



**Town of Micro**  
**Board of Commissioners Meeting AGENDA**  
**Tuesday – June 13, 2023**  
**7:00 p.m.**  
**Micro Town Hall**

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**1. CALL TO ORDER**

- Call to Order
- Pledge of Allegiance  
Invocation

**2. PUBLIC COMMENT**

**3. ADJUSTMENT/ADOPTION OF THE AGENDA**

- a. Adjustments to the Agenda
  
- b. Adoption of the Agenda

**POTENTIAL ACTION:** Adoption of Agenda

**4. CONSENT AGENDA**

*(Items on the consent agenda are considered routine in nature or have been thoroughly discussed at previous meetings. Any member of the Board may request to have an item removed from the consent agenda for further discussion.)*

- a. Draft Minutes
  - *May 9, 2023 – Regular Session*
- b. Certificate of Sufficiency – 2023-10-ANX – Maci Creek
  - *Certificate*
- c. Resolution to Set Public Hearing – 2023-10-ANX – Maci Creek
  - *Resolution #2023-08*

**POTENTIAL ACTION:** Adoption of Consent Agenda as Presented

**5. SPECIAL PRESENTATION/INTRODUCTIONS**

**6. FINANCIAL REPORT**

- a. Financial Update  
*Presenter: Lee Worsley, Exec. Director – Triangle J Council of Governments*  
*Will be provided under Old Business – Triangle J Assistance to Micro Report*

**PLANNING BOARD REPORT**

**7.**

- a. Planning Board Report  
*Presenter: Planning Board Representative*
  - *Report*

**POTENTIAL ACTION:** None - Informational Only

## 8. POLICE REPORT

- a. Police Department Monthly Update  
*Presenter:* Macon Jones, Police Chief
- *Monthly Update*

**POTENTIAL ACTION:** None - Informational Only

## 9. PUBLIC HEARINGS

- a. 2023 – 2024 Annual Budget  
*Presenter:* Lee Worsley, Exec. Director - Triangle J Council of Governments

**POTENTIAL ACTION:** Receive Public Input

- b. Special Use Permit 2023-12-SUP - *Quasi-Judicial\**  
Doris Sims – Replace Single Wide w/Double Wide Mobile Home  
*Presenter:* Doris Sims, Applicant
- *Application*
  - *Public Hearing Notice Letters*
  - *Certification of Mailings*

**POTENTIAL ACTION:** Approval or Denial of 2023-12-SUP

- c. Special Use Permit 2023-20-SUP – *Quasi-Judicial\**  
Salinas Subdivision – Four Double Wide Mobile Homes  
*Presenter:* Patti Hildreth, Applicant Representative
- *Application*
  - *Public Hearing Notice Letters*
  - *Certification of Mailings*

**POTENTIAL ACTION:** Approval or Denial of 2023-20-SUP

*A Quasi-Judicial hearing resembles a court trial where testimony is presented. Citizens may give testimony in a quasi-judicial hearing after they have taken an oath. The Board of Commissioners acts like a court of law and receives only sworn testimony and other credible evidence. In addition, the Board must make findings of fact based upon the evidence presented. The Board refrains from “ex parte communication” about these cases, as the Board must decide based SOLELY on the evidence presented at the hearing itself.*

## 10. NEW BUSINESS

- a. Salinas Subdivision (Major – Preliminary Plat) – 2023-11-SUB
- *Application*

**POTENTIAL ACTION:** Approval or Denial of 2023-11-SUB

- b. '21-'22 Audit Contract & Engagement Letter  
*Presenter:* Lee Worsley, Exec. Director – Triangle J Council of Governments
- *Contract*
  - *Engagement Letter*

**POTENTIAL ACTION:** Authorize Execution of Contract & Engagement Letter

- c. Budget Amendments  
*Presenter:* Lee Worsley, Exec. Director – Triangle J Council of Governments
  - *Budget Amendment(s) Ordinance*

**POTENTIAL ACTION:** Adoption of Ordinance #2023-06-04

#### 11. OLD BUSINESS

- a. Triangle J Assistance to Micro – Monthly Update/Report  
*Presenter:* Lee Worsley, Exec. Director – Triangle J Council of Governments

**POTENTIAL ACTION:** None - Informational Only

#### 12. COMMISSIONER REPORTS

- a. Special Events Report  
*Presenter:* Katy Garcia, Commissioner

**POTENTIAL ACTION:** None - Informational Only

#### 14. ADJOURNMENT

- a. Adjourn the Meeting

**POTENTIAL ACTION:** Motion to Adjourn



**Town of Micro**  
**Board of Commissioners Meeting MINUTES**  
**Tuesday – May 9, 2023**  
**7:00 p.m.**  
**Micro Town Hall**

**Board of Commissioners Present:**

Marty Parnell, Mayor  
Kevin Worley, Mayor Pro Tem  
Coy Stanley, Commissioner  
Katy Garcia, Commissioner

**Staff Present:**

Lisa Lee, Deputy Town Clerk  
Johnny Stanley, Public Works Director

**Others Present:**

Lee Worsley, Triangle J COG  
Nancy Medlin, Triangle J COG  
Kimberly Moffett, Interim Town Clerk

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**1. CALL TO ORDER**

- Call to Order
- Pledge of Allegiance
- Invocation

Mayor Parnell called the meeting to order at 7:02 p.m. The Mayor led everyone in the Pledge of Allegiance and Commissioner Stanley shared the Invocation.

**2. PUBLIC COMMENT**

A resident Question regarding suggestion about suggestion box

**3. ADJUSTMENT/ADOPTION OF THE AGENDA**

- a. Adjustments to the Agenda

It was requested that three additional items be added. The first item will go under Consent for a Resolution Directing Town Clerk to Certify Sufficiency of Annexation Application. Two items will go under New Business. The first will be reference a Resolution Authorizing Johnston County to collect property taxes and the second is a contract regarding correctional facility offender/labor program.

- b. Adoption of the Agenda

**ACTION:** Adoption of Agenda with adjustment as noted above

Motion: Commissioner Garcia  
Second: Commissioner Stanley  
Vote: Unanimous

**4. CONSENT AGENDA**

*(Items on the consent agenda are considered routine in nature or have been thoroughly discussed at previous meetings. Any member of the Board may request to have an item removed from the consent agenda for further discussion.)*

- a. Draft Minutes
- April 11, 2023 – Regular Meeting

- b. Resolution Directing Clerk to Certify Sufficiency – 2023-10-ANX
  - Resolution #2023-07

**ACTION:** Adoption of Consent Agenda as Presented

Motion: Commissioner Stanley

Second: Commissioner Garcia

Vote: Unanimous

## 5. SPECIAL PRESENTATION/INTRODUCTIONS

## 6. FINANCIAL REPORT

- a. '21-'22 Audit Report  
*Presenter: Lee Grissom - S. Preston Douglas*

Mr. Grissom joined the meeting via Zoom and presented details regarding the FY '21-'22 audit. He stated the audit was late being submitted. He further stated due to numerous staff turnover, a good portion of the required information was difficult to gather.

Mr. Grisson stated the audit was clean and had been submitted to the Local Government Commission (LGC). It was accepted by the LGC on April 24, 2023.

