



PROPOSED AGENDA

Bermuda Run Town Council Meeting Tuesday, June 10, 2025 6:00PM Bermuda Run Town Hall

Mission: *"The Town of Bermuda Run exists to provide core public services that enhance the quality of life for its residents and an environment for the business community to thrive".*

1. Call to Order

a. Recognition of Quorum

2. Pledge of Allegiance

3. Moment of Silence

"It is the intent of the Town Council to solemnize the proceedings of this meeting and the business brought before the governing board, to offer the opportunity for a reflective moment of silence."

4. Town of Bermuda Run Code of Ethics Statement-Town Attorney Brian Williams

5. Adoption of the Agenda

Motion: _____ Second: _____ In Favor: _____ Opposed: _____

6. Approval of the May 13, 2025 Town Council Meeting Minutes

Motion: _____ Second: _____ In Favor: _____ Opposed: _____

7. Citizen's Comments

8. Presentation - Davie County Sheriff's Office Update – Sheriff JD Hartman

9. Public Hearings

A. Text Amendment (TA-2025-001) Amendment Chapter 11 Administration 11.2 The Boards, Board of Adjustment

Following the Planning Board's review and approval, the amendment proposes to assign the functions and responsibilities of the Board of Adjustment from Planning Board to the Bermuda Run Town Council.

Mayor Brannon Opens Public Hearing

Citizen Comments

Mayor Brannon Closes Public Hearing

Motion: _____ Second: _____ In Favor: _____ Opposed: _____

B. Town Manager's 2025-2026 Recommended Budget

North Carolina General Statutes require adoption of a budget by June 30th of each year. The Town Manager presents a proposed budget based on feedback from the January Town Council Planning Sessions and subsequent follow-up communication. The Town Council may act tonight to adopt the proposed budget ordinance as presented, may approve as amended, or take no action. A budget, however, must be adopted prior to July 1, 2024.

Mayor Brannon Opens Public Hearing

Citizen Comments

Mayor Brannon Closes Public Hearing

Motion: _____ Second: _____ In Favor: _____ Opposed: _____

10. Town Council Action Item

A. Proposed 2025-2026 Town Audit Contracts

Tony Brewer, CPA provided a proposed contract for Town audit services for the year ending June 30, 2026. The audit fee is proposed not to exceed \$12,500. A proposed contract for Tourism Development Authority (TDA) audit services for the year ending June 30, 2026 for a fee of \$1,700. The Town Manager requests Contract for audit services be approved.

Motion: _____ Second: _____ In Favor: _____ Opposed: _____

B. Resolution 2025-05-On Call Engineering Services

Exempt the process of selecting an SVT Engineering for general engineer services in Fiscal Year 2025-2026

Motion: _____ Second: _____ In Favor: _____ Opposed: _____

11. Town Manager Comments

12. Closed Session

A. Closed Session- Discussion of Personnel Matters - Pursuant to NCGS 143-318.11(a)(5)

Motion: _____ Second: _____ In Favor: _____ Opposed: _____

13. Mayor Comments

14. Adjourn

Motion: _____ Second: _____ In Favor: _____ Opposed: _____

Town of Bermuda Run

Town Council Meeting Minutes

May 13, 2025 – 6:00 PM

The Town Council of Bermuda Run held its scheduled meeting on Tuesday, May 13, 2025 at 6:00 PM. The meeting was held at the Bermuda Run Town Hall.

Council Members Present: Mayor Mike Brannon, Rae Nelson, Christy Schafer, and Jeff Tedder

Council Members Absent: Mike Ernst and Rod Guthrie

Also Present: Andrew Meadwell, Town Manager; Brian Williams, Town Attorney; Cindy Poe, Town Clerk; Charlie Chapman, Management Analyst; and Dora Robertson, Finance Director

Call to Order Mayor Mike Brannon called the meeting to order and recognized the Quorum.

Pledge of Allegiance

Moment of Silence

It is the intent of the Town Council to solemnize the proceedings of this meeting, and the business brought before the governing board to offer the opportunity of a reflective moment of silence.

Town of Bermuda Run Code of Ethics Statement/Voting Procedures – Town Attorney Brian Williams

Adoption of the Agenda

Town Manager Andrew Meadwell requested to have item 10 E. Agreement for Event Planning added to the agenda.

Council Member Jeff Tedder made a motion to approve the agenda as amended. Council Member Christy Schafer seconded the motion. The motion was approved by a vote of three (3) in favor and none opposed.

Approval of the April 8, 2025 Council Meeting Minutes

Council Member Rae Nelson made a motion to approve the April 8, 2025 Council Meeting Minutes. Council Member Christy Schafer seconded the motion. The motion was approved by a vote of three (3) in favor and none opposed.

Citizen Comments – Vera Williamson of Haywood Drive, Advance spoke regarding her concerns about the proposed text amendment.

Proclamations

- a. Older Americans Month
- b. NC Municipal Clerks Month

2025 Council Planning Session Update

Presentation by Mayor Mike Brannon, and Council Members Rae Nelson and Christy Schafer

Proposed Action Items

A. Text Amendment (TA-2025-001) Amendment Chapter 11 Administration 11.2 The Boards, Board of Adjustment

Following the Planning Board's review and approval, the amendment proposes to assign the functions and responsibilities of the Board of Adjustment from Planning Board to Town Council. Staff calls for a Public Hearing on the matter on Tuesday, June 10, 2025 at 6pm at the Bermuda Run Town Hall.

Council Member Rae Nelson made a motion to set a Public Hearing for June 10. Council Member Jeff Tedder seconded the motion. The motion was approved by a vote of three (3) in favor and none opposed.

B. Budget Amendment-General Fund Acceptance from Davie Community Foundation

The Town Manager recommends the 2024-2025 General Fund Budget be amended to accept \$12,823.27 from the Davie Community Foundation as revenue and expend \$12,823.27 for expenses related to the "2025 Flag Project – Blue Heron Trail".

Council Member Christy Schafer made a motion to approve the Budget Amendment to accept the funds from the Davie Community Foundation. Council Member Rae Nelson seconded the motion. The motion was approved by a vote of three (3) in favor and none opposed.

C. Letter of Support - General Election for Bermuda Run Residents at Town Hall

The Town Manager requests support from the Town Council to send a letter to the Davie County Board of Elections requesting that General Elections for Bermuda Run residents be held at the Bermuda Run Town Hall instead of Hillsdale Baptist Church.

Council Member Jeff Tedder made a motion to approve the letter of support to be mailed to the Board of Elections. Council Member Rae Nelson seconded the motion. The motion was approved by a vote of three (3) in favor and none opposed.

