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**Town of Cedar Point**  
**Regular Meeting**  
*Tuesday, February 25, 2025*

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**Board Members**

Scott Hatsell, Mayor | Gary Bray, Mayor Pro Tem | Jerry Riggs, Commissioner  
Pam Castellano, Commissioner | John Nash, Commissioner | Frankie Winberry, Commissioner

**I. Call to Order/Invocation/Pledge** Mayor Scott Hatsell

*A Moment of Silence will be observed followed by the Pledge of Allegiance*

**Mayor's Remarks**

**II. Agenda and Consent Agenda**

The Town Clerk respectfully submits to the Board the Regular Agenda and the consent items below, which are considered to be of general agreement and of little or no controversy. These items may be voted on as a single group without Board discussion, or if so desired, the Board may request to remove any item(s) from the consent agenda and place them for consideration separately.

**Consent Items:**

- a. December 12, 2024 Agenda Work Session Minutes
- b. January 28, 2025 Regular Meeting Minutes
- c. January 28, 2025 Closed Session Meeting Minutes
- d. Resolution Requesting Restoration of Zoning Authority for North Carolina Local Governments
- e. Engagement Letter and Contract for Auditors

**III. Cameron Pittner Eagle Scout project**

*Cameron will be presenting the finalized Yellow Trail footbridge Eagle Scout project*

**IV. Sara Deskar, Eastern Carolina Council of Government**

*Presentation on the Hazard Mitigation Grant Program (HGMP)*

**V. Audit Presentation for FY 2023-2024**

*Mr. Austin Eubanks will present the final audit opinion for Fiscal Year 2023-2024 [Action Needed](#):*

- a. [Motion to approve the FY 2023-2024 Audit Report](#)

**VI. Deputy & WCFD Reports**

**VII. Manager's Report/Comments**

**VIII. Town Clerk Report**

**IX. Public Comment**

**X. Board Comments**

**XI. Adjournment**

The next regularly scheduled meeting will be held on Tuesday, March 25, 2025 at 6:30 PM.

## **Tab 2 Consent Agenda**



Town of Cedar Point Board of Commissioners  
Agenda Work Session Meeting  
December 12, 2024

The Town of Cedar Point Board of Commissioners held an Agenda Work Session meeting on Thursday, January 18, 2024 at 6:30 PM at Town Hall. Mayor Hatsell determined a quorum to be present and opened the meeting.

PRESENT: Mayor Hatsell, Commissioners Riggs, Bray, Nash, and Winberry, Town Manager Rief, Town Attorney Whitford, and Town Clerk Calhoun

ABSENT: Commissioner Castellano

The next item on the agenda was a hearing on a Special Use Permit Application, Special Use Permit SUP-2024-01, which requests to allow poly furniture sales and street yard display at 1133 Cedar Point Boulevard.

Commissioner Bray made a **Motion** to open the hearing. The Motion carried 4-0.

Mr. Rief presented a brief overview of the Special Use Hearing proceedings. Town Clerk Calhoun swore in Mr. Rief and Mr. Allen Roberson, the applicant. Mr. Rief read the application into the record, and Mr. Roberson confirmed that the information within the application was true and correct.

The applicant is opening a plumbing business and gift shop inside the building and selling outdoor furniture and décor items outside. Commissioner Nash was concerned that there were now four locations in Cedar Point selling poly furniture. Mayor Hatsell pointed out that it would be similar to the prior business, setting up the display on the concrete pad in front of the building. Commissioner Riggs was pleased that the tree line had been trimmed back and stated the location looked much cleaner. There were no further comments or discussions.

Commissioner Nash made a **Motion** to close the hearing. The Motion carried 3-0.

Commissioner Bray made a **Motion** to approve Special Use Permit 2024-01. The Motion carried unanimously, 4-0.

39 A Consent Agenda consisting of authorization for First Citizens Bank to serve as an Official  
40 Depository of Town Funds, the purchase of a new firewall and access point along with a 5-year  
41 licensing from CWIT support for \$4,184.57 (reimbursable from the cybersecurity grant), an  
42 authorization for the Town to procure internet service at the gym building from T Mobile and  
43 IoT Failover Service for Town Hall, an authorization to purchase a new copier/printer from  
44 Coeco/Ubeo for \$5,461.42 plus tax, and a salary increase for Zoning Officer from \$43,900 per  
45 year to \$50,000 per year based upon the recent acquisition of her CZO designation from the NC  
46 Association of Zoning Officials. Commissioner Winberry made a **Motion** to approve the  
47 Consent Agenda as presented. The Motion carried 4-0.

48  
49 Mr. Rief then presented his Manager’s Report, beginning with his vacation request from  
50 December 13 through December 17. Street signs have been received; replacing them will begin  
51 at Crystal Shores. Mr. Rief has consulted with a General Contractor for a quote for installing the  
52 electronic message sign.

53  
54 There being no further business to discuss, the meeting was adjourned. Commissioner Winberry  
55 made a **Motion** to adjourn the meeting. The Motion carried 4-0.

56  
57 The meeting Adjourned at 7:00 PM.

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Scott Hatsell, Mayor

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Jayne Calhoun, Town Clerk



Town of Cedar Point Board of Commissioners  
Regular Meeting  
January 28, 2025

The Town of Cedar Point Board of Commissioners held their regularly scheduled monthly meeting on Tuesday, January 28, 2025, at 6:30 PM at Town Hall. Mayor Hatsell determined a quorum to be present and opened the meeting.

PRESENT: Mayor Hatsell, Commissioners Riggs, Bray, Nash, Castellano, Winberry, Town Manager Rief, Town Clerk Calhoun

Pastor Jeff Duncan of Grace Church of Swansboro led the invocation, followed by Mayor Hatsell leading the Pledge of Allegiance.

The Agenda and Consent Agenda, consisting of the November 26, 2024 Regular Meeting Minutes and November 26, 2024 Closed Session Minutes, were presented for Board approval. Mayor Hatsell added agenda item 8a. Closed Session in accordance with NCGS 143.3(a) Attorney-Client Privilege. Commissioner Winberry made a **Motion** to approve the agenda with item 10a and the Consent Agenda as presented. The Motion carried 5-0.

The next agenda item was a Special Use Permit Applicant Hearing. Special Use Permit application SUP-2025-01 requests the allowance of a commercial street yard display at 520 Cedar Point Boulevard. Commissioner Bray made a **Motion** to open the hearing. The Motion carried unanimously.

Mr. Rief read through the procedural items relative to a SUP hearing and read the application into the record, noting the location is the former NAPA Auto Parts store. Town Clerk Beyer swore in Mr. Rief and Mr. Buddy Guthrie, the applicant, to provide relevant testimony. Mr. Guthrie addressed the board, stating he only wanted to place polywood furniture at the sidewalk and in a small portion of the parking lot. This location is temporary while the new furniture store is being built. Commissioner Nash confirmed that polywood furniture is being displayed at the original and temporary store locations and will continue to have both displays until the new store is completed. Commissioner Nash stated that the original display pre-dated the UDO for street yard displays. Is this SUP going to be tied to the address? Mr. Rief responded affirmatively, adding that the SUP remains valid within six months and another retailer could come in and have

39 an outdoor polywood furniture display. The language must specifically stipulate polywood  
40 furniture; after 5 years, the SUP would expire.

41  
42 Mayor Hatsell read through the standards outlined in the SUP application. The Board had no  
43 issues with any of the standards not being met.

44  
45 Mr. Whitford asked Mr. Guthrie if the application read into the record was true and correct. Mr.  
46 Guthrie confirmed that it was.

47  
48 Commissioner Nash made a **Motion** to close the Public Hearing. The Motion passed  
49 unanimously.

50  
51 Board discussion followed. Commissioner Nash stated that several retailers in Cedar Point sell  
52 plywood furniture as street yard displays. He recommended placing a condition stating that the  
53 SUP will only be valid while the store is temporarily located at 520 Cedar Point Boulevard. Mr.  
54 Whitford noted that the SUP could only be granted to the owner, not the land.

55  
56 Commissioner Nash made a **Motion** to approve the Special Use Permit SUP 2025-01 with the  
57 condition that this SUP would expire when the applicant has rebuilt his original furniture store  
58 and relocated his furniture store operations to its original location at 600 Cedar Point Boulevard.  
59 The Motion carried 5-0.

60  
61 Deputy Nakamura presented his report, stating that there were no accidents in Cedar Point due to  
62 the snow.

63  
64 Mr. Rief presented his manager's report. Jayne Beyer celebrated her 10-year anniversary  
65 working for the Town; she began her employment on January 21, 2015. Mr. Rief also advised  
66 the Board that Ken Howell's father passed away. Mr. Rief advised the Board on SB 382, which  
67 prohibits down-zoning. The bill may be amended or removed altogether. Mr. Rief stated our  
68 ordinances are safe as they've existed for some time. The first CedarFest Committee meeting is  
69 scheduled for Tuesday, February 4<sup>th</sup>. The annual Board retreat is tentatively scheduled for  
70 February 7 or the 14<sup>th</sup>, but availability at The Islander will be confirmed first. The Town website  
71 refresh is underway, and we have received approval to update our domain name to  
72 cedarpointnc.gov. The Town will pursue another CAMA Access grant for the restrooms. An  
73 engineering firm may be necessary to assist in drawing up plans. The park was closed for the  
74 snowstorm, and we continue to see people at the park after hours, so a decision must be made as  
75 to whether the park should close at night. The repaving of Fir Street was not approved by  
76 NCDOT, stating all side streets must meet Cedar Point Boulevard at 90° angles. This spring,  
77 NCDOT has plans to repave Highway 24 from Swansboro to Highway 70 in Morehead City.  
78 They also plan to add the slip lanes to accommodate traffic onto the island. Public works staff  
79 has begun replacing street signs. The County will begin ditch cleanup efforts on Bell Street,  
80 which should improve drainage. Cape Carteret proposed a resolution to install a roundabout at  
81 Taylor Notion Road and Highway 58. Cedar Point's participation in the Resolution is optional.

82

83 Sarah Deskar of ECCOG hazard mitigation grant program funds has contacted Mr. Rief  
84 concerning a state-overseen program that would facilitate raising houses in Cedar Point that are  
85 considered repetitive loss properties. She is willing to present information at the next BOC  
86 meeting. The town has no emergency communications capabilities, but it has proven to be an  
87 expensive project to purchase radios and other devices. Mr. Rief has found a cheaper alternative  
88 using a shared FCC license, which would cost about \$2,000. The Board directed Mr. Rief to  
89 begin the process for this licensing. The local homeschooling group is hosting a debate  
90 tournament in Richlands, and Mr. Rief is looking for volunteers to be judges.

91  
92 Town Clerk Beyer provided an update for Operation Bundle Up, noting that over 75 coats have  
93 been delivered to Carteret County Schools. The coat drive will continue through February.

94  
95 Mayor Hatsell opened the floor to Board comments:

96  
97 Commissioner Winberry advised that a stop sign ahead sign has been knocked over on Jones  
98 Street. Commissioner Castellano asked what the timeline was for our new sign. Mr. Rief stated  
99 he is waiting for bids. Commissioner Riggs wanted to know the status of the old CP's Grill  
100 location. Mr. Rief stated the new owner must comply with our UDO regulations. He is working  
101 on plans and will submit them to the town.

102  
103 Commissioner Bray made a **Motion** to go into Closed Session. The Motion was unanimous. The  
104 Board went into Closed Session at 7:50 PM.

105  
106 The Board returned to Open Session at 8:15 PM.

107  
108 There being no further business to discuss, the meeting was adjourned. Commissioner Winberry  
109 made a **Motion** to adjourn the meeting, the Motion was unanimous, 5-0.

