Town of Autryville
P.O. Box 910
Autryville, NC 28318

July 21, 2026

Subject: Appeal of Notice of Noncompliance – Outstanding Financial Audits

To Whom It May Concern,

On behalf of the Town of Autryville, I respectfully submit this letter as an appeal of the Notice of Noncompliance issued regarding the Town's outstanding financial audits for Fiscal Years 2024 and 2025.

The Town acknowledges the importance of timely financial reporting and fully understands the statutory requirements for completing and submitting annual audits. We regret that we have fallen behind and take full responsibility for addressing this matter.

The delays were the result of significant challenges experienced over the past two fiscal years. The Town encountered substantial issues related to the implementation and operation of its financial management software, which required considerable time and effort to resolve. At the same time, the Town has been operating with limited administrative staffing, creating additional obstacles in maintaining normal financial reporting schedules while continuing to provide essential municipal services.

Despite these challenges, the Town has made substantial progress toward returning to full compliance. Since receiving notice of these deficiencies, we have successfully completed and submitted the Fiscal Year 2023 audit. In addition, the Town has retained a qualified independent auditor to complete the Fiscal Year 2025 audit. Preliminary work has already begun, and we are currently awaiting the auditor's scheduled on-site fieldwork so the audit can move forward to completion.

The Town remains committed to working diligently with our auditor and the Local Government Commission to complete all outstanding audits as quickly as possible. We respectfully request that the Notice of Noncompliance be reconsidered in light of the significant progress the Town has made and the concrete steps already taken to resolve these outstanding matters. Thank you for your consideration of this appeal.

Respectfully,

Lisa Jones
Town Clerk
Town of Autryville

Dear Denise Canada,

The Town of Columbus (the "Town") is currently delinquent on its financial statement audits for the fiscal years ended June 30, 2024, and June 30, 2025. Audit fieldwork for the fiscal year ended June 30, 2024, is scheduled for June 2026, and Gould Killian CPA Group expects to complete that audit in August 2026.

This letter provides the Local Government Commission (LGC) with a summary of the circumstances that contributed to the audit delays and respectfully requests that the Town's sales tax distributions not be withheld.

Prior to fiscal year 2021–2022, the Town's audit completion record, and financial reporting performance were strong, including receipt of the Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting. Beginning in 2022, several events adversely affected the Town's internal controls over financial reporting and contributed to the current delays:

- **Software conversion (March 2022):** The Town implemented new accounting software in March 2022. The conversion required transactions to be re-coded to the new account structure and manually re-entered. This work began several months after conversion and progressed slowly, delaying balance sheet reconciliations and Budget-to-Actual reporting. In addition, certain configurations in the new system were incorrect, which required further corrections.
- **Software support disruptions:** After the purchase, the software was acquired by another vendor, which reduced continuity and effectiveness of customer support needed to address the Town's questions during and after implementation.
- **Staff turnover and reassignment of duties:**
    - **2022:** The Finance Director separated from employment during the software transition, and the Town Manager assumed the additional role of Finance Director.
    - **May 2025:** The Town Manager/Finance Director separated from employment, and an additional administrative staff member resigned.

Since October 2022, the Town has engaged multiple external resources to restore timely and accurate financial reporting. The Town worked with a governmental consultant and later the North Carolina League of Municipalities (NCLM) Municipal Accounting Services (MAS) Program to complete catch-up accounting work for FY 2021–2022. The MAS Program also assisted with selected reconciliations for FY 2022–2023. The Town has completed the FY

2022–2023 audit and anticipates having FY 2023–2024 prepared and ready for audit within the next three months.

In addition, Hurricane Helene impacted Western North Carolina in September 2024, creating additional operational demands and competing priorities during an already resource-constrained period.

The Town hired a Finance Officer in December 2025. The Finance Officer has more than 30 years of local government experience, and a retired finance officer is also assisting. Together, these two staff members bring more than 60 years of local government finance and accounting experience. In addition, the Town has hired a new Town Manager with local government experience. The Town believes these staffing changes have significantly strengthened capacity and internal controls, and we are making strong progress toward restoring timely audit completion.

Recently, the Town was designated a **Distressed Unit** in the Viable Utility Program for the Town of Columbus' water and wastewater utility. Withholding the Town's sales tax distributions would further delay needed corrective actions and capital and operational work and would create additional hardship for the Town as it continues to bring audits current and stabilize financial operations.

The Town appreciates the LGC's leadership and guidance related to fiscal management and will provide any additional information needed to support the LGC's evaluation of this request.

Sincerely,

Jessica Trotman

Jessica Trotman 5/13/26

Manager, Town of Columbus

Town of East Arcadia
1472-A East Arcadia Rd., Riegelwood, NC 28456
Phone: (910) 655-4388 Fax: (910) 655-8525
email: gearcadia@currently.com

August 6, 2026

North Carolina Local Government Commission
Department of State Treasurer
3200 Atlantic Avenue
Raleigh, NC 27604

Subject: Appeal Regarding Late Submission of Annual Audit – Town of East Arcadia

Dear Members of the Local Government Commission:

On behalf of the Town of East Arcadia, I respectfully submit this letter requesting consideration and a waiver of any penalties or enforcement actions related to the late submission of the Town's annual audit.

The Town recognizes the importance of timely financial reporting and remains committed to complying with all audit and reporting requirements established by North Carolina law. Unfortunately, the delay in completing and submitting the audit was primarily the result of circumstances beyond the Town's control, specifically delays in the audit process by the Town's independent auditor. The delay in submitting final information required caused the delay in getting the new auditor's contract signed. The new auditor couldn't begin without contract approval.

The Town made several attempts requesting the auditor to submit the audit and final invoice Despite these efforts, the audit and final invoice was not completed within the required timeframe.

The Town has remained in regular communication with the auditor and has continued to work diligently to facilitate completion of the audit. We have also reviewed our internal processes and are taking steps to strengthen our audit planning and scheduling to help ensure future audits are completed and submitted on time.

Given that the delay was not the result of neglect or unwillingness on the part of the Town, we respectfully request that the Local Government Commission consider these circumstances and waive any penalties associated with the late audit submission.

The Town of East Arcadia values its relationship with the Local Government Commission and remains committed to maintaining sound financial management practices and full compliance with all statutory requirements. We appreciate your consideration of this request and thank you for your continued assistance and guidance.

Should you require any additional information or documentation regarding the circumstances surrounding the delayed audit, please do not hesitate to contact me.

Respectfully submitted,

Althea Weaver,
Town Clerk/Finance Officer
Town of East Arcadia

105 S. Long Street
Post Office Box 339
East Spencer, North
Carolina 28039

EAST SPENCER
NORTH CAROLINA
The Original Southern City.

Telephone: (704) 636-7111
Fax: (704) 639-7734
Website: www.eastspencer.gov

"HOME OF HERITAGE & PROMISE"

Town of East Spencer
Appeal of Notice of Noncompliance
Pursuant to G.S. 159-34(f) – Other Good Cause with Evidence

Dear Members of the Local Government Commission:

The Town of East Spencer respectfully submits this appeal of the Notice of Noncompliance pursuant to N.C. General Statute 159-34(f) based upon **other good cause with supporting evidence**. The Town acknowledges the importance of timely annual audit submissions and understands its responsibility to comply with the statutory reporting requirements. We respectfully request that the Commission consider the extraordinary staffing and operational challenges that contributed to the delay, as well as the significant corrective actions the Town has implemented to return to compliance.

During the twelve months preceding the Notice of Noncompliance, the Town experienced significant staffing instability within its finance function. From January 2024 through October 2024, the Town did not have a dedicated Finance Officer. To maintain continuity of operations, the Town's Human Resources Specialist and Town Clerk, ShaTaira Bailey, assumed the responsibilities of the Finance Officer in addition to her existing duties. While Ms. Bailey worked diligently to support the Town's financial operations, she was simultaneously responsible for carrying out her regular responsibilities as Town Clerk and Human Resources Specialist. Managing these multiple critical functions limited the Town's ability to maintain the level of financial reconciliation and audit preparation necessary to complete the annual audits within the required timeframe.

