

# **MONTGOMERY COUNTY BOARD OF EDUCATION MINUTES**

**February 3, 2025**

The Montgomery County Board of Education convened in a regular monthly meeting on Monday, February 3, 2025, at 6:30 pm in the Montgomery County Schools Boardroom. Board members present were Anne Evans – Chair, Lynn Epps – Vice Chair, Tommy Blake, Angela Smith, Bryan Dozier, Cindy Taylor, and Isai Robledo.

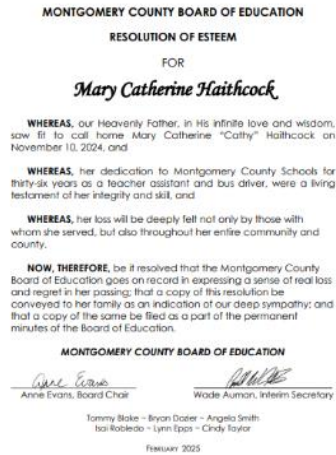
Board Chair Anne Evans called the meeting to order. Ms. Evans moved to adopt the agenda as submitted. Bryan Dozier made the motion with Lynn Epps seconding. The agenda was accepted with unanimous approval from the board.

Board Chair Anne Evans shared an opening devotional in recognition of Black History Month. Ms. Evans shared Dr. Martin Luther King, Jr.'s quote "The function of education is to teach one to think intensively and to think critically. Intelligence plus character-that is the goal of true education." We are reminded by Dr. King that true education is not just about acquiring information but also about developing the ability to think deeply and with purpose. Dr. King also emphasizes that intelligence alone is not enough. The fullness of a person's education is found not just in what they know but who they are. Character forms the foundation upon which true wisdom rests and without character our knowledge can be easily misused or distorted. In Romans 12:2, the apostle Paul reminds us not to be conformed to the pattern of this world but to be transformed by the renewing of our minds. Let us aspire today for a heart that seeks both knowledge and character.

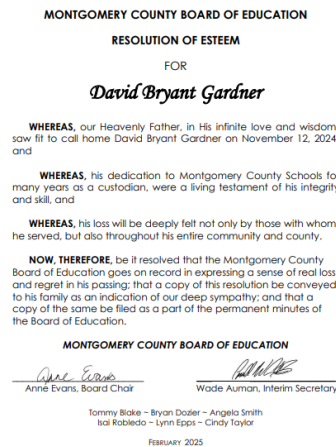
Montgomery County Learning Academy student Mason Freeman and Montgomery County Early College students Yanely Oliver and Johanna Cruz Elizalde led the Pledge of Allegiance to the Flag of the United States of America.

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

Board Chair Evans presented a Resolution of Esteem for Cathy Haithcock. Ms. Haithcock's family was present and accepted the Resolution of Esteem. Ms. Haithcock passed away on November 10, 2024. The Resolution reads as follows:



Board Chair Evans read a Resolution of Esteem for David Gardner. Mr. Gardner passed away on November 12, 2024. The Resolution reads as follows:



Board Chair Evans then called upon Mr. Auman for Employee of the Month recognition. Mr. Auman called upon Dr. Amy Reynolds to recognize the MLA employee of the month, Mark Little, Custodian. Mr. Auman then called upon Dr. Heather Seawell to recognize the MCEC employee of the month, Mishele Hare, Math Teacher.

Mr. Auman at this time called upon Mitch Taylor for finance recognitions of bookkeepers with "No Comment Audits". The following were called for recognition: Pam Maynor of Green Ridge Elementary, Lynn Maness of Star Elementary, and Christy Shepherd of Page Street Elementary. Courtney Wilson of Troy Elementary, and Jessica King of Montgomery Central were unable to attend.

Mr. Taylor then recognized bookkeepers Robin Heath of East Middle and Pam Maynor of Green Ridge Elementary for completing and receiving the NCASBO Treasurer Academy Program certification. Megan Braswell of Montgomery County Early College was unable to attend.

Mr. Auman recognized Mr. Taylor and the Finance Department for receiving a Certificate of Excellence in Financial Reporting. This is national recognition given by the Association of School Business Officials for outstanding excellence in financial reporting.

Board Chair Evans then asked the board for approval of the consent agenda as submitted. Bryan Dozier made the motion with Tommy Blake seconding. The board approved unanimously.

Board Chair Evans called upon Dr. Amy Reynolds, principal of MLA and Mr. Kirk Watts, assistant principal, for their presentation. Dr. Reynolds stated that they wanted to briefly talk about their four school improvement plan goals and where they currently stand with them. MLA will be a community of learners dedicated to student success, and we focus on success because a lot of them have not felt or been successful in the traditional school. We try to prepare them with skills necessary to be productive citizens in a challenging society. Dr. Reynolds stated that they have four goals they are focusing on this year and by June 2025 the primary goal is to have a cohort graduation rate of 97% or higher. Our current three year average is 95.78%. Our second goal is more challenging because it deals with student attendance and a lot of our students come to us with attendance issues for various reasons. MLA is currently at 83.02% attendance average which is down some, but we continue to strive for 90%. Mr. Watts then stated that by June 2025 their next goal will be for 50% of seniors enrolled at MLA, for one or more years, to achieve CTE concentrator status and sit for the WorkKeys exam with 80% of the concentrators qualifying for silver or higher. MLA's CTE concentrator status for the fall of 2024 was 47% and the WorkKeys Exams silver or higher was at 57%. Dr. Reynolds stated that their final goal for June 2025 is to have a positive growth indicator index of zero or higher. She stated that although they have made growth each year, they are still in the negative. Some of the action steps they are taking to help meet their goals are parent/student welcome meetings, course alignment to allow for more MCC courses, home visits as needed, data based remediation, face to face instruction, and student attendance recognitions. The motto at MLA is "Graduation is the only choice".

