

**THE ERWIN BOARD OF COMMISSIONERS  
JANUARY 2024 REGULAR MEETING  
THURSDAY, JANUARY 4, 2024 @ 7:00 P.M.  
ERWIN MUNICIPAL BUILDING BOARDROOM**

**AGENDA**

1. **MEETING CALLED TO ORDER**
  - A. Invocation
  - B. Pledge of Allegiance
2. **AGENDA ADJUSTMENTS /APPROVAL OF AGENDA**
3. **CONSENT**

*All items on Consent Agendas are considered routine, to be enacted on one motion without discussion. If a Board member or citizen requests discussion of an item, the item will be removed from the Consent Agenda and considered under New Business.*

  - A. Regular Meeting on December 7, 2023 (**Page 2**)
4. **PRESENTATION OF FISCAL YEAR 2022-2023 AUDIT (Separate Attachment)**
5. **PRESENTATION OF JANUARY CITIZEN OF THE MONTH**
6. **PRESENTATION OF EMPLOYEE OF THE QUARTER**
7. **RECESS FOR REFRESHMENTS IN RECOGNITION OF OUR HONOREES**
8. **PUBLIC HEARING**
  - A. ZT-2023-006 (**Page 8**)
  - B. School Safety Zone (**Page 22**)
9. **PUBLIC COMMENT**

*Each speaker is asked to limit comments to 3 minutes, and the requested total comment period will be 15 minutes or less. Citizens should sign up prior to the start of the meeting. Please provide the clerk with copies of any handouts you have for the Board. Although the Board is interested in hearing your concerns, speakers should not expect Board action or deliberation on the subject matter brought up during the Public Comment segment. Thank you for your consideration of the Town Board, staff, and other speakers.*

§160A-81.1
10. **MANAGER'S REPORT**
11. **ATTORNEY'S REPORT**
12. **GOVERNING BODY COMMENTS**
13. **ADJOURNMENT**

**\*\*IN ACCORDANCE WITH ADA REGULATIONS, PLEASE NOTE THAT ANYONE WHO NEEDS AN ACCOMMODATION TO PARTICIPATE IN THE MEETING SHOULD NOTIFY THE TOWN CLERK AT (910) 591-4202 AT LEAST 48 HOURS PRIOR TO THE MEETING.\*\***

**ERWIN BOARD OF COMMISSIONERS****REGULAR MINUTES****JANUARY 4, 2024****ERWIN, NORTH CAROLINA**

The Board of Commissioners for the Town of Erwin with Mayor Baker presiding held its Regular Meeting in the Erwin Municipal Building Board Room on Thursday, January 4, 2024, at 7:00 P.M. in Erwin, North Carolina.

Board Members present were Mayor Randy Baker and Commissioners Timothy Marbell, Charles Byrd, William Turnage, David Nelson, and Alvester McKoy.

Board Member absent was Mayor Pro Tem Ricky Blackmon.

Town Manager Snow Bowden, Town Clerk Lauren Evans, Town Attorney Tim Morris, Finance Director Linda Williams, Finance Officer Katelan Blount, Town Planner Dylan Eure, Code Enforcement Officer Chris Jones, and Police Chief Jonathan Johnson were present.

Mayor Baker called the meeting to order at 7:00 PM.

Commissioner McKoy gave the invocation.

Commissioner Marbell led the Pledge of Allegiance.

**AGENDA ADJUSTMENT/APPROVAL OF AGENDA**

Commissioner Byrd made a motion to approve the agenda as presented and was seconded by Commissioner Turnage. **The Board voted unanimously.**

**CONSENT**

Commissioner Turnage made a motion to approve **(ITEM A)** Minutes of Regular Meeting on December 7, 2023, and was seconded by Commissioner McKoy. **The Board voted unanimously.**

**PRESENTATION OF FISCAL YEAR 2022-2023 AUDIT**

R. Bryon Scott, CPA came forward and presented the Fiscal Year 2022-2023 Audit for the Town of Erwin.

*A copy of the Fiscal Year 2022-2023 Audit Presentation is attached to these minutes.*

Commissioner Byrd made a motion to accept the audit report as submitted and was seconded by Commissioner Turnage. **The Board voted unanimously.**



