

ELGIN TOWN COUNCIL MEETING

AGENDA

TUESDAY, JANUARY 4, 2022, AT 6:00PM

Call to Order

Invocation

Pledge of Allegiance

December 7, 2021, Meeting Minutes

PUBLIC FORUM

ADOPTION OF AGENDA

NEW BUSINESS LICENSE APPLICATIONS

CHARITY PERMIT REQUESTS

COMPLAINTS

PUBLIC HEARING

OLD BUSINESS

Chairman Julian Burns-Vision2030-Revision

Library- Tree Removal

Bookkeeping Services-Payroll

NEW BUSINESS

Auditor Service Proposals

Chief Anders-Updates

COUNCIL BRIEFING

Councilman Ed Smith

Councilwoman Dana Sloan

Councilman Brad Hanley

Councilman Paul Rizzo

Mayor Melissa Emmons

Town Attorney John Wells

EXECUTIVE SESSION

(Action may possibly be taken on issues discussed in Executive Session after Council reconvenes.)

Kershaw County



2018

ELGIN TOWN COUNCIL
TOWN OF ELGIN, SC.
Mayor Melissa Emmons
Councilman Brad Hanley
Councilwoman Dana Sloan
Councilman Ed Smith
Councilman Paul Rizzo



ELGIN TOWN COUNCIL MEETING
MINUTES FOR DECEMBER 7, 2021

CALL TO ORDER

The monthly meeting of the Elgin Town Council was held Tuesday, December 7, 2021, at 6:00pm with Mayor Melissa Emmons presiding.

ROLL CALL

Present were Mayor Melissa Emmons, Councilman Ed Smith, Councilman Brad Hanley, Councilman Paul Rizzo, Chief Alan Anders, Town Attorney, John Wells, Town Clerk, Ansley Champe. Councilwoman Dana Sloan was absent from the meeting.

INVOCATION

Mayor Melissa Emmons gave the invocation.

PLEDGE OF ALLEGIANCE

Councilman Brad Hanley led those attending the meeting in the Pledge of Allegiance.

ADOPTION OF AGENDA

A motion was made by Councilman Brad Hanley to adopt the agenda with a 2nd motion by Councilman Ed Smith, without further discussion and a unanimous vote.

ACCEPTANCE OF NOVEMBER 2, 2021, MEETING MINUTES

A motion was made by Councilman Paul Rizzo to accept the minutes with a 2nd motion by Councilman Brad Hanley, without further discussion and a unanimous vote.

PUBLIC FORUM

COMPLAINTS

PUBLIC HEARING

OLD BUSINESS

A motion was made by Councilman Paul Rizzo to approve the First Reading of the 2022 Model Business License Ordinance with a 2nd motion by Councilman Brad Hanley, without further discussion and a unanimous vote.

After several motions to award the town's Bookkeeping Services-Payroll failed, a motion was made by Councilman Paul Rizzo to table the item until the January meeting with a 2nd motion by Councilman Brad Hanley, without further discussion and a unanimous vote.

Mayor Melissa Emmons provided Council a bid to for services to removes some trees/shrubs at the Elgin library. Council requested further information on the scope of the job, and it will be provided to them at an upcoming meeting.

NEW BUSINESS

Dolly Patten, Director of the Fine Arts Center of Kershaw County, introduced herself to Council and provided some updates on upcoming events at the Center and stated that she would love for Elgin to get more involved in future activities.

ARP Funds Spending Plan- Mayor Emmons recommended to Council that a workshop be scheduled and have the town's representative with the MASC, Charlie Barrineau, lead the discussion. The workshop has been scheduled for Thursday, January 27, 2022, at 6:00 pm at Elgin Town Hall.

Chief Anders thanked everyone for attending K-9 Nala's Retirement Ceremony. He also expressed appreciation for everyone that volunteered and assisted with the Elgin Catfish Stomp, especially Lee Nelson, who prepared the Catfish Stew and Chad Porter, owner of American Proud BBQ for raising \$1,555.00 from the Boston Butt Fundraiser.

COUNCIL BRIEFING

Councilman Ed Smith-asked that everyone keep Officer Bass and the Elgin Police Department in their prayers with the recent diagnosis of K-9 Nala. He also expressed his appreciation to the voters for electing him to a new 4-year term on Council.

Councilman Paul Rizzo-had no report.

Councilman Brad Hanley-had no report.

Mayor Emmons-provided Council a copy of the new website Activity Report and informed them that one will be included in their packets monthly.