D. Town Manager's 2025-2026 Proposed Budget

North Carolina General Statutes require adoption of a budget by June 30th of each year. The Town Manager presents a proposed budget based on feedback from the January Town Council Planning Sessions and subsequent follow-up communication. A public hearing must be held prior to the adoption of the budget. The Town Manager recommends the Town Council set a public hearing on the proposed 2025-2026 budget for Tuesday, June 10, 2025 at 6pm at the Bermuda Run Town Hall.

Council Member Jeff Tedder made a motion to set a Public Hearing on the proposed budget on June 10. Council Member Christy Schafer seconded the motion. The motion was approved by a vote of three (3) in favor and none opposed.

E. Agreement for Event Planning

The Town Manager and Town Attorney request Council's approval to create an agreement for town events – Food Truck Fridays, and Bermuda Run Food and Brews Festival. There is no incremental cost to the town under this agreement.

Council Member Rae Nelson made a motion to approve the Town Manager and Attorney to finalize the agreement. Council Member Jeff Tedder seconded the motion. The motion was approved by a vote of three (3) in favor and none opposed.

Mayor Comments:

- Thanked Smith Grove and Advance Fire Department representatives
- Recognized Commissioner Benita Finney and thanked her for singing the National Anthem at the Flag Raising Ceremony
- Davie Respect Initiative Awards – Emma Martin and Sean Lane
- Davie Medical Center's recent recognition as Outstanding hospital (7th out of all small community hospitals in the United States)
- Sheriff JD Hartman to present at the June Council Meeting

Adjourn

With no further business to discuss, Council Member Jeff Tedder made a motion to adjourn. Council Member Christy Schafer seconded the motion. The motion was approved by a vote of three (3) in favor and none opposed.

Approved

Respectfully Submitted

Mike Brannon, Mayor

Cindy Poe, Town Clerk



TOWN OF BERMUDA RUN TOWN COUNCIL PUBLIC HEARING NOTICE

ZONING AMENDMENT

Over the last year, the Town's Land Use & Zoning Committee met to review ways to implement many of the zoning and land use recommendations from the Comprehensive Plan. The Committee focused on aligning the future land use and zoning with resident's priorities identified in the Comprehensive Plan community survey, public meetings, and ongoing feedback. The recommended amendment to designate the Town Council to perform the duties of a Board of Adjustment was developed by the Committee to align with resident input and feedback. The proposed amendment is to the Town's Zoning Ordinance Section 11.2(B) Board of Adjustment and Section 11.2(C) Town Council.

The Town Council will hold the public hearing at Town Hall on June 10, 2025 at 6:00pm at Town Hall, 120 Kinderton Boulevard, Suite 100 Bermuda Run, NC 27006.

If you would like to learn more, go online to www.townofbr.com to view the detailed agenda and meeting materials for the Town Council meeting. You can also visit Town Hall at 120 Kinderton Boulevard, Suite 100 Bermuda Run, NC 27006



Town of Bermuda Run
120 Kinderton Boulevard, Suite 100 Bermuda
Run, NC 27006

MEMORANDUM

To: Town Council
From: Emily Hines, Town Planner
Date: April 30, 2025
RE: Land Use & Zoning Committee Recommended Amendment

Over the last year, the Town's Land Use & Zoning Committee met to review ways to implement many of the zoning and land use recommendations from the Comprehensive Plan. The Committee focused on aligning the future land use and zoning with resident's priorities identified in the Comprehensive Plan community survey, public meetings, and ongoing feedback. The recommended amendment to designate the Town Council to perform the duties of a Board of Adjustment was developed by the Committee to align with resident input and feedback for more Town Council accountability / control.

At their meeting on April 16th, the Planning Board recommended in favor of the proposed amendment. They found that the amendment is consistent with the goals and objectives of the Town of Bermuda Run Comprehensive Plan and considers the action to be reasonable and in the public interest.

The next step is a Public Hearing to obtain public comment on the proposed amendment. Staff is requesting the Council set a Public Hearing at the next meeting, June 10th.

The proposed text amendment is outlined in detail below.

CHAPTER 11 ADMINISTRATION

11.2 The Boards

(B)Board of Adjustment

(1) Establishment

The members of the Town Council are assigned all duties of the Board of Adjustment of the Town of Bermuda Run ~~shall consist of five (5) regular members and two (2) alternate members appointed by the Town Council.~~

~~One (1) of the regular members shall be an extraterritorial jurisdiction (ETJ) member that resides in the ETJ of the Town. The members of the Board of Adjustment may also serve as members of the Planning Board at the discretion of the Town Council. Membership of the board will include a proportional number of ETJ representatives as required by G.S. 160D-307(a).~~

(2) *Members*

~~The members of the Town Council shall be the Board of Adjustment. Each member and alternate shall be appointed by the Town Council for a term of three (3) years. In appointing the original members or in the filling of vacancies caused by the expiration of the terms of existing members, the Town Council may appoint certain members for less than three (3) years to the end that thereafter the terms of all members shall not expire at the same time. The expiration date for each term shall be the 30th day of June of the year in which said term is to expire and the term of office of the succeeding member shall begin on the 1st day of July. If the original members are appointed such that their terms of office begin prior to a July 1st date, such terms of original members shall be extended by the period of time between their appointment and June 30th of the year of their appointment, it being the intent that original members shall serve terms of one (1), two (2), or three (3) years plus a period of time between their initial appointments and June 30th of the year of their initial appointment. A member shall be eligible for reappointment at the end of his expired term for any position on the town board for which he is qualified. For purposes of this section, original appointments refer to members and alternates appointed upon first establishment of the Board of Adjustment. The ETJ member shall have all of the obligations and duties of the other members of the Board of Adjustment, including rights to vote on all matters coming before the board. All members shall before entering their duties, qualify by taking an oath of office.~~

(C) *Town Council*

The Town Council shall have the following duties related to this ordinance:

- (3) To review and from time to time initiate changes to the Comprehensive Plan, upon recommendation from the Planning Board.
- (4) To review and from time to time initiate changes to this ordinance, upon recommendation from the Planning Board.
- (5) To decide upon any application or request for amendment to this ordinance or the zoning maps.
- (6) To act as the Board of Adjustment ~~for appeals from decisions of the Planning Board regarding design waivers.~~
- (7) To review and decide upon extended vested rights or development agreement requests.
- (8) To take any other action not delegated to the Planning Board or Board of Adjustment as the Town Council may deem desirable and necessary to implement the provisions of this ordinance.