In October 2024, the Town hired Ashley McFarland as Finance Officer in an effort to restore stability to the finance department. Unfortunately, following the conclusion of her employment in February 2026, the Town determined that significant account reconciliations and financial work necessary to support completion of the annual audits remained outstanding. As a result, substantial corrective work became necessary before the audit process could move forward. During the period between Ms. McFarland's departure and the hiring of a new Finance Officer in April 2026, the Town again found itself without a qualified individual to perform the specialized accounting and financial responsibilities required to prepare for the annual audits. During this vacancy, audit preparation and reconciliation efforts were necessarily delayed until qualified financial leadership could be restored.

In April 2026, the Town hired Julie Mullins as Finance Officer. Since her appointment, Ms. Mullins has made substantial progress in restoring the Town's financial records by completing outstanding reconciliations and reconstructing the financial information necessary to support completion of the audits. The Town anticipates that all reconciliations for Fiscal Years 2023–2024 and 2024–2025 will be completed by **September 1, 2026**. Once those reconciliations are complete, all necessary documentation will be provided to the Town's independent auditor so the outstanding audits may be completed as expeditiously as possible.

The Town recognizes that these delays have affected compliance with the statutory audit requirements. However, the circumstances were the result of documented staffing challenges, repeated turnover within the Finance Officer position, and the resulting need to reconstruct and reconcile financial records before the audits could be completed. The Town has now established qualified financial leadership, implemented corrective measures, and is committed to restoring timely compliance with all audit requirements going forward.

The Town also recognizes that the audit for **Fiscal Year 2025–2026** is due by **December 31, 2026**, and is fully committed to meeting that deadline. With the progress already made under the leadership of Finance Officer Julie Mullins, the Town is confident it is on a path toward full compliance and establishing a stable financial reporting process that will support timely audits in the future.

The Town of East Spencer respectfully requests that the Local Government Commission consider these documented circumstances as **other good cause with evidence** and grant this appeal. We appreciate the Commission's consideration and remain committed to working cooperatively with the Commission and our independent auditor to complete the outstanding audits and ensure future compliance.

Sincerely,

For: Adriana Ramos Perry

Michael Douglas
Town Manager

163 Depot Street
PO BOX 456
Ellenboro, NC 28040

Mayor
Elizabeth "Liz" Blanton

Mayor Pro-Tem
Lee Allen
Aldermen
Allan "Bunt" Black
Sandra Weeks
Bill Greene
Pamela Padgett

Dear North Carolina Department of State Treasurer

Re: Appeal for Good Cause – Noncompliance Notice for FY 2024 and FY 2025 Audits

To the Honorable State Treasurer and the Staff of the State and Local Government Finance Division:

The Town of Ellenboro, acting through its Mayor, Town Council, and Deputy Clerk/Finance Officer, hereby submits this formal correspondence in response to the noncompliance notice issued regarding the late submission of the Town's Fiscal Year 2024 and Fiscal Year 2025 annual audits.

This letter is intended to provide a full and accurate account of the circumstances contributing to the delay, outline the corrective measures now in place, and formally request consideration for **good cause** pursuant to **G.S. 159-34(a)**.

The Town acknowledges and accepts full responsibility for the untimely submission of the required audits. The delay arose from a confluence of administrative challenges, most notably the retirement of the previous Town Clerk, who departed with incomplete financial documentation essential for audit preparations. At the time of this transition, the newly appointed Deputy Clerk/Finance Officer had not yet received formal training in municipal finance administration, annual audit preparation, or compliance with the Local Government Budget and Fiscal Control Act. These circumstances, combined with the Town's limited staffing capacity, materially impeded the timely completion of the audits.

Upon recognizing the severity of these deficiencies, the Town undertook immediate corrective action. The Town and Deputy Clerk/Finance Officer is now actively engaged with the North Carolina League of Municipalities and is currently enrolled in the AIM Program, receiving structured instruction, technical guidance, and ongoing professional development in municipal financial management. Additionally, the North Carolina League of Municipalities has retained a Certified Public Accountant for the Town to perform all necessary catch-up work, reconstruct incomplete records, and prepare both FY 2024 and FY 2025 audits for submission in accordance with State requirements.

The Town further affirms that the Deputy Clerk/Finance Officer is pursuing additional training and coursework to strengthen the Town's long-term financial administration capacity. Internal procedures have been revised to ensure that future audits are prepared and submitted in a timely and compliant manner.

The Town respectfully appeals for good cause, noting that all prior fiscal year audits—other than those for which the present noncompliance notice was issued—have been submitted to the Secretary as required under G.S. 159-34(a). The Town, in coordination with its contracted CPA, is diligently pursuing all necessary avenues to complete the FY 2024 and FY 2025 audits expeditiously and restore full compliance with statutory obligations.

The Town of Ellenboro appreciates the Department's consideration of this appeal and remains committed to strengthening its financial management practices, improving administrative continuity, and ensuring timely compliance with all future audit requirements.

Respectfully,

Town of Ellenboro Mayor
Elizabeth "Liz" Blanton

Elizabeth Blanton ____________ Mayor, Town of Ellenboro

TOWN OF GASTON

"Gateway to Lake Gaston"
Post Office Drawer M
Gaston, NC 27832
252.537.1046

Deborah L. James, Mayor

Tammy Johnson, Finance Town Clerk
Patricia Penn-Jacobs, Commissioner.
Terrance Smith, Commissioner

Donald Conner, Commissioner
Gloria Branch, Commissioner
Kimberly Dickens, Commissioner

June 29, 2026

Local Government Commission
3200 Atlantic Avenue
Raleigh, NC 27604

Re: Appeal of Notice of Noncompliance for Fiscal Years 2023, 2024 and 2025 Audits

To Whom It May Concern:

On behalf of the Town of Gaston (the "Town"), we respectfully submit this appeal requesting that the Local Government Commission refrain from withholding the Town's revenues due to the delayed submission of the Town's Fiscal Year 2023, 2024, and 2025 audits. While the Town acknowledges the importance of timely compliance with North Carolina's audit requirements, the delays were the result of extraordinary circumstances that have required significant time and resources to overcome. Throughout this process, the Town has acted diligently, transparently, and in good faith to correct past deficiencies and restore sound financial management.

The Town's current circumstances stem largely from the findings contained in the North Carolina State Auditor's investigative report issued in August 2021, which identified substantial financial irregularities arising from the actions of the Town's former Clerk, who also served as the Finance Officer. Since the release of that report, the Town has undergone a comprehensive restructuring of its financial operations and leadership. A new Mayor, new members of the Board of Commissioners, a new Town Clerk, and new legal counsel have all been appointed. In addition, the Town retained certified public accountants to reconstruct its financial records and complete the outstanding audits.

One of the most significant obstacles to completing the audits was the condition of the Town's historical financial records. The Town's financial information existed almost entirely in paper form and had not been properly maintained in an electronic accounting system. This created substantial challenges for any auditor attempting to reconstruct years of financial data. The Town ultimately retained Travis Hardee, CPA, of Strickland Hardee PLLC, to perform the Fiscal Year 2021 audit and subsequent audits. At Mr. Hardee's recommendation, the Town began the extensive process of digitizing years of financial records. Unfortunately, the contractor initially hired to perform that work failed to complete the project, resulting in additional delays. After recovering the records, Mr. Hardee successfully completed the digitization process, allowing the Town to finalize the Fiscal Year 2021 and Fiscal Year 2022 audits and move forward with the remaining years.

Although the Fiscal Year 2023, 2024, and 2025 audits remain outstanding, substantial progress has been made. Mr. Hardee has completed and submitted a draft of the Fiscal Year 2023 audited financial statements, and the Town anticipates that the Fiscal Year 2023 audit will be submitted within days. The remaining audits are actively being completed in succession. The Town has remained in regular communication with its auditors and has continued to devote the necessary resources to ensure these audits are finalized as quickly as possible.