110  
111 The meeting Adjourned at 8:15 PM

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Scott Hatsell, Mayor

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Jayne Beyer, Town Clerk



## RESOLUTION REQUESTING RESTORATION OF ZONING AUTHORITY FOR NORTH CAROLINA LOCAL GOVERNMENTS

**WHEREAS**, Senate Bill 382, entitled “AN ACT TO MAKE MODIFICATIONS TO AND PROVIDE ADDITIONAL APPROPRIATIONS FOR DISASTER RECOVERY; TO MAKE TECHNICAL, CLARIFYING, AND OTHER MODIFICATIONS TO THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 2023; AND TO MAKE VARIOUS CHANGES TO THE LAW (“SB 382”), became law on December 11, 2024 (Session Law 2024-57); and

**WHEREAS**, Part III, Subpart III-K of SB 382 entitled LOCAL GOVERNMENT (the “Down-zoning Provision”), amends N.C.G.S. § 160D-601(d) by prohibiting local governments from enacting or enforcing any zoning regulations, or zoning map amendments, that would constitute “down-zoning” without first obtaining the written consent of all property owners whose property would be subject to such an amendment, and

**WHEREAS**, passage of Session Law 2024-57 has severely limited North Carolina local governments’ ability to amend zoning and development standards within a Unified Development Ordinance to address important community issues, and may prohibit the implementation of new or amended standards contemplated in previously adopted comprehensive and land use plans, and

**WHEREAS**, as a practical matter, passage of Session Law 2024-57 eliminates the authority of NC local governments to adopt a zoning text amendment applicable to entire non-residential zoning districts and severely limits the authority of NC local governments to adopt regulations related to residential zoning districts given the time, effort, and cost of identifying all of the owners of parcels within such zoning districts, and the implausibility that all owners will consent to the amendment, and

**WHEREAS**, in short, the new law empowers a single property owner to override the will of a unanimous governing board, a developer, and perhaps all or a vast majority of the other property owners affected by the zoning text or zoning map amendment, and

**WHEREAS**, all NC local governments continue to face planning challenges presented by growth and development, and each local government’s zoning authority has historically provided a rational means to balance those challenges with the needs of its community based upon the will of the people as determined through public engagement, and ultimately, elections, and

**WHEREAS**, the Town of Cedar Point is concerned about the potential negative impacts on its residents, property owners, business owners, and developers as a result of Session Law 2024-57,

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners that the Town of Cedar Point hereby requests that the “down-zoning” provision included in Session Law 2024-57 be rescinded to restore the zoning authority for North Carolina local governments, OR that the Town of Cedar Point, and/or all of Carteret County, be exempted from the provisions of Part III, Subpart III-K of SB 382 (Session Law 2024-57) so that the original provisions of N.C.G.S. § 160D-601(d) are restored and made applicable to the Town of Cedar Point.

**BE IT FURTHER RESOLVED** by the Board of Commissioners that the Town Manager is hereby directed to forward a copy of this resolution to Senator Norman Sanderson and Representative Celeste Cairns.

Adopted this the \_\_\_\_ day of \_\_\_\_\_, 2025.

ATTEST:

\_\_\_\_\_  
Scott Hatsell, Mayor

\_\_\_\_\_  
Jayne Beyer, Town Clerk



Thompson, Price, Scott, Adams & Co., P.A.  
4024 Oleander Drive Suite 103  
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January 1, 2025

Town of Cedar Point  
427 Sherwood Ave  
Cedar Point, NC 28584

To Management and Those Charged with Governance

We are pleased to confirm our understanding of the services we are to provide for Town of Cedar Point for the year ended June 30, 2025.

### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of Town of Cedar Point as of and for the year ended June 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Cedar Point's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Town of Cedar Point's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Net Pension Asset/Liability RSI
- 3) OPEB

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Cedar Point's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole [in a separate written report accompanying our auditor's report on the financial statements OR in a report combined with our auditor's report on the financial statements:

- 1) Combining individual fund financial statements, budgetary schedules, and other schedules.

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

#### 1) Statistical Section

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

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of Town of Cedar Point and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

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

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Improper revenue recognition
- Management override of controls

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

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

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

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Town of Cedar Point's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **Other Services**

We will also assist in preparing the financial statements and related notes of Town of Cedar Point in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

## **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

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

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

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

The audit documentation for this engagement is the property of Thompson, Price, Scott, Adams, & Co., P.A. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Oversight Agencies, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Thompson, Price, Scott, Adams, & Co., P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

Gregory Adams, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately July 1, 2025.

Our fee for these services is stated in the LGC approved contract. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. If more than two additional funds are added to the current fiscal year Trial Balance over prior years Trial Balance, there will be an additional charge of \$500 per fund added onto the total price of the audit.

## **Reporting**

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

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that Town of Cedar Point is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to Town of Cedar Point and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Thompson, Price, Scott, Adams, & Co., P.A.

RESPONSE:

This letter correctly sets forth the understanding of Town of Cedar Point.

Management signature: \_\_\_\_\_

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

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

Governance signature: \_\_\_\_\_

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

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

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

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

and	Auditor Name
	Auditor Address

*Hereinafter referred to as Auditor*

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

*Must be within six months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with *Government Auditing Standards* (GAGAS). The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F (*Uniform Guidance*) and the State Single Audit Implementation Act. Currently the threshold is \$750,000 for a federal single audit and \$500,000 for a State Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State 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).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

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

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within six months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

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

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

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

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

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

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

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

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

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

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

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

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.
24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.
25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). 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, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.
28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:
- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
  - b) the status of the prior year audit findings;
  - c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
  - d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.
29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

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

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

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

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

**FEEES FOR AUDIT SERVICES**

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

Financial statements were prepared by:  Auditor  Governmental Unit  Third Party

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

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

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

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

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

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

<b>Primary Government Unit</b>	
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$</b>

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

**SIGNATURE PAGE**

**AUDIT FIRM**

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

**GOVERNMENTAL UNIT**

Governmental Unit*	
Date Governing Board Approved Audit Contract* <b>(Enter date in box to right)</b>	
Mayor/Chairperson (typed or printed)*	Signature*
Date	Email Address*

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

**GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE**

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

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

Sum Obligated by This Transaction:	\$
Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Date of Pre-Audit Certificate*	Email Address*

**SIGNATURE PAGE – DPCU  
(complete only if applicable)**

**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU*	
Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right)	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

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

**DPCU – PRE-AUDIT CERTIFICATE**

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

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

Sum Obligated by this Transaction:	\$
DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

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

**RESOLUTION TO APPROVE A MUNICIPAL ACCOUNTING SERVICES,  
CYBERSECURITY AND TECHNICAL ASSISTANCE MEMORANDUM OF  
AGREEMENT**

**WITNESSETH:**

**WHEREAS**, the North Carolina State Budget Act of 2021 (SL 2021-180, as amended by SL 2021-189, and SL 2022-6) provided to the NC League of Municipalities (League) grant funds provided to the State of North Carolina by the U.S. Treasury pursuant the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319, American Rescue Plan Act of 2021 (ARP); and

**WHEREAS**, the League received two Award Agreements (OSBM-NCLM-65) from the Office of State Budget and Management (OSBM) and the North Carolina Pandemic Recovery Office (NCPRO); and

**WHEREAS**, the first Award Agreement is identified as OSBM-NCLM-65. This grant enables the League to provide “financial software and assistance programs for units of local government for expenses related to the COVID-19 pandemic...” This grant is referred to as the Municipal Accounting Services and Cybersecurity Grant; and

**WHEREAS**, the second Award Agreement is identified as OSBM-NCLM-66. This grant enables the League “to provide guidance and technical assistance to units of local government in the administration of funds from the Local Fiscal Recovery Fund, as established in Section 2.6 of S.L. 2021-25, and in the administration of projects funded through the State Fiscal Recovery Fund, as established in Section 2.2 of S.L. 2021-25.” This grant is referred to as the Guidance and Technical Assistance Grant; and

**WHEREAS**, the Municipal Accounting Services and Cybersecurity Grant and the Guidance and Technical Assistance Grant are collectively referred to herein as the “League Grants”.

**WHEREAS**, the League Grants are deemed part of US Treasury Expenditure Category: 6, Revenue Replacement and shall only be spent on governmental services; and

**WHEREAS**, pursuant to US Treasury Guidance, units of local government that receive services that are funded by one or both of the League Grants are beneficiaries of one or both of the League Grants, respectively, and such services are provided at no cost to these local governments; and

**WHEREAS**, the League has established a Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement pursuant to the terms of the League’s Municipal Accounting Systems and Cybersecurity Grant and the Guidance and Technical Assistance Grant; and

**WHEREAS**, this Municipal Accounting System, Cybersecurity and Technical Assistance Memorandum of Agreement will offer local municipalities:

(1) Services rendered by the League (League Services) including but not limited to capital expenditures for special purpose software and computer equipment as set forth in §2 C.F.R. 200.439; and

(2) Services rendered by one or more service providers (Contractor Services), retained by the League on behalf of the Municipality, who are members of a particular profession or possess a special skill as set forth in §2 C.F.R. 200.459; and

(3) Equipment, including information technology systems, and supplies, including computing devices, as set forth in §2 C.F.R. 200.439 and §2 C.F.R. 200.453; and

**WHEREAS**, the Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement, is attached hereto as Exhibit A; and

**NOW, THEREFORE BE IT RESOLVED BY THE CITY/TOWN COUNCIL/BOARD OF CEDAR POINT:**

1. That, the Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement is hereby approved.
2. That the Manager/Clerk is authorized to execute the attached Memorandum of Agreement (or one substantially equivalent thereto) and such other agreements and actions as necessary in accordance with the League's Municipal Accounting Services and Cybersecurity Grant and the Guidance and Technical Assistance Grant.

Adopted, this the \_\_\_\_\_ day of \_\_\_\_\_, 2025

TOWN/CITY OF CEDAR POINT

By: \_\_\_\_\_

(Name)

Mayor

ATTEST:

\_\_\_\_\_

(Name)

Town Clerk

**Exhibit A**  
MUNICIPAL ACCOUNTING SERVICES, CYBERSECURITY AND  
TECHNICAL ASSISTANCE MEMORANDUM OF AGREEMENT (MOA).

## **MUNICIPAL ACCOUNTING SERVICES, CYBERSECURITY AND TECHNICAL ASSISTANCE MEMORANDUM OF AGREEMENT**

This Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement (hereinafter the “Agreement”) is entered into as of the Effective Date set out below, by and between the Town of Cedar Point (hereinafter the “Municipality”) and the NC League of Municipalities (hereinafter the League), each additionally referred to as a “Party”; and collectively as the “Parties.” This Agreement and the obligations hereunder shall be effective upon execution of this Agreement by all Parties (“Effective Date”).

For good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties agree as follows:

### **Article I. Overview.**

#### **1. Enabling Law and Regulation.**

The North Carolina State Budget Act of 2021 (SL 2021-180, as amended by SL 2021-189, and SL 2022-6) provided to the League grant funds provided to the State of North Carolina by the U.S. Treasury pursuant the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319, American Rescue Plan Act of 2021 (hereinafter ARP/CSLFRF). Pursuant to this legislation, the League received two Award Agreements from the Office of State Budget and Management (hereinafter OSBM) and the North Carolina Pandemic Recovery Office (hereinafter NCPRO).

The funds are deemed part of US Treasury Expenditure Category: 6, Revenue Replacement and shall only be spent on governmental services.

#### **2. Grants Awarded to the NC League of Municipalities.**

The first Award Agreement is identified as **OSBM-NCLM-65**. This grant enables the League to provide “financial software and assistance programs for units of local government for expenses related to the COVID-19 pandemic...” This grant is referred to as the **Municipal Accounting Services and Cybersecurity Grant**.

The second Award Agreement is identified as **OSBM-NCLM-66**. This grant enables the League “to provide guidance and technical assistance to units of local government in the administration of funds from the Local Fiscal Recovery Fund, as established in Section 2.6 of S.L. 2021-25, and in the administration of projects funded through the State Fiscal Recovery Fund, as established in Section 2.2 of S.L. 2021-25.” This grant is referred to as the **Guidance and Technical Assistance Grant**.

The Municipal Accounting Services and Cybersecurity Grant and the Guidance and Technical Assistance Grant are collectively referred to herein as the “**League Grants**”.

