



Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

Phone 252-261-2394 / Fax 252-255-0876

info@southernshores-nc.gov

www.southernshores-nc.gov

Southern Shores Town Council

Regular Meeting Minutes – March 4, 2026

Location: Pitts Center 5377 N Virginia Dare Trail, Southern Shores, North Carolina

Start time: 10:00 a.m.

Call to Order

Mayor Morey called the regular town council meeting of the Town of Southern Shores to order at 10:00 A.M. on Wednesday, March 4, 2026 at the Pitts Center. All council members were present.

The Council and public stood for the Pledge of Allegiance followed by a Moment of Silence.

Approval of Agenda

Motion to approve the agenda was made by Council Member Sherlock, seconded by Council Member Batenic. Motion carried unanimously.

Consent Agenda

The consent agenda included: (1) 2026 audit contract; (2) proposed budget for Current TV; and (3) approval of the prior month's meeting minutes.

Motion to approve the consent agenda was made by Council Member Neilson, seconded by Council Member Sherlock. Motion carried unanimously.

Presentations

A. Police Department Recognition – Chief David Kole

Chief David Kole recognized Sergeant Thomas Long, including presentation of an Advanced Law Enforcement Certificate issued through the North Carolina Criminal Justice Education and Training Standards Commission. Chief Kole also introduced Sgt. Long and shared

background information, including his service with the Southern Shores Police Department, prior service with the Dare County Sheriff's Office, and his role as K-9 handler (K-9 Arty).

Sgt. Long was sworn in as Police Sergeant. Mayor Morey congratulated Sgt. Long and family.

B. Current TV – Demonstration and Funding Item

Council Member Rob Nielsen presented an overview and demonstration of Current TV, a countywide resource used to provide short, on-demand informational videos. He discussed the Town's annual contribution of \$1,000 and noted that participation supports access to approximately \$5,000 in production value/resources through the county. Council Member Neilson encouraged residents to utilize the service and to share ideas for future Southern Shores content.

Staff Reports

Town Manager/Planning Director – Wes Haskett

Planning Director Wes Haskett reported on February permitting activity and fees collected.

He also reported that the Planning Board would not meet in March; the next regular meeting was scheduled for April 20, 2026 at 5:00 p.m., including consideration of a Town-submitted zoning text amendment addressing wastewater and utilities (Chapters 32 and 36).

Police Department – Chief David Kole

Chief Kole provided the February 2026 activity report.

Chief Kole also noted Southern Shores Police participation in the "Night to Shine" event at Duck Woods Country Club, along with multiple local agencies, and described the event as a positive community engagement opportunity.

Fire Department – Chief Limbacher

Chief Limbacher reported February Fire Department responses.

Chief Limbacher reviewed the Department's annual report, highlights discussed included: 876 total calls in 2025 (highest year reported); transition from NFIRS reporting to the National Emergency Response Information System (NERIS) framework; and zone distribution with the majority of calls occurring in Southern Shores.

Chief Limbacher reported departmental training schedules (Tuesday and Thursday evenings and Saturday maintenance), including captain-led daytime training opportunities,

and stated total training hours for the year of 3,312. He reported personnel levels of 59 active members (including career staff and support/rehab members), with 37 male and 13 female noted.

Council discussed apparatus lifecycle planning with Chief Limbacher. Chief Limbacher stated he had discussed with staff a proposal to replace an engine to remain within service life expectations; he noted that, if ordered in July, delivery could be approximately three years. He referenced a long-term goal of a seven-year replacement plan for major apparatus, with current replacement occurring closer to every 10 years.

Town Manager – Cliff Ogburn

Town Manager Ogburn provided an update on the East Dogwood Street Improvement Project. He reported initial “soft work” beginning, including distribution of door hangers to adjacent property owners. He noted heavy work was expected to begin the following week, with driveway work beginning Wednesday, March 12, and a scheduled completion date of May 8, 2026. He advised residents to remove sprinkler heads or decorative items located within the right-of-way to avoid damage during construction and noted that work would be completed in sections to maintain access, including emergency vehicle access.

In response to a question, Mr. Ogburn stated the Town could use the Fire Department’s sign to share project-related information.

Town Manager Ogburn also reported he was coordinating an informational meeting for March 23, 2026 at 4:30 p.m. regarding grass accumulation on the canals. He stated Dr. Rob Richardson (aquatic weed specialist, North Carolina State University) would provide a brief presentation and Q&A, with additional participation sought from a contractor familiar with the work and an engineer familiar with applicable rules.

Town Attorney – Phillip Hornthal

The Town Attorney reported no items.

General Public Comment

Lynn Usher, 121 Ocean Boulevard, addressed Council regarding Ocean Boulevard (NC 12) speed limits and pedestrian safety. He urged Council to reconsider increasing the speed limit to 40 mph and recommended requesting that NCDOT establish a no-passing zone from the crosswalk at 132A Ocean Boulevard south to the crosswalk at Ocean Boulevard/Ocean View Loop. He referenced statutory pedestrian right-of-way provisions and stated that higher speeds and permissive passing near crosswalks increase risk.

Len Schmitz, 184 Wax Myrtle Trail, reported on a February 21 beach cleanup conducted in conjunction with Thrive OBX, Outer Banks Hospital, and the Surfrider Foundation. He reported 480 pounds of debris collected over four miles in Southern Shores. He also provided an update that beach grass planting had resumed after February weather delays, with additional planting planned at Pelican Watch and other dates in March.