Attorney John Wells-reminded Council that the SC General Assembly is meeting to discuss the redistricting in the Senate and the House of Representatives.

Executive Session

Approved: _____ Minutes submitted by Ansley Champe

14736

Invoice

SOLD TO

Elgin Town Hall

SOLD TO

Palmetto Arborist

ADDRESS

ADDRESS

Jamy Locklear

CITY, STATE, ZIP

CITY, STATE, ZIP

CUSTOMER ORDER NO.

SOLD BY

DATE

11-9-2

Cut one river birch beside library two dead ones
in yard trim one magnolia remove all 21 bushes
around building.

2150 00

Replace bushes all along front of building only

700 00

Details of replant asked Jamy - name of landscaper - type of plants, how many

Grind all stumps **Details** - Champs Stump

650 00

Grinding (Derrick)
DLK

total 3500 00

Landscaper - Bobby Garrison (Parkers Cross Rd)

BOOKKEEPING SERVICES-PAYROLL

The Town of Elgin is soliciting bids for Bookkeeping Services involving Payroll. The scope of tasks specifically required will involve the following functions:

- Prepare/Submit Payroll-Direct Deposit Bi-Weekly and Monthly
- Prepare/Submit Quarterly and Year-End Payroll Tax Returns/Reports
- Prepare/Submit Monthly and Quarterly and Year-End Retirement Reports
- Prepare/Submit W-2's and 1099's Annually

It will be required that the accountant use the Town of Elgin's Finance Module (Nicholson) as well as the Town's Account Access for SCDOORWAY, SUETS and it's First Citizen's BOB Advantage to complete all tasks. This will be required for all staff of the Town of Elgin and the Elgin Police Department, which will include a total of (19) employees/staff/council.

Interested parties please contact Elgin Town Hall at 803-438-2362 or email our Clerk at elgin.clerk@townofelginsc.com for additional information or if you have further questions.

All applications are due no later than Monday, August 16, 2021 and can be emailed to our Clerk or mailed to the Town of Elgin, Post Office Box 277, Elgin, South Carolina 29045.

BUSINESS	REFERENCE	SERVICES PROVIDED	LENGTH OF TIME	RESPONSE TIME/COMMENTS	QUALITY OF SERVICE
Cantey, Tiller, Pierce & Green, LLP 1204 Broad St. Camden, SC 29021	United Way of Kershaw County Donnie Supplee	Consultant Audit	29 Years 25 Years	Very Prompt Very Prompt	Absolutely Satisfied Absolutely Satisfied
\$475 Per Month \$200 Start-Up Fee	Historic Camden Foundation Virginia Zemp	Bookkeeping & Accounting	3-5 Years	Good	Happy with Services
	Community Medical Clinic of Kershaw County Susan Witkowski	Bookkeeping	22 Years		Happy with Services
Eyers Accounting & Tax Services, Inc. 2404 Bowen St. Elgin, SC 29045	EPD Toys Roundup Caring Hands Harold Brown	Accounting, Audit-Filing State Reports	6-7 Years	Immediate Response	Very Happy with Services
\$250 Per Month \$1.75 Per Employee-QuickBooks	Dennis Electric, LLC Mike Dennis	Bookkeeping & Taxes	3-4 Years	Immediate Response	Very Happy with Services
	Hi-Impact Signs, LLC Letha Gullledge	Accounting	6 Months	Very Prompt, Calls Right Back	Very Happy with Services
	Hall Homes, LLC Donna Ray	QuickBook, Quarterly Reports, Annual Taxes	7 Years	Very Quick Response, Never Lets Things Go	Very Happy with Services
Ratliff CPA Firm 652 Bultman Dr. Sumter, SC 29150	First Baptist Church-Sumter Eric Kolb	Accounting	3 Years	On the Spot-deal with April	Happy with Services
\$300 Per Month	Trinity United Methodist Church-Sumter Gail Perozzi				
	Town of Paxville Tina Atkinson	Quarterly Taxes, Annual Taxes	3-4 Years	They get right back in touch with you	Happy with Services

CANTEY, TILLER, PIERCE & GREEN, LLP

Certified Public Accountants

1204 BROAD STREET • POST OFFICE BOX 862
CAMDEN, SOUTH CAROLINA 29021

PIERCE W. CANTEY, JR., CPA, (1963-2018)
RICHARD C. TILLER, CPA, PFS
JANET M. PIERCE, CPA
HENRY D. GREEN, III, CPA

MEMBER OF AMERICAN INSTITUTE
AND SOUTH CAROLINA ASSOCIATION
OF CERTIFIED PUBLIC ACCOUNTANTS
PH (803) 432-1436/ FX (803) 432-5055