He further stated that the previous two audits were also very late. He offered his thanks to the COG staff for their assistance.

He stated there were no issues with management, no fraud nor was there a need for an additional auditor to be consulted.

He shared information that included bank reconciliations need to be completed on a timely basis moving forward. He also spoke about segregation of duties, which is acknowledged can be difficult in a small municipality.

He stated there were budget overages in the General Fund in multiple departments. He stated he did not feel there was any fraud, simply previous employees not having a financial background and not understanding the process. He further stated that submission of late audits speaks to internal control and being able to have the books ready for a timely audit is extremely important. He stated with reference to financial reporting and record keeping several accounts were not being accounted for appropriately. He shared information about non-compliance related to debt service ratio and stated general fund reserve was not in good shape. He stated the general fund was trending downward as well as the number of months in reserve. He stated it was extremely important for this to turn around.

With reference to the Water Sewer Fund it has been in the negative for the past two years and it is extremely important it be in the positive.

With reference to property tax collection, the state average is 98-99% and Micro was slightly lower.

He stated it was very important to get a handle on the current financial situation.

- b. Financial Update  
*Presenter:* Lee Worsley, Exec. Director - Triangle J Council of Governments

This item was presented under Old Business – Triangle J Update.

## 7. PLANNING BOARD REPORT

- a. Planning Board Report  
*Presenter:* Planning Board Representative

There was no report from the Planning Board as the April 2023 meeting was cancelled. The next update will be provided at the June 13, 2023 Board of Commissioners meeting.

## 8. POLICE REPORT

- a. Police Department Monthly Update  
*Presenter:* Macon Jones, Police Chief

Chief Jones was not able to attend the meeting this evening. He provided a written monthly updated report, which was included in the agenda packet. Commissioner Stanley shared the report.

## 9. PUBLIC HEARINGS

## 10. NEW BUSINESS

- a. Resolution – Daily Bank Deposits  
*Presenter:* Kimberly A. Moffett, Interim Town Clerk
  - Resolution #2023-04

Ms. Moffett shared information regarding this Resolution. She stated NCGS requires a daily bank deposit for municipalities. She further stated that if it were the desire of the governing board to allow for the requirement of a set amount versus a daily deposit that could be done via Resolution.

**ACTION:** Motion to Adopt Resolution # 2023-04

Motion: Mayor Pro Tem Worley  
Second: Commissioner Stanley  
Vote: Unanimous

- b. Resolution - Adopting Charter Amendment of Triangle J COG  
*Presenter:* Lee Worsley, Executive Director – Triangle J Council of Governments
- Red Line Version
  - Clean Version
  - Resolution #2023-05

Mr. Worsley provided detailed information regarding proposed charter amendment for Triangle J Council of Governments as well as a rebrand. He shared details about the history and process. He shared details regarding the name change and how it no longer was the most appropriate name as the COG now represents many municipalities outside of the Triangle. He stated the proposed charter changes must be approved by 2/3 of current membership. He stated the goal was to have everything in place and ready for the change by July 1, 2023.

The new name will be Central Pines Regional Council. Mr. Worsley shared details about the purpose and vision. He requested that the board consider adoption of the Resolution, accepting the proposed changes to the COG.

**ACTION:** Motion to Adopt Resolution #2023-05

Motion: Commissioner Stanley  
Second: Commissioner Garcia  
Vote: Unanimous

- c. Presentation of FY 2023-2024 Recommended Budget  
*Presenter:* Lee Worsley, Executive Director – Triangle J Council of Governments

Mr. Worsley provided details regarding the proposed FY '23-24 budget. He stated a Public Hearing would be held to allow for public comment and input. He further stated potential adoption of the budget would take place at a Special Meeting following the Public Hearing. He stated the proposed date for the Public Hearing would be June 13, 2023, which is a regular board meeting and the proposed date for the Special Meeting, where the '23-'24 budget would potentially be adopted, would be June 15, 2023.

Details were shared regarding the difference of the General Fund and the Water Stewer Fund. He stated the Water Sewer Fund is an “enterprise” fund, which must stand on its own and is funded through fees collected by the town for water and sewer.

There is a proposed overall reduction of 20% in the General Fund. There is no fund balance appropriated to create a balanced budget. There is no proposed property tax increased and no significant changes to levels of service being proposed.

A 2% water sewer rate is recommended. It was further stated that even with a 2% increased the water sewer fund is only breaking even and this is a dangerous position to be in with an aging system. It was further stated the possibility exists there may be a higher increase based upon any increase approved by the County and/or the Town of Kenly.

There are no salary increases proposed. Additionally, the town will not be able to offer health insurance to employees. This budget will not fill the current vacancies of the Town Clerk or the Finance Officer and also leaves all part-time police positions vacant. The part time Public

Works employee hours would be cut from an average of 24 hours per week to 12 averages per week. There was discussion about being able add a NC Local Government LEAD Fellow to the town. This position will be offered to the town at a greatly reduced cost of \$25,000 annually. This position would be a full-time person for the town and with the addition of a full-time staff person to the town, it will allow for the hours of town hall to be reconsidered.

Mr. Worsley stated that high level the town is in a good position.

**ACTION:** Set Public Hearing for June 13, 2023 & Set Special Meeting for June 15, 2023

Motion: Commissioner Garcia  
Second: Commissioner Worley  
Vote: Unanimous

- d. Resolution Authorizing Johnston County to Collect Taxes on Behalf of the Town of Micro  
*Presenter:* Kimberly A. Moffett, Interim Town Clerk

Ms. Moffett provided information regarding the annual requirement to authorize Johnston County to collect property taxes on behalf on municipalities. This Resolution authorizes Johnston County to collect all property tax for the Town of Micro for FY '23-24.

**ACTION:** Adoption of Resolution #2023-06

Motion: Commissioner Stanley  
Second: Mayor Pro Tem Worley  
Vote: Unanimous

- e. Correctional Facility Inmate Labor Work Program Contract  
*Presenter:* Johnny Stanley, Public Works Director

Mr. Stanley provided details and stated the cost to the town for daily manual laborer is \$1.00 per day. Currently, the worker is at the town 3 days a week.

**ACTION:** Approval of Contract

Motion: Commissioner Stanley  
Second: Commissioner Garcia  
Vote: Unanimous

## 11. OLD BUSINESS

- a. Triangle J Assistance to Micro – Monthly Update/Report  
*Presenter:* Lee Worsley, Exec. Director – Triangle J Council of Governments

Mr. Worsley provided a monthly update of service to the Town. He stated it was required that we provide a draft budget to the LGC no later than May 15, 2023. Following submission to the LGC, they will review and provide feedback. It was further stated that a draft version was submitted to the LGC and if there are any questions from them the COG will keep the board updated and information.



Mr. Worsley addressed some of the findings of the audit and how we are assisting in clearing up some of the concerns. He stated that Ms. Medlin has completed all bank reconciliations through May 2022 for the General Fund. We still need to complete the reconciliations for the Water Sewer Fund. It is hoped that with the completion of the bank reconciliation it will greatly assist the auditor and make the process smoother.