Public Hearing – ZTA-25-06 (Fence Requirements for Community Recreational Facilities)

Town Attorney Phillip Hornthal opened the public hearing to consider ZTA-25-06, a zoning text amendment application submitted by the Southern Shore Civic Association (SSCA) to amend Town Code Section 36-97 regarding fence requirements for community recreational facilities.

Public testimony: Luke Falconer, 234 Wax Myrtle Trail (SSCA Vice President), stated the amendment was requested to allow installation of a 10-foot fence at the pickleball courts at Sea Oats, consistent with fencing at Hillcrest tennis courts. He stated that fencing between 6 and 10 feet would be required to be transparent (noted as chain link as the typical/economical approach), and fencing 0 to 6 feet could be chain link or solid as appropriate.

Staff summary: Planning Director Wes Haskett noted the SSCA maintains nine community recreational facilities and stated the amendment would apply only to community recreational facilities (not private residential fences). He reported the Planning Board recommended approval at its January 21, 2026 meeting.

Council discussion: Council discussed the requirement that fences between 6 and 10 feet be chain link/transparent, including potential future fencing materials and aesthetic considerations. Council noted that changes to remove or broaden the chain-link requirement could create definitional issues and delay implementation.

Hearing no further discussion, Town Attorney Phillip Hornthal closed the public hearing.

Motion to adopt ZTA-25-06 as drafted was made by Mayor pro tem Neal. The motion included a statement for the record that Council would be open to considering a future amendment request regarding different fence styles for community recreational facilities. The motion was seconded by Mayor Morey and carried unanimously.

Council Business / Announcements

Mayor pro tem Neal reported the Entry Corridor Enhancement Committee's continued work on Phase 2 drafting, announcing the next meeting is scheduled for March 18, 2026 at 9:00 a.m. (in the Council room). A presentation to the Boat Club was noted for April 16, 2026.

Council member Neilson provided a brief update on the Dare A250th (Declaration of Independence Anniversary). He reported the venue change, with daytime activities planned in downtown Manteo and evening activities at Festival Park. Mr. Neilson referenced Current TV as a resource for event information and key dates.

Council member Batenic provided a Tourism Board update. He discussed current occupancy reports showing numbers were down, while meals/restaurant trends are still up. The Tourism Board will continue their ongoing marketing efforts, including social media engagement.

Council member Sherlock provided a Mid-Currituck Bridge update. She reported that NCDOT indicated current plans were not financially feasible and that previously committed funding may be pulled back, requiring the project to re-compete for funding. A follow-up meeting was scheduled for March 11, 2026 at 10:00 a.m. at the Albemarle Commission building in Hertford.

Mayor Morey announced the Council retreat will be held this afternoon at 1:00 p.m. and is open to the public. The next regular meeting of the town council will be held April 14, 2026 at 10:00 a.m. (date adjusted due to spring break).

Mayor Morey shared that she and Police Chief Kole visited Kitty Hawk Elementary School, where they spoke to the student council about pedestrian and bicycle safety. They also talked about organizing a spring bicycle rodeo.

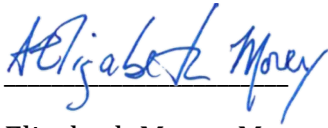
With respect to the Resilient Coastal Communities Planning Committee (RCCP), Mayor Morey announced ongoing committee work and encouraged community engagement as outreach begins. She shared the committee is currently meeting monthly by Zoom.

Adjournment

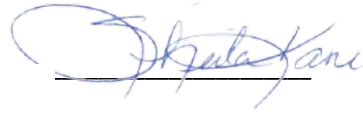
Motion to adjourn at 11:17 a.m. was made by Council Member Batenic, seconded by Mayor Morey. Motion carried unanimously.

ATTEST:

Respectfully submitted,



Elizabeth Morey, Mayor



Sheila Kane, Town Clerk





TOWN OF SOUTHERN SHORES
TOWN COUNCIL REGULAR MEETING

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

Phone 252-261-2394 / Fax 252-255-0876

www.southernshores-nc.gov

PITTS CENTER

Wednesday, March 04, 2026 at 10:00 AM

AGENDA

Call Meeting to Order

Pledge of Allegiance

Moment of Silence

Amendments to / Approval of Agenda

Consent Agenda

1. 2026 Audit Contract
2. GEACC Current TV Proposed Budget for FY 2026-2027
3. Minutes Approval

Presentations

4. Police Sergeant Swearing In & Advanced LE Certification Recognition- Thomas H Long
5. CurrentTV Channel Presentation

Staff Reports

Deputy Town Manager / Planning Director

Police Chief

Fire Chief

Town Manager

Town Attorney

General Public Comment (Limit: 3 minutes per speaker.)

Old Business

New Business

6. Public Hearing-ZTA-25-06

Council Business

Adjourn



To Management and Those Charged with Governance
of Town of Southern Shores

This Engagement Letter and its attachments, if any, are governed by the Master Services Agreement 2.0 or 2.1 ("MSA") between Carr, Riggs & Ingram, P.L.L.C. ("CRI CPA", "we", "us", or "our") and the Client; the terms of which are hereby incorporated into this Engagement Letter by reference. By executing this Engagement Letter, the parties agree to and intend to be bound by the terms of the MSA.

