

MONTGOMERY COUNTY BOARD OF EDUCATION MINUTES

February 5, 2024

The Montgomery County Board of Education convened in a regular monthly meeting on Monday, February 5, 2024, at 6:30 pm in the Montgomery County Schools Boardroom. Board members present were Steve W. DeBerry – Chair, Anne Evans - Vice Chair, Tommy Blake, Angela Smith, Lynn Epps, and Bryan Dozier. Cindy Taylor was not present.

Chairman Steve DeBerry called the meeting to order. Mr. DeBerry moved to adopt the agenda as submitted. Tommy Blake made the motion with Lynn Epps seconding. The agenda was accepted with unanimous approval from the board.

Chairman Steve DeBerry shared an opening devotional from Philippians 4: 11-12, “Not that I was ever in need, for I have learned how to be content with whatever I have. I know how to live on almost nothing or with everything. I have learned the secret of living in every situation, whether it is with a full stomach or empty, with plenty or little.” In today’s society we think that acquiring more and always replacing what we have with something bigger and better is the only way to find contentment. Contentment is only possible when you start with a grateful heart and the realization that God has blessed you with everything you need. If we approach everything in our lives with an attitude of gratitude it comes more naturally. A contented life is achieved when you focus on what God has given you and thank him for those blessings.

Montgomery County Learning Academy student Anjali Hernandez Ibarra and Montgomery County Early College student Kaitlynn Burr led the Pledge of Allegiance to the Flag of the United States of America.

No one signed up to speak during the public comments section.

Chairman DeBerry presented a Resolution of Esteem for James William Ray, Sr. Mr. Ray’s son, Jimi Ray was present and accepted the Resolution of Esteem for his father’s more than thirty years of service as a teacher and coach with the Montgomery County Schools. Mr. Ray passed away on December 14, 2023. The Resolution reads as follows:

MONTGOMERY COUNTY BOARD OF EDUCATION

RESOLUTION OF ESTEEM

FOR

James “Jim” William Ray, Sr.

WHEREAS, our Heavenly Father, in His infinite love and wisdom, saw fit to call home James “Jim” William Ray, Sr. on December 14, 2023, and

WHEREAS, his dedication to Montgomery County Schools for over thirty years as a teacher and coach, were a living testament of his integrity and skill, and

WHEREAS, his loss will be deeply felt not only by those with whom he served, but also throughout his entire community and county.

NOW, THEREFORE, be it resolved that the Montgomery County Board of Education goes on record in expressing a sense of real loss and regret in his passing; that a copy of this resolution be conveyed to his family as an indication of our deep sympathy; and that a copy of the same be filed as a part of the permanent minutes of the Board of Education.

MONTGOMERY COUNTY BOARD OF EDUCATION

Steven W. DeBerry, Chairman

Dale Ellis, Ed. D., Secretary

Tommy Blake – Bryan Dozier – Angela Smith
Anne Evans – Lynn Epps – Cindy Taylor

FEBRUARY 2024

Chairman DeBerry then called upon Dr. Ellis for Employee of the Month recognitions. Dr. Ellis called upon Dr. Amy Reynolds to recognize the MLA employee of the month, Elizabeth Divine, EC Teacher. Dr. Ellis then called upon Dr. Heather Seawell to recognize the MCEC employee of the month, April Daywalt, Math Teacher.

Chairman DeBerry then asked the board for approval of the consent agenda. Bryan Dozier made the motion with Anne Evans seconding. The board approved unanimously.