Ms. Medline provided information and details about the lack of bank reconciliations. She stated the current financial software had not been utilized. It is now set up and working properly. She further stated that once everything is completely caught up, she will be able to quickly hand everything over to the auditor. She further stated that once everything related to FY '21-22 is caught up she will begin to train Ms. Lee who will take over the handling of this project. Moving forward, everything will be much easier once cleaned up and standardized.

The board offered their thanks and appreciation to Ms. Medlin for her assistance and dedication.

Mr. Worsley stated that he fully expected to see mention of over expenditures in the next audit but following that it is hoped that finding will cease. He stated that a Purchase Order System has been set up that allows every single line item to be seen. He further stated that when required budget amendments can be completed. He further stated he felt good and feels we may have gotten the budget stabilized without having to use any many funds as initially thought would be necessary. He further stated the hope is that large fund balance appropriations may be able to be reduced.

It was stated that a Budget to Actual was also due to the LGC by May 15, 2023. He stated this report was submitted yesterday. Details regarding the summary report were provided. While we are still concerned about the cash position, it is hoped that ARPA funds will help to build that cash position back up.

The Powell Bill Fund balance is approximately \$87,000. Mr. Worsley thanked Mr. Stanley for his assistance with using these funds for required street repairs.

It was stated that the Community Building Renovation Fund balance stands at approximately \$280,000.

Mayor asked if we would still be using approximately 50% of ARPA Funds. Mr. Worsley stated approximately \$80,000 had been identified as eligible expenses for these funds.

There was a brief discussion regarding the Town of Kenly and a proposed 3% increase. It was stated we will need to wait and see what increase the Town of Kenly approves. Any increase Kenly approves will be passed onto to Micro residents.

It was also stated that we needed to verify with the Johnston County Board of Elections previous election costs and then add those to the budget for the 2023 elections.

## **12. COMMISSIONER REPORTS**

Commissioner Garcia shared information about upcoming events including the Endless Yard Sale which will be held June 16 & 17. Additionally, it was agreed that any panhandling permit fees would be waived for the month of June.

Movie nights will be held on June 24 and July 8, with rain dates of July 1 and July 15. Goonies will be shown on June 24 and Hook will be shown on July 8. It was stated that should there be any suggestions to please reach out. Additionally, the PTA from Micro Elementary School will be there selling popcorn and snow cones.

### 13. BOARD REPORTS

### 14. ADJOURNMENT

- a. Adjourn the Meeting

With there being nothing further, the meeting was adjourned at 8:10 p.m.

**ACTION:** Motion to Adjourn

Motion: Commissioner Garcia

Second: Commissioner Stanley

Vote: Unanimous

Duly adopted this the 13<sup>th</sup> day of June 2023 while in regular session.

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Marty Parnell  
Mayor

ATTEST:

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Kimberly A. Moffett  
Interim Town Clerk

**TOWN OF MICRO**  
**CERTIFICATE OF SUFFICIENCY**  
**Annexation Petition 2023-10-ANX**

To the Board of Commissioners of the Town of Micro, North Carolina:

I, Kimberly A. Moffett, Interim Town Clerk, do hereby certify that I have investigated the petition attached hereto and have found as a fact that said petition is signed by all owners of real property lying in the area described therein, in accordance with N.C. G.S. 160A-31.

In witness whereof, I have hereunto set my hand and affixed the seal of the Town of Micro, this the 13<sup>th</sup> day of June 2023

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Kimberly A. Moffett, CMC, NCCMC  
Interim Town Clerk  
Town of Micro

**DESCRIPTION/ ADDRESS:**  
ANNEXATION # 2023-10-ANX  
Maci Creek Subdivision  
Micro Road  
Contiguous; 21+/- acres

**TOWN OF MICRO  
RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION  
OF ANNEXATION PURSUANT TO G. S.160A-31**

**WHEREAS**, a petition requesting annexation of the contiguous area described herein has been received; and

**WHEREAS**, the Board of Commissioners has by resolution directed the Town Clerk to investigate the sufficiency of the petition; and

**WHEREAS**, certification by the Town Clerk as to the sufficiency of the petition has been made;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of the Town of Micro, North Carolina that:

**Section 1.** A public hearing on the question of annexation of the contiguous area described herein will be held at Micro Public Works Building at 7:00 PM on Tuesday, July 13, 2023.

**Section 2.** Lying and being in Micro Township, Johnston County, North Carolina and being more particularly described as follows:

21 +/- acres located on Micro Road, lying between Old Beulah Road and US 301.

**Section 3.** Notice of the public hearing shall be published once in The Johnstonian Newspaper, a newspaper having general circulation in the Town of Micro, at least ten days prior to the date of the public hearing.

Duly adopted this the 13<sup>th</sup> day of June 2023 while in regular session.

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Marty Parnell

Mayor

ATTEST:

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Kimberly A. Moffett, CMC, NCCMC  
Interim Town Clerk



Town of Micro  
Planning Board  
Monthly Report to the Board of Commissioners  
May 2023

The Planning Board met on Tuesday – May 23, 2023.

Minutes from the March 28, 2023 meeting were adopted.

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**Item #1**

***Salinas Subdivision***

Ms. Hildreth was present and represented the applicant for this project, which is a subdivision. During the presentation, Ms. Hildreth shared a map of the proposed project which would consist of 4 doublewide mobile homes to be located on a currently vacant lot located on E. Fayetteville Street. The Micro Zoning Code requires that doublewide mobile homes are allowed in R-15 zoning, however, a Special Use Permit is required. Ms. Hildreth was provided with a Special Use Permit application. She stated she would complete it and return it to the office as soon as possible. Ms. Moffett stated that if the application was returned quickly, all required mailed notification could be made and the SUP, which is a Quasi-Judicial Public Hearing, could be held at the June 13, 2023 Board of Commissioners meeting.

It should be noted that the Salinas Subdivision will be held the same night. Ms. Moffett stated that the SUP Public Hearing would need to be held and approved and then the Subdivision item could be heard immediately following the SUP for potential approval.

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**Item #2**

***Doris Sims – Special Use Permit***

Ms. Sims is requesting a Special Use Permit for replacement of her current single wide mobile home with a double wide mobile home located at 103 S. Pittman Lane. Ms. Sims has received, completed, and returned the application for a SUP. Quasi-Judicial Public Hearings are required for SUP requests and the public hearing is set for the June 13, 2023 Board of Commissioners meeting.

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**Item #3**

***Other***

Mr. Blackwell was present. He stated he currently owns a lot, which was originally two lots when he purchased, however he did merge it into one lot. At this time, he is considering dividing the lot into two lots, as he would like to place another mobile home on the lot. Information regarding zoning, lot width, and setbacks were shared with him. His concern was that with dividing the lot he may be short by 10' with lot width to accommodate a mobile home. There was discussion regarding the process for a variance and he was provided with an application for same.



Town of Micro Police Department  
101 US Highway 301 South  
Post Office Box 9  
Micro, North Carolina 27555  
(919) 284-1355



**June 13, 2023, Monthly Town Hall Meeting**

**Statistical Section:**

The police department was dispatched to several calls over the last month. The calls ranged from vehicle accidents to assisting DSS.

