Caldwell County
North Carolina
Board of Commissioners Meeting

March 23, 2026 at 6:00 PM
City-County Chambers
905 West Avenue NW, Lenoir

AGENDA

Call to Order ***Chairman Randy T. Church***

Public Comment Period

Invocation ***Pastor Eric A. Thomas, Meadowbrook Baptist Church***

Pledge of Allegiance ***Commissioner, Jeff Branch***

Agenda Amendments from the Board, Manager & Public

Agenda Items

1.	Proclamation *Randy Church*	Line Worker Appreciation Day
2.	Presentation *Crystal Henderson*	National Social Work Month
3.	Items for Decision *Trevor Key*	Second Reading- Ambulance Franchise with SURGE Non Emergency Medical Transport.

Consent

4.	Budget Revisions	Budget Revision Health Department
5.	Budget Revisions	Budget Revision - Health Food and Lodging
6.	Budget Revisions	Budget Revision Maternal and Child Health Block Grant
7.	Budget Revisions	Budget Revision Maternal and Child Health Block Grant
8.	Budget Revisions	Budget Revision Airport Utility Study Grant extra $10,000
9.	Consent Agenda	Local Spending Authorization Amendment- Opioid Fund
10.	Consent Agenda	Audit Contract for FY 25/26
11.	Items for Decision	Approval of Contract Extension with HDR Engineering for Collettsville Water Tank Project

12.	Items for Decision	Amendment to The Caldwell Council on Aging By-Laws
13.	Items for Decision	Appointment of Two Members to the Caldwell County Child Fatality Task Force
14.	Consent Agenda	Appointment of County Manager to Caldwell-Lenoir Rail Transload, LLC
15.	Consent Agenda	Approval of Regular and Closed Session Minutes from Febraury 23, 2026, Board of Commissioners Meeting

Closed Session

16.	Items for Decision	Closed Session Pursuant to NCGS 143-318.11(a)(3) and 143-318.11(a)(4)

Adjourn

Board of Commissioners Meeting
Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Administration	Randy Church

AGENDA ITEM # 1

Line Worker Appreciation Day

BACKGROUND

This proclamation honors line workers for their service to Caldwell County citizens.

RECOMMENDED MOTION

BUDGET IMPACT

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

1. Proclamation 01-2026 Line Worker Appreciation Day

PROCLAMATION

01-2026

LINE WORKER APPRECIATION DAY

WHEREAS, on April 10, 2013, a resolution was passed in the United States Senate to recognize April 18 annually as National Lineman (Line Worker) Appreciation Day; and

WHEREAS, the profession of the electrical line worker is steeped in personal, family, and professional tradition; and

WHEREAS, line workers are often first responders during storms and other catastrophic events, working to make the scene safe for other public safety officials, and to expedite the return of vital electrical power to our communities; and

WHEREAS, these brave men and women work with thousands of volts of electricity high atop power lines 24 hours a day, 365 days a year, risking and sometimes losing their lives to keep electricity flowing; and

WHEREAS, line workers are often faced with dangerous conditions, far from their families, as they work to construct and maintain energy infrastructure throughout the State of North Carolina and the United States; and

WHEREAS, line workers must use their technical knowledge, physical strength and ingenuity to achieve success in challenges they face every day; and

WHEREAS, the Caldwell County Board of Commissioners thanks these skilled and heroic line workers who brave hurricanes, ice storms, snow storms, floods, and other natural disasters to maintain our community's energy grid.

NOW THEREFORE BE IT PROCLAIMED that the Caldwell County Board of Commissioners, do hereby proclaim Friday, April 18, 2026 as "Line Worker Appreciation Day".

Adopted this 23rd day of March 2026.

_____

Randy T. Church, Chairman of the Board
Caldwell County Board of Commissioners

Attest: _____
Tasha Brown
Caldwell County Clerk to the Board

Board of Commissioners Meeting
Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Health	Crystal Henderson

AGENDA ITEM # 2

National Social Work Month

BACKGROUND

Crystal Henderson, Child Welfare Staff Development Supervisor, and Brittani Coffey, Adult Protective Services Supervisor, will deliver a brief presentation for National Social Work Month.

RECOMMENDED MOTION

BUDGET IMPACT

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

None

Board of Commissioners Meeting
Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Emergency Services	Trevor Key

AGENDA ITEM # 3

Second Reading- Ambulance Franchise with SURGE Non Emergency Medical Transport.

BACKGROUND

This item will be the second reading and vote for the Franchise Agreement with SURGE Non Emergency Transport. By General Statute, two readings are required for franchise agreements. The public hearing for the meeting was held at the February 23, 2026 Board of Commissioners Meeting and the franchise was passed at this meeting as well.

RECOMMENDED MOTION

BUDGET IMPACT

No Impact

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

1. Surge Transport Franchise Application



Healthcare Ride Solutions, LLC, DBA SURGE Non-Emergency Medical Transport

1015 2nd St. NE, Suite 202

Hickory, NC 28601

Application for a Franchise to operate an Ambulance Service in Caldwell County

(A) Legal Name

Healthcare Ride Solutions, LLC, DBA SURGE Non-Emergency Medical Transport

1015 2nd St. NE, Suite 202

Hickory, NC 28601

Phone: 918-701-9178 828-850-0619

Email: surgemedicaltransports@gmail.com

(B) Trade or Fictitious Names:

None

(C) Training and medical care of patients:

All personnel who provide patient care are licensed by the State of North Carolina OEMS as an EMT or higher and are registered with OEMS. Training Requirements Attached.

(D) Ambulance Certification:
Attached.

(E) Operation Location:
1015 2nd St. NE, Suite 202
Hickory, NC 28601

(F) Attached Business License

(G) Level of Service:
BLS Convelescent Ambulance service is to assist Caldwell EMS, UNC Caldwell Healthcare, and Nursing Facilities as needed for services such as Hospital discharges, Hospital transfers, Hospice transport, and Skilled Nursing Facility Appointments.

(H) Other Information:

SURGE Convalescent Ambulance services are intended to provide services within the boundaries of Caldwell County. SURGE was licensed as a NCOEMS Ambulance Provider in July 2025, License # 3075. Dr. Seth Hawkins serves as the Medical Director for SURGE Medical Transport. SURGE will operate under the Caldwell County EMS System Plan to provide non-emergency convalescent medical transport within Caldwell County Transporting people that are in stable condition with the need to remain in a laying or reclined position during such transportation. SURGE provides non-emergency stretcher transport service scheduled during the hours of operation. Services will be available outside of regular business hours as approved and scheduled in advance.

SURGE currently provides wheelchair and ambulatory services within the areas of Caldwell County, Catawba County, Burke County, Watauga County and Wilkes County. The vast majority of current SURGE transports are within the boundaries of Caldwell County. Current clients within the county include Caldwell County Department of Social Services as well as The Shaire Center.

Attachments

Exhibit A-Proof of Insurance

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/24/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

Clay Anders Insurance Services
521 Harper Ave SW
Lenoir, NC 28645

CONTACT NAME: Kristi Shoup
PHONE (A/C, No, Ext): (828)758-5551 FAX (A/C, No): (828)348-1474
E-MAIL ADDRESS: kristishoup@clayandersinsurance.com

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A :	Stonewood Insurance Co	11828M
INSURER B :	Appalachian Underwriters	
INSURER C :		
INSURER D :		
INSURER E :		
INSURER F :		

INSURED

Healthcare Ride Solutions, LLC
DBA: SURGE Non-Emergency Medical Transport
941 W I 35 Frontage Rd Ste 116 PMB 127
Edmond, OK 73034-7375

COVERAGES CERTIFICATE NUMBER: 00070747-0 REVISION NUMBER: 16

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	[ ] CLAIMS-MADE [ ] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	[ ] POLICY [ ] PRO-JECT [ ] LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
A	AUTOMOBILE LIABILITY			JSA100281001	09/25/2025	09/25/2026	COMBINED SINGLE LIMIT (Ea accident)	$ 1,500,000
	[ ] ANY AUTO						BODILY INJURY (Per person)	$
	[ ] OWNED AUTOS ONLY [X] SCHEDULED AUTOS						BODILY INJURY (Per accident)	$ 100,000/30
	[X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$ 50,000
								$
	[ ] UMBRELLA LIAB [ ] OCCUR						EACH OCCURRENCE	$
	[ ] EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$
	[ ] DED [ ] RETENTION $							$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N			WC-08295-2024	09/25/2025	09/25/2026	[X] PER STATUTE [ ] OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [Y] N/A						E.L. EACH ACCIDENT	$ 100,000
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 100,000
							E.L. DISEASE - POLICY LIMIT	$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
THE EXCLUDED MEMBER IS RYAN GRAFF-OWNER

CERTIFICATE HOLDER

Caldwell County Emergency Services
P.O. Box 2200
Lenoir, NC 28645

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

(KES)

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Staff Credentialing and Recruitment Plan

For SURGE Non-Emergency Medical Transportation
Service Type: Convalescent Ambulance Operations
Location: Hickory, North Carolina

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1. Purpose

The purpose of this plan is to establish a clear process by which **SURGE Non-Emergency Medical Transportation (SURGE NEMT)** will recruit, credential, and maintain qualified personnel for the safe and compliant operation of **Convalescent Ambulance services** in Caldwell County, North Carolina. This plan ensures compliance with all **North Carolina Office of EMS (NCOEMS)** regulations, local ordinances, and healthcare safety standards.

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2. Staffing Requirements

SURGE NEMT will maintain appropriate staffing levels to meet operational needs, ensure passenger safety, and maintain compliance with state and federal requirements for convalescent-level transport.

Each ambulance will be staffed with:

- **At least one EMT-Basic** (credentialed by the NC Office of EMS).
- **One Certified Driver** (EMR or EMT)

Additional staff may include:

- **Manager of Supervisors or Training Coordinators** to oversee credentialing and quality assurance.

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3. Recruitment Strategy

3.1 Local and Regional Outreach

- Partner with **local community colleges** and **technical institutes** such as **Catawba Valley Community College** and **Western Piedmont Community College**, which offer EMT and paramedic programs.
- Attend **EMS career fairs**, **job expos**, and **veteran employment events** in the Hickory and surrounding areas.

- Post job openings on:
    - **NCWorks** (North Carolina's official job network)
    - **Indeed and EMS1.com**
    - **SURGE's official website and social media platforms**

3.2 Internal Referrals

- Implement an **employee referral incentive program** to encourage existing staff to recommend qualified EMTs or drivers.

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4. Credentialing and Verification Process

All candidates will be required to provide verifiable documentation before employment. The **Credentialing Coordinator** will ensure completion of all background, license, and compliance checks.

4.1 Required Credentials

- **Valid North Carolina EMT or Paramedic certification** (as issued by NCOEMS).
- **Valid North Carolina driver's license** with clean driving record.
- **CPR and BLS certification** through the **American Heart Association** or **Red Cross**.
- **Drug and alcohol screening** (pre-employment and random testing).
- **Criminal background check** (local, state, and national).
- **Verification of education and EMS training program completion.**

4.2 Credential Tracking

- SURGE will maintain an **electronic record of credentials.**
- The system will track **expiration dates**, issue **renewal reminders**, and store **digital copies** of all licenses and certifications.

---

5. Orientation and Training

5.1 New Hire Orientation

All new staff will complete a structured **orientation program** covering:

- Company policies
- HIPAA and passenger privacy compliance
- Vehicle operation and safety procedures
- Emergency communications and dispatch training
- Proper passenger transfer and stretcher handling

5.2 Field Training

Each employee will undergo **supervised field training** with an experienced EMT before independent assignment.

- A **minimum of three passenger transports (observation and evaluations)** will be required.
- Completion will be documented on a **Training Verification Form** signed by the FTO.

6. Continuing Education and Recertification

SURGE NEMT will ensure staff maintain active certification status through ongoing education.

- Provide **paid continuing education** opportunities via local EMS programs.
- Track **CE hours and license renewals** in the HR system.

---

7. Quality Assurance & Compliance Oversight

- **Quarterly audits** will review documentation, license validity, and performance evaluations.
- Any staff member found out of compliance will be **temporarily removed from duty** until credentials are renewed or verified.

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8. Timeline for Implementation

Phase	Description	Target Completion
Phase 1	Finalize hiring criteria and post job openings	Week 1
Phase 2	Begin candidate screening and interviews	Weeks 2–3
Phase 3	Verify credentials and complete background checks	Weeks 3–4
Phase 4	Conduct orientation and field training	Weeks 5–6
Phase 5	Launch credential tracking system and ongoing audits	Week 7 and ongoing

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9. Summary

SURGE Non-Emergency Medical Transportation is committed to maintaining **a fully credentialed, professional, and compliant EMS workforce**.
By establishing a structured recruitment, verification, and training process, the organization ensures safe, reliable, and high-quality convalescent ambulance care for every passenger served.

Exhibit C- Provider & Ambulance License

NC DEPARTMENT OF
HEALTH AND
HUMAN SERVICES
Division of Health Service Regulation

JOSH STEIN • Governor
DEVDUTTA SANGVAI • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

July 31, 2025
2017 N. Center St
Hickory, NC 28601
Surge Non-Emergency Medical Transport

Dear Ryan Graff,

Your application to operate as a licensed emergency medical service provider has been approved. According to our record, Surge Non-Emergency Medical Transport is affiliated with the Caldwell County EMS System. Please review the enclosed license to ensure that the information is correct. Your license should be permanently displayed at the primary provider base; photocopies of the license are acceptable to be displayed in satellite and/or other locations.

Thank you for your continued support, and feel free to call upon us if we can assist you in any way.
Sincerely,

Tom Mitchell, Chief
Office of Emergency Medical Services

Cc: Tom Mitchell, Chief NCOEMS
Chuck Lewis, Assistant Chief NCOEMS
James Caldwell, System Specialist NCOEMS

State of North Carolina

Office of Emergency Medical Services

Medical Care Commission

Department of Health and Human Services

Division of Health Service Regulation

Having met the requirements of North Carolina General Statute 131E-155.1 and the rules of the North Carolina Medical Care Commission for the licensing of EMS Agencies.

