



**TOWN OF RICHLANDS BOARD OF ALDERMEN  
REGULAR MEETING AGENDA  
302 S. Wilmington Street, Richlands, NC 28574  
April 14, 2026  
6:00 p.m.**

**A. CALL TO ORDER**

1. Invocation
2. Pledge of Allegiance

**B. ADOPTION OF AGENDA (ACTION)**

**C. ADOPTION OF MINUTES (ACTION)**

- 1) 3/11/26 Regular Meeting Minutes (**ACTION**)

**D. INFORMAL PUBLIC COMMENTS (REVIEW)**

Public Comments are limited to 3 minutes each speaker and can't be transferred to another speaker. The purpose of Public Comments is to provide attendees with an opportunity to speak on Town matters. It is not meant to be a dialogue exchange between speakers, the Board of Aldermen and others in the audience. The Board and/or staff will follow up as promptly as possible if necessary.

**E. PUBLIC HEARINGS –**

1. Special Use Permit for 182 Huffmantown Road

**F. PRESENTATIONS – None**

**G. OLD BUSINESS - None**

**H. NEW BUSINESS**

1. FY 25-26 Audit Proposal (**ACTION**)
2. Special Use Permit for 182 Huffman Town Road (**ACTION**)
3. Set public hearing for rezoning off of Francktown Road (**ACTION**)
4. FY 26-27 Budget Calendar/Discussion (**ACTION**)
5. Richlands Elementary Proclamation (**ACTION**)



**I. DEPARTMENTAL MONTHLY REPORTS**

- Police (**REVIEW**)
- Finance – 1) March 2026 Budget vs. Actual Report (**REVIEW**)
- Code Enforcement (**REVIEW**)

**J. ADMINISTRATOR'S REPORT**

- Updates/Additional Information (**REVIEW**)

**K. BOARD MEMBER CONCERNS AND COMMITTEE UPDATES**

**L. ADJOURN**

**NOTES:**

- 1) If there are any questions, concerns, or requests for information regarding any agenda items or other Town matters, please contact staff in advance of the Board meeting, if possible, to allow us enough time to properly research issues if necessary.
- 2) Items marked with (**ACTION**) are items that will require Board approval. Items marked with (**REVIEW**) are for the Board's review only. Items marked with (**ACTION and/or REVIEW**) do not require Board approval but the Board may choose to act on the item.

# TOWN OF RICHLANDS NORTH CAROLINA

Office of the  
Town Clerk  
(910) 324-3301  
(910) 324-2324 fax  
townclerk@richlandsnc.gov

Mailing Address:  
P.O. Box 245  
Richlands, N.C. 28574



The Richlands Board of Aldermen met in Regular Session on March 10, 2026, at 6:00pm at the Richlands Town Hall. Present for the meeting were:

Mayor McKinley Smith  
Alderman Paul Conner  
Alderman Alice Betts

Alderman Tom Brown  
Alderman Kent Painter  
Alderman Marilyn Bunce

Absent: None

Also present were:

Chris Roberson, Town Administrator  
Isaura Flores, Town Clerk  
William Horne, Chief of Police

Keith Fountain, Town Attorney  
Johnathan Jarman, Public Works Director

There were 12 citizens present.

**A. MEETING CALLED TO ORDER:**

Mayor McKinley Smith called the meeting to order at 6:00 pm

1. Invocation – Mayor Mckinley Smith
2. Pledge of Allegiance – Mayor McKinley Smith

**B. ADOPTION OF AGENDA:**

Chris Roberson, Town Administrator, presented the agenda and proposed an amendment to the order of Section G, specifically moving Item 1 to Item 6, and Item 6 to Item 1.

A **motion** was made by Alderman Marilyn Bunce, seconded by Alderman Paul Conner, to adopt the amended agenda. The motion was unanimously carried.

## **G. NEW BUSINESS:**

### **1. Release of Drainage/Utility Easement – Richlands Mini Storage Request (ACTION):**

Town Administrator, Chris Roberson presented a request to terminate the 20' drainage and utility easement at Richlands Mini-Storage. After consultation with the Public Works Director, it was determined there was no benefit for the Town to retain the easement, as it has no outlet. Town Attorney Keith Fountain stated he was familiar with the property owners, who had no objections, and suggested the easement was probably an oversight from 1994. Attorney Robert Kenan from Burgaw spoke, requesting the termination.

A **motion** was made by Alderman Tom Brown, seconded by Alderman Paul Conner, to approve the Termination of Easement and Release as presented. The motion was unanimously carried.

### **2. Southeast Regional Hazard Mitigation Plan Approval (ACTION):**

Town Administrator, Chris Roberson provided an update on the Southeastern North Carolina Regional Hazard Mitigation Plan. Staff have worked with a consultant to address the Town's Hazard Mitigation recommendations, and now a resolution is required to officially adopt the plan and participate in it.

A **motion** was made by Alderman Paul Conner, seconded by Alderman Marilyn Bunce to adopt the Resolution as presented. The motion was unanimously carried.

### **3. Special use permit for 182 Huffman Town Road (ACTION):**

Mr. Roberson presented the request for a special use permit for a home occupation at 182 Huffmantown Road. The Planning Board has already recommended approval. The Town Board is now being asked to set an evidentiary hearing for the April 14, 2026, Board of Aldermen meeting in accordance with the required quasi-judicial procedure.

A **motion** was made by Alderman Marilyn Bunce and seconded by Alderman Paul Conner to set the evidentiary hearing for the 4/14/26 Board of Alderman meeting. The motion was unanimously carried.

### **4. Appeal/Variance for Ervin Farm Subdivision (ACTION):**

Mr. Roberson presented the request for an appeal of the proposed Ervin Farm Subdivision off Richlands Loop Road. Due to the length of the cul-de-sac exceeding the allowable distance, Planning Staff was unable to approve the subdivision as submitted. The Planning Board previously recommended forwarding the appeal to the Town Board for consideration. As such, the Town Board is required to conduct an evidentiary hearing in accordance with the quasi-judicial procedure outlined in the ordinance.

## **I. ADMINISTRATOR'S REPORT:**

- Updates/Additional Information (Review)

Town Administrator Chris Roberson provided the monthly report for February 2026, including updates on grant funding and street repair estimates, planning and development activities, audit preparations, and ongoing Town projects.

## **J. BOARD MEMBER CONCERNS AND COMMITTEE UPDATES**

**Alderman Tom Brown:** Reported that he has completed the required ethics training and encouraged other members to complete the training. He also briefly discussed potential updates to ordinances related to noise enforcement.

**Alderman Paul Conner:**

**Alderman Kent Painter:**

**Ms. Alice Betts:**

**Alderman Marilyn Bunce:** Expressed appreciation to Elliot Jarman, who was in attendance.

## **K. ADJOURN:**

With no further business, a **motion** was made by Alderman Marilyn Bunce, seconded by Alderman Tom Brown to adjourn the meeting at 7:17 pm. The motion was unanimously carried.

Respectfully Submitted,

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Mayor McKinley Smith

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Attest: Isaura Flores, Town Clerk

**TOWN OF RICHLANDS  
BOARD OF ALDERMEN**



Agenda Item
H1

**Meeting Date:**  
14-Apr-26

**Presenter:**  
Town Administrator

**ITEM TO BE CONSIDERED**

**Title:**  
Selection of Auditor for Fiscal Year Beginning FY 25-26

**Brief Summary:**  
Our current auditor is not going to be submitting a proposal to audit FY 25-26. Therefore, staff had do an RFP for Auditing Services. Proposals went out to 1) Mauldin & Jenkins, 2) Williams, Scarborough and Gray, and 3) Thompson, Price, Scott & Adams. Thompson, Price, Scott and Adams is the only firm who submitted a proposal. The proposal price is similar to what we had been paying annually and is multi-year. We are required by Statute to do an annual audit.

**If the Board approves of the agenda item as presented, the following motion(s) is (are) suggested:**  
  
Select Thompson, Price, Scott and Adams to be our auditor for the current fiscal year and subsequent years as presented in their proposal and authorize execution of the engagement letter and the Contract to Audit Accounts.

**BACKGROUND**

**Originating Department**  
Administration

- Attachments:**
- 1 Contract to Audit Accounts
  - 2 Engagement Letter
  - 3 Profile of Firm
  - 4 Audit Approach and Cost Estimates
  - 5

**Staff Contact:**  
Town Administrator

**REVIEWED BY**

Town Administrator           X            
Clerk to the Board                           

Attorney                             
Finance Officer                           

**ACTION TAKEN**

Motion by:                            Carried:                             
Second by:                            Ayes:                            Nays:

The of and	Governing Board Board of Commissioners
	Primary Government Unit Town of Richlands
	Discretely Presented Component Unit (DPCU) (if applicable) NA

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

and	Auditor Name Thompson, Price, Scott, Adams & Co., P.A.
	Auditor Address 4024 Oleander Dr., Suite 103, Wilmington, NC 28403

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/26	Date Audit Will Be Submitted to LGC 12/31/26
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*Must be within six months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by "U.S. Auditing Standards – AICPA (Clarified)," referred to as 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). Budgetary comparison information shall be prepared in accordance with applicable GASB standards. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented as required supplementary information and shall not be included in the basic financial statements. Any other budgetary comparison information shall be presented only as supplementary information for funds required to be budgeted under NCGS Chapter 159, Article 3.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*. The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F (Uniform Guidance)* and the State Single Audit Implementation Act. Currently the threshold is \$1,000,000 for federal and state single audits, or such other threshold as applicable for the fiscal year under audit. 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 staff 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) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form (form SF-FAC) to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

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 or subsequent revisions, as applicable) issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he or 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 to 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 the Auditor's receipt of an updated peer review report. If the audit firm receives 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 six months of fiscal year end. At the time of the execution of this contract, if the parties know that the anticipated submission date of the audit exceeds six months after fiscal year end, a written explanation shall be provided to the Secretary of the LGC on this contract form (see the space provided on Page 7). 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 they 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 the Auditor's findings, together with his or her recommendations for improvement. That written report shall include all matters determined to be "significant deficiencies and material weaknesses" in accordance with AU-C §265 "Communicating Internal Control Related Matters Identified in an Audit" of GAAS. 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, "Auditor's Communication With Those Charged With Governance," commonly referred to as a "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 paragraphs 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 for which the Auditor consulted outside the engagement team and, in the Auditor's judgment, are significant and relevant to those charged with governance, and other findings or issues that the Auditor believes are significant and relevant. If matters identified during the audit were required to be reported as described in AU-C §260 paragraphs 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 Single Audit Act and the State Single Audit Act. This does not include fees for any pre-issuance reviews that may be required by the North Carolina Association of Certified Public Accountants (NCACPA) Peer Review Committee or North Carolina State Board of CPA Examiners (see Paragraph 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 Secretary of the Local Government Commission to obtain a pre-issuance review or take corrective action as a result of peer review findings or quality control deficiencies, such corrective action shall be consistent with the authority and requirements of the North Carolina State Board of Certified Public Accountant Examiners, the AICPA Peer Review Program, and established Local Government Commission practice, including the use of report addenda or other remedial measures, as appropriate.

14. In accordance with G.S. 159-34, the Finance Officer of the Unit is responsible for filing the audited financial statements with the Secretary of the Local Government Commission.

The Auditor may upload the audit report and related documents through the LGC's electronic submission system; however, submission shall not be deemed complete until the Finance Officer has reviewed and certified the submission.

The Auditor, Finance Officer, other Unit staff member designated by the Finance Officer, or a third party approved by the Unit may enter all Data Input Report information except the information on the "transmittal doc info" tab. The "transmittal doc info" tab must be completed by the Auditor.

The Finance Officer shall review, approve, and certify the accuracy and completeness of the Data Input Report (DIR) in the LGC's LOGOS system prior to LGC review, regardless of whether the DIR is prepared by the Auditor or the Unit.

Finance Officer certification is required for any corrected or revised submissions.

Finance Officer certification of the DIR shall be completed in a timely manner following notification that the DIR is ready for review and within time frames prescribed by the LGC. Failure to complete certification in a timely manner may result in the audit being considered late due to unit action rather than auditor performance

The Auditor shall conduct the audit in accordance with generally accepted auditing standards and shall ensure that the financial statements are prepared in accordance with generally accepted accounting principles as of the fiscal year end. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented in required supplementary information, separate from the basic financial statements, and shall not be included in the audit opinion. The Auditor shall confirm that such information reconciles to the financial statements and is consistent with applicable accounting guidance and any LGC reporting requirements.

The Finance Officer shall certify in a timely manner that all data inputted in LOGOS used for preparation of the financial statements and required supplementary information is complete and accurate.

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 preaudited if the change includes a change in audit fee (preaudit 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 Paragraph 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, preaudited (preaudit 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. The Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if the Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. 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 or 2024 Revision* (as applicable). Preparing financial statements in their entirety 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, the Auditor must document and include in the audit workpapers how the Auditor 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 Board 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 of the LGC. The Auditor's presentation to the Governing Board 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;
  - 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 Board that the Governing Board shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under Rule 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary of the LGC through the LGC's LOGOS system, including completion of the Data Input Report (DIR). Submission is not complete and shall not be accepted by the LGC until the Finance Officer has reviewed and certified the DIR in accordance with Paragraph 14 of this contract.

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

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. **Applicable to audits with fiscal year ends of June 30, 2025, and later.** The Unit authorizes the LGC to grant access to the LGC's LOGOS system, including the Data Input Report (DIR), to employees of the contracted audit firm who are associated with and acting on behalf of the firm for purposes of performing audit and reporting services under this contract. Such access shall be limited to the scope necessary to perform contracted services and shall not relieve the Auditor or the Unit of their respective responsibilities under this contract.

34. Changes or edits to the text of this contract form are not permitted, except for the Secretary's authority to revise or update this contract form pursuant to LGC Rule 20 NCAC 03. 0502.

**For contracts with an anticipated audit submission date exceeding six months after fiscal year end, please use this space to explain the reason for the late submission, as required by Paragraph 6 of this contract form:**

**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 Paragraph 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: The individual at the 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:

<b>Name:</b>	<b>Title and Unit / Company:</b>	<b>Email Address:</b>
	Finance/ Richlands	

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 Paragraphs 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 firm 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 Rule 20 NCAC .0503 shall be submitted to the Secretary of the LGC 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).

<b>Primary Government Unit</b>	Town of Richlands
Audit Fee (financial and compliance if applicable)	\$ 15,000
Fee per Major Program (if not included above)	\$ 3000.00 if applicable
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$ 3,000
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$ 27,000</b>

<b>Discretely Presented Component Unit</b>	NA
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	\$

**SIGNATURE PAGE**

**AUDIT FIRM**

Audit Firm* Thompson, Price, Scott, Adams & Co., P.A.	
Authorized Firm Representative (typed or printed)* Gregory S Adams, CPA	Signature*
Date*	Email Address* gadams@tpsacpas.com

**GOVERNMENTAL UNIT**

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

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

**GOVERNMENTAL UNIT – PREAUDIT CERTIFICATE**

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

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

Sum Obligated by This Transaction:	\$ 27,000
Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Date of Preaudit Certificate*	Email Address*

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

**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU*	
NA	
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 – PREAUDIT CERTIFICATE**

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

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

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

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

**PRINT**



Thompson, Price, Scott, Adams & Co., P.A.  
 4024 Oleander Drive Suite 3  
 Wilmington, North Carolina 28403  
 Telephone (910) 791-4872  
 Fax (910) 239-8294

---

April 6, 2026

Town of Richlands  
 302 S Wilmington St  
 Richlands, NC 28574

We are pleased to confirm our understanding of the services we are to provide the Town of Richlands for the year ended June 30, 2026.

### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of the Town of Richlands as of and for the year ended June 30, 2026. 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 the Town of Richlands' basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town of Richlands' 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) Net Pension Asset/Liability RSI
- 3) OPEB

We have also been engaged to report on supplementary information other than RSI that accompanies the Town of Richlands' 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 separate written report accompanying our auditor's report on the financial statements OR in a report combined with our auditor's report on the financial statements]:

- 1) Budgetary Comparison Statements
- 2) Combining Statements
- 3) Individual Fund Statements

#### 4) Supporting Schedules

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 and *Government Auditing Standards* 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.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of the Town of Richlands and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, 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 the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, 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 and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

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 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 internal control relevant to the audit, 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. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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 significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Richlands' compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **Other Services**

We will also assist in preparing the financial statements and related notes of the Town of Richlands in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior

management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **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, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

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 your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with 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 OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed

to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the town; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Thompson, Price, Scott, Adams & Co., PA 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 cognizant agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Thompson, Price, Scott, Adams & Co., PA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Gregory Adams, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services is stated in the approved audit contract. Any additional work out of the normal scope of the audit will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). 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. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. 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. If more than two additional funds are added to the current fiscal year Trial Balance over prior years Trial Balance, there will be an additional charge of \$500 per fund added onto the total price of the audit.

## Reporting

We will issue a written report upon completion of our audit of the Town of Richlands' financial statements. Our report will be addressed to management and those charged with governance of the Town of Richlands. 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 issue reports, or we may withdraw from this engagement.

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

We appreciate the opportunity to be of service to the Town of Richlands 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,

Thompson, Price, Scott, Adams & Co., PA

RESPONSE:

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

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# Proposal to Provide Auditing Services



**TOWN OF RICHLANDS**

## **Section 1: Profile of the Firm**

**Due Date: April 1, 2026 5:00 PM**

**PRESENTED BY:**

**Thompson, Price, Scott, Adams & Co., P.A.**

**TOWN OF RICHLANDS  
North Carolina**

**Proposal to Provide Auditing Services  
For the Years Ending June 30, 2026 Through 2028**

**SECTION 1:  
Profile of the Firm**

**SUBMITTED BY:**

**Thompson, Price, Scott, Adams & Co., P.A.**

**4024 Oleander Drive, Suite 103  
Wilmington, NC 28403  
(910)799-4872**

**CONTACT PERSON:**

**(The individual authorized to conduct negotiations and discuss the proposal)**

**Gregory S. Adams, Partner**

**DUE DATE: April 1, 2026 3:00 PM**



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***Thompson, Price, Scott, Adams & Co., P.A.***

P.O. Box 398  
 1626 S Madison Street  
 Whiteville, NC 28472  
 Telephone (910) 642-2109  
 Fax (910) 642-5958

Alan W. Thompson, CPA  
 R. Bryon Scott, CPA  
 Gregory S. Adams, CPA

March 31, 2026

Town of Richlands, Finance Department  
 Attn: Isa Flores, Town Clerk/Finance Officer  
 302 S. Wilmington St.  
 PO Box 245  
 Richlands, NC 28574  
 townclerk@richlandsonc.gov

Subject: Request for Proposal for Audit Services for the Town of Richlands

Dear Ms. Flores:

Thompson, Price, Scott, Adams & Co., P.A., hereinafter called the "Auditor" is pleased to submit this proposal to provide professional auditing services for the Town of Richlands, hereinafter called the "Town" We are confident that our specialized experience in governmental auditing will provide the Town with an accurate, timely, and valuable audit that adheres to all regulatory requirements.

We understand the Town requires an auditor to perform a financial and compliance examination of the Town's Annual Financial Report in accordance with the laws and regulations of the State of North Carolina, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, state, and local funding sources in accordance with Generally Accepted Auditing Standards as required by the American Institute of Certified Public Accountants and Government Auditing Standards issued by the Comptroller General of the United States, The Auditor will apply auditing procedures necessary to render an opinion as to the basic financial statements, taken as a whole, in conformance with generally accepted accounting principles. and all other applicable laws and regulations. Our team has extensive experience in conducting audits for municipalities of similar size and complexity, ensuring a seamless audit process with minimal disruption to Town staff.

Our firm specializes in governmental audits, and we are committed to providing thorough examinations that ensure compliance while providing constructive recommendations for internal control improvements. Our dedicated team is proficient in auditing procedures.

I am authorized to bind and make representation for the Auditor. I will be the ultimate party responsible for the quality of the report and working papers. I can be contacted at 910-799-4872, [gadams@tpsacpas.com](mailto:gadams@tpsacpas.com), or 4024 Oleander Drive, Suite 103, Wilmington, NC 28403, if you have any questions regarding our proposal or any related matters.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section



*Town of Richlands  
Proposal to Provide Auditing Services*

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I appreciate the opportunity to submit this proposal and would welcome the opportunity to discuss our qualifications and audit approach.

