



ORIENTAL TOWN BOARD SPECIAL MEETING
Thursday, February 27, 2024, 8AM
507 Church Street, Oriental, NC
Mayor Sally Belangia officiating

1 The Town Board of Oriental Special Meeting was held on Tuesday, February 27, 2024 and was called to order at
2 8:00 AM. Mayor Belangia determined a quorum to be present. The meeting was open to the public. All documents
3 for the meeting were available through the Town's website at www.TownofOriental.com.
4
5 Present: Mayor Belangia, Commissioner Overcash, Commissioner Litzenberger, Commissioner Roe, and
6 Commissioner Crosser. Town Manager Diane Miller, Administrative Director Tammy Cox, Public Works Director
7 Cox, Public Works employees, Officer Wichrowski, Officer Blayney, many members of the Public.
8
9 Approval of Agenda: Commissioner Overcash makes a MOTION to approve the agenda. Commissioner
10 Litzenberger seconds. 3-1, Commissioner Roe dissenting.
11
12 Mayor starts with Pledge of Allegiance. Notes Mayor Pro Tempore Price is absent with a positive Flu test, and
13 others are not feeling well, so they may have to be excused.
14
15 Public Comment: Mayor encourages all who wish to speak- welcomes all.
16 8:03 Mayor reads letters from Julie Rahm, Sherri Hicks, and Spencer Litzenberger, and Jennifer Pawlikowski
17 (attached)
18
19 Mayor Pro Tempore Price arrives. (8:05)
20
21 8:10: Jean White-100 Gull Circle: read statement- attached- extra time given by Don McGuire- gives time to Jean
22 White
23 8:16: Sandy McGuire: comfort level of having Police
24 8:18: David White: 100 Gull Circle: read statement (attached)
25 8:22 Anne Marie Wichrowski: represent will of those who elected them- no personal agenda. What is the end game?
26 Employees put Town before private homes after Florence.
27 8:25 Sandy Winfrey: 103 Starboard Cir. Addresses Commissioners Roe and Crosser, Town has run almost
28 flawlessly for 10 years. Key people resigning should be a message. Calls for resignation.
29 8:26 Gail Good Seafarer Dr- cease and desist micromanaging, dissolve financial liaison, Andrew withdraw
30 resignation, take attorney advice, auditor advice. No meetings without subject matter experts available. All
31 Commissioners must attend. Allow employees to tend families when necessary. Small town that takes care of each
32 other.
33 8:30 Bill Kemp 402 Ragan Rd. appreciate and maintain current system, current water system, law enforcement, and
34 employees- encourages positivity. Discouraged we are looking for fraud.
35 8:32 Tom Stone 500 Audubon: Mary and he came from Hawaii and settled here after a two year tour of the States.
36 This is paradise, very supportive of staff and would certainly pay more to retain.
37 8:34 Bob Slook 103 Norman Circle: relates exceptional and immediate service by the Town. Would like to see
38 comparison to like towns and stop petty questions, and deal with big issues.
39 8:35 Bob Miller 5613 Styron Dr: Tree Board over 20 years- have been through 4 Town Managers- this is the best-
40 works with Public Works- they clean up our mess- you have lost a good man- you had an opportunity to not do this-
41 you were warned not to do this, and you did it anyway- broke the Town- put it back.
42 8:37 Greg Bohmert- 311 Midyette St: 30 year resident, we have issues, and have read all local news. I see rumor
43 and we are all upset. Town crew has been great- we all work at a steady pace. Trying to do BMPs does not make a
44 Commissioner evil- trying to get bang for buck is not bad. If anyone deserves raise, it's Drew- I have not heard of

45 any denied pay raise, things I don't know- we should deal with facts- encourages Board- 3 out of 5 needed to do
46 anything- deal with facts and stop with emotion.

47 8:40 Jennifer Pawlikowski 1218 Lupton: No understanding of what we're trying to accomplish- why we would
48 allow good employees to leave-we employ ten people, Town employs 11- way understaffed. Asks the room how
49 many are here to support the staff.

50 8:41 George Midyette 5309 Anchor Way supports what has been said- please take emotion out. State your agenda,
51 talk to constituents. Employees have come to him and asked him to have their back. People new to Town should
52 take time to see what's going on.

53 8:42 Bill Marlowe 1109 Gilgo Rd Been here 25 years, worked closely with Town staff- don't want to see change-
54 this is just stirring the pot- impossible to replace employees. Cost of living here is impossible. County water is
55 terrible- don't go there. Think to see if you can back it up and start over.

56 8:44 Darlene Marquart 414 S. Water we don't know what's going on. Changes need to take into account the long
57 term consequences. Lose control of water, divide people, make people angry, not the town we want. Scheduling
58 meetings without key personnel- bad idea. If that's what you want, go elsewhere. Have more people involved.
59 Apologize and beg Drew to come back. We don't want this.

60 8:46 Nelda Coats 103 Skipper Circle: Thanks Commissioners for their service. Use the chain of command to talk to
61 employees. Chain was jumped- point of contact should be Town Manager.

62 8:48 Iris Cooper 200 Whittaker Pt- signed up, did not speak.

63 8:50 Ginger Barnett 301 Freemason: as a former employee of the town. Not sure of the current issues- when we
64 were without Police, it was not good. Andrew's hours after regular hours far outweighs the time to take child to
65 school. Came in and she [Manager] was here 9:30 at night while on vacation. These people put all kinds of overtime
66 in. Sit back and take a look before you choose to change things. Don't micromanage.

67 8:52 Joe Valinoti 5309 Bogue Thanks Board for serving- not an easy job. Several have mentioned Mgmt practices.
68 We can't fire Commissioners, but can call on them to resign. Allen needs to serve the Town and not these two
69 Commissioners. Can't do a recall, but they can resign.

70 8:54 Richard Lambert 1122 Neuse Dr. Addresses Drew- if you're making career decisions on rumor, good luck.
71 Reads from literature on audit- fraud \$1.5M goes through Town's budget- a lot of opportunity. This report notes
72 lack of oversight. Lists issues with other towns, cites a lack of financial literacy amongst elected officials. You have
73 two that are CPAs. One currently licensed, one ex-CEO. Cultural blind trust is another reason for lack of internal
74 controls. Should be monitored. All because they want a financial review. Commissioners don't even talk to
75 employees, they work with the Manager. Divide and conquer the financial tasks- we have one person that handles it
76 all. Trust the system, not the people. Be proactive- that was the intent here. In the past ten years, financial policy has
77 not been reviewed, just the auditor.