CHAPTER 11 ADMINISTRATION

11.2 The Boards

(B) Board of Adjustment

(1) Establishment

The members of the Town Council are assigned all duties of the Board of Adjustment of the Town of Bermuda Run.

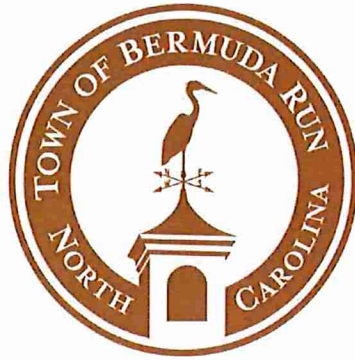
(2) Members

The members of the Town Council shall be the Board of Adjustment.

(C) Town Council

The Town Council shall have the following duties related to this ordinance:

- (1) To review and from time to time initiate changes to the Comprehensive Plan, upon recommendation from the Planning Board.
- (2) To review and from time to time initiate changes to this ordinance, upon recommendation from the Planning Board.
- (3) To decide upon any application or request for amendment to this ordinance or the zoning maps.
- (4) To act as the Board of Adjustment.
- (5) To review and decide upon extended vested rights or development agreement requests.
- (6) To take any other action not delegated to the Planning Board or Board of Adjustment as the Town Council may deem desirable and necessary to implement the provisions of this ordinance.



**NOTICE OF PUBLIC HEARING BEFORE THE
BERMUDA RUN TOWN COUNCIL
TO CONSIDER THE
PROPOSED FY 2025-2026 BUDGET**

NOTICE IS HEREBY GIVEN that on Tuesday, June 10, 2025 at 6:00pm the Bermuda Run Town Council will hold a Public Hearing to receive public comment regarding the proposed Fiscal Year 2025-2026 Budget. The public hearing will be held at the Bermuda Run Town Hall, 120 Kinderton Boulevard, Suite 100, Bermuda Run, North Carolina 27006

The proposed budget is available for public review at www.townofbr.com. A copy of the budget is also available for public review at the Bermuda Run Town Hall.

Additional information is available at the Bermuda Run Town Hall weekdays from 8:30 am – 4:30pm or by telephone at 336.998.0906



Budget Message

2025-2026 Fiscal Year

June 4, 2025

The Honorable Mike Brannon, Mayor
Members of the Town Council
Bermuda Run, North Carolina

Pursuant to Section 159-11 of the North Carolina General Statutes, I am pleased to present the recommended budget for the fiscal year beginning July 1, 2025, and ending June 30, 2026, for your review and consideration. A public hearing is required to allow town residents an opportunity to provide public comment on the proposed budget before final adoption by the Town Council no later than June 30, 2025. I recommend a public hearing to consider the proposed budget be set for Tuesday, June 10, 2025, at 6:00PM at Town Hall.

The Town of Bermuda Run operates three funds: the General Fund, the Gate Operations Fund, and the Utilities Fund.

The **General Fund**, which is the basic operating fund for Town services, is proposed to be balanced at **\$3,001,400**. The Town Charter has capped the maximum allowed property tax rate at fifteen cents per one-hundred dollars of valuation. As a result of the County's 2025 revaluation process, the assessed tax base for the Town of Bermuda Run has increased. The anticipated revenue neutral rate equates to thirteen and one-half (0.1350) cents per one-hundred dollars of valuation. I am proposing the tax rate to remain unchanged at the historic level of fifteen (0.1500) cents per one-hundred dollars of valuation. Any increase in the tax rate beyond fifteen cents would require a vote of the town residents through a referendum.

General Fund Revenue Highlights

Ad Valorem Taxes Collected History: (Percent collected average is 99%)

FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
\$877,291	\$966,906	\$990,546	\$974,791

- **Ad Valorem Tax Revenues are budgeted at \$1,310,000.** This estimate is based on property tax revenues of \$1,210,000 and motor vehicle taxes of \$100,000.
- **Ad Valorem Tax Revenues 43% of total projected revenues.**

Sales & Use Tax Revenues History:

FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
\$486,533	\$465,766	\$452,956	\$448,790

- **Sales and Use Tax Revenues are budgeted at \$460,000.** The current allocation formula Davie County uses to distribute sales tax allocation to town is the ad valorem distribution formula. Town staff and I will closely monitor projected revenue streams throughout the budget year due to continued market volatility, rising interest rates, the ongoing economic recovery, and inflationary concerns.
- **The Sales and Use Tax represents 15% of total projected revenues.**

Unrestricted Intergovernmental Revenue History:

FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
\$221,372	\$209,732	\$235,616	\$230,319

- **Unrestricted Intergovernmental Revenues are budgeted at \$233,900.** This projection is consistent with the current year-end estimate. These state allocated funds are distributed on a quarterly or annual basis.
- **Unrestricted Intergovernmental Revenues** consist of the Utilities Franchise Tax, Cable Franchise Tax, and Beer & Wine Tax, all allocated by the State. The General Assembly has looked at the elimination or reduction of the Franchise Tax. This will need to be closely monitored in conjunction with membership in the North Carolina League of Municipalities.
- **Unrestricted Intergovernmental Revenue represents 8% of total projected revenues.**

General Fund Expenditure Highlights

- **Street Repairs and Maintenance:** \$555,500 has been designated for on-going street paving maintenance projects, street right-of-way maintenance and snow removal. This investment represents 46% of property tax revenues, which shows the Town Council's commitment toward focused services.
- **Residential Trash & Recycle Pickup:** \$400,000 has been designated for trash and recycling pickup for Town residents. This represents a 11% increase from the current fiscal year and accounts for additional townhomes which are expected to be occupied during this fiscal year.
- **Town Streetlights:** \$120,000 has been designated to pay for street lights. This represents 10% of projected property tax revenues.
- **Community Officer:** \$140,000 has been designated for the Community Officer Program five-year agreement to reimburse Davie County Sheriff Department for services rendered. This increase includes an annual 3% increase and additional funds for cameras. The current agreement ends in November 2027.
- **Salaries and Employee Benefits:** \$455,078 has been designated for a total of four full-time employees at Town Hall. This includes salaries and benefits for staff members, as well as merit and COLA raises. For many smaller municipalities, this area represents close to 50% of budgeted expenditures. The practice of contracting town services has been fiscally helpful over the years.

