

Whereas	Primary Government Unit Jackson County
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A
and	Auditor Dixon Hughes Goodman LLP

entered into a contract in which the Auditor agreed to audit the accounts of the Primary Government Unit and DPCU (if applicable)

for	Fiscal Year Ending 06/30/18	and originally due on	Audit Report Due Date 10/31/18
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hereby agree that it is now necessary that the contract be modified as follows.

<input checked="" type="checkbox"/> Modification to due date:	Original due date 10/31/18	Modified due date 12/31/18
<input type="checkbox"/> Modification to fee:	Original fee	Modified fee

EXPLANATION OF MODIFIED CONTRACT TERMS

Please provide an explanation for the modification of terms. If the amendment is submitted to extend the due date, please indicate the steps the unit and auditor will take to prevent late filing of audits in subsequent years.

The completion of this year's financial and compliance audits, including assistance with the preparation of the County's financial statements, required additional time to complete for the following reasons:

1. Implementation of GASB Statement No. 75. The implementation required restatement of beginning net position and additional note disclosures and additional Required Supplementary Information ("RSI") schedules. First year implementation issues created some difficulties in formatting the financial statements and reconciling between the government-wide statements and the fund statements. These delays associated with implementation are not expected to occur again next year.
2. This year Dixon Hughes Goodman LLP ("DHG") experienced turnover with two key members of its audit team that was assigned to perform the County's audits. This turnover resulted in a learning curve that was exacerbated by the implementation of GASB Statement No. 75.
3. The removal of certain direct benefit payments from the Schedule of Expenditures of Federal and State Awards ("SEFSA"), required the auditors to test more programs this year. Due to the complexity of the County's SEFSA, a final determination of major programs could not be made until the audit was substantially completed. The total number of programs tested in 2018 was ten compared to two programs tested in 2017 which is why the above fee has been modified.

By their signatures on the following pages, the Auditor, the Primary Government Unit, and the DPCU (if applicable), agree to these modified terms.

SIGNATURE PAGE**AUDIT FIRM**

Audit Firm Dixon Hughes Goodman LLP	
Authorized Firm Representative (typed or printed) Brian Broom	Signature
Date 02/13/19	Email Address brian.broom@dhg.com

GOVERNMENTAL UNIT

Governmental Unit Jackson County	
Date Primary Government Unit Governing Board Approved Audit Contract (Ref. G.S. 159-34(a) or G.S. 115C-447(a)) 06/18/18	
Mayor/Chairperson (typed or printed) Brian McMahan	Signature
Date	Email Address

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE***ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT****(Pre-audit certificate not required for charter schools or hospitals)*

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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

Primary Governmental Unit Finance Officer Darlene Fox	Signature
Date of Pre-Audit Certificate	Email Address darlenefox@jacksonnc.org

**SIGNATURE PAGE – DPCU
(complete only if applicable)**

DISCRETELY PRESENTED COMPONENT UNIT

DPCU N/A	
Date DPCU Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)	Signature
Date	Email Address

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

DPCU – PRE-AUDIT CERTIFICATE

ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT

(Pre-audit certificate not required for charter schools or hospitals)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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

DPCU Finance Officer (typed or printed)	Signature
Date of Pre-Audit Certificate	Email Address