78 8:57 Barb Venturi 300 High St Was a Commissioner for 12 years. Got here in 1984. Sorry to see discord. Great
79 team, staff does brilliant work.

80 8:59 Judy Smith 402 Whittaker Point Rd would like to know where rumors are coming from. Asked Commissioner
81 Crosser-did not fill opening in Public Works. Asked Commissioner Roe, asked Manager- not brought into my
82 office, only discussion about voluntary resignations, and another one coming end of Fiscal Year. Review of Town
83 boos- if review means micromanaged- Manager notes anyone can come in and look at books. Liaison created by 4-1
84 vote. Why created? Recommended (quotes statute 159-25-Finance Officer responsibilities). Does not talk to
85 employees- goes through the Manager. Looks at various paperwork. Relates to staff time? It doesn't. Look at
86 paperwork in conference room. (time limit reached) Internal controls very important.

87 9:05 David Smith 104 Skipper Circle: Thanks town employees- this is not a corporation, water plant, garbage, green
88 waste- part of your health system- this is a primary need. Stop micromanaging. If you can't do that, get out.

89 9:06 Howard Cheatham 1116 Neuse Dr Benn here 14 years, just built our forever house. 10 years ago I was on
90 Water Advisory Board, to make sure water is safe. Very disappointing that we are losing this staff. To get the best
91 out of people give them slack- don't fuss over petty things.

92 9:08 Dennis Marlin 3014 Sloop Dr been here about 12 years- two factions. Not a fun job to be a Commissioner.
93 Citizens need to step up to accomplish things. If you want services, you need to pay- both sides need to work

94 together. I have County water, much worse, even with a filter system. These people can work at fast food for \$16-
95 \$17/hour. Be careful. Those workers can't do this job.

96 9:09 Larry Summers 2010 Whittaker Pt Rd- the way set up, inefficient- can never be. Required to annex in is not
97 good- should let anyone who wants in. Recommends we go to County water. ORC should not be a full time job in
98 Oriental. Chapter K has changed- the assistant can do most of the work. ORC can be contracted at \$30K/year.

99 9:15 Chris Daniels 90 Willowbrook: I don't know the evidence of the Board, but do know the character of the
100 employees- the Town that we live in and I can call Tammy and Drew on my cell- and now have you [Commissioner
101 Litzenberger] too. Thanks Breena for reaching out to business owners. For him, water quality is really important.
102 Hard workers are hard to come by.

103 9:16 Keith Gapen 300 Midyette St: highest level of confidence in Manager and Commissioner Litzenberger- let
104 Diane do her job and stop micromanaging. Disappointed in Commissioners that did not follow legal and SOG
105 advice to not have a financial liaison- would rather see a resignation letter from Commissioner/Commissioners who
106 caused this mess.

107 9:18 D. Wogeman 1119 Link Lane: did not speak

108 9:19 Eric Kindle 1111 Link Lane: spoke to training and dedication of staff- men and women choose to serve the
109 community. As Fire Chief, knows making things happen with limited resources. Great to see participation. Without
110 volunteers, we would not be what we are. Paid staff make amazing contributions to the Town. Cites Police, Fire,
111 Manager, Tammy, Drew, and rest of staff, who could all go elsewhere and make more money. Those who don't
112 choose to give back should go elsewhere.

113 9:22 Mary Ellen Ham: lived here all my life- this Town is my home and I have seen a lot of changes- people move
114 in and change things and then get sick or old and move back to where they came from. I don't like what I see. If you
115 come here, come here to join us, not change us.

116 9:24 Angie Propst 6207 Mainsail Point: Been here 20+ years- not from here, but my kids are. We've come from
117 only 2 town employees to what we have now. Be accountable- always room to look at what we're doing. Also
118 understand that the office runs on the people in it. See the contribution and protection of law enforcement. We have
119 chaos- during Board meetings is not the time to attack employees. All those things that happen- festivals- happen
120 with a lot of behind the scenes town employees. I understand financial accountability, but value 100% dedicated
121 employees. Some things don't need to be aired in public.

122 9:26 Bob Maxbauer 1206 Neuse Dr: speak from a unique position, having been a Town Manager, knew Diane from
123 previous working relationship, Drew brought on to build Town Hall. Understand the position you are in- please
124 listen to your employees. It is difficult to work here. Please listen to the people who elected you. [to the people] If
125 these people don't keep it going, change these people to those who will keep it going.

126

127 Commissioner Overcash makes a MOTION to rescind the Financial liaison. Commissioner Litzenberger seconds.
128 Mayor Pro Tempore Price asks if we can vote on something not on the agenda? Manager notes that if it is attached
129 to one of your agenda items [in this case, Public Comment], then you can. Commissioner Overcash notes facts:
130 lawyer advised against, League of Municipalities (NCLM) advised against this, quotes auditor: based on personnel
131 interviews, did not encounter any deficiency in design or operation of internal controls, since created, this has all
132 happened.

133 Mayor Pro Tempore Price has no issue with us confirming we are operating according to Generally Accepted
134 Accounting Principles. If position eliminated, still want to know policies and procedures are being followed. Audit
135 is not designed to find fault. No problem making sure everything is in line. Was not prepared to vote on anything
136 other than the two agenda items.

137 Commissioner Litzenberger believes that the position was conceived with good intention, but then it devolved.
138 Cases cited the issues were discovered by the auditor. It is not just one person doing things- I open statements,
139 someone else does reconciliation, does the ledger, writes the check- different people sign the checks, including
140 Commissioners, so I don't want anyone leaving this room believing one person does it all with no oversight.