Chairman DeBerry called upon Dr. Amy Reynolds, principal for MLA for their presentation on: What happens when a student is reassigned to MLA? Dr. Reynolds stated that a student is not just placed at MLA, there is a lot of thought that goes into what happens when we get that new student. Some students are assigned to MLA to catch up but with the expectation of returning to their traditional school, while others choose to remain and receive their diploma from MLA. Since we are small, one of the first things we do is to create a personalized education plan by sitting down with the student and their parent/guardian to discuss why the student was sent to MLA, what does this student need to be successful and what are their future plans. We have two forms that we complete to determine the student's course of study/career pathway. The first form lists the plan for the current semester, next semester, and any additional recommendations we have. The second form is a transcript review so that the student can see where they are towards graduation and what they still need. We offer several programs at MLA to help students with a variety of issues as well as allowing high school students to recover course credits. We offer Life Skills and Strengthening Families which are recommended and/or required for students who were referred due to a discipline or attendance issue and who may also be struggling with issues in school or at home. We offer Edmentum, which is an online platform for when students with extenuating circumstances may need to work on classwork from home and need a more flexible schedule. We offer Restorative Justice & Social Circles for our students referred to us for substance abuse or discipline issues. The students meet one on one and with a social circle to discuss their choices and how it impacted them and the people around them. We have our school store which has really transformed our discipline issues in middle school. The students earn points for desired behaviors and then on Fridays they can cash in the points for items in the store for themselves or family members. Our store is supported by donations and grants. We provide a program for Social Skills Training. All middle school students are required to complete daily social skills training. Middle school is a hard time for a lot of students and this training helps them learn how to make better decisions and prepare for their future whether it be at MLA or returning to their traditional school. We also offer transportation to and from the CTE building for our high school students who want to remain at MLA but also wish to participate in the CTE courses. We have several students that are earning certificates, and we also have the first electrical student coming out of MLA. We also had two seniors receive scholarships last school year and hope to have some this year as well. Dr. Reynolds noted that representatives from Anson County will be coming to tour on Thursday to see what we are doing at MLA. We have a lot of exciting things going on and hope to change the perception of being assigned to MLA.

Chairman DeBerry called upon Dr. Heather Seawell, principal at MCEC for their presentation on: MCEC Study Night. Ms. Cindy Martin and Ms. April Daywalt then stepped forward to give the presentation. Study Night was implemented last school year and was an idea shared by another school at the RTI Early College Summit to help improve school culture. Our plan is to host a study night at the end of each semester with a focus on study sessions, test prep, and homework assistance. We also added PreACT Parent Night this fall so that the sophomores

that took the PreACT could come in with their parents and we could go over the data together. The teachers volunteer to host sessions for study night and have developed a schedule that lists the time, event, grade, and location for each session. Students sign in when they arrive and then participate in the four 45-minute sessions that are listed on the schedule. All subject areas are supported as well as college classes and ACT prep. Study night allows for a safe and open learning environment where the students have time to study with friends in student study groups, one on one time with teachers as well as teacher-led study sessions and allows the students to receive college course assistance. It also allows the student to make up attendance time or to earn volunteer hours on community service projects if needed. We had 117 students attend/participate in study night which is about 40.9% of our student population. Students are not required to participate in study night and only attend if they choose to. Some of the outcomes are that it allows more opportunities for students to build better relationships with teachers and more targeted instruction since it is based on what the students have requested. Some of the highlights were that we were able to finish the semester strong by finishing projects and assignments, students working together to excel, attendance make up, great participation in parent night and free snacks and pizza. Kaitlynn Burr, an 11th grader at MCEC stated that she was able to receive tutoring and prepare for her final college Math exam as well as complete an English assignment during study night. She said that it just made her feel more prepared. She also stated that she enjoyed the time with her friends and teachers. The teachers just love how eager the students are to come after hours and how they embrace the opportunity to prepare for finals while enjoying themselves.

Chairman DeBerry called upon Dr. Emily Shaw for the Educational Substitute Staffing System (ESS) presentation. This is the system that Montgomery County Schools use to help supply our substitutes, teacher assistants and various positions throughout our schools. ESS came in about a year before COVID to help eliminate a time-consuming burden on principals and school districts by specializing in placing staff in daily, long-term and permanent K-12 school district positions. For a fee, ESS provides substitute teachers and to offset those fees they employ teacher assistants and long-term substitutes for the district, therefore saving the district the cost of providing benefits. MCS entered into a contract with ESS on November 15, 2019, to help offset our costs. The first two years were successful, but we are currently not experiencing enough attrition with our teacher assistants to offset the costs. Therefore, at this time we request that Mr. Garner review our contract and explore the possibility of MCS employing our own substitutes and teacher assistants. We are currently operating on a year-to-year basis with ESS and are required to give 90-day (from the end of school year) non-renewal notice. We would like the opportunity to return back to employing our own teacher assistants and substitute teachers as we did in the past. Chairman DeBerry ask if we return to the way we did this in the past, what kind of burden would this place back on our principals and assistant principals trying to make sure we have substitute teachers? Dr. Shaw stated that a few months back this was discussed with principals at the principals' meeting to get their opinion on the matter. What we learned was that on a daily basis, at some of our schools, principals are still having to find substitutes or go without due to ESS not having enough to staff the positions. Dr. Ellis stated that there are also some people who would rather work for MCS than through a staffing agency, which could be why the number of individuals requesting to be substitutes has declined. We have looked at some cost analysis and when we first entered into the contract it was cost saving. However, now we do not have enough of the teacher assistants leaving MCS for us to fill with the teacher assistants through ESS, so therefore we are not saving any money, but we are still paying a service fee to ESS for every substitute position they fill. The concern among board members was the additional cost of the benefits if we employ the substitutes. Dr. Ellis stated that the benefits are only for the teacher assistants, but that is where you get the fee to pay to ESS when you do not purchase the