Board Chair Evans called upon Dr. Heather Seawell, principal at MCEC and April Daywalt, for their presentation on MCEC's 2024-25 School Improvement Plan. Ms. Daywalt explained that Academic Proficiency is influenced by student motivation, socioeconomic status, prior knowledge and skills, cognitive abilities/learning disabilities, and community/home factors. Academic Growth is determined simply by what happens within the building between students, teachers, and administrators. We will use our growth to explain how growth relates to proficiency and how it further relates to our school improvement plan. In 2023-2024 MCEC exceeded growth in all subject areas. MCEC has the highest growth index (14.24) in the state for all early college, traditional high schools, and charter schools. They also have the third highest growth index in the state for all schools of all grade levels. Their actual proficiency exceeded the projected proficiency in both level 3 and up as well as levels 4 and 5, which are the CCR students. Our ACT growth in 2023 met growth but in 2024 we exceeded expected growth in all subjects. We are using our performance data and our classroom observation data to make decisions about our school improvement and professional development needs. With this information we have set a goal for 90% of students to have a composite score of at least 19 on the ACT and we currently are at 74%. We also set a goal of 85% of students will score level 4/5

in Biology, English II, and Math I/Math III. We are currently at 87% for Biology, 64% for English II and 83% for Math I/Math III. The final part of our goal is 95% of MCEC students will pass all community college courses they are enrolled in and be on track to complete their associate's degree/certificate in 4 or 5 years. Currently the pass rate is at 91%. Some of the strategies we are using to meet our goals are to utilize AVID strategies, target instruction based on EVVAS, attend PLC and MTSS meetings to review assessment data to plan for instruction, and provide targeted ACT lessons and activities.

Board Chair Evans called upon Matthew Swain for the Mid-Year Update on High School performance. The information we have to provide this year will look slightly different because the biology scores have been embargoed by the state. This is a test norming year meaning that the test and the curriculum have been rewritten, and we will not see those scores until September or October. However, the scores will still count towards the school report card. This presentation is only a mid-year snapshot and does not include any growth information. Also, these scores do not include the Early College as they have not tested these subjects yet. In English II our Fall proficiency score was 70.7 with only 75 students (two honors sections and one standard section) tested so far. Our total scores for 2023-24 were 46.9 with a total of 326 students tested. Our Math I scores are slightly lower at 27.5 with 40 students (one honor and one standard) tested so far. Our total score in 2023-24 was 38.2 with 254 students tested. The score for Math III remained the same at 38.5 with 65 students (all honors) tested. Mr. Swain stated that since there are more instructional days in the second semester, hopefully the Math I/Math III scores will improve. The board members asked several questions regarding the difference in the instruction at the early college as opposed to the instruction at the high school and if any of it could apply to the high school to improve their scores. Mr. Auman explained that the early college offers more flexibility with smaller class sizes and with students remaining in the same class for the entire school year. Mr. Dozier stated that he feels it might be beneficial for the math teachers at the high school to sit in on a math class at the early college.

Board Chair Evans called upon Wade Auman for the Community Forums for Cell Phone Ban Input. Mr. Auman stated that he is proposing the date of February 27 at 5:30 for WMS and a date of March 6 at 5:30 for EMS. These meetings are per the board's request to acquire the community's input on the proposed cell phone policy/ban in the Montgomery County Schools. Dr. Robledo stated that he was not a member of the board when this item was first discussed but that he has some concerns. He stated that he has concerns with the timing of these conversations and the potential decision to ban cell phones in schools for employees. We need to model ourselves before we require students and teachers to lock up their phones and as a former classroom teacher, he understands the challenges of cell phones, but this seems extreme. Lastly, with our schools searching for a new superintendent, he or she may bring new ideas on how to address this issue. Therefore, he feels that we should table this issue until we have a permanent superintendent in place. Mr. Auman stated that there has been no decision made but the board requested we conduct community forums so that we could all hear feedback from our parents and community members before we move forward. Mr. Dozier requested that Mr. Auman provide Dr. Robledo with the videos that were previously shared with the board members. After discussion, Dr. Robledo made the motion to delay until a permanent superintendent is in place. Lynn Epps seconded the motion. The motion passed with a 4-3 vote by the board.

Board Chair Evans called upon Mr. Sam Thorp for an update on the Superintendent Search Community & Staff surveys. Mr. Thorp shared a PowerPoint with the board showing the feedback they received from the community and staff surveys. He has created a rough draft of the leadership profile using the top ten characteristics and top five types of experience identified

by your community and staff. Mr. Thorp encouraged the board members to reach out to him regarding what they would like to see in a new superintendent and in the leadership profile. He will update and finalize the profile and will share it with the board along with the application materials by the end of the day on Tuesday, February 11. He then proceeded to discuss the results of the surveys they received. The response from the community and staff was strong. The top ten characteristics listed by the community and staff showed a high level of agreement. The top five in terms of experience for the community and staff were also in agreement. Mr. Thorp stated that the unredacted comments submitted by the community and staff are available for the board members on the NCSBA website through the Simbli site. A redacted PDF copy of the survey comments, as well as the Organizational Statement submitted by Earl Leake has also been provided to the Central Office for public records request. Board members should expect an email Tuesday morning with information regarding how many applicants, how many different states and a press release that can be shared on the website or local news organization. You will also receive a second email later in the day with instructions for accessing the information through the Simbli site. The next meeting to discuss applications is tentatively scheduled for February 20, 2025, a special-called meeting.