141

142 Commissioner Crosser and Commissioner Litzenberger discuss auditing. Notes we are on Unit Assistance
143 List(UAL)- quotes from paperwork distributed at UAL training. Spot checking financial duties. We would be
144 noncompliant. If you don't want a certified CPA to do it, then we need to create a paid position to come in and
145 review. I do not talk to staff. Rumors come from other Commissioners- if you want clarification from me, please
146 come to me. Commissioners encourage input from citizens. In that case, I'm proposing what citizens want.
147

148 Commissioner Roe supports Commissioner Crosser ensuring we are good stewards of finances. Has never been any
149 discussion about cutting staff. This Board has not set a budget, has not discussed cutting staff. Small budget- 67%
150 of budget pays the people, the electric bill, etc. Our infrastructure is crumbling. I feel I was instrumental in getting
151 us \$5.5M to work on water system. As Larry said- the water system does not support itself. We need to understand
152 the Town finances. We need to look for every penny for streets drainage and water system and that's what she's
153 looking at. Nobody wanted Drew to quit. Talked to Drew while he was working on Crisco house about being an
154 integral part of the water rehab. We need to find a way to take care of it or raise taxes- period. The water hardness is
155 not Drew's fault, it's the water God put under our feet. Went to County water board- received \$10M to fix the
156 system. Doing away with people- not true. Do we need to understand our finances? Absolutely. Am I going to vote
157 to increase taxes? No. Glad there is participation- people should come more often. We keep \$800K (about) in
158 reserve for emergencies. Not interest producing, \$71 interest vs \$530 service charges- from July statement. Sorry
159 that people are upset, sorry that Drew is leaving. If you think Bonnie is doing bad things, you are wrong. Notes
160 Police assistance previously- will not vote for tax increase unless we have exhausted everything else.
161

162 Commissioner Litzenberger notes she is not against oversight, she is against getting in the weeds. If you went to the
163 County to seek assistance, you were not directed by the Board to do so- we need to work together. Asks Manager to
164 describe checks and balances- Manager describes division of financial duties within the office- it generally takes all
165 four admin people to separate the duties. Notes the instances of fraud within the County- we are not in those
166 positions where one person does it all. Software system automatically carries the utility number to the financial
167 system.
168

169 Commissioner Overcash notes he voted for the position previously and wishes he did not- any Commissioner or
170 public can look at all of this- can be done without the formality.
171

172 Commissioner Roe calls the question. 2-3, Commissioners Roe, Crosser and Mayor Pro Tempore Price dissenting.
173

174 Commissioner Roe makes a MOTION to excuse Commissioner Crosser, Commissioner Litzenberger seconds. 5-0.
175

176 **Award of Bid/Authorization to contract:** *The Board shall decide which bid option (repair or replace) and to*
177 *whom it will be awarded. Attached bid sheets and bids for use. Cahoon Construction has submitted the lowest*
178 *responsive, responsible bid for both options at \$13,800(repair) and \$28,270 (rebuild). Following meeting with*
179 *CAMA District Manager Kelly Spivey and Field Representative Jessica Thomas on 2/20/24, the Town will NOT*
180 **need any permit to replace less than 50% of the substructure on the dock. Substructure does not include**
181 *decking- the entire deck can be replaced-or not- and does not affect the need for a permit. If more than 50% is*
182 *replaced, a general permit (requiring 60-90 day permitting) would be required. Additionally, the Board could*
183 *choose to replace any portion less than 50% in any subsequent year with no permit. Management recommends the*
184 *repair option for reasons listed: Scheduling can be in the next month, 3 days construction. With the USDA*
185 *improvement application a year in, and hopeful to be funded, the entire dock would have to be replaced as part of*
186 *that project to meet new potential grade of street- as part of that project. Negotiate with the selected bidder for*
187 *additional cost of total replacement of decking. Noting: Staff will do as directed by the Board.*
188

189 Manager notes we received three bids according to bid sheet (attached). With no permit, we can replace 50% of
190 substructure, and ALL of the decking. HWAC has weighed in on repair option recommendation in favor, including

191 decking, and allow Manager to negotiate additional cost. Decking was not noted to be an uncounted repair at time of
192 bid. Federal govt (USDA) project means entire dock will be rebuilt. Commissioner Roe makes a MOTION to
193 accept the Cahoon bid and empower the Town Manager to have at least a 20% overage to include new wood deck
194 and allow Mgr to execute the contract with Cahoon. Commissioner Overcash seconds. 4-0.

195
196 Commissioner Crosser returns.

197
198 **Personnel Direction: (Tab 2)** *The Manager requests direction (portions of personnel policy excerpted) for*
199 *solicitation for new employee following the resignation (attached) from Public Works(PW) Director/ Water*
200 *Treatment Plant Operator in Responsible Charge(ORC) Andrew Cox. Currently, Mr. Cox fills both positions. Part*
201 *of the decision to resign is due to the workload required to maintain both positions and inability to effectively stay*
202 *ahead of state requirements and additional duties, exacerbated by the previous resignation of a PW employee and*
203 *subsequent failure to fill that position and further reduction in force due to that failure. ORC/PW Director Cox*
204 *recommends that the duties be split between two individuals.*

205
206 *The state has been notified as required that our ORC's resignation is effective March 16. We will need to have an*
207 *ORC in place at that time to continue to operate the water plant. It requires a B-Well certification and also a B-*
208 *Distribution certification. Our most likely replacement candidate currently holds C-Well and C-Distribution*
209 *licenses, as well as Backflow and Cross Connection (BFCC) license. Your ORC and BFCC ORC cannot be the*
210 *same individual. In order to continue to operate the plant, we will need to contract those services at least until we*
211 *can get our own certified, or hire someone with those licenses.*

212
213 *The only other option is to close the plant, open the connection to Pamlico County water, and purchase water from*
214 *the County if they are able to supply, keeping in mind they will be starting rehab of their Kershaw Rd plant shortly.*
215 *Admin Director Tammy Cox is looking for the next opportunity for B-Well and Distribution classes available.*

216 Last time this happened (2015), we had two contractors cover us until Drew could be certified. \$500/month in 2015.
217 Spoke to Mr. Riggs and Mr. Sanders at a minimum of \$2,500/month. Our licenses cover the backup.

218
219 Also working on Environmental Chemists for testing. This might make the transition for new ORC into full role. We
220 can certainly discuss during retreat. Need authorization to enter negotiations with contracted ORC as that was not a
221 position funded in the previous budget. Commissioner Roe makes a MOTION to authorize the Town Manager to get
222 an interim ORC on board. Commissioner Litzenberger seconds. Commissioner Crosser aska bout chemist position.
223 Firmed up or still working? Still working. Still do not have that cost. Commissioner Overcash asks if there is
224 anything else the Manager needs prior to next meeting. Manager will need authorization to sign contract. ORC has
225 to be authorized by the State-amended to include allowing Daniel to take over once certified. 5-0.

226
227 Manager takes a moment to express gratitude to Drew for all he has given and that his departure will be a huge loss
228 to the Town. Commissioner Overcash asks Commissioner Roe to work with him to find a way to show the Town's
229 appreciation to Drew prior to his departure. Commissioner Roe agrees.