The Gate Operations Fund:

The Town also administers a **Gate Operations Fund**, as approved by the North Carolina General Assembly. This fund receives revenues from “gate fees” assessed only to parcels of property that lie behind the gated portions of the Town. The Gate Operations Fund is proposed to balance at **\$1,038,750**. This proposed budget will need to increase due to increases in staffing costs. In late FY 2024-25, the Town conducted an RFP process to price these services on the open market and ensure the Town is receiving a competitive rate. The per parcel gate fee will increase to \$825.38.

Gate Operation Fund Revenue Highlights

- **Parcel Owner Gate Fees** are recommended at \$912,875. This represents an annual fee of \$825.38 per parcel.
- **BRCC Entrance Fee** is recommended at \$103,875. This represents ten percent (10%) of the total estimated expenses, as agreed upon when the fence assets and operations were deeded over to the Town.

Gate Operation Fund Expenditure Highlights

- **Gate Services** are projected at \$725,000. This provides for three shifts of twenty-four hours a day, seven days a week manned gate staffing. This represents 67% of budgeted expenditures.

The Utilities Fund:

The third fund the Town administers is the **Utilities Fund**. The Utilities Fund is proposed to balance at **\$794,950**. The fund operates and maintains a wastewater collection system of pump stations and sewer lines. This system serves residents in the original section of the Bermuda Run Country Club area, as well as residential subdivisions along Bing Crosby Boulevard.

Utilities Fund Revenue Highlights

- **Sewer Service Revenues** are projected at \$793,250. This projection is based on mirroring the rates Davie County Public Utilities set for East Davie sewer customers. Therefore, all Town residents pay the same rates for water and sewer.

This is my third budget message to the Mayor and Town Council. It is my honor and privilege to assist the Council in ongoing implementation of its plan for the Town’s future success.

Yours in Public Service,

A handwritten signature in black ink, appearing to read "Andrew Meadwell", written over a horizontal line.

Andrew Meadwell, Town Manager



Town of Bermuda Run Budget Ordinance 2025-2026

BE IT ORDAINED by the Governing Council of the Town of Bermuda Run, North Carolina:

General Fund:

Section 1: It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Revenue	\$2,811,400
Powell Bill Fund Balance Appropriation	<u>\$ 190,000</u>
Total	\$3,001,400

Section 2: The following amounts are proposed to be appropriated in the General Fund for the operation of the town government and its activities for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

General Government	\$ 863,478
Community Services	\$ 1,167,422
Transportation	\$ 970,500
Debt Service	<u>\$ 0</u>
Total Expenditures	\$ 3,001,400

Gate Operations & Maintenance Fund:

Section 3: It is estimated that the following revenues will be available in the Gate Operations Maintenance Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026: The per parcel gate fee is increased to \$825.38.

Revenue	\$1,038,750.00
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Section 4: The following amounts are proposed to be appropriated in the Gate Operations & Maintenance Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Expenses	\$1,038,750.00
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Utility Fund:

Section 5: It is estimated that the following revenues will be available in the Utility Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Revenue	\$794,950.00
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Section 6: The following amounts are proposed to be appropriated in the Utility Fund for the operation of sewer utilities for the fiscal year beginning July 1, 2025, and ending June 30, 2026.

Expenses	\$794,950.00
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Tax Levy:

Section 7: The levied tax rate is held constant at the rate of fifteen cents (0.1500) per one hundred dollars (\$100) valuation of the property as listed for taxes as of January 1, 2025, for the purpose of raising revenue included in the General Fund in Section 2.

Section 8: Authorizations-Budget Officer

- A. The Budget Officer shall be authorized to reallocate appropriations within departments, and among various line accounts not organized by departments, as necessary.
- B. The Budget Officer shall be authorized to execute interdepartmental transfers, within the same fund, not to exceed ten percent (10%) of the appropriated monies for the department whose allocation is reduced. Notification of such transfers shall be made to the Town Council at its next meeting following the date of transfer.
- C. Interfund transfers as established in the Budget Ordinance may be accomplished without additional approval from the Town Council.

Section 9: Restrictions – Budget Officer

- A. Interfund and interdepartmental transfer of monies, except as noted in Section 8, shall be accomplished by Town Council authorizations only.
- B. Utilization of appropriations contained in contingencies may be accomplished only with specific approval of the Town Council.

Section 10: Utilization of Budget Ordinance

This ordinance shall be the basis of the financial plan for the Town of Bermuda Run municipal government during the 2025-2026 fiscal year. The budget officer shall administer the budget and shall ensure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the budget. The Finance Department shall establish and maintain all records, which are in accordance with the Budget Ordinance, and the appropriate statutes of the State of North Carolina

Attest

Adopted this ____ day of _____, 2025

Clerk

Mike Brannon, Mayor
Town of Bermuda Run

Date



Town of Bermuda Run

FY 2025-2026 Proposed Budget

Changes from Original Proposed Budget:

- Revised Property Tax Revenue estimate
- Changed Gate Fund Street Maintenance payment from \$45,000 to \$29,650 to better align with Powell Bill calculations
- Street Maintenance budget increased to \$320,000 from \$280,500
- Total Gate Fund Budget decreased to \$1,038,750 after initial RFP responses. Gate fee will decrease to \$825.38

Town of Bermuda Run, North Carolina
General Fund
Revenues
PROPOSED 2025-2026 Budget