Board Chair Evans called upon Dr. Emily Shaw for the Early College Calendar Correction. Dr. Shaw stated that the 2025-2026 Early College calendar was approved last month, however, there was an error on September 15. This date was shaded blue, which indicates that it is a teacher workday, but September 15 is a regular day of instruction.

Board Chair Evans called upon Mitch Taylor for the County Financial Software Update presentation. Mr. Taylor stated he would like to share the NCDPI Business Modernization Project. The objective of the project is to modernize the financial and human resource computer software systems currently in place at the District and State levels. The project was initiated in 2019 but was postponed by the COVID Pandemic. In 2024 the project was restarted and will require Montgomery County Schools to adopt a new budgeting software system by July 1<sup>st</sup> of 2026. The current programs do not provide many of the advantages that new technology offers. A modern system would offer Cloud based information stored off-site, integrated finance and HR systems that talk to each other, customized reporting options, and would enable information to be more easily transferred between the districts and DPI. Prior to the COVID Pandemic Tyler Technologies and CherryRoad/Oracle were the only two vendors selected by the state but before MCS made their selection, the selection process was halted by COVID. We now have two additional providers available, Lync and SunPac. Sunpac, the current provider for Montgomery County Schools, merged with Sylogist which is a school-based accounting software provider. This merger provided SunPac with a web-based alternative for its users. Our district staff have attended numerous presentations by all four providers, spoke with other school districts, and have reviewed the cost of the subscription and implementation. Our recommendation would be for Montgomery County Schools to choose Sylogist. Implementation would be four to six months and two of our trusted primary contacts at SunPac would be involved in our transition. If approved we would start implementing in January 2026 with training and we would go live on July 1, 2026. Tommy Blake made the motion to approve using Sylogist with Bryan Dozier seconding. The board approved unanimously.

Board Chair Evans called upon Dr. Emily Shaw for the Policy Update for First Read. Dr. Shaw stated that policy 7410, Teacher Contracts, was up for first reading. The update would allow teachers to secure two or four year contracts with fewer constraints once they have completed the three-year comprehensive cycle. We will bring this policy back for approval at the March meeting.

Board Chair Evans called upon Wade Auman for the Inclement Weather Make-Up Days. Mr. Auman stated that due to snow we missed January 22, 23 and had a two-hour delay on January 24. They would like to recommend that January 22 be a forgiven instructional day as we do meet the minimum instructional hours for the year. We also would like to recommend that May 2<sup>nd</sup>, which is listed on the calendar as a half day, be made a full day of instruction to conserve instructional time. Lynn Epps made a motion to approve with Bryan Dozier seconding. The board approved unanimously.

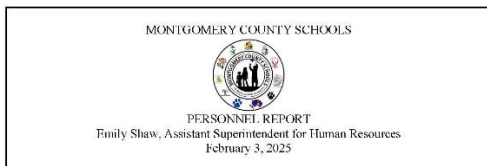
Board Chair Evans called upon Wade Auman for the Strategic Work Session Dates. Mr. Auman stated it is time to begin developing our new five-year Strategic Plan and that after doing some research, one of the keys to a successful strategic plan is to include our stakeholders in the development of that plan. Therefore, he has provided the board with February 13 beginning at 5:30, February 20 beginning after the School Board visits or February 20 beginning at 5:30. These dates would be to conduct a work session to begin developing the strategic plan with input from the board members. He stated that he will present the old goals and also provide our most current data available so that during the session we can work on any recommended changes with a more deliberate and focused discussion. This is a lengthy process, which is why we are looking to begin developing the plan now. Dr. Robledo stated that he is again concerned about beginning this process prior to the new superintendent being in place as he/she may have input on where we are headed in the next five years. He would like to see the board table this item for 30 days. Due to the length of the process the board members discussed the need to move forward and begin the process while still allowing for input from the new superintendent once he/she is hired. Bryan Dozier made the motion to approve moving forward with the work session on February 20<sup>th</sup> at 1:00 with Tommy Blake seconding. The board approved 6-1, with Dr. Robledo opposing.

Board Chair Evans then called upon Mr. Wade Auman for the Superintendent's Comments. Mr. Auman stated that he just wanted to express his gratitude to Mr. Taylor, the finance team, and all our school level staff for all their hard work. They are all very dedicated to the accounting, spending and documentation of our funds as reflected in the recognitions here tonight. The management and budgeting of the funds we receive are a major function of our district and we have an excellent department performing these tasks for us. They are a very valuable asset that help with the success of our district.

Board Chair Evans then asked for a motion to go into closed session to discuss personnel and consult the board attorney. Bryan Dozier made the motion, with Tommy Blake seconding. The board approved entering into closed session unanimously.

The following items were approved:

- 1) Board Minutes from January 6, 2025
- 2) Personnel and Auxiliary Report



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

| <u>Resignation/<br/>Retirement</u> | <u>School/<br/>Assignment</u>                         | <u>Effective Date</u> |
|------------------------------------|-------------------------------------------------------|-----------------------|
| 1) Patricia Flowers<br>Resignation | Montg. Central High<br>Exceptional Children's Teacher | 1/05/2025             |
| 2) Frances Morris<br>Resignation   | Candor Elementary<br>2 <sup>nd</sup> Grade Teacher    | 1/17/2025             |
| 3) Larnetta Way<br>Resignation     | Montg. Central High<br>Sign Language Interpreter      | 1/14/2025             |
| 4) Joseph Williams<br>Retirement   | Central Office<br>General Foreman                     | 5/01/2025             |
| 5) Jamie Hinson<br>Resignation     | Candor Elementary<br>P.T. Media Assistant             | 1/20/2025             |
| 6) Tracy Blake<br>Resignation      | East/West Middle<br>Agriculture Teacher               | 2/07/2025             |
| 7) Jay Shepherd<br>Resignation     | Central Office<br>HVAC Mechanic                       | 1/27/2025             |
| 8) Theodore Horne<br>Retirement    | Green Ridge Elementary<br>Custodian/Bus Driver        | 3/30/2025             |
| 9) Sharon Baldwin<br>Retirement    | Central Office<br>Assistant Finance Officer           | 5/01/2025             |