SURGE Non-Emergency Transport

is hereby issued an EMS Agency License

This License, Number 3075, expires the last day of July, 2031

Division of Heath Service Regulation

Office of Emergency Medical Services

VIN	Model Year	Unit Name	Permit	Expiration	Permit Type	Level	Status
1FBAX2C80MKA30661	2021	S1	NC007635	01/31/2028	Permanent	Convalescent	In Service

LIMITED LIABILITY COMPANY ANNUAL REPORT

1/6/2022

NAME OF LIMITED LIABILITY COMPANY: Healthcare Ride Solutions, LLC

SECRETARY OF STATE ID NUMBER: 2873474 STATE OF FORMATION: NC

REPORT FOR THE CALENDAR YEAR: 2025

Filing Office Use Only
E - Filed Annual Report
2873474
CA20250670229?
3/8/2025 09:33

☐ Changes

SECTION A: REGISTERED AGENT'S INFORMATION

1. NAME OF REGISTERED AGENT: Ryan Steven Graff

2. SIGNATURE OF THE NEW REGISTERED AGENT: _____
SIGNATURE CONSTITUTES CONSENT TO THE APPOINTMENT

3. REGISTERED AGENT OFFICE STREET ADDRESS & COUNTY	4. REGISTERED AGENT OFFICE MAILING ADDRESS
2017 N Center St Ste C	2017 N Center St Ste C
Hickory, NC 28601-1861 Catawba County	Hickory, NC 28601-1861

SECTION B: PRINCIPAL OFFICE INFORMATION

1. DESCRIPTION OF NATURE OF BUSINESS: Non-Emergency Medical Transportation

2. PRINCIPAL OFFICE PHONE NUMBER: (918) 701-9178 3. PRINCIPAL OFFICE EMAIL: Privacy Redaction

4. PRINCIPAL OFFICE STREET ADDRESS	5. PRINCIPAL OFFICE MAILING ADDRESS
2017 N. Center St., Suite C	2017 N. Center St., Suite C
Hickory, NC 28601	Hickory, NC 28601

6. Select one of the following if applicable. (Optional see instructions)

☐ The company is a veteran-owned small business

☐ The company is a service-disabled veteran-owned small business

SECTION C: COMPANY OFFICIALS (Enter additional company officials in Section E.)

NAME: Ryan Steven Graff	NAME:	NAME:
TITLE: Authorized Signatory	TITLE:	TITLE:
ADDRESS:	ADDRESS:	ADDRESS:
2017 N. Center St., Suite C		
Hickory, NC 28601		

SECTION D: CERTIFICATION OF ANNUAL REPORT. Section D must be completed in its entirety by a person/business entity.

Ryan Steven Graff
SIGNATURE

3/8/2025
DATE

Form must be signed by a Company Official listed under Section C of This form.

Ryan Steven Graff
Print or Type Name of Company Official

Authorized Signatory
Print or Type Title of Company Official

This Annual Report has been filed electronically.

MAIL TO: Secretary of State, Business Registration Division, Post Office Box 29525, Raleigh, NC 27626-0525

Board of Commissioners Meeting

Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Health	

AGENDA ITEM # 4

Budget Revision Health Department

BACKGROUND

This revision allows more state funds to flow thru the budget at the health department.

RECOMMENDED MOTION

Approve

BUDGET IMPACT

No local match

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

1. Budget Revision - Health Agreement Addendum_0001

Budget Revision # _____

Item No. _____

Board Action Date _____

Caldwell County Board of Commissioners

BUDGET REVISION

Board Meeting _____

Subject: 701-Child Fatlaity

Background and explanation for the Budget Revision:

The Caldwell County Health Department received an Agreement Addendum the amount of $548. This Agreement Addendum provides funding for the Local Health Department to prepare and begin using the NFR-CRS. Funds were appropriated by the North Carolina General Assembly to supportimplementation of the changes authorized by NCSL 2023-134 to restructure child death reviews by Local Teams and to offset the costs associated with Local Team participation in NFR-CRS.

The Budget Ordinance is hereby amended by making a Supplemental Appropriation with appropriations and revenues being

SUPPLEMENTAL APPROPRIATION

Revenues: Increase / Decrease (Circle One)			**Expenditures: Increase / Decrease (Circle One)**		
Line Item #	Title	Amount	Line Item #	Title	Amount
10.5113.330517	Child Fatalit	548.00	10.5113.426000	Supplies	548.00
Total		**548.00**	**Total**		**548.00**

Attachments (Yes or No):

Public Hearing (Yes or No):

Distribution:
Original - Finance Office
Duplicate - Clerk to the Board
Triplicate - Department Head

Staff Recommendation:

Board Action:

Department Head	Date	Finance Director	Date	County Manager	Date
Anna Cook	2/18/26		2/18/26		

Board of Commissioners Meeting
Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Health	

AGENDA ITEM # 5

Budget Revision - Health Food and Lodging

BACKGROUND

The county has received additional funding for regulation of food and lodging

RECOMMENDED MOTION

Approve

BUDGET IMPACT

100% state funds with no local match

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

1. Budget Revision Health EH_0001

Budget Revision # _____
Item No. _____
Board Action Date _____

Caldwell County Board of Commissioners
BUDGET REVISION
Board Meeting _____

Subject: 874- Food & Lodging

Background and explanation for the Budget Revision:

The Caldwell County Health Department received an Agreement Addendum the amount of $6,962. TThe Agreement Addendum allows for the Local Health Department's environmental health program toimplement state-mandated sanitation regulations. The funds from this Agreement Addendum are to be used to support local Food and Lodging programs and activities. The disbursement and fund purpose are described under "Regulation of food and lodging establishments" in North Carolina General Statute130A-248(d) and under "Disbursements of Funds" in North Carolina Administrative Code 15A NCAC 18A .2901.

The Budget Ordinance is hereby amended by making a Supplemental Appropriation with appropriations and revenues being

SUPPLEMENTAL APPROPRIATION

Revenues: Increase / Decrease (Circle One)			**Expenditures: Increase / Decrease (Circle One)**		
Line Item #	Title	Amount	Line Item #	Title	Amount
10.5111.334506	EH Food Lodging	6,962.00	10.5111.426000	Supplies	6,962.00
Total		**6,962.00**	**Total**		**6,962.00**

Attachments (Yes or No):
Public Hearing (Yes or No):

Distribution:
Original - Finance Office
Duplicate - Clerk to the Board
Triplicate - Department Head

Staff Recommendation:

Board Action:

Department Head	Date	Finance Director	Date	County Manager	Date
Anna Cook	3/9/20				

Board of Commissioners Meeting
Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Health	

AGENDA ITEM # 6

Budget Revision Maternal and Child Health Block Grant

BACKGROUND

Additional state funding has been approved for this purpose

RECOMMENDED MOTION

Approve

BUDGET IMPACT

100% state funds, no local match

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

1. Budget Revision - Maternal Health_0001

Budget Revision # _____

Item No. _____

Board Action Date _____

Caldwell County Board of Commissioners

BUDGET REVISION

Board Meeting _____

Subject: 101 Maternal Health

Background and explanation for the Budget Revision:

The North Carolina State Legislature has released non-recurring Maternal and Child Health Block Grant (MCHBG) funding which is available for the Local Health Department to implement maternal health services

The Budget Ordinance is hereby amended by making a Supplemental Appropriation with appropriations and revenues being adjusted as

SUPPLEMENTAL APPROPRIATION

Revenues: Increase / Decrease (Circle One)			**Expenditures: Increase / Decrease (Circle One)**		
Line Item #	Title	Amount	Line Item #	Title	Amount
10.5116.331503	CH. MH Federal	1,614.00	10.5116.426000	Supplies	1,614.00
Total		**1,614.00**	**Total**		**1,614.00**

Attachments (Yes or No):

Public Hearing (Yes or No):

Distribution:
Original - Finance Office
Duplicate - Clerk to the Board
Triplicate - Department Head

Staff Recommendation:

Board Action:

Department Head	Date	Finance Director	Date	County Manager	Date
Anna Cook	3/20/26				

Board of Commissioners Meeting

Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Health	

AGENDA ITEM # 7

Budget Revision Maternal and Child Health Block Grant

BACKGROUND

Additional state funds approved for this purpose

RECOMMENDED MOTION

Approve

BUDGET IMPACT

100% state funds with no local match

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

1. Budget Revision - Maternal and Child Health Block Grant_0001

Budget Revision # _____

Item No. _____

Board Action Date _____

Caldwell County Board of Commissioners

BUDGET REVISION

Board Meeting _____

Subject: 151 Family Planning

Background and explanation for the Budget Revision:

The North Carolina State Legislature has released non-recurring Maternal and Child Health Block Grant (MCHBG) funding which is available for the Local Health Department to implement family planning services.

The Budget Ordinance is hereby amended by making a Supplemental Appropriation with appropriations and revenues being adjusted as

SUPPLEMENTAL APPROPRIATION

Revenues: Increase / Decrease (Circle One)			**Expenditures: Increase / Decrease (Circle One)**		
Line Item #	Title	Amount	Line Item #	Title	Amount
10.5116.331502	Family Planning	2,967.00	10.5116.426000	Supplies	2,967.00
Total		**2,967.00**	**Total**		**2,967.00**

Attachments (Yes or No):

Public Hearing (Yes or No):

Distribution:
Original - Finance Office
Duplicate - Clerk to the Board
Triplicate - Department Head

Staff Recommendation:

Board Action:

Department Head	Date	Finance Director	Date	County Manager	Date
Anna Cook	3/6/26				

Board of Commissioners Meeting
Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Economic Development	

AGENDA ITEM # 8

Budget Revision Airport Utility Study Grant extra $10,000

BACKGROUND

The county has received a new grant for $10k to go with the original $50k grant to be used for the airport utility study.

RECOMMENDED MOTION

Approve

BUDGET IMPACT

100% grants funds with no local match

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

1. Budget Revision - Airport Utility Study extra $10k_0001
2. Executed Project Development Grant Agreement - 02.27.26

Budget Revision # _____

Item No. _____

Date: _____

Caldwell County Board of Commissioners

BUDGET REVISION

Subject:

Background and explanation for the Budget Revision:

The county has received an additional grant for $10k for the airport utility study project. This revision accepts those funds and allows them to be spent.

The Budget Ordinance is hereby amended by making a Supplemental Appropriation with appropriations and revenues being adjusted as follows:

SUPPLEMENTAL APPROPRIATION

Line Item #	Title	I/D		Amount
10.4970.330000.10214	Other Grants	I	$	10,000.00
Total				**10,000.00**

Line Item #	Title	I/D		Amount
10.4970.429000.10214	Grant Expenditures	I	$	10,000.00
Total				**10,000.00**

Attachments (Yes or No): Yes

Public Hearing (Yes or No):

Distribution:
Original - Finance Office
Duplicate - Clerk to the Board
Triplicate - Department Head

Staff Recommendation:

Board Action:

Department Head	Date	Finance Director	Date	County Manager	Date
			02/27/26		

PROJECT DEVELOPMENT GRANT AGREEMENT

THIS GRANT AGREEMENT (the "**Agreement**") is made and entered into effective as of **February 25, 2026**, by and between **DUKE ENERGY CAROLINAS, LLC** ("**Duke**"), and **CALDWELL COUNTY ECONOMIC DEVELOPMENT** ("**Recipient**"). Duke and Recipient may be collectively referred to as the "**Parties**" and either may be referred to as a "**Party**."

W I T N E S S E T H:

WHEREAS, Duke has created and set aside the Duke Energy Carolinas Investment Fund for the purpose of funding economic development activities within South and North Carolina (the "**Fund**");

WHEREAS, Recipient has requested that Duke grant **$10,000** to Recipient for the purpose of funding the economic development activity set forth in **Exhibit A** attached hereto (the "**Purpose**"); and

WHEREAS, Duke has made, and Recipient has accepted, an offer to grant up to **$10,000** to be used by Recipient to carry out the Purpose in accordance with the terms and conditions set forth herein (the "**Grant Amount**").

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

ARTICLE 1: SCOPE; PAYMENT

1.1 Recipient shall use its best efforts to ensure that, throughout the term of this Agreement, the Purpose satisfies Duke's requirements for a grant of the Grant Amount from the Fund, which requirements include, without limitation, that (a) the Purpose is development of new businesses or industries or expansion of existing businesses or industries and (b) the Grant Amount is used solely for payment of costs of site/building acquisition, land clearing, grading, site improvements or other activities which add value to the site. Recipient shall use funds received hereunder solely for the completion of the Purpose.

1.2 Recipient shall not be entitled to any portion of the Grant Amount unless all of the Conditions occur on or before the Deadline. The "**Deadline**" shall mean the earlier of (a) **February 25, 2028** or (b) the date of termination of this Agreement. "**Conditions**" shall mean (x) completion of the Purpose, (y) Recipient's notification to Duke of such completion and of the amount of Recipient's actual and final expenditures and obligations directly related to such completion and not reimbursed or reimbursable to Recipient from any other source (the "**Expenditures**") (the "**Notification**"), and (z) Duke's determination that the Purpose has been completed and that the Expenditures are correct and reasonable, and Duke's written notification to Recipient of such determination. Duke may require that the Notification be in writing or that Recipient submit additional documentation in connection with, and as part of, the Notification. The first date on or before the Deadline by which all of the Conditions have occurred shall be the "**Completion Date**."

1.3 Duke may advance to Recipient all or a portion of the Grant Amount (the total of any such payments from Duke to Recipient being the "**Payments**"), provided, however, that within 30 days following the Completion Date, Duke shall pay Recipient the lesser of (a) the Grant Amount minus the Payments or (b) the Expenditures minus the Payments, provided, further, that if the Payments exceed the Expenditures as of the Completion Date, then no payment shall be due Recipient from Duke and Duke may demand within 30 days following the Completion Date that Recipient repay all or a portion of such excess and Recipient shall repay such demanded amount within 60 days following the Completion Date. If by the Deadline all of the Conditions have not occurred, then Duke may demand within 30 days following the Deadline

that Recipient repay all or a portion of the Payments and Recipient shall repay such demanded amount within 60 days following the Deadline.