	GL Account #	Account Title	2021-2022 Approved	2022-2023 Approved	2023-2024 Approved	2024-2025 Approved	2025-2026 Proposed
Revenues:							
Current levies	1040012	Current Year Property Taxes	\$ 825,000.00	\$ 870,000.00	\$ 870,000.00	\$ 925,000.00	\$ 1,210,000.00
	1040027	Current Year Vehicle Taxes	\$ 65,000.00	\$ 75,000.00	\$ 75,000.00	\$ 90,000.00	\$ 100,000.00
Prior levies	1040015	Prior Year Property Taxes	\$ 1,000.00	\$ 2,860.00	\$ 2,860.00	\$ 3,500.00	\$ 3,500.00
Penalties and interest	1040011	Current Year Interest	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00
	1040014	Prior Year Interest	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Local option sales tax	1040024	Sales tax	\$ 340,000.00	\$ 400,000.00	\$ 440,000.00	\$ 460,000.00	\$ 460,000.00
Utilities franchise tax	1040021	Franchise tax	\$ 196,000.00	\$ 195,000.00	\$ 195,000.00	\$ 225,000.00	\$ 216,900.00
	1040020	Solid Waste	\$ -	\$ -	\$ -	\$ 2,400.00	\$ 2,000.00
Cable franchise	1040050	Time Warner franchise	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Beer and wine tax	1040019	Beer and wine tax	\$ 10,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00
Powell Bill	1040007	NCDOT Powell Bill Allocation (NC General Assembly)	\$ 61,000.00	\$ 61,000.00	\$ 81,000.00	\$ 95,000.00	\$ 100,000.00
ABC revenues	1040018	ABC revenue	\$ 165,000.00	\$ 213,000.00	\$ 230,000.00	\$ 280,000.00	\$ 260,000.00
Investment earnings	1040003	Interest income	\$ 20,000.00	\$ 8,000.00	\$ 8,000.00	\$ 30,000.00	\$ 45,000.00
Other income	1040005	Misc	\$ 10,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 22,850.00
	1040006	Zoning	\$ -	\$ -	\$ -	\$ 12,000.00	\$ 12,000.00
	1040101	Rent for elections	\$ -	\$ 1,000.00	\$ 900.00	\$ 1,100.00	\$ 1,500.00
	1040025	Fund Balance Appropriation (General Fund)	\$ -	\$ -	\$ 150,000.00	\$ 150,000.00	\$ 190,000.00
	1040100	Non-Discretionary Powell Bill Fund	\$ -	\$ 200,000.00	\$ 100,000.00	\$ 200,000.00	\$ 200,000.00
	1040040	Event Sponsorship	\$ -	\$ -	\$ -	\$ 1,500.00	\$ -
Reimbursement for administrative charges	1040008	Overhead charges	\$ 100,000.00	\$ 130,000.00	\$ 131,090.00	\$ 130,000.00	\$ 130,000.00
	1040002	Gate Fund Street Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 29,650.00
		General Fund Totals	\$ 1,800,000.00	\$ 2,193,860.00	\$ 2,321,850.00	\$ 2,643,500.00	\$ 3,001,400.00

Town of Bermuda Run, North Carolina

General Fund

Expenditures

PROPOSED 2025-2026 Budget

GL Account #	Account Title	2021-2022 Approved	2022-2023 Approved	2023-2024 Approved	2024-2025 Approved	2025-2026 Proposed	General Government	Community Services	Transportation
	Expenditures:								
	Governing Body								
1050060									
1050061	Council Salaries	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 18,400.00		
1050062	Mayor Salary	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00			
1050094	Training - Council	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00			
1050095	Travel - Council	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00			
1050096	Membership and dues - Council	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00			
	Salaries and Employee Benefits								
1050034	Retirement	\$ 23,000.00	\$ 29,000.00	\$ 30,480.00	\$ 33,000.00	\$ 35,000.00	\$ 455,078.00		
1050035	401K	\$ -	\$ -	\$ -	\$ -	\$ -			
1050036	Payroll Tax- Staff	\$ 16,000.00	\$ 18,000.00	\$ 18,900.00	\$ 21,000.00	\$ 21,000.00			
1050037	FICA	\$ -	\$ -	\$ -	\$ -	\$ -			
1050038	Medicare	\$ -	\$ -	\$ -	\$ -	\$ -			
1050105	Staff Salaries	\$ 218,000.00	\$ 242,000.00	\$ 254,100.00	\$ 365,000.00	\$ 399,078.00			
	Operating Expenses								
1050001	General fund expense								
1050005	Advertisements	\$ 2,000.00	\$ 2,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 173,000.00		
1050010	Dues and subs	\$ 6,000.00	\$ 6,000.00	\$ 7,000.00	\$ 8,000.00	\$ 15,000.00			
1050011	Election Costs	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00			
1050013	Staff Insurance	\$ 60,000.00	\$ 60,000.00	\$ 58,000.00	\$ 61,770.00	\$ 80,000.00			
1050014	Liability Insurance	\$ 9,000.00	\$ 9,000.00	\$ 10,500.00	\$ 12,338.00	\$ 12,000.00			
1050015	Workers Comp	\$ 800.00	\$ 800.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00			
1050017	Office supplies	\$ 2,500.00	\$ 2,500.00	\$ 4,500.00	\$ 5,000.00	\$ 7,000.00			
1050018	Postage	\$ 5,000.00	\$ 5,000.00	\$ 1,000.00	\$ 800.00	\$ 800.00			
1050021	Newsletters	\$ 10,000.00	\$ 18,000.00	\$ -	\$ -	\$ -			
1050091	Meetings	\$ 500.00	\$ 500.00	\$ 500.00	\$ 800.00	\$ 1,000.00			
1050022	Meeting expenses	\$ 3,000.00	\$ 3,000.00	\$ 2,500.00	\$ 3,000.00	\$ 3,000.00			
1050026	Telephone	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00			
1050153	Computers	\$ 6,000.00	\$ 6,000.00	\$ 7,000.00	\$ 7,000.00	\$ 10,000.00			
1050151	Copier Lease	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00			
1050030	Payroll Services - Staff	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,700.00			
1050039	Travel - Staff	\$ 1,500.00	\$ 1,500.00	\$ 2,500.00	\$ 2,500.00	\$ 7,000.00			
1050041	Mileage - Staff	\$ 1,200.00	\$ 1,200.00	\$ 1,500.00	\$ 1,500.00	\$ 2,500.00			
1050092	Training - Staff	\$ 1,500.00	\$ 1,500.00	\$ 5,000.00	\$ 5,000.00	\$ 6,000.00			
1050168	Payroll Services - Council	\$ 857.00	\$ 857.00	\$ 900.00	\$ 900.00	\$ 1,000.00			
1050169	Payroll Tax - Council	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00			
	Professional Services								
1050006	Audit	\$ 10,000.00	\$ 10,000.00	\$ 12,500.00	\$ 12,000.00	\$ 12,000.00	\$ 109,000.00		
1050128	Accounting software	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,500.00	\$ 12,000.00			
1050029	Legal	\$ 20,000.00	\$ 20,000.00	\$ 50,000.00	\$ 70,000.00	\$ 70,000.00			