insurance for the teacher assistants. Since we are not having turnover among the teacher assistants it is not offsetting the cost of the fee for the substitutes and with the COVID money coming to an end we feel that we could manage the cost better ourselves. Dr. Ellis stated that since this was a contract that the board approved, we wanted to present this information to you before we moved forward. The board agreed to move forward with this request.

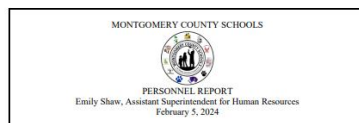
Chairman DeBerry then called upon Dr. Dale Ellis for the Superintendent's Comments. February is always a very busy month. This week is school guidance counselor week, and we appreciate all the counselors and the hard work they do. This is also CTE month. We continue to promote all our CTE programs and the great job that is going on there. As you heard earlier, we have Early College students, MLA students and Montgomery Central High students that are working on those CTE certificates and doing a tremendous job. Mainly it is Black History month. So, this is a great month with lots of activities going on in our schools. You saw just some examples here tonight, but I just appreciate all the work that our teachers are doing to promote Black History, CTE and the work of our guidance counselors to keep our students on track to reach that graduation goal. We did receive our dropout percentage last week and it was .49%. Once again, we will have a graduation rate in the mid to upper 90's. I think that is something we can all be proud of. Education is a thirteen-year process and over those thirteen years we do a great job with kids. We are honored when parents choose us and their children go to MLA, the Early College or just choose to stay with us because we have some dynamic programs that continue to benefit Montgomery County for years to come.

Chairman DeBerry then asked for a motion to go into closed session to discuss personnel and consult the board attorney. Bryan Dozier made the motion, with Lynn Epps seconding. The board approved entering into closed session unanimously.

The following items were approved:

1) Board Minutes from January 8, 2024

2) Personnel and Auxiliary Report



A. Superintendent reports the acceptance of the following resignations/retirements:

<u>Resignation/ Retirement</u>	<u>School/ Assignment</u>	<u>Effective Date</u>
1) Katherine Sessions Resignation	Candor Elementary Teacher	1/26/2024
2) Anita Richardson Retirement	Troy Elementary Teacher Assistant	2/01/2024
3) Autumn McNeill Resignation	Candor Elementary Teacher	2/03/2024
4) Sherry Anderson Resignation	Candor Elementary Teacher	1/19/2024
5) Shakira Owens Resignation	Mt. Giload Elementary Teacher Assistant/Bus Driver	1/17/2024
6) Tanisha Bowden Resignation	Comm. In Schools Student Supp. Specialist	2/01/2024

B. Upon recommendation of the superintendent, approval of recommendation for employment of the following non-certified personnel:

<u>Employee/ Effective Date</u>	<u>School/ Assignment</u>	<u>Record Check</u>	<u>Replacing</u>
1) Kelly Brewer 1/10/2024	All Locations Child Nutr. Sub.	Yes	
2) Nancy Townsend 1/30/2024	Candor Elementary P.T. NC Ed Corps Tutor	Yes	

3) Iva Peete 1/25/2024	Green Ridge Elementary P.T. NC Ed Corps Tutor	Yes	
4) Eusebia Vera 1/01/2024	Mt. Giload Elementary P.T. NC Ed Corps Tutor	Yes	
5) Jamie Calloway 1/23/2024	Candor Elementary P.T. After School Program	Yes	
6) Alisa Agosti-Keyser 1/09/2024	Candor Elementary P.T. NC Ed Corps Tutor	Yes	
7) Keyla Chavez 1/05/2024	Mt. Giload Elementary P.T. NC Ed Corps Tutor	Yes	
8) Yamilet Viveros- Maldonado 1/16/2024	Candor Elementary P.T. NC Ed Corps Tutor	Yes	
9) Priscilla Simmons 1/12/2024	Troy Elementary P.T. After School Program	Yes	
10) Elizabeth Cormier 1/29/2024	Star Elementary P.T. NC Ed Corps Tutor	Yes	
11) Dana Wolff TBD	Troy Elementary Teacher Asst./Bus Driver	Yes	Anita Richardson