ARTICLE 2: TERM AND TERMINATION

2.1 This Agreement shall terminate upon the earlier of (a) the date two years from the date hereof, (b) the date that Duke terminates this Agreement pursuant to Section 2.2 or (c) the Completion Date. The termination of this Agreement shall not relieve either Party of its obligation to pay the other Party in accordance with Article 1 of this Agreement.

2.2 Duke may terminate this Agreement upon the occurrence of any of the following, which termination shall be effective 10 days following Duke's notification to Recipient of such termination or such later date as Duke may specify therein:

(i) Material Breach. Recipient breaches any of its material obligations set forth herein, including without limitation Recipient's obligations set forth in Section 1.1.

(ii) Insolvency. Recipient becomes insolvent, fails generally to pay its debts as they become due, admits in writing its inability to pay its debts as they become due, makes a general assignment for the benefit of creditors, commences any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of itself or its debts or assets, or adopts an arrangement with creditors, under any bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar law of the United States or any state thereof for the relief of creditors or affecting the rights or remedies of creditors generally.

(iii) Assignment. Recipient assigns, transfers, or attempts to assign or transfer, this Agreement or any right or interest herein without the express written consent of Duke.

(iv) Abandonment. Recipient abandons its efforts to complete the Purpose and fails to recommence its efforts within 5 business days after written notice from Duke.

(v) Repudiation. Recipient repudiates this Agreement.

ARTICLE 3: REPRESENTATIONS AND COVENANTS

Recipient represents and warrants that:

3.1 Recipient is, and for the term of this Agreement shall at all times be, in good standing and qualified to do business in South Carolina or North Carolina or both, as the case may be;

3.2 Recipient has, and for the term of this Agreement shall at all times have, all licenses, permits and other authorizations required to perform the Purpose;

3.3 Recipient shall perform the Purpose in accordance with all applicable laws, rules, regulations, orders and ordinances; and

3.4 Execution of this Agreement and performance of the Purpose hereunder does not require any third party consent and does not and will not violate the terms of any agreement to which Recipient may be bound.

ARTICLE 4: NO PUBLICATION

Recipient shall not use Duke's name or the fact that Recipient has entered into this Agreement with Duke or received any funds hereunder from Duke in any press releases, media statements or public communications or otherwise publicize the existence or content of this Agreement without Duke's prior written consent. Recipient shall not use Duke's (including its subsidiaries and affiliates) name, logos, copyrights, trademarks, service marks, trade names or trade secrets in any way without Duke's prior written consent, and Duke shall not be deemed to have granted Recipient a license of, or granted Recipient any rights in, any of the foregoing by entering into this Agreement.

ARTICLE 5: RECORDS; INSPECTION AND AUDIT; COOPERATION

For a period of three years after the termination of this Agreement, (a) Recipient shall maintain and retain records relating to the Purpose and Recipient's receipt of funds hereunder, and (b) Duke and its auditors and other representatives shall have the right and free access during normal business hours to examine, audit and copy any and all records or other documents relating to the Purpose or Recipient's receipt of funds hereunder. Upon Duke's reasonable request, Recipient shall cooperate fully with Duke with respect to any discussions, negotiations, agreements, arrangements or disputes with any city, county, state or federal governmental body relating in any way to this Agreement, the Grant Amount, the Purpose or Recipient's receipt of funds hereunder.

ARTICLE 6: INDEMNIFICATION; NO CONSEQUENTIAL DAMAGES

6.1 To the extent allowed by law, Recipient shall defend, indemnify and hold harmless Duke and its directors, officers, employees, agents, representatives, and subsidiary and affiliated companies and their directors, officers, employees, agents and representatives, from and against all claims, demands, losses, damages, penalties, fines, liabilities, obligations, and attorneys' and other professionals' fees and expenses arising out of or relating to any negligent or wrongful act or omission of Recipient or its employees, contractors and agents in connection with the Purpose or Recipient's receipt of funds hereunder, including without limitation any claim arising out of Recipient's failure to comply with applicable laws, rules, regulations, orders or ordinances.

6.2 In no event shall either Party be liable hereunder for any consequential, special, incidental or indirect damages, except to the extent the indemnifications in this Agreement may be construed to constitute those damages. In no event shall either Party's liability hereunder exceed the Grant Amount.

ARTICLE 7: GENERAL

7.1 This Agreement and all of its provisions shall be binding upon and inure to the benefit of the Parties and their successors and assigns.

7.2 This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to its conflict of laws principles.

7.3 Those provisions that would require survival in order to give them full force and effect shall survive the termination or expiration of this Agreement, regardless of the date, cause or manner of such termination, and shall remain in full force and effect.

7.4 This Agreement, including the Exhibits attached hereto, is intended by Duke and Recipient to constitute the final and complete statement of their agreement and all prior proposals, communications, negotiations, understandings and representations relating to the subject matter of this Agreement, whether verbal or written, are

hereby superseded. No modification or amendment of this Agreement shall be effective unless the same is in writing and signed by both Parties.

7.5 Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be as to such jurisdiction ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

7.6 Any notice required or permitted to be given by either Party hereto to the other Party shall be deemed to have been duly given when delivered personally or otherwise actually received after mailing by certified mail, return receipt requested, or by reputable overnight courier, addressed to the Contact Person for such Party set forth on the signature page of this Agreement at the address provided below such person's name or addressed to any such Party at such other address as such Party shall hereafter furnish to the other Party in writing in accordance with this Section 7.6, provided that a copy of any notice to Duke shall also be sent to:

Duke Energy Corporation
Legal Department
525 South Tryon St.
Charlotte, North Carolina 28202

7.7 No course of dealing or failure of either Duke or Recipient to enforce strictly any term, right or condition of this Agreement shall be construed as a waiver of that term, right or condition. The failure of either Party to exercise any right hereunder or to take any action permitted on a breach by the other Party shall not be deemed a waiver of such right or of any other rights in the event of a subsequent breach of a like or different nature. No express waiver of any term, right or condition of this Agreement shall operate as a waiver of any other term, right or condition or a waiver of that term, right or condition in any other instance.

7.8 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS THEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

CALDWELL COUNTY ECONOMIC DEVELOPMENT

Ashley B Bolick

Ashley Bolick
Director

DUKE ENERGY CAROLINAS, LLC

Stuart N. Heishman
Vice President Economic Development

Duke Contact: Bill Roberts

EXHIBIT A

PURPOSE

Good afternoon, Mr. Roberts.

I hope this message finds you well. At Ashley's request, I am forwarding the attached invoice for your review. The invoice is addressed to the Carolinas Investment Fund in your care.

Current funding for the Preliminary Engineering Report (PER) for the sewer project is being provided by North Carolina Railroad (NCRR), which has committed $50,000 toward the report. An additional $10,000 is needed to complete the total funding requirement.

Caldwell County has secured McGill Associates, PA to prepare the PER and supporting Environmental Narrative. The scope of work includes evaluating two alternatives for extending sanitary sewer service to the Foothills Regional Airport, developing a preliminary opinion of probable cost for the preferred alternative, identifying potential constraints and permitting requirements, assessing easement needs, and preparing a preliminary construction schedule.

Thank you for your continued partnership and support. It is sincerely appreciated.

Please let me know if any additional information is needed.

Respectfully,
Jesse

Jesse J. Trivette
Caldwell County Economic Development
1909 Hickory Blvd., SE
Lenoir, North Carolina 28645
(828) 728-0768 Office
(828) 381-9280 Cell
jtrivette@caldwellcountync.org

Caldwell County
NORTH CAROLINA
Economic Development

INVOICE

Carolinas Investment Fund

Date: February 13, 2026

BILL TO:

Bill Roberts, Senior Economic Development Manager
Duke Energy Carolinas
525 S. Tryon Street
250 9th Street Lane, SE
Hickory, NC 28601

Description	Amount
CIF Grant fund payment request to the support of a Preliminary Engineering Report to assess the feasibility of extending Lenoir Public Sewer to the Foothills Regional Airport	$ 10,000
Total Due	**$ 10,000**

Caldwell County Federal ID# 56-6001967

COMMISSIONERS: RANDY T. CHURCH, CHAIRMAN | MIKE LABROSE, VICE-CHAIR
JEFF BRANCH | DONNIE POTTER | PATRICK STARNES
SHANE FOX, COUNTY MANAGER
www.caldwellcountync.org

Board of Commissioners Meeting

Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Emergency Services	

AGENDA ITEM # 9

Local Spending Authorization Amendment- Opioid Fund

BACKGROUND

To align with the MOA on use of Opioid Settlement Funds, an amendment to the local spending authorization for opioid funds is required to allow for the use of opioid funds for recovery participant transportation.

RECOMMENDED MOTION

BUDGET IMPACT

No change to the current budget.

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

1. Resolution 5-2026 Local Spending Authorization Amendment Opioid Fund

RESOLUTION

5-2026

RESOLUTION APPROVING CONVEYANCE OF
A RESOLUTION BY THE COUNTY OF CALDWELL

TO DIRECT THE EXPENDITURE OF OPIOID SETTLEMENT FUNDS

WHEREAS Caldwell County has joined national settlement agreements with companies engaged in the manufacturing, distribution, and dispensing of opioids.

WHEREAS the allocation, use, and reporting of funds stemming from these national settlement agreements and bankruptcy resolutions ("Opioid Settlement Funds") are governed by the Memorandum of Agreement Between the State of North Carolina and Local Governments on Proceeds Relating to the Settlement of Opioid Litigation ("MOA"), the Supplemental Agreement for Additional Funds from Additional Settlements of Opioid Litigation ("SAAF"), and SAAF-2;

WHEREAS Caldwell County has received Opioid Settlement Funds pursuant to these national settlement agreements and deposited the Opioid Settlement Funds in a separate special revenue fund as required by section D of the MOA;

WHEREAS section E.6 of the MOA states that, before spending opioid settlement funds, the local government's governing body must adopt a resolution that:

(i) indicates that it is an authorization for expenditure of opioid settlement funds; and,
(ii) states the specific strategy or strategies the county or municipality intends to fund pursuant to Option A or Option B, using the item letter and/or number in Exhibit A or Exhibit B to identify each funded strategy; and,
(iii) states the amount dedicated to each strategy for a specific period of time.

NOW, THEREFORE BE IT RESOLVED, in alignment with the NC MOA, SAAF, and SAAF-2, Caldwell County authorizes the expenditure of opioid settlement funds as follows:

1. First strategy authorized
    a. Name of strategy: Post-Overdose Response Team
    b. Strategy is included in Exhibit: A
    c. Item letter and/or number in Exhibit A or Exhibit B to the MOA: Exhibit A, Strategy 8
    d. Amount authorized for this strategy: $643,795.00
    e. Period of time during which expenditure may take place:

Start date July 15, 2025, through End date June 30, 2026

f. Description of the program, project, or activity: Provide services as a PORT, outlined by the NCDHHS PORT Toolkit. The Caldwell County RESTART PORT will actively connect persons who have experienced non-fatal drug overdoses to addiction/mental health treatment, recovery support, harm reduction services, primary healthcare, and/or other services or supports needed to improve the overall health or well-being.
g. Provider: Caldwell County RESTART

2. Second strategy authorized
    a. Name of strategy: Evidence-based Addiction Treatment
    b. Strategy is included in Exhibit A
    c. Item letter and/or number in Exhibit A or Exhibit B to the MOA: Exhibit A, Strategy 2
    d. Amount authorized for this strategy: $5,000.00
    e. Period of time during which expenditure may take place:
        Start date July 15, 2025, through End date June 30, 2026
    f. Description of the program, project, or activity: Support evidence-based addiction treatment consistent with the American Society of Addiction Medicine's national practice guidelines for the treatment of opioid use disorder – specifically Medication-Assisted Treatment (MAT) with any medication approved for this purpose by the U.S. Food and Drug Administration – through Opioid Treatment Programs, qualified providers of Office-Based Opioid Treatment, Federally Qualified Health Centers, treatment offered in conjunction with justice system programs, or other community-based programs offering evidence based addiction treatment.
    g. Provider: Caldwell County RESTART.

3. Third authorized strategy
    a. Name of strategy: Naloxone Distribution
    b. Strategy is included in Exhibit A
    c. Item letter and/or number in Exhibit A or Exhibit B to the MOA: Exhibit A, Strategy 7
    d. Amount authorized for this strategy: $ 20,000.00
    e. Period of time during which expenditure may take place:
        Start date July 15, 2025, through End date June 30, 2026
    f. Description of the program, project, or activity: Distribute naloxone to persons at risk of overdose or their social networks, through our post-overdose response team, program that provides naloxone to persons upon release from jail. Distribute naloxone to emergency medical service providers to provide naloxone to persons at risk of overdose, or other community-based organizations that provide services to people who use drugs.
    g. Provider: Caldwell County RESTART.

4. Fourth authorized strategy
    a. Name of strategy: Recovery Support Services
    b. Strategy is included in Exhibit A

c. Item letter and/or number in Exhibit A or Exhibit B to the MOA: Exhibit A, Strategy 3
d. Amount authorized for this strategy: $ 97,000.00
e. Period of time during which expenditure may take place:
   Start date July 15, 2025, through End date June 30, 2026
f. Description of the program, project, or activity: Fund a Recovery/Treatment Court Coordinator position, and to provide transportation for Recovery Participants. Position is responsible for overall administration of the Recovery/Treatment Court Program, including conducting screening/assessment of potential Program candidates and presenting cases for consideration at Team meetings. Reviewing with participants and potential participants the Participation Contract and the Participant Handbook, monitoring collection of Program evaluation information, progress reports as required by the Recovery/Treatment Court, coordination of Staffing Team meetings, sharing of information among and providing resources to Team members as needed.
g. Provider: Caldwell County RESTART.

The total dollar amount of Opioid Settlement Funds appropriated across the above named and authorized strategies is $765,795.00.

Adopted this the 14th day of July 2025.

Revised and amended this the 23rd day of March 2026.

_____
Randy Church, Chairman of the Board
Caldwell County Board of Commissioners

ATTEST:

_____
Tasha Brown, County Clerk

Board of Commissioners Meeting
Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Finance	

AGENDA ITEM # 10

Audit Contract for FY 25/26

BACKGROUND

This is the contract between the county and Martin, Starnes and Associates to audit the county's books for the current fiscal year (2025-2026). It includes a small increase over the prior year's cost.