Sincerely,

*Gregory S. Adams*

---

Greg Adams, Partner  
Thompson, Price Scott, Adams & Co., P.A.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section



**Section 1: Profile of the Firm**

**1. Indicate the Audit firm's North Carolina office location(s) that will handle the audit.**

Our audit services will be spearheaded by our Wilmington office, located at 4024 Oleander Drive, Suite 103, Wilmington, NC 28403.

**2. Indicate the number of people (by level) located within the Audit Firm's local office that will handle the audit.**

**AUDIT TEAM – WILMINGTON OFFICE**

Greg Adams, CPA	Engagement Partner
Austin Eubanks, CPA, CFE	Audit Manager - Will oversee entire, audit, distribute work accordingly, financials
Trey Profio	Will review expenditures & payables & perform internal control walkthroughs
LanPhuong Nguyen	Senior Staff - assistance in financial audit testing
Tara Gomez	Senior Staff - compliance auditor



*Town of Richlands  
Proposal to Provide Auditing Services*

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3. Provide a list of the Audit Firm's local office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each.

**Current List of Audit Clients (shows our different range of clients)**

Camden County	SA	10+
Chowan County	SA	5+
Jones County	SA	5+
Lenoir County	SA	5+
Pasquotank County	SA	5+
Perquimans County	SA	5+
City of Dunn	SA	2+
Town of Angier	SA	5+
Town of Atlantic Beach	SA	10+
Town of Belville	YB	10+
Town of Beulaville	SA	5+
Town of Calypso	YB	10+
Town of Cedar Point	SA	10+
Town of Duck	YB	1
Town of Edenton	SA	5+
Town of Elizabethtown	SA	5+
Town of Faison	YB	5+
Town of Four Oaks	SA	5+
Town of Greenevers	SA	5+
Town of Holly Ridge	YB	5+
Town of Kenansville	YB	5+
Town of Liberty	SA	5+
Town of Lillington	SA	3+
Town of Macon	YB	3+
Town of Magnolia	YB	5+
Town of Manteo	SA	5+
Town of Ocean Isle Beach	SA	5+
Town of Pink Hill	YB	3+
Town of Princeton	SA	5+
Town of River Bend	SA	3+
Town of Rose Hill	YB	5+
Town of Sandy Creek	YB	5+
Town of Seaboard	YB	1



*Town of Richlands  
Proposal to Provide Auditing Services*

Town of Spring Hope	YB	3+
Town of St. James	SA	5+
Town of Surf City	SA	1+
Town of Warsaw	SA	5+
Town of Weldon	SA	1
Town of Windsor	SA	1+
Town of Winfall	YB	3+
Town of Winterville	SA	1+
Village of St. Helena	STD	10+
Eastern Carolina COG	SA	1+
Kerr Tar COG	SA	5+
Lumber River COG	SA	5+
Mid-East Commission COG	SA	5+
Piedmont Triad Regional Council	SA	1+
Averasboro TDA	STD	1+
Camden County TDA	STD	5+
Elizabeth City/ Pasquotank County TDA	STD	5+
Albemarle District Jail Commission	STD	1+
Cape HOA	STD	10+
Elizabethtown Airport Economic Development Commission	STD	5+
First Fruit Ministries	YB	1+
Flowers Plantation HOA	STD	1+
Four Oaks Fire Department	NP	1+
Kerr Tar CAC (Region K)	NP	1+
Kerr Tar EDC	NP	1+
Myrover-Reese Fellowship Home	NP	1+
Nash Community College Foundation	NP	1+
NW Volunteer Fire Dept	NP	1+
Pamlico Community College Foundation	NP	1+
Piedmont Triad Regional Development Corp.	NP	1+
Rose Hill Fireman, Inc.	NP	1+
Salt Box Inc	NP	1+
Shell Island HOA	STD	10+
Angier ABC	STD	5+
Kenansville ABC	STD	5+
Newton Grove ABC	STD	5+
Ocean Isle Beach ABC Board	STD	5+



*Town of Richlands  
Proposal to Provide Auditing Services*

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**4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.**

**Additional Services Provided**

Brunswick ABC Board	Bookkeeping & Payroll	10+ years
West Columbus ABC Board	Bookkeeping & Payroll	5 years
Town of Fair Bluff	Bookkeeping & Payroll	7 years
Town of Brunswick	Bookkeeping	10+ years
Town of Tabor City	Bookkeeping	10+ years
Town of Boardman	Bookkeeping	10+ years
Town of Sandy field	Bookkeeping	10+ years
Town of Bolton	Bookkeeping	5 years

In addition to audit services, we provide bookkeeping and payroll services for several local municipalities and 2 ABC Boards, as well as preparation of individual, business, and non-profit tax returns, medical billing services, and financial advisory services. Auditing makes up 45% of services provided.



**5. Describe your audit organization's participation in AICPA sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.**

**Quality Control Program**

Quality Control comprises the methods used to make sure that the firm meets its professional responsibilities to clients. Thompson, Price, Scott, Adams & Co., P.A. has created these methods to be completed during and at the end of each engagement. The most significant step is our review process, which consists of:

- Engagement Review
- Partner Review
- Independent Staff Review
- Peer Review (Every Three Years)

**Engagement Review**

This review is conducted by the in-charge accountant. Its objective is to ensure that all audit programs are supported by evidential matter and that proper audit documentation is in place.

**Partner Review**

The primary purpose of this review is to determine that the financial statements are fairly presented, and all compliance issues have been addressed based on the type of engagement.

**Independent Staff Review**

Before issuance of the audit report, an independent firm member reviews the work papers and financial statements to determine if any material errors have been made.

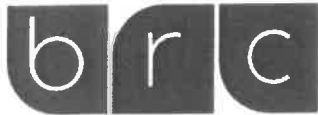
**Monitoring**

For the two years between peer review years, we perform in-house monitoring, which is structured similar to peer review. Our offices select engagements to review, and we use the AICPA Peer Review checklist to assist in reviewing the engagements. Any findings or recommendations are discussed with personnel.

**Peer Review**

Every three years we are required to allow an outside Certified Public Accountant or Firm to review our quality control procedures and to actually review selected work papers and issued financial statements. Firms can receive a rating of pass, pass with deficiency(ies), or fail. Thompson, Price, Scott, Adams & Co, P.A.'s most recent peer review report was for the year ending December 2022. The firm received a Pass. (Copy of report follows).

Our next peer review is scheduled for June 2026.



## Bernard Robinson & Company, L.L.P.

### Report on the Firm's System of Quality Control

June 27, 2023

To the Partners of Thompson, Price, Scott, Adams & Co, P.A.  
and the Peer Review Committee of the North Carolina  
Association of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Thompson, Price, Scott, Adams & Co, P.A. (the firm) in effect for the year ended December 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Thompson, Price, Scott, Adams & Co, P.A. in effect for the year ended December 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Thompson, Price, Scott, Adams & Co, P.A. has received a peer review rating of *pass*.

*Bernard Robinson & Company, L.L.P.*

BERNARD ROBINSON & COMPANY, L.L.P.

1501 Highwoods Blvd., Ste. 300 (27410)  
P.O. Box 19608 | Greensboro, NC 27419  
P: 336-294-4494 • F: 336-294-4495

[brccpa.com](http://brccpa.com)



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**6. Describe the professional experience in governmental audits of each senior and higher-level person assigned to the audit, the years on each job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site. Relevant experience and education with the new GASBS reporting requirements should be clearly communicated.**

Normally the engagement partner and/or audit manager will be on site 35%-50% of the time required to complete fieldwork. The remainder of the listed staff will be there 100% of the time required to complete fieldwork. We hope to receive as much information as possible electronically through our portal and organizer.

Our firm has a proven track record of helping clients navigate complex reporting transitions.

Our staff maintains rigorous educational standards to stay ahead of these changes:

- **Mandatory GAGAS CPE:** All assigned personnel comply with Government Auditing Standards (Yellow Book), completing at least 80 hours of CPE every two years, with at least 24 hours specifically in government auditing.
- **NC-Specific Training:** Our team regularly attends the Annual Update for Governmental Accountants & Auditors hosted by the NC Association of CPAs and virtual updates from the NC Office of the State Controller.
- **LGC Compliance Updates:** We actively monitor LGC Staff Memos regarding changes to the State Single Audit thresholds and the Uniform Guidance to ensure the Town remains in compliance with state and federal grant reporting.

Our firm is committed to the proactive implementation of new and evolving GASB standards. We ensure that our clients are prepared for reporting shifts well before the LGC's December 31st deadline. Our recent and ongoing implementation experience includes:

- **GASB Statement No. 101, Compensated Absences:** We are currently assisting clients with the transition from GASB 16 to GASB 101 for the 2024-25 fiscal year. This includes re-evaluating leave types (sick, vacation, and PTO) under the new "more likely than not" recognition threshold and ensuring opening balances are accurately adjusted.
- **GASB Statement No. 102, Certain Risk Disclosures:** For the upcoming fiscal year, our team is already working with Finance Directors to identify reportable **concentration** (e.g., major taxpayers or employers) and **constraints** (e.g., legislative, or contractual limitations) to ensure full transparency in the notes to the financial statements.
- **GASB Statement No. 100, Accounting Changes and Error Corrections:** We have implemented an enhanced disclosure framework for reporting changes in accounting principles and prior-period adjustments, ensuring clear communication to the Town's stakeholders.
- **GASB Statement No. 96, SBITAs:** Our team has completed successful audits of Subscription-Based Information Technology Arrangements, assisting towns in identifying and valuing IT assets.



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**GREG S. ADAMS, CPA – ENGAGEMENT PARTNER – AUDITS PERFORMED**

<u>Government Audits</u>	<u>Years</u>	<u>Position</u>
Town of Burgaw	10 Years	Engagement Partner
Town of Ocean Isle Beach	19 Years	Engagement Partner
Columbus County	12 Years	Engagement Partner
Pender County	9 Years	Engagement Partner
Town of Chadbourne	13 Years	Engagement Partner
Bladen County	12 Years	Engagement Partner
Pasquotank County	7 Years	Engagement Partner
Camden County	10 Years	Engagement Partner



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**AUSTIN EUBANKS, CPA, CFE – AUDIT MANAGER**

<u>Governmental Audits</u>	<u>Years</u>	<u>Position</u>
Bertie County	2	Audit Manager
Camden County	2	Audit Manager
Camden County TDA	2	Audit Manager
Chowan County	2	Audit Manager
Duplin County	2	Audit Manager
Elizabeth City - Pasquotank TDA	2	Audit Manager
Harkers Island Sanitary District	2	Audit Manager
Jones County	2	Audit Manager
Lenoir County	2	Audit Manager
Lower Cape Fear Sanitary District	2	Audit Manager
Ocracoke Sanitary District	2	Audit Manager
Pasquotank County	2	Audit Manager
Perquimans County	1	Audit Manager
Town of Angier	2	Audit Manager
Town of Ayden	2	Audit Manager
Town of Calypso	2	Audit Manager
Town of Cedar Point	2	Audit Manager
Town of Edenton	2	Audit Manager
Town of Faison	2	Audit Manager
Town of Greenevers	2	Audit Manager
Town of Magnolia	2	Audit Manager
Town of Manteo	2	Audit Manager
Town of Liberty	1	Audit Manager
Town of North Topsail Beach	2	Audit Manager
Town of Rose Hill	2	Audit Manager
Town of Snow Hill	2	Audit Manager
Town of Spring Hope	1	Audit Manager
Town of St. James	2	Audit Manager
Town of Teachey	2	Audit Manager
Town of Wallace	2	Audit Manager
Town of Warsaw	2	Audit Manager
Village of St. Helena	2	Audit Manager
Western Carteret Interlocal Agency	2	Audit Manager



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**LANPHUONG NGUYEN- SENIOR STAFF - AUDITS PERFORMED**

<b><u>Governmental Audits</u></b>	<b><u>Years</u></b>	<b><u>Position</u></b>
Town of Ocean Isle Beach	7 Years	Financial Auditor
Pasquotank County	7 Years	Financial Auditor
Camden County	7 Years	Financial Auditor
Lumber River COG	7 Years	Financial Auditor
Mid East Commission	7 Years	Financial Auditor
Town of Belville	7 Years	Financial Auditor
Town of Magnolia	7 Years	Financial Auditor
Town of Rose Hill	7 Years	Financial Auditor
Town of Warsaw	7 Years	Financial Auditor
Town of Teachey	7 Years	Financial Auditor
Town of Wallace	6 Years	Financial Auditor
Lenoir County	5 Years	Financial Auditor
Town of Faison	4 Years	Financial Auditor
Chowan County	4 Years	Financial Auditor
Bertie County	4 Years	Financial Auditor
Town of Calypso	3 Years	Financial Auditor
Lower Cape Fear Water	3 Years	Financial Auditor
disAbility Resource Center	3 Years	Financial Auditor
Town of Edenton	3 Years	Financial Auditor
Town of Holly Ridge	3 Years	Financial Auditor
Jones County	3 Years	Financial Auditor
Riegelwood Sanitary District	3 Years	Financial Auditor
Village of St. Helena	3 Years	Financial Auditor
Town of St. James	3 Years	Financial Auditor
OIB ABC	2 years	Financial Auditor
Newton Grove ABC	2 Years	Financial Auditor
Warsaw ABC	2 Years	Financial Auditor
Town of Angier	2 Years	Financial Auditor
Town of Ayden	2 Years	Financial Auditor
Bladen County	2 Years	Financial Auditor
Town of Snow Hill	2 years	Financial Auditor
Ocracoke Sanitary District	1 Year	Financial Auditor
Perquimans County	1 Year	Financial Auditor
Kerr Tar Council of Governments	1 Year	Financial Auditor
Town of Winfall	1 Year	Financial Auditor



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**TARA GOMEZ – SENIOR STAFF - AUDITS PERFORMED**

<u>Governmental Audits</u>	<u>Years</u>	<u>Position</u>
Beaufort County	1 Year	Lead Compliance Auditor
Bertie County	4 Years	Lead Compliance Auditor
Bladen County	5 Years	Lead Compliance Auditor
Camden County	5 Years	Lead Compliance Auditor
Chowan County	5 Years	Lead Compliance Auditor
City of Elizabeth City	1 Year	Lead Compliance Auditor
Cleveland County	1 Year	Lead Compliance Auditor
Columbus County	1 Year	Lead Compliance Auditor
Duplin County	5 Years	Lead Compliance Auditor
First Fruit Ministries	1 Year	Lead Compliance Auditor
Hertford County	1 Year	Lead Compliance Auditor
Hyde County	1 Year	Lead Compliance Auditor
Johnston County	1 Year	Lead Compliance Auditor
Jones County	3 Years	Lead Compliance Auditor
Kerr Tar Council of Governments	1 Year	Lead Compliance Auditor
Lenoir County	5 Years	Lead Compliance Auditor
Lumber River Council of Governments	3 Years	Lead Compliance Auditor
Mid-East Commission	3 Years	Lead Compliance Auditor
Nash County	1 Year	Lead Compliance Auditor
Pasquotank County	5 Years	Lead Compliance Auditor
Perquimans County	1 Year	Lead Compliance Auditor
Stanly County	1 Year	Lead Compliance Auditor
Town of Ayden	1 Year	Lead Compliance Auditor
Town of Cedar Point	2 Years	Lead Compliance Auditor
Town of Edenton	3 Years	Lead Compliance Auditor
Town of Faison	1 Year	Lead Compliance Auditor
Town of Four Oaks	1 Year	Lead Compliance Auditor
Town of Holly Ridge	1 Year	Lead Compliance Auditor
Town of Magnolia	1 Year	Lead Compliance Auditor
Town of North Topsail Beach	2 Years	Lead Compliance Auditor
Town of Ocean Isle Beach	3 Years	Lead Compliance Auditor
Town of Princeton	1 Year	Lead Compliance Auditor
Town of Wallace	3 Years	Lead Compliance Auditor
Town of Warsaw	4 Years	Lead Compliance Auditor
Vance County	1 Year	Lead Compliance Auditor
Washington County	1 Year	Lead Compliance Auditor
Yadkin County	1 Year	Lead Compliance Auditor



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**TREY PROFIO – SENIOR STAFF – AUDITS PERFORMED**

<b><u>Governmental Audits</u></b>	<b><u>Years</u></b>	<b><u>Position</u></b>
Town of Burgaw	10+ Years	Financial Auditor
Town of Ocean Isle Beach	10+Years	Financial Auditor
Pasquotank County	7 Years	Financial Auditor
Camden County	10 Years	Financial Auditor
Town of Atlantic Beach	7+ Years	Financial Auditor
Lumber River COG	7+ Years	Financial Auditor
Mid East Commission	7+ Years	Financial Auditor
Town of Wallace	7+ Years	Financial Auditor
Bay River	7+ Years	Financial Auditor
Town of Belville	7+ Years	Financial Auditor
Bertie County	4 Years	Financial Auditor
Chowan County	5 Years	Financial Auditor
Kerr Tar Council of Governments	1 Year	Financial Auditor
Lenoir County	5 Years	Financial Auditor
Perquimans County	1 Year	Financial Auditor
Town of Calypso	7+ Years	Financial Auditor
Lower Cape Fear Water	7+ Years	Financial Auditor
Town of Magnolia	7+ Years	Financial Auditor
Riegelwood SD	7+ Years	Financial Auditor
Town of Rose Hill	7+ Years	Financial Auditor
Town of Warsaw	7+ Years	Financial Auditor
Town of Teachey	7+ Years	Financial Auditor
Town of Cedar Point	7+ Years	Financial Auditor
Town of Faison	3 Years	Financial Auditor
OIB ABC	7 years	Financial Auditor
Tyrell ABC	7 Years	Financial Auditor
Newton Groove ABC	5 Years	Financial Auditor
Warsaw ABC	6 Years	Financial Auditor
Washington County ABC	7 Years	Financial Auditor
Town of Angier	2 Years	Financial Auditor
Town of Ayden	2 Years	Financial Auditor



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**7. Describe the relevant educational background of each person assigned to the audit, senior level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.**

Our audit team consists of personnel with a wide variety of experience. The staff members have several years of governmental accounting experience, ranging from serving as auditors for 10 - 30 years, to managing the day-to-day operations of a finance department. We feel that this variety of experiences makes our team highly effective in covering all areas of the audit.

The Auditor monitors compliance with CPE requirements for Yellow Book as part of our annual inspection and peer review process. We have a quality control partner and a senior staff person who oversees this in addition to being monitored by the managing partner.

The Auditor has extensive experience with GASB 68, GASB 73, GASB 75 and GASB 88. All our governmental engagements are done under the new GASB reporting requirements.

Our entire staff receives forty hours a year of continuing education in governmental auditing. This extensive training allows our staff to be highly educated with regard to all new pronouncements.

See staff resumes in #9.

**8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (e.g., Water/Sewer, Electric service function).**

The Auditor provides auditing, accounting, and management advisory services to all types of municipalities, including municipalities with the following features: solid waste operations, water and sewer operations, electric utility systems, internal service functions, and single audit programs. We feel confident that we can provide exceptional service to the Town as well.

**9. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.**

- **NCACPA Engagement:** Firm members are active in the North Carolina Association of Certified Public Accountants (NCACPA), frequently attending specialized sessions like the Governmental Accounting & Auditing Conference to stay ahead of GASB pronouncements.
- **LGC Reporting Roles:** The team has significant experience acting as primary presenters of audit results to municipal boards across North Carolina, translating complex financial summaries for elected officials and the public.
- **Community Leadership:** Beyond technical auditing, senior team members serve on local community boards and regional chambers, providing them with a unique perspective on the operational challenges facing North Carolina towns.

See staff resumes that follow for additional information.



**Gregory S. Adams, CPA**  
*Partner*

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## **EXECUTIVE SUMMARY**

- ❖ Certification Issued September 16, 1996
- ❖ Practice Since July 1994
- ❖ Member of AICPA, NCACPA's
- ❖ Graduate of UNC-Wilmington with a B.S. in Accounting

## **SUMMARY**

Over twenty-five years of experience in public accounting. Experienced in hiring, training and supervising staff, budgeting, scheduling, performing risk analysis, directing multiple on-going complex audits and facilitating the inclusion of proper internal controls as part of the system's development process.

## **PROFESSIONAL EXPERIENCE**

### *Partner*

#### *Thompson, Price, Scott, Adams & Co., P.A. ,(January 1999 to Present )*

- ❖ Conduct financial, compliance, governmental, non-profit and operational audits.
- ❖ Supervise staff auditors on audit engagements.
- ❖ Hire and supervise staff.
- ❖ Developed an internal audit training program to train staff.
- ❖ Prepare individual, partnership, and corporate tax returns.
- ❖ Work on compilations, reviews and audits of businesses, governments, and charitable organizations.