230
231 Commissioner Comments: Commissioner Roe talks about County Water meeting- as a resident participated in
232 meeting- as an agenda item. Unwavering support from Commissioner Riggs, Baskerville, and Bohmert by helping
233 along with County Manager Tim Buck stated he would do whatever it took to help us keep running. Commissioner
234 Overcash and Litzenberger express gratitude to residents who came out to participate. Commissioner Crosser also
235 appreciated input and expressed her gratitude to Drew for all the time he worked with Parks and Recreation.

236
237
238 Commissioner Overcash makes the MOTION to adjourn. Commissioner Roe seconds. 5-0.

239

240 Next meeting scheduled: Town Board March 5, 8AM

241

242

243 _____
Sally Belangia , Mayor

Diane H. Miller, Town
Manager/Clerk

244

245

246 Approved , 2024

247



ORIENTAL TOWN BOARD REGULAR MEETING
Tuesday, March 5, 2024, 8AM
507 Church Street, Oriental, NC
Mayor Sally Belangia officiating

1 The Town Board of Oriental regular meeting was held on Tuesday, March 5, 2024 and was called to order at 8:00
2 AM. Mayor Belangia determined a quorum to be present. The meeting was open to the public. All documents for
3 the meeting were available through the Town's website at www.TownofOriental.com.
4
5 Present: Mayor Belangia, Mayor Pro Tempore Price, Commissioner Overcash, Commissioner Litzenberger,
6 Commissioner Roe, and Commissioner Crosser. Town Manager Diane Miller, Administrative Director Tammy Cox,
7 Public Works Director Cox, Officer Wichrowski, and many members of the Public.
8 Mayor starts with Pledge of Allegiance.
9
10 Approval of Agenda: Commissioner Roe makes a MOTION to approve the agenda. Commissioner Crosser seconds.
11 5-0.
12
13 Public Comment: 8:04 Mayor reads letter sent by Jane David.
14 8:08 AM Greg Bohmert: 311 Midyette St. echo read email, disgusted at Feb meeting. Commissioners are in a
15 position to address issues.
16 8:10AM Roger Huth 3011 Maritime Dr- previous career as financial fraud investigator, series of questions: impetus
17 for Financial Liaison, known risk? Basis of need, work/family balance, perception is damaging, are you considering
18 reduction in force? Commissioner Crosser offers to meet with Mr. Huth. Commissioner Overcash asks that his
19 questions be forwarded to the Board.
20 8:15AM Seafarer Dr. Gail Good: MPT Price was not following current CDC rules- should not have been here-
21 requests vote by nullified, and that Commissioners Crosser Roe and Price resign.
22 8:17AM Butch Rasmussen: 306 Mildred, Asks for Mayor to set the record straight, rumors circulating on social
23 media, Drew should resign if cannot keep up workload, creative editing in Town Dock.
24 8:20AM Terry Halpern: 306 Whittaker Pt Rd: pattern of behavior is undermining management, unclear end goals,
25 undercutting authority, unnecessary Financial Liaison, flier distributed in 22-23.
26 8:24AM Jojo 504 Ragan Rd: please consider making meetings more accessible for those who cannot attend. 32%
27 are under 65, 25.6% employed, regular working hours.
28 8:26AM Jennifer Roe : listened to Feb 6 meeting because could not attend- 2011-2013 we had FL, manager
29 resigned, Manager fired, interim manager- small community, best practices, nobody should call for resignation.
30 8:30AM Angie Propst: thanks to those who organized birthday celebration. From heres, come heres, been heres- all
31 work together. Rallying troops against each other makes it worse.
32 8:34 Richard Lambert: 1112 Neuse Dr has received emails and other support since 2/27 meeting for financial
33 oversight. Concerned that people do not want oversight.
34 8:35AM: Ginger Barnett: Council needs to meet with the people and answer all the questions raised publicly, not
35 one on one.
36 8:37 Eric Kindle: importance of thriving atmosphere- great vibe over the birthday celebration- if this adversity
37 continues, you'll start losing volunteers- and we all know how much we all depend on volunteers.
38 8:40 Jennifer Pawlikowski: Roger asked great questions- we need those answers to all of us. Please reconsider
39 meeting time- we can't all be here during workday.
40 8:45 Mayor reads email received at 7:45AM today: Darlene Marquat: Need answers to very simple, straightforward
41 questions.
42
43 Commissioner Litzenberger begins to address the questions, Commissioner Roe states that this needs to happen at
44 Commissioner Comments.

45 Mayor Belangia waves book that has rules and notes she was given this and had read it repeatedly. States that when
46 the people want to speak, they should be able to speak. Commissioner Crosser notes there is a time for
47 Commissioners to speak, according to the agenda.

48
49 Consent Agenda: Several items were approved without discussion on the Consent Agenda by MOTION from
50 Commissioner Roe, seconded by Commissioner Crosser. 5-0.

51
52 ORC Contract: Manager requests authorization to execute the contract with Mr. Jeff Sanders. We currently have two
53 of the four required licenses. Assessment by local gentleman of our wells- may need to be assessed with other parts.
54 Commissioner Roe thanks Commissioner Bohmert and County folks in assisting us. Commissioner Roe makes the
55 MOTION to authorize execution of the contract. Commissioner Overcash seconds. 5-0.

56
57 Manager's Report: Financials attached, including trial balance. Several items came in last minute. Manager's
58 mistake- financials are YTD, not month only.

59 March 29 we will be open- floater holiday, reduced staff.
60 Notice of Violation and Notice of Intent to Assess from DEQ on elevated copper and zinc levels. (EPA changed
61 acceptable levels)- other area systems having same issue. County having same issue.

62 March 15 retreat, documents required by March 8. Explains format.

63 Payroll: system to change- we did the research on other companies- ADP, Paychex. ADP's charges are routinely
64 hidden and grow quickly. No other system has been selected by current users. Additional integration costs would
65 be incurred. Proposed system does everything we get and more. Concern is that we end up with less than what we
66 have. Manager notes that Tammy is leaving after the school year- Manager cannot do her job AND Tammy's- it
67 will take a year to integrate the system. This is the best path. Commissioner Roe asks Commissioner Bohmert and
68 Dan Allen for their issues- Paychex would not answer the questions. On your own conversion, Commissioner Roe
69 makes a MOTION to accept the Payroll module recommended by Edmunds/GovTech and allow the Manager to
70 execute the contract. Commissioner Litzenberger seconds. 5-0.