C. Upon recommendation, approval of principal recommendation for employment of the following certified substitute teacher:

<u>Employee/ Effective Date</u>	<u>School/ Assignment</u>	<u>Record Check</u>	<u>Replacing</u>
1) Abigail Anundson 1/22/2024	Troy Elementary Except: Children/Self Cont.	Yes	Gaylyn Deaver

D. Upon recommendation, approval of principal recommendation for employment of the following interim contracts for the 2023-2024 school year as provided by General Statute 115C-325:

<u>Employee/ Effective Date</u>	<u>School/ Assignment</u>	<u>Record Check</u>	<u>Replacing</u>
1) Jessica Teeter TBD	Green Ridge Elementary Kindergarten Teacher	Yes	Kathy Bodien

2)	Lec Helfert 3/04/2024	Montg. Central High Senior AFJROTC Inst.	Yes	Mark McClay
3)	Catherine Woolley 1/23/2024	Candor Elementary 2 nd Grade Teacher	Yes	Michelle Comer
4)	Scott Blue 1/11/2024	Montg. Central High Entrepreneurship and BE (CTE)	Yes	Will Bowers
5)	Miranda Thompson 2/06/2024	Candor Elementary 5 th Grade Teacher	Yes	Autumn McNeill

E. Upon recommendation, approval of the following bus driver/bus monitor:

Charity Dalton – Page Street Elementary School (Current ESS employee)

3) Budget Resolution



**441 Page Street • P.O. Box 427
Troy, North Carolina 27371-0427**
PHONE: (919) 570-6511 • FAX: (919) 570-2044

To: Board of Education
From: Mitch Taylor
Date: February 5, 2024
Subject: Agenda Item (Section – Consent Agenda)

Attached you will find a budget amendment for your consideration for the year ending June 30, 2024.

Fiscal Year 2023/2024 Budget Amendment # 5

State Funds

1) An increase of \$1,040,289.70 to the State Budget Fund (Fund 1):

\$264,000.00 increase to PRC 039 (School Safety) – This is funding to provide School Resource Officers at the elementary schools.

\$40,887.00 increase to PRC 015 (Technology) – This is the district's annual allotment for technology based on interest earned on Indian Gaming Commission deposits.

\$545,642.70 increase to PRC 131 (Textbooks and Digital Resources) – Each year, the state provides funding for textbooks and digital resources. All unspent funds were carried over and allowed to accumulate over time. This balance was maintained by DPI, but available for the district to use if needed. This year the state changed this process. Going forward, the district will receive an annual allotment, but will also be allotted all carryover funds. Our annual allotment for the year was \$108,839. This allotment represents the district's carryover amount that has grown over time.

\$97,113.00 increase to PRC 048 (Teacher Bonuses) – This allotment is to pay a bonus for 4th grade through 8th grade reading and math teachers whose EVAAS scores ranked in the top 25% at the state level and/or the district level. These bonuses were approximately \$2000.00, so if a teacher qualified for the state and district, they received \$4000.00. Montgomery County Schools had 15 teachers who qualified to receive at least one of these bonuses.

\$36,331.00 increase to PRC 046 (3rd Grade Reading Bonus) – This allotment is to pay a bonus to 3rd grade reading teachers whose EVAAS scores ranked in the top 25% at the state level and/or district level. These bonuses were approximately \$3350.00. A teacher who qualified for both received about \$6700.00. Montgomery County Schools had 4 teachers that qualified for this bonus.

Special Local Fund 8

6) An increase of \$992,351.52 to the Special Local Fund 8 Budget (Fund 8):

\$484,730.24 increase to PRC 379 (School Climate Transformation Grant) – This allotment represents the Year 5 funding for the SCTG grant. Montgomery County Schools shares this grant with Stanly County Schools, and this is Stanly County's portion of the funding for the 2024 school year.

\$484,984.96 increase to PRC 379 (School Climate Transformation Grant) – This allotment represents the Year 5 funding for the SCTG grant. Montgomery County Schools shares this grant with Stanly County Schools, and this is Montgomery County's portion of the funding for the 2024 school year.