### *Staff Accountant*

#### *Thompson, Price, Scott, Adams & Co., P.A.*

- ❖ Prepare individual, partnership, and corporate tax returns.
- ❖ Work on compilations, reviews and audits of businesses, governments, and charitable organizations.

## **CONTINUING EDUCATION IN GOVERNMENT / NON-PROFIT CPE AREA**

- ❖ The Most Critical Challenges in Governmental Accounting Today
- ❖ Accounting for Financial Instruments: Applying the FASB's Three New Updates
- ❖ Auditing Not-for-Profit Entities
- ❖ Performing an Effective Audit Risk Assessment in the COVID-19 Environment
- ❖ Government and Nonprofit Frauds and Controls to Stop Them
- ❖ Understanding and Testing Control and Compliance in a Single Audit
- ❖ Fraud and Abuse in Not-for-Profit Entities and Governments: Stealing from Everyone



**Austin Eubanks, CPA, CFE**  
**Audit Manager**

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### **EXECUTIVE SUMMARY**

- ❖ CPA Certification Issued July, 2015
- ❖ CFE Certification Issued May, 2020
- ❖ Practice Since May, 2012
- ❖ Member of AICPA, NCACPA, ACFE
- ❖ Graduate of UNC-Pembroke
- ❖ Licensed to Practice in NC

### **SUMMARY**

Eleven years' experience - Public Accounting, Experienced in planning and performing audits for various governments, including school districts, charter schools, towns as well as nonprofits and for-profit entities. Experience in preparing tax returns for various entities and preparing compilations and reviews.

### **PROFESSIONAL EXPERIENCE**

#### ***Audit Manager***

- ❖ Develop audit plans and schedules..
- ❖ Supervise and train staff auditors on audit engagements.
- ❖ Preparation of Audited Financial Statements.
- ❖ Audit Presentations to Board.

### **CONTINUING EDUCATION IN GOVERNMENT / NON-PROFIT CPE AREA**

- ❖ Fraud Risk Assessment Basics
- ❖ Fraud and abuse in Not-For-Profit Entities and Governments
- ❖ How can I Spot Fraud
- ❖ Local Government Commission Update
- ❖ Local Government Independence Auditors Conference
- ❖ Latest Developments in Governmental Accounting and Auditing
- ❖ Advanced Topics in Single Audits
- ❖ Ethical Considerations for CPA's
- ❖ State Treasurer's Auditing, Reporting, and Review
- ❖ Fundamentals and Internal Controls
- ❖ Audit Process and Risk Assessment



**Tara Gomez**  
**Senoir Audit Staff - Lead Compliance Auditor**

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## EXECUTIVE SUMMARY

- ❖ Graduate of UNC-Wilmington with a M.S. in Accounting

## SUMMARY

Nearly ten years experience in Public Accounting with the majority concentrated on compliance audit. Experience with multi-faceted compliance audits for local governments and municipalities, nonprofit entities, and for-profit private industries. Also experienced in financial audits and fraud inquiries into governmental and nonprofit entities.

## PROFESSIONAL EXPERIENCE

### *Senoir Audit Staff - Lead Compliance Auditor*

#### *Thompson, Price, Scott, Adams & Co., P.A. (May 2018 to Present)*

- ❖ Develop audit plans and schedules.
- ❖ Supervise and train staff auditors on compliance audit engagements.
- ❖ Prepare and perform compliance testing procedures, concurrent with regulatory updates.
- ❖ Remit audit information to regulatory agencies, assist with any inquiries.
- ❖ Develop audit team workflow tools, provide technology efficiency training.
- ❖ Correspond with clients and regulatory agencies to ensure accuracy and timeliness of audit data.

### *Staff Accountant*

#### *Thompson, Price, Scott, Adams & Co., P.A. (August 2017 - July 2019)*

- ❖ Prepared individual, partnership and corporate tax returns.
- ❖ Assisted on financial and compliance audits for governments and non-profits.
- ❖ Provided general accounting services for private clients.
- ❖ Developed workflow tools, provided training on developments.

## CONTINUING EDUCATION IN GOVERNMENT / NON-PROFIT CPE AREA

- ❖ 2021 State Treasurers Auditing, Reporting, and Review
- ❖ 2021 Leases – Implementing GASB Statement No. 87
- ❖ Performing an Effective Audit Risk Assessment in the COVID-19 Environment
- ❖ Government and Nonprofit Frauds and Controls to Stop Them
- ❖ The Most Critical Challenges in Governmental Accounting Today
- ❖ Performing Single Audits Under the Uniform Guidance for Federal Awards
- ❖ Preparing Not-for-Profit Financial Statements
- ❖ UNC School of Government - Local Government Independence Auditors Conference
- ❖ NCACPA Local Government Commission Update
- ❖ NCACPA Advanced Topics in Single Audit
- ❖ Understanding and Testing Control and Compliance in a Single Audit



**Trey Profio**  
**Senior Audit Staff**

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## **EXECUTIVE SUMMARY**

- ❖ Graduate of UNC-Wilmington with a B.S. in Accounting

## **SUMMARY**

Fifteen years experience in Public Accounting. Experienced in planning and performing audits for various governments. Experience in preparing tax returns for various entities and preparing compilations and reviews.

## **PROFESSIONAL EXPERIENCE**

### ***Accountant***

#### ***Thompson, Price, Scott, Adams & Co., P.A. (Nov 2007 - Present)***

- ❖ Prepare individual, partnership, non-profit and corporate tax returns.
- ❖ Work on compliance, reviews, and audits of businesses, governments, and charitable organizations.
- ❖ Developed audit plans and schedules.
- ❖ Supervise staff auditors on audit engagements.
- ❖ Work on bookkeeping and payroll for corporations.

## **CONTINUING EDUCATION IN GOVERNMENT / NON-PROFIT CPE AREA**

- ❖ How to get a better return on Yellow Book and Single Audit
- ❖ Understanding and Testing Control and Compliance in a Single Audit
- ❖ Best Practices in Not-for-Profit Accounting and Reporting
- ❖ A complete Guide to Yellow Book
- ❖ Latest Developments in Governmental Accounting and Auditing
- ❖ Local Government Commission Update
- ❖ Understanding Basic Fraud Schemes
- ❖ Government and Nonprofit Fraud and Controls to Stop Them
- ❖ Fraud and Abuse in Not-for-Profit Entities and Governments Stealing from Everyone
- ❖ Applying the Yellow Book to Financial Statement Audit



**LanPhuong Nguyen**  
**Senior Audit Staff**

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## **EXECUTIVE SUMMARY**

- ❖ Graduate of UNC-Wilmington with a M.S. in Accounting
- ❖ Member of NCACPA

## **SUMMARY**

Over seven years of experience in Public Accounting. Experienced in planning and performing audits for various governments, including Counties, Towns as well as nonprofits and for-profit entities. Experience in preparing compilations and reviews, financial analysis reports, and preparing several tax returns for corporation, personal, and nonprofit.

## **PROFESSIONAL EXPERIENCE**

### ***Senior Accountant***

#### ***Thompson, Price, Scott, Adams & Co., P.A. (Nov 2016 - Present)***

- ❖ Prepare individual, partnership, corporation, and nonprofit tax returns.
- ❖ Work on compliance, reviews, and audits of businesses, governments, and nonprofit organizations.
- ❖ Developed audit plans.
- ❖ The audit team leader.
- ❖ Work on bookkeeping and payroll for corporations.

## **CONTINUING EDUCATION IN GOVERNMENT / NON-PROFIT CPE AREA**

- ❖ 2021 Leases – Implementing GASB Statement No. 87
- ❖ How to get a better return on Yellow Book and Single Audit
- ❖ Advanced Topics in Single Audit
- ❖ Local Government Independence Auditors Conference
- ❖ Current Issue in Accounting and Auditing an Annual Update
- ❖ Fraud and Abuse in Not-for-Profit Entities and Governments Stealing from Everyone
- ❖ The Most Critical Challenges in Governmental Accounting Today
- ❖ Financial Reporting Implications of the Covid-19
- ❖ Ethical Considerations of the CPA
- ❖ Addressing Common Documentation Deficiencies



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**10. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted for a reference.**

**References**

Jones County  
110 S. Market St.  
Trenton, NC 28585  
Blake Batchelor, Finance Officer  
252-448-5111

City of Dunn  
401 E. Broad St.  
Dunn, NC 28334  
Cary McNallan, Finance Director  
910-230-3515

Town of Beulaville  
PO Box 130  
Beulaville, NC 28518  
Lori Williams, Town Manager  
910-298-4647

Chowan County  
305 W. Freemason St.  
Edenton, NC 27932  
Cathy Smith, Finance Officer  
252-482-8334 Ext 1

Kerr Tar COG  
1724 Graham Ave.  
Henderson, NC 27536  
Donna Lee, Finance Manager  
252-436-2040



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**11. Describe the firm's Statement of Policy and Procedures regarding Independence under the most current version of the Government Auditing Standards (Yellow Book), July 2018 Revision. Provide a copy of the firm's Statement of Policy and Procedures.**

As stated in Thompson, Price, Scott, Adams & Co., P.A.'s Quality Management Document:

It is the policy of our firm that all professional personnel be familiar with and adhere to the independence rules, regulations, interpretations, and rulings of the AICPA, the State of North Carolina Board of Accountancy, and the North Carolina Association of Certified Public Accountants. In this regard, any transaction, event, or circumstance that would impair the firm's independence on compilation, review, audit, forecast, projection, or attestation engagements is prohibited. Although not necessarily inclusive of all transactions or events that may impair our firm's independence, the following are considered to be prohibited transactions:

- a. Investments by any professional employee in a client's business.
- b. Investments by any professional employee with a client, or with client personnel.
- c. Borrowing from or loans to a client, or client's personnel.
- d. Accepting cash or gifts from a client (with the exception of noncash token Christmas gifts of nominal value.)
- e. Certain family relationships between professional personnel and client personnel. (Consult the managing partner for a ruling on these.)

Notwithstanding the preceding policy and list of prohibited transactions, at the managing partner's discretion, certain prohibitions can be waived if it is deemed to be in the best interest of the firm. However, in so doing, the engagement service performed for the client must be limited to that allowed by AICPA professional literature for non-independent situations.

The procedures listed below should be followed to ensure compliance with our policies:

1. All professional personnel are required to sign a representation letter when hired (and to be reviewed annually thereafter) that acknowledges their familiarity with the firm's independence policies and procedures.
2. All professional personnel are required to notify the managing partner of any potential violation of a prohibited transaction or independence rule as soon as they become aware of such a situation. To acknowledge that responsibility, professional personnel are when hired (and annually thereafter) required to sign a representation letter and to list situations they know of that could impair our firm's independence.
3. All professional personnel are required to review the firm's client list annually for possible independence violations. The list of clients is maintained on the computer, and each employee has access to a copy. Additions to the list are communicated on a timely basis by a memorandum from the managing partner. When hired (and reviewed annually thereafter) all professional personnel are required to sign a representation that confirms this responsibility.



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Proposal to Provide Auditing Services*

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4. If our firm is engaged as principal auditor and another firm is engaged to examine a subsidiary, branch, division, governmental component unit, or to perform procedures on an element or account grouping within a client's financial statement, the engagement team is required to obtain a written representation regarding the other firm's independence with respect to our client. Furthermore, in a compilation, review, forecast, projection, or attestation engagement, if another firm performs work on a segment of the engagement, a representation (either written or oral) regarding the other firm's independence is required. The PPC manuals (located in the library) contain examples of representation letters used in such situations.
5. The Partners have primary responsibility for determining if there are significant unpaid fees for any clients that would impair the firm's independence. The firm's client accounts receivable listing and the Partner's knowledge of any unbilled fees should be considered in making this determination.
6. To monitor compliance with our firm's policy and procedures on independence, representation letters are obtained when a professional employee is hired, and annually thereafter, and are routed to the managing partner for his review. During our firm's annual quality control monitoring and remediation process, a sample of employee personnel files will be reviewed to determine that a current independence representation is on file. Also, during this review, a sample of engagements will be reviewed to determine compliance at the engagement level with our firm's independence procedures.

Also included in our quality control manual, is for all personnel to be familiar with and adhere to the independence rules, regulations, interpretations and rulings of the American Institute of Certified Public Accountants, the North Carolina Board of Certified Public Accountants, the North Carolina Association of Certified Public Accountants and Government Auditing Standards, issued by the Comptroller General of the United States. In this regard, any transaction, event, or circumstance that would impair the firm's independence on this engagement is prohibited. Thompson, Price, Scott, Adams & Co., P.A. is free from any of the above transactions, events, and circumstances, and therefore is independent of all matters relating to the Town.

See Appendix A for a copy of Firm's Quality Management Document.



*Town of Richlands  
Proposal to Provide Auditing Services*

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**12. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.**

Thompson, Price, Scott, Adams & Co., P.A. maintains a four-million-dollar per claim professional liability insurance policy. Each year the policy is reviewed to ensure adequate coverage. The firm also carries a workers compensation policy that pays up to \$100,000 per accident.

**13. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.**

The Firm or local offices have had no regulatory action taken against them by any oversight body.

**14. Comment on your knowledge of and relationship with the NC Local Government Commission and the University of North Carolina School of Government in Chapel Hill.**

The Firm has a good relationship with the NC Local Government Commission. We have been doing local government audits in North Carolina for over thirty-five years. We have had a partner teach a class at one of the conferences at the UNC School of Government in Chapel Hill.

QUALITY MANAGEMENT DOCUMENT  
THOMPSON, PRICE, SCOTT, ADAMS & CO.,  
P.A.

REVISED 12/15/2025

## QUALITY MANAGEMENT DOCUMENT

The firm's quality management policies and procedures for the eight elements of quality management are presented on the following pages. All employees and members of the firm are provided copies and are responsible for understanding, implementing, and adhering to these policies and procedures.

Any questions, concerns, or recommendations about the firm's quality management system should be communicated to the quality manager/managing partner.

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## INTRODUCTION

During 2025, Thompson, Price, Scott, Adams & Co. P.A. (TPSA), performed a risk assessment as prescribed by Statement on Quality Management Standards (SQMS) No. 1, A Firm's System of Quality Management (QM Section 10), in preparation for the implementation of TPSA's revised System of Quality Management (SQM).

SQMS 1 (system of quality management), SQMS 2 (engagement quality review) and SQMS 3 (group audits) along with three pronouncements related to quality at the engagement level for SAS 146 (audits), SSARS 26 (reviews, compilations and preparation engagements) and SSAE 23 (attestation engagements including agreed-upon procedures) were issued by the AICPA beginning in June 2022 and are effective for a firm's accounting and auditing practice as of December 15, 2025. The SQM standards supersede Statement on Quality Control Standards No. 8, A Firm's System of Quality Control (QC 10) and adds a new standard (QC 20).

The objective of the firm is to design, implement, and operate a system of quality management for the accounting and auditing practice at TPSA that provides reasonable assurance that

- The firm and its personnel fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements and conduct engagements in accordance with such standards and requirements, and
- Engagement reports issued by the firm are appropriate in the circumstances.

## RISK ASSESSMENT

The most notable change reflected in the new QM standards is the introduction of a risk-based approach in designing, implementing, and operating a system of quality management (SQM). The risk assessment helps firms identify and address risks specific to their practice. In addition, the suite of standards made significant shifts in certain of the components identified in SQCS 8 by augmenting the existing elements and adding others as identified below. SQMS 2 is a more robust version of the Engagement Quality Review (EQR) process.

The firm's risk assessment process includes establishing quality objectives, identifying and assessing quality risks, and designing and implementing responses to address the quality risks. Quality objectives are established for each quality objective specified by SQMS No. 1, and those considered necessary by the firm to achieve the objectives of the SQM. The firm ensures compliance with this policy by implementing the following procedures:

- The firm has established quality objectives, identified and assessed quality risks, designed and implemented responses to address the quality risks, and documented the risk assessment process at *Appendix 1*.
- The firm has established policies and procedures to consider whether additional quality objectives, or modifications to quality objectives, are needed when changes in the nature and circumstances of the firm and its engagements occur.

*For more information on the detailed risk assessment for TPSA at Appendix 1.*

## GOVERNANCE AND LEADERSHIP

The quality objective of the leadership responsibilities element of a system of quality control is to promote an internal culture based on the recognition that quality is essential in performing engagements. Thompson, Price, Scott, Adams & Co., P.A. satisfies this objective by establishing and maintaining the policies and procedures described below.

It is the firm's policy to promote a culture of quality that is pervasive throughout the firm's operations through the development of its system of quality control. Firm management, under the direction of the managing partner, assumes responsibility for the firm's system of quality management (SQM) and designs the system to (1) emphasize the importance of performing work that complies with professional standards and applicable legal and regulatory requirements and (2) issue reports that are appropriate in the circumstances. In maintaining a culture of quality, the firm emphasizes the importance of ethics and integrity in every decision that personnel make, particularly at the engagement level.

The firm ensures compliance with this policy by implementing the following procedures:

1. The firm assigns ultimate responsibility and accountability for its SQM to the firm's managing partner. The managing partner assigns operational responsibility for the SQM and operational responsibility for specific aspects of the system to appropriate audit engagement partners. Individuals with responsibility for the SQM have appropriate experience, knowledge, influence, and authority; and are given sufficient time to fulfill their assigned responsibility and understand the importance of the responsibility they have been given. Those individuals have a direct line of communication to the managing partner to discharge their responsibility with regard to the SQM. The partners assigned operational responsibility for the SQM and operational responsibility for specific aspects of the system are equitably compensated even if such time is not billable. The managing partner has assigned operational responsibility for the system to the SQM director.
2. The firm also dedicates sufficient personnel and financial resources to support its SQM. The proper functioning of the firm's SQM is given the highest priority by firm leadership.
3. The firm communicates clear, consistent, and frequent actions and messages that emphasize the expectation that each individual has a personal responsibility for quality and is to follow the firm's SQM policies and procedures. Such actions and messages include-
  - The firm teaches all new professional employees about the firm's values, attitudes, and expectations regarding professional conduct during employee orientation.
  - The firm conducts periodic in-house training and staff meetings that focus on professional ethics requirements and the firm's values and attitudes related to its commitment to quality.
  - The firm ensures personnel develop and maintain appropriate competence through professional development opportunities that enable them to perform their roles and build additional competence and skill. Partners meet with staff members at the beginning of the year to plan continuing education.
  - The firm informs personnel of actions taken to address quality, discusses the effectiveness of those actions, and solicits feedback from personnel.
  - Firm leadership recognizes personnel performing quality accounting and auditing work in firm communications.
  - The firm has established incentives that encourage individuals to demonstrate a commitment to quality. For example, performance appraisals evaluate whether personnel are committed to quality in how they conduct themselves when performing engagements and other activities related to the firm's SQM. A component of compensation is based on the quality of the person's work.
  - The firm's performance evaluation, compensation, and advancement processes ensure all levels of management are fully aware of their responsibility for quality and are held accountable to provide clear, consistent, and frequent actions and communications that emphasize quality. The firm considers the results of the periodic evaluation of the firm's SQM in its performance evaluations of individuals having ultimate and operational responsibility for the firm's SQM.
4. The firm assigns risk assessment ratings to its attest engagements, and more experienced personnel are assigned to high-risk engagements.
5. The firm prepares engagement budgets that allow for unanticipated issues that often arise to ensure enough time is available to perform quality engagements. The firm does not pressure personnel to skip or shorten planned procedures under tight deadlines.

