



October 21, 2024

North Topsail Beach  
 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 the Town of North Topsail Beach (the "Town") beginning in October 2024. 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:

<u>Service</u>	<u>Rate/Hour</u>
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 \$20,000; therefore, we will cease work on this contract if or when our billings reach \$20,000 unless an amendment occurs to increase the maximum billing under 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 Municipality 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. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of sales or anticipated profits, or disclosure or communication of confidential or proprietary information.

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.

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.

North Topsail Beach  
October 25, 2025

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,

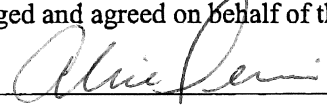
**GWI Tax and Accounting**



Beth A. Wood  
Partner

This letter correctly sets forth our understanding.

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

Name: 

Title: Town Manager

Date: 10/25/24

**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.**

  
Deputy Finance Officer

10/25/2024  
Date

**Governmental Services  
Town of North Topsail Beach  
Exhibit A  
Description of Services**

**Examples of bookkeeping and accounting assistance provided:**

**General Accounting Duties:**

- Assist finance director with general local governmental accounting/reporting questions
- Bank reconciliations
  - *Due to the complexity of local government transactions and an effort to reduce time incurred on monthly bank reconciliations, additional time will be incurred at the beginning of the engagement to map bank transactions to the general ledger*
- General Ledger reconciliation to subsidiary ledgers (i.e. accounts receivable, capital assets, etc.)
- Verify adjusting journal entries (AJE's), from prior year audit, have been posted
- Verify the prior year ending account balances agree with published financial statements and with the current year beginning account balances
- Development of annual budget
- Post amendments to adopted budget throughout the fiscal year
- Journal entry preparation or review of client prepared journal entries
- Data entry to accounting software
- Prepare required Federal and State finance department reports (i.e. LGC reports, payroll reports, grant reports, etc.)
- Analyze outstanding checks and identify those that meet the NC Escheat Law requirements. Prepare notifications, prepare and submit the annual report of unclaimed property to NC State Treasurer.
- Analyze customer receivable accounts and identify delinquent accounts eligible for the NC Debt Set Off Collection Program. Prepare notification letters, prepare and submit report to NC Local Government Debt Setoff Clearinghouse.
- Payroll assistance

**Monthly Utility Fund Duties:**

- Reconcile general ledger account to customer subsidiary ledger
- Assist with utility billing questions, including review and verification of billing adjustments and cut-offs

**Accounting and Financial Reporting of Grant Awards**

- Prepare or review client prepared Powell Bill reports
- Assist with Federal and State grant reporting (grant documentation, reimbursement requests, monthly, quarterly, annual reporting, etc.)

**Audit Preparation and Year-End Duties:**

- Participate with unit and auditor in the annual audit planning meeting
- Year-end general ledger review and assistance in preparing adjustments necessary to produce a final trial balance for audit
- Assist in preparing and providing supporting documentation to auditor
- Prepare the Schedule of Expenditures of Federal and State Awards (SEFSA)
- Review new Lease and Subscription agreements to determine proper accounting
- Update annual Lease and Subscription schedules and prepare related journal entries. Provide schedules to auditor.
- Prepare Pension and Other Post-Employment Benefit (OPEB) schedules and journal entries

### **Consulting Services**

- Assist Finance officer in fulfillment of duties as prescribed by the NC Local Government Budget and Fiscal Control Act (NCGS 159-25(a)). *(In accordance with NCGS 159-25(a)(9), the Finance Officer will retain responsibility for ensuring accurate and timely fulfillment of duties).*
- Assist with preparation of the annual budget, including attendance and participation at budget workshops
- Attend board meeting(s) to provide explanations of the unit's financial health and financial indicators derived from financial statement information.
- Perform revenue neutral tax calculation due to property reappraisal
- Assist with accumulating pension and other post-employment benefit (OPEB) data to submit to the actuary firm for actuarial valuations required for annual financial reporting
- Assist with secondary market disclosure requirements of publicly issued debt
- Perform Worker's Compensation Audit
- Train staff in Payroll related functions, i.e., running payroll, how to post payroll tax liabilities, making payments to retirement system (Orbit), ensuring payroll codes are correct for Orbit report, etc.

*Time and cost estimates will be based upon the condition and availability of financial records ascertained during client intake. Client will provide digital records that provide sufficient detail for the agreed upon services. Digital records may be provided by access to client software or by scanned copies provided by client.*

**Town of North Topsail Beach**  
**Accounting Services**  
**Quote Over 6-Month Period, Commencing the Date all Signatures Obtained**

Accounting Service	Description	Quote
Monthly Bank Reconciliations - 3 Bank Accounts-7 Reconciliations Beginning w/ August 2024	First Citizens Bank NC Cash Management & Trust PNC	\$8,400.00
Consultative Hours - over 6 month period	An allowance of 10 hours over the 6 month period for questions from Deputy Finance Officer/Town Manager/Board Members	1,500.00
Close Out FY2024	Ensure FY2024 auditor adjustments have been posted Close FY2024 in FMS Ensure FY2024 ending balances are FY2025 Beginning Balances	3,000.00
Preparation of Financial Reports for Board	Preparation of Financial Reports for Board Meetings Analysis of Budget-to-Actual for Board Action, i.e. Amendments	4,500.00
Assessment/Quote	On-site Assessment/Consult /w Auditor/Preparation of Quote	1,222.00
Travel	Estimate for 6 days on-site, "if" needed	1,318.00
<b>TOTAL</b>		<b>\$19,940.00</b>
<b>CONTRACT AMOUNT</b>		<b>\$20,000.00</b>