\$1000.00 increase to PRC 061 (Donations & Grants) – Elizabeth Devine, a teacher at Montgomery Learning Academy, received a Randolph Electric Corporation Bright Ideas grant.

\$525.00 increase to PRC 061 (Donations & Grants) – Amy Reynolds, principal at Montgomery Learning Academy, received a Randolph Electric Corporation Bright Ideas grant.

\$500.00 increase to PRC 061 (Donations & Grants) – Elizabeth Devine, a teacher at Montgomery Learning Academy, received a grant from Farni Bureau.

\$621.32 increase to PRC 061 (Donations & Grants) – The local Rojangles Restaurant held a "Fries for Supplies" fundraiser and donated a portion of their french fry sales to Montgomery County Schools to be used for school supplies.

7) Overall, these adjustments resulted in an increase of \$2,017,584.29

to the total 2023 - 2024 budget for Montgomery County Schools.

I will be available to answer any questions you may have.

This amendment is an action item and will require a vote.

\$57,962.00 increase to PRC 039 (School Safety) – The district received funding from the school safety grants to purchase safety equipment and training.

\$68,354.00 increase to PRC 073 (School Connectivity) – The district received funding to purchase internet connectivity equipment at our schools.

Local Funds

2) No Change to the Local Fund Budget (Fund 2)

Federal Funds

3) An increase of \$3011.00 to the Federal Funds Budget (Fund 3):

\$1326.70 increase to PRC 146 (Light the Way – Rethink Grant) – This is additional funding to pay a stipend to teachers who attended a DPI conference over the summer.

\$159.30 increase to PRC 119 (IDEA Targeted Assistance Grant) – This is our district's carryover from last year.

\$1525.00 increase to PRC 111 (Title III English Language Acquisition Grant) – This is our district's Title III allotment for the current school year.

Capital Outlay Funds

4) An increase of \$21,932.07 to the Capital Outlay Budget (Fund 4):

\$9019.07 increase to PRC 802.72 (Capital Outlay) – Two HVAC units were purchased to replace existing units.

\$2098.00 increase to PRC 802.73 (Capital Outlay Expenses) – these funds were used to refinish the gym floor at East Middle School.

\$7450.00 increase to PRC 802.74 (Capital Outlay Expenses) – these funds were used to repair sidewalks at Mt Giload Elementary.

\$3405.00 increase to PRC 802.75 (Capital Outlay Expenses) – these funds were used to repair the middle school gym bleachers.

Child Nutrition

5) No change to the Child Nutrition Fund Budget (Fund 5):

There was a transfer of \$4000.00 from purpose code 8000 (Non-Program Charges) to purpose code 7000 (Auxiliary Services). \$4000.00 was moved from depreciation budget to the equipment repair budget to repair a dishwasher. This transaction did not involve any new funding.

The Montgomery County Board of Education at a meeting on the 8th day of February 5, 2024 passed the following resolution:

Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ending June 30, 2024.

Budget Amendment # 5

Budget Amendment # 5

Expense Code	Description of Code	Increase	Decrease
CHILD NUTRITION FUND			
	Revenues		
	Expenses		
8.0005 028	Indirect Cost		\$4,000.00
5.7000 035	Dishwasher repairs	\$4,000.00	
	Net Change in Child Nutrition Budget	\$0.00	
Explanation: Adjustments made for actual revenues and expenditures.			
Total Appropriation in Current Budget			\$3,787,860.00
Amount of Increase			\$0.00
Total Appropriation in Current Amended Budget			\$3,787,860.00

Expendure Code	Description of Code	Increase	Decrease
LOCAL FUND 8			
Revenues			
PERC 379	School Climate Federal Grant - Starkey County Schools portion	\$454,720.34	
PERC 379	School Climate Federal Grant - Montgomery County portion	\$434,084.00	
PERC 061	Passenger Electric Grant for M.A. - District	\$1,000.00	
PERC 061	Passenger Electric Grant for M.A. - Reynolds	\$675.00	
PERC 061	NC Community Fdb Grant - MSA	\$200.00	
PERC 061	Passenger Fdb for Supplies portion	\$671.33	
	Total Change in Fund 8 Revenues	\$992,351.62	
Expenses			
8 83000 379	School Climate Federal Grant - Starkey County Schools portion	\$603,348.64	
8 83000 379	School Climate Federal Grant - Montgomery County portion	\$454,720.34	
8 83000 379	School Climate Federal Grant - Reynolds	\$151,444.44	
8 83000 061	Passenger Electric Grant for M.A. - District	\$1,000.00	
8 83000 061	Passenger Electric Grant for M.A. - Reynolds	\$675.00	
8 83000 061	NC Community Fdb Grant - MSA	\$200.00	
8 83000 061	Reapportion Fdb for Supplies portion	\$671.33	
	Total Change in Fund 8 Expenses	\$992,351.62	
	Net Change on Local Fund 8 Budget	\$992,351.62	
Explanation: Adjustments made for actual revenues and expenditures.			
Total Appropriation in Current Budget			\$11,162,535.31
Amount of Increase			\$992,351.62
Total Appropriation in Current Amended Budget			\$12,114,886.93