71 Drainage fund is exhausted. Contracted labor, parts (culverts) and removal of debris is at \$28,000. Dolphin Point
72 issue has a designed fix that can help drain the neighborhood- at least several streets. We will need to increase the
73 drainage contracted funds by \$8,500 to get the Dolphin Point endpoint fixed. Commissioner Roe asks if fund
74 balance can cover this. Absolutely. Commissioner Roe makes a MOTION to help our friends at Dolphin Point with
75 drainage by increasing the allowable funds for contracted drainage. Budget Amendment to follow.

76 Manager's evaluation during retreat.

77 Quarterly mtg scheduled March 28. Topics?

78 New program manager for USDA application. She was our project manager for the Whittaker Point property
79 shoreline rehab.

80 Manager shows photos of accident at Water Plant by salt contractor. Awaiting the bill for adjustment request. (Salt
81 on roof instead of in the tank.)

82 Manager shows Duke Energy implemented rate increase (23%) as of September. Another 5.3% increase scheduled.

83

84 Adoption of Trey Allen's rules: Manager notes we went a long way down the road with City of Denton and Atlantic
85 Beach's one page version- lots of discussion, no adoption (1/22 through 4/23). Commissioner Litzenberger says
86 NCGS says we can adopt our own rules. Hoping to defer any vote until we have further discussion. Commissioner
87 Roe agrees. Commissioner Roe says we can table. Commissioner Overcash notes we can discuss at quarterly or
88 retreat. Commissioner Roe notes we have to do the 160D conversion. Planning Board, ECCOG paid service. We
89 may need to adjust several things- that's the priority- need to put this off. Mayor noted the paperwork passed to her
90 just before the meeting was a hard hit- no heads up it was coming, just showed up five minutes before the meeting.
91 Commissioner Overcash would like for us to continue in past methods.

92

93 Public Hearing: Special Use Permit (SUP) on a request to be part time school at Oriental Baptist- Across from Town
94 Hall): They plan to provide socialization space for otherwise home-schooled students. Manager notes anyone who
95 would like to speak must be sworn in. Parents will accompany, no buses, dropoff, will use their parking lot behind
96 Town Hall. MPT Price (AP) makes a MOTION to open the Public Hearing (PH). Commissioner Overcash seconds.
97 5-0. The Board is welcome to attach conditions to the permit, if granted.
98 Sally Belangia: The Public Hearing is now open. The Town Commissioners shall issue the requested permit
99 SB: I don't believe anyone signed up for this.
100 Commissioner Overcash (CO): We can't really change speed limits or paint anything on Broad St because it is not
101 our road- it is NCDOT road.
102 Manager: NCDOT was petitioned for crosswalk in the past, which they would allow only at the corner. If in front of
103 the Church, the Church would have to give up handicapped parking spaces.
104 From the audience: not sworn in: asks about exception to rules. Manager explains that it is not an exception they are
105 asking for, it is a required Special Use Permit to have a school anywhere, in any zone.
106
107 SB: 1) The permit is not within its jurisdiction (property is within jurisdiction of TOO) The permit IS in our
108 jurisdiction.
109 Does the Public have any comment on jurisdiction of the application?
110 Commissioner questions?
111
112 2) The application is incomplete (the application has been deemed complete by the Land Use Administrator and the
113 Planning Board.)
114 Does the Public have any comment on the completeness of the application?
115 Commissioner questions?
116
117 3) If completed as proposed:
118 a) will not comply with one or more requirements of this chapter (GMO)
119 Does any of the Public have any evidence to offer concerning compliance with the GMO?
120 Commissioner questions?
121 b) will materially endanger public health or safety
122 Does any member of the public have any comment on endangerment of public health and safety?
123 Commissioner questions?
124
125 c) will substantially injure the value of adjoining or abutting property
126 Does any member of the Public have any evidence to offer that indicates that the project will injure the value of
127 adjoining or abutting property?
128 Commissioner questions?
129
130 d) will not be in harmony with existing uses/development in the area.
131 Does any member of the public have evidence that the project is not in harmony with existing uses in the area?
132
133 e) will not be in conformity of the Land Use Plan or other plan, officially adopted by the Town.
134 Does any member of the public have evidence that the project is not in conformity with existing plans?
135 Commissioner questions?
136
137 Commissioner Roe (FR): I believe Commissioner Overcash and I share concerns about safety of children crossing
138 that road. That's my only concern is that they'll park here and then little kids walking across Highway 55. I don't
139 know what we can do about it, but I have a concern. Any ideas to mitigate that concern and make those kids less apt
140 to somebody hitting them, I'd be..is there anything we can do. I think it's a good idea- the school, but I'm just
141 worried about the children walking.
142 SB: Commissioner Price
143 AP: Aren't the parents with them?
144 DM: yes.
145 SB: Commissioner Crosser? (BC)