One or both of the League Grants fund this Agreement.

**3. Status of the Parties.**

The undersigned Municipality is a beneficiary of the League Grants. The service providers retained by the League and funded by the League Grants for the benefit of the Municipality are contractors (“Contractors”).

**4. Services Offered.**

Pursuant to this Agreement, the League hereby offers the following to the Municipality:

- a. Services rendered by the League (“League Services”). See Exhibit A.
- b. Services rendered by one or more service providers (“Contractor Services”) retained by the League on behalf of the Municipality, who are members of a particular profession or possess a special skill as set forth in §2 C.F.R. 200.459. See Exhibit B, as applicable (and subsequent Exhibits, as applicable).
- c. Equipment, including information technology systems, and supplies, including computing devices, as set forth in §2 C.F.R. 200.439 and §2 C.F.R. 200.453. The League shall fund League Services and Contractor Services pursuant to this Agreement.

The League shall fund League Services and Contractor Services pursuant to this Agreement. The Municipality accepts the League Grant(s) pursuant to this Agreement.

**5. Additional Services.**

Additional Services (hereinafter “Additional Services”) may be offered to the Municipality by the League during the League’s Grant period pursuant to this Agreement. The Municipality’s official, who is designated in the Municipality’s adopting Resolution, may execute further agreements, modifications of this Agreement, and agree to Additional Services to be provided to the Municipality. These Additional Services shall be described in additional Exhibits to this Agreement (Exhibit C, D, E, etc.) that, when executed by the Parties, shall become part of this Agreement.

**6. Term of Agreement.**

This Agreement shall begin on the Effective Date of this agreement and shall end when terminated at the discretion either party. All expenditures by the League under this Agreement must be obligated on or before December 31, 2024, and expended on or before December 31, 2026. Unless otherwise terminated, this Agreement shall expire on December, 31, 2026.

**7. Termination of Agreement.**

The League may terminate this Agreement, in whole or in part, at any time upon written notice to the Municipality and the Contractor. Upon receipt of Notice of Termination from the League: (i) the agreement between the Municipality and the Contractor shall be deemed terminated and Municipality hereby authorizes the League to notify Contractor of said termination on behalf of the Municipality; and (ii) Contractor shall (1) immediately discontinue all services affected (unless the Notice of Termination directs otherwise), (2) deliver to the Municipality all reports, estimates, summaries, and other information and materials

accumulated in performing this contract, whether completed or in process; and (3) subject to funding made available through the League Grants, submit final invoice for work completed up until Contractor's receipt of Notice of Termination.

#### **8. Duties of the Municipality.**

The Municipality will utilize League Services and Contractor Services in accordance with this Agreement. It agrees to submit quarterly performance reports for the League Services and Contractor Services received pursuant to this Agreement and to cooperate with the League in appropriate review of these League Services and Contractor Services. The nature and scope of the reports will depend on the project. Any deficiencies or other performance concerns will be addressed with the Municipality and the Contractor.

The Municipality shall obtain and provide to the League a unique entity identifier assigned by the System for Award Management (SAM), which is accessible at [www.sam.gov](http://www.sam.gov).

The Municipality shall provide the League with all relevant information requested by the League to enable the League to comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note) or other federal or state requirements or audits, unless such information is otherwise confidential under applicable federal or state laws.

### **Article II. Scope of Funded Activities.**

#### **1. Scope of Services**

Services provided pursuant to this Agreement are set forth in the Exhibit A & B attached hereto (and subsequent Exhibits as applicable).

#### **2. Approved Budget.**

The League, in consultation with the Municipality and the Contractor, shall establish applicable rates and fees to align with the scope of services described in Exhibit B (and subsequent Exhibits as applicable) or amendments thereto as approved in writing by the League. Such charges and rates under this Agreement, once finalized and accepted by the League, are hereinafter referred to as the "Approved Budget". The League shall furnish the Municipality with a copy of the Approved Budget, which will include a detailed summary of charges and rates that the League will be obligated to expend for the benefit of the Municipality using applicable grant funding.

#### **3. Prior Approval for Changes.**

The Municipality shall not make any changes, directly or indirectly, to the Contractor Services, or the Approved Budget, without the prior written approval of the League.

#### **4. Allowable Costs for Services Rendered.**

All services provided pursuant to this Agreement must fall with the definitions of allowable cost and not be otherwise prohibited under State or Federal law.

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance, Subpart E, defines those items of cost that are allowable, and which are unallowable. These allowable cost requirements are:

1. The costs must be reasonable;
2. The costs must be allocable to eligible projects under the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP);
3. The costs must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances;
4. The costs must conform to any limitations or exclusions set forth in these principles or in the ARP/CSLFRF grant award as to types or amounts of cost items.

#### **5. Prohibited Uses of Funding.**

The US Treasury's Final Rule prohibits certain uses of ARP/CSLFRF funds. Specifically, ARP/CSLFRF funds may not be used for projects within the following categories of expenditures:

1. To make a deposit into a pension fund that constitutes an extraordinary payment of an accrued, unfunded liability (Routine contributions which are part of a payroll obligation for an eligible project are allowed);
2. To borrow money or make debt service payments;
3. To replenish rainy day funds or to fund other financial reserves;
4. To satisfy an obligation arising from a settlement agreement, judgment, consent decree, or judicially confirmed debt restricting in a judicial, administrative, or regulatory proceeding;
5. For a project that includes a term or condition that undermines efforts to stop the spread of COVID-19 or discourages compliance with recommendations and guidelines in CDC guidance for stopping the spread of COVID-19;
6. In violation of the conflict-of-interest requirements imposed by the award terms and 2 CFR 200.318(c).
7. For any expenditure that would violate other applicable federal, state, and local laws and regulations.

### **Article III. Compensation.**

#### **1. Payment of Funds.**

The League will pay the Contractor identified in Exhibit B (and other Contractors/Consultants identified in subsequent Exhibits as applicable) for services rendered in accordance with the Approved Budget and for the performance of the Contractor Services. No Contractor Services shall be funded by the League outside the parameters of the League Grants. Fees and costs must be supported by evidence of bona fide services rendered.

The Municipality has no obligation to pay for any services identified in the Approved Budget that are the League's responsibility. Services not expressly agreed to by the League shall be the responsibility of the Municipality.

## **2. Invoices.**

Email invoices to [Accountspayablearp@nclm.org](mailto:Accountspayablearp@nclm.org). Expenses must be reasonable and necessary, documented, itemized, and incurred in accordance with this Agreement. All League expenditures under this Agreement must be obligated on or before December 31, 2024 and expended on or before December 31, 2026.

## **Article IV. Compliance with Grant Agreement and Applicable Laws.**

### **1. Expenditure Authority.**

This Agreement is subject to the laws, regulations, and guidance documents authorizing and implementing the ARP/CSLFRF grant, including, but not limited to, the following:

- **Authorizing Statute.** Section 603 of the Social Security Act (42 U.S.C. 803), as added by section 9901(a) of the American Rescue Plan Act of 2021 (Pub. L. No. 117-2).
- **Implementing Regulations.** Subpart A of 31 CFR Part 35 (Coronavirus State and Local Fiscal Recovery Funds), as adopted in the Coronavirus State and Local Fiscal Recovery Funds interim final rule (86 FR 26786, applicable May 17, 2021 through March 31, 2022) and final rule (87 FR 4338, applicable January 27, 2022 through the end of the ARP/CSLFRF award term), and other subsequent regulations implementing Section 603 of the Social Security Act (42 U.S.C. 803).
- **Guidance Documents.** Applicable guidance documents issued from time-to-time by the US Department of Treasury, including the currently applicable version of the Compliance and Reporting Guidance: State and Local Fiscal Recovery Funds.

This Agreement is also subject to all applicable laws of the State of North Carolina.

### **2. Conflicts of Interest; Gifts & Favors.**

The Municipality understands that (1) it will use Fiscal Recovery Funds to pay for the cost of this Agreement, and (2) the expenditure of Fiscal Recovery Funds is governed by the League's Conflict of Interest Policy and the Federal and State regulatory requirements (including, without limitation, N.C. Gen. Stat. § 14- 234(a)(1) and N.C. Gen. Stat. § 14-234.3(a)).

The Municipality certifies that, as of the date hereof, to the best of its knowledge after reasonable inquiry, no employee, officer, or agent of the Municipality involved in the selection, award, or administration of this Agreement (each, a "Covered Individual"), nor any member of a Covered Individual's immediate family, nor a Covered Individual's partner, nor an organization which employs or is about to employ a Covered Individual, has a financial or other interest in or has received a tangible personal benefit from Fiscal Recovery Funds, except as to the funds legally expended in this Agreement. Should the Municipality obtain knowledge of any such interest, or any tangible personal benefit described in the preceding sentence after the date hereof, the Municipality shall promptly disclose the same to the League in writing.

The Municipality certifies to the League that it has not provided, nor offered to provide, any gratuities, favors, or anything of value to an officer, employee, or agent of the League. Should the Municipality obtain knowledge of the provision, or offer of a provision, of any gratuity, favor, or anything of value to an officer, employee, or agent described in the preceding sentence after the date hereof, the Municipality shall promptly disclose the same to the League in writing.

### **3. Records Retention and Access.**

The Municipality shall maintain all records, books, papers and other documents related to its performance of Approved Activities under this Agreement (including without limitation personnel, property, financial and medical records) through at least December 31, 2031, or such longer period as is necessary for the resolution of any litigation, claim, negotiation, audit, or other inquiry involving this Agreement. The Municipality shall make all records, books, papers and other documents that relate to this Agreement, unless otherwise privileged, available at all reasonable times for inspection, review or audit by the authorized representatives of the League, the North Carolina State Auditor, the US Department of Treasury, the US Government Accountability Office, and any other authorized state or federal oversight office.

### **4. Suspension and Debarment.**

The Municipality shall comply with the Office of Management and Budget (OMB) Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement) in 2 CFR Part 180, as adopted by the U.S. Department of Treasury at 31 CFR Part 19. The Municipality represents that neither it, nor any of its principals has been debarred, suspended, or otherwise determined ineligible to participate in federal assistance awards or contracts. The Municipality further agrees that it will notify the League immediately if it, or any of its principals, is placed on the list of parties excluded from federal procurement or nonprocurement programs available at [www.sam.gov](http://www.sam.gov).

### **5. Byrd Anti-Lobbying Amendment.**

The Municipality certifies to the League that it has not used and will not use Federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. § 1352. The Municipality shall disclose any lobbying with non-Federally appropriated funds that takes place in connection with obtaining any Federal award. This certification is a material representation of fact upon which the League has relied when entering this Agreement and all liability arising from an erroneous representation shall be borne solely by the Municipality.

### **6. Publications.**

Any publications produced with funds from this Agreement shall display the following language: “This project is supported, in whole or in part, by federal award number SLFRP0129 awarded to NC League of Municipalities through the State of North Carolina by the U.S. Department of the Treasury.”

## **7. Equal Opportunity and Other Relevant Federal Laws**

The Municipality agrees during the performance of this Agreement the following:

### **Civil Rights Laws.**

The Municipality shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance.

### **Fair Housing Laws.**

The Municipality shall comply with the Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability.

### **Disability Protections.**

The Municipality shall comply with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance.

### **Age Discrimination.**

The Municipality shall comply with the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 CFR Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance.

### **Americans with Disabilities Act.**

The Municipality shall comply with Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

### **Clean Air Act.**

The Municipality agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq. The Municipality agrees to report each violation to Unit and understands and agrees that Unit will, in turn, report each violation as required to the U.S. Department of the Treasury, and the appropriate Environmental Protection Agency Regional Office.

### **Federal Water Pollution Control Act.**

The Municipality agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq. The Municipality agrees to report each violation to Unit and understands and agrees that Unit will, in turn, report each violation as required to assure notification to the U.S. Department of the Treasury, and the appropriate Environmental Protection Agency Regional Office.

**Hatch Act.**

The Municipality agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.

