basic financial statements that indicates that such financial statements have been audited by us;
5. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
6. For adjusting the basic 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 current year or period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole;
7. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work (if applicable);
8. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.
9. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant roles in internal control and others where fraud could have a material effect on the financials; and
10. For the accuracy and completeness of all information provided.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

We will perform the following nonattest services:

- Draft of financial statements and footnotes

We will not assume management responsibilities on behalf of the City of Monroe Tourism Development Authority. However, we will provide advice and recommendations to assist management of the City of Monroe Tourism Development Authority in performing its responsibilities.

The City of Monroe Tourism Development Authority's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- This nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgement, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account codings and approving journal entries

Reporting

We will issue a written report upon completion of our audit of the City of Monroe Tourism Development Authority's basic financial statements. Our report will be addressed to the governing body of the City of Monroe Tourism Development Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet 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.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

During the course of the engagement, a portal will be in place for information to be shared, but not stored. Our policy is to terminate access to this portal after one year. The TDA is responsible for data backup for business continuity and disaster recovery, and our workpaper documentation is not to be used for these purposes.

Provisions of Engagement Administration and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Paula Hodges is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for these services are as follows:

Audit Fee	$	2,340
Financial Statement Drafting		560
	$	2,900

Our invoices for these fees will be rendered in four installments as work progresses and are payable upon presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. 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.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the City of Monroe Tourism Development Authority's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

If we determine that we are required to perform a single audit in accordance with the audit requirements 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) and the State Single Audit Implementation Act, and these procedures and related fees were not included in our quoted fees, we may amend our audit contract and supplemental bill for these additional procedures.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

Changing Laws and Regulations

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

Incorrect Accounting Methods or Errors in Client Records

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements.

Failure to Prepare for the Engagement

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

Starting and Stopping Our Work

If we must withdraw our staff because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

Our fees are 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. Our fees for such services range from $75-$300 per hour.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

We have attached a copy of our latest external peer review report of our firm to the Contract to Audit Accounts for your consideration and files.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the City of Monroe Tourism Development Authority by:

Name: ____

Title: ____

Date: ____

The	Governing Board Board of Directors
of	Primary Government Unit City of Monroe Tourism Development Authority
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 Dr. SE, Hickory, NC 28602

Hereinafter referred to as Auditor

	Fiscal Year Ending	Audit Report Due Date
for	06/30/22	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).

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:***

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 Monroe Tourism Development Authority
Audit Fee	$ See engagement letter
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	$ N/A
Writing Financial Statements	$ See engagement letter
All Other Non-Attest Services	$ N/A
75% Cap for Interim Invoice Approval ***(not applicable to hospital contracts)***	$ 2,100.00

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)***	$ 0.00

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Martin Starnes & Associates, CPAs, P.A.	
Authorized Firm Representative (typed or printed)* Amber Y. McGhinnis	Signature* Amber Y McGhinnis
Date* 02/04/22	Email Address* amcghinnis@msa.cpa

GOVERNMENTAL UNIT

Governmental Unit* City of Monroe Tourism Development Authority	
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)* Marion Holloway, Mayor	Signature*
Date	Email Address mholloway@monroenc.org

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) Lisa Strickland, Finance Director	Signature*
Date of Pre-Audit Certificate*	Email Address* lstrickland@monroenc.org

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

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

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, 2020. 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, 2020, 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.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

May 4, 2021

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City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO: Tourism Development Authority

VIA: Marion Holloway, Chairman

DATE: February 17, 2022

FROM: Peter Hovanec, Communications and Tourism Director

SUBJECT: Science Center Update

SUMMARY STATEMENT

The TDA will be presented an update on construction, exhibit completion and general operations on the Monroe Science Center.

REVIEW

Staff has awarded a bid to RiteLite for the additional signage project to add "Honoring Dr. Christine Mann Darden" to 3 sides of the center building. RiteLite has 90 days to complete the project. We have gotten three out of 5 of the furniture installments delivered making the conference room, director's office, multipurpose classroom complete along with additional public facing furniture installed as well. The fencing company is scheduled to install the outdoor fencing in February allowing us to move the airplane to the final location and paint it the final colors. Staff is making final arrangements to finish the sensory room after working with local nonprofit organization The Arc.

Next steps:

- Build custom cabinetry to complete current exhibits to make operational and safe to use.
- Perform test runs with Altru, our point of sale software,
- Complete purchasing/creating of any additional exhibits, furniture, outdoor exhibits, traveling exhibits. This includes wall vinyls, donor recognition, wayfinding, small parts etc.
- Hire the second full time staff
- Evaluate volunteer needs and volunteer job descriptions

RECOMMENDATION

No action is needed at this time.

Attachment(s):

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO: Tourism Development Authority

VIA: Marion Holloway, Chairman

DATE: February 17, 2022

FROM: Pete Hovanec, Communications and Tourism Director

SUBJECT: Dowd Center Theatre Update

SUMMARY STATEMENT

The TDA will be presented an update on events for the Dowd Center Theatre since its last report December 9.

REVIEW

The Dowd has paused some of its programming to update and assess the merits of its ticketing and point-of-sale systems. The Dowd continues to schedule an incremental increase of activities heading into Spring 2022. We have begun the hiring process for part-time staff in order to accommodate the introduction of movies as well as additional concerts, live performances, and art exhibits beginning in March. The financial impact of these events on local businesses, especially restaurants, remains robust. Programming efforts that include a full subscriber season for 2022-2023 and beyond are underway. Rental inquiries and bookings remain active as word about the availability of the facility spreads among performing arts organizations. In addition to private rentals, we have performance or event agreements presently in place March through May for the Union County Community Arts Council, the Union Symphony, the Monroe Art Walk, comedians James Gregory and Joe Bob Briggs, and the doo-wop group The Drifters.

RECOMMENDATION

No action is needed at this time.