RECOMMENDED MOTION

Approve

BUDGET IMPACT

Minimal increase over the prior year.

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

1. 2026 LGC Contract Updates & Instructions
2. Caldwell County - 2026 Audit Contract
3. Caldwell County - 2026 Single Audit Engagement Letter

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

DENISE H. CANADA
DIVISION DIRECTOR

Important Information and Instructions on the FY 2026 Audit Contract

(Updated February 2026)

Changes to the FY 2026 Contract Form

Several changes were made to the FY 2026 contract form; a summary of substantive changes follows. Please carefully read and review the contract in its entirety before using or signing the contract.

Units of local government that utilize the contract form provided by the LGC must use the 2026 contract form for all FY 2026 audits. The FY 2026 contract version is number "Rev. 02/2026" in the top right corner.

Because the FY 2026 contract form reflects recent updates to single audit thresholds (see redline changes to Paragraph 2), it should **not** be used for prior year audits. Instead, units are advised to use the FY 2025 contract form (Rev. 12/2024) for all prior year audits for which a contract has not yet been submitted to the LGC. The FY 2025 contract form and instructions are available on the Department of State Treasurer website.

Paragraph 1

The Auditor shall audit all statements and disclosures required by "U.S. Auditing Standards – AICPA (Clarified)," referred to as generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the! Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). ~~The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.~~ Budgetary comparison information shall be prepared in accordance with applicable GASB standards. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented as required supplementary information and shall not be included in the basic financial statements. Any other budgetary comparison information shall be presented only as supplementary information for funds required to be budgeted under NCGS Chapter 159, Article 3.

Paragraph 2

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 *Generally Accepted*

3200 Atlantic Avenue • Raleigh, North Carolina 27604
Courier #56-20-45 • Telephone: (919) 814-4300 • Fax: (919) 855-5812
www.nctreasurer.gov

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 threshold is $750,000 for a federal single audit and $500,000 for a State Single Audit.~~ Currently the threshold is $1,000,000 for federal and state single audits, or such other threshold as applicable for the fiscal year under 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 staff 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 (form SF-FAC) 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 low-risk auditee. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.~~

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

Paragraph 5

If this audit engagement is subject to the standards for audit as defined in Government Auditing Standards~~,~~ (2018 revision or subsequent revisions, as applicable) issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he or 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 to 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 the Auditor's receipt of an updated peer review report. If the audit firm ~~received~~ receives 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.

Paragraph 6

It is agreed that time is of the essence in this contract. All audits are to be performed, and the report of audit submitted to LGC Staff, within six months of fiscal year end. At the time of the execution of this contract, if the parties know that the anticipated submission date of the audit exceeds six months after fiscal year end, a written explanation shall be provided to the Secretary of the LGC on this contract form (see the space provided on Page 7). 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.

Paragraph 7

It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as they 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 the Auditor's findings, together with his or her recommendations for improvement. That written report shall include all matters ~~defined as~~ determined to be "significant deficiencies and material weaknesses" in accordance with AU-C §265 "Communicating Internal Control Related Matters Identified in an Audit" of ~~the AICPA Professional Standards (Clarified)~~ GAAS. 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, "Auditor's Communication With Those Charged With Governance," commonly referred to as a "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 paragraphs 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~~ for which the Auditor consulted outside the engagement team and, in the Auditor's judgment, are significant and relevant to those charged with governance, and other findings or issues that the Auditor believes are significant and relevant~~matters~~. If matters identified during the audit were required to be reported as described in AU-C §260 paragraphs 12 - 14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

Paragraph 13

~~If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.~~

If the audit firm is required by the Secretary of the Local Government Commission to obtain a pre-issuance review or take corrective action as a result of peer review findings or quality control deficiencies, such corrective action shall be consistent with the authority and requirements of the North Carolina State Board of Certified Public Accountant Examiners, the AICPA Peer Review Program, and established Local Government Commission practice, including the use of report addenda or other remedial measures, as appropriate.

Paragraph 14

~~The Auditor shall submit the report of audit in PDF format to LGC Staff.~~

In accordance with G.S. 159-34, the Finance Officer of the Unit is responsible for filing the audited financial statements with the Secretary of the Local Government Commission.

The Auditor may upload the audit report and related documents through the LGC's electronic submission system; however, submission shall not be deemed complete until the Finance Officer has reviewed and certified the submission.

The Auditor, Finance Officer, other Unit staff member designated by the Finance Officer, or a third party approved by the Unit may enter all Data Input Report information except the information on the “transmittal doc info” tab. The “transmittal doc info” tab must be completed by the Auditor.

The Finance Officer shall review, approve, and certify the accuracy and completeness of the Data Input Report (DIR) in the LGC’s LOGOS system prior to LGC review, regardless of whether the DIR is prepared by the Auditor or the Unit.

Finance Officer certification is required for any corrected or revised submissions.

Finance Officer certification of the DIR shall be completed in a timely manner following notification that the DIR is ready for review and within time frames prescribed by the LGC. Failure to complete certification in a timely manner may result in the audit being considered late due to unit action rather than auditor performance

The Auditor shall conduct the audit in accordance with generally accepted auditing standards and shall ensure that the financial statements are prepared in accordance with generally accepted accounting principles as of the fiscal year end. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented in required supplementary information, separate from the basic financial statements, and shall not be included in the audit opinion. The Auditor shall confirm that such information reconciles to the financial statements and is consistent with applicable accounting guidance and any LGC reporting requirements.

The Finance Officer shall certify in a timely manner that all data inputted in LOGOS used for preparation of the financial statements and required supplementary information is complete and accurate.

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.

Paragraph 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 or 2024 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.

Paragraph 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).~~ of the LGC through the LGC's LOGOS system, including completion of the Data Input Report (DIR). Submission is not complete and shall not be accepted by the LGC until the Finance Officer has reviewed and certified the DIR in accordance with Paragraph 14 of this contract.

Paragraph 33/34

33. Applicable to audits with fiscal year ends of June 30, 2025, and later. The Unit authorizes the LGC to grant access to the LGC's LOGOS system, including the Data Input Report (DIR), to employees of the contracted audit firm who are associated with and acting on behalf of the firm for purposes of performing audit and reporting services under this contract. Such access shall be limited to the scope necessary to perform contracted services and shall not relieve the Auditor or the Unit of their respective responsibilities under this contract.

~~33.~~ 34. ~~Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.~~ Changes or edits to the text of this contract form are not permitted, except for the Secretary's authority to revise or update this contract form pursuant to LGC Rule 20 NCAC 03. 0502.

New Field – Explanation for Late Audit Per Paragraph 6

For contracts with an anticipated audit submission date exceeding six months after fiscal year end, please use this space to explain the reason for the late submission, as required by Paragraph 6 of this contract form:

Instructions on Completing the Audit Contract Form

1) Contract Forms

The LGC-205 Standard Audit Contract Form is organized as follows:

- LGC-205 Form A (unit and auditor information, submission date, contract terms)
- LGC-205 Form B (fee information and requirements, signature pages)

Note that there is no longer a hospital contract form. Nearly all of the hospital contract language was identical to the standard contract language; therefore, the separate hospital contract has been eliminated, and language has been added to the standard contract, as needed, to address hospital-specific exclusions to contract terms.

For information about amending the audit contract, see “Amended Contracts” below. A link to the separate LGC 205 Amended Audit Contract Form is provided there.

2) Date Audit Will Be Submitted

Audit report due dates for all units except housing authorities are six months after fiscal year end (audits for housing authorities are due 10 months after fiscal year end). The date provided in this field should reflect the date the auditor will submit the audit report to the secretary of the LGC. Please note the added language in Paragraph 6 of Form A requiring a written explanation if, at the time the contract is executed, the parties know that the audit will be submitted after the deadline. Audit reports submitted after the deadline are considered late and will trigger a Financial Performance Indicator of Concern (FPIC).

3) Fees Page

The fee section must be completed for both the Primary Government and the discretely presented component unit (DPCU), if applicable.

Paragraph 1 of Form B includes information related to independence standards and must be completed, if applicable.

The terms and fees specified in the engagement letter must agree with those in the audit 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” (see Form A, Paragraph 17).

Fees must be stated as specific dollar amounts. Any fees presented as descriptions or references will result in the contract being rejected and returned for correction. If the fees are detailed in an addendum, the addendum must be acknowledged in writing by the Governmental Unit.

4) Signature Pages

There are two signature pages: one for the Primary Government Unit and one for the DPCU. Please ensure all fields on the pages are completed. Note that all sections require a typed/printed name as well as signature – please ensure both are included in each section.

The preaudit certificate section for the Primary Government Unit and the DPCU (if applicable) must be signed and dated by the appropriate party. A preaudit certificate is not required for hospitals.

Submitting the Contract

1) Ensure all fields are completed and signatures provided (as applicable) on:

- Page one
- Fees page
- Signature page(s)

2) Prepare a single PDF file containing the following:

- Completed LGC-205 Standard Audit Contract Form
- Engagement letter
- Peer review report *(required only if current peer review report is not on file with the LGC – see Form A, Paragraph 5)*
- Contract addendum *(if applicable)*

3) Upload the File

- Access the LGC File Transfer Portal at https://lgcportal.nctreasurer.com/.
- Select "Contracts" and then "Standard Contracts."
- Complete the information required on the upload form, attach your PDF file and submit.
- Confirmation emails will be sent to all email addresses provided in the upload form.

Other Important Information

Staff Review

Upon receipt of the contract materials, staff will review the contract and notify the unit and auditor by email (using the email addresses provided in the LGC File Transfer Portal) either that the contract is approved or of the steps to be taken to secure approval. Please note that this email is your official notice of audit contract approval, and a printed copy will not be provided.

DPCU Audit Contract Requirements

If a DPCU is subject to the audit requirements of the Local Government Budget and Fiscal Control Act and a **separate audit report** is issued for that DPCU, a **separate audit contract** is required for the DPCU. If a separate audit report is not being issued for the DPCU and is to be included in the Primary Government's audit report, the DPCU must be named with the Primary Government on the audit contract for the Primary Government. The board chairperson of the DPCU must also sign the audit contract in addition to the elected leader of the Primary Government.

Amended Contracts

If an audit cannot be completed by the date specified in the original contract or if the fees specified in the original contract are modified, the auditor or governmental unit must file an amended contract form (Amended LGC-205). Please refer to the audit contract amendment instructions for details on completing and submitting an amended contract form.

Please note that there is no "grace period" for the submission of an amended contract. If an audit is not submitted on or before the date specified in the audit contract, an amended contract is required.

For assistance please contact: LGC.Contract@nctreasurer.com

Submission of Invoices (units other than hospitals)

A valid contract must be in place for staff to approve invoices, and all invoices must be submitted and approved prior to payment.

As stated in Rule 20 NCAC 03 .0505, "All invoices for services rendered in an audit engagement as defined in Rule .0503 of this Section shall be submitted to the Secretary for approval before any payment is made. Payment before approval is a violation of law pursuant to G.S. 159-34(a)."

Note that this section does not apply to hospitals.

For assistance please contact: LGCInvoice@nctreasurer.com

CONTRACT TO AUDIT ACCOUNTS

The Governing Board: Board of Commissioners

of Primary Government Unit: Caldwell County, NC

and Discretely Presented 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: Martin Starnes & Associates, CPAs. P.A.

Auditor Address: 730 13th Avenue Drive SE, Hickory NC 28602

Hereinafter referred to as Auditor

for

Fiscal Year Ending	Date Audit Will Be Submitted to LGC
06/30/26	12/31/26

Must be within six months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by "U.S. Auditing Standards – AICPA (Clarified)," referred to as 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). Budgetary comparison information shall be prepared in accordance with applicable GASB standards. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented as required supplementary information and shall not be included in the basic financial statements. Any other budgetary comparison information shall be presented only as supplementary information for funds required to be budgeted under NCGS Chapter 159, Article 3.

2. 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 *Generally Accepted 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 threshold is $1,000,000 for federal and state single audits, or such other threshold as applicable for the fiscal year under 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 staff 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 (form SF-FAC) to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

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

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

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

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards* (2018 revision or subsequent revisions, as applicable) issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he or 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 to 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 the Auditor's receipt of an updated peer review report. If the audit firm receives a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

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

6. It is agreed that time is of the essence in this contract. All audits are to be performed, and the report of audit submitted to LGC Staff, within six months of fiscal year end. At the time of the execution of this contract, if the parties know that the anticipated submission date of the audit exceeds six months after fiscal year end, a written explanation shall be provided to the Secretary of the LGC on this contract form (see the space provided on Page 7). If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as they 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 the Auditor's findings, together with his or her recommendations for improvement. That written report shall include all matters determined to be "significant deficiencies and material weaknesses" in accordance with AU-C §265 "Communicating Internal Control Related Matters Identified in an Audit" of GAAS. 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, "Auditor's Communication With Those Charged With Governance," commonly referred to as a "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 paragraphs 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 for which the Auditor consulted outside the engagement team and, in the Auditor's judgment, are significant and relevant to those charged with governance, and other findings or issues that the Auditor believes are significant and relevant. If matters identified during the audit were required to be reported as described in AU-C §260 paragraphs 12 - 14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit- related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal Single Audit Act and the State Single Audit Act. This does not include fees for any pre-issuance reviews that may be required by the North Carolina Association of Certified Public Accountants (NCACPA) Peer Review Committee or North Carolina State Board of CPA Examiners (see Paragraph 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit’s (Units’) audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management’s Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor’s opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the Secretary of the Local Government Commission to obtain a pre-issuance review or take corrective action as a result of peer review findings or quality control deficiencies, such corrective action shall be consistent with the authority and requirements of the North Carolina State Board of Certified Public Accountant Examiners, the AICPA Peer Review Program, and established Local Government Commission practice, including the use of report addenda or other remedial measures, as appropriate.

14. In accordance with G.S. 159-34, the Finance Officer of the Unit is responsible for filing the audited financial statements with the Secretary of the Local Government Commission.

The Auditor may upload the audit report and related documents through the LGC's electronic submission system; however, submission shall not be deemed complete until the Finance Officer has reviewed and certified the submission.