**E. Upon recommendation, approval of principal recommendation for the following probationary contracts for currently employed personnel for the 2024-2025 school year as provided by General Statute 115C-325:**

| <u>Employee</u>  | <u>School/Assignment</u>                            |
|------------------|-----------------------------------------------------|
| 1) Debra Sikes   | Candor Elementary School – Guidance Counselor       |
| 2) Danusia Dumas | Montgomery Central High School – Guidance Counselor |

**F. Upon recommendation, approval of the following coaches:**

| <u>West Middle School</u>         | <u>Record Check</u> |
|-----------------------------------|---------------------|
| Gerard Richardson Sr. – Wrestling | Yes                 |
| Curtis Hill – Wrestling           | Yes                 |
| <u>East Middle School</u>         | <u>Record Check</u> |
| Grace Reynolds – Softball         | Yes                 |
| Travis Talley – Baseball          | Yes                 |
| Jo Miller – Soccer                | Yes                 |
| Mythi Veeravulla – Soccer         | Yes                 |
| Donnie Mabe – Tennis              | Yes                 |

**G. Interim Superintendent reports the following termination of employee:**

| <u>Employee</u> | <u>School/Assignment</u>                     | <u>Effective Date</u> |
|-----------------|----------------------------------------------|-----------------------|
| Michelle Leitao | Montg. Central High, Teacher Asst/Bus Driver | 1/13/2025             |

**II. Upon recommendation of the Interim Superintendent, approval of recommendation for employment of the following interim part time certified personnel:**

| <u>Employee/<br/>Effective Date</u> | <u>School/<br/>Assignment</u>                 | <u>Record<br/>Check</u> | <u>Replacing</u> |
|-------------------------------------|-----------------------------------------------|-------------------------|------------------|
| 1. Sandy Lane<br>1/06/2025          | East/West Middle Schools<br>P.T. Math Teacher | Yes                     | Daniel Jones     |

**B. Upon recommendation of the interim superintendent, approval of the following additions to the substitute teacher list:**

| <u>Certified</u>  | <u>Record Check</u> |
|-------------------|---------------------|
| 1) Tonya Little   | Yes                 |
| 2) Linda Anundson | Yes                 |

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

| <u>Employee/<br/>Effective Date</u> | <u>School/<br/>Assignment</u>                  | <u>Record<br/>Check</u> | <u>Replacing</u> |
|-------------------------------------|------------------------------------------------|-------------------------|------------------|
| 1) Fred Norman<br>2/04/2025         | Mt. Gilcard Elementary<br>Custodian/Bus Driver | Yes                     | DeAnn Singleton  |
| 2) Keyla Chavez<br>TBD              | Troy Elementary<br>P.T. NC Ed Corp Tutor       | Yes                     | Jennifer Bass    |
| 3) Caralina Gutierrez<br>2/04/2025  | Candor Elementary<br>P.T. Media Assistant      | Yes                     | Jamie Hinson     |
| 4) Jamie Harris<br>2/04/2025        | Candor Elementary<br>P.T. NC Ed Corp Tutor     | Yes                     |                  |
| 5) Kerri Fiske<br>2/04/2025         | Candor Elementary<br>P.T. Math Tutor           | Yes                     |                  |
| 6) Linda McLendon<br>2/04/2025      | All Locations<br>Child Nutr. Sub.              | Yes                     |                  |
| 7) Naomi Drake<br>TBD               | West Middle School<br>P.T. Gear Up Tutor       | Pending                 |                  |

**D. Reports the following transfer:**

| <u>Transfer/<br/>Effective Date</u> | <u>From</u>                            | <u>To</u>                                          | <u>Replacing</u> |
|-------------------------------------|----------------------------------------|----------------------------------------------------|------------------|
| 1) Shacorea D. Garcia<br>1/17/2025  | Montg. Learn. Acc.<br>P.T. One On One  | Central Office<br>Behavior Support Specialist      |                  |
| 2) Jack Carpenter<br>7/01/2025      | East Middle School<br>Phy. Ed. Teacher | Montg. Central High<br>Phy. Ed. Teach./Head FB Co. | Chris Metzger    |

MONTGOMERY COUNTY SCHOOLS  
AUXILIARY REPORT  
FEBRUARY 3, 2025

The following overnight field trips are requested:

**Montgomery Central High School-**

Travel Tracker # 5288-C.D. Hyllon High School-Woodbridge, VA

Trip Dates: 2/20/2025-2/23/2025

**Montgomery Central High School-**

Travel Tracker #5298-Clover Memorial Stadium-Clover, SC

Trip Dates: 3/15/2025

Upon recommendation, approval of release from Montgomery County Schools requested for the 2025-2026 school year.

Montgomery County Schools to Moore County Schools

-

Montgomery County Schools to Stanley County Schools

-

### 3) Budget Resolution



Fiscal Year 2024/2025 Budget Amendment # 4

1) An increase of \$140,257.00 to the State Budget Fund (Fund 1):

\$18,998.00 increase to PRC 083 (CTE Credentials) – These funds represent the district's allotment for reimbursing tuition related to obtaining CTE credentials.

