

McGladrey & Pullen

Certified Public Accountants

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ATTACHMENT 1

March 15, 2003

McGladrey & Pullen, LLP
230 North Elm St., Ste. 1100, Greensboro, NC 27401-2436
P.O. Box 2470, Greensboro, NC 27402-2470
O 336.273.4461 F 336.274.2519
www.mcgladrey.com

The Honorable Mayor and
Members of Town Council
306 North Columbia Street
Chapel Hill, North Carolina 27516

Attention: Mr. James M. Baker, Finance Director

This letter is to explain our understanding of the arrangements for the services we are to perform for the Town of Chapel Hill, North Carolina for the year ending June 30, 2003. We ask that you either confirm or amend that understanding.

We will perform an audit of the Town's financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of and for the year ending June 30, 2003. We understand that these financial statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

We will also perform the audit of the Town as of June 30, 2003 so as to satisfy the audit requirements imposed by the Single Audit Act of 1984, the U.S. Office of Management and Budget (OMB) Circular A-133 and the state of North Carolina single audit implementation act.

We will conduct the audit in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards* issued by the Comptroller General of the United States; the provisions of the Single Audit Act, OMB Circular A-133 and OMB's Compliance Supplement and the State Single Audit Implementation Act. Those standards, circulars, supplements or guides require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error, fraudulent financial reporting or misappropriation of assets. Accordingly, a material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets, may remain undetected. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. As a result, an audit is not designed to detect errors or fraud that are immaterial to the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit will provide a reasonable basis for our reports.

Our audit will be conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town's basic financial statements. The accompanying supplementary information, such as the introductory section, combining and individual nonmajor fund financial statements, statistical tables, as well as accompanying schedule of expenditures of federal and state awards as required by the U.S. Office of Management and Budget Circular A-133 and the State Single Audit Implementation Act, will be presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information and the accompanying schedule of expenditures of federal and state awards will be subjected to auditing procedures applied in the audit of the basic financial statements. The introductory section and the statistical tables will not be subjected to auditing procedures.

McGladrey & Pullen, LLP is an independent member firm of RSM International, an affiliation of independent accounting and consulting firms.

In addition to our report on the Town's financial statements, we will also issue the following reports or types of reports:

A report on the fairness of the presentation of the Town's schedule of expenditures of federal and State awards for the year ending June 30, 2003.

Reports on internal control related to the financial statements, and major programs. These reports will describe the scope of testing of internal control and the results of our tests of internal controls.

Reports on compliance with laws, regulations, and the provision of contracts or grant agreements. We will report on any noncompliance which could have a material effect on the financial statements and any noncompliance which could have a direct and material effect on each major program.

A schedule of findings and questioned costs.

Communication with the Town's Audit Committee relating to the conduct of the audit as required by *Government Auditing Standards*.

Applicable sections of the Data Collection Form.

The Town will determine and provide to us, a list of the Town's governmental activities, business-type activities, each major fund and the aggregate remaining fund information for the year ending June 30, 2003.

The federal and state financial assistance programs that you have told us that the Town participates in and that are to be included as part of the single audit compliance examination are listed in the attachment.

The component unit whose financial statements you have told us are to be combined with and included as part of the Town's general purpose financial statements are the Orange Water and Sewer Authority (OWASA). This entity will be disclosed through discrete presentation as a component unit, as required by Governmental Accounting Standards Board (GASB) 14. Our firm as another separate engagement with OWASA audits this organization.

Our reports on internal control will include any reportable conditions and material structural weaknesses in the system of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and circular identified above. Our reports on compliance will address material errors, fraud, violations of compliance requirements and other responsibilities imposed by state and federal statutes and regulations and assumed by contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with requirements of the standards and circulars identified above.

If circumstances relating to the condition of your records, the availability of sufficient, competent evidential matter, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets or noncompliance which in our professional judgment prevent us from completing the audit, we retain the unilateral right to take any course of action permitted by professional standards, including withdrawal from the engagement.