**Police Department**

- The Dodge Charger is repaired.
- All Police vehicles have been inspected and passed.
- Received 30 Traffic Cones from the NCGHSP. More items that were ordered should be arriving soon.
- Will be speaking with Dr. David Pearce with Johnston County Public Schools about the SRO position at the Elementary School and letting him know at this time we are not able to hire for the position.
- I and our part-timer have completed the Rap Back fingerprinting requirement by the state.
- I would like to request a meeting with the board when time is available to discuss a personal matter.

Respectfully,

T. Macon Jones

Chief of Police



TOWN OF MICRO  
PO Box 9  
450 US Highway 301 N  
Micro, NC 27555  
Office: 919-284-2572

## SPECIAL USE PERMIT APPLICATION

\$50 fee + any applicable zoning fee(s)

New Special Use Permit

Modification to Previously Approved SUP

### SITE INFORMATION:

Name of Project: Doris Sims - Placement of Double Wide

Acreage of Property: 1.68 acres Zoning District: R-10

County Tag #: 10011199 NC Pin #: \_\_\_\_\_

Address/Location: 103 S. Pittman Lane

Existing Use: Singlewide to be Replaced with Double Wide

### APPLICANT INFORMATION:

Applicant: Doris Sims

Mailing Address: PO Box 417

Phone: 919-437-3565

Contact Person Name: Doris Sims Phone: 919-437-3565

Email: doridsims221@gmail.com

### OFFICE USE ONLY:

Date Received: 4/25/23 Amount Paid: \$50<sup>xx</sup> File Number: 2023-12-SUP

Planning Board 3 May 23, 2023  
Council - June 13, 2023  
QS - P.H.





**REQUIRED FINDINGS OF FACT:**

*Section 2-105-6 of the Town of Micro Zoning Ordinance requires applications for a Special Use Permit address the following findings. The burden is on the applicant and failure to adequately address the findings may result in denial of the application. Please attach additional sheets if necessary.*

1. The proposed use and development comply with the applicable regulations of this Ordinance.

The placement of a double wide manufactured home is allowed in the R-10 zoning for the Town of Micro through the Special Use Permit process.

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2. The proposed use and improvements are compatible with the character of the surrounding area and the capacity of neighboring lands to develop as permitted in the applicable zoning district.

Yes, this statement is true. I will be replacing the current (older) single-wide and replacing it with a newer and improved double-wide.

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3. The proposed use will have minimal adverse impact on surrounding land with regard to service delivery, traffic circulation, aesthetics, odor, noise, glare, and vibration.

The proposed use will not have any adverse impact to any surrounding land with reference to service deliver, traffic, aesthetics, odor, nose, glare and or vibration.

There will be no increase in any current traffic.

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4. The use will not deteriorate or otherwise adversely impact water, air, scenic, and other natural resources.

The proposed use and placement of a double-wide home will not adversely impact any type of natural resources in any way.

5. The use will maintain safe ingress and egress to the site.

The current safe ingress and egress for the placement of a double-wide home will be maintained

6. The use will be served by adequate road and infrastructure to support development of the site.

There are no proposed changes to any additional traffic or infrastructure as it currently is and thereby the use will be adequately served by current road and infrastructure.

7. The use will protect property values and preserve public safety and welfare of the surrounding area and community at-large.

The removal and replacement of the current single-wide with a newer double-wide will protect all current property values and public safety of the surrounding area and the community at-large.

8. The use complies with other applicable town, state, and federal laws regulating development of land within the Town's jurisdiction.

The proposed use of a double-wide will comply with all applicable laws, ordinances and regulations within a R-10 zoning district.

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**PROCEDURE INFORMATION:**

Applications for Special Use Permits shall be referred to the Planning Board. The Planning Board will report on its recommendation to the Board of Commissioners. After notice has been given pursuant to Section 2-103-2, a **quasi-judicial\*** hearing shall be held pursuant to Section 2-104. Required mailed notice shall be sent to the owners of property within a 500' radius subject parcel boundary lines. A simple majority of the Board of Commissioners is required for approval of a Special Use Permit. Conditions for approval, if any, shall be specified in the motion and on the permit.

*\*A quasi-judicial hearing resembles a court trial where testimony is presented. Citizens may give testimony in a quasi-judicial hearing after they have taken an oath. The Board of Commissioners acts like a court of law and receives only sworn testimony and other credible evidence. In addition, the Board of Commissioners must make findings of fact based upon the evidence presented. The Board of Commissioners refrains from "ex parte communication" about these cases, as the Town Council must decide based solely on the evidence presented at the hearing itself.*

**APPLICANT AFFIDAVIT:**

I/We, the undersigned, do hereby make application and petition to the Board of Commissioners of the Town of Micro to approve the Special Use Permit. I hereby certify that I have full legal right to request such action and that the statements and/or information made herein or any plans submitted are true and correct to the best of my knowledge. I understand this application and any related material become official records of the Town of Micro, North Carolina.

Doris Sims Prince  
Print Name

Doris Sims Prince  
Signature

4-25-23  
Date

### ADJACENT PROPERTY OWNERS LIST

Project Name: 103 S. Pittman Lane

The following are all the persons, firm, or corporations owning property within a <sup>100'</sup>~~500'~~ radius.

*It is the responsibility of the applicant to correctly identify the current owner, based on records in the Johnston County GIS Office, for all property owners of land within the required public notice radius.*

PARCEL NUMBER	NAME	ADDRESS

## OWNERS CONSENT FORM

*Consent is required from the property owner(s) if an agent/applicant will act on their behalf. A separate form is required for each owner.*

Project Name: \_\_\_\_\_ Address or PIN#: \_\_\_\_\_

### AGENT/APPLICATION INFORMATION:

\_\_\_\_\_  
(Name – please type or print clearly)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City, State & Zip)

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I hereby give CONSENT to the above referenced agent/applicant to act on my behalf, to submit applications and all required documents and materials, and to attend and represent me at all meetings and public hearings pertaining to the following process:

Special Use Permit       Other    If Other Indicate: \_\_\_\_\_

Furthermore, I hereby give consent to the party designated above to agree to all terms and conditions which may arise as part of the approval of this application.

I hereby certify that I have authority to execute this consent form as/on behalf of the property owner. I understand that any false, inaccurate or incomplete information provided by me, or my agent will result in the denial, revocation or administrative withdrawal of the application, request, approval or permit. I further agree to all terms and conditions that may be imposed as part of the approval process of this application.