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

3) An increase of \$39,203.00 to the Federal Funds Budget (Fund 3):

Beginning this year, the district is required to implement a change in the way federal funds are reported. When the district receives federal grants, funds are typically available to the district for 27 months. For this reason, federal funds can be carried over for up to two years. In the past, the district combined previous funding with new funding into one budget, but beginning this year, the district must create a separate budget

\$2331.00 increase to PRC 017 Year 2024 (CTE Program Improvement) – The district received an additional allotment related to CTE Program improvement.

4) An increase of \$381,440.67 to the Capital Outlay Budget Fund (Fund 4):

\$371,894.00 increase to P4C 120 (Transportation Capital Outlay Expenses) – The purchase of all yellow buses is financed to the district through a lease. Repayment terms of the lease call for quarterly payments made over a 4-year period. The state provides the district with funding to make these quarterly payments. This allotment covers the amount due for the first two quarters of the year.

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

**6) No change to the Special Local Fund 8 Budget (Fund 8):**

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

Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ending June 30, 2025.

|                                                                     |                 |
|---------------------------------------------------------------------|-----------------|
| Explanation: Adjustments made for actual revenues and expenditures. |                 |
| Total Appropriation in Current Budget                               | \$31,099,069.00 |
| Amount of Increase                                                  | \$140,257.00    |
| Total Appropriation in Current Amended Budget                       | \$31,239,326.00 |

|                                                                     |                |
|---------------------------------------------------------------------|----------------|
| Explanation: Adjustments made for actual revenues and expenditures. |                |
| Total Appropriation in Current Budget                               | \$7,344,416.00 |
| Amount of Increase                                                  | \$0.00         |
| Total Appropriation in Current Amended Budget                       | \$7,344,416.00 |

Explanation: Adjustments made for actual revenues and expenditures

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|                                               |                                                        |                |
|-----------------------------------------------|--------------------------------------------------------|----------------|
| Explanation:                                  | Adjustments made for actual revenues and expenditures. |                |
| Total Appropriation in Current Budget         |                                                        | \$4,351,538.89 |
| Amount of Increase                            |                                                        | \$39,203.00    |
| Total Appropriation in Current Amended Budget |                                                        | \$4,390,741.89 |

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|                                                                            |                       |
|----------------------------------------------------------------------------|-----------------------|
| Explanation: <b>Adjustments made for actual revenues and expenditures.</b> |                       |
| <b>Total Appropriation in Current Budget</b>                               | <b>\$3,850,163.40</b> |
| <b>Amount of Increase</b>                                                  | <b>\$381,446.67</b>   |
| <b>Total Appropriation in Current Amended Budget</b>                       | <b>\$4,031,604.07</b> |

|                                                                     |                |
|---------------------------------------------------------------------|----------------|
| Explanation: Adjustments made for actual revenues and expenditures. |                |
| Total Appropriation in Current Budget                               | \$4,100,560.00 |
| Amount of Increase                                                  | \$0.00         |
| Total Appropriation in Current Amended Budget                       | \$4,100,560.00 |

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|                                                                     |                |
|---------------------------------------------------------------------|----------------|
| Explanation: Adjustments made for actual revenues and expenditures. |                |
| Total Appropriation in Current Budget                               | \$16,849,798.3 |
| Amount of Increase                                                  | \$0.0          |
| Total Appropriation in Current Amended Budget                       | \$16,849,798.3 |

|                               |                        |
|-------------------------------|------------------------|
| <b>Previous Budget</b>        | <b>\$67,395,545.68</b> |
| State Budget Change           | \$140,257.00           |
| Local Budget Change           | \$0.00                 |
| Federal Budget Change         | \$39,203.00            |
| Capital Outlay Budget Change  | \$361,440.67           |
| Child Nutrition Budget Change | \$0.00                 |
| Fund 8 Budget Change          | \$0.00                 |
| <b>Total Change in Budget</b> | <b>\$560,900.67</b>    |
| <b>Current Budget</b>         | <b>\$67,956,446.35</b> |

Chairman, Board of Education

Secretary, Board of Education

#### 4) Audit Contract



441 Page Street • P.O. Box 427  
Troy, North Carolina 27371-0427  
PHONE: (910) 576-6311 • FAX: (910) 576-2044

This is the audit contract with Anderson, Smith & Wike PLLC for the June 30<sup>th</sup>, 2025 audit for Montgomery County Schools.

The total Not-to-Exceed fee amount of \$40,200 in the contract on pdf page 7 reflects about a 3% increase over last year's Not-to-Exceed amount. This increase is in part to keep up with inflation, but to also help cover the additional audit time required for implementation of a new federal requirement, GASB 101. This GASB requires the Board to start recording a liability in the financial statement for sick leave and will also require a prior period adjustment to report the beginning of year sick leave liability balance as well. There will also be new disclosures required in the financial statements relating to these liabilities.