	GL Account #	Account Title	2021-2022 Approved	2022-2023 Approved	2023-2024 Approved	2024-2025 Approved	2025-2026 Proposed	General Government	Community Services	Transportation
Expenditures:										
	1050009	Contracted Services	\$ -	\$ 55,000.00	\$ 15,000.00	\$ 5,000.00	\$ 15,000.00			
Tax collection fees	1050031	Davie County Tax Collection	\$ 28,000.00	\$ 43,000.00	\$ 43,000.00	\$ 43,000.00	\$ 45,000.00	\$ 45,000.00		
Town Hall expenses	1050124	Town Hall Utilities	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 6,000.00	\$ 8,000.00	\$ 58,000.00		
	1050125	Town Hall maintenance and repairs	\$ 5,000.00	\$ 5,000.00	\$ 55,000.00	\$ 40,000.00	\$ 30,000.00			
	1050126	Town Hall condo dues	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00			
	1050127	Town Hall cleaning	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,500.00	\$ 8,000.00			
Capital Outlay	1050003	Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -			
Administrative Contingency	1050004	Administrative Contingency	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ -	\$ 5,000.00	\$ 5,000.00		
General Government Total								\$ 863,478.00		
Governing Body Community Events	1050059	Town Events	\$ 30,000.00	\$ 40,000.00	\$ 62,000.00	\$ 41,000.00	\$ 21,000.00	\$ 45,000.00		
	1050952	Christmas in BR	\$ -	\$ -	\$ -	\$ 10,000.00	\$ 20,000.00			
	1050960	Food Truck Friday	\$ -	\$ -	\$ -	\$ 3,000.00	\$ 4,000.00			
	1050961	BR Anniversary	\$ -	\$ -	\$ -	\$ 15,000.00	\$ -			
Planning and zoning	1050901	Planning & Zoning - Contracted	\$ 48,000.00	\$ 49,500.00	\$ 50,908.00	\$ 35,000.00	\$ 32,000.00	\$ 42,000.00		
	1050047	Code Enforcement	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00			
Ground / general maintenance	1050080	Kinderton Village utilities	\$ 4,000.00	\$ 4,000.00	\$ 4,500.00	\$ 5,000.00	\$ 6,000.00	\$ 81,000.00		
	1050050	KV/BR Landscaping	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 50,000.00			
	1055501	Street ROW maintenance	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 20,000.00	\$ 25,000.00			
Leaf removal	1055505	Annual leaf removal	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 80,000.00	\$ 150,000.00	\$ 150,000.00		
Waste removal	1050082	Waste removal	\$ 279,543.00	\$ 293,000.00	\$ 307,650.00	\$ 361,217.00	\$ 400,000.00	\$ 400,000.00		
Town projects	1050211	Website	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 7,500.00	\$ 114,922.00		
	1050212	Fall & Spring clean-up	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 6,000.00	\$ 6,000.00			
	1050213	Other Town projects	\$ 20,000.00	\$ 44,000.00	\$ 50,000.00	\$ 45,000.00	\$ 45,000.00			
	1050215	Economic Development	\$ 45,000.00	\$ 45,772.00	\$ 47,532.00	\$ 48,000.00	\$ 56,422.00			
	1050214	Ignite Davie Pledge	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	\$ -			
Package Room	1050051	Package Room phone	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00		
Other	1050053	Contract labor	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 23,500.00		
	1050054	Package Room Electricity	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00			
	1050052	Package Room Cleaning	\$ 3,000.00	\$ 3,881.00	\$ 4,000.00	\$ 5,500.00	\$ 5,500.00			
	1050056	Package Room Repairs	\$ 800.00	\$ 1,050.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00			

	GL Account #	Account Title	2021-2022 Approved	2022-2023 Approved	2023-2024 Approved	2024-2025 Approved	2025-2026 Proposed	General Government	Community Services	Transportation
Expenditures:										
Community Officer	1050088	Community Officer	\$ 93,000.00	\$ 96,000.00	\$ 98,880.00	\$ 120,025.00	\$ 140,000.00		\$ 140,000.00	
Blue Heron Trail										
	1050956	BHT Maintenance	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00		\$ 170,000.00	
	1050957	BHT Lighting	\$ -	\$ -	\$ 3,500.00	\$ -	\$ -			
	1050958	BHT Landscaping	\$ -	\$ -	\$ 13,000.00	\$ 20,000.00	\$ 35,000.00			
	1050959	BHT Amenities	\$ -	\$ -	\$ 11,000.00	\$ 11,000.00	\$ 10,000.00			
		BHT Phase III/801 Sidewalks Match	\$ -	\$ -	\$ -	\$ -	\$ 110,000.00			
Community Services Total									\$ 1,167,422.00	
Engineering	1050067	Engineering (General Services)	\$ 20,000.00	\$ 20,000.00	\$ 45,000.00	\$ 45,000.00	\$ 50,000.00			\$ 50,000.00
Street Maintenance	1050068	Street Maintenance	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00	\$ 300,000.00	\$ 320,000.00			\$ 335,000.00
	1050069	Snow removal	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 10,000.00	\$ 10,000.00			
	1050175	Brine spray	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00			
Other Transportation Projects	1050087	Street Signs	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00			\$ 162,000.00
	1055502	Irrigation of Town Commons	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 10,000.00	\$ 12,000.00			
	1055504	Other ground maintenance	\$ 75,000.00	\$ 75,000.00	\$ 85,000.00	\$ 80,000.00	\$ 90,000.00			
	1059220	Sidewalks	\$ -	\$ -	\$ -	\$ 45,000.00	\$ 25,000.00			
	1050021	Kinderton Village Sidewalks	\$ -	\$ -	\$ -	\$ -	\$ 30,000.00			
Street Lights	1050075	Consolidated street lights	\$ 75,000.00	\$ 95,000.00	\$ 95,000.00	\$ 105,000.00	\$ 120,000.00			\$ 123,500.00
	1050078	Highlands	\$ 400.00	\$ 400.00	\$ 600.00	\$ 750.00	\$ 1,000.00			
	1050079	James Way	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00			
Powell Bill	1050072	Non-Discretionary Powell Bill Fund	\$ -	\$ 200,000.00	\$ -	\$ 200,000.00	\$ 200,000.00			\$ 300,000.00
	1050045	Project Contingency	\$ -	\$ -	\$ 150,000.00	\$ 150,000.00	\$ 100,000.00			
Transportation Total										\$ 970,500.00
General Fund Totals			\$ 1,800,000.00	\$ 2,193,860.00	\$ 2,321,850.00	\$ 2,643,500.00	\$ 3,001,400.00	\$ 863,478.00	\$ 1,167,422.00	\$ 970,500.00
			General Government			Community Services			Transportation	

Town of Bermuda Run, North Carolina
Gate Operations Fund
PROPOSED 2025-2026 Budget