### OWNER AUTHORIZATION:

\_\_\_\_\_  
(Name – please type or print clearly)      (Address)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(City, State & Zip)

### NOTARY:

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_

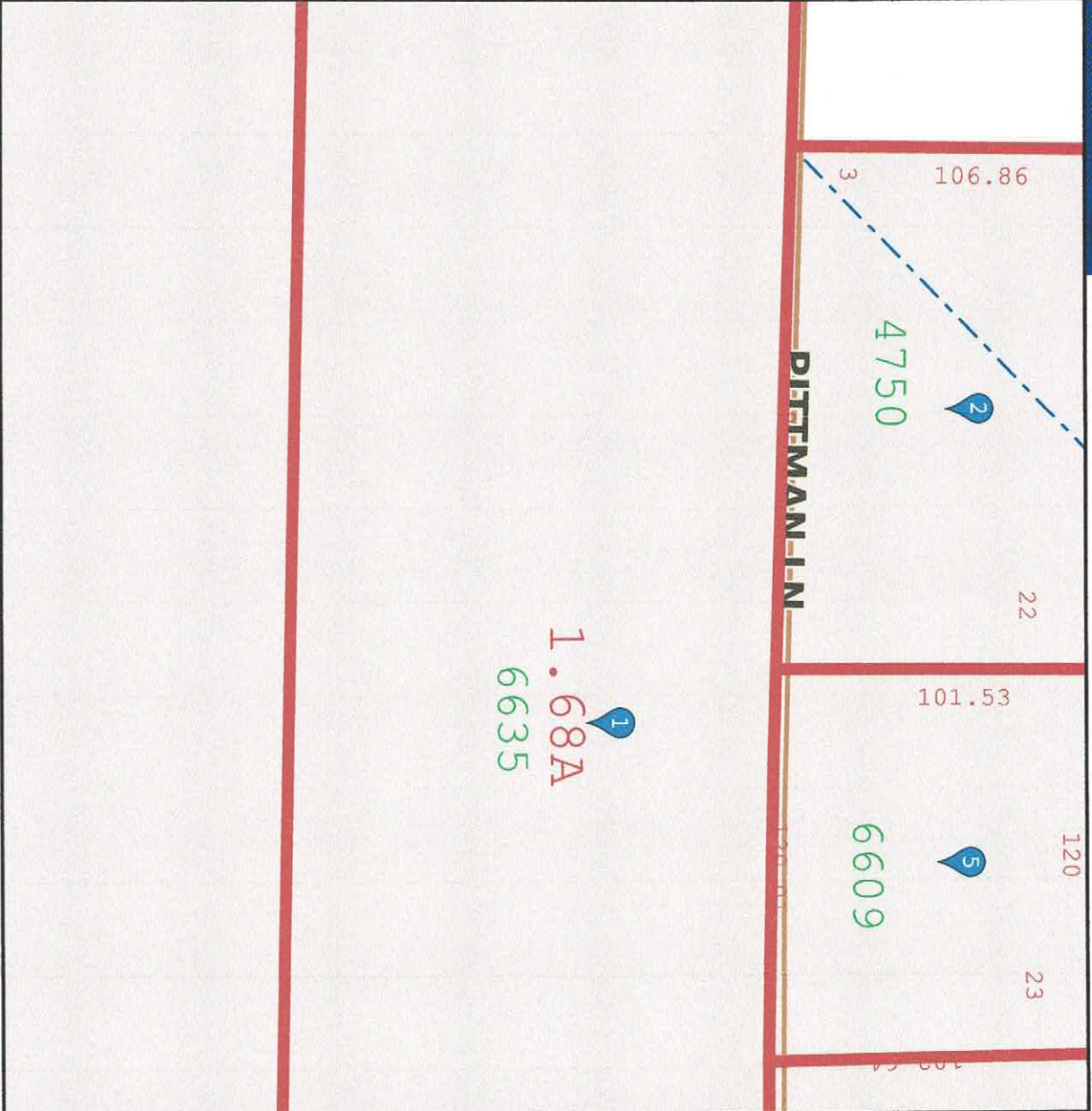
Sworn to and subscribed before me \_\_\_\_\_, a Notary Public for the above State and County, this the \_\_\_\_\_ day of \_\_\_\_\_, 2022.

**SEAL**

\_\_\_\_\_  
Notary Public Signature

My Commission Expires:  
\_\_\_\_\_

\*\*\* DISCLAIMER \*\*\*  
Johnston County assumes no legal responsibility for the information represented here.



**Result 0**

id: 10011199  
 Tag: 10011199  
 Owner Name 1: SIMS, DORIS DAWES  
 Owner Name 2:  
 Mail Address 1: 103 SOUTH PITTMAN LANE  
 Mail Address 2: P O BOX 417  
 Mail Address 3: MICRO, NC 27555-0417  
 Book: 01008  
 Page: 0313

**Result 0**

id: 10011058  
 Tag: 10011058  
 Owner Name 1: BENSON, BRENDA H  
 Owner Name 2:  
 Mail Address 1:  
 Mail Address 2: P O BOX 454  
 Mail Address 3: MICRO, NC 27555-0454  
 Book: 01480  
 Page: 0547

Scale: 1:629 - 1 in. = 52.4 feet

(The scale is only accurate when printed landscape on a 8 1/2 x 11 size sheet with no page scaling.)





\*\*\* DISCLAIMER \*\*\*

Johnston County assumes no legal responsibility for the information represented here.

Result 0

id: 10007040C
Tag: 10007040C
Owner Name 1: WOODARD, KENNY WAYNE
Owner Name 2:
Mail Address 1:
Mail Address 2: PO BOX 2424
Mail Address 3: SMITHFIELD, NC 27577-2424
Book: 02393
Page: 0349

Result 0

id: 10007040E
Tag: 10007040E
Owner Name 1: ROBERT LEE HALE, SR.
IRREVOCABLE TRUST
Owner Name 2: HALE, ROBERT LEE JR.
TRUSTEE
Mail Address 1: 174 MONTIBELLO DR
Mail Address 2:
Mail Address 3: MOORESVILLE, NC 28117-9134
Book: 04851
Page: 0397

Result 0

id: 10011060
Tag: 10011060
Owner Name 1: GOMEZ, JOSE O.
Owner Name 2:
Mail Address 1:
Mail Address 2: PO BOX 133
Mail Address 3: MICRO, NC 27555
Book: 04791
Page: 0160

Result 0

id: 10011061A
Tag: 10011061A
Owner Name 1: RESENDIZ, VIRGINIA VILLEDA
Owner Name 2: RESENDIZ, CORAL VILLEDA
Mail Address 1: 1550 US HIGHWAY 70A E
Mail Address 2:
Mail Address 3: SELMA, NC 27576-9407
Book: 04517
Page: 0304

Result 0

id: 10011062
Tag: 10011062
Owner Name 1: POLLOCK, JAVELLE A
Owner Name 2:
Mail Address 1: 115 DWIGHT DR
Mail Address 2:
Mail Address 3: MICRO, NC 27555
Book:
Page:

Result 0

id: 10010006
Tag: 10010006
Owner Name 1: GARCIA, KATHRYN A.
Owner Name 2: CABA, EUNIO A. GARCIA
Mail Address 1: 313 W. MAIN STREET
Mail Address 2:
Mail Address 3: MICRO, NC 27555
Book: 06256
Page: 0722

100' Radius
103 S. Pittman

**Result 0**

**id:** 10010006B  
**Tag:** 10010006B  
**Owner Name 1:** TOWN OF MICRO  
**Owner Name 2:**  
**Mail Address 1:**  
**Mail Address 2:** PO BOX 9  
**Mail Address 3:** MICRO, NC 27555-0009  
**Book:** 06385  
**Page:** 0878