Equally important, the Town has implemented numerous permanent corrective measures designed to prevent these issues from recurring. These measures include:

- Maintaining all financial records electronically to ensure accurate and accessible recordkeeping;
- Strengthening internal financial controls, oversight procedures, and accountability measures;
- Retaining Beverly Stroud, CPA, to provide ongoing accounting and bookkeeping assistance;
- Investing in professional development by enrolling the Town Clerk in municipal operations training;
- Successfully completing the Advancing Municipal Leaders Program through the North Carolina League of Municipalities;
- Completing Southern Software training and additional municipal leadership training for the Town Clerk;
- Working closely with certified public accountant Pam Hurdle through the Advancing Municipal Leaders Program to improve the Town's financial management practices; and
- Receiving ongoing budgeting assistance, governance training, and financial guidance from Joseph Durham of the North Carolina League of Municipalities, who meets with the Town's Board of Commissioners on a regular basis.

These corrective actions reflect the Town's unwavering commitment to restoring financial integrity, ensuring full compliance with all statutory obligations, and implementing the safeguards necessary to prevent similar issues in the future. The deficiencies that gave rise to these delays are not the result of current neglect or inaction. Rather, they represent the difficult process of correcting significant historical problems inherited by the Town's current leadership.

The withholding of sales tax and other State-distributed revenues at this critical time would significantly impair the Town's ability to provide essential governmental services to its residents. The citizens of Gaston should not bear the consequences of prior administrative failures that the current governing body has worked diligently to correct. Granting this appeal will allow the Town to continue providing necessary public services while completing the remaining audits in an orderly and responsible manner.

For these reasons, the Town respectfully requests that the Local Government Commission grant this appeal, allow additional time for the submission of the Fiscal Year 2023, 2024, and 2025 audits, and refrain from withholding the Town's revenues during this process. The Town remains fully committed to completing all outstanding audits as expeditiously as possible and to maintaining full compliance with all future audit requirements.

We appreciate the Commission's time, consideration, and continued support of the Town's efforts to restore financial stability and accountability. Should the Commission require any additional information, we would welcome the opportunity to provide it.

Respectfully submitted,

Zachary R. Blackwell

Zachary R. Blackwell, Town Attorney

Staffing Issues

- Our staffing issues have been due to the lack of basic personnel in the office to assist with bank account reconciliation and management of regular accounting. The Town Hall has attempted to hire part-time personnel to aid the full-time clerk with these issues. Unfortunately, the rollover of part-time staff and the lack of qualified applicants in the area available for the part-time position has been a challenge. As of this week our office does have a qualified part-time candidate starting in the office, to fill this void. We have confidence this will rectify this situation.

Auditor Issues

- The auditor was delayed in completing the audits. Partially due to a conflict with timing and communication with our auditor. Also, due to the missing office personnel, the hiring of a CPA group to reconcile our monthly bank reconciliations (that was not accomplished) and as stated the issue with auditor timing. At this time the position in our office has been filled and our software company (Southern Software) is assisting with balancing out our books from previous years, and Beverly Stroud, CPA, is assisting with our General Ledger and balancing the current and previous audits that have not been completed.

We have not sought bookkeeping, accounting, auditing or other assistance from the League of Municipalities, but currently we are considering getting help if the assistance we have in place right now fails to help.

As stated above our office has reached out for assistance and contracted out assistance with preparing financial statements.

Our Mayor/Finance Officer and Clerk/Finance assistant have been Completed any training some classes and web programs with the local government for finance and internal control. Now that the Part time position is filled the Clerk/Finance assistant and Part time clerk will be looking into more education to assist with these issues.

TOWN OF LINDEN

CHARTERED 1913

Edit all

SB 299 › Late Audit P... › Linden

Linden

Status

New

Title *

Linden

Unit Code

50226

Unit Appeal

Yes

Unit Guideline

NA2026

Contact Name

Kimberly Turner

Contact Title

Clerk/Finance assistant

Contact Email

LINDENTOWNHALL@EMBARQMAIL.COM

Contact Phone

910-980-0119

Doc Included

Yes

Link to Document

Document Link

Additional Notes

Enter value here

Email Status

Completed

History Status

Completed

Flow Name

SLG - Send Confirmation Email - 6/30/2026 4:58 PM

Flow Description

Email confirmation sent to person who submitted form. - 6/30/2026 4:58 PM

Fiscal Year

2025

Unit Found

Yes

Link to Unit

—

Portal Row ID

d3faec20-c674-f111-9b48-001dd80e1d4f

LGC Meeting Date

Enter value here

Attachments

Add or remove attachments

TOWN *of* LOUISBURG

NORTH CAROLINA

Charming Since 1779

June 29, 2026

To: Local Government Commission
3200 Atlantic Avenue
Raleigh, NC 27604

RE: Letter of Appeal – Town of Louisburg

The Town of Louisburg would like to request an appeal since the Town has had continuous turnover in the Finance Office since November 2022.

The Town has had success in submitting one of our past due audits. The audit for fiscal year 2022-2023 was submitted in December 2025. The Town is working with our auditors PB Mares on completing the outstanding audits. We will have audits for FY 2023-2024 and 2024-2025 completed by January 2027. We will have the audit completed for FY 2025-2026 completed by June 2027. This will put us back on schedule to have the audit for FY 2026-2027 completed by the State's deadline.

The Town has hired Beverly Stroud CPA, LLC, to assist with the closing of the Town's books to support the annual audit process and ensure that the Town's bank reconciliations are completed and up to date.

Given the timeline, outlined above, to have all the Town's late audits completed by June 2027, the Town respectfully requests your favorable consideration of this appeal. Thank you for taking the time to consider this request.

If you have questions or concerns, please feel free to contact me at smedlin@townoflouisburg.org or 919-495-9439.

Regards,

Sean Medlin

Sean Medlin
Town Administrator

6/12/2026

Subject: Appeal Response – Audit Completion Delay and Corrective Actions

To Whom It May Concern:

The audit was not completed within the required timeframe due to circumstances affecting the auditor's ability to finalize the engagement as originally scheduled. The delays were primarily related to workload constraints, scheduling challenges, and the time required to obtain, review, and reconcile supporting documentation necessary to ensure the audit was conducted accurately and in accordance with applicable standards.

Throughout the audit process, the Town has worked diligently to support the auditor and facilitate timely completion of the audit. We have responded promptly to information requests, provided access to financial records and supporting documentation, maintained regular communication with the auditor, and made staff available to address questions and clarify information as needed. We have also monitored the audit's progress and coordinated efforts to address any issues that could affect completion timelines.

In addition to supporting the current audit process, the Town has taken several proactive steps to strengthen its financial management practices and improve compliance with annual audit requirements. These actions include:

- Seeking bookkeeping, accounting, auditing, and technical assistance from the North Carolina League of Municipalities and other professional resources available to local governments.
- Consulting with other municipalities and local government professionals regarding best practices for financial management, bookkeeping, and audit preparation.
- Contracting for professional assistance with financial statement preparation and related accounting functions to ensure records are maintained accurately and audit-ready.
- Participating in training and educational opportunities related to local government finance, internal controls, budgeting, accounting, and audit compliance. Town officials and staff continue to pursue relevant training opportunities to enhance financial oversight and strengthen internal processes.
- Reviewing and improving internal financial procedures, recordkeeping practices, and communication processes to ensure timely preparation of information needed for future audits.
- Evaluating additional resources and support options to improve financial operations and reduce the risk of future audit delays.

The Town remains committed to maintaining sound financial practices and achieving full compliance with all annual audit requirements. While the current delay was largely outside of the Town's direct control, we have taken and will continue to take reasonable and proactive measures to support the auditor, improve financial management, and ensure timely completion of future audits.

We respectfully request consideration of these circumstances and the corrective actions undertaken by the Town. Thank you for your time and consideration.