"Carr, Riggs & Ingram" and "CRI" are the brand names under which CRI CPA and CRI Advisors, PLLC ("CRI Advisors" or "Advisors") provide professional services. CRI CPA, CRI Advisors, Carr, Riggs & Ingram Capital, LLC and their respective subsidiaries operate as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. CRI CPA is a licensed independent CPA firm that provides attest services, as well as additional ancillary services, to its clients. CRI Advisors provides tax and business consulting services to its clients. CRI Advisors and its subsidiaries are not licensed CPA firms and will not provide any attest services. The entities falling under the Carr, Riggs & Ingram or CRI brand are independently owned and are not responsible or liable for the services and/or products provided, or engaged to be provided, by any other entity under the Carr, Riggs & Ingram or CRI brand. Our use of the term "CRI," and terms of similar import, denote the alternative practice structure conducted by CRI CPA, CRI Advisors, their subsidiaries and affiliates, as appropriate.

This Engagement Letter confirms and specifies the terms of our engagement and clarifies the nature and extent of the services we will provide for Town of Southern Shores ("Client", "Entity", "you", or "your") as of and for the year ended June 30, 2026 (the "Selected Period(s)"). Except as otherwise expressly set forth herein, this Engagement Letter only governs attest services, provided to you by CRI CPA. Except as otherwise expressly set forth herein, any non-attest services, including any non-attest services provided by CRI Advisors or any other entities within the Carr, Riggs & Ingram alternative practice structure, will be governed by (a) separate Engagement Letter(s) between such entity and the Client.

In connection with the alternative practice structure, CRI Advisors maintains custody of client files for CRI CPA and CRI Advisors. By executing this engagement letter, you hereby consent to the transfer to CRI Advisors of all your client files, work papers and work product. Unless you indicate otherwise, your acceptance of the terms of this engagement shall be understood by us as your consent to transfer such files and records.

A. SCOPE AND OBJECTIVES

We will audit the financial statements and the disclosures, which collectively comprise the basic financial statement(s) of the Entity for the Selected Period(s) ended for the following: governmental activities, each major fund and the related disclosures to the financial statements, otherwise known as the notes to the financial statements (collectively, the "Financial Statements").

The Financial Statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") (the "Selected Basis").

We will perform an audit engagement with respect to the Financial Statements of the Entity. As and if applicable and indicated in the following paragraphs, we will also perform the appropriate procedures related to either supplementary information ("Supplementary Information") and/or required supplementary information ("RSI").

The objectives of our audit are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your Financial Statements are fairly presented, in all material respects, in conformity with the Selected Basis and report on the fairness of the Supplementary Information referred to below 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 auditing standards generally accepted in the United States of America ("GAAS") and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States ("GAGAS") will always detect a material misstatement when it exists. Misstatements 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 GAGAS.

The Selected Basis provides for certain RSI, such as management's discussion and analysis ("MD&A"), to supplement Entity's Financial Statements. Such information, although not a part of the Financial Statements, is required by the Governmental Accounting Standards Board ("GASB") who considers it to be an essential part of the financial reporting for placing the Financial Statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Entity's RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the Financial Statements, and other knowledge we obtained during our audit of the 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. This RSI is required by the Selected Basis and will be subjected to certain limited procedures, but will not be audited: MD&A, Required Pension Supplementary Information, and Required Other Postemployment Benefit Supplementary Information.

We have also been engaged to report on Supplementary Information other than RSI that accompanies the Entity'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: Budgetary Comparison Schedules, Non major fund schedules, and the following other schedules.

B. OUR RESPONSIBILITIES

We will conduct our audit in accordance with GAAS and GAGAS. We will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and GAGAS, 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 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 Entity or to acts by management or employees acting on behalf of the Entity. Because the determination of waste and abuse is subjective, GAGAS 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 GAGAS. 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 come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. 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 obtain an understanding of the Entity and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the Financial Statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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 GAGAS. 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 internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning: management override of controls and improper revenue recognition due to fraud.

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 Entity's ability to continue as a going concern for a reasonable period of time.

C. AUDIT PROCEDURES - COMPLIANCE

As part of obtaining reasonable assurance about whether the Financial Statements are free of material misstatement, we will perform tests of the Entity's compliance with the provisions of applicable laws, regulations, contracts, and agreements. 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 GAGAS.

Our audit does not relieve you of your responsibilities.

D. OTHER SERVICES

For any non-attest services provided by CRI, you agree to assume all management responsibilities for these non-attest services and any other non-attest services we provide; oversee the services by designating an individual with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

The non-attest services, if any, are limited to those previously defined in this letter, or as identified in a separate Engagement Letter. 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.

E. CLIENT RESPONSIBILITIES

In addition to your responsibilities identified in the MSA, our engagement 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
- ensuring that management and financial information is reliable and properly reported
- implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements
- the selection and application of accounting principles; for the preparation and fair presentation of the Financial Statements and all accompanying information in conformity with the Selected Basis, and for compliance with applicable laws and regulations rules, and the provisions of contracts and grant agreements
- the preparation and fair presentation of the Financial Statements in conformity with the Selected Basis
- 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)
- evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern within one year after the date that the financial statements are available to be issued
- 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 Entity from whom we determine it necessary to obtain audit evidence (4) if applicable, you will provide us with the final version of all documents comprising the annual report which includes other information, prior to the date of our auditor's report. If the final version of these documents are not available prior to the date of our auditor's report, they will be provided as soon as practical and the Entity will not issue the annual report prior to providing them to the auditor
- required written representations from you about the Financial Statements and related matters, at the conclusion of our audit
- required written representations 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.