The Auditor, Finance Officer, other Unit staff member designated by the Finance Officer, or a third party approved by the Unit may enter all Data Input Report information except the information on the "transmittal doc info" tab. The "transmittal doc info" tab must be completed by the Auditor.

The Finance Officer shall review, approve, and certify the accuracy and completeness of the Data Input Report (DIR) in the LGC's LOGOS system prior to LGC review, regardless of whether the DIR is prepared by the Auditor or the Unit.

Finance Officer certification is required for any corrected or revised submissions.

Finance Officer certification of the DIR shall be completed in a timely manner following notification that the DIR is ready for review and within time frames prescribed by the LGC. Failure to complete certification in a timely manner may result in the audit being considered late due to unit action rather than auditor performance

The Auditor shall conduct the audit in accordance with generally accepted auditing standards and shall ensure that the financial statements are prepared in accordance with generally accepted accounting principles as of the fiscal year end. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented in required supplementary information, separate from the basic financial statements, and shall not be included in the audit opinion. The Auditor shall confirm that such information reconciles to the financial statements and is consistent with applicable accounting guidance and any LGC reporting requirements.

The Finance Officer shall certify in a timely manner that all data inputted in LOGOS used for preparation of the financial statements and required supplementary information is complete and accurate.

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 preaudited if the change includes a change in audit fee (preaudit 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 Paragraph 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, preaudited (preaudit requirement does not apply to hospitals) and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

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

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

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

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

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

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

27. 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 or 2024 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, the Auditor must document and include in the audit workpapers how the Auditor 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 Board 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 of the LGC. The Auditor's presentation to the Governing Board 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;

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 Board that the Governing Board shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under Rule 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary of the LGC through the LGC's LOGOS system, including completion of the Data Input Report (DIR). Submission is not complete and shall not be accepted by the LGC until the Finance Officer has reviewed and certified the DIR in accordance with Paragraph 14 of this contract.

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

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and Units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit.

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

33. **Applicable to audits with fiscal year ends of June 30, 2025, and later.** The Unit authorizes the LGC to grant access to the LGC's LOGOS system, including the Data Input Report (DIR), to employees of the contracted audit firm who are associated with and acting on behalf of the firm for purposes of performing audit and reporting services under this contract. Such access shall be limited to the scope necessary to perform contracted services and shall not relieve the Auditor or the Unit of their respective responsibilities under this contract.

34. Changes or edits to the text of this contract form are not permitted, except for the Secretary's authority to revise or update this contract form pursuant to LGC Rule 20 NCAC 03. 0502.

For contracts with an anticipated audit submission date exceeding six months after fiscal year end, please use this space to explain the reason for the late submission, as required by Paragraph 6 of this contract form:

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 Paragraph 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: The individual at the 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:***
Tony Helton	Chief Financial Officer, Caldwell County	thelton@caldwellcountync.org

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

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

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

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the Unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in Rule 20 NCAC .0503 shall be submitted to the Secretary of the LGC 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	Caldwell County, NC
Audit Fee (financial and compliance if applicable)	**$** 95,050 (includes single audit for up to 2 programs)
Fee per Major Program (if not included above)	**$** 4,500 per major program in excess of 2
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	**$** 11,950
All Other Non-Attest Services	**$**
TOTAL AMOUNT NOT TO EXCEED	**$** 116,000 (includes 4 major programs)

Discretely Presented Component Unit	N/A
Audit Fee (financial and compliance if applicable)	**$**
Fee per Major Program (if not included above)	**$**
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	**$**
All Other Non-Attest Services	**$**
TOTAL AMOUNT NOT TO EXCEED	**$**

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Martin Starnes & Associates, CPAs. P.A.	
Authorized Firm Representative (typed or printed)* Amber Y. McGhinnis	Signature* Amber Y. McGhinnis
Date* 03/07/26	Email Address* amcghinnis@msa.cpa

GOVERNMENTAL UNIT

Governmental Unit* Caldwell County, NC	
Date Governing Board Approved Audit Contract* **(Enter date in box to right)**	
Mayor/Chairperson (typed or printed)* Randy Church, Chairman	Signature*
Date	Email Address* rchurch@caldwellcountync.org

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

GOVERNMENTAL UNIT – PREAUDIT CERTIFICATE

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

This instrument has been preaudited 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:	$ 116,000 (includes 4 major programs)
Primary Governmental Unit Finance Officer* (typed or printed) Tony Helton, Chief Finance Officer	Signature*
Date of Preaudit Certificate*	Email Address* thelton@caldwellcountync.org

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") N/A	Signature
Date	Email Address

DPCU – PREAUDIT CERTIFICATE

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

This instrument has been preaudited 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)* N/A	Signature*
Date of Preaudit Certificate*	Email Address*

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

PRINT

DEANDORTON

Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates, CPAs, P.A. and the
Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 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/prsummary. 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 engagements deemed as not performed or reported 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 Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 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*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of pass.

Dean Dorton Allen Ford, PLLC

Dean Dorton Allen Ford, PLLC

May 10, 2024

MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.
"A Professional Association of Certified Public Accountants and Management Consultants"

March 7, 2026

Tony Helton, Chief Financial Officer
Caldwell County
905 West Avenue NW
Lenoir, NC 28645

Martin Starnes & Associates, CPAs, P.A. ("we") are pleased to provide Caldwell County (the "County," "you" or "your") with the professional services described below. Please read this letter, and any other attachments incorporated herein (collectively, "Agreement"). This Agreement details the nature and limitations of the services we will provide, the terms of our engagement and each party's responsibilities.

Engagement Objective and Scope

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Caldwell County, NC, as of June 30, 2026, and for the year then ended, and the related notes to the financial statements, which collectively comprise Caldwell County's basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal and state award programs for the period ended June 30, 2026. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and state award programs. The objectives of our audit of the financial statements 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 to issue an auditor's report that includes our opinion. 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 auditing standards generally accepted in the United States of America (GAAS) and in accordance with *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 made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America require that certain supplementary information be presented to supplement the 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 the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Budgetary comparison info and related notes to RSI
- Law Enforcement Officers' Special Separation Allowance schedules
- Other Post-Employment Benefits' schedules
- Local Governmental Employees' Retirement System's schedules
- Register of Deeds' Supplemental Pension Fund schedules

Supplementary information other than RSI will accompany Caldwell County's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and individual fund financial statements
- Budgetary schedules
- Other schedules
- Schedule of Expenditures of Federal and State Awards

We will read the introductory section and statistical section accompanying the financial statements and consider whether a material inconsistency exists between the other information and the basic financial statements. In addition, we will remain alert for indications that a material inconsistency exists between the other information and knowledge obtained in the audit, or if such information contains a material misstatement of fact or is otherwise misleading. 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.

This engagement letter documents the agreed-upon terms of the audit in accordance with AU-C section 210. In accordance with AU-C section 935, the provisions of AU-C section 210 have been adapted and applied to meet the objectives of a compliance audit under the Uniform Guidance.

Schedule of Expenditures of Federal and State Awards

We will subject the Schedule of Expenditures of Federal and State Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether

the Schedule of Expenditures of Federal and State Awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, Schedule of Expenditures of Federal and State Awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of 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 Act. As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentations, or the override of internal controls.
- May 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 other assets and liabilities by correspondence with selected customers, creditors, financial institutions, and other third parties as part of our audit procedures. We also may request written representations from your attorneys on litigation, claims, and assessments as part of the engagement, and they may bill you for responding to our inquiries. At the conclusion of our audit, we also will require certain written representations from management made during the audit about the financial statements and related matters.
- Obtain an understanding of internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the

financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We may advise management about appropriate accounting principles and their application, and we may assist in the assembly of your financial statements. However, management has the final responsibility for the selection and application of accounting policies and the fair presentation of financial statements that reflect the nature and operation of Caldwell County.

Although we are currently in the planning stage of our audit, we have identified the following significant risks during our audit to date that require special audit consideration:

- Improper revenue recognition is considered a fraud and significant risk according to GAAS
- Management override of controls (including journal entries and budget amendments) is considered a fraud and significant risk according to GAAS

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 come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. 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.

Audit of Major Program Compliance

Our audit of Caldwell County's major federal and state award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended, the Uniform Guidance, and the State Single Audit Implementation Act, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and the State Single Audit Implementation Act and other procedures we consider necessary to enable us to express such an opinion on major federal and state award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The objective of a compliance audit under the Uniform Guidance and the State Single Audit Implementation Act is to obtain reasonable assurance about whether the entity complied in all material respects with the applicable compliance requirements for each of its major federal programs and to express an opinion on the entity's compliance based on the audit.

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal and state award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. 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, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal or state programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal and state programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's 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 Act.

Also, as required by the Uniform Guidance and the State Single Audit Implementation Act, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls 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 of the entity's major federal and state award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to management and those charged with governance, regarding, among other matters, the planned scope and timing of the compliance audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For the prevention and detection of fraud, including the design and implementation of programs and controls to prevent and detect fraud;
4. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and State programs under which they were received;

5. For maintaining records that adequately identify the source and application of funds for federal and state funded activities;
6. For preparing the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and State Single Audit Implementation Act;
7. For designing, implementing, and maintaining effective internal control over federal and state awards that provides reasonable assurance that the entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
8. For identifying and ensuring that the entity complies with federal and state laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal and state award programs, and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations and the terms and conditions of federal and state award programs;
9. For disclosing accurately, currently and completely the financial results of each federal and state award in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
    a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal and state award programs, such as records, documentation, and other matters;
    b. Additional information that we may request from management for the purpose of the audit;
    c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
    d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report (if applicable); and
    e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report (if applicable).
17. For 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 current year or period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
20. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant roles in the system of internal control and others where fraud could have a material effect on the financials and/or compliance;
21. For the accuracy and completeness of all information provided;

22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information, records and documentation;
23. For informing us of any events encountered subsequent to the period under audit that may require adjustment to or note disclosure in the financial statements; and
24. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

With regard to the Schedule of Expenditures of Federal and State Awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the Schedule of Expenditures of Federal and State Awards in accordance with the Uniform Guidance and the State Single Audit Implementation Act, (b) to provide us with the appropriate written representations regarding the Schedule of Expenditures of Federal and State Awards, (c) to include our report on the Schedule of Expenditures of Federal and State Awards in any document that contains the Schedule of Expenditures of Federal and State Awards and that indicates that we have reported on such schedule, and (d) to present the Schedule of Expenditures of Federal and State Awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited basic financial statements readily available to the intended users of the Schedule of Expenditures of Federal and State Awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

Limitations of the Audit Report

Should the County wish to include or incorporate by reference these financial statements and our report thereon into any other document at some future date, we will consider granting permission to include our report into another such document at the time of the request. However, we may be required by generally accepted auditing standards (GAAS) to perform certain procedures before we can give our permission to include our report in another document such as an annual report, private placement, regulator filing, official statement, offering of debt securities, etc. You agree that the County will not include or incorporate by reference these financial statements and our report thereon, or our report into any other document without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important to provide us with timely notice of your intention to issue any such document.

Nonattest Services

We will perform the following nonattest services:

- Draft of financial statements and footnotes
- GASB 34 conversion entries
- Preparation of auditor portions of Data Collection Form
- Preparation of the AFIR
- Preparation of the LGC's data input report
- Clerical services

We will not assume management responsibilities on behalf of Caldwell County. However, we will provide advice and recommendations to assist management of Caldwell County in performing its responsibilities.

Caldwell County's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, implementing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

You may request that we perform additional services not contemplated in this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services may necessitate that we amend the Agreement or issue a separate agreement to reflect the obligations of all parties. In the absence of any other written communications from us documenting additional services, our services will be limited to and governed by the terms of this Agreement.

Reporting

We will issue a written report upon completion of our audit of Caldwell County's basic financial statements. Our report will be addressed to the governing body of Caldwell County. 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 an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements 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 to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

In accordance with the Uniform Guidance, we will issue (1) a report on compliance for each major program and (2) a report on internal control over compliance. These reports are intended solely for the information and use of management, those charged with governance, federal awarding agencies, pass-through entities, and oversight bodies, and are not intended to be used by anyone other than these specified parties.

We will provide copies of our reports to the County. However, management is responsible for distribution of the reports and 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.

We also are responsible for communicating with the County's management or those charged with governance our audit responsibility under GAAS, an overview of the planned scope and timing of the audit including significant risks identified by us, significant issues or findings from the audit, including our views about the qualitative aspects of Caldwell County's significant accounting practices, significant unusual transactions, significant difficulties encountered during the audit, disagreements with management, difficult or contentious matters for which we consulted outside the engagement team and that are, in our professional judgement, relevant to those charged with governance, uncorrected and corrected misstatements, and other findings or issues arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

Electronic Transmittals

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

During the course of the engagement, a portal will be in place for information to be shared, but not stored. Our policy is to terminate access to this portal after one year. The County is responsible for data backup for business continuity and disaster recovery, and our workpaper documentation is not to be used for these purposes.

If you decide to transmit your confidential information to us in a manner other than a secure portal, you accept responsibility for any and all unauthorized access to your confidential information. If you request that we transmit confidential information to you in a manner other than a secure portal, you agree that we are not responsible for any liability, including but not limited to, (a) any loss or damage of any nature,

whether direct or indirect, that may arise as a result of our sending confidential information in a manner other than a secure portal, and (b) any loss arising as a result of any virus being passed on or with, or arising from any alteration of, any email message.

Timing of Engagement

We expect to begin our services at a time mutually determined by you and Martin Starnes & Associates, CPAs, P.A. and after receipt of this executed Agreement and all documents requested by our office. The timing of our work is dependent upon the timely receipt of the information we request from you, including timely responses to any questions we may ask.
Our services under this Agreement will conclude at the earlier of:

- issuance of the deliverable outlined in this Agreement;
- written notification by either party that the Agreement is terminated

Provisions of Engagement Administration and Fees

Paula Hodges is the engagement partner for the audit services specified in this letter. The engagement partner's responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Our fees for these services are as follows:

Audit Fee (includes up to 2 major programs)	$ 95,050
Financial Statement Drafting	11,950
	$ 107,000
Additional Fees:	
Charge per major program in excess of 2	$ 4,500

Please note that the fees above include up to 2 major programs, as indicated. The "total amount not to exceed" listed on the audit contract includes up to 4 major programs. If the total number of major programs exceeds 4 and the "total amount not to exceed" needs to be increased, we will prepare an amended contract to include the fees necessary based on the per program amount listed as additional fees above.