As you know, management is responsible for (1) the preparation of the Town's financial statements, (2) establishing and maintaining effective internal control over financial reporting and safeguarding assets, (3) properly recording transactions in the records, (4) identifying and ensuring that the Town complies with the laws and regulations applicable to its activities and (5) making all financial records and related information available to us and (6) for adjusting the financial statements to correct material misstatements. At the conclusions of our audit, we will request certain written representations from management about the financial statements and matters related thereto. We will also require that you affirm to us that the effects of any uncorrected misstatements brought to your attention by us,

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are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The Town of Chapel Hill acknowledges that McGladrey & Pullen, LLP, at its discretion, will use employees of RSM McGladrey, Inc., an indirect wholly owned subsidiary of H&R Block, Inc. for certain administrative support, marketing and professional services relating to The Town of Chapel Hill. To facilitate the delivery of these services, The Town of Chapel Hill authorizes McGladrey & Pullen, LLP to allow employees of RSM McGladrey, Inc. access to The Town of Chapel Hill. files, financial information and other confidential information as determined by McGladrey & Pullen, LLP. RSM McGladrey, Inc. has agreed to comply with Rule 301 of the AICPA Code of Professional Conduct, *Confidential Client Information*. RSM McGladrey, Inc. is not a licensed certified public accounting firm and will not offer or perform public accounting services.

You have informed us that you intend to prepare a comprehensive annual financial report (CAFR) and submit it for evaluation by the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. Our participation in the preparation of the CAFR is to consist of having the audit and accounting report reviewed by a person who is also a reviewer for the GFOA Certificate Program and have him involved in the resolution of any accounting or reporting questions that arise during the engagement.

The working papers for this engagement are the property of McGladrey & Pullen, LLP. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs and the U.S. General Accounting Office shall have access to the audit working papers upon their request; and that we shall maintain the working papers for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested workpapers will be provided under the supervision of McGladrey & Pullen, LLP audit personnel and at a location designated by our Firm.

During the course of our engagement, we may accumulate records containing data which should be reflected in your books and records. You will determine that all such data, if necessary, will be so reflected. Accordingly, you will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by your personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Ms. Kay Johnson. The timely completion of this work is essential condition to our completion of the audit and issuance of our audit report.

Our fees are based on the time required by the individuals assigned to the engagement, plus direct expenses. Interim billings will be submitted as work progresses and as expenses are incurred. We will submit our final bill for these services promptly upon delivering the reports. Our fee for the services described in this letter will not exceed \$49,000. If the assistance to which the Town has agreed to furnish is not provided, or unexpected conditions are encountered, we will discuss the situation with you before proceeding, if agreed to by the Town by an amendment to the Contract. Any services performed in addition to normal audit procedures will be charged at standard rates less 20%. All other provisions of this letter will survive any fee adjustment.

In the event we are requested or authorized by the Town or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the Town, the Town will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

Our report on the financial statements is not to be included in an official statement or other document involved with the sale of debt instruments without our prior consent. Additionally, if you intend to publish or otherwise reproduce the financial statements and/or make reference by name to us or our audit, you agree to provide us with printer's proofs or masters for our review and consent before reproduction and/or release occurs. You also agree to provide us with a copy of the final reproduced material for our consent before it is distributed or released. Our fees for any

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additional services that may be required under our quality assurance system as a result of the above will be established with you at the time such services are determined to be necessary.

In accordance with *Government Auditing Standards* a copy of our most recent peer review report has been provided to you, for your information

If this letter defines the arrangements as you understand them, please sign the enclosed copy and return it to us. We appreciate your business.

McGLADREY & PULLEN, LLP



Mark L. Snyder, Partner

MLS:ns
Enclosure

Confirmed on behalf of the addressee:

Town Manager

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Director

TOWN OF CHAPEL HILL, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Number	Program or Award Amount	Current Year Expenditures		
				Federal	State	Local
FEDERAL ASSISTANCE						
U.S. Department of Transportation						
Direct Programs:						
Federal Transit Administration - Federal Transit Capital and Planning Formula Grant	20.507	NC-90-X295-00	\$ 1,176,261	\$ 946,578	\$ 4,722	\$ 4,722
Federal Transit Administration - Federal Transit Capital and Planning Formula Grant	20.507	NC-90-X283-00	2,800,000	2,323,716	223,973	251,969
Federal Transit Administration - Federal Transit Capital and Planning Formula Grant	20.507	NC-90-X281-00	1,126,039	84,708	1,710	19,467
Federal Transit Administration - Federal Transit Capital and Planning Formula Grant	20.507	NC-90-X278-00	1,932,025	1,603,580	154,562	173,882
Federal Transit Administration - Federal Transit Capital and Planning Formula Grant	20.507	NC-90-X265-00	1,078,118	109,374	13,672	13,672
Federal Transit Administration - Federal Transit Capital and Planning Formula Grant	20.507	NC90-X243-00	913,217	3,090	386	386
Federal Transit Administration - Federal Transit Capital and Planning Formula Grant	20.507	NC90-X227-01	1,061,280	131,482	16,435	16,435
Federal Transit Administration - Federal Transit Capital Improvement Grant	20.500	NC-03-0040	1,221,495	668,411	83,551	83,551
Federal Transit Administration - Federal Transit Capital Improvement Grant	20.500	NC-03-0044	710,000	76,782	9,598	9,898
Federal Transit Administration - Federal Transit Capital Improvement Grant	20.500	NC-03-0049	1,886,921	1,570,000	151,325	170,240

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TOWN OF CHAPEL HILL, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2002

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Number	Program or Award Amount	Current Year Expenditures	
				Federal	State
Passed-Through City of Durham, North Carolina:					
Federal Transit Administration Thoroughfare Planning, Section 5303	20.505	02-08-002	52,810	42,249	5,281
Federal Transit Administration - Highway Act of 1973 Section 104(f) Planning Grant	20.505	PL 104(F)	122,320	97,453	24,363
Total U.S. Department of Transportation				7,657,423	665,215
Federal Emergency Management Agency					
Flood Mitigation Grant Assistance to Firefighters Grant	83.536 83.554	EMW-2001-FG-06115	207,416 183,375	172,348 183,375	57,520 20,375
Total Federal Emergency Management Agency				355,723	77,895
U.S. Department of Housing and Urban Development					
Direct Programs:					
Community Development Block Grant Entitlement Program Income Other	14.218	MC-37-0016	1,746,000	365,481	95,728 29,518
Economic Development Initiative Grant	14.246	B-00-SPNC-0023	231,250	118,000	
Disaster Recovery Initiative Grant	14.218 14.219 14.228	B-98-MU-37-0016	349,041	17,797	
Public and Indian Housing Program - Operating Rental and other Income	14.850	A-3963	914,900	914,900	413,285
Public and Indian Housing - Drug Elimination	14.854	NC-19DEP0460100 NC-19DEP0460101	77,019 82,552	17,670 67,376	24

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TOWN OF CHAPEL HILL, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2002

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Number	Program or Award Amount	Current Year Expenditures	
				Federal	State Local
Public and Indian Housing Comprehensive Grant Program	14.859	NC-19P04670599	460,265	61,457	
Public and Indian Housing Capital Fund	14.872	NC-19P04650100 NC-19P04650101	599,512 611,585	369,011	2,950
Total U.S. Department of Housing and Urban Development				1,931,692	541,505
U. S. Department of Interior					
Passed-Through N. C. Department of Cultural Resources Historic Preservation - Certified Local Government Grant Historic Preservation - Certified Local Government Grant	15.904 15.904	53-0197094 53-0197094	8,400 7,500	8,000 7,500	
Total U. S. Department of Interior				15,500	
Federal Highway Administration					
Passed-Through N. C. State Parks Division National Recreation Trails Grant	20.219		30,000	30,000	
Passed-Through North Carolina Department of Transportation: Federal Transit Sidewalk Grant	20.205	8.2501701 8.2501801	199,507	199,507	
Total Federal Highway Administration				229,507	
U. S. Department of Justice					
Direct Programs: Local Law Enforcement Block Grant	16.592	01-LBVXR3191	53,673	53,673	5,367
Total U. S. Department of Justice				53,673	5,367
TOTAL FEDERAL ASSISTANCE				10,243,518	1,398,632

