

May 27, 2025

Town of North Topsail Beach, North Carolina  
2008 Loggerhead Court  
North Topsail Beach, NC 28460

Attention: Alice Derian, Town Manager

This letter is to confirm our understanding of the terms and objectives of this engagement and the nature and limitations of the services that will be provided by GWI Tax and Accounting, A Member of Aline Accounting Partners (the "Firm").

The purpose of our engagement is to provide professional outsourced accounting services to Town of North Topsail Beach, North Carolina ("Town") beginning July 1, 2025. The services we offer and the specific services we have initially identified to provide are outlined in the attached Exhibit A.

This engagement is not a preparation, compilation, review or audit engagement whereby any form of assurance will be provided on the Town's financial statements. It is our understanding that management has designated qualified individuals with the necessary expertise, preferably within senior management, to be responsible and accountable for overseeing our services as part of this engagement. By your signature below, you acknowledge that management agrees to evaluate the adequacy of, and accept responsibility for, the results of all the services performed as part of this agreement.

Our fees for this engagement shall be billed at our current rates, plus direct expenses (milage/hotel/meals), based on the level of service provided. Our current rates are as follows:

Service	Rate/Hour
Triage and assessment of service needs	170.00
Consulting	170.00
Audit preparation	150.00
Writing financial statements	150.00
Finance officer services	150.00
Payroll services	140.00
Bookkeeping services	120.00
Travel time	60.00

We understand the maximum billing under this contract is \$334,000, with a projected duration of 7 months; therefore, we will cease work on this contract on January 31, 2026. This timeline is with the understanding that if priorities change due to the Town's request, that have federal or state deadlines that can't be moved out, then when our billings reach \$334,000, unless an amendment occurs to increase the maximum billing under this contract, we will cease work on this contract.

Payment for services is due when rendered and interim billings will be submitted as work progresses and expenses incurred. Invoices are payable upon presentation. If payment is to be made by check, the check shall be mailed to GWI Tax and Accounting, 9650 Strickland Road, Suite 103-268, Raleigh, NC 27615. If payment is to be made by ACH, then payment shall be made to the bank account the Firm provides to you by a password protected PDF file which you should verbally confirm with the Firm before the initial payment is remitted. Any correspondence changing the means of payment shall be verbally confirmed with the Firm by the Town before such change is made and payment remitted.

In the event the Town hires a contractor/employee of the Firm, the Town agrees to pay the Firm a one-time fee of 25% of the annual compensation the Town has offered to the contractor/employee. This fee will not be limited by the maximum billing threshold in the previous paragraph.

In addition, in the event the Firm or any of its employees or agents is called as a witness or requested to provide any information (whether oral, written, or electronic) in any judicial, quasi-judicial, or administrative hearing or trial regarding information or communications that you have provided to the Firm, or any documents and work papers prepared by the Firm in accordance with the terms of this agreement, subject to the not to exceed limits in this agreement, you agree to pay any and all reasonable expenses, including fees and costs for our time at the rates specified in our engagement letter, as well as any legal or other fees that we incur as a result of such appearance or production of documents.

In connection with this engagement, we may communicate with you or others via email transmission. We take reasonable measures to secure your confidential information in our email transmissions, including password protecting confidential documents. However, as email can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom it is directed and only to such parties, we cannot guarantee or warrant that email from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of email transmissions, or for the unauthorized use or failed delivery of email transmitted by us in connection with the performance of this engagement.

Unless you indicate otherwise, the Firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. We have secured confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the Firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the Firm.

It is our policy to keep records related to this engagement for five years. However, the Firm does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the five-year period, the Firm shall be free to destroy our records related to this engagement.

**E-VERIFY CERTIFICATION.** As a condition of payment under this agreement, Firm shall comply with the requirements of Article 2 of Chapter 64 of the General Statutes to the extent legally applicable. Further, if Firm provides services to the Town utilizing a subcontractor, Firm shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the General Statutes to the extent legally applicable. The Firm shall verify, by affidavit, compliance with the terms of this section upon request by the Town.

IRAN DIVESTMENT. The Firm certifies that it is not listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. § 147-86.58. Individuals or companies on the Final Divestment List are ineligible to contract or subcontract with Local Government Units. (G.S. § 147-86.60) It is the responsibility of each vendor or contractor to monitor compliance with this restriction.

ISRAEL BOYCOTT. Firm certifies that it has not been designated by the North Carolina State Treasurer as a company engaged in the boycott of Israel pursuant to N.C.G.S. § 147-86.81. It is the responsibility of Firm to monitor compliance with this restriction.