Mitch Taylor  
Finance Officer  
Montgomery County Schools

| LGC-205 | CONTRACT TO AUDIT ACCOUNTS                                                                                   | Rev. 12/2024                        |
|---------|--------------------------------------------------------------------------------------------------------------|-------------------------------------|
| The     | Governing Board                                                                                              |                                     |
| of      | Board of Education                                                                                           |                                     |
|         | Primary Government Unit:                                                                                     |                                     |
|         | Montgomery County Schools                                                                                    |                                     |
| and     | Oversees Provider Component Unit (DPCU) (if applicable)                                                      |                                     |
|         | N/A                                                                                                          |                                     |
|         | Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s) |                                     |
| and     | Auditor Name                                                                                                 |                                     |
|         | Anderson Smith & Wike PLLC                                                                                   |                                     |
|         | Auditor Address                                                                                              |                                     |
|         | 116 Greylyn Road, Rockingham, NC 28379                                                                       |                                     |
|         | Hereinafter referred to as Auditor                                                                           |                                     |
| for     | Fiscal Year Ending                                                                                           | Date Audit Will Be Submitted to LGC |
|         | 06/30/25                                                                                                     | 12/31/25                            |
|         | Must be within six months of FYE                                                                             |                                     |

hereby 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 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 HSL, 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. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with Government Auditing Standards (GAGAS). The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F (Uniform Guidance) and the State Single Audit Implementation Act. Currently the thresholds is \$750,000 for a federal single audit and \$500,000 for a State Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the 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) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

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 for audit purposes. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

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LGC-205 CONTRACT TO AUDIT ACCOUNTS Rev. 12/2024

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).

- 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-C §600.41 - §600.42.
- 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 staff 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.
- 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.

- It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within six months of fiscal year end. 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.
- It is agreed that GAAS include a review of the Governmental Units (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 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. 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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LGC-205 CONTRACT TO AUDIT ACCOUNTS Rev. 12/2024

- 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.
- 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-44.7]. 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.
- 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).
- 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 (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.
- 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.
- 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.

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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 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.

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.

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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). Preparing financial statements in their entirety shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, 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 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).

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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 N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-div/cfo-local-government-commission/subsubmitting-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-206) are not allowed.

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## FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and Government Auditing Standards, 2018 Revision. Refer to 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:               |
| Mitch Taylor | Finance Officer / Montgomery Co | mtaylor@montgomery.k12.nc.us |

OR Not Applicable ☐ (Revised/Added to SKE Individual on the LGC 206 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 Unit                               | Montgomery County Schools |
| Audit Fee (financial and compliance if applicable)    | \$ 32200.00               |
| Fee per Major Program (if not included above)         | \$ 1000.00                |
| Additional Fees Not Included Above (if applicable):   |                           |
| Financial Statement Preparation (incl. notes and R30) | \$ 5000.00                |
| All Other Non-Attest Services                         | \$ 3000.00                |
| TOTAL AMOUNT NOT TO EXCEED                            | \$ 40,200                 |
| 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 R30) | \$                        |
| All Other Non-Attest Services                         | \$                        |
| TOTAL AMOUNT NOT TO EXCEED                            | \$                        |

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## SIGNATURE PAGE

## AUDIT FIRM

|                                                    |                            |
|----------------------------------------------------|----------------------------|
| Audit Firm*                                        | Anderson Smith & Wike PLLC |
| Authorized Firm Representative (typed or printed)* | Dale Smith                 |
| Date*                                              | 01/06/25                   |
| Signature*                                         | <i>Dale Smith</i>          |
| Email Address*                                     | dsmitth@asw-cps.com        |

## GOVERNMENTAL UNIT

|                                               |                                 |
|-----------------------------------------------|---------------------------------|
| Governmental Unit*                            | Montgomery County Schools       |
| Date Governing Board Approved Audit Contract* | (Enter date in box to right)    |
| Mayor/Chairperson (typed or printed)*         | Anne Evans                      |
| Date                                          | 2-3-25                          |
| Signature*                                    | <i>Anne Evans</i>               |
| Email Address*                                | anne.evans@montgomery.k12.nc.us |

|                                                      |               |
|------------------------------------------------------|---------------|
| 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-44(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.

|                                                               |                |                                   |
|---------------------------------------------------------------|----------------|-----------------------------------|
| Sum Obligated by This Transaction:                            | \$             | 40,200                            |
| Primary Governmental Unit Finance Officer* (typed or printed) | Signature*     | <i>Mitch Taylor</i>               |
| Mitch Taylor                                                  |                |                                   |
| Date of Pre-Audit Certificate*                                | Email Address* | mitch.taylor@montgomery.k12.nc.us |
| 1-29-2025                                                     |                |                                   |

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ANDERSON SMITH &amp; WIKE PLLC

Certified Public Accountants

January 6, 2025

Montgomery County Schools  
441 Page Street  
Troy, NC 27371

We are pleased to confirm our understanding of the services we are to provide for Montgomery County Schools for the year ended June 30, 2025.

## Audit Scope and Objectives

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, 2025. 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. Schedules of the Board's Proportionate Share of the Net Pension and OPEB Liabilities (Assets)
3. Schedules 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 subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

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

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

1. Letter of Transmittal
2. Statistical Section

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 "NA") | Signature     |
| Date                                                 | Email Address |

## DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-44(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.

|                                          |                |  |
|------------------------------------------|----------------|--|
| 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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If obtaining the final version of these documents is not possible prior to the date of our audit report, the documents should be provided to us as soon as practicable, and Montgomery County Schools should not issue the annual report prior to providing them to us to read. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The objectives of our audit are 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 opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
- 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 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) 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 such opinions. As part of an audit in accordance with GAAS and Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements 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 or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. 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.

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In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended 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 from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequences, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risks of material misstatement as part of our audit planning:

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks.

Our audit of financial statements does not relieve you of your responsibilities.

#### Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. 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 and the State Single Audit Implementation Guide, 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 and the State Single Audit Implementation Guide.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Guide.

#### Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Montgomery County Schools' 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*.

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regulations, contracts, and grant agreements 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 and State 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. The summary schedule of prior audit findings should be available for our review at the start of our engagement.