Passed by majority vote by the Board of Education of Montgomery County on the 5th day of February, 2024.

 Chairwoman, Board of Education

 Secretary, Board of Education

4) Audit Contract



441 Page Street • P.O. Box 422
Troy, North Carolina 27371-0422
PHONE: (919) 576-6511 • FAX: (919) 579-2944

To: Board of Education
From: Mick Taylor
Date: February 3, 2024
Subject: Audit Contract with Anderson, Smith & Wike PLLC

Dale Smith, lead auditor of our external audit firm, Anderson, Smith & Wike, has submitted to the board his contract for 2024. In 2023, the contract fee was \$34,150.00, however this year the contract fee is \$36,000.00, representing a 5% increase.

The reason for the increase is the NC Local Government Commission formerly allowed an audit firm charge for additional services after the audit, such as assisting the district with meeting new GASB standards. This could be done without having to obtain further board approval. However, the NC LGC has changed this process and requires the audit contract wording to state that the total cost of the audit, including any additional services, will not exceed an agreed-upon amount.

Dale Smith stated that the increase in cost is not a reflection of him charging more for the audit services, rather it incorporates a cushion of \$1800.00 to cover any additional work beyond the standard audit, that he might have to perform for the district. He stated that if the audit goes as it normally does, no further work will be needed and the additional amount will not be charged to the district.

LGC-008 CONTRACT TO AUDIT ACCOUNTS Rev. 11/2023	
The	Governing Board
of	Board of Education
for	Montgomery County Schools
and	University President (insert DPCS if applicable), hereinafter referred to as Governmental (Unit)
and	Local (Unit)
Primary Government (Unit, together with DPCS if applicable), hereinafter referred to as Governmental (Unit)	
Auditor Name	Anderson, Smith & Wike PLLC
Auditor Address	114 English Road, Rockingham, NC 28379
Address/where to send audit	
For Fiscal Year Ending	July 1, 2024 to June 30, 2024
Revised	06/16/24
Revised with the amount of \$	

herby agree as follows:

- 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 under authority of the Governmental (Unit). The non-major combining, and individual fund statements and schedules shall be submitted to the auditing firm within 90 days of 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 DPCS, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major governmental 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 RSL for the General Fund and any annually budgeted Special Revenue funds.
- 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 Governmental 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 the 2 CFR Code of Federal Regulations Part 201 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), Uniform Grant Guidance or the State Single Audit Implementation Act. The 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 audit 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 (2 CFR 201), it is recommended that the Auditor and Governmental (Unit) 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 (2 CFR 201).

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State law unit auditor based upon federal criteria in the Uniform Guidance (2 CFR 201.2014), and (b) through (c) 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 on either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

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LGC-008 CONTRACT TO AUDIT ACCOUNTS Rev. 11/2023

the report was not submitted timely for State law-risk audits state. 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 substantial, 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 must have a policy in place to comply in a timely manner with the requests of the group auditor in accordance with AU-C 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) 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) 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 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 deficiencies encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C 260.12 - 14 and were communicated in a method other than an AU-C 260 letter, the written documentation must be submitted.

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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 funding the Commerce 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) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings (S.S. 159-34 and 159-44). All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice must be approved with approval date shall be returned to the Auditor to present to the Governmental (Unit) 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) 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 review 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-audience review or for the Auditor to prepare the audit report. The fee shall be paid to the Auditor by the NC State Board of CPA Examiners (see item 13).

11. If the Governmental (Unit) has had 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 debt covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental (Unit)'s 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) and all of the component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental (Unit) 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-audience review of its audit work, there shall be a statement in the engagement letter indicating the pre-audience review requirement. There shall also be a statement that the Governmental (Unit) shall not be billed for the pre-audience review. The pre-audience review report shall be performed prior to the contract audit being submitted to LGC Staff. The pre-audience review report shall accompany the audit report upon submission to LGC Staff.