**Protections for Whistleblowers.**

In accordance with 41 U.S.C. § 4712, the Municipality may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

**Uniform Relocation Assistance and Real Property Acquisitions Act of 1970.**

(42 U.S.C. §§ 4601-4655) The Municipality will implement standards for predictable real property acquisition and relocation expenses for homeowners and tenants of land acquired through eminent domain.

**Governmentwide Requirements for Drug-Free Workplace.**

31 C.F.R. Part 20. The Municipality will implement required statements, policies and procedures.

**Increasing Seat Belt Use in the United States.**

Pursuant to Executive Order 13043, 62 Fed. Reg. 19216 (Apr. 18, 1997), The Municipality encourages its employees to adopt and enforce on-the-job seat belt policies and programs for its employees when operating company-owned, rented or personally owned vehicles.

**Reducing Text Messaging While Driving.**

Pursuant to Executive Order 13513, 74 Fed. Reg. 51225 (Oct. 6, 2009), The Municipality encourages its employees to adopt and enforce policies that ban text messaging while driving.

**Article V. Limitations of Liability**

**1. Limitations of Liability.**

In no event shall the League have any liability to the Municipality or any third party for damages resulting from Municipality's use of services provided through this Agreement or any separate agreement between the Municipality and the Contractor identified in Exhibit B (and other Contractors identified in subsequent Exhibits as applicable)

In no event shall the League be liable for any loss of profit or revenue, including but not limited to loss revenue caused by a cyber security breach, by the Municipality or any consequential, indirect, incidental, special, punitive, or exemplary damages incurred or suffered by the Municipality, even if the League has been advised of the possibility of such

loss or damage. Further, except for claims based on U.S. Patent or U.S. Copyright infringement or for personal injury or physical loss or damage to real or tangible personal property caused by the negligence of the League, Municipality agrees that the League's total liability for all claims of any kinds arising as a result of, or related to, this Agreement, whether based on contract, tort, (including but not limited to strict liability and negligence) warranty, or on other legal or equitable grounds, shall be limited to general money damages and shall not exceed the amounts actually received by Municipality under this Agreement.

THE REMEDIES PROVIDED HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REMEDIES, EXCEPT FOR THE WARRANTIES SET FORTH IN THIS AGREEMENT. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, WHETHER ORAL OR WRITTEN, WITH RESPECT TO THE GOODS AND SERVICES COVERED BY OR FURNISHED PURSUANT TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES (I) OF MERCHANTABILITY, (II) OF FITNESS FOR A PRACTICAL PURPOSE, OR (III) ARISING FROM COURSE OF PERFORMANCE OR DEALING, OR FROM USAGE OF TRADE.

#### **Article VI. General Conditions.**

##### **1. Venue and Jurisdiction.**

This Agreement will be governed by and construed in accordance with the laws of North Carolina. The exclusive forum and venue for all actions arising out of this Agreement is the appropriate division of the North Carolina General Court of Justice in Wake County. Such actions may not be commenced in, nor removed to, federal court unless required by law.

##### **2. Nonwaiver.**

No action or failure to act by the League constitutes a waiver of any of its rights or remedies that arise out of this Agreement, nor shall such action or failure to act constitute approval of or acquiescence in a breach of this Agreement, except as specifically agreed in writing.

##### **3. Limitation of Authority.**

Nothing contained in this Agreement may be deemed or construed to in any way stop, limit, or impair the Municipality from exercising or performing any regulatory, policing, legislative, governmental, or other powers or functions.

##### **4. Assignment.**

The Municipality may not assign or delegate any of their rights or duties that arise out of this Agreement without the League's written consent.

##### **5. Integration.**

This Agreement contains the entire agreement between the parties pertaining to the subject matter of this Agreement. With respect to that subject matter, there are no promises, agreements, conditions, inducements, warranties, or understandings, written or oral, expressed, or implied, between the parties, other than as set forth or referenced in this Agreement.

**6. North Carolina Public Records Law**

Notwithstanding any other provisions of this Agreement, this Agreement and all materials submitted to the Municipality by the League are subject to the public records laws of the State of North Carolina and it is the responsibility of the League to properly designate materials that may be protected from disclosure as trade secrets under North Carolina law as such and in the form required by law prior to the submission of such materials to the Municipality. League understands and agrees that the Municipality may take any and all actions necessary to comply with federal, state, and local laws and/or judicial orders and such actions will not constitute a breach of the terms of this Agreement. To the extent that any other provisions of this Agreement conflict with this paragraph, the provisions of this section shall control.

**7. E-Verify**

League shall comply with E-Verify, the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and as in accordance with N.C.G.S. §64-25 et seq. In addition, to the best of League's knowledge, any subcontractor employed by League as a part of this contract shall be in compliance with the requirements of E-Verify and N.C.G.S. §64-25 et seq.

**8. Iran Divestment Act**

League certifies that, as of the date listed below, it is not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 147-86.55, et seq. In compliance with the requirements of the Iran Divestment Act and N.C.G.S. § 147-86.59, League shall not utilize in the performance of the contract any subcontractor that is identified on the Final Divestment List.

**9. Companies Boycotting Israel Divestment Act**

League certifies that it has not been designated by the North Carolina State Treasurer as a company engaged in the boycott of Israel pursuant to N.C.G.S. 147-86.81.

*[Remainder of page left blank intentionally. Signatures are on following page.]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by digital signature on the respective dates below, and this Agreement shall be effective upon the date of the Municipality's signature.

**NC LEAGUE OF MUNICIPALITIES:**

**MUNICIPALITY:  
TOWN OF CEDAR POINT**

\_\_\_\_\_  
a North Carolina municipal corporation

By:

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Rose Vaughn Williams

\_\_\_\_\_  
Name

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Date of Signature

ATTEST:

\_\_\_\_\_  
City/Town/Village Clerk (or designee)

## **Exhibit A League Services**

**In addition to the Contractor Services set out in Exhibit B, as applicable (and subsequent Exhibits, as applicable, pursuant to Section 4.b. above) the League may provide some or all of the services described below.**

### **1. Cyber Security Assessment**

The League's Cyber Security Advisor, or Cyber Field Technician ("Security Team"), will conduct a comprehensive assessment of the Municipality's overall cyber security posture ("Security Assessment") against the current standardized framework established by the Center for Internet Security ("CIS"). The Security Team will review approximately 155 security controls in coordination with the Municipality's management, and will provide IT support to establish a baseline security posture matrix. The Security Team will review the results and make appropriate hardware, software, policy, and procedure recommendations in accordance with industry best practices and the baseline standards set by the CIS assessment framework.

### **2. IT Evaluation**

Prior to the installation of accounting software, including Black Mountain software, the League's IT technicians ("Technical Team") will review and evaluate the IT System's environment ("IT Evaluation") of the Municipality to verify the system is adequate to operate the software. The Technical Team will review the computer system for minimum security controls such as password protection, firewall installation and operation, and up to date antivirus programs. The Technical Team will act as a liaison to assist with communications between the software Contractor, which may include Black Mountain Software, and the Municipality. The Technical Team will make appropriate hardware and software recommendations if any deficiencies are found during the IT Evaluation.

### **3. Hardware and Software Acquisition**

In the event that hardware or software deficiencies are found during the IT Evaluation, the League, utilizing funds from the **Municipal Accounting Services and Cybersecurity Grant**, will acquire and transfer title to the Municipality sufficient hardware and software to meet the "Minimum Requirements" as determined by the accounting software Contractor, which may include Black Mountain Software. As determined by the League's IT Director, Cyber Security Advisor, or Cyber Field Technician, computer hardware may be provided under this Agreement, which may include the following: 2 Computers, 1 Laser Printer, 1 Scanner, 2 Monitors, 2 Keyboards, 2 mouse devices, 2 UPS devices. Computer software to be provided under this Agreement may include a Microsoft Office license (if organization has no license).

In the event specific security hardware or software gaps are found during the Security Assessment, the League, utilizing funds from the Cybersecurity Grant, will acquire and transfer title to the Municipality sufficient hardware and software to meet the "Baseline Requirements" as determined by the Security Assessment. As determined by the League's Cyber Advisor, security hardware may be provided under this Agreement, which may include the following: ("NGFW") Next Generation Firewall, Layer 3 Network Switch. Security software may be provided under this agreement, which may include the following: Endpoint Detection & Response ("EDR"), Endpoint

Protection Platform (“EPP”), Extended Detection and Response (“XDR”), or Multi-Factor Authentication (“MFA”).

#### **4. Assistance, Instruction, and Mentorship (AIM)**

League staff will work in a variety of ways to provide financial technical guidance that is tailored to the Municipality’s specific situation, including but not limited to assistance with accounting issues, implementation of routine processes and best practices, one-on-one mentorship, and practical application tools, including a comprehensive manual. When necessary, the League may offer Contractor Services pursuant to Article I, Section 4.b. to assist with auditing and bookkeeping requirements. An emphasis will be placed on helping the Municipality develop a fiscally responsible program that meets State requirements and empowers municipal staff, administration, and board members to effectively communicate the Municipality’s financial position.

**All hardware and software shall be used only for governmental purposes and primarily used for MAS purposes. The Municipality is responsible for the security, operation, support and maintenance of the provided assets.**

#### **5. Hardware and Software Installation**

Hardware and software provided by the League will be installed by the Municipality’s IT professionals. If the Municipality has no IT service provider, the League, utilizing funds from the **Municipal Accounting Services and Cybersecurity Grant**, will contract for a third-party IT professional installer to set up and load the hardware and software provided pursuant to this Agreement.

#### **6. Finance Evaluation and Assistance During Implementation**

Prior to the installation of the accounting software, which may include Black Mountain software, the League’s Finance Team (“Finance Team”), in consultation with the Municipality and the software Contractor, which may include Black Mountain Software, will determine the appropriate accounting software to be installed. League MAS representatives will further work with accounting software Contractor during the pre-implementation period to prepare the Municipality for conversion actions and assist the Municipality in adopting best practice options for the new system.

#### **7. Ongoing Cyber Security Consulting**

Following the initial Security Assessment described in Section 1, the Security Team will consult with the Municipality on an ongoing basis to assist with meeting the recommendations set forth in the assessment and municipal-related cyber security concerns that would typically be addressed by a Chief Information Security Officer (“CISO”).

#### **8. Accounting Assistance Efforts**

During the term of this Agreement (as described in Article I, Paragraph 6 above), League Accounting Assistance personnel will provide the Municipality with ongoing assistance with accounting issues, review and assist with best practice accounting and finance processes, and generally assist the Municipality to be current with its bookkeeping and accounting. An emphasis will be placed on ensuring participating Municipalities are prepared for their annual audit. The

implementation of best practices and timely preparation should improve the audit experience for both the Municipality and the firm performing the audit.

#### **8. Communication Services**

The League's ARP Communications Specialist will provide the Municipality with communications services to help document and describe how the Municipality utilized ARP/CSLFRF grant funding and the impact of those efforts on the community. Communication activities include, but are not limited to, conducting interviews of municipal staff and officials, researching plans and investment strategies, verifying details of grant investments to deliver community outreach strategies and a press conference.

#### **9. Duties of the Municipality**

Where applicable, Municipality further agrees to: (1) give the League access to data managed by the Municipality in order to facilitate implementation of the Municipal Accounting Services and Cybersecurity Grant; (2) provide on-line "read only" access into the Municipal Accounting System by the League's Accounting Assistance personnel; (3) permit the League to contact applicable Contractor, including but not limited to Black Mountain Software, on behalf of the Municipality as needed to facilitate implementation of the League's Grants; (4) make reasonable efforts to maintain industry standards for cybersecurity, which may include allowing the League to perform security audits in the League's sole discretion; (5) if applicable, use the Standardized Chart of Accounts as provided in the accounting software installation; and (6) respond to all requests from the League or Contractor, as applicable, to verify accuracy of monthly invoices submitted to the League by Contractor for grant-funded services provided by Contractor on behalf of the Municipality.