# Audit Presentation

Town of Erwin

Fiscal Year June 30, 2023

R. Bryon Scott, CPA  
910-862-8129  
[bscott@tpsacpas.com](mailto:bscott@tpsacpas.com)





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### Chart presentation

- General Fund Revenue Analysis
- General Fund Expenditures Analysis
- Revenue Analysis-Fiscal year June 30, 2023
- Revenue Analysis-Fiscal year June 30, 2022
- Expenditures Analysis-Fiscal year June 30, 2023
- Expenditures Analysis-Fiscal year June 30, 2022
- Cash Analysis-Five years for General & Capital Enhancement Funds
- Fund Balance Analysis-Five years for General & Capital Enhancement Funds
- Tax Collection Rate Analysis
- Property Tax Valuation Analysis

### Required Auditor Communications

### Communication of Internal Control Related Matters

### Schedule of Findings & Responses

### LGC Financial Indicators

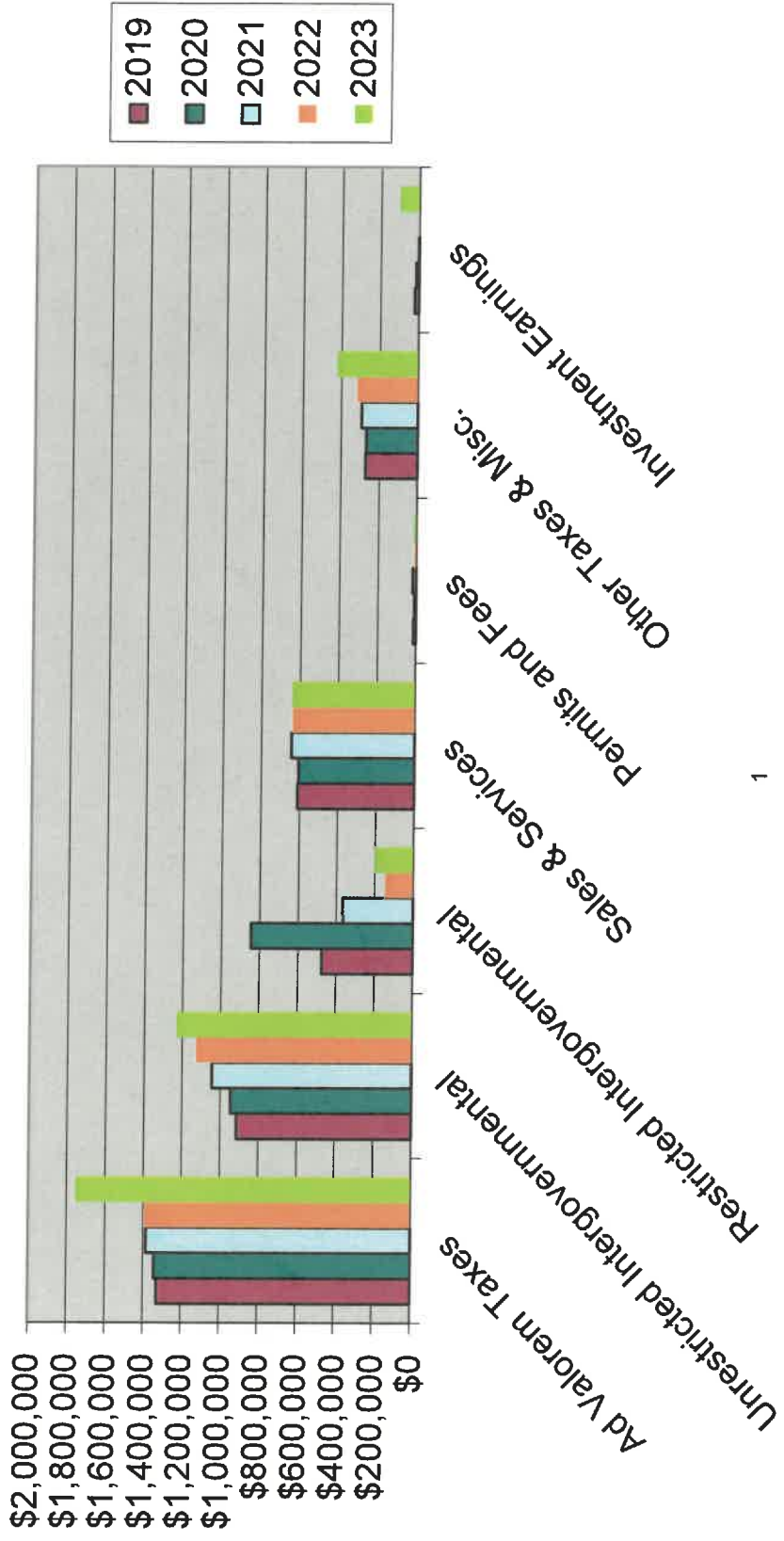