- required written representations from you about compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and GAGAS, at the conclusion of our audit
- adjusting the Financial Statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the Financial Statements taken as a whole
- 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 Entity 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
- 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
- identifying and ensuring that the government complies with applicable contracts, agreements, and grants
- taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report
- preparation of the Supplementary Information, as applicable, in conformity with the Selected Basis. 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 and to include the audited Financial Statements with any presentation of the Supplementary Information that includes our report thereon
- if publishing Financial Statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document
- disclosing the date through which subsequent events have been evaluated and whether that date is the date the Financial Statements were issued or were available to be issued
- informing, in writing, the engagement partner before entering into any substantive employment discussions with any CRI CPA or CRI Advisors personnel, to ensure our independence is not impaired under the AICPA Code of Professional Conduct
- informing us on a timely basis of the name of any single investor in you that owns 20% or more of your equity at any point in time
- informing us on a timely basis of any investments held by you which constitutes 20% or more of the equity/capital of the investee entity at any point in time

- establishing and maintaining a process for tracking the status of audit findings and recommendations
- identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the 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
- 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

F. ENGAGEMENT ADMINISTRATION

We understand that your employees will prepare all confirmations and schedules we request and will locate any documents selected by us for testing. A request list of information we expect to need for our audit will be provided to you. Your prompt attention to and timely return of the requested items will significantly contribute to the efficiency of our audit process.

We will provide copies of our reports to the Entity; 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 will be retained for a minimum of five years after the report release date. 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.

In accordance with certain regulations, we, as your auditors, are required to make the following commitments:

- The documentation for this engagement is the property of CRI and constitutes confidential information. However, we may be requested to make certain documentation available to regulators, federal or state agencies, governmental agencies, etc. ("regulators" or "agencies") pursuant to authority given to it by law or regulation. If requested, access to such documentation will be provided under the supervision of CRI CPA personnel. Furthermore, upon request, we may provide copies of selected documentation to these regulators or agencies. These regulators or agencies may intend, or decide, to distribute the copies or information contained therein to others.
- We will file a copy of our most recent peer review report with any applicable regulators or agencies.

- As appropriate, we may meet with those charged with governance before the audit report(s) are filed with any required regulators or agencies.

The information that we obtain in auditing is confidential, as required by the AICPA Code of Professional Conduct. Therefore, your acceptance of this Engagement Letter will serve as your advance consent to our compliance with above commitments.

G. REPORTING

As part of our engagement, we will issue a written report upon completion of our audit of the Entity's Financial Statements. Our report will be addressed to management, those charged with governance, or both, as appropriate, of the Entity. 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 opinion, 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 opinion is other than unmodified, we will discuss the reasons with you in advance.

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 GAGAS. 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 GAGAS in considering the entity's internal control and compliance. The report(s) will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Entity 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 GAAS and the standards for financial audits contained in GAGAS may not satisfy the relevant legal, regulatory, or contractual requirements.

H. TERMINATION

If for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We reserve the right and sole discretion to withdraw for any reason from this engagement immediately upon written notice to you. Our withdrawal will release us from any obligation to complete the services covered by this Engagement Letter and will constitute completion of this engagement.

Our engagement with you will terminate upon the earlier of our delivery of your report or withdrawal. In either case, you agree to compensate us for our services, fees, and costs to the date of withdrawal.

I. OUR FEES

Our fees for these services will be as defined in our Local Government Commission contract with Town of Southern Shores for the year July 1, 2025 through June 30, 2026.

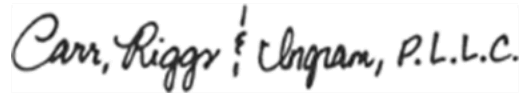
Our professional fees for the services described in this engagement letter will be based on the actual time incurred by our professionals at standard hourly rates plus out-of-pocket expenses, such as travel, meals, services from other professionals, and direct administrative costs (courier services, report preparation, copying), as well as an administrative fee of 7% to cover indirect administrative costs associated with the engagement. We may also charge a fee for applications, subscriptions, hosting, or technology we utilize in providing services to you.

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances (such as, but not limited to, difficulty or delays in obtaining requisite responses to necessary or required procedures, significant changes to promulgated standards, time incurred for financial statement adjustment(s) and the related procedures required, or significant changes to your organization or its internal control structure) 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. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

CLIENT ACKNOWLEDGEMENT(S)

If you acknowledge and agree with the terms of our agreement as described in this Engagement Letter, please indicate by executing.

Very truly yours,



CARR, RIGGS & INGRAM, P.L.L.C.