Sincerely,

Corinthia Lewis Lemon
Town Clerk
Town of Morven

109 N Main Street
P.O Box 336
Rich Square, NC 27869

Town of Rich Square

Phone: 252-539-2315
Fax: 252-539-3945
Website: richsquarenc.org

To: LGCNotifications@nctreasurer.com – Secretary of the Local Government Commission

From: Victoria Newcombe, Mayor

Re: Notice of Noncompliance for Fiscal Year 2025 Audit

Date: June 26, 2026

The Town of Rich Square's Appeal Based on "Other Good Cause with Evidence"

We are writing on behalf of the Town of Rich Square to formally appeal the notice of noncompliance regarding our annual audit report for fiscal year ending 2025. We understand the requirements set forth under North Carolina Session Law 2023-59 (SB99) and G.S. 159-34, and we are committed to meeting our obligations to submit timely annual audit reports. We deeply regret the delay in submitting our fiscal year 2025 audit report. This delay is the result of exceptional and unforeseen circumstances primarily related to challenges involving our Board's oversight and administration hired by said Board.

Internal Delays:

The Town had a Board that did not perform any oversight of its staff. There were no internal control policies and there was no one making sure that crucial deadlines were being met in a timely manner. No one was allowed to check behind the Police Chief, Finance Officer, and the Town Clerk. The Board did not conduct diligence on behalf of the town and its citizens.

It was apparent that the Finance Officer had ongoing issues and struggles with the Town's financial software – Harris Cloud-Smart Fusion. She did not know what exactly was required of the Finance Officer position nor what her duties entailed. She did not go to Financial Management training that was offered through the UNC School of Government or the NCLM. She did not know the Town's own Personnel Policy nor the Code of Ordinances of the Town.

The Town Clerk did attend Clerk School but did not know what her duties entailed and the responsibility that she was hired on to do.

The Police Chief injected himself into Human Resource issues that should have been handled by the Board of Commissioners; therefore, causing interruptions that impacted the work in the administration office among the staff and Mayor Newcombe.

The Town Board did not know its responsibility as explained in the Town's Code of Ordinances nor did they know what was enforceable or not enforceable in the Code of Ordinances, such as the Town Charter.

The 2021 Audit was completed and approved in July 2023. The Board of Commissioners approved a new contract to start working on providing Martin, Starnes, & Associates with the information to complete the 2022 Fiscal Year End Audit and the then Finance Officer was struggling with extracting information that would assist with the audit process in addition to other basic financial activities. She was not very organized and was not able to locate the requested items due to the state of her office.

The November 2023 elections brought in a new mayor and the replacement of one commissioner. Mayor Newcombe found out that the town was behind on their audits and with supplying information to the NC Treasury coach team members. Mayor Newcombe tried working with the then Town Clerk and Finance Officer but had no results. Mayor Newcombe went to the Board of Commissioners asking them to direct the Town Clerk and the Finance Officer to do their duties and to assist her with getting the information needed for the 2022 audit. The Board did not offer any assistance to Mayor Newcombe except they appointed newly elected Commissioner Peggy Cary as a liaison between town staff and the mayor as the Commissioner over the Administration staff and made her the Deputy Finance Officer. Commissioner Cary was given no access to the financial management software. Mayor Newcombe made several attempts to locate an outside bookkeeper with municipal accounting experience which proved unsuccessful for over a year. December 2024, the Town Clerk resigned citing difficulty with authority and duties assigned. Finally, in February 2025, Christine Bass, was hired to assist Ms. Howard in the finance office and as Town Clerk. Ms. Bass has many years of experience working for a few local municipalities. Ms. Howard was terminated from her position on April 21, 2025 for continued job performance issues and serious financial inconsistencies. Ms. Bass, was immediately sworn in as Rich Square's Finance Officer and continues to work diligently to stabilize the financial operations of the Town. Ms. Howard did not cooperate with the audit process, pay invoices, answer and supply other agencies the required documents, and has left the Town in financial turmoil.

Mayor Victoria Newcombe expressed the financial inconsistencies to the Town Attorney and the Board of Commissioners on multiple occasions. The Police Chief knew of the issues as well. Mayor Newcombe went around the town attorney, police chief, and the Board and contacted the Northampton County District Attorney and requested a forensic audit on her own. She also reached out to the NC State Auditor's office explaining her concerns with town funds and current state of the Town's finances. The Northampton County District Attorney's office finally replied to Mayor Newcombe's several letters and messages and advised that they did not handle forensic audits and would refer the issue to the Northampton County Sheriff's Department. Sheriff Jack Smith nor any of his deputies has yet to contact Mayor Newcombe as to her forensic audit request. The NC State Auditor's Office has reached out as of January 2026 and as of April 14th they started reviewing the books of the Town of Rich Square along with getting viewing access to the Harris Cloud Financial Management Software. They were back on May 18th & 19th to review more of the information and continue to be in touch by phone or email requesting more information.

Mayor Newcombe tried to get several policies, job descriptions, and time sheets instituted and the Board of Commissioners did not feel it was necessary nor was needed. May and June of 2025, Ms. Bass had to start the process of getting policies adopted by the Board due to requests of outside agencies needing these policies to be adopted so that the Town would stay in compliance per the agencies requirement.

Administration Transitions:

The Town of Rich Square hired Ms. Bass as Town Clerk on February 10, 2025. When Mrs. Howard was terminated on April 21, 2025 Ms. Bass was sworn in as the new Finance Officer and is still the Town Clerk. The Town of Rich Square was invited to join the AIM Program offered by the NCLM and it was a much-needed blessing the town needed. Pam Hurdle assisted with making sure the Finance Officer knew her duties with 6 monthly training sessions, IT support, and most important financial assistance for the 2023 Fiscal Year End Audit. Ms. Bass completed the required training and the town was awarded additional funding to help with the management of their IT security with the assistance of a program through the NCLM.

During the election process in November 2025, the Town of Rich Square lost the following elected officials:

Commissioner Reggie White
Commissioner Raymond Joyner
Commissioner Charles Eason
Commissioner Larry Godwin – resigned
Commissioner Linwood Bryant – resigned February 2025

As of December 2025, the Board of Commissioners for the Town of Rich Square is as follows:
Mayor Victoria Newcombe – re-elected
Mayor Pro-Tem Byron Ward – newly elected
Commissioner Peggy Cary – re-elected
Commissioner Jerome Garris – newly elected
Commissioner Marcia Majett – newly elected
Commissioner Ennis Williams had just replaced Commissioner Linwood Bryant in April 2025 but was elected

The Town encountered long delays in securing a new auditor as many small towns do currently given the current shortage of municipal auditors. It was fortunate that we were able to retain Martin, Starnes, & Associates. They requested documents via email from Mrs. Howard on multiple occasions and she never responded to them. They would call the office and Mrs. Howard would put them on hold and not get back to the call. They have been very patient through this transition period of the finance officer. Once Ms. Bass obtained full access into the financial management software and the banking, she was able to provide Martin, Starnes, & Associates the information to complete the 2022 audit.

Progress Toward Compliance:

Despite these obstacles, the Mayor, Board of Commissioners, Finance Officer, Certified Public Accountant firm Carr, Riggs, & Ingram, and auditing firm Martin, Starnes, & Associates have been working diligently to address the backlog of audits. September 2025 the 2022 Fiscal Year End Audit was submitted and approved by the Local Government Commission (LGC) and by the end of June 2026 we will have the 2023 Fiscal Year End Audit submitted and waiting on approval by the LGC. That will be 2 audits completed in under a year. Once the 2023 Fiscal Year End Audit is approved by the LGC we will begin work on the 2024 Fiscal Year End Audit.

With the help of part-time Water/Sewer (W/S) Billing Clerk Patricia Majette being able to go through every piece of paperwork that was in the finance office and sorting it so that we can start to get a filing system sorted by fiscal year. Once all the paper was gone through and file boxes were full, we were able to organize payroll, invoices, bank statements, and W/S documents. This made it easier to get through the 2022 and the 2023 audits.

The Town received a call from Paige Hufford, OCI Finance and Business Compliance Analyst, stating the town was not in compliance as to the ARPA funding received and several items needed to be found, adopted, and approved by the Board in just under a two-month period and to be ready for an inspection of documents and policies via a desk review process. The Town successfully completed the desk review visit with only one document being needed. The town recently went through a virtual ARPA monitoring visit wherein Ms. Bass, Mayor Newcombe, and Engineering Services had to attend and we successfully answered all questions as to financial management, budget and expenditure oversight, internal controls, organizational oversight, audit compliance, and records and reporting.