6. The firm demonstrates its commitment to quality through its mission statement, which includes the firm's core values and the importance of quality. The firm has established a formal code of conduct that reflects the firm's core value of quality and guides personnel to make appropriate decisions throughout their workday. The code of conduct is regularly communicated, reiterated, and available to all employees.
7. The firm allocates resources, including financial resources, in a manner that supports all areas of the firm, with emphasis on the accounting and auditing practice since it serves the public interest. The firm allocates more experienced and knowledgeable personnel to higher-risk accounting and auditing engagements.
8. The firm provides the SQM director with sufficient time, authority, and financial resources to develop, implement, and maintain the firm's QM policies and procedures. This includes having the ability to influence decisions made about current and future financial and other resource needs and how the firm obtains, develops, uses, and maintains such resources.
9. The firm has established policies and procedures to address engagement quality reviews pursuant to SQMS No. 2, Engagement Quality Reviews, and requires an engagement quality review (EQR) for audits or other engagements when (a) an EQR is required by law or regulation, or (b) the firm determines that an EQR is an appropriate response to one or more quality risks.
10. The firm has established policies and procedures for receiving, investigating, and resolving complaints and allegations about noncompliance with the firm's SQM policies and procedures.
11. The firm has established policies and procedures for receiving, investigating, and resolving complaints and allegations about failures to perform work in accordance with professional standards and applicable legal and regulatory requirements in conjunction with monitoring activities.
12. Individuals in the firm with leadership responsibility invite and welcome criticism and input from staff. Consensus is reached with staff on matters of disagreement.
13. The managing partner promptly addresses occurrences of firm leadership making decisions or acting in a manner that does not prioritize quality.

#### RELEVANT ETHICAL REQUIREMENTS

The quality objective of the relevant ethical requirements element of a system of quality control is to provide the firm with reasonable assurance that the firm and its personnel comply with relevant ethical requirements (in fact and in appearance) when discharging professional responsibilities. Relevant ethical requirements include independence, integrity, and objectivity.

Thompson, Price, Scott, Adams & Co., P.A. satisfies this objective by establishing and maintaining the following policies and procedures.

It is the policy of our firm that all professional personnel be familiar with and adhere to relevant ethical requirements of the AICPA, contained in the *Code of Professional Conduct*, applicable State Boards of Accountancy, applicable State CPA Societies, state statutes and other regulatory agencies where applicable. Furthermore, it is the policy of our firm that for engagements that are subject to *Government Auditing Standards* and other applicable regulatory agencies, all professional personnel be familiar with and adhere to the relevant ethical requirements included in those standards, including any that may be more restrictive.

Additionally, when the firm and its professional personnel encounter situations that raise potential independence threats, but such situations are not specifically addressed by the independence rules of the AICPA *Code of Conduct*, the situation will be evaluated by referring to the *Conceptual Framework for Independence* and applying professional judgment to determine whether an independence breach exists. The firm takes appropriate action to eliminate threats to independence or mitigate them to an acceptable level by applying safeguards. If effective safeguards cannot be applied, the firm will withdraw from the engagement or take other corrective actions as appropriate to eliminate the breach.

The firm ensures compliance with these policies by implementing the following procedures:

1. The firm provides all personnel with online access to the relevant ethical requirements to which the firm is subject. The firm expects its engagement partners and other personnel to stay informed on those relevant ethical requirements.
2. The firm provides independence and ethics training for professional personnel at least annually. All professional personnel who work on attest engagements and are required to be independent sign an independence representation form when hired and annually thereafter acknowledging their familiarity with the firm's relevant ethical requirements policy and procedures, particularly regarding independence.

Copies of all completed independence confirmations are retained in our quality control books.

3. The firm maintains a list of the most common transactions, circumstances, and relationships that would impair the firm's independence and other relevant ethical requirements, and periodically reminds professional personnel to review the information.
4. The firm informs personnel of changes to the client list to ensure independence is maintained.
5. Important relevant ethical requirements are addressed by procedures within the work programs and standard forms in the accounting and auditing materials used by the firm, such as:
  - Determine compliance with relevant ethical requirements, including independence, on each new and recurring attest client as part of the acceptance and continuance decision by completing relevant independence practice aids. Additionally, the independence practice aid is reviewed by a second person in the firm. For clients of whom the firm is not independent, the only attest service performed is a compilation and the firm discloses its lack of independence in the related report.
  - Consider unpaid fees (billed and unbilled).
  - Consider any familiarity threat related to senior personnel recurring on an attest engagement for five years or more.
  - When another firm, or firm personnel in associated member firms, performs part of the engagement, the firm confirms the independence of the other firm and adherence to other relevant ethical requirements. Written confirmations are obtained regarding the other firm's independence with respect to audit engagements and either written or oral confirmations are obtained for review or attestation engagements. Oral confirmations are documented.
6. Certain important independence requirements are addressed by procedures within the work programs and standard forms in the accounting and auditing materials used by the firm. Such procedures-
  - Identify nonattest services performed for attest clients and determine if the services threaten independence with respect to that client (including obtaining and documenting an understanding of how the firm was satisfied that client personnel had the skills, knowledge, or experience to oversee the nonattest services). The firm will only provide nonattest services to an attest client when the client accepts its responsibilities. Where applicable, this includes determining whether such nonattest (nonaudit) services impair independence under the independence rules in Government Auditing Standards.
  - Consider the firm's independence of attest clients at which professional personnel have been offered management positions or have accepted offers of employment.
  - Consider whether actual or threatened litigation influences the firm's independence with respect to the client.
  - Determine whether all professional personnel are independent of the financial reporting entity if the firm is engaged as the group auditor to report on the basic financial statements of the financial reporting entity.

- Consider whether the firm was party to a cooperative arrangement with a client that was material to the firm or the client.
7. The firm maintains an annual summary of all potential independence issues noted on the annual independence representation forms, which is reviewed by the SQM director. All relevant ethical requirements matters, including potential independence issues noted, are resolved by the SQM director, who is also responsible for determining actions to be taken when professional personnel violate firm independence policies and procedures. Documentation of the resolution of a relevant ethical requirements matter is filed in the client's workpaper files and retained in accordance with the firm's document retention policy.
  8. If a breach of a relevant ethical requirement, including independence, is identified, the breach and the required corrective actions are promptly communicated to (a) the SQM director, (b) the engagement partner who (along with the firm) needs to address the breach, (c) other relevant personnel in the firm and those subject to the independence requirements who need to take appropriate action, and (d) those charged with governance at the attest client. The engagement partner confirms to the SQM director when required corrective actions related to the breach and noncompliance with these policies and procedures have been taken.
  9. When there is a disagreement between the attest engagement partner and the managing partner or the SQM director, the firm requires contacting the AICPA Ethics Hotline. The written response from the AICPA is retained in the relevant attest file and the guidance is followed.
  10. independence or violate the firm's relevant ethical requirements policies. A copy of the completed independence representation is retained in the firm's quality control notebook. Professional standards of relevant ethical requirements that govern the firm are available electronically through access to RIA Checkpoint or Accounting Research Manager. These standards, including the AICPA's Conceptual Framework for AICPA Independence Standards and the advice of the engagement partner may be consulted if an employee is unsure if a threat to independence should be reported to firm management.
  11. If a potential threat to independence or other relevant ethical issue is identified, the engagement partner/staff accumulates and communicates relevant information to appropriate personnel so (a) firm management and the engagement partner or managing partner can determine whether they satisfy independence or ethical requirements, (b) the engagement partners can take appropriate action to address identified threats to independence or other relevant ethical requirements, (c) the firm can maintain current independence information and (d) the engagement partner should consult with others in the firm and take appropriate action. For clients of whom the firm is not independent, only compilation and preparation services are performed.
  12. The engagement partner is responsible for communicating the identification of an independence issue or other relevant ethical requirement breach, and the engagement team understands the responsibilities of members if they become aware of such breaches. The engagement team also understands their responsibilities if they become aware of any noncompliance with laws and regulations by the client entity.
  13. The engagement partner has the primary responsibility for determining whether actual or threatened litigation has an effect on the firm's independence with respect to the client or other relevant ethical requirements. The firm's independence or other ethical requirements could be impaired by litigation (a) between the client and the firm, and (b) from other third parties.
  14. If the firm is engaged as principal auditor to report on the basic financial statements of a financial reporting entity, all professional personnel must be independent of the financial reporting entity. If the firm is engaged as principal auditor to report on a major fund, non-major fund, internal service fund, fiduciary fund, or governmental component unit of the financial reporting entity, all professional personnel must be independent of the fund or entity the firm reports on. The engagement partner has the primary responsibility for determining whether the firm's relationship with entities in the governmental financials statements has an effect on independence.

15. If a breach of independence is identified, the firm promptly communicates the breach and the required corrective actions to (a) the engagement partner, who (along with the firm) has the responsibility to address the breach and (b) other relevant personnel in the firm and those subject to the independence requirements who need to take appropriate action. The engagement partner confirms to the firm when required corrective actions related to the breach and noncompliance with these policies and procedures has been taken.
16. The engagement partner remains alert throughout the audit engagement, by observing and making inquiries as needed, for breaches of relevant ethical requirements or the firm's related policies and procedures by those on the engagement team.
17. The engagement partner reviews the firm's ethical requirements policy and procedures to determine if they are appropriate and operating effectively. This review is performed and documented as part of our monitoring procedures. Changes, if necessary, to the system are made based on the results of that review.

### **ACCEPTANCE AND CONTINUANCE OF CLIENT RELATIONSHIPS AND SPECIFIC ENGAGEMENTS**

The quality objective of the Acceptance and Continuance of Client Relationships and Specific Engagements elements of a system of quality control is to establish criteria for deciding whether to accept or continue a client relationship and whether to perform a specific engagement for a client. Our client acceptance and continuance policies represent a key element in mitigating litigation and business risk. Accordingly, it is important that our firm be aware that the integrity and ethical values of client management could reflect the reliability of the client's accounting records and financial representations and, therefore, affect the firm's reputation or involvement in litigation. Our policies and procedures related to the acceptance and continuance of client relationships and specific engagements provides us with reasonable assurance that we will undertake or continue relationships and engagements only where we:

- Have considered the integrity of the client, including the identity and business reputation and ethical values of the client's principal owners, key management, related parties, and those charged with its governance, and the risks associated with providing professional services in the particular circumstances;
- Are competent to perform the engagement and have the capabilities and resources to do so in accordance with professional standards and applicable legal and regulatory requirements;
- Can comply with legal and ethical requirements (including proper state licensure); and have reached an understanding with the client, in writing, regarding the services to be performed.

#### **Thompson, Price, Scott, Adams & Co., P.A.**

It is the policy of our firm that, for all audit, attestation, review, compilation, and preparation service engagements, the acceptability of the client and the engagement be evaluated before the firm agrees to provide professional services. The firm will accept and continue only client relationships and specific engagements when it has determined that the requisite competence and capabilities (including adequate time, resources, and licensure) exists within the firm to perform the engagement and the firm can comply with legal and relevant ethical requirements. Additionally, the firm will only undertake or continue relationships and engagements when the firm has considered the integrity of the client and does not obtain information indicating that the client lacks integrity. The procedures listed below are followed to ensure compliance with this policy:

1. For each prospective client that requests for the first time a preparation, compilation, review, attestation, or audit service, the partner making initial contact with the client is required to complete an engagement acceptance and continuance form pertinent for the type of service(s) requested. The completed form is routed to the managing partner who decides whether to accept or reject the prospective client and documents that conclusion on the form.
2. The firm gains a thorough understanding of the prospective client and determines if it has appropriate knowledge, experience, and competency to perform the engagement. The firm accepts engagements in new industries, new types of engagements, or those requiring specialized knowledge only when the firm is willing to make the investment to acquire the necessary competency. This generally includes assigning more experienced staff to the client engagement and/or requiring the engagement team to take appropriate CPE before planning the engagement. It also may necessitate using external resources for the engagement.

3. For existing attest clients, the managing partner annually reviews the firm's client list and reevaluates the acceptability of each client and engagement. In addition, prior to commencing the engagement, the engagement partner ensures that the relevant section of the engagement acceptance and continuance form has been completed. (The engagement acceptance and continuance form is located in the accounting and auditing materials used by the firm.) Continuance concerns or issues are brought to the attention of the managing partner.
4. The firm's acceptance and continuance form includes procedures that apply to the circumstance of an existing client requesting new attest or nonattest services. The existing engagement partner completes the relevant information and discusses the potential new service with the managing partner. The engagement partner also determines if any potential nonattest services would threaten independence with respect to the client and, if so, takes appropriate actions to maintain the firm's independence.
5. The firm's acceptance and continuance decisions consider factors that influence the firm's ability to perform the engagement, such as staffing requirements compared to available personnel resources, reporting deadlines, and technological and intellectual resource needs.
6. The firm has established policies or procedures that address situations that occur where the firm becomes aware of information after accepting or continuing a client relationship or specific engagement that would have caused the firm to decline the client relationship or specific engagement if that information had been known initially. In that situation, the engagement partner promptly communicates the information to the managing partner who considers whether there are any professional, regulatory, or legal requirements that obligate the firm to remain associated with the client and the engagement or to report the withdrawal to regulatory authorities. The engagement partner and managing partner jointly decide whether to withdraw from an attest engagement or from the client relationship. This may necessitate consultation with legal counsel. Significant issues, consultations, conclusions, and the basis for the conclusions are documented when withdrawal from an engagement or from both the engagement and the client relationship occurs.
7. The firm bills for its work, whether based on time spent or a fixed fee arrangement, in a manner that ensures that the engagement fee is sufficient to enable the engagement team to perform the engagement in compliance with professional standards.
8. After completing an engagement, the engagement team considers whether the client relationship and specific engagement is appropriate to continue. For those engagements where a change has occurred that potentially affects whether the firm will continue to provide services, the situation is discussed with the managing partner.
9. The managing partner annually approves partner compensation and any incentive bonus based upon criteria established by the partner group. Such criteria reward quality service and do not place commercial considerations ahead of the quality of work performed, including making appropriate decisions about accepting or continuing client relationships and specific engagements.

### **ENGAGEMENT PERFORMANCE**

The quality objective of the engagement performance element of a system of quality control is to provide the firm with reasonable assurance (a) that engagements are consistently performed in accordance with applicable professional standards and regulatory and legal requirements, and (b) that the firm or the engagement partner issues reports that are appropriate in the circumstances. Policies and procedures for engagement performance should address all phases of the design and execution of the engagement, including engagement performance, supervision responsibilities, and review responsibilities. Policies and procedures should also require that consultation takes place when appropriate. In addition, a policy should establish criteria against which all engagements are to be evaluated to determine whether an independent review should be reviewed.

Engagement performance encompasses many aspects of performing an engagement, from the initial planning stages to the issuance of the report, assembly, and retention of the workpapers. Additionally, it is not uncommon for the firm's engagement teams to occasionally encounter difficult or contentious issues that result in the need for consultation or that create differences of opinion. The firm believes in a strong system of quality management (SQM) and supports frequent engagement quality reviews. While all these activities are part of the engagement performance element of the SQM, the firm has chosen to differentiate certain activities within this section of the

SQM document for ease of understanding. The activities are segregated as follows:

- Engagement Performance and Documentation
- Consultation and Differences of Opinion

Policies and procedures for each of those engagement performance activities are described below.

### **Engagement Performance and Documentation**

It is the firm's policy that all audit, attestation, review, compilation, and preparation service engagements be properly planned, performed, supervised, reviewed, documented, and reported or communicated in accordance with the requirements of professional standards, applicable legal and regulatory requirements, and the firm. In this regard, the firm's system of engagement performance quality control (QC) steps is to be followed:

1. Each engagement is assigned to an engagement partner who accepts overall responsibility for managing and achieving quality on the engagement. The firm ensures that the workload of its engagement partners allows them to effectively manage and be regularly and appropriately involved in each engagement for which they are responsible.
2. The firm uses PPC's accounting and auditing materials as an integral part of its SQM to assist with promoting consistency in the quality of engagement performance. The managing partner ensures the appropriateness of such materials for the firm's practice, including updating and modifying the materials (as needed) for performance of the firm's engagements. Professional personnel are trained in the use of PPC's accounting and auditing materials to ensure appropriate completion of engagement procedures as required by professional standards, type of engagement, client applicable laws and regulations, and the firm.
3. If the firm accepts a new type of engagement or a client in an industry in which the firm's personnel lack recent experience, the firm requires all senior members of the engagement team to take appropriate engagement level or industry-specific CPE before the engagement's planning procedures are performed.
4. The engagement partner takes responsibility for the direction and supervision of engagement teams and ensures that review of the work performed is appropriate considering the nature and circumstances of the engagement. The engagement partner also ensures that the resources used by the engagement team are sufficient.
5. The firm requires that suitably experienced engagement team members review the work performed by other engagement team members. The engagement partner will ensure that appropriate supervision occurs during and at the conclusion of the engagement. Supervisory reviews, including engagement partner reviews, are to be documented in the engagement file.
6. The firm trains its engagement teams in the use of the firm's accounting and auditing materials to ensure appropriate completion of engagement procedures as required by professional standards, applicable laws and regulations, and the firm. The firm emphasizes to engagement teams how professional skepticism supports the quality of the judgments made on assurance engagements.
7. Prior to issuing a report for an audit or attestation engagement, the engagement partner ensures that sufficient engagement evidence is obtained to support the report opinion. On SSARS engagements, the engagement partner ensures that appropriate engagement documentation is maintained.
8. The firm complies with time limits established by professional standards and laws and regulations that address the assembly of final engagement files for specific types of engagements. The firm has established assembly deadlines for all engagements.

9. The firm maintains and retains engagement documentation for a period sufficient to meet the needs of the firm, professional standards, and laws and regulations. The firm's engagement documentation retention policies also consider the advice of the firm's legal and insurance carriers, as appropriate.

### **Consultation and Differences of Opinion**

The firm's policy is that personnel refer to authoritative literature or other sources when appropriate. Also, the firm's policy is that all professional personnel seek consultation on a timely basis, within or outside the firm, whenever differences of opinion occur or uncertainties exist regarding a technical issue. The firm ensures compliance with this policy by implementing the following procedures:

1. Differences of opinion that affect engagement teams are resolved as soon as possible using procedures put in place by the firm. The firm will not release the report until all differences of opinion are resolved. Differences of opinion between the engagement partner and the engagement quality reviewer are communicated to the managing partner for resolution.
2. The engagement partner ensures that appropriate consultation takes place on difficult or contentious matters. The engagement partner ensures that-
  - Members of the engagement team follow the firm's consultation policies during the engagement.
  - The nature and scope of the consultation are agreed upon with the party consulted.
  - The resulting conclusions are understood by the parties involved.
  - The conclusions are implemented.

### **RESOURCES**

The quality objective of the resources element of a system of quality control is to provide the firm with reasonable assurance that it has established policies to address obtaining, developing, using, maintaining, allocating, and assigning resources in a timely manner to permit the design, implementation and operation of the system of quality management. The firm determines sufficient and appropriate resources exist to perform the engagement. These quality objectives not only include human resources, but also technological and intellectual resources

Having effective quality control policies and procedures over the human resources element will help ensure the proficiency of its personnel. The activities of our resources SQM include-

- Human Resources.
- Other resources, including technology resources.

Policies and procedures for each of these activities are detailed below.

#### **Human Resources**

The firm's intent is to succeed in the marketplace by having partners and staff who possess the competence, capabilities, and commitment to ethical principles to assure that engagements performed by the firm are in accordance with professional standards and applicable legal and regulatory requirements, and that appropriate reports are issued in the circumstances. Having effective SQM policies and procedures over the human resources element helps to ensure the proficiency of personnel. The firm ensures compliance with this policy by implementing the following procedures:

1. Individuals with high levels of integrity, competence, intelligence, maturity, motivation, appropriate academic training, and, if applicable, appropriate public accounting experience are hired, developed, and retained.

2. In the unusual situation where the firm accepts an audit in an industry that the firm's personnel have not previously audited and professional education is insufficient for the engagement team to obtain the requisite competence to perform the engagement or for situations when the firm does not have sufficient or appropriate personnel to perform an engagement or to operate the firm's SQM, the firm engages a suitably qualified external individual to assist with the performance of the audit as a member of the engagement team.
3. The firm selects individuals with appropriate experience, knowledge, influence, and authority within the firm and sufficient time to fulfill their assigned responsibilities to carry out duties related to the operation of the firm's SQM. Those individuals understand their assigned roles and are held accountable.
4. In addition to assessing the engagement partner's competencies and capabilities, the managing partner clearly defines and communicates the responsibilities and authority of an engagement partner to that partner and evaluates the partner's workload to ensure that they have the time to adequately perform the role. The engagement partner accepts overall responsibility for managing and achieving quality on the engagement.
5. The engagement partner works with the firm to assign engagement team members (including any external individuals) who possess appropriate competence and capabilities, and have sufficient time, to perform a quality engagement before any engagement procedures are performed.
6. The firm takes the operation of its SQM seriously and, accordingly, only individuals who possess the necessary competence and capabilities, including sufficient time, are assigned to perform activities within the firm's SQM.
7. The firm regularly evaluates the performance of its professional staff, including that they demonstrate-
  - A commitment to quality through their actions and behaviors.
  - A level of competence appropriate for their roles.
  - Performance appraisals evaluate whether personnel are committed to quality in how they conduct themselves when performing engagements.
8. Firm personnel understand that their failure to adhere to the firm's expectations related to quality performance, ethical principles, and competence may result in more training, additional time at the present level, or more severe consequences.
9. The firm provides professional personnel information describing career paths for those who satisfy the development criteria established.