#### **10. Duties of the League Related to Data Security**

The League agrees to: (1) access only the Municipality's data that is necessary to implement the software; (2) restrict access to the Municipality's data to designated League employees and agents; and (3) take reasonable measures to safeguard the Municipality's data.

# **Tab 5 Audit Report**

**TOWN OF CEDAR POINT,  
NORTH CAROLINA**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2024**

**MAYOR**

Scott Hatsell

**COMMISSIONERS**

Pam Castellano

Frankie Winberry

John Nash

Gary Bray

Josh Reilly

**TOWN MANAGER**

David M. Rief

**Town of Cedar Point, North Carolina  
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June 30, 2024**

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## FINANCIAL SECTION



Thompson, Price, Scott, Adams & Co., P.A.  
4024 Oleander Drive Suite 103  
Wilmington, North Carolina 28403  
Telephone (910) 791-4872  
Fax (910) 239-8294

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## **Independent Auditor's Report**

To the Honorable Mayor and  
Members of the Town Council  
Cedar Point, North Carolina

### **Report on the Audit of Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Cedar Point, North Carolina as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Town of Cedar Point's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Cedar Point as of June 30, 2024, and the respective changes in financial position, and cash flows thereof and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Cedar Point and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Audit of the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about the Town of Cedar Point's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect material misstatement when it exists.

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 control. Misstatements 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.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards*, we:

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Town of Cedar Point's internal control. Accordingly, no such opinion is expressed.
- 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.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Cedar Point's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management, 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 the

financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Cedar Point's basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2024, on our consideration of the Town of Cedar Point's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Cedar Point's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Cedar Point's internal control over financial reporting and compliance.

*Thompson, Price, Scott, Adams & Co., PA*  
Wilmington, North Carolina  
October 22, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## Management's Discussion and Analysis

As management of the Town of Cedar Point (the "Town"), we offer readers of the Town of Cedar Point's financial statements this narrative overview and analysis of the financial activities of the Town of Cedar Point for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

### Financial Highlights

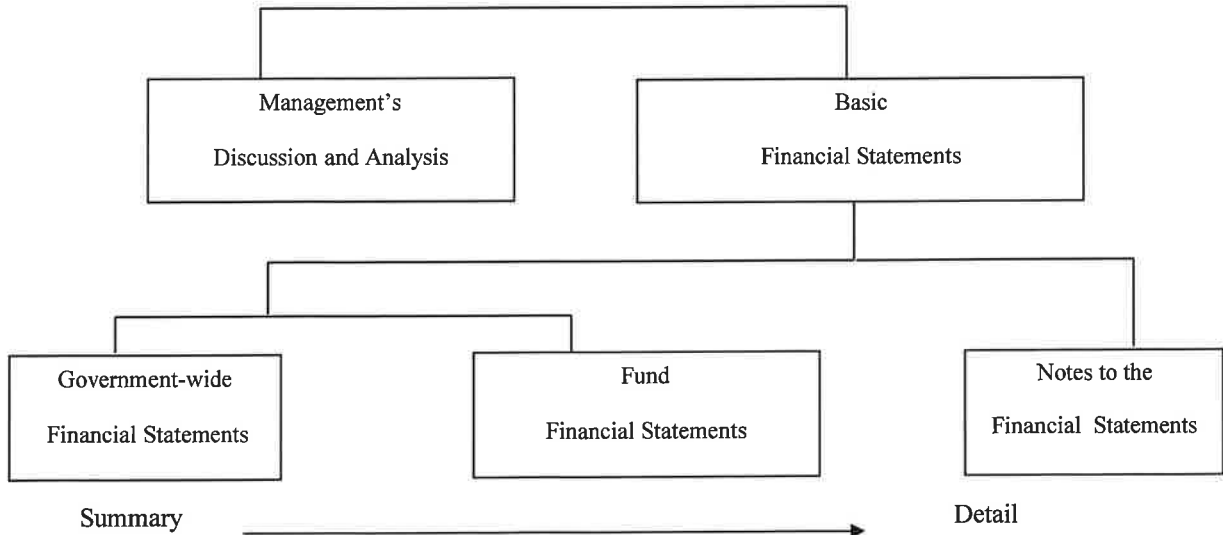
- The assets and deferred outflows of resources of the Town of Cedar Point exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$5,324,466 (net position).
- The government's total net position increased by \$418,067 due to an increase in the governmental type activities.
- As of the close of the current fiscal year, the Town of Cedar Point's general fund reported an ending fund balance of \$1,687,368 with a net increase of \$206,395 in Fund Balance. Approximately 89% of this total amount, or \$1,502,382 is available for spending at the government's discretion.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Town of Cedar Point's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Cedar Point.

### Required Components of Annual Financial Report

Figure 1



### **Basic Financial Statements**

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements and 2) the budgetary comparison statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show additional details about the Town's individual funds. Budgetary information required by the North Carolina General Statutes can also be found in this part of the statements.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are of the governmental activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes and State and federal grant funds finance most of these activities.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

### **Fund Financial Statements**

The Fund Financial Statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Cedar Point, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the North Carolina General Statutes or the Town's budget ordinance. All the funds of the Town of Cedar Point can be divided into one category: governmental funds.

Management Discussion and Analysis  
Town of Cedar Point

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town’s basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town’s programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Cedar Point adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow Exhibit 5 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Cedar Point’s progress in funding its obligation to provide pension benefits to its employees.

**Interdependence with other Entities** - The Town depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

Government-Wide Financial Analysis

The Town of Cedar Point's Net Assets  
Figure 2

	Governmental Activities	
	2024	2023
Current and other assets	\$ 1,734,314	\$ 1,660,760
Capital assets	4,568,468	4,459,602
Total assets	<u>6,302,782</u>	<u>6,120,362</u>
Deferred outflows of resources	<u>171,085</u>	<u>156,245</u>
Long-term liabilities outstanding	968,129	1,053,874
Other liabilities	179,833	313,960
Total liabilities	<u>1,147,962</u>	<u>1,367,834</u>
Deferred inflows of resources	<u>1,539</u>	<u>2,374</u>
Net assets:		
Net Investment in Capital Assets	3,713,002	3,452,676
Restricted	184,986	219,215
Unrestricted	1,426,478	1,234,508
Total net position	<u>\$ 5,324,466</u>	<u>\$ 4,906,399</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Cedar Point exceeded liabilities and deferred inflows by \$5,324,446 as of June 30, 2024. The Town's net position increased by \$418,067 for the fiscal year ended June 30, 2024. However, the largest portion \$3,713,002 reflects the Town's net investments in capital assets (e.g. land, buildings, machinery, and equipment, less any related debt still outstanding that was issued to acquire those items.) The Town of Cedar Point uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Cedar Point's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Cedar Point's net position of \$184,986 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,426,478 is unrestricted.

Several particular aspects of the Town's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 98.48%.

**Town of Cedar Point  
Changes in Net Assets  
Figure 3**

	Governmental Activities	
	2024	2023
<b>Revenues:</b>		
Program Revenues		
Charges for Services	\$ 65,153	\$ 64,667
Operating grants	54,170	46,178
Capital grants and contributions	-	-
General revenues:		
Property taxes	720,531	651,512
Other taxes	471,846	464,938
Grants and contributions not restricted to specific programs	125,582	265,000
Other	173,701	56,620
<b>Total revenues</b>	<b>1,610,983</b>	<b>1,548,915</b>
<b>Expenses:</b>		
Administration	453,391	449,915
Public Works/Transportation	424,477	233,542
Public Safety	78,655	73,882
Environmental Protection	151,442	172,343
Recreational	51,071	34,784
Interest on long-term debt	33,880	32,586
<b>Total expenses</b>	<b>1,192,916</b>	<b>997,052</b>
Increase (decrease) in net position	418,067	551,863
Net position, July 1	4,906,399	4,354,536
Net position, June 30	\$ 5,324,466	\$ 4,906,399

**Governmental activities:** Governmental activities increased the Town's net position by \$418,067 thereby accounting for 100% of the total increase in the net position of the Town of Cedar Point. Key element of this increase is as follows:

- Increase in Charges for Services and Taxes.

**Financial Analysis of the Town's Funds**

As noted earlier, the Town of Cedar Point uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Town of Cedar Point's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Cedar Point's financing requirements.

Management Discussion and Analysis  
Town of Cedar Point

The general fund is the chief operating fund of Town of Cedar Point. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,502,382 while total fund balance reached \$1,687,368. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 107% of total General Fund expenditures, while total fund balance represents 120% of that same amount.

At June 30, 2024, the governmental funds of Town of Cedar Point reported a combined fund balance of \$1,687,368, with a net increase in fund balance of \$206,395.

**General Fund Budgetary Highlights.** During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

**Capital Asset and Debt Administration**

Capital assets. The Town of Cedar Point's investment in capital assets for its governmental type activities as of June 30, 2024 total \$4,568,568 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

**Town of Cedar Point's Capital Assets  
(net of depreciation)  
Figure 4**

	Governmental Activities	
	2024	2023
Land	\$ 3,008,141	\$ 3,008,141
Construction in progress	985,692	930,582
Buildings & improvements	101,992	107,236
Vehicles & equipment	261,738	196,143
Infrastructure	211,005	217,500
Total	<u>\$ 4,568,568</u>	<u>\$ 4,459,602</u>

Additional information on the Town's capital assets can be found in the notes of the Basic Financial Statements.

Long-term debt as of June 30, 2024, the Town of Cedar Point had total bonded debt outstanding of \$187,500 and direct placement installment debt of \$668,066.

**Outstanding Debt**  
**Figure 5**

	Governmental Activities	
	2024	2023
Direct Placement Installment	\$ 668,066	\$ 706,926
General obligation bonds	187,500	300,000
Net pension obligation (LGERS)	265,056	198,014
Compensated absences	2,878	3,442
<b>Total</b>	<b>\$ 1,123,500</b>	<b>\$ 1,208,382</b>

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Cedar Point is \$59,968,737.

Additional information regarding the Town of Cedar Point long-term debt can be found in note III, B, 5 of this report.

General Fund Budgetary Highlights - Generally, budget amendments fall into one of three categories:

- 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available;
- 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and
- 3) increases in appropriations that become necessary to maintain services.

**Requests for Information**

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Manager David M. Rief, 427 Sherwood Avenue, Cedar Point, NC 28584.

## BASIC FINANCIAL STATEMENTS

**Town of Cedar Point, North Carolina**  
**Statement of Net Position**  
**June 30, 2024**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,526,844
Restricted cash	86,438
Taxes receivables (net)	22,484
Accounts receivable (net)	98,548
Total current assets	1,734,314
Capital assets (Note 4):	
Land, non-depreciable improvements, and construction in progress	3,993,833
Other capital assets, net of depreciation	574,735
Total capital assets	4,568,568
Total assets	6,302,882
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
	171,085
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued expenses	24,462
Due within one year	152,493
Compensated absences payable	2,878
Long-term liabilities:	
Net pension liability	265,056
Due in more than one year	703,073
Total liabilities	1,147,962
<b>DEFERRED INFLOWS OF RESOURCES</b>	
	1,539
<b>NET POSITION</b>	
Net investment in capital assets	3,713,002
Restricted for:	
Stabilization by State Statute	98,548
Streets	86,438
Unrestricted	1,426,478
Total net position	\$ 5,324,466

The notes to the financial statements are an integral part of this statement.

**Town of Cedar Point, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2024**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Primary government:</b>					
Governmental Activities:					
Administration	\$ 453,391	\$ 11,840	-	\$ -	(441,551)
Public Works/Transportation	424,477	15,656	54,170	-	(354,651)
Public Safety	78,655	-	-	-	(78,655)
Environmental protection	151,442	5,462	-	-	(145,980)
Recreational	51,071	32,195	-	-	(18,876)
Interest on long-term debt	33,880	-	-	-	(33,880)
<b>Total governmental activities</b>	<b>1,192,916</b>	<b>65,153</b>	<b>54,170</b>	<b>-</b>	<b>(1,073,593)</b>
<b>Total primary government</b>	<b>\$ 1,192,916</b>	<b>\$ 65,153</b>	<b>\$ 54,170</b>	<b>\$ -</b>	<b>\$ (1,073,593)</b>
General revenues:					
Taxes:					
Property taxes, levied for general purpose				\$	720,531
Local option sales taxes					471,846
Grants and contributions not restricted to specific programs					125,582
Unrestricted investment earnings					68,717
Miscellaneous					104,984
<b>Total general revenues and transfers</b>					<b>1,491,660</b>
Change in net position					418,067
Net position, beginning					4,906,399
Net position, ending					<b>\$ 5,324,466</b>

The notes to the financial statements are an integral part of this statement.