	GL Account #	Account Title	2021-2022 Approved	2022-2023 Approved	2023-2024 Approved	2024-2025 Approved	2025-2026 Proposed
Operating revenues:							
	2040005	RFID Sticker fees	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 21,300.00	\$ 22,000.00
	2040007	BRCC entrance	\$ 54,829.00	\$ 67,460.00	\$ 69,300.00	\$ 70,099.00	\$ 103,875.00
	2040008	Parcel Owner fees (1106 total)	\$ 496,188.00	\$ 592,140.00	\$ 608,700.00	\$ 608,700.00	\$ 912,875.00
		Gate Fund Revenue Totals	\$ 566,017.00	\$ 674,600.00	\$ 693,000.00	\$ 700,099.00	\$ 1,038,750.00
Operating expenditures:							
Gate Operations Staffing	2050024	Gate Attendant Services	\$ 387,000.00	\$ 465,000.00	\$ 465,000.00	\$ 497,550.00	\$ 725,000.00
Gate Operations Administration							
	2050002	RFID Stickers	\$ 12,500.00	\$ 12,500.00	\$ 15,000.00	\$ 18,000.00	\$ 18,000.00
	2050027	Gate management system	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 10,000.00	\$ 10,000.00
	2050031	Contingency/Gate House Enhancements	\$ 17,725.00	\$ 20,000.00	\$ 60,300.00	\$ 24,000.00	\$ 87,000.00
	2050025	Indirect Cost - Administration	\$ 50,000.00	\$ 65,000.00	\$ 66,200.00	\$ 65,000.00	\$ 65,000.00
	2050015	Indirect Cost - Street Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 29,650.00
Gate Operations Maintenance							
	2050005	158 Gate arm & assembly repairs	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00	\$ 2,000.00
	2050006	Cleaning - 158 Gate	\$ 1,664.00	\$ 2,200.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
	2050007	Electricity - 158 Gate	\$ 2,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,600.00
	2050008	Repairs - 158 Gate	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
	2050009	Telephone - 158 Gate	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,500.00
	2050011	801 Gate arm & assembly repairs	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00	\$ 1,500.00
	2050012	Cleaning - 801 Gate	\$ 1,664.00	\$ 2,200.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
	2050013	Electricity - 801 Gate	\$ 2,000.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 2,000.00
	2050014	Repairs - 801 Gate	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
	2050016	Telephone - 801 Gate	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,500.00
	2050018	BR West Gate arm & assembly repairs	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
	2050019	Cleaning - BR West Gate	\$ 1,664.00	\$ 2,200.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
	2050020	Electricity - BR West Gate	\$ 2,800.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,500.00
	2050021	Repairs - BR West Gate	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
	2050022	Telephone - BR West Gate	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,500.00
	2050029	Grounds maintenance	\$ 62,000.00	\$ 75,000.00	\$ 44,000.00	\$ 53,549.00	\$ 70,000.00
	2050032	Gate Houses Water/Sewer	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
		Gate Fund Expenditures Totals	\$ 566,017.00	\$ 674,600.00	\$ 693,000.00	\$ 700,099.00	\$ 1,038,750.00

Town of Bermuda Run, North Carolina
Utilities Fund
PROPOSED 2025-2026 Budget

	GL Account #	Account Title	2021-2022 Approved	2022-2023 Approved	2023-2024 Approved	2024-2025 Approved	2025-2026 Proposed
Operating revenues:							
Sewer charges	3040003	Sewer service	\$ 530,000.00	\$ 530,000.00	\$ 790,000.00	\$ 790,000.00	\$ 793,250.00
Tap fees	3040010	Sewer Tap Fees	\$ 850.00	\$ 850.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00
		Utility Fund Revenue Totals	\$ 530,850.00	\$ 530,850.00	\$ 791,700.00	\$ 791,700.00	\$ 794,950.00
Operating expenditures:							
Licenses	3050003	Licenses	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ -
Charges from general fund	3050008	Admin charges OVERHEAD	\$ 50,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00
Line repairs	3050022	Line repairs	\$ 30,000.00	\$ 30,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Engineering	3050002	Engineering	\$ 60,000.00	\$ 60,000.00	\$ 46,300.00	\$ 20,000.00	\$ 20,000.00
Pump Operations/Utilities	3050001	Utility fund expense	\$ -	\$ -	\$ -	\$ -	\$ -
	3050012	Pump Station	\$ 25,000.00	\$ 25,000.00	\$ 12,500.00	\$ -	\$ -
	3050130	Sampling	\$ 7,000.00	\$ 7,000.00	\$ 3,000.00	\$ -	\$ -
	3050010	Dumpster	\$ 3,000.00	\$ 3,000.00	\$ -	\$ -	\$ -
	3050013	Sludge	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 7,000.00	\$ 8,000.00
	3050017	Plant Chemicals	\$ 2,500.00	\$ 2,500.00	\$ -	\$ -	\$ -
Repairs -Pump Stations	3050014	Repairs	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
	3050300	Emergency repairs	\$ -	\$ -	\$ -	\$ -	\$ -
Repairs - lines	3050017	Inspection	\$ 13,000.00	\$ 13,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
	3050018	Repairs	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00
Utilities	3050004	Lift Station Utilities					
	3050006	Main station - Juniper Circle	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
	3050007	River Hill lift station	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,000.00	\$ 2,500.00
	3050032	Hollybrooke	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 1,000.00	\$ 1,000.00
	3050033	Bing Crosby	\$ -	\$ -	\$ -	\$ -	\$ -
	3050035	801 lift	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00
	3050040	Ivy Circle	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,500.00	\$ 3,500.00
	3050042	Bowwood Circle station	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 4,000.00	\$ 4,000.00
	3050045	Utilities 801	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
	3050015	Water	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 700.00	\$ 700.00
Contingency	3050200	Contingency-Stormwater Project	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
	3050300	WWTP Project	\$ 229,550.00	\$ 214,550.00	\$ -	\$ -	\$ -
WWT Charges	3050023	Davie County Public Utilities	\$ -	\$ -	\$ 520,000.00	\$ 582,050.00	\$ 585,000.00
Other	3050038	Weekly inspection	\$ 11,400.00	\$ 11,400.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
	3050021	Sewer billing	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 4,250.00	\$ 4,250.00
		Utility Fund Expenditure Totals	\$ 530,850.00	\$ 530,850.00	\$ 791,700.00	\$ 791,700.00	\$ 794,950.00

TONY BREWER, CPA, PC
Certified Public Accountant

April 1, 2025

Dear Municipal Client,

Enclosed are two important documents pertaining to your June 30, 2025, audit – the audit engagement letter and audit contract. The Local Government Commission (LGC) is requiring me to submit both the audit engagement letter and the audit contract simultaneously for their review and approval.

The following are instructions to ensure acceptance by the LGC.

1. Engagement Letter – Tony Brewer CPA, PC

- Please read and sign by appropriate official- i.e., Mayor or Finance Officer **plus** Board member.