#### **Other Resources, Including Technology Resources**

The firm's policy is that appropriate other resources, including technological resources, are obtained or developed, implemented, maintained, and used to permit operation of the firm's SQM and the performance of engagements. The firm ensures compliance with this policy by implementing the following procedures:

1. After considering the appropriateness of PPC accounting and auditing materials, including technological resources, the firm adopts and integrates the use of such materials to support the consistent performance of quality engagements and the operation of the firm's SQM. Other intellectual resources are obtained or developed, as needed, and are appropriately implemented and maintained to support industry specialization, practice management topics, or other areas of the firm's SQM.
2. The firm considers annually whether its technological resources are appropriate given the size, nature, and circumstances of the firm and its engagements. The firm also considers whether technology issues in the firm indicate that enhancement in technological resources may be needed.
3. Engagement team members communicate to the firm when the technological or intellectual resource needs (such as software or industry guides, for example) are insufficient to perform engagements.
4. The firm appropriately maintains security and controls over IT resources, including protection against malware or hacks.

5. The firm assigns specific partners or staff the responsibility of monitoring advances and updates to the technological resources the firm uses.
6. The firm ensures that personnel are appropriately trained on the availability and use of technological resources.
7. When the firm uses a service provider as a human, technological, or intellectual resource, the firm identifies and assesses the quality risks of the situation by obtaining an understanding of the conditions, events, circumstances, actions, or inactions relating to the service provider that may adversely affect the firm's achievement of its quality objectives.

### INFORMATION AND COMMUNICATION

The firm's policy is that the information system should enable the firm's system of quality management (SQM) to properly function and support decisions made about the SQM. It includes the processes that affect identifying, capturing, processing, maintaining, and communicating information, whether manual or electronic. The firm ensures compliance with this policy by implementing the following procedures:

1. The firm reviews its existing information system annually and considers its appropriateness and whether changes should be made to better identify, capture, process, and maintain relevant and reliable internal and external information to support the firm's SQM.
2. The firm's culture recognizes, supports, and expects appropriate transparency and forthright communication at all levels and by all personnel to exchange information that enhances quality throughout the firm. The firm encourages such communication during its biweekly partner and staff meetings, and during engagement team meetings.
3. The firm has established effective two-way communication throughout the firm and with engagement teams to permit (1) personnel and engagement teams to carry out their responsibilities for performing engagements or performing activities within the SQM and (2) personnel and engagement teams to communicate information to the firm as they perform engagements and perform activities within the SQM.
4. The firm has established policies or procedures that address (1) when it is appropriate to communicate with the firm's network or service providers about the firm's SQM, and (2) the information to be provided when communicating externally about the firm's SQM, including the nature, timing, and extent and appropriate form of communication.
5. The firm communicates relevant and reliable information externally when required by law, regulation, or professional standards, or to support external parties' understanding of the firm's SQM. For instance, the firm has chosen to provide information about its most recent peer review on the firm's website.

### MONITORING AND REMEDIATION

The firm's policy is that the system of quality management (SQM) be monitored on both an ongoing and periodic basis to provide information that is relevant, reliable, and timely about the design, implementation, and operation of the firm's SQM. Additionally, monitoring activities performed are designed to identify deficiencies in the SQM and remediate them timely. The firm's monitoring activities include inspecting/reviewing completed engagements and determining the engagements and engagement partners to monitor, review of engagement documentation, reports and financial statements, and other components covered by the SQM. The firm ensures compliance with this policy by implementing the following procedures:

- Adherence to professional standards and regulatory and legal requirements
- Whether the quality control system has been appropriately designed and effectively implemented
- Whether the firm's quality control policies and procedures have been operating effectively so that reports issued by the firm are appropriate in the circumstances

Thompson, Price, Scott, Adams & Co., P.A. satisfies this objective by establishing and maintaining the following policies and procedures.

It is policy of our firm that our quality control system be monitored on an ongoing basis to provide the firm with reasonable assurance that the policies and procedures established by the firm for each of the elements of quality control are relevant, adequate, operating effectively, and being effectively applied. Monitoring activities include engagement quality control reviews (EQCR), inspection, and post-issuance review. EQCR, performed prior to completion of the engagements, assists in providing ongoing consideration and evaluation of the firm's quality control system. The policy and procedures relating to EQCR are addressed in the ENGAGEMENT PERFORMANCE section of this document. The retrospective monitoring activities performed by the firm relate to inspection and post-issuance review (collectively referred to as inspection/review) and are the primary activities addressed in these monitoring policy and procedures.

As an integral part of the monitoring process, inspection/review procedures are performed on all elements of the firm's quality control system at least annually to determine whether the firm has complied with applicable professional standards and its stated quality control policies and procedures.

The procedures listed below are followed to ensure compliance with this policy:

1. At least annually, the managing partner selects an individual or team (hereafter referred to as the "inspection team") to perform inspection procedures on the firm's quality control system. The inspectors should possess adequate technical knowledge and experience and, when practical, should not be directly involved in the administration, supervision, or performance of the quality control procedures of engagements each will inspect. One inspector on each office inspection team will be designated as the team captain. The inspection will include a review of the governmental audit practice in accordance with the AICPA guidance provided. The monitoring process is planned, performed, and documented using the appropriate monitoring checklist found in the practice aid section of *PPC's Guide to Quality Control* as a work program. The monitoring procedures include review of administrative records to assess compliance relating to quality control elements other than engagement performance. The monitoring activities include review of administrative records to assess compliance relating to QM components other than engagement performance.
2. At the conclusion of the inspection/review, the team captain is responsible for completing the "Evaluation of Findings" form in the practice aid section of *PPC's Guide to Quality Management*, which documents findings, identified deficiencies and their root causes, and remedial actions taken. The team captain also discusses the results of the monitoring activities performed with the SQM director, engagement partners, and other appropriate personnel responsible for each of the engagements and QM components selected for review. Evaluating identified deficiencies, determining their root causes, and the appropriate remedial actions to take is generally a combined effort of the team captain and those individuals who are responsible for the affected engagements and QM components where deficiencies were identified. Engagement partners consider whether any identified deficiencies noted in the monitoring team's results may affect other audit engagements.
3. The firm pursues one or more of the following actions resulting from its evaluation of the deficiencies noted during inspection/review:
  - Implement the remedial action determined to be appropriate for the engagement or QM component.
  - Revise the related quality objective, quality risk, or response (QM policy or procedure).
  - Discipline individuals who failed to follow the firm's QM policies and procedures.
  - Communicate the need for additional training or CPE to those responsible for training and professional development when it appears that the root cause of an identified deficiency may be a lack of training or understanding by firm personnel.

4. In addition, if a materially nonconforming engagement or other significant deficiency is identified, the firm takes appropriate action that, depending on the severity of the deficiency(ies), may also include one or more of the following internal actions:
  - Require the engagement partner and team members to take relevant CPE.
  - Require an EQR on the engagement partner's future engagements in the specific industry or type of engagement.
  - Prohibit the engagement partner from performing future engagements in the specific industry or type of engagement.
  - Consider whether other actions should be taken.
5. If monitoring activities indicate that required engagement procedures were not performed or that an issued report is inappropriate, the firm (a) takes appropriate action to comply with relevant professional standards and applicable legal and regulatory requirements, and (b) when the issued report is determined to be inappropriate, considers the implications and takes appropriate action, which may include obtaining legal advice and communicating the matter to the firm's legal liability insurance carrier.
6. After remedial actions are implemented, those assigned operational responsibility for the monitoring and remediation process, evaluate whether the remedial actions have been effective in addressing the identified deficiencies. If the evaluation indicates that a remedial action is unsatisfactory, further appropriate action is taken to modify the remedial action such that it is effective. This evaluation is documented on the "Evaluation of Findings" form in the practice aid section of PPC's Guide to Quality Management.
7. At least annually, the individuals who have been assigned operational responsibility for monitoring and remediation, timely communicate the results of the monitoring and remediation process to the managing partner, the SQM director, and to engagement teams and other individuals assigned activities within the SQM to enable them to take prompt and appropriate action in accordance with their defined roles and responsibilities. The communication provides a description of (a) the monitoring activities performed, (b) the deficiencies identified, including their severity and pervasiveness, and (c) the remedial actions taken to address the root causes of the identified deficiencies. Engagement partners consider whether any identified deficiencies noted in communication may affect their engagements.
8. In addition to the firm's inspection/review and other monitoring procedures, the firm is subject every three years to a peer review in accordance with the requirements of the AICPA and the North Carolina State Board of Accountancy. The managing partner is responsible for scheduling and coordinating that review.
  - In accordance with the membership requirements of the AICPA Governmental Audit Quality Center and the AICPA Employee Benefit Plan Audit Quality Center, the engagement letter covering the firm's peer review requires that the governmental audits and ERISA employee benefit plan audits selected for review during the firm's peer review are reviewed by someone who is employed by a member firm of the respective Center. Also, information relative to the firm's most recently accepted peer review is available to the public in accordance with the membership requirements of the respective Centers.
  - The internal inspection/review results (including those specific to the firm's governmental audit engagements and ERISA employ benefit plan audit engagements selected for inspection/review) and annual monitoring and remediation communication are made available to the firm's peer review team.
9. The managing partner periodically reminds personnel during staff meetings that any concerns regarding complaints or allegations may be communicated to the firm without fear of reprisal. The firm is particularly interested in complaints and allegations about the firm's noncompliance with professional standards, applicable legal and regulatory requirements, and the firm's SQM. The firm addresses complaints and allegations by-
  - Establishing channels of communication for complaints and allegations through the firm's website and communicating such information to employees and clients.

- Investigating complaints and allegations and involving legal counsel if considered necessary. The firm assigns partners to this process who are trained and knowledgeable about firm procedures and who are not otherwise involved in the engagement or the operation of the SQM relating to the complaint or allegation.
  - Documenting all complaints and allegations.
10. The firm documents the performance of each component of its SQM on an ongoing basis, as well as in conjunction with documenting its monitoring of the system. The firm retains documentation evidencing the operation of its QM policies and procedures for a time sufficient to allow those monitoring the SQM, including peer reviewers, to evaluate the firm's compliance with its system.

#### SUMMARY

The quality management document is to be complied with using professional judgment. The managing partner and/or another partner may issue a report without review or may add/delete to the steps contained therein if in their professional judgment the engagement is performed in accordance with all appropriate requirements. The firm uses the guides of Practitioners Publishing Company as its main source for professional guidance, checklists and audit programs but the partner-in-charge of an engagement may substitute other material if more appropriate in his/her opinion.

At any time a circumstance arises that is not addressed in this document, the PPC and AICPA resources used in drafting this document will be considered in resolving such circumstance.

# Proposal to Provide Auditing Services



**TOWN OF RICHLANDS**

## **Section 2: Audit Approach & Cost Estimates**

**Due Date: April 1, 2026 5:00 PM**

**PRESENTED BY:**

**Thompson, Price, Scott, Adams & Co., P.A.**

**TOWN OF RICHLANDS  
North Carolina**

**Proposal to Provide Auditing Services  
For the Years Ending June 30, 2026 Through 2028**

**SECTION 2:  
Audit Approach & Cost Estimates**

**SUBMITTED BY:**

**Thompson, Price, Scott, Adams & Co., P.A.**

**4024 Oleander Drive, Suite 103  
Wilmington, NC 28403  
(910)799-4872**

**CONTACT PERSON:**

**(The individual authorized to conduct negotiations and discuss the proposal)**

**Gregory S. Adams, Partner**

**DUE DATE: April 1, 2026 3:00 PM**



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***Thompson, Price, Scott, Adams & Co., P.A.***

P.O. Box 398  
1626 S Madison Street  
Whiteville, NC 28472  
Telephone (910) 642-2109  
Fax (910) 642-5958

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Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA

March 31, 2026

Town of Richlands, Finance Department  
Attn: Isa Flores, Town Clerk/Finance Officer  
302 S. Wilmington St.  
PO Box 245  
Richlands, NC 28574  
townclerk@richlandscnc.gov

Subject: Request for Proposal for Audit Services for the Town of Richlands

Dear Ms. Flores:

Thank you for the opportunity for Thompson, Price, Scott, Adams & Co., P.A., hereinafter called the "Auditor" to submit a bid to perform the audit for the Town of Richlands, hereinafter called the "Town."

Greg Adams, partner, is entitled to represent the Firm, empowered to submit the proposal, and authorized to sign a contract with the Town.

Our fee to perform the Town's base audit is \$ 13,000.00, for the year ending June 30, 2026. Our fee for single audits is \$3,000.00 per program for the year ending June 30, 2026. Our fee for the preparation of the financial statements is \$5,000.00 for the year ending June 30, 2026. Any additional services outside of the RFP will be billed at \$150.00 per hour with prior approval from the Town. The Town reserves the option to renew the audit services contract for two additional years, in increments of one year at the time.

We are very grateful for the opportunity to submit our proposal, and we would be delighted to answer any further questions that you might have in relationship to our proposal.

Sincerely,

*Gregory S. Adams*

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Greg Adams, Partner

Member

American Institute of CPAs – N.C. Association of CPAs – AICPA's Private Companies Practice Section



**Section 2: Audit Approach & Cost Estimate**

**1. Type of audit program used (tailor-made, standard government, or standard commercial).**

The Auditor will use Practitioners Publishing Company’s (PPC) audit programs which enable us to tailor the program to the Town In addition the Auditor uses CCH’s engagement for analytics and as its paperless solution.

**2. Use of statistical sampling.**

The Auditor uses statistical sampling for tests of compliance, tests of internal control, and disbursement testing. The Auditor typically uses a sample size of sixty.

**3. Use of automated processes and internal control testing methods.**

We use compliance supplements and PPC guidance for testing internal controls. Our use of automated processes is determined by the technological ability of the auditee.

**4. Use of computer audit specialists.**

The Auditor is not aware of the need for the use of computer audit specialists in the engagement. However, if we determine that a computer audit specialist is needed, we have in house IT available.

**5. Organization of the audit team and the approximate percentage of time spent on the audit by each member.**

The audit team will consist of one partner, the audit manager, and three senior audit personnel. Under normal conditions the engagement partner and/or audit manager would be on site 35% - 50% of the time, and the remainder of the listed staff would be there 100% of the time that it takes to complete necessary procedures. However, we would like to get as much information electronically as possible and be onsite as little as possible. We know some onsite time will be necessary.

**AUDIT TEAM – WILMINGTON OFFICE**

Greg Adams, CPA	Engagement Partner
Austin Eubanks, CPA, CFE	Audit Manager - Will oversee entire, audit, distribute work accordingly, financials
Trey Profio	Will review expenditures & payables & perform internal control walkthroughs
LanPhuong Nguyen	Senior Staff - assistance in financial audit testing
Tara Gomez	Senior Staff - compliance auditor



*Town of Richlands  
Proposal to Provide Auditing Services*

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**6. Information that will be contained in the management letter.**

The Auditor will issue a management letter to the Town after completion of the audit and assist management in implementing recommendations, as is practical. We will also provide an informal letter addressed to the Finance Director with any efficiency, internal control, or accounting improvements that could be made based on the audit staff's observation during fieldwork, if necessary. All information would be discussed with the Finance staff prior to issuance.

**7. Assistance expected from the government's staff, if other than outlined in the RFP.**

The Auditor expects no assistance outside the RFP.

**8. Tentative schedule for completing the audit within the specified deadlines of the RFP.**

See Following Page.



*Town of Richlands  
Proposal to Provide Auditing Services*

**Tentative Schedule for Completion of Audit Within the Specified Deadlines of the RFP**

<p><b><u>Pre-Planning Conference</u></b></p> <p><b><u>Interim Fieldwork</u></b> June(1 week)</p>	<p>To be held by June 1, 2026.</p> <p>To be completed by June 15, 2026</p> <ol style="list-style-type: none"> <li>1. Prepare all confirmation and obtain appropriate personnel signatures.</li> <li>2. Begin preliminary fieldwork to include:             <ol style="list-style-type: none"> <li>a. Review of internal control procedures.</li> <li>b. Testing internal control procedures.</li> <li>c. Assembling necessary permanent file documents.</li> <li>d. Perform compliance tests of those programs subject to single audit.</li> </ol> </li> </ol>
<p><b><u>Detailed Audit Plan</u></b></p>	<p>To be delivered to the Town by June 15, 2026.</p>
<p><b><u>Fieldwork</u></b> Aug-Sept. (2 weeks)</p>	<p>The year-end fieldwork will begin by mid-August and be completed by late September.</p> <p>Finish all fieldwork, present the client representation letter and attorney legal letter to the Town.</p> <p>Agreed upon post-closing balance will be provided October 15, 2026.</p>
<p><b><u>Exit Conference &amp; Draft Report</u></b></p>	<p>The exit conference will be scheduled with the Town at an agreed upon date.</p> <p>The draft report will be supplied to the Finance Office by December 1, 2026.</p>
<p><b><u>Final Report</u></b></p>	<p>The final audit will be given to the Town by December 31, 2026.</p>

This tentative schedule is based on receiving timely information from the finance staff to help with performing the audit. If the Town is unable to fulfill commitments to providing information on a timely basis as outlined in the RFP, the time frame will be appropriately extended.

Entrance Conferences, Progress Reporting, and Exit Conferences will be scheduled once the contract is signed and executed. Scheduled dates are negotiable.

Note: The LGC has changed the deadline for audits to be submitted to December 31<sup>st</sup>.



*Town of Richlands  
Proposal to Provide Auditing Services*

9. Specify costs using the format below for the audit year July 1, 2025, to June 30, 2026. For the two audit years, which follow. List the estimated costs. The cost for the audit year ending June 30, 2026, is binding, while the second and third years are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a "not-to-exceed" amount.

A. Audit firm personnel costs - Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.

- 1) Estimated hours: please categorize estimated hours into the following:  
on-site interim work, year-end on-site work, and work performed in the auditor's office.
- 2) Rate per hour.
- 3) Total cost for each category of personnel and for all personnel costs in total.

B. Travel -Itemize transportation and other travel costs separately.

C. Cost of supplies and materials - itemize.

D. Other costs - completely identify and itemize.

- 1) If applicable, note your method of determining increases in audit costs on a year-to-year basis.

2026 Audit Costs

A. Personnel Costs

	<u>Governmental</u>	<u>Number of Hours</u>			
	<u>Auditing</u>	<u>On-site</u>	<u>Year-end</u>	<u>Work in</u>	
	<u>Standard</u>	<u>On-site</u>	<u>Year-end</u>	<u>Work in</u>	
	<u>Rate per Hour</u>	<u>Interim Work</u>	<u>On-site Work</u>	<u>Auditor's Office</u>	<u>Total</u>
Partners	\$ 160.00	5	5	3	\$ 2,080.00
Managers	\$ 130.00	15	20	25	7,800.00
Senior Staff	\$ 110.00	16	20	25	6,710.00
					<u>16,590.00</u>
Less: Discount					<u>(3,590.00)</u>
Sub Total					13,000.00
Financial Statement Preparation					<u>5,000.00</u>
Total Not-to-Exceed Amount					<u>\$ 18,000.00</u>



*Town of Richlands  
Proposal to Provide Auditing Services*

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b. No Travel Cost

c. No Supplies Cost

d. No Other Costs

1) Any increases after the initial year will be based on inflationary pressures. However, any changes in fees would be negotiated with the Town.

2027 Estimated Total Fee \$ 18,000.00  
Single Audit - \$3,000.00 per audit

2028 Estimated Total Fee \$18,000.00  
Single Audit - \$3,000.00 per audit

**10. Please list any other information the firm may wish to provide.**

The firm does not wish to provide any additional information at this time.

**11. Please include the Summary of Audit Costs Sheet with your proposal.**

See the following page.