August 12, 2021

Mayor Melissa Emmons
Town of Elgin
2469 Main Street
Elgin, South Carolina 29045

Mayor Emmons:

Cantey, Tiller, Pierce & Green LLP (CTP&G) is pleased to submit the following bid for the Town of Elgin payroll services

- Prepare and submit approved payroll via direct deposit, biweekly and monthly, utilizing the current Nicholson software remote login.
- Remit payroll taxes, retirement, and other deductions timely and maintain compliance.
- Prepare and submit quarterly and year-end payroll tax returns including Form 941, SCWH 1605, SCWH 1606, SCWH 1612, UCE 120, Form 940, W2 and W3. Prepare annual form 1096 and 1099 as needed for any non-employee compensation.
- Prepare and submit monthly, quarterly, and year-end retirements reports as required.

Cantey, Tiller, Pierce & Green LLP is bound by a general obligation to maintain absolute discretion and secrecy with regard to all financial operations for the Town of Elgin. This obligation will remain fully in force both throughout the entire duration of the provided services and after it has come to an end, regardless of the reasons for its having come to an end.

We offer our fees for the payroll services would be **\$475.00 per month** with a **onetime start-up fee of \$200.00**. The fee proposal is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month and are payable on presentation.

CANTEY, TILLER, PIERCE & GREEN, LLP

Certified Public Accountants

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October 22, 2021

Mayor Melissa Emmons
Town of Elgin
2469 Main Street
Elgin, South Carolina 29045

Mayor Emmons:

Per the request of Council, please see below references.

United Way of Kershaw County
President, Donnie Supplee
803-432-0951

Historic Camden Foundation
Executive Director, Virginia Zemp
803-432-9841

Community Medical Clinic of Kershaw County
CEO, Susan Witkowski
803-713-0806

Eyers
Accounting & Tax Services, LLC
PO Box 727
803-729-4086

July 30, 2021

Proposal for Bid for Bookkeeping Services - Payroll

Monthly Fee: \$250

To include:

- Preparation of direct deposit payroll for all town employees.
- Submitting payroll tax deposits to both Federal and State.
- Preparing and submitting of Quarterly and Annually payroll tax returns to include W2's and 1099's.
- Submitting of required Retirement reports.

I am requesting that the Town Clerk email employee hours to me in a timely manner prior to pay date. I can process payroll thru QuickBooks in my office and either email or mail back to the Town Clerk the following items: Direct Deposit Confirmation (This shows the amount that each employee/contractor is having direct deposited and what will draft from the Town's bank account.), payroll summary for that pay date, pay stubs, and the confirmation for the payroll tax deposits and retirement submissions. I will also be glad to give the Town Clerk the necessary Journal Entry that can be entered in the Nicholson program to help with maintain the General Ledger and reconciling the bank account.

Additional Charges:

QuickBooks does charge a fee of \$1.75 per employee/contractor per payroll to process direct deposit payments. This amount will be included in the direct deposit confirmation report that is sent to the Town Clerk and drafted by QuickBooks. This is not my fee.

Additional Charges cont.:

For year-end reports to be correct, I will need to enter payroll from January 2021 thru the most recent payroll prior to start of job into my program. I will also review 1st and 2nd quarter payroll reports that have been previously filed by the Town, for accuracy. The one-time charge for this is \$750. If any reports need to be amended, I will notify Mayor as soon as possible and of any additional fees for amending returns.

Thank you for taking the time to go over my Bid for the Bookkeeping Services - Payroll job.

If you have any questions or concerns regarding this information, please don't hesitate to ask me.

My contact information is 803-729-4086 or by email naomi@eyersaccounting.com

Sincerely,

A handwritten signature in black ink, appearing to read "Naomi L. Eyers, EA".

Naomi L Eyers, EA

Eyers
Accounting & Tax Services, LLC
PO Box 727
803-729-4086

To: Town of Elgin Mayor and Councilmembers

From: Naomi Eyers, EA

Date: November 1, 2021

Re: References for Payroll bid

Attached is a list of requested references,

If you have any other questions or concerns, please contact me at my phone number listed above or by email at naomi@eyersaccounting.com.