Revenue Analysis

# Town of Erwin

## General Fund Revenue

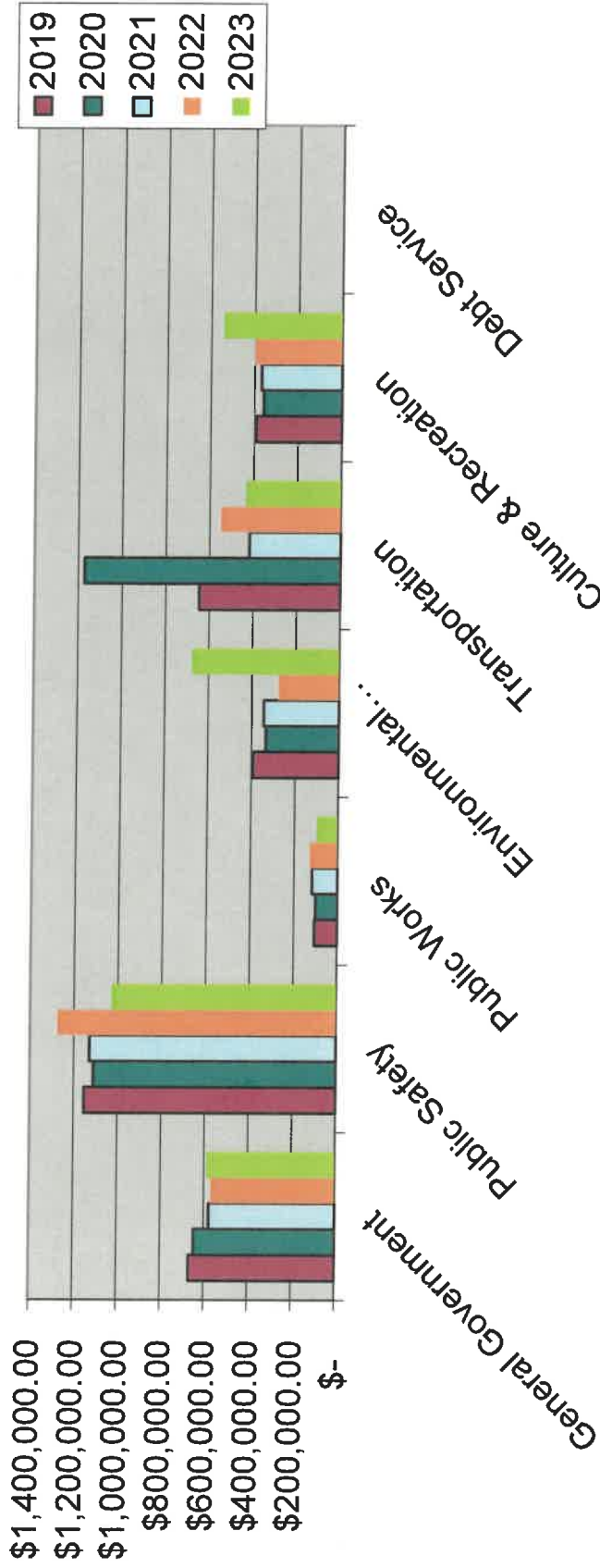
### 5 year comparison





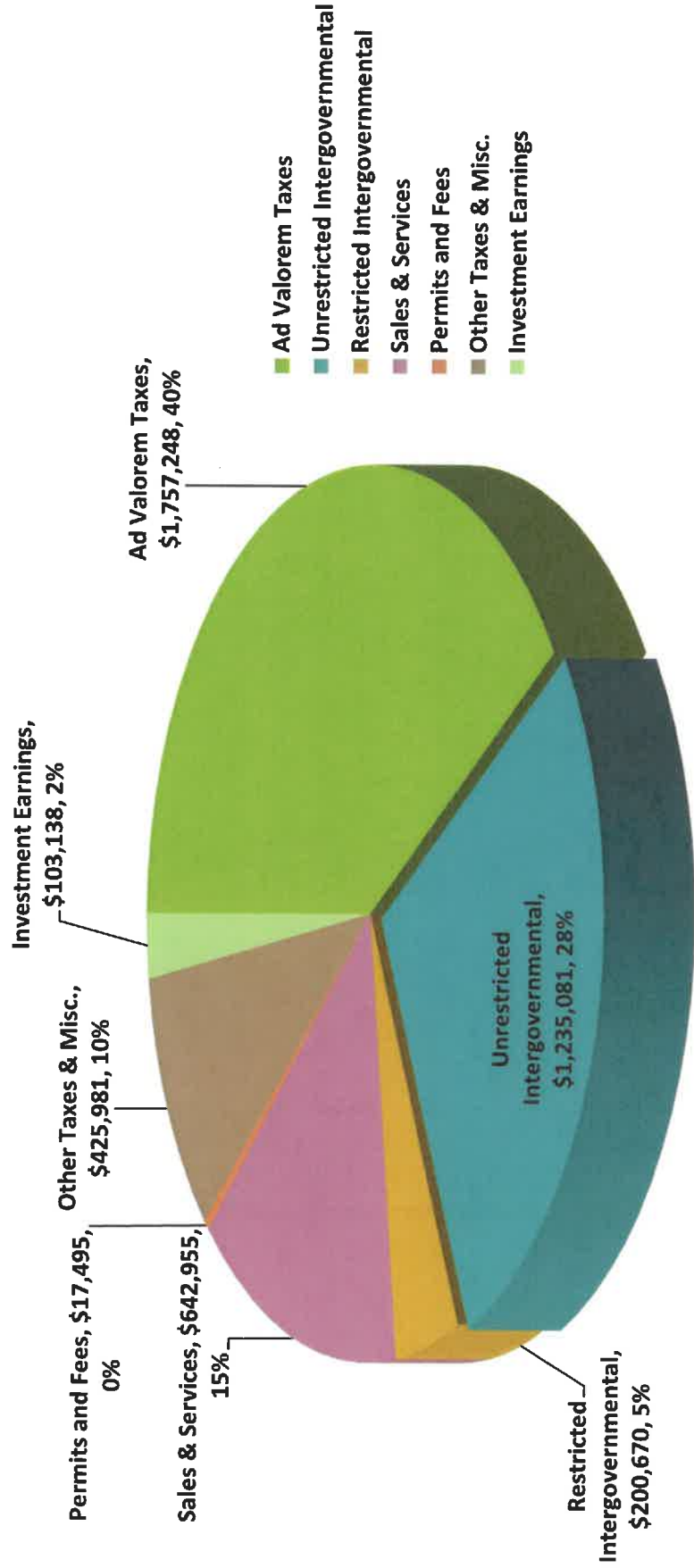
## Expenditures Analysis

### Town of Erwin General Fund Expenditures 5 year comparison