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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 Auditor's opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to M&B secondary market disclosure requirements of the Securities and Exchange Commission and for other limited purposes of the Governmental (Unit) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental (Unit)'s 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 therefor. 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-approved 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, agreed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.

17. A copy of the engagement letter, issued by the Auditor and agreed by both the Auditor and the Governmental (Unit), shall be submitted to the Auditor and kept with the audit 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 detailed in item 30 of this contract. Engagement letters containing identification 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 DPCS is subject to the audit requirements, the Local Government and Fiscal Control Board shall submit a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCS is included in the primary government audit, the DPCS shall be waived along with the primary government audit. DPCS Board approval date, signatures from the DPCS 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) 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 08B .0305 as it relates to the provision of audit and other related services, as well as non-audited services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

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23. This contract may be terminated at any time by mutual consent and agreement of the Governmental (Unit) 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 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. Every Audit shall comply with the requirements of NCGS Chapter 64 Article 2. Further, the Auditor utilizes any subcontractor, Auditor shall require such subcontractor 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-hospital 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-audit services (the activity) being rendered by the Auditor shall be identified and included in this contract. This Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (DSE) 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 DSE, she must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate DSE cannot be identified, the Auditor cannot perform both the non-audit service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate DSE 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's governing body or audit committee at an official meeting or upon 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'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) unless 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 by the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(8).

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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 H.C. Department of State Treasurer website at <https://www.dostate.treasurer.com/submit-and-local-government-finance-director/local-government-commission/submitting-your-audit>

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

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

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LGC-291 CONTRACT TO AUDIT ACCOUNTS Rev. 11/2023

SIGNATURE PAGE

AUDIT FIRM

Audit Firm*
Anderson Smith & Wike PLLC
Authorized Firm Representative (typed or printed):
Date: 01/15/24

Signature*
Email Address*
Dak Smith
dsmith@asw-cpa.com

GOVERNMENTAL UNIT

Governmental Unit*
Montgomery County Schools
Date Governing Board Approved Audit Contract*
(Enter date in box to right)

Signature*
Mayor/Chairperson (typed or printed)*
Steve W. Delaney
Date: 01/15/24

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a)(1) or G.S. 115C-44(a)(1). Not applicable to hospital contracts.

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

Sum Obligated by This Transaction: \$ 79,090

Primary Governmental Unit Finance Officer* (name and title)
Mick Taylor
Date of Pre-Audit Certificate* 01-15-2024

Signature*
Email Address*
mick.taylor@montgomery.k12.nc.us

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ASW ANDERSON SMITH & WIKE PLLC
Certified Public Accountants

January 15, 2024

Montgomery County Schools
441 Page Street
Fry, NC 27571

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

Audit Scope and Objective

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 disclosures, which collectively comprise the basic financial statements of Montgomery County Schools as of and for the year ended June 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Montgomery County Schools' 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 Montgomery County Schools' RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Schedule of the Board's Proprietary Share of the Net Pension and OPEB Liabilities (Assets).
3. Schedule of Board Contributions.

We have also been engaged to report on supplementary information other than RSI that accompanies Montgomery County Schools' financial statements. We will audit the following supplementary information: the audit procedures required 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 in the preparation of the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our report on the financial statements.

1. Schedule of expenditures of federal and state awards
2. Individual fund schedule and budgetary schedules

The objective of our audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable

LGC-266 CONTRACT TO AUDIT ACCOUNTS Rev. 11/2023

FEES FOR AUDIT SERVICES

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

Financial statements were prepared by: ☒ Auditor ☐ Governmental Unit ☐ Third Party

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

Name: Mick Taylor Title and Unit / Company: Chief Financial Officer Email Address: mick.taylor@montgomery.k12.nc.us

OR Not Applicable: ☐ (Indicate if the LGC-266 Contract is not applicable for audit and audit or audit with FTO prior to June 30, 2024)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIR), Form 990, 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 firm for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC 2D03 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

Primary Government Unit	Montgomery County Schools
Audit Fee (financial and compliance if applicable)	\$ 71000.00
Fee per Major Program (if not included above)	\$ 1500
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$ 5000.00
All Other Non-Audit Services	\$ 1,500.00
TOTAL AMOUNT NOT TO EXCEED	\$ 39,000
Discretely Presented Component Unit	N/A
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Audit Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$

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SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*
N/A

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

DPCU Chairperson (typed or printed):
Signature*
Date:
Email Address*

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

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a)(1) or G.S. 115C-44(a)(1). Not applicable to hospital contracts.