As part of the base audit fee above, we will provide 10 printed copies of the final audit report and related documents, as well as up to 20 flash drives. Additional printed copies and flash drives may be requested.

However, such requests will incur a supplemental fee at our standard reproduction and handling rate in effect at the time of the request.

In addition, the preparation of the LGC's data input report is considered an additional service outside the scope of the audit engagement. Fees for this service will be billed at our standard hourly rates for the personnel assigned to the engagement. We will notify you if we anticipate the need for significant additional time in excess of normal preparation requirements.

Our invoices for these fees will be rendered in four installments as work progresses and are payable upon presentation. The County agrees to pay all cost of collection (including reasonable attorney fees) that the Firm may incur in connection with the collection of unpaid invoices. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, 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 termination. In the event that work is discontinued, either temporarily or permanently, as a result of delinquent or non-payment, we shall not be liable for any loss you may incur as a result of the work stoppage, including penalties and interest. In such cases, you assume all risk associated with your failure to meet any governmental or other deadlines.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use Caldwell County's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

Changing Laws and Regulations

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

The estimated fees are based on auditing and accounting standards effective as of the date of this engagement letter and known to apply to the County at this time. Unless otherwise indicated, estimated fees do not include any time related to the application of new auditing or accounting standards that impact the County for the first time.

Incorrect Accounting Methods or Errors in Client Records

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements. If, for any reason, the County is unable to provide such schedules, information, and assistance, the Firm and the County will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

Failure to Prepare for the Engagement

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

Starting and Stopping Our Work

If we must withdraw our staff or accommodate the County's requested scheduling change because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

Our fees are 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 fees for such services range from $90-$450 per hour.

Non-Solicitation of Employees and Independent Contractors

During the term of this engagement and for a period of eighteen (18) months after the end of this engagement, for whatever reason, you agree that you shall not, directly or indirectly: (i) solicit or attempt to solicit for employment or for engagement as an independent contractor, any of our employees or independent contractors; or (ii) solicit, encourage, or induce, or attempt to solicit, encourage, or induce, any of our employees or independent contractors to leave the employment of Martin Starnes & Associates, CPAs, P.A. or terminate their relationship with Martin Starnes & Associates, CPAs, P.A. For the avoidance of doubt, general advertisements for employment shall not be deemed a violation of this paragraph.

You agree that we invest a large amount of capital and resources to ensure that our employees and independent contractors deliver the highest level of service in our industry. You also agree that the cost of recruiting and hiring qualified individuals to replace our employees or independent contractors would be a lengthy and expensive process. You therefore agree that your violation of the non-solicitation provision above will result in economic damages that are difficult to ascertain and that, in the event of a breach of the non-solicitation provision above, you will pay to Martin Starnes & Associates, CPAs, P.A. a fee equal to One Hundred Percent (100%) of the employee's or independent contractor's annual rate of compensation at the time their relationship with us ends.

You further agree that your breach or threatened breach of the non-solicitation provision above would result in irreparable loss and injury to us. You agree that, in addition to all other remedies provided at law or equity, we shall be entitled to a temporary restraining order and preliminary and permanent injunctive relief in the event of a breach or threatened breach of the non-solicitation provision above, and you hereby waive any requirement that we post any bond in connection with obtaining such restraining order and/or injunctive relief. We shall be entitled to a restraining order and/or injunctive relief without regard to whether we can demonstrate that we have suffered actual damages or economic loss as a result of the breach or threatened breach of the non-solicitation provision.

Termination and Withdrawal

Either party may terminate this Agreement at any time and for any reason. If this Agreement is terminated before services are completed, you agree to pay all fees and expenses we incur through the effective date of termination.

Proprietary Information

You acknowledge that proprietary information, documents, materials, management techniques and other intellectual property are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents or intellectual property we develop during this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements and other documents which we make available to you are confidential and proprietary to us. Neither you, nor any of your agents, will copy, electronically store, reproduce or make available to anyone other than your personnel, any such documents. This provision will apply to all materials whether in digital, "hard copy" format or other medium.

Conflicts of Interest

If we, in our sole discretion, believe a conflict of interest has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to terminate our services without issuing our work product.

Third-Party Service Providers or Subcontractors

We may use third-party service providers, subcontractors, commercially available artificial intelligence, or software tools, some of which may utilize or offer artificial intelligence capabilities (collectively, "external party" or "external parties"), to assist us where necessary to help provide professional services to you or support the needs of our firm. You consent to our use of external parties. Our firm remains responsible for exercising reasonable care in providing our services, and our services and work product will be subjected to our firm's customary quality control procedures.

We may provide your confidential information to external parties in support of our services. You consent to the disclosure of your confidential information to those external parties. We take reasonably prudent business care consistent with our professional standards to prevent the unauthorized release of your confidential information.

In certain circumstances, we may require a separate, written consent from you before your information is transmitted to an external party or parties.

Records Management

We will return any original records and documents you provide to us. Our copies of your records and documents are solely for our documentation purposes and are not a substitute for your own record-keeping obligations under any applicable laws or regulations. You are responsible for maintaining complete and accurate books and records, which may include financial statements, schedules, tax returns and other deliverables provided to you by us. If we provide deliverables or other records to you via an information portal, you must download this information within 60 days. Professional standards may preclude us from being the sole repository of your original data, records, or information.

Workpapers and other items created by us to support the delivery of our services are our property and will remain in our control. We will consider requests for copies of workpapers and other items created by us in

accordance with the AICPA Code of Professional Conduct. Our workpapers will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report. Catastrophic events or physical deterioration may result in damage to or destruction of our firm's records, causing the records to be unavailable before the expiration of the retention period, as stated in our record retention policy.

Summons or Subpoenas

All information you provide to us in connection with this engagement will be maintained by us on a confidential basis.

If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such summons or subpoena as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

Confidentiality

In providing services to you, we may require information that is considered confidential and may include Personally Identifiable Information (PII), i.e. information that can be used to distinguish or trace an individual's identity such as address, bank account and social security information. We will maintain all client information, including PII, on a confidential basis and have a duty to do so based on the standards promulgated by the American Institute of Certified Public Accountants as well as applicable laws and regulations. You assume the risk of loss if you provide us with information, including PII, which differs from the information we request in order to provide services to you in accordance with the Agreement.

Referrals

In the course of providing services to you, you may request referrals to products or professionals such as attorneys, brokers, or investment advisors. As a courtesy, we may identify professional(s) or product(s) for your consideration. However, you are responsible for evaluating, selecting, and retaining any professional or product and determining if the professional or product meets your needs. You agree that we will not oversee the activities of and have no responsibility for the work product of any professional or suitability of any product we refer to you or that you separately retain.

Limitations on Oral and Email Communications

We may discuss with you our views regarding the treatment of certain items or decisions you may encounter. We may also provide you with information in an email. Any advice or information delivered orally or in an email (rather than through a memorandum delivered as an email attachment) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions.

Due to these limitations and the related risks, it may not be appropriate to proceed with a decision solely on the basis of any oral or email communication from us. You accept all responsibility for any liability, including but not limited to additional tax, penalties or interest resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable of a separate engagement. If you wish to engage us to provide formal advice on a matter on which we have communicated orally or by email, we will confirm this service in a separate agreement.

Disclaimer of Legal and Investment Advice

Our services under this Agreement do not constitute investment advice unless specifically engaged in the *Engagement Objective and Scope* section of this Agreement. Our services under this Agreement do not constitute legal advice.

Electronic Data Communication and Storage

In the interest of facilitating our services to you, we may send data over the Internet, temporarily store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us. You consent to our use of these electronic devices and applications during this engagement.

Marketing and Educational Communications

If we send you newsletters, updates, explanations of technical developments or similar communications, it is strictly for marketing or general educational purposes and should not be construed as professional advice on which you may rely. These communications, by themselves, do not create a contractual relationship between us and you, a binding obligation for us to provide services to you, nor a requirement on our part to monitor issues for you.

Independent Contractor

When providing services to your company, we will function as an independent contractor and in no event will we or any of our employees be an officer of you, nor will our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to you.

Our obligations under this Agreement are solely obligations of Martin Starnes & Associates, CPAs, P.A., and no Martin Starnes & Associates, CPAs, P.A. stakeholder shall be subjected to any personal liability whatsoever to you or any person or entity.

Severability

If any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this Agreement.

Survivability

The following sections of this Agreement shall survive termination of the Agreement: Limitation of Liability and Statute of Limitations.

Assignment, No Third-Party Beneficiaries

All parties acknowledge and agree that the obligations and responsibilities of this Agreement cannot be assigned to any third party except as agreed to in writing. This Agreement has been entered into solely between you and Martin Starnes & Associates, CPAs, P.A., and no third-party beneficiaries are created hereby.

Force Majeure

Neither party shall be held liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, epidemics or pandemics as defined by The Centers for Disease Control and Prevention, or any law, order or requirement of any governmental agency or authority. However, no Force Majeure event shall excuse you of any obligation to pay any outstanding invoice or fee or from any indemnification obligation under this Agreement.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature intended to replicate a written signature, shall be presumed valid, and we may reasonably rely upon it. For purposes hereof, "electronic signature" includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. Documents may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

Entire Agreement

This Agreement, including the LGC-205 Contract to Audit Accounts, represents the entire agreement of the parties and supersedes all previous oral, written or other understandings and agreements between the parties. Any modification to the terms of this Agreement must be made in writing and signed by both parties.

Statute of Limitations

You agree that any claim or legal action arising out of or related to this contract and the services provided hereunder shall be commenced no more than one (1) year from the date of delivery of the work product to You or the termination of the services described herein (whichever is earlier), regardless of any statute of limitations prescribing a longer period of time for commencing such a claim under law. This time limitation shall apply regardless of whether Martin Starnes & Associates, CPAs, P.A. performs other or subsequent services for You. A claim is understood to be a demand for money or services, demand for mediation, or the service of suit based on a breach of this contract or the acts or omissions of Martin Starnes & Associates, CPAs, P.A. in performing the services provided herein. This provision shall not apply if enforcement is disallowed by applicable law or professional standards.

Limitation of Liability

You agree that Martin Starnes & Associates, CPAs, P.A.'s liability, if any, arising out of or related to this contract and the services provided hereunder, shall be limited to the amount of the fees paid by You for

services rendered under this contract. In no event shall Martin Starnes & Associates, CPAs, P.A. be liable to You or a third party for any indirect, special, consequential, punitive, or exemplary damages, including but not limited to lost profits, loss of revenue, interruption, loss of use, damage to goodwill or reputation, regardless of whether You were advised of the possibility of such damages, regardless of whether such damages were reasonably foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise. The foregoing limitations shall not apply to the extent it is finally, judicially determined that the liability resulted from gross negligence or fraud of Martin Starnes & Associates, CPAs, P.A. or if enforcement of this provision is disallowed by applicable law or professional standards.

Mediation

If a timely dispute arises out of or relates to this Agreement, including the scope of services contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association ("AAA") under the *AAA Accounting and Related Services Arbitration Rules and Mediation Procedures* before resorting to arbitration, litigation, or any other dispute resolution procedure. The mediator will be selected by mutual agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA. The mediation will be conducted in North Carolina.

The mediation will be treated as a settlement discussion and, therefore, all discussions during the mediation will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs of legal representation shall be borne by the hiring party.

This provision shall not apply to any dispute of fees owed, billed or due.

Arbitration Procedures

If a dispute has not been resolved within 90 days after the effective date of the written notice beginning the mediation process (or such longer period, if the parties so agree in writing), the mediation shall terminate and the dispute shall be settled by binding arbitration to be held at a mutually agreeable location. The arbitration shall be conducted in accordance with the CPR Rules for Non-Administered Arbitration that are in effect at the time of the commencement of the arbitration, except to the extent modified by this Dispute Resolution Provision (the rules). The arbitration shall be conducted before a panel of three arbitators. Each of the County and firm shall designate one arbitrator in accordance with the "screened" appointment procedure provided in the Rules, and the two party-designated arbitrators shall jointly select the third in accordance with the Rules. No arbitrator may serve on the panel unless he or she has agreed in writing to enforce the terms of the engagement letter and to abide by the terms of the Rules. Except with respect to the interpretation and enforcement of these arbitration procedures (which shall be governed by the Federal Arbitration Act), the arbitrators shall apply the laws of the state of North Carolina (without giving effect to its choice of law principles) in connection with the dispute. The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding party has had an adequate opportunity to respond to any such application for such disposition. Any discovery shall be conducted in accordance with the Rules. The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

Costs

Each party shall bear its own costs in both the mediation and the arbitration; however, the parties shall share the fees and expenses of both the mediators and the arbitrators equally.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm to the Contract to Audit Accounts for your consideration and files.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements and compliance over major federal and state award programs, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Caldwell County by:

Signature: _____

Title: _____

Date: _____

Board of Commissioners Meeting
Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Water	

AGENDA ITEM # 11

Approval of Contract Extension with HDR Engineering for Collettsville Water Tank Project

BACKGROUND

Approval of contract extension amendment with HDR engineering to finish out project for Collettsville Water Tank. Previous contract amendment only covered expenses/time through 2025, this is to approve extension through end of project as we are now in a new calendar year. No additional funds are needed, just board approval for amendment.

RECOMMENDED MOTION

BUDGET IMPACT

n/a

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

1. Caldwell County Western Tank Amendment No 5 2026-02-26 1

AMENDMENT NO. 5
TO THE
AGREEMENT
DATED DECEMBER 7, 2016
between
CALDWELL COUNTY, NORTH CAROLINA
and
HDR ENGINEERING, INC. OF THE CAROLINAS
for
PROFESSIONAL ENGINEERING SERVICES

THIS AMENDMENT NO. 5, dated as of _____, 2026, is hereby made to the AGREEMENT dated December 7, 2016, AMENDMENT NO. 1 dated March 25, 2019, AMENDMENT NO. 2 dated March 16, 2022, AMENDMENT NO. 3 dated September 11, 2023, and AMENDMENT NO. 4 dated June 9, 2025, between Caldwell County ("OWNER"), with principal offices at 905 West Ave NW, Lenoir, North Carolina 28645, and HDR Engineering, Inc. of the Carolinas ("ENGINEER"), with principal offices at 555 Fayetteville Street, Suite 900, Raleigh, North Carolina 27601, for services in connection with the project known as the Design and Construction of Western Water Storage Tank Project ("Project").