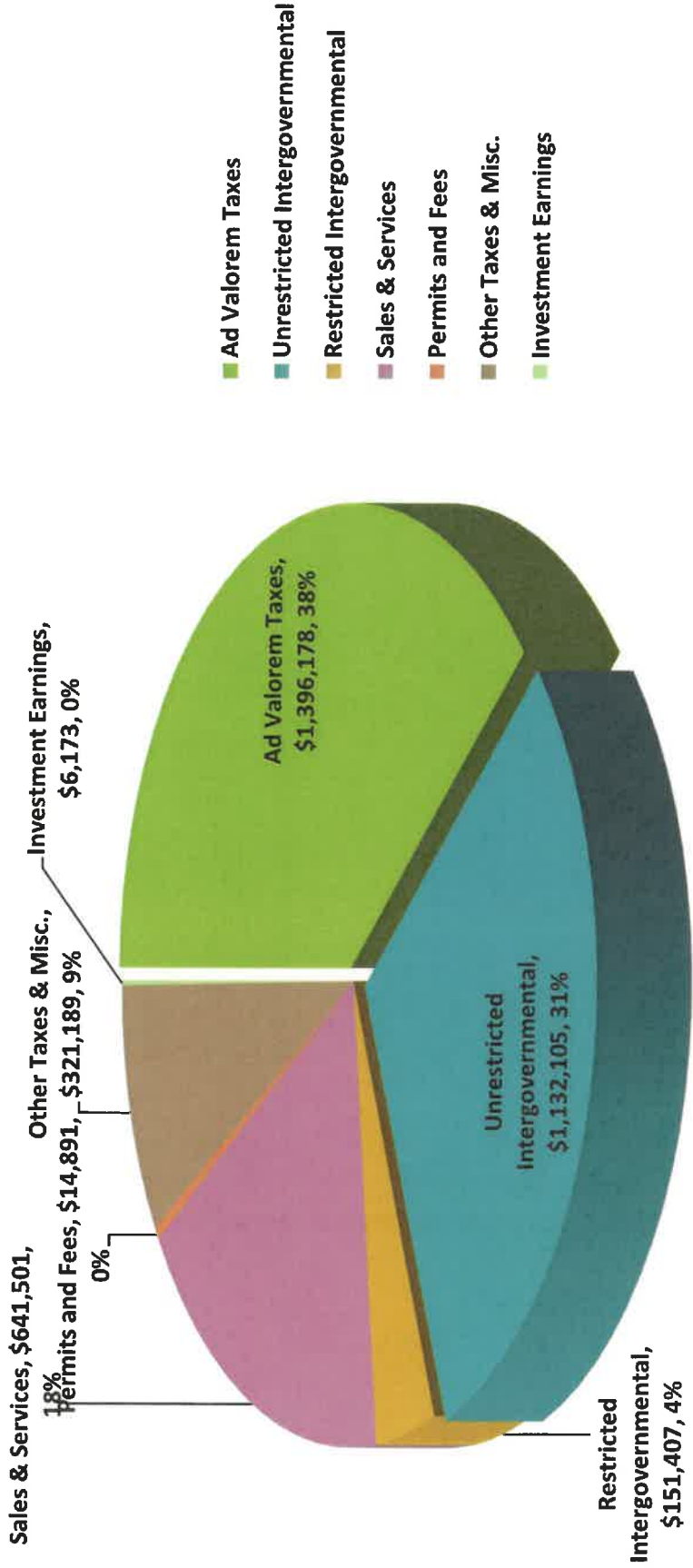
# Town of Erwin 2023 Revenue





Revenue Analysis-Fiscal Year June 30, 2022

# Town of Erwin 2022 Revenue

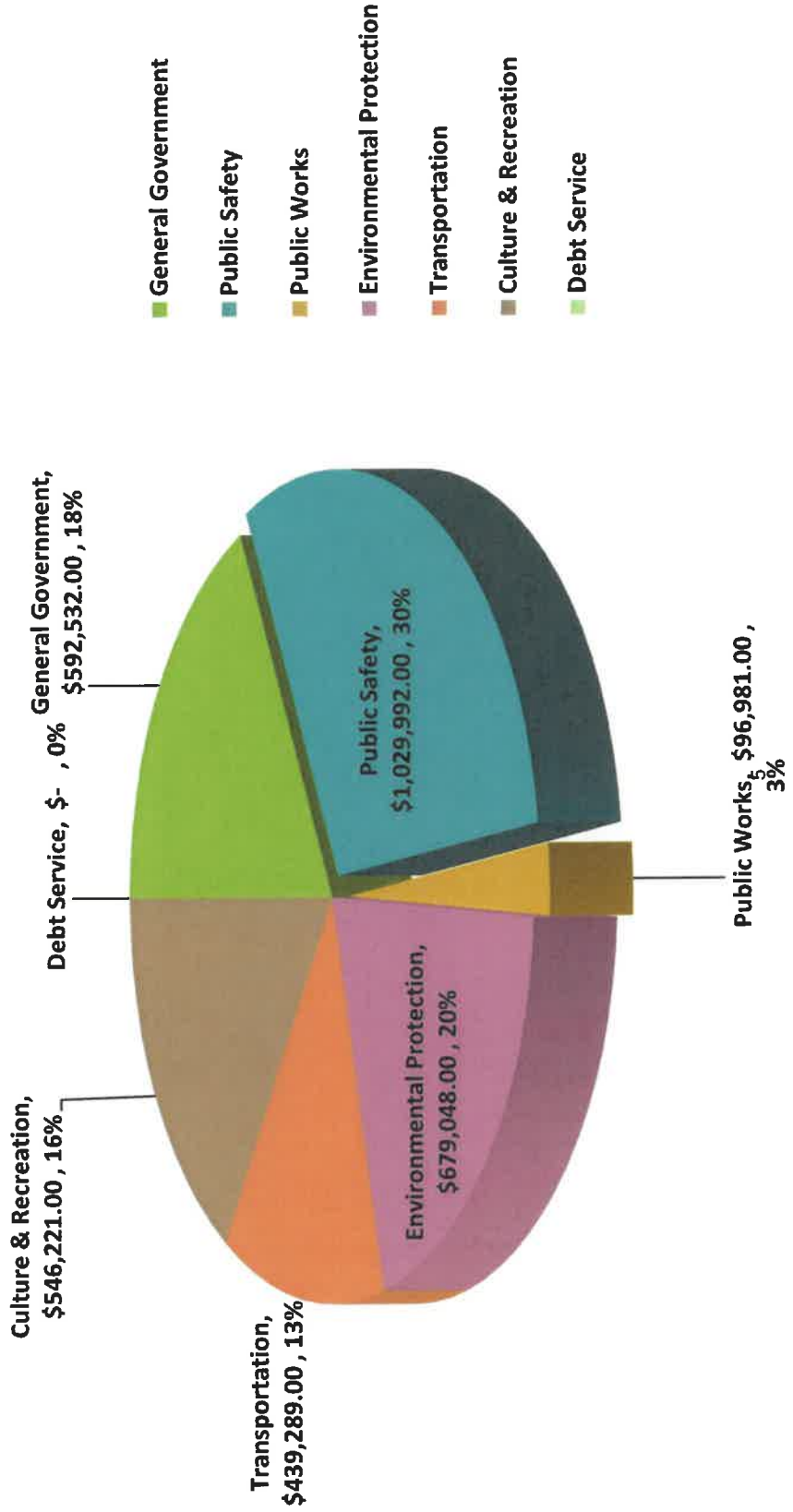






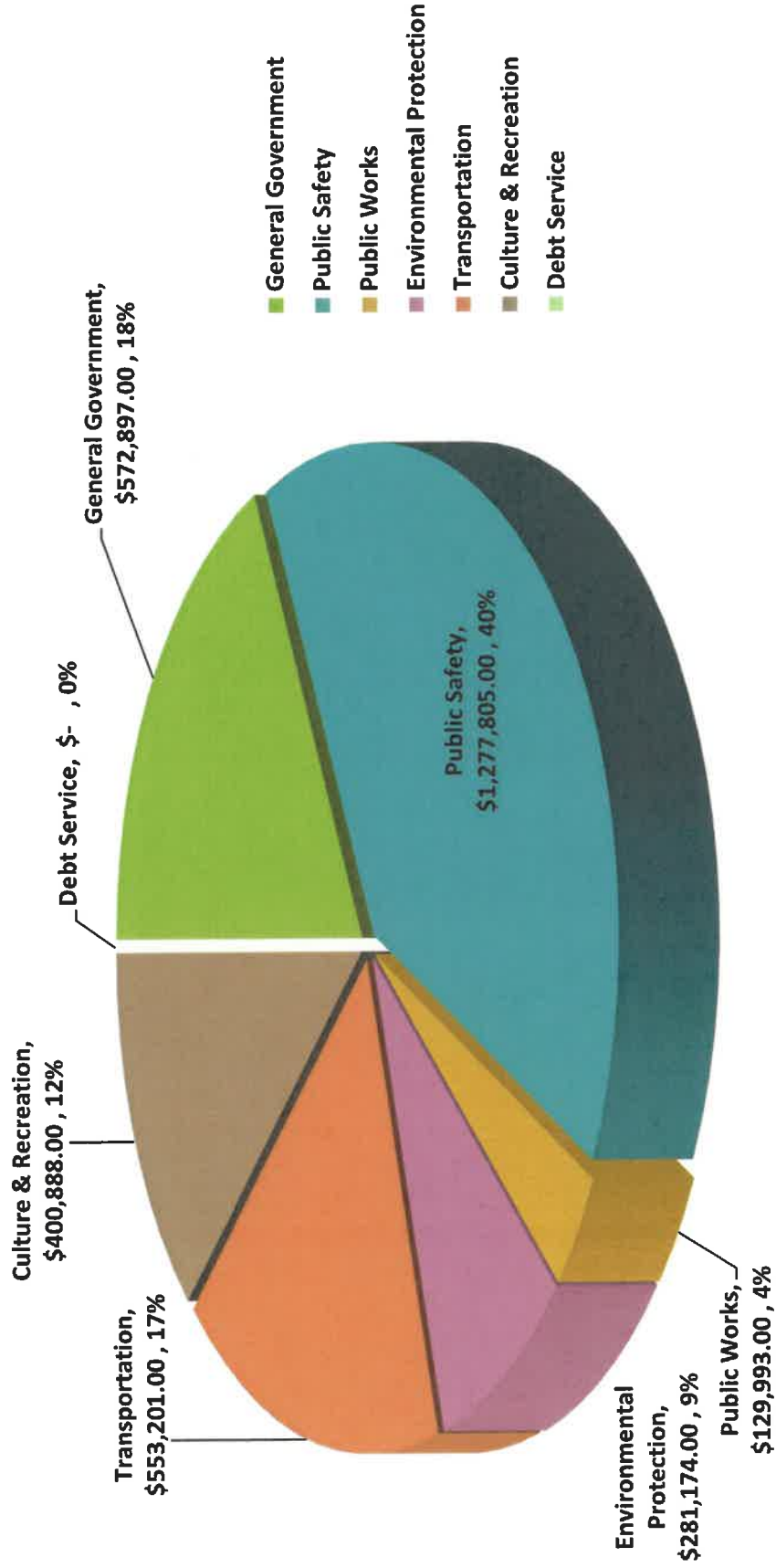
# Expenditures Analysis-Fiscal Year June 30, 2023