146 BC: What they did with the Old Theater- what they did in the olden days when they had at school- person with an
147 orange vest on and a sign that says STOP. That worked very well. So, maybe we just suggest that they have a
148 safety- a crossing guard.
149 DM: You can require, as a condition of granting the permit, that they have one.
150 BC: Because even with the parents and whatnot, I know my..watching my granddaughter go back and forth. It really
151 helped.
152 FR: We can add that?
153 DM: Yes, Sir.
154 FR: Officer Blayney, as a school resource officer, do you have an opinion?
155 Officer Blayney: (NB) Without having NCDOT work something in, but yeah, having their own crossing guard will
156 help- we would have to schedule in- at time of day/ staggered.
157 DM: We cannot commit those resources without 24/7 Police.
158 AP: Makes a MOTION to close the Public Hearing. Commissioner Roe seconds. 5-0.
159
160 Commissioner Overcash proposes we add a condition to the SUP that the school provide a crossing guard at the
161 times the children are going back and forth across Hwy 55 for safety reasons. Commissioner Roe notes they should
162 coordinate times with our Police for their awareness.
163
164 MPT Price makes a MOTION to approve the SUP: reads through 7 conditions as satisfied above. Attaches condition
165 proposed. Commissioner Litzenberger seconds. 5-0.
166
167 Public Hearing #2- Rezoning at 807 Broad St: Restaurant construction ongoing. Documents on screen show
168 movement of the R-3?MU line toward Midyette St, leaving a 15,000 sq ft space in the R-3 zone, increases MU
169 SOME for additional outside service space. Previously owner had asked for entire space to be moved to MU. That
170 allows access from Midyette. Revised line means that there is no access to the MU space through the R-3 space.
171 Planning Board agrees this is a good compromise, that preserves the residential zone. Commissioner Overcash
172 makes a MOTION to open the PH. Commissioner Roe seconds.5-0.
173 Gwendolyn Gibbs here on behalf of Midyette St residents. Concerned with large vehicles coming through. They
174 have cleared the area up against Midyette St. Outdoor venue and the noise associated- know we have a noise
175 Ordinance. Traffic will be an issue- street is already narrow. Against the rezoning.
176 Commissioner Litzenberger asks about access. The post office can use the access- can do that now. Restaurant use
177 is approved by right. Manager notes we cleared the drainage and owner cleared additional mixed vegetation. Post
178 Office can use the access now. No applicant representative. There is no construction past the original line. Moving
179 the line a bit gives them more outside space. Remaining R-3 space is enough for 3 residences, although middle lot
180 has the access easement. The restaurant does not have access to the MU space through the R-3 lots. The owner has
181 fenced outside dining space already. Cannot block the easement. Commissioner Roe asks if we are being asked to
182 vote on this today.
183 Deb Montgomery- live at 809 Midyette St- concerned with traffic and noise. Manager notes restaurant is allowed by
184 right in that zone. Why does the owner need extra space? Pavilion, fence. Commissioner Overcash notes that the
185 total rezone was not likely to pass, the compromise was offered by the owner. Compromise helps the business
186 community. Manager notes if you do not grant rezoning, the restaurant can still happen. Question on distance of
187 space- between old line and new line? Don't have that answer. Rezoning never becomes a precedent for another
188 rezoning- each property request is unique. Commissioner Roe would like to put this off for another month prior to
189 decision. People have legitimate concerns about noise and access.
190 Owner of Southern Ski Lodge asks what intent of the owner is. Extension of patio area- we have not been notified of
191 any use of the grassed area. Drainage is an issue. Encourage growth and value to that area of Town. Take residents
192 AND business interests into account.
193 Howard Cheatham: How does the rezoning affect future sale wrt impervious surface. Could not sell off the lots if
194 cannot make the impervious surface for the existing uses. Manager reiterates that they cannot use that access
195 (Midyette) to the MU use.
196 Commissioner Overcash makes a MOTION to close the PH. Commissioner Roe seconds. 5-0.

197 Commissioner Overcash makes a MOTION to put off the rezoning until April 2, 2024. Commissioner Roe seconds.
198 MPT asks that the owner be notified to appear April 2, 2024. 5-0. Manager notes this does not have to be re-
199 advertised.

200
201 Public Hearing #3- Comprehensive Land Use Plan. Everything directed to be added and changed by TB has been
202 corrected by the PB. Commissioner Roe makes a MOTION that we open the PH. Commissioner Overcash seconds.
203 5-0. Nobody signed up to speak. Mr. Greg Bohmert wishes to speak. Notes he is very pleased with the changes
204 made which make it clear that this is an advisory document. Small picture needs to be ironed out to see the
205 particulars of “what does it mean to encourage business?” Talking about to expanding and allowing access-
206 streaming meetings- something that allows more participation. Allowing people to sign up for notification that this
207 or that Board are meeting to discuss X would be helpful.

208 Jennifer Roe speaks and is pleased with outcome- opinions were considered and taken into the draft.

209 Commissioner Litzenberger makes a MOTION to close the PH. Commissioner Roe seconds. 5-0.

210 Commissioner Roe makes a MOTION to adopt the 2024 Oriental Comprehensive Plan. Commissioner Crosser
211 seconds. Discussion: Commissioner Roe notes the huge undertaking- HWAC, Planning Board, Tourism, Tree- all
212 the people who contributed. Specifically noted Allison’s extra work in transcribing and all the changes that were
213 made, as did Julie Rahm, former Planning Chair. 5-0.

214
215 Set Public Hearings: Planning Board forwards to you a request to set PH for: Short Term Rental (STR) Special Use
216 Permit (SUP) for 301 Ragan Rd, rezoning request for 604 Shorey Dr. Note that rezoning requires the TB to not
217 consider the proposed use, but the applicant is required to submit a plan for what they propose to do. Before
218 everybody panics, please read Section 135 of the GMO and the extremely restrictive requirements on constructing
219 one, physical, amenities, limits on stay- also requires a Special Use Permit. Notification will go out once scheduled.
220 Commissioner Overcash makes a MOTION to schedule these PHs on April 2, 2024. Commissioner Roe seconds. 5-
221 0. Bakery PH was removed from earlier draft- Bakery needs LUP, not SUP.

222
223 Commissioner Overcash requests a break. Seconded by Commissioner Roe. 5-0.

224
225 Mayor Belangia brings the meeting back to order. Water Advisory Board (WAB) forwards requests for appointment
226 to the Board- Mr. Richard Guimond, RADM, USN Ret, and Mr. Steven Drew. Commissioner Roe makes the
227 MOTION that the two are appointed to the WAB. Commissioner Overcash seconds. 5-0.

228
229 Board Retreat March 15, 2024. Manager notes retreat March 15- normally see all volunteer Board requests, asks TB
230 for any additional information they might want to see.

231
232 Change of Meeting time. This has been an ongoing debate. You saw this request for reconsideration in December-
233 put off due to practice for the Town’s anniversary play. Town Dock ran a poll (attached) of 8AM, 6PM, or other
234 time. Allison presents results with comments submitted. 141 responses recorded. Overwhelmingly toward moving
235 the meeting time to evenings. Commissioner Roe makes the MOTION to move the meeting time to 6PM.
236 Commissioner Crosser seconds. MPT Price was surprised by comments- Ms. DeWeese provided raw data as to not
237 be accused of hiding information. Open ended portion allowed for suggesting another time. Also spoke out against
238 Town Dock’s reporting. Commissioner Litzenberger reiterates that we would like to keep track of number of
239 attendees moving forward. Commissioner Crosser notes define which meetings- regular, workshop special,
240 emergency. Manager notes you cannot include emergency meetings. All others- except retreat and emergency.
241 Includes budget meetings at night. MPT Price says other meetings. Confirms with Commissioner Roe-motion made
242 is for regularly scheduled monthly meetings at night. 5-0.