Signature
Bonnie Swain
Town of Southern Shores

<signature>

<sign date>

Authorized Signer(s)

The	Governing Board Town Council
of	Primary Government Unit Town of Southern Shores
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

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

and	Auditor Name Carr, Riggs & Ingram, P.L.L.C.
	Auditor Address P.O. Box 1547 New Bern, NC 28563

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/26	Date Audit Will Be Submitted to LGC 12/31/26
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Must be within six months of FYE

hereby agree as follows:

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

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with *Generally Accepted Government Auditing Standards* (GAGAS). The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F (*Uniform Guidance*) and the State Single Audit Implementation Act. Currently the threshold is \$1,000,000 for federal and state single audits, or such other threshold as applicable for the fiscal year under audit. This audit and all associated audit documentation may be subject to review by federal and State agencies in accordance with federal and State laws, including the staff of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form (form SF-FAC) to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

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

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards* (2018 revision or subsequent revisions, as applicable) issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he or she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and to the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon the Auditor's receipt of an updated peer review report. If the audit firm receives a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.
- If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.
6. It is agreed that time is of the essence in this contract. All audits are to be performed, and the report of audit submitted to LGC Staff, within six months of fiscal year end. At the time of the execution of this contract, if the parties know that the anticipated submission date of the audit exceeds six months after fiscal year end, a written explanation shall be provided to the Secretary of the LGC on this contract form (see the space provided on Page 7). If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as they relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth the Auditor's findings, together with his or her recommendations for improvement. That written report shall include all matters determined to be "significant deficiencies and material weaknesses" in accordance with AU-C §265 "Communicating Internal Control Related Matters Identified in an Audit" of GAAS. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an Auditor issues an AU-C §260 report, "Auditor's Communication With Those Charged With Governance," commonly referred to as a "Governance Letter," LGC staff does not require the report to be submitted unless the Auditor cites significant findings or issues from the audit, as defined in AU-C §260 paragraphs 12 - 14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious for which the Auditor consulted outside the engagement team and, in the Auditor's judgment, are significant and relevant to those charged with governance, and other findings or issues that the Auditor believes are significant and relevant. If matters identified during the audit were required to be reported as described in AU-C §260 paragraphs 12 - 14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

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

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

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

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

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

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

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

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

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

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

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and preaudited if the change includes a change in audit fee (preaudit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.
17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Paragraph 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.
18. Special provisions should be limited. Please list any special provisions in an attachment.
19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in The Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and Finance Officer also shall be included on this contract.
20. The contract shall be executed, preaudited (preaudit requirement does not apply to hospitals) and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.
21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

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

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

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

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

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 or 2024 Revision* (as applicable). Preparing financial statements in their entirety shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

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

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

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

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

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

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

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

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

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

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

N/A

FEES FOR AUDIT SERVICES

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

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

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

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

Bonnie Swain

Finance Officer

bswain@southernshores-nc.gov

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

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

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

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

Primary Government Unit	Town of Southern Shores
Audit Fee (financial and compliance if applicable)	\$ 26200
Fee per Major Program (if not included above)	\$ N/A
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$ N/A
All Other Non-Attest Services	\$ N/A
TOTAL AMOUNT NOT TO EXCEED	\$ 26,200

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

SIGNATURE PAGE

AUDIT FIRM

Audit Firm*	
Carr, Riggs & Ingram, P.L.L.C.	
Authorized Firm Representative (typed or printed)*	Signature*
Madonna Stafford	<i>Madonna Stafford, CPA</i>
Date*	Email Address*
2/19/2026	mstafford@criadv.com

GOVERNMENTAL UNIT

Governmental Unit*	
Town of Southern Shores	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	
Mayor/Chairperson (typed or printed)*	Signature*
Elizabeth Morey, Mayor	
Date	Email Address*
	emorey@southernshores-nc.gov

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

GOVERNMENTAL UNIT – PREAUDIT CERTIFICATE

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

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

Sum Obligated by This Transaction:	\$ 26,200
Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Bonnie Swain	
Date of Preaudit Certificate*	Email Address*
	bswain@southernshores-nc.gov

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

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

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

DPCU – PREAUDIT CERTIFICATE

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

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

Sum Obligated by this Transaction:	\$
DPCU Finance Officer (typed or printed)* N/A	Signature*
Date of Preaudit Certificate*	Email Address* N/A

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

PRINT

Professional Services Proposal for Town of Southern Shores

Proposer

Carr, Riggs & Ingram, P.L.L.C.
3105 Trent Rd.
New Bern, North Carolina 28563
Phone: 252-633-5821

Submitted by

Madonna Stafford, CPA
Partner
mstafford@criadv.com

YOUR SERVICES & FEES

We value creating mutually rewarding, long-term relationships with our clients. Our goal is to provide high quality, responsive service that yields returns far greater than your investment in our professional fees. Please find below our proposal of fees to provide the requested services for the upcoming fiscal years.

SERVICE	CRI FEES 2026 Binding	CRI FEES 2027 Estimated	CRI FEES 2028 Estimated
Perform external audit services in accordance with auditing standards generally accepted in the United States of America (GAAS)	\$26,200	\$27,600	\$28,900

* If a Single Audit is required, an additional fee of \$3,500 per major program will be added.

If Town of Southern Shores requests additional services outside of this proposal, professional fee hourly rates are as follows, but may be negotiated depending on the project request:

CLASSIFICATION	HOURLY RATE
Partner	\$250
Manager	\$185
Senior	\$150
Staff	\$125
IT Specialist	\$175
Fraud Specialist	\$200

Our professional fees are based on the key assumptions that Town of Southern Shores will:

- Make available documents and work papers for review at Town of Southern Shores' headquarters location, although we may choose to review at alternate locations.
- Prepare certain schedules and analyses and provide supporting documents as requested.
- Not experience a significant change in business operations or financial reporting standards.