**Town of Cedar Point, North Carolina  
Balance Sheet  
Governmental Funds  
June 30, 2024**

	<b>Major Fund</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,526,844	\$ 1,526,844
Restricted cash	86,438	86,438
Receivables, net:		
Taxes	22,484	22,484
Accounts	98,548	98,548
Total assets	1,734,314	1,734,314
<b>LIABILITIES</b>		
Liabilities:		
Accounts payable and accrued liabilities	24,462	24,462
Total liabilities	24,462	24,462
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes receivable	22,484	22,484
Total deferred inflows of resources	22,484	22,484
<b>FUND BALANCES</b>		
Restricted for:		
Stabilization by State statute	98,548	98,548
Streets-Powell bill	86,438	86,438
Unassigned	1,502,382	1,502,382
Total fund balances	1,687,368	1,687,368
Total liabilities, deferred inflows of resources and fund balances	\$ 1,734,314	\$ 1,734,314

Amounts reported for governmental activities in the statement of Net Position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,568,568
Deferred outflows of resources related to pensions are not reported in the funds.	171,085
Deferred inflows of resources related to pensions are not reported in the funds.	(1,539)
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	22,484
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Direct placement notes	(855,566)
Compensated absences	(2,878)
Net pension liability	(265,056)
Net position of governmental activities	\$ 5,324,466

The notes to the financial statements are an integral part of this statement.

**Town of Cedar Point, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	<u>Major Fund</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	
<b>REVENUES</b>		
Ad valorem taxes	\$ 718,382	\$ 718,382
Unrestricted intergovernmental	471,846	471,846
Restricted intergovernmental	179,752	179,752
Sales and service	65,153	65,153
Investment earnings	68,717	68,717
Miscellaneous	104,984	104,984
Total revenues	<u>1,608,834</u>	<u>1,608,834</u>
<b>EXPENDITURES</b>		
Current:		
Administration	429,462	429,462
Public Works/Transportation	451,459	451,459
Public safety	78,655	78,655
Environmental protection	151,442	151,442
Recreational	51,071	51,071
Special projects	55,110	
Debt service:		
Principal	151,360	151,360
Interest and other charges	33,880	33,880
Total expenditures	<u>1,402,439</u>	<u>1,402,439</u>
Excess (deficiency) of revenues over expenditures	<u>206,395</u>	<u>206,395</u>
Net change in fund balance	206,395	206,395
Fund balances, beginning	1,480,973	1,480,973
Fund balances, ending	<u>\$ 1,687,368</u>	<u>\$ 1,687,368</u>

The notes to the financial statements are an integral part of this statement.

**Town of Cedar Point, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds		\$ 206,395
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period</p>		
Capital outlay expenditures which were capitalizd	163,339	
Depreciation expense	<u>(54,373)</u>	108,966
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities</p>		
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		37,571
Compensated absences		564
Pension expense		(88,938)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:</p>		
Change in unavailable revenue for tax revenues		2,149
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Debt installment payments		151,360
		-
Total changes in net position of governmental activities		<u>\$ 418,067</u>

**Town of Cedar Point, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2024**

	<b>General Fund</b>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Ad valorem taxes	\$ 670,050	\$ 695,050	\$ 718,382	\$ 23,332
Unrestricted intergovernmental	440,000	440,000	471,846	31,846
Restricted intergovernmental	136,000	136,000	179,752	43,752
Sales and service	30,200	60,200	65,153	4,953
Investment earnings	20,000	20,000	68,717	48,717
Miscellaneous	162,000	144,000	104,984	(39,016)
Total revenues	<u>1,458,250</u>	<u>1,495,250</u>	<u>1,608,834</u>	<u>113,584</u>
<b>Expenditures:</b>				
Current:				
Administration	438,500	462,500	429,462	33,038
Public Works/Transportation	483,500	483,500	451,459	32,041
Public Safety	78,000	79,000	78,655	345
Environmental protection	177,000	177,000	151,442	25,558
Recreational	40,000	52,000	51,071	929
Special projects	56,000	56,000	55,110	890
Debt service:				
Principal retirement	150,250	151,370	151,360	10
Interest and other charges	35,000	33,880	33,880	-
Total expenditures	<u>1,458,250</u>	<u>1,495,250</u>	<u>1,402,439</u>	<u>92,811</u>
Net change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	206,395	<u>\$ 206,395</u>
Fund balances, beginning			1,480,973	
Fund balances, ending			<u>\$ 1,687,368</u>	

The notes to the financial statement are an integral part of this statement.

## NOTES TO THE FINANCIAL STATEMENTS

**Town of Cedar Point, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**I. Summary of Significant Accounting Policies**

The accounting policies of the Town of Cedar Point, North Carolina conform to generally accepted accounting principles as applicable to governments. The Town does not have any discretely presented component units. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

The Town of Cedar Point is a municipal corporation established in 1988 that is governed by an elected mayor and a five-member board of commissioners. As required by generally accepted accounting principles, these financial statements present the Town only.

**B. Basis of Presentation**

*Government-wide Statements*: The statement of net position and the statement of activities display information about the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish the *governmental type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a specific function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements*: The fund financial statements provide information about the Town's funds. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each displayed in a separate column.

The Town reports the following major governmental funds:

**General Fund.** The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance, sanitation and administrative services.

**C. Measurement Focus and Basis of Accounting**

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

*Government-wide Financial Statements.* The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Cedar Point because the tax is levied by the county and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

**D. Budgetary Data**

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal-year end. The budget is prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level. The board of commissioners must approve any revisions that alter total expenditures in any department.

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity**

*1. Deposits and Investments*

All deposits of the Town are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2021, The Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

In accordance with State law, the Town has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

*2. Cash and Cash Equivalents*

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

Notes to the Financial Statements

3. *Restricted Assets*

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

Town of Cedar Point Restricted Cash

Governmental Activities

Powell Bill funds

Total Restricted Cash

	86,438
	\$ 86,438

4. *Ad Valorem Taxes Receivable*

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2023. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. *Allowances for Doubtful Accounts*

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. *Capital Assets*

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. The minimum capitalization cost is \$1,500. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and drainage system assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Capital assets of the Town are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Computer Equipment	3
Vehicles	6
Equipment	7
Furniture and Fixtures	10
Buildings	40

7. *Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, contributions made to the pension plan in the 2024 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meet the criterion for this category- property taxes receivable and deferrals of pension expense that result from the implementation of GASB Statement 68.

8. *Compensated Absences*

The vacation policy of the Town provides for the accumulation of 30 days of earned vacation leave with such leave being fully vested when earned. For the Town's government-wide funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

*9. Net Position/Fund Balances*

Net Position

Net position in government-wide financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are externally imposed either by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

**Nonspendable Fund Balance** - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted Fund Balance** - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of unexpended Powell Bill funds.

**Committed Fund Balance** - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town of Cedar Point's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

**Assigned Fund Balance** - portion of fund balance that the Town of Cedar Point intends to use for specific purposes.

**Unassigned Fund Balance** - portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town of Cedar Point has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-town funds, town funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

The Town of Cedar Point has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 45% of budgeted expenditures.

*Defined Benefit Cost-Sharing Plans*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

**F. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**II. Stewardship, Compliance, and Accountability**

**A. Significant Violations of Finance-Related Legal and Contractual Provisions**

**1. Noncompliance with North Carolina General Statutes**

None.

**2. Contractual Violations**

None.

**B. Deficit in Fund Balance or Net Position of Individual Funds**

None.

**C. Excess of Expenditures over Appropriations**

None.

**III. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2024, the Town's deposits had a carrying amount of \$486,129 and a bank balance of \$500,452. Of the bank balance, \$483,538 was fully covered by federal depository insurance, and the remainder was covered by collateral held under the pooling method. Cash on hand at June 30, 2024 was \$15.

At June 30, 2024, the Town had \$1,127,138 invested with the North Carolina Capital Management Trust's Cash Portfolio which carries a credit rating of AAA by Standard and Poor's. The town has no policy regarding credit risk.

Notes to the Financial Statements

2. **Receivables - Allowances for Doubtful Accounts**

Ad valorem taxes receivable and accounts receivable at the government-wide level are reported net of allowance for uncollectible accounts of \$1,200 .

Accounts receivable at the government-wide level consist of the following amounts that are due primarily from other governments:

Accounts receivable	\$ 98,548
Ad Valorem taxes	1,200
Total	<u>\$ 99,748</u>

3. **Capital Assets**

Capital asset activity for the Primary Government for the year ended June 30, 2024 was as follows:

	July 1, 2023	Additions	Retirements	June 30, 2024
<b>Governmental Activities</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 3,008,141	\$ -	\$ -	\$ 3,008,141
Construction in progress	930,582	55,110	-	985,692
Total assets not being depreciated	<u>3,938,723</u>	<u>55,110</u>	<u>-</u>	<u>3,993,833</u>
<b>Capital assets being depreciated:</b>				
Buildings & improvements	209,762	-	-	209,762
Furniture & fixtures	44,006	-	-	44,006
Vehicles & Equipment	304,663	108,229	-	412,892
Infrastructure	259,811	-	-	259,811
Total capital assets being depreciated	<u>818,242</u>	<u>108,229</u>	<u>-</u>	<u>926,471</u>
<b>Less accumulated depreciation for:</b>				
Buildings & improvements	102,526	5,244	-	107,770
Furniture & fixtures	44,006	-	-	44,006
Vehicles & Equipments	108,520	42,634	-	151,154
Infrastructure	42,311	6,495	-	48,806
Total accumulated depreciation	<u>297,363</u>	<u>54,373</u>	<u>-</u>	<u>351,736</u>
Net capital assets being depreciated	<u>520,879</u>			<u>574,735</u>
<b>Capital assets, net</b>	<u>\$ 4,459,602</u>			<u>\$ 4,568,568</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Administration	\$ 20,047
Public Works	34,326
Total Depreciation Expense	<u>\$ 54,373</u>

B. Liabilities

1. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

*Plan Description.* The Town is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The Town employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2024, was 12.85% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town were \$37,570 for the year ended June 30, 2024.

*Refunds of Contributions* – Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual’s right to employer contributions or any other benefit provided by LGERS.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2024, the Town reported a liability of \$265,056 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 (measurement date), the Town’s proportion was 0.00400%, which was an increase of 0.00049% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of \$88,937. At June 30, 2024 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,535	\$ 636
Change in assumptions	11,263	-
Net difference between projected and actual earnings on pension plan investments	70,941	-
Changes in proportion and differences between Town's contributions and proportionate share of contributions	21,776	903
Town's contributions subsequent to the measurement date	37,570	-
Total	\$ 171,085	\$ 1,539

\$37,570 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended</b>		
<b>June 30</b>		
2025	\$	54,240
2026		25,443
2027		49,294
2028		2,999
2029		-
Thereafter		-
	\$	131,976

*Actuarial Assumptions* . The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of position plan investment expense, including inflation

Notes to the Financial Statements

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2011 through December 31, 2015.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	90.0%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2024 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1 % Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	\$459,199	\$265,056	\$105,219

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

2. Deferred Outflows and Inflows of Resources

Deferred outflows of resources at year-end is comprised of the following:

Source	Amount
Differences between expected and actual experience	\$ 29,535
Change in assumptions	11,263
Net difference between projected and actual earnings on pension plan investments	70,941
Changes in proportion and differences between Town's contributions and proportionate share of contributions	21,776
Town's contributions subsequent to the measurement date	37,570
<b>Total</b>	<b>\$ 171,085</b>

Deferred inflows of resources at year-end is comprised of the following:

Differences between expected and actual experience	\$ 636
Changes in proportion and differences between Town's contributions and proportionate share of contributions	903
	<b>\$ 1,539</b>

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Medical stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town is a member of the National Flood Insurance Plan (NFIP). Because the Town is in an area of the state that has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, the Town is eligible to purchase coverage of \$500,000 per structure through NFIP. The Town is also eligible to purchase commercial flood insurance for another \$1,500,000 of coverage per structure.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The Finance officer is bonded for \$150,000.