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TOWN OF CHAPEL HILL, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2002

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Number	Program or Award Amount	Current Year Expenditures	
				Federal	State
STATE ASSISTANCE					
North Carolina Department of Transportation					
Powell Bill			1,552,568		
Interest			3,365		3,365
State Maintenance Assistance for Urban and Small Urban Areas			1,573,708		
Bicycle Safety			2,000		
Sidewalks - E29716			75,000		
North Carolina State Technology Funding		99AT001	92,500		2,548
Total North Carolina Department of Transportation					
				3,226,204	5,913
State Library Aid					
Governor's Highway Safety Grant			28,487		
Alternative Fuels Grant			34,068		
Governor's Crime Commission Grant			46,400		
			15,726		
TOTAL STATE ASSISTANCE					
				3,343,185	5,913
TOTAL FINANCIAL ASSISTANCE					
			\$ 10,243,518	\$ 4,008,400	\$ 1,404,545

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NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

1. The accompanying schedule of expenditures of federal and state awards is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.
2. Powell Bill expenditures as reported above represent eligible expenditures reported to the North Carolina Department of Transportation (NCDOT) for the fiscal year ending June 30, 2002. The Town is required to report annually to the NCDOT on the accumulated unspent Powell Bill funds. As of June 30, 2002, the Town had no unspent Powell Bill funds. The amount calculated as interest is based on the prior year interest rate. This was used as an estimate for the current year.

LGC-205 (Rev. 1/1/2003)
File in Triplicate.

CONTRACT TO AUDIT ACCOUNTS

of Town of Chapel Hill
Governmental Unit

On this 15th day of March, 2003, McGladrey & Pullen, LLP
Auditor

230 North Elm Street, Suite 1100, Greensboro, North Carolina 27401
Mailing Address

hereinafter referred to as

the Auditor, and The Town Council of Town of Chapel Hill, hereinafter referred
Governing Board Governmental Unit

to as the Governmental Unit, agree as follows:

1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit for the period beginning July 1, 2002 and ending June 30, 2003. The combining, individual fund, and account group financial statements and schedules shall be subjected to the auditing procedures applied in the audit of the combined financial statements and an opinion will be rendered in relation to the combined financial statements taken as a whole.
2. At a minimum, the Auditor shall conduct his audit and render his report in accordance with generally accepted auditing standards. The Auditor shall perform the audit in accordance with Government Auditing Standards if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB Circular A-133 and the State Single Audit Implementation Act, the auditor shall perform a Single Audit.
3. *This contract contemplates an unqualified opinion being rendered.* If financial statements are not prepared in accordance with generally accepted accounting principles (GAAP), or the statements fail to include all disclosures required by GAAP, explain that departure from GAAP in the space below: Not Applicable
4. *This contract contemplates an unqualified opinion being rendered.* 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.* The audit will have no scope limitations except:
Not Applicable
5. If this audit engagement is subject to the standards for audit as defined in Government Auditing Standards, issued by the Comptroller General of the United States, then the Auditor warrants by accepting this engagement 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 their most recent peer review report to the Governmental Unit and the Secretary of the Local Government Commission prior to the execution of the audit contract. (See Item 20.)
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 by October 31, 2003.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's system of internal control and accounting as same relates to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor will 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 findings, together with his recommendations for improvement. That written report must include all matters defined as "reportable conditions" in AU 325 of the AICPA Professional Standards. The Auditor shall file a copy of that report with the Secretary of the Local Government Commission.
8. All local government and public authority contracts for annual or special audits, bookkeeping or other assistance necessary to prepare the Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina require the approval of the Secretary of the Local Government Commission. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the Local Government Commission. (This also includes any progress billings.) All invoices should be submitted in triplicate to the Secretary of the Local Government Commission. The original and one copy will be returned to the Auditor. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. In consideration of the satisfactory performance of the provisions of this agreement, the Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the Local Government Commission, the following fee which includes any cost 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:
Year-end bookkeeping assistance - None
Audit - \$49,000
Preparation of the financial statements - None
10. After completing his audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, at least, the financial statements of the governmental unit and all of its component units and notes thereto prepared in accordance with generally accepted accounting principles, combining and supplementary information requested by the client or required for full disclosure under the law, and 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 as soon as practical after the close of the accounting period.
11. The Auditor shall file with the Local Government Commission two copies of the report of audit, including one copy of the federal Data Collection Form, if a federal single audit is conducted. Two copies of the report of audit should be submitted if an audit is required to be performed only under the requirements of the State Single Audit Implementation Act or a financial audit is required to be performed in accordance with Government Auditing Standards. Otherwise, one copy shall be submitted. Copies of the report shall be filed with the Local Government Commission when (or prior to) submitting the invoice for the services