Sincerely,



Naomi Eyers, EA



Ratliff CPA Firm
P.C.
www.RatliffCPAFirm.com
Est. 1955

652 Bultman Dr.
Sumter, SC 29150
Phone: (803) 775-3000
Fax: (803) 462-4129

August 13, 2021

Town of Elgin
Post Office Box 277
Elgin, SC 29045
803-438-2362

To The Town of Elgin:

I am writing this letter in regard to the bid for the Bookkeeping Services -Payroll. My name is April Beilman, I am a partner here at Ratliff CPA Firm. My husband and I are residents of Elgin, SC. My husband is retired military and working as a deputy sheriff for Richland County. We have lived in Elgin since 2018 and love living within the Elgin community.

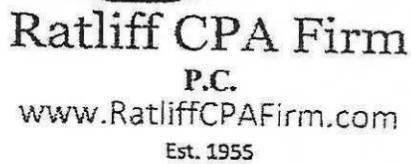
Our CPA Firm is located in Sumter, SC and was established in 1955. We have grown over the years but still remain a small town firm. Which we find is great, as we have come to know all of our clients on both a personal and professional level. We would love to have the opportunity to work with you and provide the services you require. We have the ability to work remotely from our office in Sumter as well as my home office. Since I live in Elgin, I have the ability to stop by as needed and pick up, drop off or attend necessary meetings.

Thank you for your time and I hope to hear from you soon.

Sincerely,



April Beilman
Accountant/Partner
Ratliff CPA Firm



Ratliff CPA Firm
P.C.
www.RatliffCPAFirm.com
Est. 1955

652 Bultman Dr.
Sumter, SC 29150
Phone: (803) 775-3000
Fax: (803) 462-4129

REFERENCES

First Baptist Church
107 E. Liberty St.
Sumter, SC 29150
803-773-3732

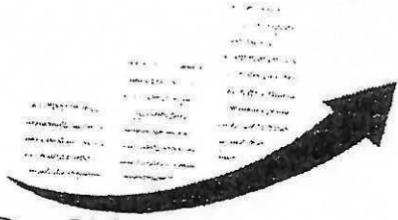
POC: Eric Kolb
Assistant Treasury
803-236-0180

Trinity United Methodist Church
226 W Liberty St.
Sumter, SC 29150
803-773-9393

POC: Gail Perozzi
Treasurer
803-983-8658

Town of Paxville
PO Box 1306
Manning, SC 29102

POC: Tina Atkinson
Clerk
803-236-7915



Ratliff CPA Firm
P.C.
www.RatliffCPAFirm.com
Est. 1955

652 Bultman Dr.
Sumter, SC 29150
Phone: (803) 775-3000
Fax: (803) 462-4129

August 13, 2021

Town of Elgin
Post Office Box 277
Elgin, SC 29045
803-438-2362

ENGAGEMENT LETTER

To the Town of Elgin:

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

Our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, we will inform you of any material errors and any fraud or other illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement, and our engagement cannot be relied upon to disclose the same.

In connection with this engagement, we may communicate with you or others via email transmission. As emails 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 they are directed and only to such parties, we cannot guarantee or warrant that emails 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 of emails transmitted by us about 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 revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

It is our policy to retain engagement documentation for a period of seven years for existing clients and for three years for former clients, after which time we will commence the process of destroying the contents of our engagement files.

This engagement letter is contractual in nature, and includes all the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only

become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you would like us to provide you with any other services not specifically outlined in this engagement letter, you must make that request of us in writing. If we agree to provide the requested additional services, we will create a separate engagement letter specifically addressing the same, and that engagement letter, upon your signature, will govern our provision of those additional services.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. You acknowledge that any such understated tax and any imposed interest and penalties because of understated tax are your responsibility and that Ratliff CPA Firm has no responsibility in that regard.

In the event that we become obligated to pay any judgment or similar award on your behalf, you agree to reimburse any amount in settlement, and any costs incurred because of inaccurate or incomplete information provided to us by you during this engagement. You agree to indemnify, defend, and hold Ratliff CPA Firm harmless against such obligations, agreements, and/or costs.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be asserted within one year from the date any such cause of action accrues, or within three years from the completion of the engagement, whichever is earlier, notwithstanding any statutory provision to the contrary. In the event of litigation brought against us any judgment you obtain shall be limited in amount, and shall not exceed the amount of the fee charged by us, and paid by The Town of Elgin, for the services set forth in this engagement letter.

You are responsible for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions and for retaining supporting documentation for those transactions, all of which will, among other things, help assure the preparation of proper tax returns.