243 Commissioner Litzenberger makes a MOTION to move Workshop, Special meetings, and budget meetings to 6PM.
244 Commissioner Overcash seconds. Commissioner Crosser notes participation in budget sessions is smallest

245 attendance. Agrees special meetings should likely be included. Commissioner Litzenberger amends her motion to
246 move the Special and Workshop meetings to 6PM. Commissioner Overcash seconds. 4-1, MPT Price dissenting.

247
248 Police Reports: Officer Blayne notes not a whole lot of activity- starting to work on in-service training
249 requirements. Still doing traffic enforcement. Completed MOU with Havelock PD, where we can request resources-
250 also have one with River Bend and Fayetteville. Sheriff Dept is aware when our Officers are on or not.

251
252 Auxiliary Board reports: HWAC has recommended that the decking be added- allowed by previous motion. Tree
253 Board is set for Arbor Day on April 6.

254
255 Commissioner Comments: Commissioner Litzenberger addresses some inquiries. Auditor does not find fraud-
256 FALSE. Auditor looks at what is given him/her. Also FALSE- they send staff a list and then do a site visit where
257 things are pulled THAT day. With no findings or red flags for fraud, or internal control issues, what is the reason?
258 Oversight and accountability. Noting reasons given for leaving, Andrew Cox spoke to oversight. This is what that
259 resignation will cost: \$91 salaries and benefits- promote two PW staff- one to ORC, one to PW Director \$25K/10
260 months, hire two more PW, raise to \$15/hr or more- \$45K more- \$53K more than retaining Cox. Asks Manager
261 about time spent to FL requests. Is this good stewardship? Residents say this is rumor. Commissioners meet one on
262 one to prevent quorum meeting. This is how rumors begin- phone line changes information. Residents have the
263 ability to request anything, including email. Commissioner Overcash – track working hours, taking kids to school on
264 Town time, pay starts when leave home, Nic driving around instead of conferring with deputies, 8.5 hour days to
265 leave early on Friday, employees making personal purchases and paying town back, reconciliations behind,
266 miscellaneous charges on credits, Diane and Tammy sign each other’s checks, why do all employees have credit
267 cards, track comp time, sick time, etc. Bankcharges from the bank- raised at last meeting- \$500 comes twice a year,
268 interest did not include NCCMT averaged \$1000-\$1300/month. CPA Crosser- tried to have check put into wrong
269 fiscal year, without prior authorization, also tried to get reimbursement.

270
271 Manager responds to NCCMT accounts- higher interest bearing- leaves operating costs to carry emergency
272 accessible funds. Can only move so much so many times. Interest bearing locally changed two years ago- charges
273 up, interest down. Daily deposit to move elsewhere would require us to go there for deposit. In Whittaker
274 Restoration, we drained our account to pay bill prior to reimbursement. Hesitate to move more.

275
276 Commissioner Overcash notes we have not had fraud, we’re set up to prevent, there is no sign of it happening.

277
278 Manager notes she is the Board’s only employee, the rest of staff work for her. If the Board has concerns about the
279 way we operate, please come to her. Police Officer with anyone in the vehicle is insured just like a criminal. Andrew
280 taking his son to school is worth the extra hours in every week that he puts in- those are her decisions. If there is an
281 issue, please come to the Manager. Board sets policy, but we have to work WITH our employees. Manager takes
282 full responsibility for staff actions. Commissioner Crosser addresses reasons posted in Feb 6, 2024 meeting. Reason
283 is we are on the UAL- we ran a deficit on the water plant- additional reporting required on stability of plant. All
284 Board went to training in Wilmington, Reads several quotes from documents from Wilmington training- Board
285 members review reconciliations, rotating of duties, separation of duties, among others. NC Treasurer’s office
286 guidance because of sitting on UAL list. Mr. Huth asks about who else checks. Trying to fill the gap between
287 Treasurer’s office guidance for units on UAL and daily work. Some municipalities use contracted reviews, some
288 use Board members. Past use of Financial Liaison- using expertise of Board members. Won’t debate.

289
290 Jennifer Pawlikowski asks about recommendation of Attorney and NCLM. Commissioner Crosser said the Attorney
291 said it’s not illegal, but staff would not like me looking at their work. Commissioner Crosser notes she is
292 uncomfortable [with debate].

293 Commissioner Roe listed most of the things discussed with Commissioner Overcash, but is not all of the things
294 discussed. Had questions with activities, reports, all kinds of things. Asked CO to talk with others and then get
295 back together, and decide what of this is important or not. Police report is hard to understand. Hoped that we would
296 find out what we need to do- not stir a hornets nest- never heard anybody say anything about firing people.

297
298 We only hire the Manager- she hires and fires the rest. We give her a budget and she has to fill the spots. We do not
299 direct them to do anything. I want to know what we pay people- how many hours do they work? How much time
300 off? Can we be more efficient?

301
302 Goal is to fix roads and drainage. People come to us every day and ask for infrastructure improvements. Look at the
303 budget- how do we fix the roads? This all went sideways because I took concerns to a fellow commissioner- not
304 this- I'm happy to work with anybody and listen to anybody's concerns.

305
306 Commissioner Litzenberger notes that UAL training is put on by NCLM. NCLM also recommended against the
307 position. Personnel issues raised seem to be the catalyst for ORC leaving. Nobody went to Mr. Cox and see what
308 would take to make him stay. Some of these personnel issues are not attached to finances. What can we do to
309 prevent further resignations? Commissioner Crosser notes financial transparency is her issue. She did not contact
310 him after the article in Town Dock.

311
312 Commissioner Overcash notes evaluation forms for the Manager are in boxes. Those Commissioners here the whole
313 time will be participating. New Commissioners will not be counted. Commissioner Roe notes shifting Manager's
314 eval from annual hire date to FY end. Wants eval again at end of THIS FY. Commissioner Overcash says that's not
315 fair to the Manager- another eval in 3 months. New goals and appraisal cycle at end of FY. Starting this July- next
316 FY end is next eval. Mayor asks if sufficient. Yes.

317
318 MPT Price notes LUP says Positive communication.

319
320 Commissioner Overcash makes the MOTION to adjourn. Commissioner Roe seconds. 5-0.