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

Cordially,

**GWI Tax and Accounting**

*Beth A Wood*

Beth A Wood, CPA  
Partner

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Town of North Topsail Beach, North Carolina by:

Name: \_\_\_\_\_

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

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

**This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act, NCGS 159-28. A Purchase Order will be issued for this Agreement and will be amended prior to any additional expenses incurred over the original Purchase Order Amount.**

\_\_\_\_\_  
**Finance Officer**

\_\_\_\_\_  
**Date**

Attachment: Exhibit A

**Town of North Topsail Beach**  
**Tasks to Support Quote for Financial Services to be Provided**  
5/27/2025

**EXHIBIT A**  
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**Assumes 7-Month Engagement** - beginning July 1, 2025

	MONTHS	TOTAL HOURS	RATE/ HOUR	TOTAL
Finance Officer/Grants Management	7	1,240	150	\$ 186,000
Accounts Payable & Bank Recs	7	1,240	120	\$ 148,800
				<hr/>
				\$ 334,800
				<hr/>
		TOTAL QUOTE		<b>\$334,000</b>

SEE TABS FOR LIST OF SERVICES TO BE PROVIDED

**NOTE: THE QUOTE DOES NOT INCLUDE STAFF TIME TO PROCESS 1099s FOR VENDORS IN JANUARY 2026..**

**FEMA**

**Complete reconciliation to close out FEMA small projects for Dorian/Florence**

- Download each PW assigned to each hurricane
- Access State portal to get access to payments made by State to the Town
- Trace payments to Financial Statements to verify receipt of payment

**Large Grants-Dorian/Florence**

- Match previous submittals for reimbursements to deposits received by the Town
- Submit additional requests for reimbursement if applicable.
- Prepare Budget amendments for all cost overruns that Fran will submit to FEMA & Town gets reimbursed for.
- Submit reimbursement requests as work is performed/passes inspection

File for reimbursement for 3rd party consultant fees when Dorian/Florence closes out.

Set up accounts in the Town's Books/General Ledger to track expenditures/by Beach Project/by Phase

Allocate expenditures allocated to appropriate grant/phase.

Setup all new grants in the Town's accounting system by project.

Create Agenda Items and Budget Ordinances to Set Up Project/Grants/Amendments Until Project/Grant Closed Out.

**NC DEQ Grant**

Manage the Phase 4 NCDEQ \$10.5 million grant to ensure compliance with grant requirements.

Determine that expenses paid are charged to correct account

Issue Purchase Orders and encumber funds

Submit all required reports to NCDEQ

**Fire Station #2 CAPITAL PROJECT**

WB BRAWLEY, ECS SOUTHEAST AND BECKER MORGAN

Monitor Payments

Create Agenda Items for Change Orders

Create Agenda Items for Budget Amendments

ENSURE DEBT PAYMENTS ARE PAID

**FY2026 Budget**

Monitor expenditures against budget monthly

Prepare Budget-to-Actual reports, monthly, for the Board

Prepare Budget amendments as necessary

**Prepare New Capital/Grant Project Ordinances as necessary**

**Prepare Required Reports**

LGC 203-COLL 91

Powell Bill Reports - August & December

NC DOT Report

NC DEQ

NC EM

FEMA FOR APPLICABLE GRANTS

GRANTS - INCLUDES DOCUMENTATION AND REQUESTS FOR REIMBURSEMENTS.

**\*\*IF THE NEW FIRE GRANT (Boat & Equipment) IS AWARD IN OCTOBER WILL HANDLE ALL FINANCIAL REPORTING REQUIRED IN FEMA-GO.**

**FY2025 Audit Assistance**

Prepare supporting documentation/schedules for Balance Sheet Accounts being audited

Answer questions for auditors regarding account balance/account transactions/grants.

Obtain approval and post adjusting journal entries as a result of the FY2025 audit

Ensure ending audited account balances from FY2025 roll forward into FY2026

**Provide assistance as needed/requested by Town Manager.**

**Determine all contracts for which PO's should be issued and encumbrances are recorded in the Town's accounting system**

**Review all AP invoices prior to every check run:** (Check runs are done weekly)

To ensure Vendor W-9 is on file,

To ensure the correct General Ledger account is being charged

To ensure sales tax are posted correctly

Return all invoices not approved or account number not noted.

Search for Purchase Order & attach copy to invoice.

Review all past due vendor payments to ensure not been paid. If not, then pay.

**Perform bank reconciliations, each month, for all bank accounts**

Checking Account covering Funds 10, 12, 30, 31, 32, 50, 60

Money Market Account covering Funds 10, 12, 30, 31, 32, 50, 60

NC Capital Management Trust Account covering Funds 10, 12, 30, 31, 32, 50

Savings Account - Funds 10

3- Police Bank Accounts

**Total - 6 Bank Accounts**

Prepare Cash Flow Analysis - to monitor that Town has enough money to pay bills each week.

**Research variances between bank balance and general ledger balances.**

Write and obtain approval to post Journal Entries for bank transactions not posted in General Ledger

Write and obtain approval to post journal entries to post corrections of errors noted in the reconciliation

Research any transactions posted in the General Ledger but not showing on bank statement.

**OTHER TASKS:**

**Assists w/ Insurance Renewals as needed.**

**Determine Loss Payee on all Insurance coverage for vendors.**

This has not been kept up by the Town and still needs to be done.

**Town of North Topsail Beach**  
**Payroll Related Tasks**  
5/27/2025

**Exhibit A**  
pg 4 of 4

**Payroll Reporting-Quarterly**

941's to IRS

NC DOR Payroll Tax Report

File Reports w/ Employment Security Commission