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 124 W Main St.
Pilot Mountain, NC 27041

June 24, 2025

Ms. Denise Canada, Secretary
North Carolina Local Government Commission
NC Department of State Treasurer
3200 Atlantic Ave
Raleigh, NC 27603

Dear Secretary Canada,

In response to your notice to the Town of Pilot Mountain dated June 23, 2026, regarding late audits, please accept this letter as the appeal for the Town of Pilot Mountain to avoid the withholding of sales tax as a consequence of being behind on its annual audits.

In October, 2024, the Town discovered that the former Town Manager and Finance Officer had not been truthful with the Board or the staff regarding the financial health of the Town nor about the completeness of the accounting records. He was dismissed and the State Bureau of Investigation (SBI) working with the area District Attorney, uncovered evidence of fraud. The former manager was recently indicted and charged with felony embezzlement. The SBI investigation is ongoing as of the date of this letter. As a result of the indictment the Town anticipates collecting on the bond that was in place on the former finance officer. These funds, once received, will go into reserves.

The Town, with assistance from GWI Tax and Accounting and the NC League of Municipalities (League), has completed its 2023 audit and the audit for the 2024 fiscal year is underway. The Town hired a new audit firm to complete the 2024 audit (PB Mares) and fieldwork is underway. GWI is wrapping up the preparation of the financial records and financial statements. Work will continue on the 2025 fiscal year data as soon as 2024 is complete. It is important to remember that the 2024 fiscal year is the last full year that the former town manager/finance officer was employed by the Town.

Town staff has encountered some difficulties in locating documents including some contracts entered into by the former manager, and it having to search his emails to locate necessary items.

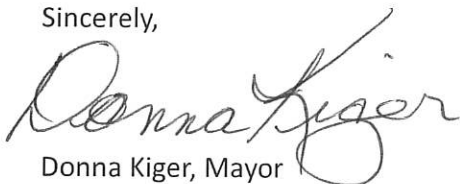
The Town has made great progress in the last year. In May, 2026, the sale of the Pilot Center property was closed, enabling the Town to liquidate the last of the outstanding payables from all prior years. The Town maintains ownership of the vacant parcels surrounding the Center building and will continue to look for opportunities to liquidate one of those properties. In November, 2024, the Town turned over operations of the Armfield Civic Center to a local non-profit, relieving the Town from most of the costs associated with operating and maintaining the facility. In October, 2025 the Town hired an experienced finance officer, and has made an offer of employment for a town manager who will be scheduled to start work in early August.

The Town agreed to participate in and has completed the League's Accounting Instruction and Mentorship program. The interim manager, finance officer, and assistant town manager attended all sessions while department heads and others, including some board members, attended sessions deemed to be critical in moving the Town forward. Town staff also has been attending other financial training offered by the League.

It has been another stressful fiscal year for the Town but the board and staff have been and will continue to work together to address the deficiencies in the town's finance function. Completing the outstanding audits is a top priority. We respectfully request that sales tax not be withheld from our distributions.

Please do not hesitate to contact me with any questions or need for additional information.

Sincerely,

A handwritten signature in black ink that reads "Donna Kiger". The signature is fluid and cursive, with a large, stylized 'D' and 'K'.

Donna Kiger, Mayor
Town of Pilot Mountain