**Result 0**

**id:** 10011030  
**Tag:** 10011030  
**Owner Name 1:** PATE, STEPHEN HAROLD  
**Owner Name 2:** PATE, ANNA M  
**Mail Address 1:** 403 W MAIN ST MICRO  
**Mail Address 2:**  
**Mail Address 3:** SELMA, NC 27576-0000  
**Book:** 03527  
**Page:** 0656

**Result 0**

**id:** 10010006A  
**Tag:** 10010006A  
**Owner Name 1:** HEPLER, KAYLA  
**Owner Name 2:** MANKINS, JOSHUA  
**Mail Address 1:** 315 W MAIN ST  
**Mail Address 2:**  
**Mail Address 3:** SELMA, NC 27576-5948  
**Book:** 06244  
**Page:** 0100

**Result 0**

**id:** 10007001  
**Tag:** 10007001  
**Owner Name 1:** JOHNSTON COUNTY BOARD OF ED  
**Owner Name 2:**  
**Mail Address 1:**  
**Mail Address 2:** PO BOX 1336  
**Mail Address 3:** SMITHFIELD, NC 27577-0000  
**Book:** 04435  
**Page:** 0720

**Result 0**

**id:** 10010004  
**Tag:** 10010004  
**Owner Name 1:** LEATHERS, ZACHARY  
**Owner Name 2:** LEATHERS, ASHLEY  
**Mail Address 1:** 309 W MAIN ST  
**Mail Address 2:**  
**Mail Address 3:** MICRO, NC 27555  
**Book:** 06427  
**Page:** 0291

**Result 0**

**id:** 10010005  
**Tag:** 10010005  
**Owner Name 1:** PRICE, ALFRED WAYNE  
**Owner Name 2:**  
**Mail Address 1:** 441 CRUMPLER RD  
**Mail Address 2:**  
**Mail Address 3:** KENLY, NC 27542-8325  
**Book:** 01788  
**Page:** 0877

100' Radius  
103 S. Pittman





Town of Micro  
P.O. Box 9  
450 US Highway 301 N.  
Micro, NC 27555  
Office: 919-284-2572  
Police: 919-284-1355

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May 25, 2023

Dear Micro Area Property Owner:

The purpose of this letter is to notify you of an application filed with the Town of Micro for a land use change or development proposal involving property adjacent to, or in close proximity to, property shown in your ownership by Johnston County tax records.

The proposed application is for a Special Use Permit to replace a single wide mobile home with a double wide mobile home located at 103 S. Pittman Lane.

This will be a quasi-judicial proceeding, which means this type of hearing resembles a court trial where testimony presented must be done so after taking an oath. The Board of Commissioners acts like a court of law and receives only sworn testimony and other credible evidence. Additionally, the Board of Commissioners must make findings of fact based upon the evidence presented. The Board refrains from “ex parte communication” about these types of cases, as the board must decide each case based solely on the evidence presented at the hearing itself.

The public hearing will be held on **Tuesday, June 13, 2023**. The meeting will be held at the Town of Micro Public Works/Business Center Building located at 450 US Highway 301 N. and will begin at 7:00 p.m.

As per NCGS § 143-318.10 all meetings are open to the public.

Should you have any questions or concerns, please do not hesitate to contact the office at 919-284-2572.

Sincerely,

Kimberly A. Moffett, CMC, NCCMC  
Interim Town Clerk

**CERTIFICATION OF MAILING NOTICES TO PROPERTY OWNERS  
SPECIAL USE PERMIT**

**DORIS SIMS – REPLACING SINGLEWIDE WITH A DOUBLEWIDE MOBILE  
HOME**

I, Kimberly A. Moffett, serving as Interim Town Clerk for the Town of Micro do hereby certify that per the Town of Micro Zoning Ordinance, Section 2-103-2 required Mailed Notices of a Public Hearing (Quasi-Judicial) for the above were mailed via First Class Mail to property owners in accordance with Town of Micro Zoning Ordinance, Section 2-105-4.

Further, certificates of proof are included in the corresponding SUP folder.

*Kimberly A. Moffett*

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Kimberly A. Moffett, CMC, NCCMC  
Interim Town Clerk  
Town of Micro

**Date of Mailings May 24, 2023**



TOWN OF MICRO  
PO Box 9  
450 US Highway 301 N  
Micro, NC 27555  
Office: 919-284-2572

## **SPECIAL USE PERMIT APPLICATION**

**\$50 fee + any applicable zoning fee(s)**

New Special Use Permit       Modification to Previously Approved SUP

### **SITE INFORMATION:**

Name of Project: Salinas Subdivision  
Acreage of Property: 2.00 ac      Zoning District: R-15  
County Tag #: 10006006A      NC Pin #: 263507-69-3658  
Address/Location: E. Fayetteville St.  
Existing Use: Vacant

### **APPLICANT INFORMATION:**

Applicant: Santos Martir Salinas Sarmeinto  
Mailing Address: 4720 Antioch Church Road, Middlesex, NC 27577  
Phone: (919) 201-8375  
Contact Person Name: Patti Hildreth      Phone: (919) 210-5899  
Email: patti.cmseng@gmail.com

### **OFFICE USE ONLY:**

Date Received: \_\_\_\_\_ Amount Paid: \_\_\_\_\_ File Number: \_\_\_\_\_



## REQUIRED FINDINGS OF FACT:

*Section 2-105-6 of the Town of Micro Zoning Ordinance requires applications for a Special Use Permit address the following findings. The burden is on the applicant and failure to adequately address the findings may result in denial of the application. Please attach additional sheets if necessary.*

1. The proposed use and development comply with the applicable regulations of this Ordinance.

Class A Manufactured homes will be put on individual lots per regulations in  
UDO 4-101-21

2. The proposed use and improvements are compatible with the character of the surrounding area and the capacity of neighboring lands to develop as permitted in the applicable zoning district.

The surrounding area is a mix of single family residential and industrial properties.  
The addition of single family double wide manufactured homes will be compatible with the surrounding uses.

3. The proposed use will have minimal adverse impact on surrounding land with regard to service delivery, traffic circulation, aesthetics, odor, noise, glare, and vibration.

The proposed use will have minimal impact on traffic circulation. Aesthetics will be improved with the addition of the homes. There will be no impact on odor, noise, glare or vibration.

4. The use will not deteriorate or otherwise adversely impact water, air, scenic, and other natural resources.

The single family residential use will not adversely impact the natural resources.

5. The use will maintain safe ingress and egress to the site.

Each lot will be accessed from a private road which will tie into E. Fayetteville Street. Safe ingress and egress will be maintained.

6. The use will be served by adequate road and infrastructure to support development of the site.

A private road will be constructed per NCDOT standards and specifications to support the four single family lots.

7. The use will protect property values and preserve public safety and welfare of the surrounding area and community at-large.

The addition of double wide manufactured homes on single family residential lots will not adversely affect the property values or public safety in this area.

8. The use complies with other applicable town, state, and federal laws regulating development of land within the Town's jurisdiction.

The Class A Manufactured Homes on single family lots will comply with all applicable Town, State and Federal regulations.