Ms. Bass received the annual request for records form from the United States Department of Agriculture (USDA) due to a loan that was received back in 1997 for the Water Department. Ms. Bass replied to the letter as requested. September 2025, Angela Fulford, Area Specialist for USDA, reached out via email to advise the Town was in Non-Monetary Default on its loan. The email gave 30-days to provide all the requested information to fix the Non-Monetary Default issue. Ms. Bass then learned that the town had not complied for the past three years. Ms. Bass was able to locate the information and supply USDA with the paperwork in under a month. December 2025, Ms. Bass received a letter advising of a Compliance Review scheduled for January 2026 and requesting several documents for loan on a grant project that closed out 11 years prior. Ms. Bass went through several files and even went to Engineering Services to see if they had anything on the grant that was in question. Ms. Bass was able to locate some of the requested documents and advised that several policies had just been adopted by the Board and provided them to the agent. USDA found that the Town had come back into compliance.

Ms. Bass being just sworn in as Finance Officer and her first task was to figure out a budget for the new fiscal year July 2025 to June 2026. Due to the state of the finance office Ms. Bass had no information to go with except for the pile of invoices that had been unpaid in front of her and from there she was able to work out a budget to present to the Board and the citizens for the 25-26 fiscal year. Mrs. Rountree from the NC Treasury Department was the coach team member at that time and was very satisfied with the budget as presented. Ms. Bass worked diligently to get all the past due bills caught up and making sure that we were paying for accounts that were held by the towns and cancelled accounts that should have been closed many years ago. She had to work strategically to pay three years of Water Tank Maintenance which was a total of $50,000 while making sure that all the other invoices for the W/S department were being paid and not in arrears.

Ms. Bass made sure that we maintained strict budget management and that we had money in the proper line item to cover the expenses needed for each department. She supplied the Board with budget ordinance amendments and explained the reason for each transaction to the Board so that they would understand the reason for the money being moved from one line item to another.

Conclusion:

Based on the Guidance Criteria for Drafting an Appeal Based on "other Good Cause with Evidence", we respectfully request that this appeal be deemed successful due to these extenuating circumstances. The Town of Rich Square has demonstrated its commitment to compliance and accountability by addressing the issues hindering our progress and taking substantial steps towards resolution.

We humbly ask for the Commission's understanding and patience as the 2023 Fiscal Year End Audit is completely accepted and approved by the LGC. The withholding of our sales tax distributions would have severe repercussions for the Town, potentially under mining our ability for the Town to work towards completing another year end audit in a timely manner, and with providing essential services to our community. Considering the exceptional circumstances and our concerted efforts to resolve this matter, we kindly request that the Commission approve this appeal and defer any withholding actions.

Thank you for your understanding and consideration of this appeal.

Respectfully submitted,

Victoria Newcombe

Victoria Newcombe, Mayor
Town of Rich Square

Christ Bass

Christine Bass, Finance Officer

Attachment: Memorandum from Dennis Patton, Zoning Administrator
Projected Dates for Remaining Audits

109 N Main Street
P.O Box 336
Rich Square, NC 27869

Town of Rich Square

Phone: 252-539-2315
Fax: 252-539-3945
Website: richsquarenc.org

MEMORANDUM

Date: June 10, 2026

To: Local Government Commission Appeals Review

From: Dennis Patton, Zoning Administrator & Land Use Planner Dennis Patton

Subject: Appeal of Withholding Sales Taxes

I'm writing this letter on behalf of the current administration at the Town of Rich Square to appeal to your consideration of withholding a portion of the Town's sales taxes. Even though I am a contract "employee" for the Town in serving the Town on multiple projects to improve the community's planning, my many years of experience has taught me to observe and measure the sincere efforts of a town administration to make positive changes in all areas of governance.

As mentioned above, I have worked as a land use planner and grant administrator for many towns throughout the five-county region of the Upper Coastal Plain Council of Governments from which I retired several years ago. I began working with the Town of Rich Square two years ago because Mayor Newcombe had the foresight to convince the Board the Town needed a land use plan, which is near completion. The enthusiasm of the Advisory Committee spilled over into several running for Commissioners seat last November (and winning two seats). I mention this because I witnessed the final changes and steps towards an administration that stood for being transparent, abiding by the rules, and fulfilling its obligations. The transformation has been exciting to watch and participate in!

Reestablishment of a Planning Board, the hiring of a new (and competent) Town Clerk & Finance Officer, workshops with the community and businesses, improved relations with the County, establishing partnerships with other agencies, administering its ordinances, making amendments to some of the ordinances are some of the many things accomplished in the past 18 months and especially the past 7 months.

Obviously, the area of most concern to the LGC is local government's financial governance. The Mayor and Board's decision last year to hire Christine Bass as the new Town Clerk and Finance Officer has been a godsent for the Town and the Board. Given my work with the Planning Board and Zoning Ordinance amendments over the last 6 months, I have had the pleasure of attending recent Board of Commissioners' meetings and have listened to the financial reports from Ms. Bass. I found her reports thorough but explained in a way that their constituents can understand and see progress. She has been examining and paying invoices. Through her competence, she has been working diligently with their auditor, which has resulted in the FY 2022 being completed and submitted and FY 2023 to be submitted by the end of this month.

The Town of Rich Square has shown a commitment to taking the necessary steps to gradually straighten out its financial situation. They have shown real progress in a small town with a small staff. The withholding of sales taxes this past FY sent the intended message and placed severe limitations on their small budget. The Town is working several issues and positive changes with its limited budget. Continued withholdings will limit the Town's work towards positive changes. I sincerely ask that you consider signaling your understanding, patience, and acceptance of this progress by deferring any further withholding of sales taxes for the coming year. This will provide encouragement for progress well done with more audits to come.

109 N Main Street
P.O Box 336
Rich Square, NC 27869

Town of Rich Square

Phone: 252-539-2315
Fax: 252-539-3945
Website: richsquarenc.org

June 5, 2026

L. Paige Hufford
OCI Business Service Coordinator II
NC DEQ
Raleigh, NC

Ms. Hufford,

The time line that the Town of Rich Square's Mayor and Board of Commissioners have agreed to get the Town of Rich Square's audits current and up to date. After speaking with the Town's auditor Ethan Bumgarner, Senior Accountant for Martin & Starnes & Associates, CPAs, P.A. and the Town's certified public accountant Thomas Monte from Carr, Riggs, & Ingram it is very possible for the town to get all its audits caught up in the next four to six years. The proposed schedule for submission of the fiscal year end audits is as follows:

- Submit the June 30, 2022 audit by September 18, 2025
- Submit the June 30, 2023 audit by June 30, 2026
- Submit the June 30, 2024 audit by March 31, 2027
- Submit the June 30, 2025 audit by December 31, 2027
- Submit the June 30, 2026 audit by September 30, 2028
- Submit the June 30, 2027 audit by June 30, 2029
- Submit the June 30, 2028 audit by March 31, 2030
- Submit the June 30, 2029 audit by December 31, 2030
- Submit the June 30, 2030 audit by September 30, 2031

The Town of Rich Square's Mayor, Board of Commissioners, Auditor, Certified Public Accountant, Finance Officer, and department heads are committed in trying to get the Town's financial status up to date and current. Everyone involved understands that the Town of Rich Square will not be able to receive any additional funding opportunities until we have gotten the audits caught up and current.

Each Board member and department head acknowledges the importance of getting the Town of Rich Square back to good financial status with the Local Government Commission (LGC), NC Department of Treasury, and the NC Division of Environmental Quality Division of Water Infrastructure.

Thank you for your assistance and your patience as we continue to work to meet all the deadlines and conditions to maintain any federal and state funding for the betterment of the Town of Rich Square and its citizens.