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

Sum Obligated by This Transaction: \$

DPCU Finance Officer (typed or printed):
Signature*
Date of Pre-Audit Certificate*
Email Address*

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

PRINT

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assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement, if one exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of law, 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 and state statutes, regulations, and the terms and conditions of federal and state awards that could have a material effect on each major program in accordance with the Single Audit Act Amendments of 1994 and Title 48 U.S. Code of Federal Regulations (CFR) Part 205, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Guide.

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS, 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 the State Single Audit Implementation Guide, and will include tests of accounting records, a determination of major programs in accordance with Uniform Guidance and the State Single Audit Implementation Guide, and other procedures we consider necessary to enable us to express our opinion. As part of an audit in accordance with GAAS and Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misrepresentation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, Government Auditing Standards do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements of a major program. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misrepresentation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. 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.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be misinterpreted and misused, or otherwise used or constructed by an unauthorized third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails sent will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interpretation or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement.

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5) Candor Flower and Gift Shop MOU

 441 Page Street • P.O. Box 427 Troy, North Carolina 27371-0427 PHONE: (919) 576-6511 • FAX: (919) 576-2044 THIS AGREEMENT MADE AND ENTERED INTO BY AND BETWEEN CANDOR FLOWER AND GIFT SHOP in Montgomery County, NC, herein "Candor Flower and Gift Shop" and The Montgomery County Board of Education a Body Politic, herein "the Board." WHEREAS, Candor Flower and Gift Shop is in the business of screen printing and selling promotional items; WHEREAS, Candor Flower and Gift Shop desires to make and sell apparel and other items with Montgomery Central High School's name, logo, and mascot; WHEREAS the Board owns the copyright/trademark for Montgomery Central High School's logo and associated identity; AND WHEREAS the Board is willing to give Candor Flower and Gift Shop a nonexclusive right to make and market Montgomery Central High School apparel and other items on terms set out; NOW THEREFORE in consideration of the mutual covenants heretofore and hereafter stated, the sufficiency of which is stipulated the parties hereto agree as follows: 1. The Board grants to Candor Flower and Gift Shop a nonexclusive right to make and market Montgomery Central High School apparel and other items upon terms set out herein. 2. The nonexclusive right granted begin February 5th, 2024, and ending February 5th, 2025. 3. Candor Flower and Gift Shop agrees not to market any Montgomery Central High School apparel and other items without prior approval from the Board's agent designated as to style, content, and design. Failure to obtain approval will, at the discretion of the Board, result in revocation of the grant, or other sanctions recommended by the Board.	4. The right conveyed to Candor Flower and Gift Shop herein is not transferable nor may Candor Flower and Gift Shop convey any right granted herein to another party. 5. Candor Flower and Gift Shop will pay to the Board the sum of (20%) twenty percent of the gross receipts from internet sales and (15%) of the gross receipts of direct sales. Candor Flower and Gift Shop will provide a monthly accounting, suitable to the Board, of all sales. First accounting due April 1st, 2024, and on the first day of each month thereafter as long as the contract is in effect. Payments shall also be made on the first day of each month beginning April 1st, 2024. 6. Failure of Candor Flower and Gift Shop to perform any of the requirements set out herein shall result in termination of the rights conveyed herein. THIS the <u>30</u> day of <u>JANUARY</u>, 2024. <table border="0"><tr><td style="text-align: center;"> Candor Flower and Gift Shop</td><td style="text-align: center;"> By: <u>Chairman</u>  Attest: <u>Secretary to the Board</u></td></tr></table>	 Candor Flower and Gift Shop	 By: <u>Chairman</u>  Attest: <u>Secretary to the Board</u>
 Candor Flower and Gift Shop	 By: <u>Chairman</u>  Attest: <u>Secretary to the Board</u>		

Following approval of the consent agenda, Chairman DeBerry asked for a motion to adjourn the meeting. Bryan Dozier made the motion with Angela Smith seconding; the meeting was duly adjourned.

The next regular meeting will be held on Monday, March 4, 2024, at 6:30 pm at the Montgomery County Central Office.

Steven W. DeBerry, Chairman

Dale Ellis, Ed. D., Secretary