You are responsible for identifying all federal and State awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and State awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance and the State Single Audit Implementation Guide. You agree to include our report on the schedule of expenditures of federal and State awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal and State awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and State awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal and State awards no later than the date the schedule of expenditures of federal and State awards 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 schedule of expenditures of federal and State awards in accordance with the Uniform Guidance and the State Single Audit Implementation Guide; (2) you believe the schedule of expenditures of federal and State awards, including its form and content, is stated fairly in accordance with the Uniform Guidance and the State Single Audit Implementation Guide; (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 and State 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 (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relating 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.

#### Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal and State awards, and related notes of Montgomery County Schools in conformity with accounting principles generally accepted in the United States of America 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 and State 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

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The Uniform Guidance and the State Single Audit Implementation Guide requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and State statutes, regulations, and the terms and conditions of federal and State 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 Montgomery County Schools' federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Montgomery County Schools' compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Guide.

#### Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal and State 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 and State awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (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.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal and State awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers), and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance and the State Single Audit Implementation Guide; (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 is necessary to obtain audit evidence. As part of our audit, we will require certain written representations from you about the financial statements, schedule of expenditures of federal and State awards, federal award programs, compliance with laws, regulations, contracts, and grant agreements, and related matters.

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 of each report unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about fraud 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. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws,

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#### management responsibilities.

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

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal and State awards, summary schedule of prior audit findings, auditee's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

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

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

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

Dale Smith is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit in early 2025.

Our fees for the audit and financial statement preparation services will not exceed \$32,200 for the audit and \$5,000 for the writing of the financial statements. We will bill separately for travel, postage, report reproduction, and any other reasonable out-of-pocket costs. In addition, we will bill separately at standard hourly rates for any federal or state awards required to be audited as a major program that were not audited as a major program during the three preceding fiscal years, is identified as High Risk by the OMB, or is required to be audited in the current year due to the auditee not being considered low risk, assistance provided with GASBS pension disclosures, new GASBS implementation disclosures, or any nonaudit services requested by management that we may provide. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. 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 reports. 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

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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. Our audit approach is to work closely with management and communicate frequently. The audit will require the assistance of management and staff to prepare supporting documents, schedules and analyses to be ready no later than the agreed upon dates set out in our email or other communications with management. Failure to meet these timelines or providing incomplete schedules and analyses will result in additional time and audit costs being incurred by our professional staff, who have to reschedule their planned work due to the delay in receiving complete document requests. Should all items requested not be completed on or prior to the dates specified, the Board understands that an increased fee (to be determined prior to proceeding) may be charged to compensate our firm for the incurred changes in professional staff schedules. If the delays result in an extension having to be requested, a minimum 5% fee will be added to the amended contract extension request to compensate the firm for these delays and scheduling changes.

#### Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to: the Board of Education of Montgomery County Schools. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports or we may withdraw from this engagement.

The Government Auditing Standards report on internal control over financial reporting and on compliance and other matters will state 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 state 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.

We appreciate the opportunity to be of service to Montgomery County Schools 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 below and return it to us.

Very truly yours,

Anderson Smith & Wike PLLC

*Dale Smith*  
Dale Smith, CPA

#### RESPONSE:

This letter correctly sets forth the understanding of Montgomery County Schools.

Officer signature: *Mitch Taylor* Date: *1-29-2025*

Board Chair Signature: *Jane Evans* Date: *2-3-25*

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## DEANDORTON

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

To the Partners of Anderson Smith & Wike, PLLC and the Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Anderson Smith & Wike, PLLC (the firm) in effect for the year ended March 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

#### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate weaknesses in its system of quality control, in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

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

#### Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act, and an audit of an employee benefit plan.

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

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Anderson Smith & Wike, PLLC in effect for the year ended March 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Anderson Smith & Wike, PLLC has received a peer review rating of *pass*.

*Dean Dorton Allen Ford, PLLC*  
Dean Dorton Allen Ford, PLLC

August 4, 2022

Lexington • Louisville • Raleigh

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

## 5) Distribution Requests Forms



441 Page Street • P.O. Box 427  
Troy, North Carolina 27371-0427  
PHONE: (919) 576-6511 • FAX: (919) 576-2044

To: Board of Education  
From: Mitch Taylor  
Date: February 3, 2025  
Subject: Budget Amendment

Attached are distribution request forms related to the Needs Based Public School Capital Fund grant received from the state to do renovations to our school buildings including constructing security vestibules at Candor Elementary, Page Street Elementary, and East Middle School. Attached to each form is a copy of the check issued to HM Kern Corporation for work invoices received since September of 2024. This represents the final payments for the security vestibule portion of the grant. This is the district's 3<sup>rd</sup> drawdown request to the state. The reimbursement amount for each school is listed below:

Candor Elementary - \$5640.89  
Page Street Elementary - \$1093.13  
East Middle School - \$4457.93

Each distribution request is to be signed by the Board of Education Chair and the Chair of the County Commissioners.

Please let me know if you have any questions.