**PROCEDURE INFORMATION:**

Applications for Special Use Permits shall be referred to the Planning Board. The Planning Board will report on its recommendation to the Board of Commissioners. After notice has been given pursuant to Section 2-103-2, a **quasi-judicial\*** hearing shall be held pursuant to Section 2-104. Required mailed notice shall be sent to the owners of property within a 500' radius subject parcel boundary lines. A simple majority of the Board of Commissioners is required for approval of a Special Use Permit. Conditions for approval, if any, shall be specified in the motion and on the permit.

*\*A quasi-judicial hearing resembles a court trial where testimony is presented. Citizens may give testimony in a quasi-judicial hearing after they have taken an oath. The Board of Commissioners acts like a court of law and receives only sworn testimony and other credible evidence. In addition, the Board of Commissioners must make findings of fact based upon the evidence presented. The Board of Commissioners refrains from "ex parte communication" about these cases, as the Town Council must decide based solely on the evidence presented at the hearing itself.*

**APPLICANT AFFIDAVIT:**

I/We, the undersigned, do hereby make application and petition to the Board of Commissioners of the Town of Micro to approve the Special Use Permit. I hereby certify that I have full legal right to request such action and that the statements and/or information made herein or any plans submitted are true and correct to the best of my knowledge. I understand this application and any related material become official records of the Town of Micro, North Carolina.

Santos M. Salinas  
Print Name

  
Signature

MAY -31-23  
Date

## ADJACENT PROPERTY OWNERS LIST

**Project Name:** Salinas Subdivision

*The following are all the persons, firm, or corporations owning property within a 500' radius.*

*It is the responsibility of the applicant to correctly identify the current owner, based on records in the Johnston County GIS Office, for all property owners of land within the required public notice radius.*

PARCEL NUMBER	NAME	ADDRESS
263507-69-1972	Byron D. Haynes DBA 114 W. Main Street Partners	2275 Micro Road W Selma, NC 27576
263507-69-4768	Town of Micro	P.O. Box 9 Micro, NC 27555
263507-59-1452	Hermilo Ynocente Arrellano Uribe	P.O. Box 97 Micro, NC 27555
263507-69-8754	BBR Holdings, LLC	203 S. Railroad Street Micro, NC 27555
263619-60-5789	Mark & Amy Poole	P.O. Box 45 Micro, NC 27555
263507-69-6580	Eulalia Rivas Duarte	200 Summerfield Drive Pikeville, NC 27863
263507-69-6556	Jennifer Fuentes-Bernal Scott Paradis	109 E. Fayetteville Street Micro, NC 27555
263507-69-6605	NC Conference of the PH Church	P.O. Box 123 Falcon, NC 28342
263507-69-5782	Jimmy W. Lee & Marilyn E. Lee	P.O. Box 428 Micro, NC 27555



# OWNERS CONSENT FORM

Consent is required from the property owner(s) if an agent/applicant will act on their behalf. A separate form is required for each owner.

Project Name: Salinas Subdivision Address or PIN#: 263507-69-3658

## AGENT/APPLICATION INFORMATION:

Patti Hildreth/CMS Engineering PLLC 9320 St. John's Church Road  
(Name - please type or print clearly) (Address)  
Zebulon, NC 27597  
(City, State & Zip)

I hereby give CONSENT to the above referenced agent/applicant to act on my behalf, to submit applications and all required documents and materials, and to attend and represent me at all meetings and public hearings pertaining to the following process:

Special Use Permit  Other If Other Indicate: \_\_\_\_\_

Furthermore, I hereby give consent to the party designated above to agree to all terms and conditions which may arise as part of the approval of this application.

I hereby certify that I have authority to executive this consent form as/on behalf of the property owner. I understand that any false, inaccurate or incomplete information provided by me, or my agent will result in the denial, revocation or administrative withdrawal of the application, request, approval or permit. I further agree to all terms and conditions that may be imposed as part of the approval process of this application.

## OWNER AUTHORIZATION:

Santos M Salinas 4720 Antioch Church Road  
(Name - please type or print clearly) (Address)  
[Signature] Middlesex, NC 27577  
(Signature) (City, State & Zip)

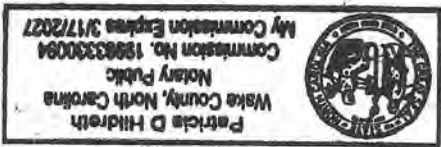
## NOTARY:

STATE OF North Carolina COUNTY OF Wake

Sworn to and subscribed before me Patricia D. Hildreth, a Notary Public for the above State and County, this the 31 day of May, 2022, 2023

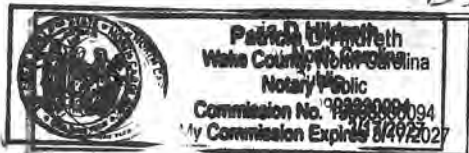
[Signature]  
Notary Public Signature

### SEAL



My Commission Expires: \_\_\_\_\_

03/17/2027





Town of Micro  
P.O. Box 9  
450 US Highway 301 N.  
Micro, NC 27555  
Office: 919-284-2572  
Police: 919-284-1355

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June 1, 2023

Dear Micro Area Property Owner:

The purpose of this letter is to notify you of an application filed with the Town of Micro for a land use change or development proposal involving property adjacent to, or in close proximity to, property shown in your ownership by Johnston County tax records.

The proposed application is for a Special Use Permit to place 4 doublewide mobile homes at a current vacant lot located on E. Fayetteville Street.

This will be a quasi-judicial proceeding, which means this type of hearing resembles a court trial where testimony presented must be done so after taking an oath. The Board of Commissioners acts like a court of law and receives only sworn testimony and other credible evidence. Additionally, the Board of Commissioners must make findings of fact based upon the evidence presented. The Board refrains from “ex parte communication” about these types of cases, as the board must decide each case based solely on the evidence presented at the hearing itself.

The public hearing will be held on **Tuesday, June 13, 2023**. The meeting will be held at the Town of Micro Public Works/Business Center Building located at 450 US Highway 301 N. and will begin at 7:00 p.m.

As per NCGS § 143-318.10 all meetings are open to the public.

Should you have any questions or concerns, please do not hesitate to contact the office at 919-284-2572.

Sincerely,

Kimberly A. Moffett, CMC, NCCMC  
Interim Town Clerk

**CERTIFICATION OF MAILING NOTICES TO PROPERTY OWNERS  
SPECIAL USE PERMIT**

**SALINAS SUB. SUP – PLACEMENT OF 4 DOUBLEWIDE MOBILE HOMES**

I, Kimberly A. Moffett, serving as Interim Town Clerk for the Town of Micro do hereby certify that per the Town of Micro Zoning Ordinance, Section 2-103-2 required Mailed Notices of a Public Hearing (Quasi-Judicial) for the above were mailed via First Class Mail to property owners in accordance with Town of Micro Zoning Ordinance, Section 2-105-4.

Further, certificates of proof are included in the corresponding SUP folder.