Sincerely,

Mayor Victoria Newcombe

Finance Officer Christine Bass

TOWN OF SIMS | 6501 US HWY 264 ALT W, PO BOX 161, SIMS, NC 27880 | 252-237-4226

June 23, 2026

Local Government Commission Staff
North Carolina Department of State Treasurer
3200 Atlantic Avenue, Raleigh, NC 27604

RE: Town of Sims - FY2025 Audit Report

The reason that the Town of Sims FY2025 Audit Report has not been submitted is as follows:

- The auditor has been sick and had a family member pass away
- Auditor has not returned any calls, emails or text messages
- Finance Officer resigned in October 2024, following absences due to ongoing family health matters
- New Finance Officer was hired on February 6, 2025
- New Finance Officer has connected with an Auditor - Aline Accounting Partners Group - April Adams
- GWI Tax & Accounting is a member of Aline Accounting Partners Group has completed our FY2024 Trial Balance and Financial Statements
- We have a call with April Adams' team in the middle of July with a possible completion date of July 31, 2026
- We have extended our contract with April Adams (AAPG) and GWI Tax & Accounting for our FY2025 Audit Report.

Our timeline is the completion of FY2024 audit report by July 31, 2026. We hope to start the FY2025 audit report following the completion of FY 2024. With the shortage of Auditors, I feel lucky that we found April and her group to work with us and we would like to get this resolved as soon as possible.

Thank you for your time and assistance in this matter.

Truly yours,

Nichole Weeks
Town of Sims Finance Officer
finance@townofsimsnc.com

P.O. Box 97 • Star, NC 27356
Phone: (910) 428-4623 • Fax (910) 428-1170
townofstar@gmail.com

06/23/2026

Re: Late Audit

LGC

The Town of Star is currently completing its Fiscal Year 2023–2024 audit. According to auditor Nick Wicker of Strickland & Hardy, the FY 2023–2024 audit is expected to be completed by June 30, 2026. Following its completion, the FY 2024–2025 and FY 2025–2026 audits are anticipated to be completed by December 2026.

Over the past several years, the Town has experienced significant transitions, including the engagement of a new auditor in 2023, the hiring of a new Town Clerk in May 2024, and the implementation of new financial software in July 2023. These changes have contributed to delays in the audit process.

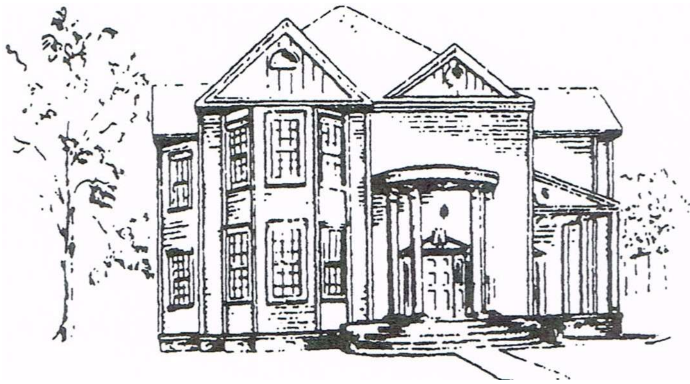
Town staff, elected officials, and our auditing team are working diligently to bring all audits current and ensure the Town's financial reporting is up to date as quickly as possible. We appreciate the patience and understanding of our residents as this work continues.

Tennille Hussey

Tennille Hussey, Town Clerk

6.23.26

Date



Established
1880

Town of Aurora

Mayor
James Curtis Hendrix Jr.

Financial Clerk
Rhonda Stallings

Commissioners
Sherri Hollister
Jamea Reed
Steve McCormack
Galene Williams

06/23/2026

Delay in audits

Hello,

I recently took over this position in March when the Town clerk/finance officer left and left the town in a mess. NCLM AIM program is helping us get caught up with audits and other financial issues we were left with.

We have submitted 2022-2023, 2023-2024 to our auditors and they are working on those we have ready to submit when they are ready 2024-2025, 2025-2026

I am diligently working on getting our town caught up from the previous employee. We would appreciate and assistance and kindness we could get

Thanks

Rhonda Stallings
Deputy Finance Officer

(252) 322-4611, Fax (252) 322-5896 E-mail: townofaurora@auroranc.org
PO BOX 86, AURORA NC 27806

Town of Colerain
110 Winton ST / PO Box 176
Colerain, NC 27924

June 30, 2026

RE: Financial Audit 2023 Town of Colerain Non-compliance

To whom it may concern:

The Town of Colerain is aware of the non-compliance of the FY2023 audit. We are currently awaiting the resolution of the SBI embezzlement case with the former Mayor. Until those accounts are legally rectified for FY 2023 the Town cannot produce a "Good Faith" audit.

The Town of Colerain respectfully asks for additional time to have this legal matter resolved so we may have proper documentation for a proper audit of our finances. We are looking to complete the FY 2023, FY 2024, and FY 2025 audits before the end of the calendar year.

We are working closely with our Coach Team Member to make sure our current budget and finances are in compliance. We respectfully request that no tax revenue is kept from the Town of Colerain due to our misfortune. We have hired additional staff to assist us in our record keeping and software conversion.

Thank you for your time and consideration on this important matter.

Respectfully,

Lynne Conner, Town Clerk/Finance Officer

Mayor
William Randy Mitchell, Jr.

Board of Commissioners
Theodore Bright
Diannia Bright
Anita Douglas
Gilbert Moore
Robert "Bobby" Pollock
Brenda Ingram, Town Clerk/Finance Director
Melissa Bryant, Water Clerk

Town of Dover

established 1901

105 North Main Street
Post Office Box 128
Dover, NC 28526

Telephone: (252) 523-9610
Facsimile: (252) 523-0239
Brenda Ingram, Town Clerk
townclerkdover5@gmail.com
Melissa Bryant, Water Clerk
waterclerktownofdover@gmail.com

05/05/26

Re: Notice on Noncompliance for Fiscal Year 2025 Audit – Appeal

The Town of Dover wishes to appeal the notice of noncompliance based on "Other Good Cause With Evidence to Support the Basis for the Appeal."

Since 2018, the Town has experienced heavy turnover in key positions, including Town Clerk. There were several clerks within that time frame until a new clerk was hired in June of 2023. At that time, the Town was in the middle of the June 2022 audit, and it was found that many entries had been made incorrectly into the accounting software and paperwork had not been maintained as needed. The lack of consistency caused the audit to be substantially more time-consuming and difficult. The Town has been in contact with the audit firm, Carr, Riggs & Ingram and are working diligently to begin the June 2023 audit. However, the auditor has requested we work to ensure the books are as accurate as possible to avoid similar issues to the FY22 audit. Carr, Riggs & Ingram have stated that they will provide a FY23 timeframe for the town once we are able to let them know we have addressed the bookkeeping issues.

Currently, the Town, with the help of the NCLM, is working with Greg Isley, CPA firm to complete catch up bookkeeping to prepare for a transition to Black Mountain Software. Part of that process includes FY23 reconciliation and year-end closeout in preparation for the FY23 audit. We are working diligently to complete this catchup bookkeeping together to be able to move forward and complete the FY23 audit. Please let me know if we can provide any additional information that would be helpful in the appeals process.

It is the Town's intention that the audits going forward be completed in accordance with the stated requirements and we are confident that working with Greg Isley, CPA will put us in a better position to move forward smoothly.

Thank you,

William R. Mitchell Jr.

William R. Mitchell, Jr.

Mayor

ROBERSONVILLE
martin county

June 22, 2026

To: Secretary and Members of the Local Government Commission

Re: Notice of Non-Compliance for Fiscal Year 2025 Audit Appeal

Please accept this letter as our formal appeal in reference to the Notice of Non-compliance for our Fiscal Year 2025 audit and the potential withholding of Sales Tax Revenues pursuant to NCGS 159-34€ on behalf of the town of Robersonville, NC.

As you are aware, the Town of Robersonville was under the control of the State from October 2020 – September 2023. Since resuming control in September of 2023, the Town has been able to submit the FY21 audit (July 2024) and the FY22 audit (May 2025). Cherry Bekaert has completed the FY23 audit report (dated April 15, 2026 and presented to Council on June 9, 2026) and is finalizing the completion of the single audit report to submit to the LGC.