The construction of the 200,000-gallon elevated storage tank at the site on Abington and Rocky Roads provided under the Agreement, Amendment No. 1, Amendment No. 2, Amendment No. 3 and Amendment No. 4 has resulted in a project of longer duration for construction than anticipated. Also, the direct costs of providing engineering services have increased since the 2025 amendment that addressed services related to the remaining level of effort to successfully complete this project.

In consideration of the mutual promises contained herein, the parties hereby agree to amend the AGREEMENT by including the following provisions:

SECTION I SCOPE OF SERVICES

In accordance with Exhibit A associated with the AGREEMENT dated December 7, 2016, AMENDMENT NO. 1 dated March 25, 2019, AMENDMENT NO. 2 dated March 16, 2022, AMENDMENT NO. 3 dated September 11, 2023 and AMENDMENT NO. 4 dated June 9, 2025, the following tasks will be amended and are hereby incorporated into the AGREEMENT:

Task 500 – CONSTRUCTION ADMINSTRATION SERVICES

The task items remain unchanged; however, the Fee for this task is increased to provide construction administration services for an additional four (4) months, and to cover the direct cost of providing engineering services.

Task 600 – PROJECT CLOSEOUT SERVICES

The task items remain unchanged; however, the Fee for this task is increased to cover the direct cost of providing engineering services.

SECTION IV. COMPENSATION

Compensation for ENGINEER's services under this Amendment shall be on the basis of lump sum in the amount of $22,100. This compensation represents the additional costs associated with the changes included in this amendment and are broken down by task as follows:

Task Number		Additional Fee
500	Construction Administration Services	$ 19,400
600	Project Closeout Services	$ 2,700
	Amendment No. 5 Total	$ 22,100

Lump Sum shall mean a fixed amount which shall be the total compensation agreed upon in advance for the Scope of Services.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first written above.

Caldwell County
"OWNER"

BY: _____

NAME: Shane Fox

TITLE: County Manager

ADDRESS: 905 West Ave NW
Lenoir, NC 28645

HDR Engineering, Inc. of the Carolinas
"ENGINEER"

BY: _____

NAME: Jonathan Henderson

TITLE: Senior Vice President

ADDRESS: 555 Fayetteville St., Suite 900
Raleigh, NC 27601

Board of Commissioners Meeting
Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Administration	

AGENDA ITEM # 12

Amendment to The Caldwell Council on Aging By-Laws

BACKGROUND

The Council on Aging is requesting to amend their by-laws to strengthen requirements for membership and include a section for removal of a member. The terminology is also updated from Elderly to Older Adults.

RECOMMENDED MOTION

BUDGET IMPACT

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

1. Council on Aging By-Laws 1-22-2026 Final

Caldwell County Council on Aging
By-Laws

Article I. Name

The name of this non-profit organization shall be

CALDWELL COUNTY COUNCIL ON AGING.

Article II. Mission

The mission of the Caldwell County Council on Aging is to serve as an advocate for older adults and organizations serving older adults in order to improve and promote the welfare of older adults in Caldwell County by:

1. bringing to public attention existing programs, services and activities.
2. being a means by which group consensus can be voiced and community efforts channeled in an organized way.
3. creating awareness of existing problems of older adults and then planning actions to correct these problems in the county.
4. actively promoting the development of programs of benefit to older adults in the areas of in-home services, transportation, housing assistance and repair, legal aid, education, volunteerism, health, mental health, social services and employment.
5. serving as a liaison between the older citizens of Caldwell County and the county commissioners by suggesting policy and making recommendations to the commissioners on the special needs of older adults.

Article III. Structure and Organization of the Council

1. The Caldwell County Council on Aging is an entity established by the Board of Commissioners of the county.
2. The Council on Aging will consist of up to eighteen (18) members who support and are interested in furthering the mission and objectives of the council. Members should be 60+ years old OR be employed or volunteer for an agency that directly supports older adults or caregivers. At least two-thirds shall not be employed by any agency whose funds are allocated by the Council on Aging. Members employed by any agency receiving grants through Council on Aging will abstain from voting on any budgetary or financial matters.
3. Council members will serve three-year terms that will expire on the last day of the third calendar year or fill the remainder of an unexpired term. No member may serve more than one expired term and three full terms consecutively.

4. The Council will propose names to the County Board of Commissioners for appointment to the Council when the Council deems it necessary to fill vacancies.
5. Any Council member absent for three consecutive regular meetings without cause shall be removed from membership.
6. One more than half of the voting members shall constitute a quorum.
7. Frequency of Meetings
    a. Meetings will be quarterly, with at least four meetings held per year.
    b. At least one meeting per year will be open to the public to receive ideas, suggestions, and concerns. Persons needing to appear at this meeting need to have their name on the agenda.
    c. Special meetings may be called at any time by the chairman or by any four (4) members of the Council.
    d. Council members shall be notified of meetings at least five (5) days in advance of the meeting, except in the case of special meetings.

Article IV: Termination of Council Membership

1. **Grounds for Termination**
   A Council member may be removed from their position for any of the following reasons:
   a. **Non-Attendance:** Failure to attend three (3) consecutive regular meetings of the Council on Aging without providing an excused absence, or repeated unexcused absences as determined by the Chair.
   b. **Voluntary Resignation:** Submission of a written resignation to the Chair. Resignations become effective upon receipt unless otherwise stated in the notice.
   c. **Misconduct or Breach of Duty:** Engaging in conduct deemed unethical, disruptive, or inconsistent with the purpose and values of the Council, or failing to perform assigned duties in good faith.
   d. **Change in Eligibility Status:** Any change in the member's status that results in noncompliance with the eligibility requirements for Council on Aging membership as established in these By-laws.
2. **Procedure for Removal**
   a. The Chair shall notify the member in writing of the grounds for potential removal.
   b. The member shall be given an opportunity to provide an explanation or appeal to the Council within thirty (30) days.
   c. Following review, a majority vote of the Council shall be required to

approve removal, except in cases of automatic disqualification due to eligibility status changes or written resignation.
d. The Chair will request the removal of the member to the County Commissioners for their final approval.

3. **Vacancies**
   Any vacancy resulting from termination, resignation, or ineligibility shall be filled in accordance with the procedures outlined in these By-laws.

Article V. General Powers

The Council on Aging will, periodically, set policies and state goals and objectives which will facilitate the accomplishments of the Mission (Article II) and which will serve as continuing guides to its activities and operations.

1. The Council will promote the development of programs to meet priority needs and seek resources to operate those programs.
2. The Council will, in consultation with agencies and other groups, do, or cause to be done, research leading to the definition and expression of needs of the elderly and the establishment of priorities in meeting those needs.
3. The Council will serve as an advisory group to the Caldwell County Commissioners for allocation of aging-related funds not allocated to a specific agency.

Article V. Officers

Section 1. Officers

The officers of the Caldwell County Council on Aging shall be Chairman, Vice-chairman, Secretary, Assistant Secretary, and such other officers as may be elected by the Council.

Section 2. Election and Terms of Office

The officers shall be elected by the Council on Aging at the October meeting and will begin their terms of office in January of the following year.

Section 3. Vacancies

A vacancy in any office may be filled for the unexpired portion of the term by a vote of the majority of Council members present.

Section 4. Chairman

The Chairman shall preside at all meetings of the Council on Aging. The chairman may sign, with any other officer of the Council authorized by the Council, any

contracts or other instruments which the Council has authorized to be executed. In general, the Chairman shall perform all duties incident to the office and such other duties as may be assigned by the Council from time to time.

Section 5. Vice Chairman
In the absence of the Chairman, the Vice Chairman shall perform the duties of the Chairman and, when so doing, shall have the powers of the Chairman. Other duties may be assigned by the Council from time to time.

Section 6. Secretary
The Secretary shall keep a file of the Minutes of the Council on Aging, see that notices are sent out in accordance with these By-laws, and perform the usual duties of the secretary and any other duties assigned by the Council on Aging.

Section 7. Assistant Secretary
In the absence of the Secretary, the Assistant Secretary shall perform the duties of Secretary, and when so acting, shall have all the powers and be subject to all the restrictions upon the Secretary.

Article VI. Committees

A Home and Community Block Grant **Advisory Committee** composed of all non-provider members of the council shall be responsible for:

1. Planning and coordination in the development of the county funding plan.
2. Monitoring use of block grant expenditures by reviewing monthly reports on use of funds.
3. Recommendations to the County Commissioners concerning:
    a. services to be funded,
    b. amount of serviced allocation, and
    c. service provider designation.

A **Legislative Committee** will be named by the chairperson. This committee will be responsible for keeping the members informed of any legislation affecting senior citizens or the responsibilities of the council.

A **Nominating Committee** will be named by the chairperson each September and will present a slate of officers at the October meeting for the coming year. Officers will be elected at the October Council meeting and take office the following January.

The chairperson, upon recommendation of the Council members, will appoint **Ad Hoc Committees** for special tasks. Designated committee chairpersons will have

the prerogative of naming specific Council members or representatives of other agencies to serve on the committees.

Article VII. Amendments to By-laws

By-laws may be amended by a proposal for change by any council member by submitting the proposal in writing to the Council. The proposed amendment may be voted on at the subsequent Council meeting after the meeting at which the amendment was submitted and discussed. The approved amendment(s) will then be submitted to the County Commission for its review and approval.

Revisions approved January 23, 2014
Revisions approved July 25, 2024
Revisions approved January 22, 2026
By the Caldwell Council on Aging

Board of Commissioners Meeting
Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Health	

AGENDA ITEM # 13

Appointment of Two Members to the Caldwell County Child Fatality Task Force

BACKGROUND

The Health Director is requesting to appoint Tara Swanson (EMS) and Roger Crosby (Law Enforcement) to the Caldwell County Child Fatality Task Force.

RECOMMENDED MOTION

BUDGET IMPACT

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

1. Appointment letter for Local Team T Swanson
2. Appointment letter Local Team for R. Crosby

CALDWELL COUNTY HEALTH DEPARTMENT

Health Director
Anna Cook, MPH

2345 Morganton Blvd. SW, Suite B • (828) 426-8400 • FAX (828)426-8577 • www.caldwellcountync.org
Mission: To Promote, Protect, and Improve the Health of Our Community

Request for Appointment to the Local Child Fatality Prevention Team

3/9/2026

Dear Caldwell County Board of Commissioners:

As Chairperson of the Caldwell County Local County Child Fatality Prevention Team, I am writing to request your help.

Article 14, 7B-1407 provides for a EMS personnel or firefighter to be appointed to the Local Team by you. The team is requesting the appointment of Tara Swanson to fill this position.

Because information and member participation are critical components to the development of effective recommendations to protect our county's children, please appoint someone who will be able to participate in the majority of our meetings each year.

Our Local Review Team meets as follows:
April 16th, 2026 5:30pm
October 22nd, 2026 5:30pm

Please call me at (828) 426-8415 if you have any questions. I look forward to your response and thank you in advance.

Sincerely,
Anna Cook
Anna Cook
Health Director
Local Child Fatality Prevention Team Chairperson

Accredited Health Department 2023-2027

Caldwell County does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

North Carolina Public Health

CALDWELL COUNTY HEALTH DEPARTMENT

Health Director
Anna Cook, MPH

2345 Morganton Blvd. SW, Suite B • (828) 426-8400 • FAX (828)426-8577 • www.caldwellcountync.org
Mission: To Promote, Protect, and Improve the Health of Our Community

Request for Appointment to the Local Child Fatality Prevention Team

3/9/2026

Dear Caldwell County Board of Commissioners:

As Chairperson of the Caldwell County Local County Child Fatality Prevention Team, I am writing to request your help.

Article 14, 7B-1407 provides for a Law Enforcement Officer to be appointed to the Local Team by you. The team is requesting the appointment of Roger Crosby to fill this position.

Because information and member participation are critical components to the development of effective recommendations to protect our county's children, please appoint someone who will be able to participate in the majority of our meetings each year.

Our Local Review Team meets as follows:
April 16th, 2026 5:30pm
October 22nd, 2026 5:30pm

Please call me at (828) 426-8415 if you have any questions. I look forward to your response and thank you in advance.

Sincerely,
Anna Cook
Anna Cook
Health Director
Local Child Fatality Prevention Team Chairperson

Accredited Health Department 2021-2025

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North Carolina Public Health

Board of Commissioners Meeting
Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Economic Development	

AGENDA ITEM # 14

Appointment of County Manager to Caldwell-Lenoir Rail Transload, LLC

BACKGROUND

The Caldwell-Lenoir Rail Transload, LLC, was established in partnership with the City of Lenoir. The county needs to appoint a representative to act on its behalf. Historically, this has been the county manager. Staff recommends appointing Shane Fox as the County's designated manager of the LLC.

RECOMMENDED MOTION

I move to appoint Shane Fox as the County's designated manager of the Caldwell-Lenoir Rail Transload, LLC.

BUDGET IMPACT

None.

APPROVED FOR BUDGET YEAR

Yes

ATTACHMENTS

None

Board of Commissioners Meeting

Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Administration	

AGENDA ITEM # 15

Approval of Regular and Closed Session Minutes from Febraury 23, 2026, Board of Commissioners Meeting

BACKGROUND

RECOMMENDED MOTION

BUDGET IMPACT

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

1. DRAFT Minutes 2.23.26 Regular Session

Caldwell County
North Carolina
Board of Commissioners Meeting

February 23, 2026 at 6:00 PM
City-County Chambers
905 West Avenue NW, Lenoir

MINUTES

Attendance

Randy T. Church, Chairman
Mike LaBrose, Vice Chairman
Jeff Branch, Commissioner
Donnie Potter, Commissioner
Patrick Starnes, Commissioner
Shane Fox, County Manager
Dylan Laws, County Attorney
Iris Whitt, Deputy County Clerk
Tasha Brown, County Clerk

Call to Order
Chairman Church called the February 23, 2026, Board of Commissioners meeting to order at 6:01 PM.