2. Audit Contract

- Mayor or Chairperson must type or print name and title, e-mail address, sign and date contract in the **"Governmental Unit"** section on page 8. Also, enter the **"Date Primary Government Unit Governing Board Approved Audit Contract."**
- Finance Officer must type or print name, sign, date and enter e-mail address in the **"Pre-Audit Certificate"** section on page 8.

FYI * NOTE*** CONTRACT PRICE/AUDIT FEE - page 7**

The primary **audit fee** is displayed on page 7 along with the **"Fee per Major Program"** for **Uniform Guidance** audit purposes only. The **"Total Amount Not to Exceed"** is calculated based on two (2) major programs. If your unit is **not** required a Uniform Guidance audit, the **"Audit Fee"** price **only** will be charged. Otherwise, a **"Major Program"** fee of \$2,000 per major program will be charged up to the calculated **"Total Amount Not to Exceed"** price.

After all of the above instructions are complete, please return **all** documents to me for submission to the LGC.

Please don't hesitate to call me with any questions you may have.

Thank you,



Tony Brewer CPA, PC

TONY BREWER CPA, PC

Certified Public Accountant

April 1, 2025

To the Honorable Mayor and Town Council
Town of Bermuda Run
Bermuda Run, North Carolina

We are pleased to confirm our understanding of the services we are to provide for Town of Bermuda Run for the year ended June 30, 2025.

Audit Scope and Objectives

We will audit, where applicable, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of Town of Bermuda Run as of and for the year ended June 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Bermuda Run's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Town of Bermuda Run's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Other Post-Employment Benefits Schedules (if applicable).

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

- 1) Individual fund statements and schedules
- 2) Schedule of expenditures of federal awards (if applicable).
- 3) Law Enforcement Officers' Separation Allowance Report (if applicable).

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists; we are required to describe it in our report.

- 1) N/A

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

Member of the American Institute

of Certified Public Accountants

151 Young Drive, Lexington, NC 27292

336-249-2545, Fax 336-249-4745

that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on (if applicable):

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

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit (if applicable)

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

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit (if applicable). Our responsibility as auditors are limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

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

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

We have identified the following significant risks of material misstatement as part of our audit planning:

- Cash
- Support, receivables, and receipts
- Program service fees, revenue, and receivables
- Expenses for program and supporting services, and accounts payable and other liabilities
- Inventories (if applicable)
- Property and equipment

Debt and other liabilities
Net assets

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

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

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

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

Audit Procedures—Compliance

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

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

Other Services

For audits subject to Yellow Book, we will not provide any nonattest services.

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

You agree to assume all management responsibilities for the financial statements and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter

our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit (if applicable)

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

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

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

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

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance (if applicable). You agree to include our report on the schedule of

expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

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

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

Engagement Administration, Fees, and Other

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

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

We will provide copies of our reports to the Bermuda Run; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

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

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the oversight agency. If we are aware that a federal awarding

agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

Tony Brewer is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit after July 1, 2025.

Our fee for these services will be at our agreed upon fee per our LGC contract. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

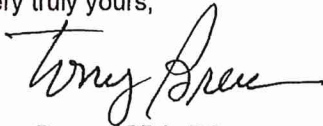
Reporting

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

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

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

Very truly yours,



Tony Brewer CPA, PC

RESPONSE: This letter correctly sets forth the understanding of Town of Bermuda Run.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

The	Governing Board
of	Town Council
and	Primary Government Unit
	Town of Bermuda Run
	Discretely Presented Component Unit (DPCU) (if applicable)
	NA

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

and	Auditor Name
	Tony Brewer, CPA PC
	Auditor Address
	151 YOUNG DR, LEXINGTON NC 27292

Hereinafter referred to as Auditor

for	Fiscal Year Ending	Date Audit Will Be Submitted to LGC
	06/30/25	10/31/25

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 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 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 Bermuda Run
Audit Fee (financial and compliance if applicable)	\$ 8,500
Fee per Major Program (if not included above)	\$ 2,000
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$ 12,500

Discretely Presented Component Unit	NA
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* Tony Brewer, CPA PC	
Authorized Firm Representative (typed or printed)* Tony Brewer	Signature*
Date* 04/01/25	Email Address* tony@tonybrewercpa.com

GOVERNMENTAL UNIT

Governmental Unit* Town of Bermuda Run	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	
Mayor/Chairperson (typed or printed)*	Signature*
Date	Email Address*

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:	\$ 12,500
Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Date of Pre-Audit Certificate*	Email Address*

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

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

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

DPCU – PRE-AUDIT CERTIFICATE

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

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

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

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

PRINT



R2025-05
RESOLUTION OF ADOPTION

RESOLUTION TO EXEMPT THE PROCESS OF SELECTING AN ENGINEER FOR ENGINEER SERVICES IN FISCAL YEAR 2025-2026 PURSUANT TO N.C.G.S. §143-64.31 AND N.C.G.S. §143-64.32

WHEREAS, the Town of Bermuda Run has certain ongoing projects regarding repair, maintenance and upgrading of the Town's Infrastructure Systems during Fiscal Year 2025-2026; and

WHEREAS, STV Engineering, Inc., is knowledgeable about the ongoing plans and projects infrastructure system repair, maintenance and upgrading; and

WHEREAS, SVT ENGINEERING, Inc. is duly licensed by the State of North Carolina and is qualified and competent to offer and provide engineering services for the ongoing projects described herein; and

WHEREAS, the Town of Bermuda Run desires to retain SVT ENGINEERING, Inc., to perform engineering services related to general infrastructure, maintenance and upgrading in Fiscal Year 2025-2026; and

WHEREAS, the Town of Bermuda Run desires to exempt pursuant to N.C.G.S. §143-64.32, and to retain SVT ENGINEERING, Inc., to perform engineering services related to storm water system repair, maintenance and upgrading in Fiscal Year 2025-2026.

NOW, THEREFORE, BE IT RESOLVED that the Town of Bermuda Run Town Council approves the exemption pursuant to N.C.G.S. §143-64.32, and authorizes the retention of SVT ENGINEERING, Inc., to perform engineering services related to storm water system repair, maintenance and upgrading in Fiscal Year 2025-2026 pursuant to N.C.G.S. §143-64.32.

BE IT FURTHER RESOLVED that the Town of Bermuda Run Town Council authorizes the Town Manager to execute such contracts as necessary to implement the provisions of this resolution, and authorizes the Town Manager to execute the same.

Adopted this ____ day of _____, 2025

Attest:

Cindy Poe, Town Clerk
Town of Bermuda Run

Mike Brannon, Mayor
Town of Bermuda Run