Current TV

FY 2026-2027 Proposed Budget

The following items are presented for review and approval.

Board Action Requested:

Approve the proposed 2026-2027 GEAC Budget.

Budget Summary

The Government Education Access Channels (GEAC) Committee has reviewed and approved the proposed 2026-2027 budget for the operation of the Government and Education Channels (Current TV). The proposed budget, which would take effect July 1, 2026 must be approved by every participating member entity of the Channels, which includes the towns of Duck, Southern Shores, Kitty Hawk, Kill Devil Hills, Nags Head, Manteo, Dare County, Dare County Schools, College of The Albemarle, and ECU Coastal Studies Institute.

The budget as proposed requires no additional funding from the participating entities above the current annual \$1,000 membership fee. The budget is funded primarily from the North Carolina Video Distribution proceeds, which are disbursed quarterly by the state to certified channels throughout the state. These funds must be used for the operations of the two channels and no other purpose. Additionally, the legislation that originally established the Video Distribution funding required that the proceeds not supplant current funding. Accordingly, the annual \$1,000 membership fee that was in place when the program began must remain, or the Channels would lose all Video Distribution funding from the state.

The GEAC committee recommends the attached budget, which includes, in part, the following: funding for two full-time, and one part-time staff positions and the Local Programming Development Initiative to assist members in the development of programming for the Government and Education Channels. The funding also includes contractor funding to continue to produce two regular news magazine shows that highlight each of the participating members on the Education Channel and the Government Channel.

GEACC CURRENT TV PROPOSED BUDGET FY 2026/2027	
INCOME	
[1] Supplemental PEG Channel	251,573
[2] Member Fees	10,000
[3] Interest Income	8,000
[4] Appropriated Fund Balance	143,614
Total Revenue	413,187
EXPENDITURES	
[5-A] Salaries (2 Positions)	-153,813
[5-B] Pt. Time Salary	-19,298
[6] Merit Pay	-3,000
FICA	-13,243
Retirement	-23,288
401K	-4,615
[7] Health Insurance	-25,824
Life Insurance	-210
Retiree Health	-262
Insurance & Bonds	-6,765
[8] Contractual Services	-40,000
[9] Professional Services	-2,000
[10] Equipment Repair & Purchase	-5,000
[11] Supplies	-3,500
Training	-3,000
[12] Website ADA Compliance Development	-19,500
Travel	-2,000
Professional Memberships	-500
[13] CHANNEL OPERATIONS	
Music Library	-350
OBX Media	-4,200
Adobe	-995
Tightrope Hardware	0
Cablecast Software Assurance Service	-1,600
Cable Subscription	-324
Cablecast Reflect (Streaming/VOD Service)	-2,600
Cablecast Closed Captioning Service (500 hours)	0
Fiber internet upgrade	-4,800
Envato Elements Digital Assets Library	-400
Marketing	-5,000
Miscellaneous	-500
Dropbox	-200
Contingency (Reserve for unexpected expenses)	-10,000
Emergency Contingency (Storm related overtime)	-2,500
Car Maintenance	-2,000

	Car Fuel	-1,000
	Uniforms	-400
	AI credits	-500
Total		-363,187
LPDI		
LPDI 1- Coastal Studies Institute		-5,000.00
LPDI 2- College of The Albemarle		-5,000.00
LPDI 3 - Dare County Government		-5,000.00
LPDI 4 - Dare County Schools		-5,000.00
LPDI 5 - Duck		-5,000.00
LPDI 6 - Kill Devil Hills		-5,000.00
LPDI 7 - Kitty Hawk		-5,000.00
LPDI 8 - Manteo		-5,000.00
LPDI 9 - Nags Head		-5,000.00
LPDI 10 - Southern Shores		-5,000.00
Total LPDI		-50,000.00
Total Expenditures		-413,187
Over / Under		0

Government and Education Access Channel Draft Budget Notes for Fiscal Year 2026

Goals and Objectives

To continue to fund the operation of the channel at a level that provides a professional, reliable, and quality service to the citizens of Dare County. To increase awareness of Current TV.

[1] NC PEG Supplemental Video Disbursement – Revenue collected by the state in the form of a use tax on cable and satellite providers. Funds are pooled and disbursed quarterly to qualifying PEG operations.

[2] Member Fees – Each entity pays an annual \$1,000 membership fee to participate. This amount remains unchanged from the prior fiscal year.

[3] Interest Income – Interest earned on the unappropriated fund balance. Dare County Finance advised including \$8,000 for FY 2026–2027.

[4] Appropriated Fund Balance – Amount pulled from the unappropriated fund balance to meet obligations.

[5-A&B] Salaries – Funds two full-time Dare County employees and one part-time employee positions and includes a 3.0% COLA increase.

[6] Merit Pay – Awarded based on employee performance. Dare County Finance advised \$3,000.

[7] Health Insurance – Includes individual health insurance coverage for eligible employees.

[8] Contractual Services – Assistance in producing Destination Dare and Dare Education Awareness programs.

[9] Professional Services – Covers professional voiceover, acting, and production support.

[10] Equipment – Purchase and repair of large video production equipment.

[11] Supplies – Items such as batteries, tape, lighting gels, and small accessories.