**SUMMARY OF AUDIT COSTS SHEET**

1. Base Audit		
Includes Personnel costs, travel, and on-site work	\$	<u>13,000.00</u>
2. Extra Audit Services		
\$ 150.00 Per hour	\$	<u>                    </u>
3. Other (explain)		
Financial Statement Preparation	\$	<u>5,000.00</u>
4. Other (explain)		
Single Audit (fee per audit)	* \$	<u>3,000.00</u>
<b>TOTAL</b>	\$	<u>18,000.00</u>

FIRM: Thompson, Price, Scott, Adams & Co., P.A.	Primary Contact: Greg Adams
Address: 4024 Oleander Drive, Suite 103	Telephone: 910-799-4872
Wilmington, NC 28403	Fax: 910-395-4872
	E-mail: gadams@tpsacpas.com
	Date: 3/31/2026

**PROPOSAL CERTIFICATION**

Proposers Signature Gregory S. Adams Date 3/31/2026

**By Signing above, I Certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposal on behalf of my organization.**

BY (Printed): Greg Adams  
 TITLE: Partner  
 COMPANY: Thompson, Price, Scott, Adams & Co., P.A  
 ADDRESS: 4024 Oleander Drive, Suite 103, Wilmington, NC 28403  
 TELEPHONE: 910-799-4872  
 EMAIL: gadams@tpsacpas.com



# Town of Richlands Zoning Change & Appeal Form

**APPLICANT:** (Please Print)

NAME: Alison Carpenter PHONE NO: 9104671810

MAILING ADDRESS: 182 Huffmantown Rd, Richlands NC 28574

ADDRESS OF PROPERTY (if different from mailing address): email: progressivewellnessnc@gmail.com

**PROPERTY OWNER** (if different from applicant): (Please Print)

NAME: same as above PHONE NO: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_

**ACTION REQUESTED** (Check One):

- ZONING ORDINANCE TEXT AMENDMENT (Required Fee: \$250.00)
- ZONING MAP AMENDMENT (Required Fee: \$450.00)
- VARIANCE REQUEST (Required Fee: \$250.00)
- CONDITIONAL/SPECIAL USE PERMIT (Required Fee: \$250.00)
- APPEAL OF ADMINISTRATIVE DECISION (Required Fee: \$50.00)
- OTHER \_\_\_\_\_

**DESCRIPTION OF REQUEST:**

Requesting special use permit to use accessory structure as site for private practice therapy office to see clients in person 2-3x/week, 2-3 clients/day.

**OWNER/APPLICANT STATEMENT:** I certify that I am the property owner or truly represent the property owner(s). I understand that each applicant wishing to appeal an administrative decision, requesting a variance or conditional use permit, or requesting a rezoning or other change to the Richlands Zoning Ordinance shall pay a nonrefundable fee to cover the costs of advertising and administration. The fees required are adopted by the Richlands Board of Aldermen and listed in the Fee Schedule for the Town of Richlands. A receipt of this fee shall be issued by the Town. This fee, however, shall not apply to requests originating with any department, board or agency of the Town of Richlands

SIGNATURE OF APPLICANT: Alison D. Carpenter DATE: 12/02/25

**\*\*OFFICIAL USE ONLY\*\***

ZONING OFFICIAL SIGNATURE: [Signature]

DATE REQUEST RECEIVED: 12/2/25

HAS APPROPRIATE FEE BEEN COLLECTED IF REQUIRED? YES  NO

Home Occupations require a special use permit in R-20

PLANNING BOARD / BOARD OF ADJUSTMENT ACTION: APPROVE ( ) DENY ( )

SIGNATURE OF ZONING BOARD CHAIR: \_\_\_\_\_ DATE: \_\_\_\_\_

STATE OF NORTH CAROLINA

COUNTY OF ONSLOW

ORDER GRANTING  
A SPECIAL USE PERMIT

TOWN OF RICHLANDS

The Board of Aldermen for the Town of Richlands, having held a public hearing on \_\_\_\_\_ to consider the application submitted by \_\_\_\_\_ a request for a Special Use Permit to construct a residential duplex at \_\_\_\_\_, Richlands, and having heard all of the evidence and arguments presented at the hearing, makes the following FINDINGS OF FACT and draws the following CONCLUSIONS:

- (1) The requested permit is within its jurisdiction according to the table of permissible uses;
- (2) The application is complete;
- (3) If completed as proposed in the application, the development will comply with all of the requirements of this chapter;
- (4) The use will not materially endanger the public health or safety if located where proposed and developed according to the plan as submitted;
- (5) The use will not substantially reduce the value of adjoining or abutting property, or that the use is a public necessity; and
- (6) The location and character of the use, if developed according to the plan as submitted and approved, will be in harmony with the area in which it is to be located and in general conformity with the plan of development of the town.

THEREFORE, on the basis of all the foregoing, IT IS ORDERED that the application for a SPECIAL USE PERMIT be GRANTED, subject to the following conditions (if any):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Ordered this the \_\_\_<sup>th</sup> day of \_\_\_\_\_ 2026.

\_\_\_\_\_  
Town Clerk

\_\_\_\_\_  
Mayor

STATE OF NORTH CAROLINA

COUNTY OF ONSLOW

ORDER DENYING  
A SPECIAL USE PERMIT

TOWN OF RICHLANDS

The Board of Aldermen for the Town of Richlands, having held a public hearing on \_\_\_\_\_ to consider the application submitted by \_\_\_\_\_ for a Special Use Permit to use the property located at \_\_\_\_\_, Richlands, construct \_\_\_\_\_ and

having heard all the evidence and arguments presented at the hearing, makes the following FINDINGS OF FACT and draws the following CONCLUSIONS:

- (1) The requested permit is within its jurisdiction according to the table of permissible uses;
- (2) The application is complete;
- (3) If completed as proposed in the application, the development **will** comply with all of the requirements of this chapter;
- (4) The use **will not** materially endanger the public health or safety if located where proposed and developed according to the plan as submitted;
- (5) The use **will not** substantially reduce the value of adjoining or abutting property, or that the use is a public necessity; and
- (6) The location and character of the use, if developed according to the plan as submitted and approved, **will not** be in harmony with the area in which it is to be located and in general conformity with the plan of development of the town.

THEREFORE, on the basis of all the foregoing, IT IS ORDERED that the application for a SPECIAL USE PERMIT be DENIED, subject to the following conditions (if any):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Ordered this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Town Clerk

\_\_\_\_\_  
Mayor

TOWN OF RICHLANDS  
PO BOX 245  
302 S WILMINGTON ST  
RICHLANDS, NC 28574-0245

CASH RECEIPT Reprinted 13:35:20 - 02/12/26  
OPERATOR PATRICIA  
Posted On 12/02/25

Batch:10302

Transaction:2 Posted on 12/02/25 02:37:22 PM

Description	Total
REFERENCE NUMBER: SPECIAL USE PERMIT-H NAME: ALISON D CARPENTER ADDRESS: 182 HUFFMANTOWN RD CITY STATE ZIP:	
Building Permits Fund 10 Acct 4543	250.00

Check # 579	250.00
Cash Paid	
Credit Paid	
Less Change Given	( )
<b>TOTAL:</b>	250.00





TIDEWATER ASSOCIATES, INC.  
ENGINEERS • SURVEYORS • PLANNERS  
CEDAR POINT, NORTH CAROLINA

**VIA HAND DELIVERY**

Town of Richlands  
Attn: Chris Roberson, Town Administrator  
302 South Wilmington St  
Richlands, NC 28574

December 31, 2025

RE: Carolina Sapphire LLC  
Richlands, NC  
Francktown Rd Tract Rezoning Request

Dear Mr. Roberson,

Please accept this letter of submittal for the application to request the rezoning of approximately 49.98 acres of property in Richlands, North Carolina from Rural Agriculture (RA) to Residential District (RM-6). Please find enclosed the following submittal documents:

- Zoning Change Form
- Agent Authorization Form
- NC Secretary of State Articles of Organization
- Comprehensive Plan Consistency Justification
- Location Map
- Current Zoning Map
- Future Land Use Map
- Application Fee

If you have any questions or need any additional information, please let me know.

Sincerely,

TIDEWATER ASSOCIATES, INC.

Josh Edmondson, Staff Planner

xc: Carolina Sapphire LLC

1069A Cedar Point Blvd. | Cedar Point, NC 28584 | (252) 393-6101

Firm License Number F-0108 | [www.tidewaterenc.com](http://www.tidewaterenc.com)

TOWN OF RICHLANDS  
PO BOX 245  
302 S WILMINGTON ST  
RICHLANDS, NC 28574-0245

CASH RECEIPT Reprinted 11:28:20 - 02/24/26  
OPERATOR PATRICIA  
Posted On 02/24/26

Batch:10354  
Transaction:2 Posted on 02/24/26 11:27:37 AM

Description	Total
REFERENCE NUMBER: FRANCKTOWN RD TRACT NAME: CAROLINA SAPPHIRE LLC ADDRESS: CITY STATE ZIP:	
Building Permits Fund 10 Acct 4543	450.00

Check # 2808	450.00
Cash Paid	
Credit Paid	
Less Change Given	( )
TOTAL:	450.00

# Town of Richlands Zoning Change & Appeal Form

**APPLICANT:** (Please Print)

NAME: TIDEWATER ASSOCIATES, INC. (ON BEHALF OF CAROLINA SAPPHIRE, LLC) PHONE NO: 910-455-2414; jedmondson@tidewaterenc.com

MAILING ADDRESS: 306 NEW BRIDGE ST, JACKSONVILLE, NC 28540

ADDRESS OF PROPERTY (if different from mailing address): PIN 444101298750; L1 CC Mills Farm off Francktown Rd

**PROPERTY OWNER (if different from applicant):** (Please Print)

NAME: CAROLINA SAPPHIRE, LLC PHONE NO: 336-509-2346; 2vem@comcast.net

MAILING ADDRESS: 4003 JESSUP GROVE CT, GREENSBORO, NC 27410-9537

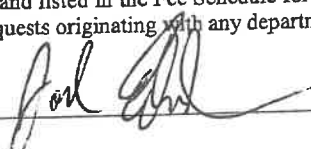
**ACTION REQUESTED (Check One):**

- ZONING ORDINANCE TEXT AMENDMENT (Required Fee: \$250.00)
- ZONING MAP AMENDMENT (Required Fee: \$450.00)
- VARIANCE REQUEST (Required Fee: \$250.00)
- CONDITIONAL/SPECIAL USE PERMIT (Required Fee: \$250.00)
- APPEAL OF ADMINISTRATIVE DECISION (Required Fee: \$50.00)
- OTHER \_\_\_\_\_

**DESCRIPTION OF REQUEST:**

TO REZONE APPROXIMATELY 50.3 ACRES FROM RA (COUNTY RURAL AGRICULTURE) TO RM-6 (RESIDENTIALDISTRICT)

**OWNER/APPLICANT STATEMENT:** I certify that I am the property owner or truly represent the property owner(s). I understand that each applicant wishing to appeal an administrative decision, requesting a variance or conditional use permit, or requesting a rezoning or other change to the Richlands Zoning Ordinance shall pay a nonrefundable fee to cover the costs of advertising and administration. The fees required are adopted by the Richlands Board of Aldermen and listed in the Fee Schedule for the Town of Richlands. A receipt of this fee shall be issued by the Town. This fee, however, shall not apply to requests originating with any department, board or agency of the Town of Richlands.

SIGNATURE OF APPLICANT:  DATE: 12-18-25

**\*\*OFFICIAL USE ONLY\*\***

ZONING OFFICIAL SIGNATURE: \_\_\_\_\_

DATE REQUEST RECEIVED: \_\_\_\_\_

HAS APPROPRIATE FEE BEEN COLLECTED IF REQUIRED? YES \_\_\_\_\_ NO \_\_\_\_\_

---

PLANNING BOARD / BOARD OF ADJUSTMENT ACTION: APPROVE ( ) DENY ( )

SIGNATURE OF ZONING BOARD CHAIR: \_\_\_\_\_ DATE: \_\_\_\_\_



TIDEWATER ASSOCIATES, INC.  
ENGINEERS • SURVEYORS • PLANNERS  
CEDAR POINT, NORTH CAROLINA

### Agent Authorization Form

Name of Property Owner: Carolina Sapphire LLC

Mailing Address: 4003 Jessup Grove Ct.  
Greensboro, NC 27410-9537

Email: 2vern@comcast.net

I certify that I have authorized Tidewater Associates, Inc. to act on my behalf, for the purpose of applying for and obtaining all permits necessary for the following proposed development:  
Rezoning of PIN 444101298750, at my property located on Francktown Rd in Onslow County.

Lauren L. Dees  
Signature MANAGER

12/31/2025  
Date

Carolina Sapphire LLC  
Print of Type Name

Property Owner  
Title

SOSID: 2781670  
Date Filed: 2/1/2024 11:16:00 AM  
Elaine F. Marshall  
North Carolina Secretary of State  
C2024 029 02073

State of North Carolina  
Department of the Secretary of State

Limited Liability Company  
ARTICLES OF ORGANIZATION

Pursuant to §57D-2-20 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Organization for the purpose of forming a limited liability company.

1. The name of the limited liability company is: Carolina Sapphire LLC  
(See Item 1 of the Instructions for appropriate entity designation)

2. The name and address of each person executing these articles of organization is as follows: (State whether each person is executing these articles of organization in the capacity of a member, organizer or both by checking all applicable boxes.) **Note: This document must be signed by all persons listed.**

Name	Business Address	Capacity	
<u>Gregory Nathaniel Olive</u>	<u>- 4003 Jessup Grove Ct Greensboro NC, 27410-9537 United States</u>	<input type="checkbox"/> Member	<input checked="" type="checkbox"/> Organizer
_____	_____	<input type="checkbox"/> Member	<input type="checkbox"/> Organizer
_____	_____	<input type="checkbox"/> Member	<input type="checkbox"/> Organizer

3. The name of the initial registered agent is: Gregory Nathaniel Olive

4. The street address and county of the initial registered agent office of the limited liability company is:

Number and Street 4003 Jessup Grove Ct.  
City Greensboro State: NC Zip Code: 27410-9537 County: Guilford

5. The mailing address, if different from the street address, of the initial registered agent office is:

Number and Street \_\_\_\_\_  
City \_\_\_\_\_ State: NC Zip Code: \_\_\_\_\_ County: \_\_\_\_\_

6. Principal office information: (Select either a or b.)

a.  The limited liability company has a principal office.

The principal office telephone number: (336) 509-2346

The street address and county of the principal office of the limited liability company is:

Number and Street: 4003 Jessup Grove Ct  
City: Greensboro State: NC Zip Code: 27410-9537 County: Guilford

The mailing address, if different from the street address, of the principal office of the company is:

Number and Street: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ County: \_\_\_\_\_

b.  The limited liability company does not have a principal office.

7. Any other provisions which the limited liability company elects to include (e.g., the purpose of the entity) are attached.

8. (Optional): Listing of Company Officials (See instructions on the importance of listing the company officials in the creation document.

Name	Title	Business Address
Gregory Nathaniel Olive	Manager	4003 Jessup Grove Ct Greensboro NC,
Laverne L. Leese	Manager	4003 Jessup Grove Ct Greensboro NC,

9. (Optional): Please provide a business e-mail address: Privacy Redaction  
The Secretary of State's Office will e-mail the business automatically at the address provided above at no cost when a document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is offered, please see the instructions for this document.

10. These articles will be effective upon filing, unless a future date is specified:

This is the 29th day of January, 2024.

\_\_\_\_\_  
Gregory Nathaniel Olive  
Signature

\_\_\_\_\_  
Gregory Nathaniel Olive Organizer  
Type or Print Name and Title

The below space to be used if more than one organizer or member is listed in Item #2 above.

\_\_\_\_\_  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Type or Print Name and Title

\_\_\_\_\_  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Type or Print Name and Title

**NOTE:**

1. Filing fee is \$125. This document must be filed with the Secretary of State.

(Continued) Additional Officers/Officials - Carolina Sapphire LLC

Laverne L. Leese - Manager Signature: Laverne L. Leese  
Address: 4003 Jessup Grove Ct Greensboro NC, 27410-9537 United States

## Comprehensive Plan Consistency

According to the Appendix 2: Richlands of the Onslow County Horizon 2040 Comprehensive Plan, this property was not within the jurisdiction of Richlands upon adoption of this Plan. Since this time, the property has been annexed into the corporate limits of Richlands. The appropriate designation for this parcel is Suburban Residential. This land use classification is intended to support single-family residential development at a density of up to 4 dwelling units per acre in growth areas outside of the Town's traditional core. These areas are also intended to accommodate attached single-family development at slightly higher densities – as standalone projects or integrated into mixed residential developments.

Furthermore, the following goals, objectives and strategies from the Comprehensive Plan have been identified to support this requested rezoning to RM-6:

### Plan Goal 1: Land Use Compatibility

**Objective 1.1:** Characterize future land use and development patterns; and establish mitigation criteria and concepts to minimize conflicts

**Strategy:** Utilize the future land use map when considering any major development proposal, rezoning, or similar application for a change of land use or development.

**Objective 1.2:** Proactively manage growth and guide new development to areas of the County with existing or planned infrastructure and services that have sufficient carrying capacity to minimize impacts to residents' quality of life.

### Plan Goal 2: Infrastructure Carrying Capacity

**Objective 2.1:** Establish service criteria and ensure improvements minimize impacts to AECs and other fragile areas.

**Strategy:** Consult the map of AECs in this Plan when considering any development, special use permit, or rezoning proposal. Do not permit development which would negatively impact these sensitive environmental areas.

**Strategy:** Continue to work with ONWASA and other utility providers to ensure that utility extension plans do not negatively impact environmentally sensitive areas. Water and sewer services should be concentrated within targeted service areas, where development densities make the provision of services economically efficient.

### Plan Goal 4: Water Quality

**Objective 4.2:** Protect the natural environment through policies and incentives that direct development away from environmentally sensitive areas.

**Strategy:** Consult the map of AECs in this Plan when considering any development or rezoning proposal. Do not permit development which would negatively impact these sensitive environmental areas.

**Strategy:** Continue to work with ONWASA and other utility providers to ensure that utility extension plans do not negatively impact environmental areas.

### **Plan Goal 6: High Quality Development**

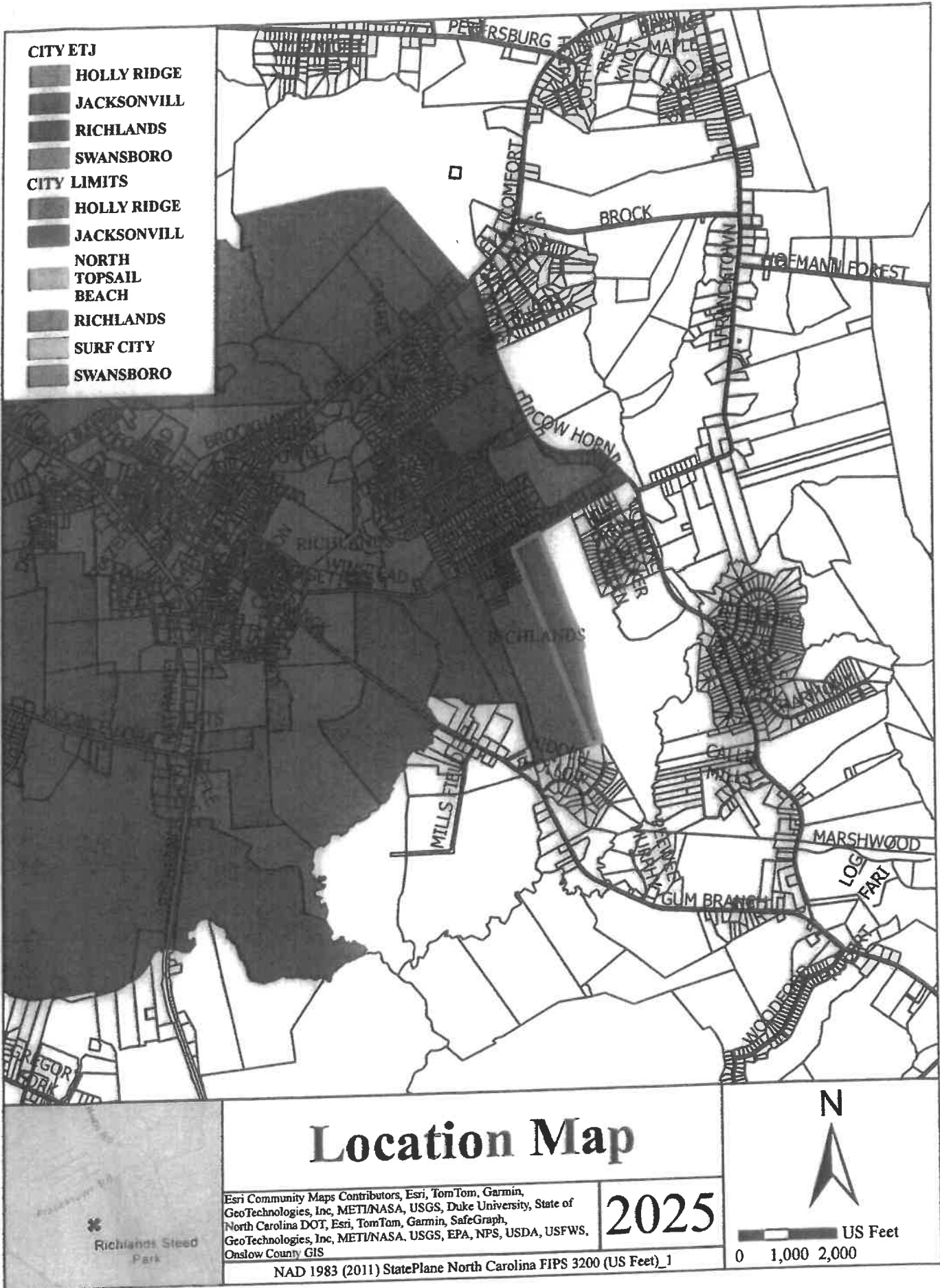
**Objective 6.1:** Promote a broad range of housing types, styles, locations, price points, and amenities.