### DISTRIBUTION REQUEST NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND NORTH CAROLINA EDUCATION LOTTERY

Date of Request: 2/3/2025

County: Montgomery  
Address: 162 E Spring Street, Troy, NC 27371  
L.E.A.: Montgomery County Schools  
Address: 411 Page Street, Troy, NC 27371

UPV USE ONLY  
Approval:  
Date:

Contact Person: Frankie Morris  
Title: County Manager  
Phone: 919.576.6513  
Email: mitch.taylor@montgomery.k12.nc.us

Project Title: East Middle School - Needs Based Capital Improvement Project  
Project Address: 130 McNeil's Maze Way, NC 27309

The Needs Based Public School Capital Fund is governed by Article 38B of GS 115C-546. The purpose of the HB950H is to assist counties with their critical public school building capital needs. Grant funds may be used for construction of new public school buildings, as well as additions, repairs, and renovations to existing public school buildings. Grant funds cannot be used for real property acquisition, or for capital improvements to administrative buildings. Grant funds may be utilized for a lease agreement per GS 115C-546.13. **Do Not use this Distribution Request Form for lease payments.**

| Total Project Costs (per signed agreement) | State Grant | Local Match  | Total            |
|--------------------------------------------|-------------|--------------|------------------|
| Planning / Design \$179,013.00             | +           | \$ 9422.00   | = \$188,435.00   |
| Construction \$197,641.00                  | +           | \$ 56,928.00 | = \$254,569.00   |
| Other \$ 0                                 | +           | \$ 0         | = \$ 0           |
| Total \$1,106,654.00                       | +           | \$ 60,350.00 | = \$1,207,004.00 |

Design Firm: Pinnaad Architecture, PA  
Date of Design Contract: 7/31/2023  
General Contractor: HM Kern Corporation  
Construction Start Date (s. actual s. estimated): 4/26/2024  
Completion Date (s. actual s. estimated): 6/30/2026

Local Matching Fund Requirements: 11 | 13 --- or --- 0% | 5 | 15 | 25 | 35

Source(s) of matching funds: 1/4 cent sales tax revenue funds

| Project Costs (as of date): 2/3/2024 | State Grant | Local Match | Total          |
|--------------------------------------|-------------|-------------|----------------|
| Planning / Design \$ 7600.00         | +           | \$ 400.00   | = \$ 8000.00   |
| Construction \$156,198.60            | +           | \$ 0        | = \$156,198.60 |
| Other \$ 0                           | +           | \$ 0        | = \$ 0         |
| Total \$163,758.60                   | +           | \$ 400.00   | = \$164,158.60 |

| Grant Funds Requested        | All Prior Requests | This Request | Total          |
|------------------------------|--------------------|--------------|----------------|
| Planning / Design \$ 8000.00 | +                  | \$ 0         | = \$ 8000.00   |
| Construction \$151,740.67    | +                  | \$ 4457.93   | = \$156,198.60 |
| Other \$ 0                   | +                  | \$ 0         | = \$ 0         |
| Total \$163,740.67           | +                  | \$ 4457.93   | = \$168,198.60 |

Supporting Documentation: At UPV's request, submit documentation to UPV substantiating project expenditures identified here.

#### Reporting Requirements

We, the undersigned, agree to submit a report describing the progress of this project, including State and Local amounts expended, as follows: 1) with each distribution request; 2) annually on or before April 1 of each year; and 3) within 30 days following completion of the project (final payment). We certify that the project herein described is within the parameters set forth in Article 38B of GS 115C-546, and that all the required local funding is available and designated as a Local Match for this project. We certify that Local Matching Funds are derived from non-State and non-Federal funds and will be expended along with Needs Based Grant funds as the project progresses.

Signature - Chair, County Commissioners

(Date)

*Jane Evans*  
(Signature - Chair, Board of Education)

*2-3-25*  
(Date)

Rev. 06/07/2022

PAY EXACTLY \*\*\*\*\*4,692 DOLLARS AND 56 CENTS

12691

TO H M KERN CORPORATION

THE 160 THATCHER ROAD

OF GREENSBORO, NC 27409

| MONTGOMERY COUNTY BOARD OF EDUCATION<br>PO BOX 487, FRY, NC 27571 |           |        | General School Fund<br>General Expense Voucher |             | UNIT NO. | CHECK NO. 894229 |  |
|-------------------------------------------------------------------|-----------|--------|------------------------------------------------|-------------|----------|------------------|--|
| ACCOUNT NUMBER                                                    | INVOICE # | P.O. # | DESCRIPTION                                    | REV. AMOUNT | DISCOUNT | NET AMOUNT       |  |
| 9880, REG, 512, 512, 5084, 3 18                                   |           |        | CASH ON HAND                                   | 5,917.78    |          | 5,917.78         |  |
| 9880, REG, 512, 512, 5084, 3 18                                   |           |        | PAGE STREET VESTIBULE                          | 1,152.44    |          | 1,152.44         |  |

Carder and Page  
 Streets were paid  
 with one check.

There are 2 forms  
 but 1 check. Both  
 forms need a signature.

|                 |                          |          |     |     |          |
|-----------------|--------------------------|----------|-----|-----|----------|
| 982229 61/05/25 | 12681 E M PETER CORCORAN | 7,069.44 | .00 | .00 | 7,069.44 |
|-----------------|--------------------------|----------|-----|-----|----------|

PAYER SHOULD DETACH STUB AND DEPOSIT VOUCHER AT ONCE

| MONTGOMERY COUNTY BOARD OF EDUCATION<br>PO BOX 487, FRY, NC 27571<br>GENERAL SCHOOL FUND |  | UNIT NO. | CHECK NO. 894229 |
|------------------------------------------------------------------------------------------|--|----------|------------------|
| FIRST BANK<br>BRIDGE, N.C.                                                               |  | 01/08/25 | No.              |

PAY EXACTLY \*\*\*\*\*7,088 DOLLARS AND 44 CENTS

12691

TO H M KERN CORPORATION  
THE 160 TEATCHER ROAD  
ORDER GREENSBORO, NC 27409  
OF

Upon return to open session, Board Chair Evans asked for a motion to adjourn the meeting. Bryan Dozier made the motion with Lynn Epps seconding; the meeting was duly adjourned.

The next regular meeting will be held on Monday, March 3, 2025, at 6:30 pm at the Montgomery County Central Office.

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Anne Evans, Board Chair

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Wade Auman, Interim Superintendent