4. Claims, Judgements and Contingent Liabilities

At June 30, 2024, the Town was a defendant to an ongoing lawsuit. In the opinion of the Town's management and the Town attorney, the ultimate effect of these legal matter will not have a material adverse effect on the Town's financial position.

Notes to the Financial Statements

5. Long Term Obligations

a. Installment Purchases

\$735,000 loan in August 2022 to finance gym purchase and renovations due in quarterly installments of \$15,961 including interest through August 2037; interest at 3.60 percent. The balance outstanding at June 30, 2024 was \$668,066.

Year	Principal	Interest
2025	\$ 39,993	\$ 23,853
2026	41,473	22,373
2027	43,007	20,838
2028	44,599	19,247
2029	46,249	17,597
2030-2034	258,216	61,011
2035-2039	194,530	12,968
	<u>\$ 668,066</u>	<u>\$ 177,887</u>

b. General Obligation Indebtedness

All general obligation bonds serviced by the Town's general fund are collateralized by the full faith, credit and taxing power of the Town. Principal and interest requirements are appropriated when due.

The Town's general obligation bonds payable at June 30, 2024 are comprised of the following individual issues:

Serviced by the Town's General Fund:

\$2,250,000, General Obligation Bond, Series 2019 with quarterly installments of \$28,125 through May 1, 2039; interest at 3.45% . The balance outstanding at June 30, 2024 was \$187,500.

Annual debt service requirements to maturity for the Town's general obligation bonds are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2025	112,500	5,013
2026	75,000	1,213
Total	<u>\$ 187,500</u>	<u>\$ 6,226</u>

6. Changes in Long Term Liabilities

	Balance 07/01/23	Increases	Decreases	Balance 06/30/24	Current Portion
Governmental activities:					
Direct Placement Installment	\$ 706,926	\$ -	\$ (38,860)	668,066	\$ 39,993
General obligation bonds	300,000	-	(112,500)	187,500	112,500
Net pension liability (LGRS)	198,014	67,042	-	265,056	-
Compensated absences	3,442	6,699	(7,263)	17,404	2,878
Governmental activity long-term liabilities	<u>\$ 1,208,382</u>	<u>\$ 73,741</u>	<u>\$ (158,623)</u>	<u>\$ 1,138,026</u>	<u>\$ 155,371</u>

The legal debt margin of the Town of Cedar Point is \$59,968,737.

C. Net Investment in Capital Assets

Capital Assets	Governmental \$ 4,568,568
less: long term debt	(933,122)
Net investment in capital assets	<u>\$ 3,635,446</u>

Notes to the Financial Statements

**E. Fund Balance**

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

<b>Total fund balance - General Fund</b>	<b>\$ 1,687,368</b>
<b>Less:</b>	
<b>Stabilization by State Statute</b>	98,548
<b>Streets - Powell Bill</b>	86,438
<b>Remaining Fund Balance</b>	<b>\$ 1,502,382</b>

**IV. Subsequent Events**

Events occurring after June 30, 2024 were evaluated by management on October 22, 2024 to ensure that any subsequent events that met the criteria for recognition and/or disclosure to these financial statements have been included. There were no subsequent events requiring disclosure.

**V. Summary Disclosure of Significant Contingencies**

**Federal and State Assisted Programs**

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

**REQUIRED  
SUPPLEMENTAL FINANCIAL DATA**

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This section contains additional information required by generally accepted  
accounting principals.

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Schedule of the Proportionate Share of the Net Pension  
Liability – Local Government Employees’ Retirement  
System

Schedule of Contributions – Local Government  
Employees’ Retirement System

**Town of Cedar Point, North Carolina**  
**Town of Cedar Point's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Ten Fiscal Years \***

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability (asset) (%)	0.00400%	0.00351%	0.00285%	0.0014%	0.0023%	0.0023%	0.0023%	0.0024%	0.0019%	0.0022%
Town's proportion of the net pension liability (asset) (\$)	\$ 265,056	\$ 198,014	\$ 43,707	\$ 50,743	\$ 62,538	\$ 53,615	\$ 35,444	\$ 51,362	\$ 51,362	\$ (12,858)
Town's covered-employee payroll	\$ 288,155	\$ 255,198	\$ 210,131	\$ 201,225	\$ 185,261	\$ 148,273	\$ 141,150	\$ 136,843	\$ 127,623	\$ 129,894
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	91.98%	77.59%	20.80%	25.22%	33.76%	36.16%	25.11%	37.53%	40.25%	( 9.90%)
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\* This will be the same percentage for all participant employers in the LGERS plan.

**Town of Cedar Point, North Carolina  
Town of Cedar Point's Contributions  
Required Supplementary Information  
Last Ten Fiscal Years**

**Local Government Employees' Retirement System**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 37,570	\$ 34,867	\$ 28,965	\$ 21,328	\$ 18,010	\$ 14,351	\$ 11,120	\$ 10,233	\$ 9,127	\$ 9,023
Contributions in relation to the contractually required contribution	37,570	34,867	28,965	21,328	18,010	14,351	11,120	10,233	9,127	9,023
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 292,376	\$ 288,155	\$ 255,198	\$ 210,131	\$ 201,225	\$ 185,261	\$ 148,273	\$ 141,150	\$ 136,843	\$ 127,623
Contributions as a percentage of covered-employee payroll	12.85%	12.10%	11.35%	10.15%	8.95%	7.75%	7.50%	7.25%	6.67%	7.07%

## GENERAL FUND

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The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

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**Town of Cedar Point, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2024**

	2024		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Ad valorem taxes:			
Taxes		\$ 701,132	
Penalties and interest		17,250	
Total	<u>\$ 695,050</u>	<u>718,382</u>	<u>\$ 23,332</u>
Unrestricted intergovernmental:			
Utility sales tax		89,346	
Beer and wine tax		9,045	
Telecommunications sales tax		7,518	
Video franchise tax		25,091	
Local option sales tax		339,108	
Piped natural gas tax		1,738	
Total	<u>440,000</u>	<u>471,846</u>	<u>31,846</u>
Restricted intergovernmental:			
Powell Bill allocation		54,170	
American Rescue Plan Grant		125,582	
Total	<u>136,000</u>	<u>179,752</u>	<u>43,752</u>
Sales and services:			
Planning and zoning fees		15,656	
Parks and recreation donations		32,195	
Trash collection fees		5,462	
Itinerant merchant permit fees		11,840	
Total	<u>60,200</u>	<u>65,153</u>	<u>4,953</u>
Investment earnings	<u>20,000</u>	<u>68,717</u>	<u>48,717</u>
Miscellaneous:			
Developer fees		-	
Miscellaneous		104,984	
Total	<u>144,000</u>	<u>104,984</u>	<u>(39,016)</u>
<b>Total Revenues</b>	<u><b>1,495,250</b></u>	<u><b>1,608,834</b></u>	<u><b>113,584</b></u>

**Town of Cedar Point, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2024**

	2024		Variance Positive (Negative)
	Budget	Actual	
<b>Expenditures:</b>			
Administration:			
Salaries and benefits		228,931	
Office Expense		40,527	
Advertising		555	
Tax collection fees		13,298	
Legal and professional fees		23,712	
Miscellaneous		4,947	
Insurance		24,241	
Dues and subscriptions		12,855	
Telephone		2,467	
Travel and training		1,002	
Utilities		10,745	
Governing board		914	
Total	<u>380,500</u>	<u>368,917</u>	<u>11,583</u>
Planning & Zoning:			
Salaries and benefits	<u>82,000</u>	<u>60,545</u>	
Total	<u>82,000</u>	<u>60,545</u>	<u>21,455</u>
Total general government	<u>462,500</u>	<u>429,462</u>	<u>33,038</u>
Public Works/Transportation:			
Salaries and benefits		145,103	
Street lights		25,938	
Repairs & Maintenance		158,013	
Professional fees		1,865	
Supplies		6,736	
Vehicle expense		5,575	
Capital outlay		108,229	
Total	<u>483,500</u>	<u>451,459</u>	<u>32,041</u>

**Town of Cedar Point, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2024**

	2024		Variance Positive (Negative)
	Budget	Actual	
Public Safety:			
Police:			
Salaries and benefits	79,000	78,655	
Total	<u>79,000</u>	<u>78,655</u>	<u>345</u>
Environmental protection:			
Solid waste collection	177,000	151,442	
Total	<u>177,000</u>	<u>151,442</u>	<u>25,558</u>
Recreation/Wellness:			
Operating expense		51,071	
Capital outlay		-	
Total	<u>52,000</u>	<u>51,071</u>	<u>929</u>
Special projects:			
Operating expense		55,110	
Total	<u>56,000</u>	<u>55,110</u>	<u>890</u>
Debt retirement:			
Principal		151,360	
Interest		33,880	
Total	<u>185,250</u>	<u>185,240</u>	<u>10</u>
Total Expenditures	<u>1,495,250</u>	<u>1,402,439</u>	<u>92,811</u>
Revenues over (under) expenditures	-	206,395	206,395
Net change in fund balance	<u>\$ -</u>	206,395	<u>\$ 206,395</u>
Fund balance, beginning		1,480,973	
Fund balance, ending		<u>\$ 1,687,368</u>	

## OTHER SCHEDULES

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This section includes additional information on property taxes, transfers, and cash and investments.

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- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy



**Town of Cedar Point, North Carolina**  
**Analysis of Current Tax Levy**  
**Town - Wide Levy**  
**For the Fiscal Year Ended June 30, 2024**

	Town - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property Excluding Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 760,303,784	0.0925	\$ 703,281	\$ 644,246	\$ 59,035
Total	760,303,784		703,281	644,246	59,035
Total property valuation	\$ 760,303,784				
Net levy			703,281	644,246	59,035
Uncollected taxes at June 30, 2024			10,694	10,694	-
Current year's taxes collected			\$ 692,587	\$ 633,552	\$ 59,035
Current levy collection percentage			98.48%	98.34%	100.00%

## COMPLIANCE SECTION



Thompson, Price, Scott, Adams & Co., P.A.  
4024 Oleander Drive Suite 103  
Wilmington, North Carolina 28403  
Telephone (910) 791-4872  
Fax (910) 239-8294

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**Report On Internal Control Over Financial Reporting And On Compliance and Other  
Matters Based On An Audit Of Financial Statements Performed In Accordance With  
*Government Auditing Standards***

**Independent Auditor's Report**

To the Honorable Mayor and  
Members of the Board of Commissioners  
Cedar Point, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Cedar Point, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprises the Town of Cedar Point's basic financial statements, and have issued our report thereon dated October 22, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Cedar Point's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Cedar Point's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Cedar Point's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Thompson, Price, Scott, Adams & Co., PA*  
Wilmington, North Carolina  
October 22, 2024



Town of Cedar Point, North Carolina  
Schedule of Findings and Responses  
For the Fiscal Year Ended June 30, 2024

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**Section II – Financial Statement Findings**

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None.