The audit group, Cherry Bekaert is anticipating that the FY23 report will be submitted by the end of July 2026. We are ready to move forward with work on the FY24 report as soon as the FY23 report is submitted. We had hoped to have made more progress by now. We have hired part-time staff to assist with auditor requests and have hired an outside firm, GTI Tax, to compile financial statements. Our plan is to continue to move forward with subsequent year's audits based on the auditor's availability until we can become current.

The Town of Robersonville realizes the importance of timely audited financial statements. We respectfully request waiver of withholding while we continue to work to bring current the records of the Town. We are making progress and will continue to work toward being current with our audits and to maintain a current record. Losing sales tax revenue would create a negative impact on the operations of the Town's General Fund and likely affect the level of services we provide our citizens.

Please contact Linda Modlin, Finance Officer, or Jonathan Russell, Town Manager, with any questions or requests for additional information. Contact information is as follows:

Linda Modlin
lmodlin@townofrobersonville.org
(252)508-0306

Jonathan Russell
manager@townofrobersonville.org
(252)508-0311

Thank you for your time and consideration of this request.

Respectfully,

Linda Modlin

Linda Modlin
Finance Officer

TOWN OF CANDOR

P.O. Box 220
214 S. MAIN ST.
CANDOR, NC 27229
www.TOWNOFCANDORNC.COM
(910) 974-4221

MAYOR
Phillip Hearne

MANAGEMENT ADVISOR
RON NILAND

COMMISSIONERS
LAYTON BOOKER
TIM SMITH
JERRY BREWER
DAVID KELLIS
DANIEL HARRIS

June 25, 2026

RE: FY 2025 Financial Audit Noncompliance

To Whom It May Concern:

The Town of Candor acknowledges the noncompliance status of the FY 2025 audit. The Town has been working diligently with its auditing firm to bring the outstanding audits up to date and complete them as promptly as possible.

The FY 2021 audit has been submitted, and the firm is currently finalizing the FY 2022 audit, with an anticipated completion date of July 31. The Town has also been working with the AIM program and has identified additional auditing firms that may be interested in assuming responsibility for future audits. The current auditing firm originally projected a May 30 completion date, at which time two firms indicated they would be willing to complete the next audit and submit it by October 31. However, because the current auditor has experienced another delay, those firms are no longer able to commit to completing the next audit within such a limited timeframe. Once the FY 2022 audit has been submitted and approved by the LGC, we are confident the Town can secure a firm to complete the FY 2023 audit by early 2027, with the FY 2024, FY 2025, and FY 2026 audits following closely thereafter.

The Town has continued to closely monitor its budget and financial position to ensure that the delayed audits do not place the Town in financial jeopardy. We respectfully request that no sales tax revenue be withheld from the Town of Candor as a result of this situation.

Sincerely,

Phillip Hearne
Mayor of the Town of Candor

Tammy K Kellis
Tammy K Kellis
Finance Officer

Town of Littleton

Explanation for Delay in Submission of FY 2025 Audit

The Town of Littleton respectfully submits the following explanation regarding the delay in the completion and submission of its FY 2025 audit report.

The Town has made every reasonable effort to facilitate completion of the audit and has continuously cooperated with its auditors and other parties involved in the audit process. The delay is primarily attributable to issues related to auditor workload, turnover of firms and personnel involved in the audit process, and delays in the preparation and review of financial statements and supporting documentation. These circumstances are documented through audit contract amendments, correspondence, and audit timelines maintained by the Town.

Background

In July 2021, the Town's previous auditor notified the Town that he would no longer provide local government audit services, requiring the Town to secure a new audit firm. The Town subsequently entered into a contract with Winston, Williams, Creech, Evans & Company, LLP to perform the FY 2021 audit. During the audit process, the audit firm determined an independent accounting firm would be needed to prepare financial statements due to independence requirements. As a result, Anthony & Tabb CPA was engaged to prepare the financial statements necessary for completion of the audit.

Causes of Delay

1. Auditor Workload and Staffing Issues

The Town's November 2024 audit contract amendment identified "Issue with auditor staff turnover/workload" as the reason for extending the audit completion date. The amendment notes that as of November 6, 2024, the audit firm had not received information from the outside accounting firm responsible for preparing the financial statements and indicated that timing of completion would coincide with the 2024 tax season because staffing resources were limited.

The May 2026 audit contract amendment further documents that the audit firm continued working through information provided by the third-party accounting firm and experienced staffing limitations during tax season. The amendment specifically states that staff availability for audit work was restricted until completion of tax season responsibilities.

2. Delays in Preparation of Financial Statements

Throughout 2024 and 2025, the Town repeatedly followed up regarding preparation of the financial statements needed to complete the audit. Documentation shows that:

- In November 2024, the Town was informed that the trial balance was needed before financial statements could be finalized and provided to the auditor.
- In March 2025, Town officials contacted the accounting firm to obtain status updates and were informed that software issues and other ongoing projects were delaying completion of reports needed by the auditor.
- On March 31, 2025, the Town was advised that the financial statements had finally been completed, and the auditor requested additional supporting documentation and adjustments for review.
- On April 1, 2025, the accounting firm notified the Town that all documents had been uploaded and were available for auditor review.

3. Outstanding Information Requests During Audit Review

The auditor subsequently identified additional information needed to finalize the audit, including depreciation information related to a sewer repair and a clearer copy of a conversion worksheet. The Town immediately worked to obtain and provide the requested information once the requests were received. Correspondence dated March 31, 2026, documents these remaining items.

Mitigating Actions Taken by the Town

The Town has taken numerous actions to facilitate completion of the audit, including:

1. Promptly securing a replacement auditor after being notified that its prior auditor would no longer perform governmental audits.
2. Providing records, financial information, and supporting documentation requested by auditors and accounting firms throughout the audit process. Town staff participated in onsite meetings, document transfers, and electronic uploads of information.
3. Maintaining regular communication with the auditor and accounting firms to monitor progress and identify outstanding requirements. Town officials repeatedly requested status updates and sought timelines for completion.
4. Working with outside accounting professionals to assist with cleanup, closing of books, preparation of financial statements, and audit support. The Town also committed to continuing to utilize qualified outside assistance until sufficient internal expertise and resources are available.
5. Promptly responding to auditor requests for additional information and supporting documentation as those requests were identified.

Conclusion

The Town of Littleton acknowledges the importance of timely audit submission and remains committed to achieving compliance with all Local Government Commission requirements. The delay was not the result of inaction by the Town but rather arose from a combination of auditor workload constraints, delays in third-party financial statement preparation, staffing limitations during tax season, and the need for additional supporting information during final audit review. Throughout the process, the Town actively communicated with all parties involved, provided requested information, and engaged qualified outside assistance to move the audit toward completion. The Town respectfully requests the LGC consider these documented circumstances as good cause for the delay and allow additional time for final completion and submission of the audit report.

Town of Littleton

Audit Recovery and Compliance Plan

Completion of FY 2022, FY 2023, FY 2024, and FY 2025 Audits

Accountant: Beverly Stroud, CPA
Auditor: Thompson, Price, Scott, Adams & Co., P.A.

Purpose

The Town of Littleton is committed to restoring audit compliance and becoming current with all outstanding audits. The Town has engaged Beverly Stroud to provide accounting and financial statement preparation services and Thompson, Price, Scott, Adams & Co., P.A. to perform the independent audits. The Town's objective is to complete two audits per fiscal year until all outstanding audits have been submitted to the Local Government Commission (LGC).

The original FY 2022 audit contract required submission by October 31, 2022. This recovery plan establishes a structured schedule to complete FY 2022 and FY 2023 by June 30, 2027, and FY 2024 and FY 2025 by June 30, 2028.