The timeliness of your cooperation is essential to our ability to complete this engagement. We reserve the right to withdraw from this engagement for any reason. 90 day Notice

Our fees for this engagement are not contingent on the results of our services and will be based on our fee quote shown below. Invoices will be issued monthly and are payable upon receipt. Continuation of services is contingent upon timely payments. A finance charge of 1.5% per month (18% annually) will be assessed to all accounts over 30 days old.

We will prepare/submit payroll-direct deposit bi-weekly and monthly, prepare/submit quarterly and year-end payroll tax returns/reports, prepare/submit monthly and quarterly and year-end retirement reports and prepare/submit W-2's and 1099's Annually. We will use the Town of Elgin's Finance Module (Nicholson) as well as MYDORWAY, SUITS and it's First Citizen's BOB Advantage to complete all tasks.

Payroll Tax ACH Deposits will be done regardless of bank account balances. The IRS and State of SC require our firm to make ACH tax deposits, for payroll and sales tax, regardless of the checking account balance. It is the responsibility of the client to ensure that funds are available for payroll and tax deposits.

This engagement is effective September 1, 2021 through December 31, 2022.

Service	Frequency	Cost
Payroll Preparation	Bi-weekly/monthly	Included in Fixed Fee
Payroll Tax ACH Deposits	Bi-weekly/monthly	Included in Fixed Fee

Payroll Tax Returns Filed (941, 940, UCE 101/120, WH1605/1606)	Quarterly	Included in Fixed Fee
End of Year W2/W3	Yearly	Included in Fixed Fee
Preparation of Forms 1099	Yearly	Included in Fixed Fee
Retirement Reports	Monthly/Quarterly and Year-End	Included in Fixed Fee

For the services explained above, this engagement will be \$300.00 per month (\$3,600.00 per year).

If, after full consideration, you agree that the foregoing terms that shall govern this engagement, please sign a copy of this letter in the space provided and return the original signed letter to me, keeping a fully-executed copy for your records.

Thank you for your attention to this matter, and if you have any questions, please let me know.

Sincerely,

April Beilman

April Beilman
Accountant
Ratliff CPA Firm

ACCEPTED AND AGREED:
The Town of Elgin

By: _____
Its: _____

Date _____

SHEHEEN, HANCOCK & GODWIN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

1011 FAIR STREET

P.O. DRAWER 428

CAMDEN, SOUTH CAROLINA 29021

FOUNDED 1959

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December 22, 2021

To the Mayor and Town Council
Town of Elgin, South Carolina
Elgin, South Carolina

We are pleased to submit a proposal for audit services we are to provide the Town of Elgin for the year ended June 30, 2021. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Elgin as of and for the year ended June 30, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of Elgin'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 the Town of Elgin's RSI in accordance with auditing standards generally accepted in the United States of America. 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 evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedule
- 3) Net Pension Liability Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Elgin'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 auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole. [in a separate written report accompanying our auditor's report on the financial statements OR in a report combined with our auditor's report on the financial statements]:

- 1) Schedule of Fines and Assessments

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to 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. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Town of Elgin and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Town of Elgin's financial statements. Our report will be addressed to the Mayor and Town Council of the Town of Elgin. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. 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 may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that 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 on compliance, and (2) that 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 paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Town of Elgin is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. 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, an unavoidable risk exists that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards 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. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes 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. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. 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*.

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 and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Elgin's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit 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*.

Other Services

We will also assist in preparing the financial statements and related notes of the Town of Elgin in conformity with U.S. generally accepted accounting principles 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 statement 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.

Management Responsibilities

Management is responsible for 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, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and 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 and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. 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, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written 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 and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. 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 OR make the audited financial statements readily available to users of the supplementary information 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 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 other 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.

You agree to assume all management responsibilities relating to 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.

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

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.

We will provide copies of our reports to the Mayor and Town Council; 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 Sheheen, Hancock & Godwin 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 a Regulator 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 Sheheen, Hancock & Godwin 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 a Regulator. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately January 10, 2022, and to issue our reports no later than January 31, 2022. John Boykin, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will range from \$10,000-\$13,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. 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. 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 audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the Town of Elgin 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 enclosed copy and return it to us.

Sincerely,

Sheheen, Hancock & Godwin, LLP

Sheheen Hancock & Godwin, LLP

Camden, South Carolina

RESPONSE:

This letter correctly sets forth the understanding of the Town of Elgin

Management signature: _____

Title: _____

Date: _____