Town of Cedar Point, North Carolina  
Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended June 30, 2024

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**Section IV - Financial Statement Findings**

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Status: 2023-001

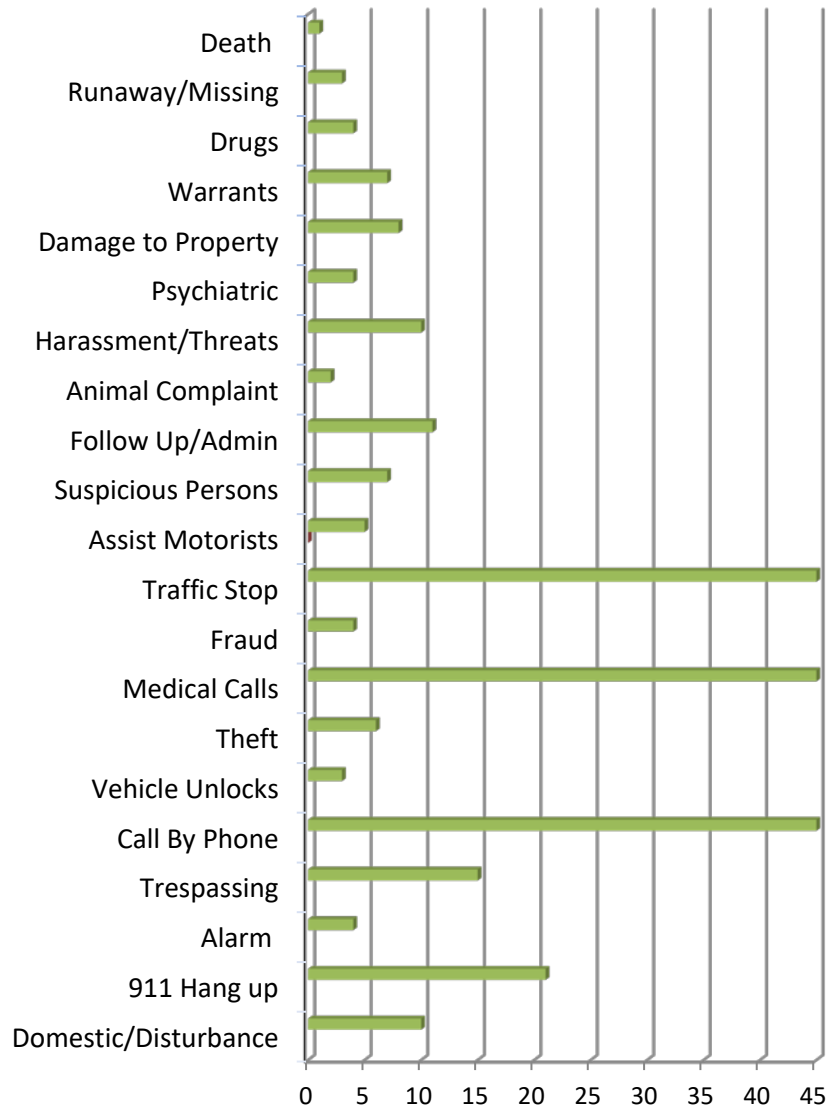
Corrected

## **Tab 6 Deputy & WCFD Reports**

# Cedar Point Reported Calls

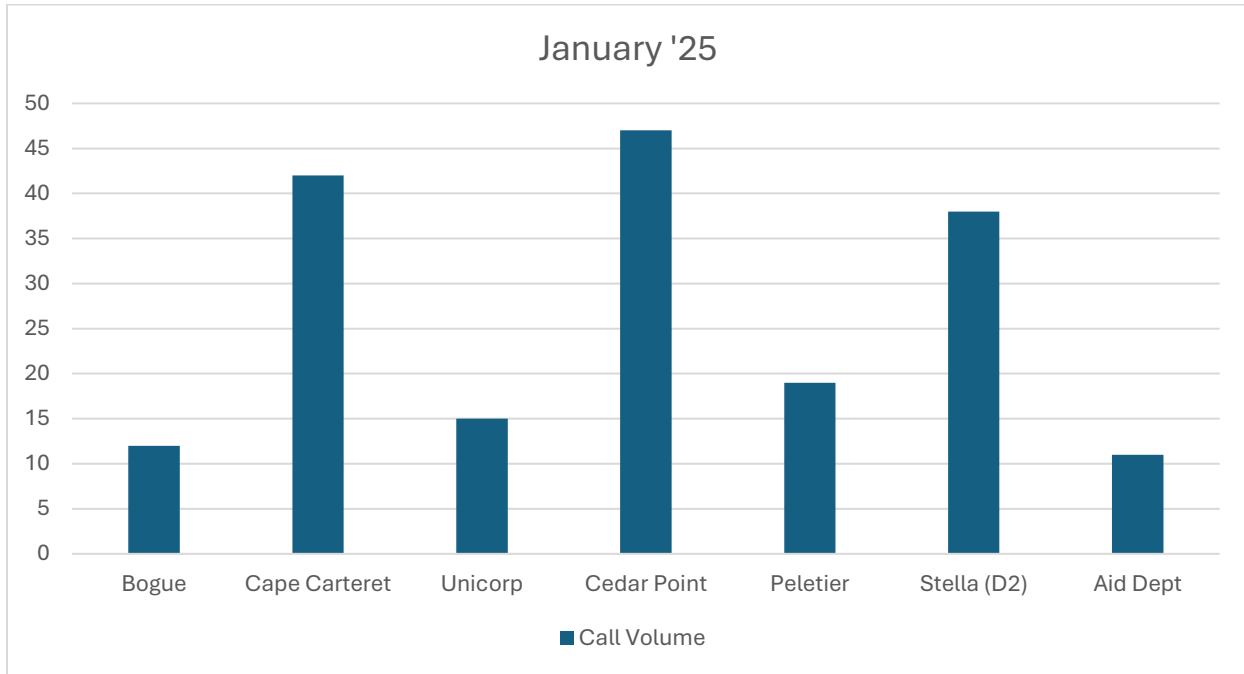
DEC 14 - 13 JAN 2024

Nature of Call	Quantity
Domestic/Disturbance	10
911 Hang up	21
Alarm	4
Trespassing	15
Call By Phone	65
Vehicle Unlocks	3
Theft	6
Medical Calls	89
Fraud	4
Traffic Stop	79
Assist Motorists	5
Suspicious Persons	7
Follow Up/Admin	11
Animal Complaint	2
Harassment/Threats	10
Psychiatric	4
Damage to Property	8
Warrants	7
Drugs	4
Runaway/Missing	3
Death	1
<b>TOTAL:</b>	<b>352</b>



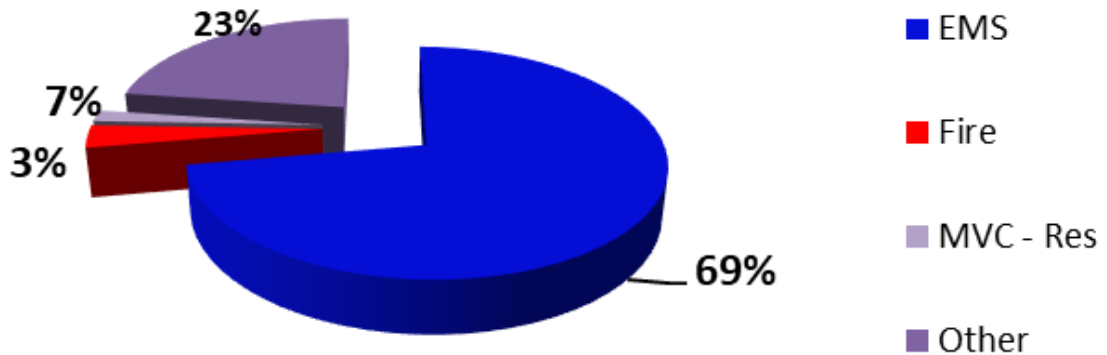
**Western Carteret Fire and EMS**  
**Call Volume Report January 2025**

The month of January 2025 ended with 184 calls for service. This resulted in a 12% increase from January of 2024. As such the call volume for the year is 12% above 2024.



Community	EMS	Fire	MVC-Resc	Other	TOTAL
Bogue	9	-	1	2	12
Cape Carteret	30	1	-	11	42
Carteret Co. (uninc.)	13	1	-	1	15
Cedar Point	37	-	1	9	47
Peletier	16	-	1	2	19
Stella (District 2)	26	1	-	11	38
Mutual/Auto Aid	2	3	-	6	11
<b>TOTAL:</b>	<b>133</b>	<b>6</b>	<b>3</b>	<b>42</b>	<b>184</b>
	EMS	Fire	MVC - Res	Other	
WCFD	133	6	3	42	

## WCFD January 2025 Incident Call/Volume Percentages



2025	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
EMS	133												133
Fire	6												6
MVC-Res	3												3
Other	42												42
<b>Total</b>	<b>184</b>												<b>184</b>

2024	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
EMS	111	126	131	96	119	99	110	123	95	104	90	120	1324
Fire	21	19	25	28	21	6	7	5	1	4	9	8	154
MVC-Res	8	4	10	14	12	10	16	9	13	4	10	4	114
Other	23	18	19	26	21	55	46	51	49	67	45	40	460
<b>Total</b>	<b>163</b>	<b>167</b>	<b>185</b>	<b>164</b>	<b>173</b>	<b>170</b>	<b>179</b>	<b>188</b>	<b>158</b>	<b>179</b>	<b>154</b>	<b>172</b>	<b>2052</b>

**WESTERN CARTERET FIRE EMS  
FIRE MARSHAL MONTHLY REPORT**

<b>2025 FIRE MARSHAL MONTHLY REPORT - Bob Penrod</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>TOTAL</b>
<b>INSPECTIONS</b>													
Inspections in Bogue	3												3
Inspections in Cape Carteret	5												5
Inspections in Cedar Point	31												31
Inspections in Peletier	2												2
<b>TOTAL INSPECTIONS COMPLETED</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41</b>
Notice of Violation issued	0												0
Number of Failed Inspections	0												0
Number of Inspection not compliant after reinspections													0
<b>SMOKE DETECTORS</b>													
A total number of smoke detectors were installed.	2												2
A total number of smoke detectors were checked.	2												2
Total number of smoke detectors found not working.	2												2
Total number of CO Detectors installed	0												0
Total number of fire extinguishers given out	0												0
<b>TOTAL</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>PLAN REVIEW</b>													
Total number of plans reviews for new construction	1												1
Total number of plan reviews for renovations	1												1
Total number of plan reviews for new development	0												0
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
Total number of <b>Commercial</b> Knox Box installations	0												0
Total number of Knox <b>Home</b> Box Installations	0												0
Total number of Knox Box information sheets provided	0												0
The total number of Knox Box contents was updated.	0												0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FIRE PREVENTION – NUMBER IN ATTENDANCE</b>													
Pre K through 12 <sup>th</sup> Grade	0												0
Adults	22												22
Children under 17	35												35
Static Display	0												0
Safe Kids/FLSE Programs	0												0
Total number of times the Fire Safety House was used	0												0

FIRE MARSHAL BOB PENROD

**WESTERN CARTERET FIRE EMS  
FIRE MARSHAL MONTHLY REPORT**

<b>TOTAL</b>	<b>57</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57</b>
<b>COMPLAINTS/CONCERNS</b>														
Bogue	0													0
Cape Carteret	0													0
Cedar Point	0													0
Peletier	0													0
Stella/Carteret County	0													0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>INVESTIGATIONS</b>														
	1													1
<b>FIRE PROTECTION SYSTEMS CHECKOUT</b>														
Fire Alarm System(s)/Plan Review	0													0
Sprinkler System(s)/Plan Review	0													0
Hood System(s)	0													0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non-Compliant Fire Alarm System</b>														
Non-Compliant Fire Alarm System	0													0
<b>Non-Compliant Sprinkler System</b>														
Non-Compliant Sprinkler System	0													0
<b>Non-Compliant Hood System</b>														
Non-Compliant Hood System	0													0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TRAINING HOURS</b>														
Total number of training hours for Code Enforcement	3													3
Total number of Fire Investigator hours	3													3
Total number of general training hours	1													1
<b>TOTAL</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>
<b>MISC MEETINGS</b>														
Meetings (BOC, Planning Board, Fireworks, Fire Marshal, Etc.)	1													1
<b>RESEARCH (HOURS)</b>														
NC Fire Code - NFPA - Ordinances - Etc.	36													36