rendered. All copies of the report submitted must be bound. The report of audit, as filed with the Secretary of the Local Government Commission, becomes a matter of public record for inspection and review in the offices of the Secretary by any interested parties. Any subsequent revisions to these reports must be sent to the Secretary of the Local Government Commission. These audited financial statements are used in the preparation of Official Statements for debt offerings, by municipal bond rating services, and to fulfill secondary market disclosure requirements of the Securities and Exchange Commission.

- 12. 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 therefor. Upon approval by the Secretary of the Local Government Commission, this agreement may be varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor.
- 13. If an approved contract needs to be varied or changed for any reason, the change must be reduced to writing, signed by both parties, preaudited if necessary, and submitted to the Secretary of the Local Government Commission for approval. No change shall be effective unless approved by the Secretary of the Local Government Commission, the Governing Board, and the Auditor.
- 14. Whenever the Auditor uses an engagement letter with the client, Item 15 may be completed by referencing the engagement letter and attaching a copy of the engagement letter to the contract to incorporate the engagement letter into the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control. Engagement letter terms are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 21 of this contract. Engagement letters containing indemnification clauses will not be approved by the Local Government Commission.
- 15. There are no special provisions except: **See arrangement letter**
- 16. A separate contract should not be made for each division to be audited or report to be submitted. A separate contract must be executed for each component unit which is a local government and for which a separate audit report is issued.
- 17. The contract should be executed and submitted in triplicate to the Secretary of the Local Government Commission, 325 North Salisbury Street, Raleigh, North Carolina 27603-1385.
- 18. Upon approval, the original contract will be returned to the Governmental Unit, a copy will be forwarded to the Auditor, and a copy retained by the Secretary of the Local Government Commission. The audit should not be started before the contract is approved.
- 19. 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 Local Government Commission.
- 20. If this audit engagement is not subject to Government Auditing Standards, then Item 5 shall be listed as a deleted provision in Item 21. An explanation must be given for deleting this provision.
- 21. All of the above paragraphs are understood and shall apply to this agreement, except the following numbered paragraphs shall be deleted: (See Item 14.)
- 22. Will the audited financial statements be prepared in accordance with GASB Statement No. 34? YES NO
If the audited financial statements are prepared in accordance with GASB Statement No. 34 the references in Item 1 to the combining, individual fund, and account group statements shall mean the basic financial statements, management's discussion and analysis, and required supplementary statements as defined in GASB Statement No. 34. Auditing procedures applicable to other supplementary schedules are not changed by the implementation of GASB Statement No. 34.

By Mark L. Snyder
 (Please type or print name)
Mark L. Snyder
 (Signature of authorized audit firm representative)
 Date March 15, 2003

Approved by the Secretary of the Local Government Commission as provided in Article 3, Chapter 159 of the General Statutes or Article 31, Part 3, Chapter 115C of the General Statutes.

 For the Secretary, Local Government Commission

 (Signature)
 Date _____

By _____
 (Please type or print name and title)

 (Signature of Mayor or Chairperson of governing board)

Date _____

By _____
 (Chairperson of Audit Committee (Please type or print name))

 (Signature of Audit Committee Chairperson)

Date _____
 (If unit does not have an audit committee, this section should be marked "N/A.")

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

 Governmental Unit Finance Officer (Please type or print name)

 (Signature)

Date _____
 (Preaudit Certificate must be dated.)