## Town of Erwin 2023 Expenditures



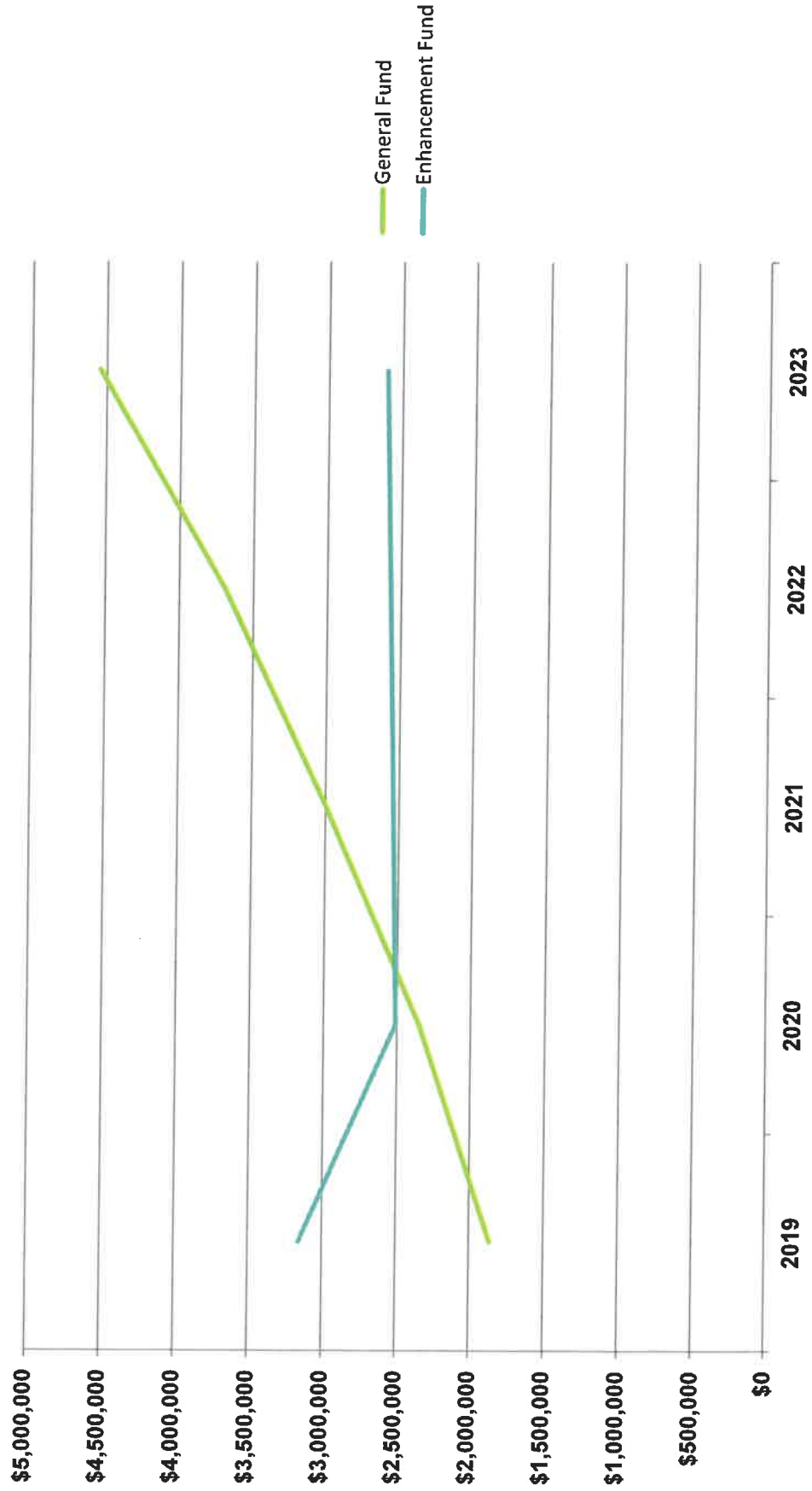


# Town of Erwin 2022 Expenditures