*Kimberly A. Moffett*

---

Kimberly A. Moffett, CMC, NCCMC  
Interim Town Clerk  
Town of Micro

**Date of Mailings June 1, 2023**



TOWN OF MICRO  
PO Box 9  
450 US Highway 301 N  
Micro, NC 27555  
Office: 919-284-2572

## **MAJOR SUBDIVISION APPLICATION**

*See Zoning Ordinance Section 2-102 for additional information.*

**FEES:** \$100.00 for Major Subdivision PLUS \$10.00 per lot

### **APPLICANT INFORMATION:**

Name of Property Owner: Santos Martir Salinas Sarmeinto & Fanny Jantunez Amaya

Mailing Address of Property Owner: 4720 Antioch Church Road, Middlesex, NC 27577

Telephone Number of Property Owner: (919) 201-8375

Email Address of Property Owner: ssalinas0806@gmail.com

Name of Applicant (*if different*): CMS Engineering PLLC

Mailing Address of Applicant: 9320 St. Johns Church Road, Zebulon, NC 27597

Telephone Number of Applicant: (919) 833-0830

Email Address of Applicant: patti.cmseng@gmail.com

### **PROJECT INFORMATION:**

Name of Subdivision: Salinas Subdivision

Developer Name: Santos Martir Salinas Sarmeinto

Developer Phone: (919) 201-8375 Email: ssalinas0806@gmail.com

Property Tax ID: 10006006A/263507-69-3658

Location of Subdivision: West side of E Fayetteville St, south of intersection of Fayetteville St. & Railroad St.

Total Acreage: 2.00 ac Number of Lots to Be Developed: 4

Water Supply: county Sewage Type: town

**PROCEDURE INFORMATION:**

Plans for development of major site development plan review shall be reviewed by the Zoning Administrator for compliance with the requirement of the Zoning Code prior to submittal to the Planning Board and Board of Commissioners.

The Zoning Administrator will present Site Plans to the Planning Board for review and comment. The Planning Board shall review the Site Plans for compliance with the requirements of the Zoning Code and any other applicable Ordinances and laws. Comments and recommendations from the Planning Board shall be forwarded to the Board of Commissioners. Applications for major site development plan are subject to final review and approval by the Board of Commissioners.

**Certification:** I/We, the undersigned make application and petition to the Board of Commissioners of the Town of Micro to approve the Major Subdivision Application. request. It is hereby certified that I/We have full legal right to request this action. Further, all statements and information provided herewith are true and correct to the best of my knowledge. I/We understand this application, related material and any attachments become official records of the Town of Micro and will not be returned.

<u>Santos Salinas</u> <i>Owner Name (Print)</i>	 _____	<u>04/13/23</u> <i>Date</i>
--	---	--------------------------------

<u>Santos Salinas</u> <i>Applicant Name (Print)</i>	 _____	<u>04/13/23</u> <i>Date</i>
--	--	--------------------------------

**OFFICE USE ONLY:**

Date Application Received: \_\_\_\_\_ Amount/Fee Paid: \_\_\_\_\_ File#: \_\_\_\_\_

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

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

and	Auditor Name
	Auditor Address

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending	Date Audit Will Be Submitted to LGC
-----	--------------------	-------------------------------------

*Must be within four months of FYE*

hereby agree as follows:

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

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

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

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

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

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

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

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

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



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

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

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

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

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

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

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

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

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

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

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

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

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

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

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

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

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

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

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

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/submitted-your-audit>

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

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

**FEEES FOR AUDIT SERVICES**

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

Financial statements were prepared by:  Auditor  Governmental Unit  Third Party

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

**Name:** **Title and Unit / Company:** **Email Address:**

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

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

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

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

**PRIMARY GOVERNMENT FEES**

Primary Government Unit	
Audit Fee	\$
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$

**DPCU FEES (if applicable)**

Discretely Presented Component Unit	
Audit Fee	\$
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$

**SIGNATURE PAGE**

**AUDIT FIRM**

Audit Firm*	
Authorized Firm Representative (typed or printed)*	Signature*
Date*	Email Address*

**GOVERNMENTAL UNIT**

Governmental Unit*	
Date Primary Government Unit Governing Board Approved Audit Contract* <small>(G.S.159-34(a) or G.S.115C-447(a))</small>	
Mayor/Chairperson (typed or printed)*	Signature*
Date	Email Address

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

**GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE**

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

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

Primary Governmental Unit Finance Officer* <small>(typed or printed)</small>	Signature*
Date of Pre-Audit Certificate*	Email Address*



**S. Preston Douglas & Associates, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS

American Institute of CPAs  
N. C. Association of CPAs

May 10, 2023

To the Honorable Mayor and  
Members of the Town Commissioners  
and the Finance Officer

Town of Micro  
450 US 301N  
Micro, NC 27555

We are pleased to confirm our understanding of the services we are to provide Town of Micro, North Carolina for the year ended June 30, 2022. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Town of Micro, North Carolina as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Micro, North Carolina's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Town of Micro, North Carolina's RSI in accordance with auditing standards generally accepted in the United States of America. 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 evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Law Enforcement Officers' Special Separation Allowance
- 3) Local Government Employees' Retirement System's Schedules of the Proportionate Share of Net Pension Liability (Asset)
- 4) Schedule of Contributions - Local Government Employees' Retirement System
- 5) Local Government Employees' Retirement System's Schedules of the Proportionate Share of Net Pension Liability (Asset) - Firefighters' and Rescue Squad Workers' Pension

We have also been engaged to report on supplementary information other than RSI that accompanies the Town of Micro, North Carolina's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) The combining and individual fund statements
- 2) Budgetary schedules
- 3) Other schedules
- 4) Schedule of Expenditures of Federal and State Awards

### **Audit Objective**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to 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. The objective also includes 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*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) 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 or on compliance, and (2) 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 Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Honorable Mayor and Members of Town Council of the Town of Micro, North Carolina. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. 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.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. 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 abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting 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 a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards 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 or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come 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, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. 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.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. 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*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. 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, *Government Auditing Standards*, and the Uniform Guidance.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Town of Micro, North Carolina's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures 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*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Town of Micro, North Carolina's major programs. The purpose of these procedures will be to express an opinion on Town of Micro, North Carolina's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.



## **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Town of Micro, North Carolina in conformity with U.S. generally accepted accounting principles and the Uniform Guidance 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 statements, schedule of expenditures of federal awards, and related notes 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.

## **Management Responsibilities**

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) 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, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. 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, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements 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. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon.

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (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 schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. 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 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 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.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, 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, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, 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.

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

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.

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.

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

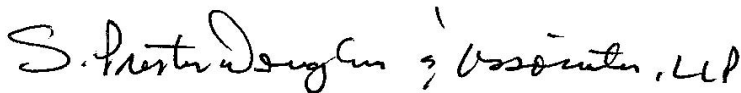
We expect to begin our audit on approximately June 1, 2023 and to issue our reports no later than September 30, 2023.

Lee Grissom, CISA, CFE, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$15,000 (\$18,000 if single audit is required). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. 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.

We appreciate the opportunity to be of service to the Town of Micro, North Carolina 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 enclosed copy and return it to us.

Respectfully yours,



S. Preston Douglas & Associates, LLP  
Lumberton, North Carolina

**RESPONSE:**

This letter correctly sets forth the understanding of Town of Micro, North Carolina.

Finance Officer's signature: \_\_\_\_\_

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

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

Mayor's signature: \_\_\_\_\_

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

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