[12] Website Development - Development cost to ensure the Current TV website complies with the Americans with Disabilities Act, meeting all federal accessibility standards to include WCAG 2.1 Level AA compliance.

[13] Channel Operations – Day-to-day channel expenses including website hosting, streaming, software, monitoring services, and digital asset libraries.

- \$350 for music library to provide music beds for videos.
- \$4,200 - OBX Media: for website hosting and maintenance.
- \$995 - Adobe: Creative Cloud subscription for professional non-linear editing tools.
- \$1,600 Cablecast Software Assurance- software warranty for our Cablecast software which we use to schedule and send our stream to the cable channels.
- \$2,600 - Reflect: Streaming Video/VOD for online video streaming service.
- \$4,800 Fiber internet-For buffer-free playback of livestreams and Videos on Demand on CurrentTV website.
- \$400 - Envato Elements: Digital asset and stock footage library
- \$5,000 Marketing budget for social media ads, promotional handouts, and advertising.
- \$200 Dropbox subscription to transfer and house videos produced by contractors.
- \$500 for AI credits for video AI tools such as audio enhancements, animation, and time saving tools.



AGENDA ITEM SUMMARY FORM

MEETING DATE: February 3, 2026

ITEM TITLE: Public Hearing-ZTA-25-06

ITEM SUMMARY:

The Applicant is proposing to amend Town Code Section 36-97 to increase the Town's current height limit for fences for community recreational facilities. Town Code Section 36-57 defines "community recreational facilities" as recreational facilities owned and operated by not-for-profit entities which are constructed for, open to, and available for use by members, property owners, and their guests. The SSCA currently owns and operates nine community recreational facilities. If adopted, the proposed amendments would establish a new maximum height of ten feet for fences for community recreational facilities, instead of six feet. In addition, the proposed amendments would establish that any fence exceeding six feet in height used for a community recreational facility shall be constructed utilizing chain-link fabrication from the ground to the top of the fence.

STAFF RECOMMENDATION:

Town Staff has determined that the proposed amendments are consistent with the Town's currently adopted Comprehensive Land Use Plan and Town Staff recommends approval of the application. The Town Planning Board unanimously (3-0) recommended approval of the application at the January 21, 2026 Planning Board meeting.

REQUESTED ACTION:

Motion to adopt ZTA-25-06.

STAFF REPORT

To: Southern Shores Town Council
Date: February 3, 2026
Case: ZTA-25-06
Prepared By: Wes Haskett, Deputy Town Manager/Planning Director

GENERAL INFORMATION

Applicant: Southern Shores Civic Association, Inc.
 5377 N. Virginia Dare Trl.
 Southern Shores, NC 27949

Requested Action: Amendment of Town Code by amending Town Code Section 36-97 to amend the Town's requirements for fences for community recreational facilities.

ANALYSIS

The Applicant is proposing to amend Town Code Section 36-97 to increase the Town's current height limit for fences for community recreational facilities. Town Code Section 36-57 defines "community recreational facilities" as recreational facilities owned and operated by not-for-profit entities which are constructed for, open to, and available for use by members, property owners, and their guests. The SSCA currently owns and operates nine community recreational facilities. If adopted, the proposed amendments would establish a new maximum height of ten feet for fences for community recreational facilities, instead of six feet. In addition, the proposed amendments would establish that any fence exceeding six feet in height used for a community recreational facility shall be constructed utilizing chain-link fabrication from the ground to the top of the fence.

The Town's current Comprehensive Land Use Plan contains the following Policies that are applicable to the proposed ZTA:

- ICC 7: Support the protection, maintenance and preservation of existing parks and open spaces.
- ICC 7.1: Maintain a dialogue with and support civic associations and other property owners associations regarding their open space and recreational facilities.

RECOMMENDATION

Town Staff has determined that the proposed amendments are consistent with the Town's currently adopted Comprehensive Land Use Plan and Town Staff recommends approval of the application. The Town Planning Board unanimously (3-0) recommended approval of the application at the January 21, 2026 Planning Board meeting.



Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

Phone 252-261-2394 / Fax 252-255-0876

info@southernshores-nc.gov

www.southernshores-nc.gov

PLANNING BOARD GENERAL APPLICATION FORM TOWN OF SOUTHERN SHORES, NC 27949

Date: 11/16/2025 Filing Fee: \$200 Receipt No. 1071 Application No. ZTA-25-06

NOTE: The Planning Board will follow the specific provisions of the Zoning Ordinance Chapter 36, Article X Administration and Enforcement, Section 36-299.

Please check the applicable Chapter/Article:

- ☐ Chapter 30, Subdivisions-Town Code
- ☐ Chapter 36, Article VII, Schedule of District Regulations, Section 36-207 C-General Commercial District
- ☐ Chapter 36, Article IX, Planned Unit Development (PUD)
- ☐ Chapter 36, Article X, Administration and Enforcement, Section 36-299 (b) Application for Building Permits and Site Plan Review other than one and two family dwelling units
- ☐ Chapter 36, Article X, Section 36-300-Application for Permit for Conditional Use
- ☐ Chapter 36, Article X, Section 36-303 Fees
- ☐ Chapter 36, Article X, Section 36-304-Vested Rights
- ☒ Chapter 36, Article XIV, Changes and Amendments

Certification and Standing: As applicant of standing for project to be reviewed I certify that the information on this application is complete and accurate.