321
322 Next meeting scheduled: Town Board March 5, 8AM- Town Regular Meeting

323
324

325 _____
Sally Belangia , Mayor

Diane H. Miller, Town
Manager/Clerk

326
327
328 Approved _____, 2024

329

The	Governing Board Town Council
of	Primary Government Unit Town of Oriental
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name C. Randolph CPA, PLLC
	Auditor Address 560 Beaver Creek School Rd., West Jefferson, NC 28694

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/24	Date Audit Will Be Submitted to LGC 10/31/24
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Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. 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.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants 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 the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

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 to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall 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/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs 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. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) 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 upon completion.
13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. 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 therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. 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 LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification). #26

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	Title and Unit / Company:	Email Address:
Diane Miller	Finance Director	manager@townoforiental.com

OR Not Applicable (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

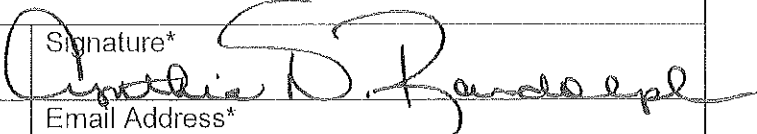
3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

Primary Government Unit	Town of Oriental
Audit Fee (financial and compliance if applicable)	\$ 8,000
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$ 2,000
All Other Non-Attest Services	\$ 500
TOTAL AMOUNT NOT TO EXCEED	\$ 10,500
Discretely Presented Component Unit	N/A
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* C. Randolph CPA, PLLC	
Authorized Firm Representative (typed or printed)* Cynthia D. Randolph	Signature* 
Date* 03/26/24	Email Address* cindy@crandolphcpa.com

GOVERNMENTAL UNIT

Governmental Unit* Town of Oriental	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	✓
Mayor/Chairperson (typed or printed)* Sally Belangia	Signature* ✓
Date ✓	Email Address* ✓

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

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.

Sum Obligated by This Transaction:	\$ 10,500
Primary Governmental Unit Finance Officer* (typed or printed) Diane Miller	Signature* ✓
Date of Pre-Audit Certificate* ✓	Email Address* manager@townoforiental.com

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

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* N/A	
Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right)	
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

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

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.

Sum Obligated by this Transaction:	\$
DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT

C. Randolph CPA, PLLC
Certified Public Accountant
560 Beaver Creek School Rd.
West Jefferson, North Carolina 28694
Phone: (336) 846-3211
Fax: (336) 846-1142

To the Honorable Mayor and Town Council
Town of Oriental
PO Box 472
Oriental, North Carolina 28571

March 31, 2024

We are pleased to confirm our understanding of the services we are to provide Town of Oriental for the year ended June 30, 2024.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of Town of Oriental as of and for the year ended June 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Oriental'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 Town of Oriental's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Proportionate Share of Net Pension Liability (Asset) -- LGERS
- 3) Schedule of Employer Contributions - LGERS

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Oriental'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 GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Individual Fund Statements and Schedules

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

1) Schedule of Ad Valorem Taxes Receivable

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and 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. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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 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, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. 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 any later periods for which we are not engaged as auditors.

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 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 revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

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.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. 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.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Town of Oriental's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Other Services

We will also prepare the financial statements of Town of Oriental in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

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.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). 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, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (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. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management 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 and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). 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. Your responsibilities include acknowledging to us in the 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.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

Engagement Administration, Fees, and Other

SmartVault is used solely as a method of exchanging information and is not intended to store Town of Oriental's information. At the end of the engagement, C. Randolph CPA, PLLC will provide Town of Oriental with a copy (in an agreed-upon format) of deliverables and data related to the engagement from the SmartVault. For multi-year engagements, this exchange will occur annually.

Upon completion of the engagement, data and other content will either be removed from the SmartVault or become unavailable to C. Randolph CPA, PLLC within a reasonable time frame. For multi-year engagements, completion of the engagement occurs when the deliverables are completed for that year.

We understand that your employees will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of C. Randolph CPA, PLLC 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 the Local Government Commission or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of C. Randolph CPA, PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the Local Government Commission or its designee. The Local Government Commission or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Cynthia D. Randolph is the engagement CPA and is responsible for supervising the engagement and signing the report. We expect to begin our audit on whenever the Town is ready and to issue our reports no later than October 31, 2024.

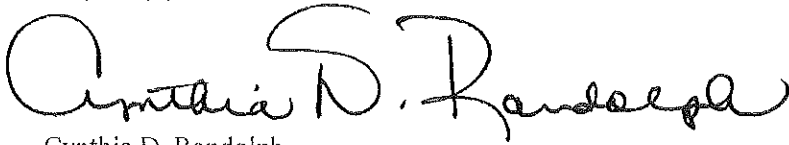
Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, confirmation service provider fees, etc.) except that we agree that our gross fee, including expenses, will not exceed \$10,500. Our standard 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.

Reporting

We will issue a written report upon completion of our audit of Town of Oriental's financial statements. Our report will be addressed to the Honorable Mayor and Town Council of Town of Oriental. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. 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 withdraw from this engagement.

We appreciate the opportunity to be of service to Town of Oriental 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 attached copy and return it to us.

Very truly yours,



Cynthia D. Randolph

RESPONSE:

This letter correctly sets forth the understanding of Town of Oriental.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

Diane Miller

From: Admin@TownofOriental.com
Sent: Wednesday, March 13, 2024 8:19 AM
To: manager@townoforiental.com; Tammy Cox
Subject: FW: March Bay River Board meeting

Mary Kent
Administrative Assistant
P.O. Box 472
Oriental, NC 28571
252-249-0555
Admin@townoforiental.com

From: Debra Khouri <debrakhouri@gmail.com>
Sent: Tuesday, March 12, 2024 4:59 PM
To: Oriental Town Hall <admin@townoforiental.com>
Subject: March Bay River Board meeting

To: Oriental Town Board

From: Debra Khouri, BRMSD Board Member

Re: The Bay River Metropolitan Sewerage District Board Meeting, March 7, 2024

Actions Taken:

The board approved Superintendent Eric Harper to sign some paperwork on BRIC grant. It will arrive in the next few days and this will allow the process to move along nearly a month more quickly.

Other Items:

A new board member was sworn in. Joseph Cole will represent the people of Bayboro, replacing retired Kevin Creedle.

A grant of \$1,487,000 to repair the Oriental Plant Pond is in the application process. This is one-half of the total cost to repair and increase the height of berms around the pond. This is a very necessary repair. The other half would be eligible for a low interest loan or could be funded by a grant from another source. The cost estimates were created about six months ago. The engineering report will take at least

three months. When this project is finished in the next few years, our capacity at the pond will double.