Fiscal Year 2027 Recovery Schedule

FY 2022 Audit

July 2026 – December 2026

Month	Anticipated Activity	Responsible Party
July 2026	Complete reconciliation of all bank accounts, investments, debt schedules, and utility accounts	Beverly Stroud
August 2026	Complete general ledger review and correcting entries	Beverly Stroud
September 2026	Prepare draft financial statements and required schedules	Beverly Stroud
October 2026	Deliver audit-ready package to auditor	Beverly Stroud & Town Staff
October-November 2026	Fieldwork and audit testing	Thompson, Price, Scott, Adams

Month	Anticipated Activity	Responsible Party
December 2026	Resolve findings, finalize report, Board acceptance	All Parties

Target Submission:

December 31, 2026

FY 2023 Audit

January 2027 – June 2027

Month	Anticipated Activity	Responsible Party
January 2027	Verify opening balances and prior-year adjustments	Beverly Stroud
February 2027	Reconcile all balance sheet accounts	Beverly Stroud
March 2027	Complete grants, debt, and capital asset schedules	Beverly Stroud
April 2027	Submit completed audit package	Beverly Stroud
April-May 2027	Auditor fieldwork	Thompson, Price, Scott, Adams
June 2027	Final report issued and accepted by Board	All Parties

Target Submission:

June 30, 2027

Fiscal Year 2028 Recovery Schedule

FY 2024 Audit

July 2027 – December 2027

Month	Anticipated Activity	Responsible Party
July 2027	Close fiscal year and review FY 2024 records	Beverly Stroud
August 2027	Complete account reconciliations and journal entries	Beverly Stroud

Month	Anticipated Activity	Responsible Party
September 2027	Prepare financial statements	Beverly Stroud
October 2027	Submit audit package to auditor	Beverly Stroud
October-November 2027	Audit fieldwork and testing	Thompson, Price, Scott, Adams
December 2027	Finalize audit report and Board acceptance	All Parties

Target Submission:

December 31, 2027

FY 2025 Audit

January 2028 – June 2028

Month	Anticipated Activity	Responsible Party
January 2028	Complete year-end closing and opening balance verification	Beverly Stroud
February 2028	Prepare reconciliations and supporting schedules	Beverly Stroud
March 2028	Complete draft financial statements	Beverly Stroud
April 2028	Deliver final audit package	Beverly Stroud
April-May 2028	Auditor fieldwork and review	Thompson, Price, Scott, Adams
June 2028	Final report issued, accepted, and submitted to LGC	All Parties

Target Submission:

June 30, 2028

Oversight and Monitoring

To ensure successful completion of this plan, the Town will implement the following monitoring procedures:

Monthly

- Reconcile all bank accounts by the 15th of the following month.
- Review general ledger activity and outstanding items.
- Status report provided to the Mayor and Board of Commissioners.
- Progress connecting between Town officials, Beverly Stroud, and Thompson, Price, Scott, Adams & Co., P.A.
- Review completion percentages and adjust schedules if necessary.

Corrective Actions Implemented

The Town has taken the following steps to prevent future audit delays:

1. Retained Beverly Stroud to provide professional accounting services and prepare audit-ready financial statements.
2. Retained Thompson, Price, Scott, Adams & Co., P.A. to perform independent audits.
3. Established a written audit recovery schedule with defined milestones and completion dates.
4. Implemented monthly reconciliation and review procedures.
5. Committed resources necessary to complete two audits annually until the Town is current.

Expected Audit Submission Schedule

Fiscal Year	Target Completion	Target LGC Submission
FY 2022	December 2026	December 2026 / January 2027
FY 2023	June 2027	June 2027
FY 2024	December 2027	December 2027 / January 2028
FY 2025	June 2028	June 2028

105 N. Railroad Street
Post Office Box 185
Macclesfield, NC 27852
(252) 827-4823

townofmacclesfieldnc@gmail.com

Jean Wooten-Jiles, Commissioner
Joyce Braxton, Commissioner
Patrick Bridgers, Commissioner
Peggy Walker, Commissioner

Michael Speight, Mayor
Jennifer Twiss, Town Administrator
Gracieann Etheridge, Town Clerk
Chevy Taylor, Public Works Director

Denise H Canada
Secretary, Local Government Commission
Deputy Treasurer, State and Local Government Finance Division

May 11, 2026

Dear Ms. Canada,

I am writing in response to the notice on noncompliance letter we received dated April 29, 2026, regarding the Fiscal Year 2025 audit. We do realize that the FY25 audit has not been submitted and that the last completed audit was FY 2021. We have been working with Mr. Mike Carey with RH Consulting out of Greensboro on the FY22 audit.

We received an email from Mr. Carey on April 13, 2026, stating that he would not be able to focus back on the FY22 audit until July (after almost two years of repeated calls and emails from the town staff asking what they needed and sending over anything requested). The email also stated that the town needed to find someone else to complete the FY23 audit. We have reached out to Mr. Carey as has Ms. Kendra Boyle to try and see how best to move the FY22 audit towards completion.

We have a contract with Cherry Bekaert to assist with year end closeout on the years and they have drafted our FY22 statements pending Mr. Carey's review and completion of the audit. Cherry Bekaert has continued to progress forward and is positioned to supply the subsequent years of data in a timely manner.

Based on the April notice from Mr. Carey, we have begun the process of engaging another auditor, however they cannot start until RH is finished with FY22. We have requested that he consider turning over the unfinished FY22 work to us so someone else can complete it sooner but have received no response. The town is at the mercies of RH Consulting at the moment but please know we are actively seeking another auditor so when FY22 is complete, we can move forward at full speed.

We thank you for your time and understanding and consideration of this appeal to the withholding of our sales tax proceeds. If there is further information I can supply, please do not hesitate to let me know.

Sincerely,

Jennifer Twiss

Jennifer Twiss
Town Administrator

ROBBINS

Moving Forward Together

29 June 2026

To: NC State and Local Government Finance Division and Local Government Commission.

From: Clint Mack, Robbins Town Manager

Re: Annual Audit Compliance Appeal

LGC Appeals Committee,

In accordance with G.S. 159-34, the Town of Robbins would like to submit the following evidence and timeline for consideration for appeal as submitted the prior year with additional information:

- July 2021, Robbins hires a qualified Town Manager and subsequently hires a new Finance Officer and Clerk. Robbins was three (3) years delinquent as of 1 July 2021 on annual audits.
- The Robbins town staff worked diligently with William Huneycutt CPA *of Huneycutt, Parsley, and Taylor CPAs* until December 22nd, 2022, when Mr. Huneycutt surprisingly informed the Robbins staff that his firm would no longer complete municipal annual audits, despite already receiving the Town's annual records and was working on the current audit for nearly three months.
- The Town of Robbins immediately submitted a public Request for Qualified Proposals (accounting firm) and received zero (0) proposals, which led to an independent search for a new auditor. In February 2023, Robbins signed a new contract with *Strickland and Hardee PLLC* and was assigned to Nick Wicker, CPA, with an agreed deadline for June 30th, 2023, for the fiscal year 2022 audit; however, the previous auditor (Huneycutt) provided no notes, spreadsheets, details, or explanations of adjustments other than the 2021 completed audit including stating that the files were stolen out of his vehicle and a computer crash resulted in all CPA and Town files being lost. This led to Mr. Wicker needing to recreate Robbins' entire audit portfolio which he was unwilling to complete and voided the audit contract.
- The Robbins staff have worked with LGC and followed their guidance of enrolling in the AIM program which has led to the contracting of *Beverly Strout CPA* for pre-audit services and *Mauldin & Jenkins CPA Services* who are currently completing FY2022 with a due date of 30 July 2026. Additionally, the Town has accepted an NCLM finance mentor and attended monthly training sessions to increase staff capability along with monthly meetings with our LGC representative. The Town of Robbins has complied immediately with all records, requests, and information requested by the current auditor and have assisted in every legal way possible to complete the independent audit.

We are fully confident and reassured by our CPA and auditor that the FY2022 audit is the biggest hurdle to conquer due to recreating our entire financial auditing file. After July 30th, 2026, we are working in concert with our CPA to re-audit the following years simultaneously and will be well on our way towards compliance in a much shorter timeframe hereafter.

The point of contact for this appeal is undersigned or manager@townofrobbins.com

Clint E. Mack
Town Manager
Robbins, NC.

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