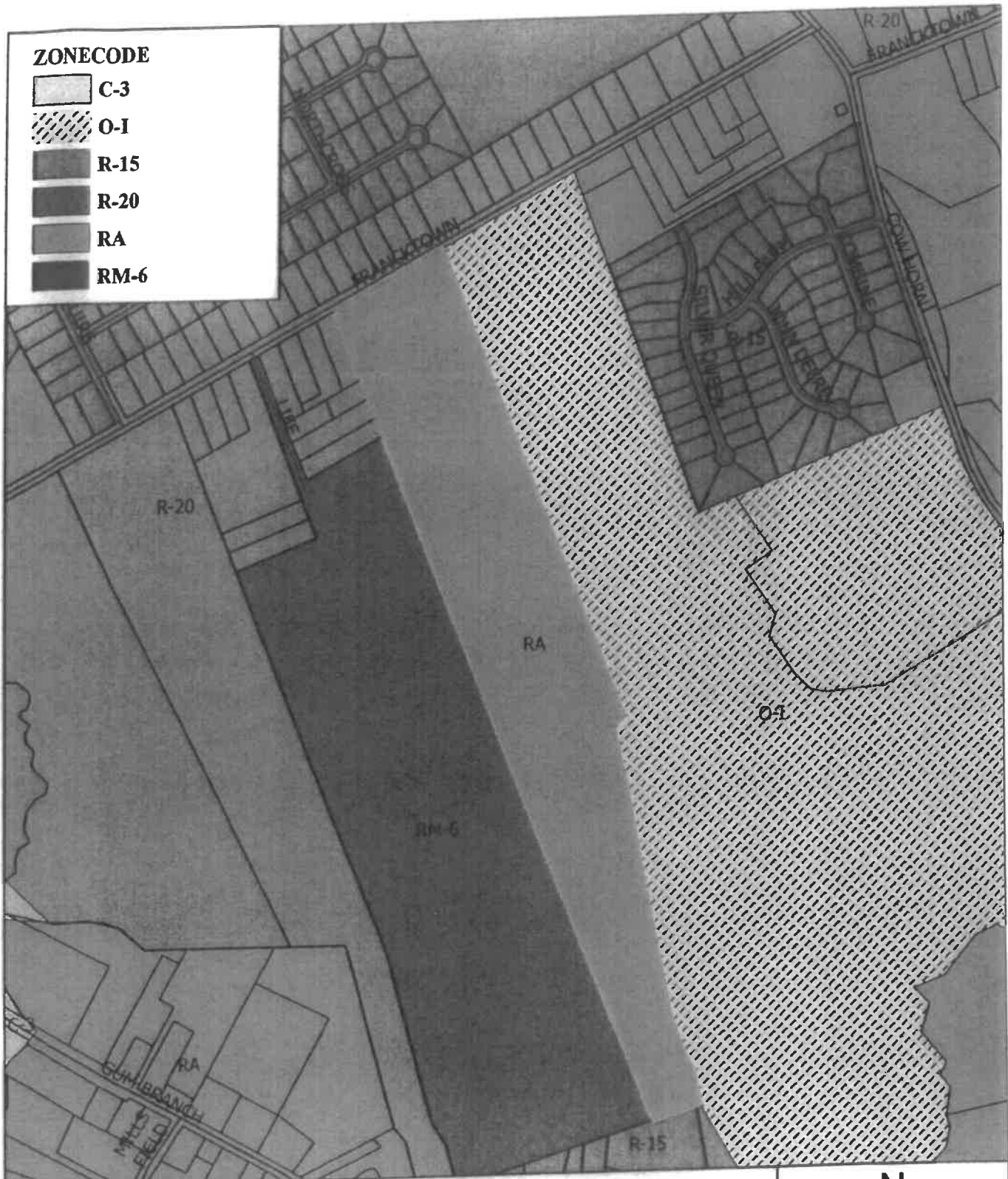
**Strategy:** Encourage residential development to occur at densities appropriate for their location. Location factors that impact density include environmentally sensitive areas, sewage treatment available to the site, the capacity of water services, the capacity of public schools serving the site, and the proximity of the site to essential services.

**Strategy:** Encourage all residential development to accommodate / provide adequate infrastructure. New residential developments shall provide for the installation of paved public roadway and associated drainage infrastructure at the time of development







**Strategy:** Seek to accommodate the development and appropriate placement of a variety of housing types, including site-built homes, apartments, townhouses, accessory dwelling units, and manufactured homes.

**Strategy:** Discourage residential strip development along primary roads. Flag lots shall not be permitted along primary roads unless justified by unusual or unforeseeable parcel or topographic constraints





**ZONECODE**

-  C-3
-  O-1
-  R-15
-  R-20
-  RA
-  RM-6

# Zoning Map

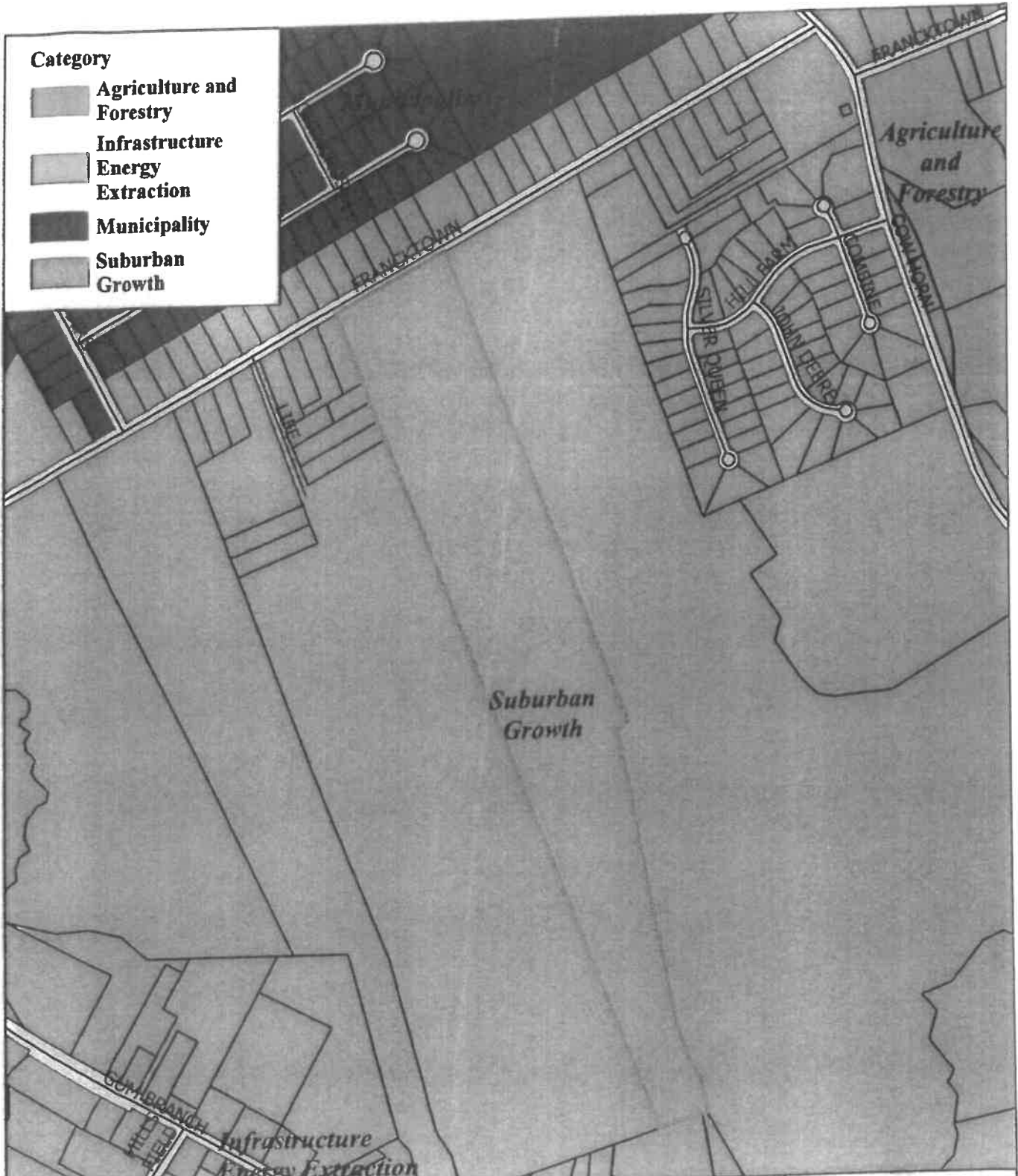
Esri Community Maps Contributors, Esri, TomTom, Garmin, GeoTechnologies, Inc, METI/NASA, USGS, Duke University, State of North Carolina DOT, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS, Onslow County GIS

## 2025



\*  
Richlands Steed  
Park

NAD 1983 (2011) StatePlane North Carolina FIPS 3200 (US Feet)\_1

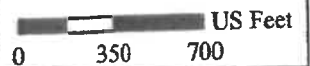


# Future Land Use Map

## 2025

Esri Community Maps Contributors, Esri, TomTom, Garmin,  
 GeoTechnologies, Inc, METI/NASA, USGS, Duke University, State of  
 North Carolina DOT, Esri, TomTom, Garmin, SafeGraph,  
 GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS,  
 Onslow County GIS

NAD 1983 (2011) StatePlane North Carolina FIPS 3200 (US Feet)\_1



\*  
 Richlands Stead  
 Park



# FY 2026-2027 Budget Calendar Town of Richlands, NC



March 25-April 5	Budget Officer/Finance Officer prepare budget worksheets for Departments
April 6	Forward budget worksheets to Departments
April 15	All budget requests and documentation due from Departments
April 15-April 20	Preliminary Budget compilation and balancing
April 21	Preliminary Budget documents to Town Administrator for review
April 21-April 23	Preliminary Budget Workshop(s)
April 23-April 24	Conferences with Department Heads and Administrator/Finance Officer
April 27-May 1	Recommended budget developed - Administrator/Finance Officer
May 12	Administrator's recommended budget and budget message presented to Board at regular meeting and set public hearing for June 9.
May 21/22 (tentative)	Budget workshop(s) with Board to present and review/amend recommended budget
June 9	Public Hearing for citizen input and possible 2026-2027 budget adoption
June 16	Alternate date to adopt 2026-2027 budget (if needed)

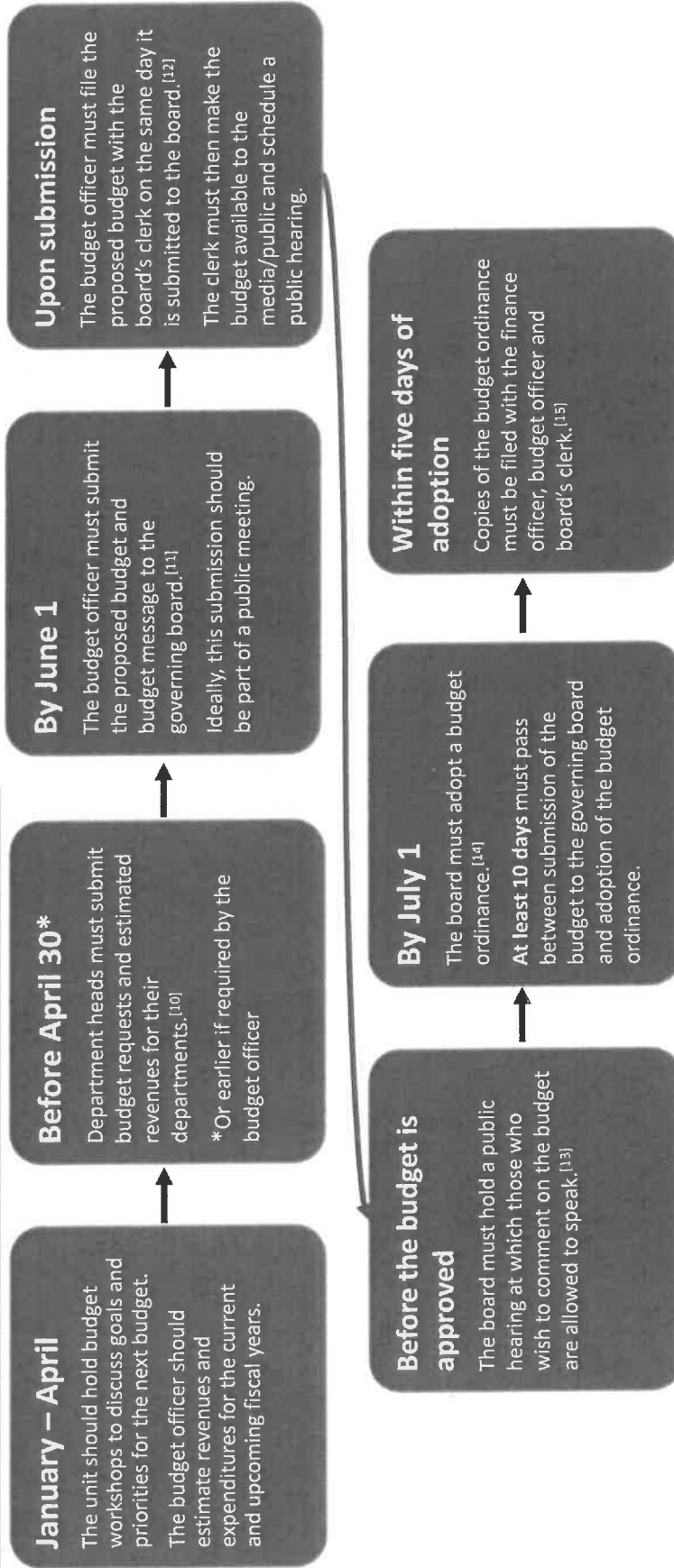


NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER

BRADFORD B. BRINER  
STATE TREASURER OF NORTH CAROLINA

State and Local Government Finance Division

# Budget Adoption Timeline



<sup>[10]</sup>G.S. 159-10 <sup>[11]</sup>G.S. 159-11(b) <sup>[12]</sup>G.S. 159-12(a) <sup>[13]</sup>G.S. 159-12(b) <sup>[14]</sup>G.S. 159-13 <sup>[15]</sup>G.S. 159-13(d)



## **Board of Aldermen Preliminary FY 26/27 Budget Workshop Agenda**

***Meeting Called to Order: Mayor McKinley Smith***

***Introduction and Expectations***

***Budget Overview***

Revenue Projections and Trends  
Proposed Budget Summary

***Departmental Needs & Issues***

Administration:

Equipment  
Personnel  
Projects  
Departmental Policies

Public Safety:

Equipment  
Personnel  
Projects  
Departmental Policies

Public Works:

Equipment  
Personnel  
Projects  
Departmental Policies

Governing Body:

Legislative Goals  
Short-term Projects and Goals (1 to 5 years)  
Long-term Projects and Goals (over 5 years)

***Miscellaneous Discussion and Review***

***Adjournment***





## Proclamation

### RICHLANDS ELEMENTARY SCHOOL 100 Years of Excellence

**WHEREAS**, Richlands Elementary School was founded one hundred years ago with a vision to inspire, educate, and empower young minds; and

**WHEREAS**, for a century, Richlands Elementary School has stood as a beacon of academic excellence, fostering creativity, critical thinking, and character in generations of students; and

**WHEREAS**, the dedicated educators, staff, and administrators of Richlands Elementary School have tirelessly committed themselves to nurturing the intellectual, social, and emotional growth of every child in their care; and

**WHEREAS**, the families and communities served by Richlands Elementary School have entrusted us with their most precious treasures—their children—and have supported our mission to Learn-Serve-Lead with unwavering dedication and pride; and

**WHEREAS**, throughout one hundred years of transformative education, Richlands Elementary School has built a legacy of achievement, innovation, and inclusive excellence that has positively shaped countless lives and strengthened our community; and

**WHEREAS**, it is fitting and proper to recognize and celebrate this remarkable milestone and the enduring impact of Richlands Elementary School on education and our community;

**NOW, THEREFORE**, let it be proclaimed that we honor 100 Years of Excellence at Richlands Elementary School, celebrating the vision, dedication, and achievements that have defined our institution and looking forward with hope and determination to the next chapter of our story.