Applicant Name Southern Shores Civic Association, Inc.

Address: 5733 Virginia Dare Trail

Southern Shores, NC 27949

Phone (252) 261-8617 Email ssca@obxbeach.net

Applicant's Representative (if any)

Name Jeff Johnson, President

Agent, Contractor, Owner (Circle one)

Address 23 Duck Woods Drive

Southern Shores, NC 27949

Phone (919) 414-0593 Email president@sscaobx.org

jjohnson@wyrick.com

Property Involved: ☒ Southern Shores ☐ Martin's Point (Commercial only)

Address: N/A Zoning district N/A

Section N/A Block N/A Lot N/A Lot size (sq.ft.) N/A

Request: ☐ Site Plan Review ☐ Final Site Plan Review ☐ Conditional Use ☐ Permitted Use
☐ PUD (Planned Unit Development) ☐ Subdivision Ordinance ☐ Vested Right ☐ Variance

Change To: ☐ Zoning Map ☒ Zoning Ordinance

Signature Jeff Johnson, President

Date 11-6-25

* Attach supporting documentation including proposed language in ZTA ordinance format



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ZTA-25-06

January-21-2026

Ordinance 2025-XX-XX

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE TOWN OF SOUTHERN SHORES, NORTH CAROLINA

ARTICLE I. Purpose(s) and Authority.

WHEREAS, pursuant to N.C.G.S. § 160D-701, the Town of Southern Shores (the “Town”) may enact and amend ordinances regulating the zoning and development of land within its jurisdiction and specifically the location and use of buildings, structures, and land. Pursuant to this authority and the additional authority granted by N.C.G.S. § 160D-702, the Town has adopted a comprehensive zoning ordinance (the “Town’s Zoning Ordinance”) and has codified the same as Chapter 36 of the Town’s Code of Ordinances (the “Town Code”); and

WHEREAS, in accordance with the finding above, the amendment of the Town’s Zoning Ordinance and Town Code Ordinances as stated below will serve a public purpose and advances the public health, safety and general welfare;

WHEREAS, the Southern Shores Civic Association, a North Carolina non-profit corporation owns and maintains within the Town of Southern Shores certain community recreational facilities open to and available for use by members, property owners and their guests;

WHEREAS, such community recreational facilities serve a public purpose and advance the public health, safety and general welfare;

WHEREAS, in connection with the maintenance and management of certain community recreational facilities it is necessary to construct fencing up to ten feet high to help prevent vandalism and unauthorized entry by climbing over, to enhance public safety and to support applicable recreational activities;

WHEREAS, the amendment of the Town’s Zoning Ordinance and Town Code Ordinances as stated below is based on reasonable consideration, among other things, as to the character of the district, suitability for uses in the area, conserving value of buildings and encouraging the most appropriate use of land throughout the Town;

WHEREAS, the Town’s currently adopted Land Use Plan contains Policies and Action Items that are applicable to the amendments, including but not limited to the following:

Policy: ICC 7: Support the protection, maintenance and preservation of existing parks

and open spaces.

Policy: ICC 7.1: Maintain a dialogue with and support civic associations and other property owners associations regarding their open space and recreational facilities.

ARTICLE II. Construction.

For purposes of this ordinance amendment, underlined words (underline) shall be considered as additions to existing Town Code language and strikethrough words (~~strikethrough~~) shall be considered deletions to existing language. Any portions of the adopted Town Code which are not repeated herein but are instead replaced by an ellipses ("...") shall remain as they currently exist within the Town Code.

ARTICLE III. Amendment of Zoning Ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Southern Shores, North Carolina, that the Town Code shall be amended as follows:

PART I. That **Sec. 36-97--Walls and Fences.** be amended as follows:

Sec. 36-97—Walls and Fences

The setback requirements of these regulations shall not prohibit any necessary retaining wall or prohibit any wall or fence. However, within or abutting any residential district, no wall or fence shall exceed six feet in height and within any commercial or industrial district no fence shall exceed ten feet in height. For wireless telecommunications sites, no wall or fence shall exceed ten feet in height. For community recreational facilities, no fence shall exceed ten feet in height. Any fence exceeding six feet in height used for a community recreational facility shall be constructed utilizing chain-link fabrication from the ground to the top of the fence.

ARTICLE IV. Statement of Consistency with Comprehensive Plan and Reasonableness.

The Town's adoption of this ordinance amendment is consistent with the Town's adopted comprehensive zoning ordinance, land use plan and any other officially adopted plan that is applicable. For all of the above-stated reasons and any additional reasons supporting the Town's adoption of this ordinance amendment, the Town considers the adoption of this ordinance amendment to be reasonable and in the public interest.

ARTICLE V. Severability.

All Town ordinances or parts of ordinances in conflict with this ordinance amendment are hereby repealed. Should a court of competent jurisdiction declare this ordinance amendment or any part thereof to be invalid, such decision shall not affect the remaining provisions of this ordinance

amendment nor the Zoning Ordinance or Town Code of the Town of Southern Shores, North Carolina which shall remain in full force and effect.

ARTICLE VI. Effective Date.

This ordinance amendment shall be in full force and effect from and after the ____ day of _____, 2026.

Elizabeth Morey, Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

Date adopted:

Motion to adopt by Councilmember:

Motion seconded by Councilmember:

Vote: __AYES__NAYS