Public Comment Period
Amber Moretz was the first to come to the podium. Ms. Moretz expressed concerns about an unpermitted motocross track in Happy Valley at the corner of Riverside Drive and Nubbin Creek Road. Ms. Moretz has concerns about the noise from the motorcycles. She stated the noise level measured 85 decimals. She stated the property was zoned for residential, but was being used for commercial use. A packet was provided by individuals with Ms. Moretz that had information supporting their concerns. Ms. Moretz requested a written response to the zoning, permitting and noise ordinance concerns within 30 days.

Sarah Walker was next to the podium. Ms. Walker stated she was a drug and peer support advocate. Ms. Walker is concerned that there are no emergency shelters currently in our county, and the warming shelter was closed.

Jake Benfield was next to the podium. Mr. Benfield is concerned with the trash along the roadways in the western part of the county. Mr. Benfield showed a video of a portion of Beecher Anderson Road. He stated that citizens had to pick up trash out of their yards. Mr. Benfield stated the trash has gotten worse over the last three years, and requests that more money be allocated for trash pickup.

Invocation
Pastor Dr. Josh Hughes from First Baptist Church Lenoir led the invocation for those in attendance.

Pledge of Allegiance
Vice-Chairman LaBrose led the Pledge of Allegiance for those in attendance.

Agenda Amendments from the Board, Manager & Public
There were no amendments to the agenda.
Commissioner LaBrose made a motion to accept the agenda as presented. The motion carried unanimously.

Agenda Items

1. **Appointment of Tasha Brown as Clerk to the Board**
   Chairman Church stated the first item on the agenda was the appointment of Clerk to the Board, Tasha Brown. He began by reading a biography about Tasha. Tasha was sworn in as Clerk to the Board by the Register of Deeds, Wayne Rash.

2. **Recognizing the Retirement of Leslie Griffin**
   Chairman Church read the resolution recognizing the retirement of Leslie Griffin, Library Director.

   Vice Chairman LaBrose made the motion to adopt the resolution.
   The motion carried unanimously.

3. **Ambulance Franchise with Surge Non-Emergency Medical Transport**
   Emergency Services Director Trevor Key came to the podium to present a medical transport franchise application.

   Chairman Church declared the public hearing open.

   Key presented the application for Healthcare Rides LLC, dba SURGE non-emergency medical transport for an ambulance franchise contract as required by GS 153A-250 and Chapter 7. Key explained that entities carrying stretchers must have an ambulance; North Carolina does not allow a stretcher van for transport. Surge currently has contracts within the county with Hospice and the Department of Social Services for wheelchair transport. Key then stated that this contract would alleviate and take stress off of County ambulances for stretcher transport for non-emergency medical reasons.

   Ryan Graff, owner of Healthcare Rides LLC, dba SURGE, came to the podium. Ryan explained the meaning of SURGE, (Safe, Urgent, Reliable, Efficient). He stated they are currently contracted with agencies for wheelchair transport and ambulatory services for doctor appointments, hospital discharges, and hospice. He stated they

would like to assist Caldwell EMS and contribute by providing convalescent services. He then stated a brief history of his experience and education with a focus on safety and smooth transport.

Commissioner Starnes asked Graff if they billed insurance or would bill the County. Mr. Graff said no, it is private pay. If it is an insurance-related trip, they would still contact the County. When there is an increase in call volume, that is where Graff is hoping to assist.

Commissioner Starnes then asked if they would be doing nursing home transport only. Graff replied yes, nursing homes, hospice, hospitals, doctor appointments.

Commissioner Potter asked how many ambulances they currently have. Graff responded two with stretcher transport.

Commissioner Potter then added to clarify that we would be adding their services because the State requires an ambulance to take the stretcher patients. Mr. Key then added there would be no emergency treatment. The ambulance is convalescent, including only basic items required for transport, i.e.oxygen.

Chairman Church noted that SURGE is staffed with EMT personnel as he read in the contract. Mr. Key confirmed and stated that a minimum of 2 EMT personnel are required in an ambulance.

Vice Chairman LaBrose asked Graff if he currently knew the limit of liability insurance he has on his vehicles. Graff responded $1.5 million.

Chairman Church stated the liability insurance was a question he had as well. He then asked a question of County Manager Shane Fox to verify that the insurance limits provided would be sufficient coverage. Fox responded yes and this had been shared with the County Attorney as standard procedure.

Commissioner Potter asked Fox if the County Attorney had reviewed the contract. Fox said yes. County Attorney Dylan Laws then confirmed that they had reviewed the contract.

Vice Chairman LaBrose then noted that the Certificate of Insurance was dated 10/24 and asked if Graff could provide a more current one. Graff responded yes.

No one signed up to speak during the public hearing. With that, Chairman Church closed the Public Hearing.

Commissioner Starnes made a motion to adopt the ambulance franchise with Surge Non-Emergency medical transport.
The motion carried unanimously.

4. Local Jobs Retention Grant for Bakers Waste Equipment, LLC

Economic Development Director Ashley Bolick came to the podium to present a local jobs retention grant. Chairman Church opened the public hearing. Ms. Bolick presented the request for Board approval of a Local Jobs Retention Grant for Bakers Waste Equipment, LLC. She stated that Iron Crest is a rapidly growing manufacturer of commercial trash containers. Over the past two years, the company has evaluated expansion and acquisition opportunities. The Company has acquired an existing business located at 1808 Norwood St SW in Lenoir that was at risk of closure. The approximately $10 million plus investment includes acquisition of the business, retooling equipment, and retraining the existing workforce. As a result of this investment, 150 plus existing jobs at the Lenoir facility will be retained with an anticipated addition of 12 new positions over the next three to five years. The projected average annual wage is approximately $60,000. The Company will also offer health insurance and cover more than 50% of the premium. Staff recommends approval of the Local Jobs Retention Grant in the amount of $2,000 per retained job for up to 150 jobs, subject to a one-year retention period. Grant payments will be made in quarterly increments and are contingent upon the Company maintaining at least 90% or 135 of committed jobs, in accordance with the terms of the grant agreement. If the Company retains fewer than 150 jobs but not less than 90% or 135 of such jobs for the full retention period, the final grant payment shall be reduced on a per-job basis at the rate of $2,000 for each job not retained. This project has been reviewed and recommended for approval by the Caldwell County Economic Development Advisory Committee.

Ms Bolick invited Kate Crowley and Jason Staubs to the podium. Ms Crowley of Cap Civic is the site selector for the project. Jason Staubs is the general manager for Bakers Waste Equipment, LLC. Ms Crowley spoke about the selection process for the site, saying it was very clear that Lenoir was the right home for Iron Crest and Bakers Waste. Mr. Staubs said he was pleased to see Bakers Waste come full circle.

Commissioner Potter expressed gratitude to them for investing in Caldwell County siting a long relationship between Bakers Waste and the County.

Chairman Church stated that Ms. Crowley and Mr. Staubs were the only two signed up for the public hearing. With this, Chairman Church closed the public hearing.

Commissioner Potter made a motion to approve the Local Jobs Retention Grant for Bakers Waste Equipment, LLC.
The motion carried unanimously.

5. Sales Tax Reinvestment Fund Request for Economic Development

Economic Development Director Ashley Bolick remained at the podium to present a Sales Tax Reinvestment Fund Request for Economic Development. Chairman Church opened the public hearing, but there were no individuals signed up to speak. Ms. Bolick presented the request for a distribution from the sales tax reinvestment fund. She then stated that staff recommended the purchase of 15.38 acres to support the development of a new industrial building or industrial park at 4016 Lower Cedar Valley Road with the expenditure of $552,000 from the Sales Tax Reinvestment Fund to Vista Ventures Development, Inc. Bolick said in April 2025, Caldwell county and Vista Ventures, a nonprofit corporation, entered into an economic development agreement to promote and improve economic development for the benefit of Caldwell County's citizens. She stated this request would enable the County to advance strategic economic development initiatives and position the site for future projects, creating jobs for residents and increasing the property tax base. The requested $552,000 will be used to cover acquisition costs, including the purchase price, closing costs, and required due diligence. Bolick then stated the negotiated property purchase price is $525,000 and Vista Ventures Development, Inc. will be responsible for all closing costs associated with the transaction. The $27,000 in additional funds above the purchase price will be used for the closing costs and due diligence. Bolick then stated the contract for purchase would include several conditions to protect the County's interests. This property is located within the Town of Sawmills ETJ. She then thanked Chase Winebarger from the Town of Sawmills for attending and showing support for the project. Bolick added the property must receive rezoning approval from the Town of Sawmills, changing the current zoning classification from R-15 to General Manufacturing. In addition, the proposed project area must successfully pass a compaction test performed by a certified third party. She stated they also wanted to update the survey as part of the due diligence and the only remaining item to be finalized is the closing date. The seller requests approximately 60 days from the signing of an agreement, which would be approximately April 30th for closing. Bolick said funds have been budgeted and are available in the Sales Tax Reinvestment Fund.

Commissioner Potter asked about including the request for survey, asking if that was referring to the NCDOT project and exactly what that would entail. Potter then asked for confirmation that the NCDOT had already bought that property. Bolick replied yes, that is correct.

Chairman Church then declared the public hearing closed.

Commissioner Branch then made a motion to approve the request for the Sales Tax Reinvestment Request for Economic Development for the Cedar Valley Road property. The motion carried unanimously.

Consent

Chairman Church turned the meeting to County Manager Shane Fox to present the Consent Agenda.

6. Budget Revision - Airport Utilities Study Grant

This budget revision is an Airport Utilities Study Grant in the amount of $50,000. This is fully grant funded no local match is required.

7. Budget Revision - Health Department

This budget revision is an agreement addendum that increases funds for WIC by $3,736.00. This is a flow thru of funds, no County money is utilized.

8. Budget Revision and Capital Project Ordinance for Wilson Creek Visitor Center Repairs and Renovations Grant

This budget revision and capital project ordinance allows state OSBM grant funds in the amount of $1,183,347 to be spent on repairs and renovations needed after Hurricane Helene at the Wilson Creek Visitor Center.This is fully grant funded and no local match is required.

9. Budget Revision and Project Ordinance for Collettsville Convenience Site Water Line Extension

This budget revision and project ordinance allows state OSBM grant funds in the amount of $323,164 to be spent for the Collettsville Convenience Site Water Line Extension. This is fully grant funded, and no local match is required.

10. Budget Revision - Animal Care and Enforcement Donated Funds

The Animal Care and Enforcement department received a generous donation of $10,000. This budget revision allows those funds to be spent with $5,000 going towards free adoptions and $5,000 going towards supplies.

11. UnderCover Vehicle Trade

This budget revision in the amount of $6,550 allows the Sheriff's Office to trade in an old undercover vehicle and purchase a new one. This revision is funded by asset seizure funds and requires no local funds.

12. Surplus Property-Service Weapon for Jerry Simmons

This Resolution has been requested by the Sheriff's Office in honor of Jerry Simmons, who has retired after 20-plus years of service at the department. Awarding his badge and service weapon to him.

13. IVC Transport Agreement Approval

The Sheriff's Office requested approval of the IVC Transport Agreement. This agreement is to allow a third party to provide IVC transport.

14. Appointments to Board of Equalization and Review

William "BJ" Fore (Chairman), Max Jeff Roland, Phil Case, Bob Price, Thomas Larry Andrews, Wayne Parson, Donna McCall, and Mitchell Laws were appointed to the Board of Equalization and Review.

15. Transportation Agreement for Recovery Court Participants

Emergency Services submitted a Transportation Agreement for Recovery Court Participants. The agreement is between Caldwell County and The Cognitive Connection to provide transportation to Recovery Court participants that do not have transportation to court and recovery appointments. This agreement will have no impact on the budget and current year budgeted opiod settlement funds will be used as authorized.

16. EDA Disaster Grant Program Application

Economic Development requested approval to proceed with the application process for the EDA Disaster Grant Program. If received, the monies would be utilized to help pay for the potential sewer line project to expand from Gamewell to the Airport.

17. Reappointment of Town of Sawmills ETJ Planning Member

A recommendation from the Town of Sawmills for the reappointment of Jeff Plummer as the Town of Sawmills ETJ Planning Board Member.

18. NC Governor's Crime Commission— Court Based Crisis Programming Grant

The Sheriff's Office is seeking consent to apply for the NC Governor's Crime Commission - Court Based Crisis Programming Grant. This grant will help expand capacity of drug treatment court, with a two-year grant cycle with the potential of receiving $500,000 for the lifespan of the grant.

19. Approval of Minutes from January 29, 2026, Board of Commissioners Meeting

Approval of the January 29, 2026, Board of Commissioners Meeting minutes was requested.

Vice Chair LaBrose made a motion to adopt the Consent Agenda as presented.
The motion carried unanimously.

Closed Session

20. Closed Session Pursuant to NCGS 143-318.11(a)(4) and NCGS 143-318.11(a)(6)

Chairman Church made the motion to enter into closed session pursuant to NCGS 143-318.11(a)(4) and NCGS 143-318.11(a)(6) for discussion of a personnel matter and Economic Development discussion of a potential project at 7:06 PM.
The motion carried unanimously.

Commissioner Potter made the motion to exit closed session at 8:06 PM The motion carried unanimously.

Adjourn
Chairman Church made the motion to return to Open Session at 8:07 PM.
The motion carried unanimously.

County Manager Shane Fox presented a recommendation to appoint Janet Fore as the new Library Director.

Chairman Church made a motion to approve Fore as the Library Director.
The motion carried unanimously.

With there being no more business to attend to. Commissioner Donnie Potter made the motion to adjourn at 8:09 PM.
The motion carried unanimously.

Board of Commissioners Meeting

Agenda Item Summary

MEETING DATE	DEPARTMENT	PREPARED BY
March 23, 2026	Administration	

AGENDA ITEM # 16

Closed Session Pursuant to NCGS 143-318.11(a)(3) and 143-318.11(a)(4)

BACKGROUND

RECOMMENDED MOTION

BUDGET IMPACT

APPROVED FOR BUDGET YEAR

No

ATTACHMENTS

None