**IN WITNESS WHEREOF**, this proclamation is issued this the 16th day of April, 2026.

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McKinley Smith, Mayor

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Isa Flores, Town Clerk

# Activity Log Event Summary (Cumulative Totals)

## Richlands Police Department

(03/01/2026 - 03/31/2026)

<No Event Type Specified>	2	911 Hang-Up	1
Adminstration Run	37	Alarm Activation	7
Animal Complaint	1	Arrest	8
Assist Citizen	33	Assist EMS	5
Assist Other Agency	25	Assist Other RPD Officer	3
Background Investigations	1	Bank Escort	2
Business Check	417	Business Walk Through	8
Call for Service	390	Careless & Reckless	3
Citation	169	Crash	12
Domestic Dispute	3	DWI	1
DWLR	20	Fingerprinting	3
Follow up Investigation	4	Found Property/Safe Keeping	1
Fraud	1	Funeral Escort	3
Incident Report	21	Juvenile Problems	1
Larceny	1	Lighting Violation	80
Loud Muffler	7	Missing Person	1
No Insurance	18	NOL	13
Patrol Zone 1	50	Patrol Zone 2	51
Patrol Zone 3	49	Patrol Zone 4	47
Patrol Zone 5	51	Patrol Zone 6	43
Possession of Cocaine	1	Possession of Drug Paraphernalia	1
Possession of Marijuana	1	Possession Of Stolen Property	1
Property Damage	2	Registration Violation	74
Safe Movement Violation	13	Seatbelt	3
Selective Traffic Enforcement	50	Sexual Assault	2
Speeding	46	Stoplight/Sign	16
Supplement to report	8	Suspicious Vehicle/Person/Incident	23
Towed Vehicle	1	Transport to Jail	7
Trespassing	2	Unlock Car	8
Vehicle Check After Shift	22	Vehicle Check Before Shift	28
Vehicle Searches	4	Vehicle Stop	280
Verbal Warnings	147	Walmart (Accident)	1
Warning Citation	14	Warrant	6

# Activity Log Event Summary (Cumulative Totals)

Richlands Police Department

(03/01/2026 - 03/31/2026)

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Weapons Offense	1	Window Tint Violation	7
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Total Number Of Events: 2,362

04/10/26  
09:07:47

TOWN OF RICHLANDS  
Statement of Revenue Budget vs Actuals  
For the Accounting Period: 3 / 26

Page: 1 of 3  
Report ID: B110

10 General

Account	Received		Estimated Revenue	Revenue %	
	Current Month	Received YTD		To Be Received	Received
<b>4100 *TAX REVENUES</b>					
4111 Ad valorem tax - CY	12,823.50	797,433.31	777,000.00	-20,433.31	103 %
4112 Ad valorem tax - PY	1,031.09	6,864.80	6,000.00	-864.80	114 %
4113 Interest & Penalties	945.23	3,654.51	2,000.00	-1,654.51	183 %
4120 Vehicle Property Tax	8,082.93	75,457.96	89,000.00	13,542.04	85 %
Account Group Total:	22,882.75	883,410.58	874,000.00	-9,410.58	101 %
<b>4200 *INTERGOVERNMENTAL</b>					
4210 ABC Revenue	0.00	9,143.00	45,000.00	35,857.00	20 %
4221 Fire District tax	0.00	64,064.92	62,000.00	-2,064.92	103 %
4231 NCDOR - Beer & Wine Tax	0.00	9,452.00	10,000.00	548.00	95 %
4232 NCDOR - Local option sales tax	50,031.89	422,832.73	538,000.00	115,167.27	79 %
4234 NCDOR - Utility Franchise taxes	28,652.72	90,877.47	126,000.00	35,122.53	72 %
4235 NCDOR - Video Programming	3,976.82	12,222.25	18,500.00	6,277.75	66 %
4271 Police Confiscations	0.00	154.69	0.00	-154.69	** %
4280 Powell Bill aid	0.00	85,955.53	90,000.00	4,044.47	96 %
Account Group Total:	82,661.43	694,702.59	889,500.00	194,797.41	78 %
<b>4300 *INVESTMENT INCOME</b>					
4311 Interest Earnings	3,064.77	29,143.94	25,000.00	-4,143.94	117 %
4312 Interest Earnings - Powell bill	8.44	58.57	100.00	41.43	59 %
Account Group Total:	3,073.21	29,202.51	25,100.00	-4,102.51	116 %
<b>4400 *SALES OF SERVICE</b>					
4431 Rents	2,645.00	19,015.00	19,000.00	-15.00	100 %
4432 GTE Lease	1,800.00	8,100.00	10,800.00	2,700.00	75 %
4433 Rent - ONWASA	2,916.67	26,250.03	35,000.00	8,749.97	75 %
4451 Trash Collection	16,864.89	160,318.65	205,000.00	44,681.35	78 %
Account Group Total:	24,226.56	213,683.68	269,800.00	56,116.32	79 %
<b>4500 *FEES &amp; FINES</b>					
4512 Employee Agreement Reimbursements	0.00	2,020.00	3,300.00	1,280.00	61 %
4531 Civil fines & court cost	270.00	2,522.25	2,000.00	-522.25	126 %
4542 Ordinance Violation fee/Assmt	0.00	0.00	500.00	500.00	0 %
4543 Building Permits	1,350.00	6,850.00	10,000.00	3,150.00	69 %
Account Group Total:	1,620.00	11,392.25	15,800.00	4,407.75	72 %
<b>4600 *GRANTS &amp; DONATIONS</b>					
4642 Operation Santa Donations	0.00	1,700.00	2,500.00	800.00	68 %
Account Group Total:	0.00	1,700.00	2,500.00	800.00	68 %
<b>4700 *MISCELLANEOUS</b>					
4710 Debt Proceeds	0.00	87,316.00	87,316.00	0.00	100 %
4751 Capital Asset Sales	0.00	299,250.00	1,000.00	-298,250.00	*** %
4790 Miscellaneous Revenues	300.00	35,463.23	19,900.00	-15,563.23	178 %
Account Group Total:	300.00	422,029.23	108,216.00	-313,813.23	390 %
<b>4900 *TRANSFERS &amp; APPROPRIATIONS</b>					
4999 Appropriation from fund balance	0.00	0.00	238,517.09	238,517.09	0 %
Account Group Total:	0.00	0.00	238,517.09	238,517.09	0 %

04/10/26  
09:07:47

TOWN OF RICHLANDS  
Statement of Revenue Budget vs Actuals  
For the Accounting Period: 3 / 26

Page: 2 of 3  
Report ID: B110

10 General

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Account	Received		Estimated Revenue	Revenue	
	Current Month	Received YTD		To Be Received	% Received
Fund Total:	134,763.95	2,256,120.84	2,423,433.09	167,312.25	93 %

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04/10/26  
09:07:47

TOWN OF RICHLANDS  
Statement of Revenue Budget vs Actuals  
For the Accounting Period: 3 / 26

Page: 3 of 3  
Report ID: B110

32 Rural Transformation Grant

Account	Received		Estimated Revenue	Revenue	
	Current Month	Received YTD		To Be Received	% Received
4600 *GRANTS & DONATIONS					
4612 Rural Transformation Grant	0.00	0.00	330,000.00	330,000.00	0 %
Account Group Total:	0.00	0.00	330,000.00	330,000.00	0 %
4900 *TRANSFERS & APPROPRIATIONS					
4910 Transfer from General Fund	0.00	0.00	39,900.00	39,900.00	0 %
Account Group Total:	0.00	0.00	39,900.00	39,900.00	0 %
Fund Total:	0.00	0.00	369,900.00	369,900.00	0 %
Grand Total:	134,763.95	2,256,120.84	2,793,333.09	537,212.25	81 %

04/10/26  
09:07:15

TOWN OF RICHLANDS  
Statement of Expenditure - Budget vs. Actual Report  
For the Accounting Period: 3 / 26

Page: 1 of 4  
Report ID: B100

10 General

Account	Object	Committed Current Month	Committed YTD	Original Appropriation	Current Appropriation	Available Appropriation	% Commit
5000							
5100 Governing Body							
416	Elected Officials	2,252.25	6,756.75	9,100.00	9,100.00	2,343.25	74 %
421	FICA	172.34	517.02	700.00	700.00	182.98	74 %
511	Professional Services	1,600.00	23,700.00	25,800.00	25,800.00	2,100.00	92 %
512	Contractual services	0.00	14,860.28	12,600.00	13,459.00	-1,401.28	110 %
513	Staff development & travel	0.00	644.40	1,000.00	1,000.00	355.60	64 %
525	Property & Liability Insurance	0.00	60,387.96	60,000.00	60,000.00	-387.96	101 %
534	Dues & subscriptions	0.00	5,449.00	5,400.00	5,400.00	-49.00	101 %
579	Miscellaneous Expense	37.96	2,326.35	15,400.00	15,400.00	13,073.65	15 %
	Account Total:	4,062.55	114,641.76	130,000.00	130,859.00	16,217.24	88 %
5210 Administration							
411	Full-time regular wages	21,813.86	253,082.62	268,000.00	268,000.00	14,917.38	94 %
421	FICA	1,668.82	18,923.33	21,000.00	21,000.00	2,076.67	90 %
423	LGERS Pension	3,130.28	35,671.55	38,000.00	38,000.00	2,328.45	94 %
424	401K	1,090.69	11,058.58	13,500.00	13,500.00	2,441.42	82 %
425	Health & Life Insurance	4,547.48	27,540.87	30,800.00	30,800.00	3,259.13	89 %
512	Contractual services	2,838.72	13,065.95	9,500.00	12,947.23	-118.72	101 %
513	Staff development & travel	0.00	874.29	7,500.00	4,052.77	3,178.48	22 %
515	Advertising	0.00	1,740.04	1,500.00	1,500.00	-240.04	116 %
522	Maint & Rep - Buildings	0.00	0.00	100.00	100.00	100.00	%
523	Maint & Rep - Equipment	0.00	2,248.34	2,500.00	2,500.00	251.66	90 %
524	Maint & Rep - Vehicles	10.91	90.98	100.00	100.00	9.02	91 %
525	Property & Liability Insurance	0.00	0.00	100.00	100.00	100.00	%
526	Utilities & Communication	1,073.75	8,335.63	12,800.00	12,800.00	4,464.37	65 %
534	Dues & subscriptions	0.00	1,204.60	1,700.00	1,700.00	495.40	71 %
535	Postage & Printing	0.00	426.74	200.00	200.00	-226.74	213 %
537	Collection Fee	-4,103.27	7,787.09	9,000.00	9,000.00	1,212.91	87 %
551	Supplies	79.08	2,512.88	2,200.00	2,200.00	-312.88	114 %
579	Miscellaneous Expense	154.30	749.35	100.00	100.00	-649.35	749 %
581	Operation Santa Donations	0.00	553.51	0.00	2,500.00	1,946.49	22 %
	Account Total:	32,304.62	385,866.35	418,600.00	421,100.00	35,233.65	92 %
5310 Public Safety							
411	Full-time regular wages	21,800.75	221,629.41	366,000.00	366,000.00	144,370.59	61 %
412	Part-time regular wages	947.92	5,092.18	4,000.00	4,000.00	-1,092.18	127 %
414	Separation Allowance	265.16	2,585.31	2,400.00	2,400.00	-185.31	108 %
421	FICA	1,629.70	16,924.05	28,500.00	28,500.00	11,575.95	59 %
423	LGERS Pension	3,505.59	35,623.09	57,500.00	57,500.00	21,876.91	62 %
424	401K	1,090.04	10,763.52	18,000.00	18,000.00	7,236.48	60 %
425	Health & Life Insurance	3,619.39	24,773.36	53,600.00	53,600.00	28,826.64	46 %
511	Professional Services	0.00	0.00	100.00	100.00	100.00	%
512	Contractual services	5,327.71	37,698.11	24,500.00	24,500.00	-13,198.11	154 %
513	Staff development & travel	144.49	1,122.41	1,500.00	1,500.00	377.59	75 %
514	Uniforms	0.00	1,003.80	4,500.00	4,500.00	3,496.20	22 %
523	Maint & Rep - Equipment	0.00	799.19	2,000.00	2,400.22	1,601.03	33 %
524	Maint & Rep - Vehicles	349.89	9,690.94	22,000.00	13,651.75	3,960.81	71 %
525	Property & Liability Insurance	0.00	0.00	200.00	200.00	200.00	%
526	Utilities & Communication	1,441.27	11,333.67	17,000.00	17,000.00	5,666.33	67 %
533	Contributions	0.00	0.00	500.00	500.00	500.00	%

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10 General

Account	Object	Committed Current Month	Committed YTD	Original Appropriation	Current Appropriation	Available Appropriation	% Commit
534	Dues & subscriptions	0.00	200.00	200.00	200.00	0.00	100 %
535	Postage & Printing	0.00	416.26	200.00	200.00	-216.26	208 %
551	Supplies	1,621.49	11,762.61	22,700.00	22,700.00	10,937.39	52 %
561	Capital Outlay	0.00	55,441.77	21,300.00	55,652.85	211.08	100 %
564	Debt Service Principle	0.00	0.00	0.00	13,304.12	13,304.12	%
565	Debt Service - Interest	0.00	0.00	0.00	1,921.28	1,921.28	%
573	Governing Board Projects	0.00	0.00	200.00	200.00	200.00	%
579	Miscellaneous Expense	1,372.84	1,702.28	2,000.00	2,000.00	297.72	85 %
	Account Total:	43,116.24	448,561.96	648,900.00	690,530.22	241,968.26	65 %
5400 Fire							
512	Contractual services	0.00	101,564.92	112,000.00	114,064.92	12,500.00	89 %
	Account Total:	0.00	101,564.92	112,000.00	114,064.92	12,500.00	89 %
5620 Code Enforcement							
512	Contractual services	0.00	0.00	1,000.00	1,000.00	1,000.00	%
	Account Total:	0.00	0.00	1,000.00	1,000.00	1,000.00	%
5720 Buildings & Grounds							
512	Contractual services	11,566.20	26,735.15	19,500.00	26,000.00	-735.15	103 %
521	Maint & Rep - Infrastructure	1,386.00	3,417.98	9,700.00	9,700.00	6,282.02	35 %
522	Maint & Rep - Buildings	0.00	32,479.93	21,000.00	33,983.00	1,503.07	96 %
523	Maint & Rep - Equipment	0.00	398.75	1,500.00	1,500.00	1,101.25	27 %
526	Utilities & Communication	1,134.58	6,411.04	13,300.00	13,300.00	6,888.96	48 %
551	Supplies	0.00	349.07	500.00	500.00	150.93	70 %
561	Capital Outlay	0.00	150,000.00	0.00	150,000.00	0.00	100 %
579	Miscellaneous Expense	0.00	2,229.10	100.00	100.00	-2,129.10	*** %
732	Transfer to Rural	0.00	0.00	0.00	39,900.00	39,900.00	%
	Account Total:	14,086.78	222,021.02	65,600.00	274,983.00	52,961.98	81 %
5740 Streets							
411	Full-time regular wages	16,307.60	164,224.44	214,000.00	214,000.00	49,775.56	77 %
421	FICA	1,247.50	12,563.12	15,500.00	15,500.00	2,936.88	81 %
423	LGERS Pension	2,340.11	23,566.09	30,000.00	30,000.00	6,433.91	79 %
424	401K	815.38	7,867.66	10,500.00	10,500.00	2,632.34	75 %
425	Health & Life Insurance	3,024.96	21,915.96	30,700.00	30,700.00	8,784.04	71 %
511	Professional Services	0.00	0.00	500.00	500.00	500.00	%
512	Contractual services	1,854.82	22,110.94	34,500.00	34,500.00	12,389.06	64 %
513	Staff development & travel	0.00	210.00	500.00	500.00	290.00	42 %
514	Uniforms	0.00	2,339.08	2,500.00	2,500.00	160.92	94 %
515	Advertising	0.00	0.00	500.00	500.00	500.00	%
522	Maint & Rep - Buildings	0.00	0.00	100.00	100.00	100.00	%
523	Maint & Rep - Equipment	1,146.46	2,786.49	4,500.00	4,500.00	1,713.51	62 %
524	Maint & Rep - Vehicles	91.83	14,069.25	9,100.00	15,909.95	1,840.70	88 %
525	Property & Liability Insurance	0.00	0.00	100.00	100.00	100.00	%
526	Utilities & Communication	4,603.78	30,164.87	43,000.00	45,500.00	15,335.13	66 %
535	Postage & Printing	0.00	416.25	100.00	100.00	-316.25	416 %
551	Supplies	936.12	8,677.21	14,600.00	14,600.00	5,922.79	59 %
561	Capital Outlay	719.98	46,805.98	19,600.00	48,667.37	1,861.39	96 %
564	Debt Service Principle	0.00	0.00	0.00	14,871.06	14,871.06	%
565	Debt Service - Interest	0.00	0.00	0.00	2,147.57	2,147.57	%

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10 General

Account	Object	Committed Current Month	Committed YTD	Original Appropriation	Current Appropriation	Available Appropriation	% Commit
572	Powell Bill Expenses	0.00	8,492.29	117,200.00	117,200.00	108,707.71	7 %
576	Landfill Tipping Fees	3,449.07	43,336.84	57,000.00	57,000.00	13,663.16	76 %
579	Miscellaneous Expense	105.89	2,371.90	5,000.00	5,000.00	2,628.10	47 %
	Account Total:	36,643.50	411,918.37	609,500.00	664,895.95	252,977.58	62 %
5750 Solid Waste							
512	Contractual services	0.00	74,065.28	126,000.00	126,000.00	51,934.72	59 %
	Account Total:	0.00	74,065.28	126,000.00	126,000.00	51,934.72	59 %
	Account Group Total:	130,213.69	1,758,639.66	2,111,600.00	2,423,433.09	664,793.43	73 %
	Fund Total:	130,213.69	1,758,639.66	2,111,600.00	2,423,433.09	664,793.43	73 %

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32 Rural Transformation Grant

Account	Object	Committed Current Month	Committed YTD	Original Appropriation	Current Appropriation	Available Appropriation	% Commit
5000							
5720 Buildings & Grounds							
	562 Engineering and Design	0.00	6,500.00	0.00	6,900.00	400.00	94 %
	563 Construction	0.00	84,902.00	0.00	330,000.00	245,098.00	26 %
	577 Contingencies	0.00	0.00	0.00	33,000.00	33,000.00	%
	Account Total:	0.00	91,402.00	0.00	369,900.00	278,498.00	25 %
	Account Group Total:	0.00	91,402.00	0.00	369,900.00	278,498.00	25 %
	Fund Total:	0.00	91,402.00	0.00	369,900.00	278,498.00	25 %
	Grand Total:	130,213.69	0.00	1,850,041.66	2,111,600.00	2,793,333.09	943,291.43 66 %

## Town of Richlands Code Enforcement March Monthly Report

### Notice of Violation Letters

- 113 New Street – zoning permit
  - 205 W Foy St – zoning permit
  - 172 N Squires Run -zoning permit
  - 108 S Onslow St – grass
  - Online class – Government Land Use
  - Jesus Culture Church - zoning permit
  - 8700 A Richlands Hwy – zoning permit
  - 208 Hancock Ave – Derelict Vehicle
  - 102 Dreadnaught Ave – Derelict Vehicle
  - 129 Airleigh Pl – Trailer in driveway
  - 300 S Onslow St – grass
  - 309 W Foy St – grass
  - IWOKQ Systems online demo
  - 126 Pembury Way – grass
  - 301 W Hargett St – grass
  - 108 W Foy St – building permit inquiry
  - 16 signs removed from right of way
  - 412 W Hargett St – grass
  - 105 E Point – grass
  - Zoning permit for Richlands Tire
  - 302 E Frank St – grass
  - 306 N Wilmington St – grass
  - 101 Maidstone Dr - Derelict Vehicle
  - 116 Pembury Way – grass
  - 108 Pembury Way – grass
  - 302 Esquire – grass
  - Advance Auto – Verbal warning for grass
  - 303 Maidstone Dr – grass
  - Post Office – Verbal warning for grass
  - Scotchman – Verbal warning for grass
  - 402 Hargett St – grass
  - 301 E Foy St – grass
  - 203 E Foy St – grass
  - 201 Wilmington St – grass
  - 210 Hancock St – mobile home demo
  - 115 New St – grass
  - 200 Maidstone Dr – grass
  - Crime Lab with Lt.



## ***Town Administrator's Monthly Report for March 2026***

### **Grants**

- Street project - Given the lack of information as to what may happen with our tax revenues due to the revaluation values and the buzz around it, I am going to proceed with the revenues as provided by the County with the most recent report from the County (4/1) indicating no change in projected revenues resulting in an increase in tax revenues per the new revaluation numbers. As a result, we are working on a plan of action to get the streets project going at least as much as we can of it. I have checked with the Local Government Commission as to how much we can dip into our fund balance without it raising a red flag audit wise. Having said that, it is my expectation that we are going to have to phase this project out over the next 2-3 years unless a major influx of grant monies become available real soon and even with that I still think we will need to phase it out over the next two fiscal years. Going this route, we will of course get the roads in the worst shape first and move down the list until we get them all done. There is just an awful lot of work to be done to the streets. This plan of action whether it be the first phase or whatever we can financially get done must be included in the FY 26-27 Budget so we will know pretty soon what it going to happen and when.
- Work is underway for the Venters Park Project. The first reimbursement request (\$84,902) has been submitted to NC Commerce and has been approved. Remember the park is closed for the duration of the construction project.

### **Planning/Zoning/Development/Economic Development**

- Five (5) zoning permits were processed and issued (2 commercial and 3 residential).
- The WAWA Plans still have a construction window of late summer or early fall. (No change since my last report)

- Zaxby's plan review is final with the exception of the sign permit which should be completed soon. There is still no time frame on construction so there has been no change since my last report.
- I should be receiving plans for the new Urgent Care facility at 9002 NC Kinston Hwy for approval soon.
- Planning Board reviewed a rezoning request off of Francktown Road and reviewed and approved Squires Run Village Section 2.
- We held a pre-construction meeting for the Ellis Development commercial outparcel which includes the proposed Sheetz, a strip development with a drive-thru end cap and a potential restaurant so this project is moving forward
- Consulted with the County Planning Director to further explore the possibility of an agreement with the County for development review and possibly code enforcement. This is an ongoing process.

### **Personnel**

- Nothing new to report

### **Finance**

- Reviewed the one FY 25-26 audit proposal for approval at the April 14 meeting. This is a multi-year proposal although we will have to sign contracts for each year as required by the Local Government Commission.
- Began work on the FY 26-27 budget i.e. compiling and creating documents, proposed budget calendar, etc.
- Met with the Fire Department to discuss finance related matters and the upcoming budget.
- Met with GFL on the trash contract which expires in June. The preliminary plan is to get proposals on this service for FY 26-27.

### **Utilities/Public Works**

- Nothing new to report.

### **Building/Grounds/Assets**

- The new sign is up at the Community Building.

### **General/Upcoming Events**

- Nothing new to report in this category

### **Information Technology/Website**

- The website upgrade is underway as we have had several meetings with the website vendor to discuss design and functionality goals. We meet with a

photographer to discuss new photos including professional headshots for the Board and staff.

### **Miscellaneous**

- Worked on routine day-to-day and long-term administrative-related Town matters.