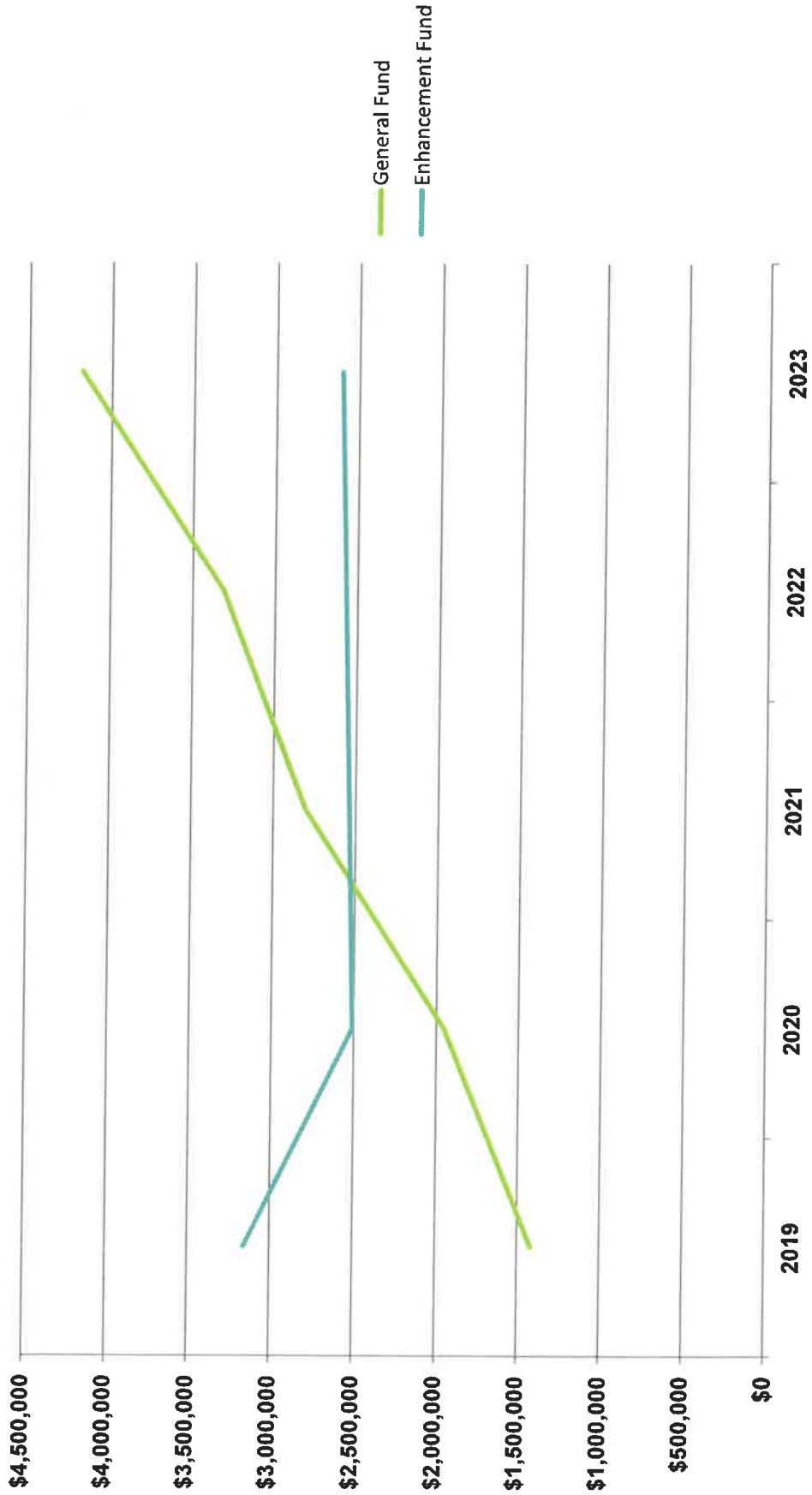


## Cash Analysis-General Fund and Capital Enhancement Fund





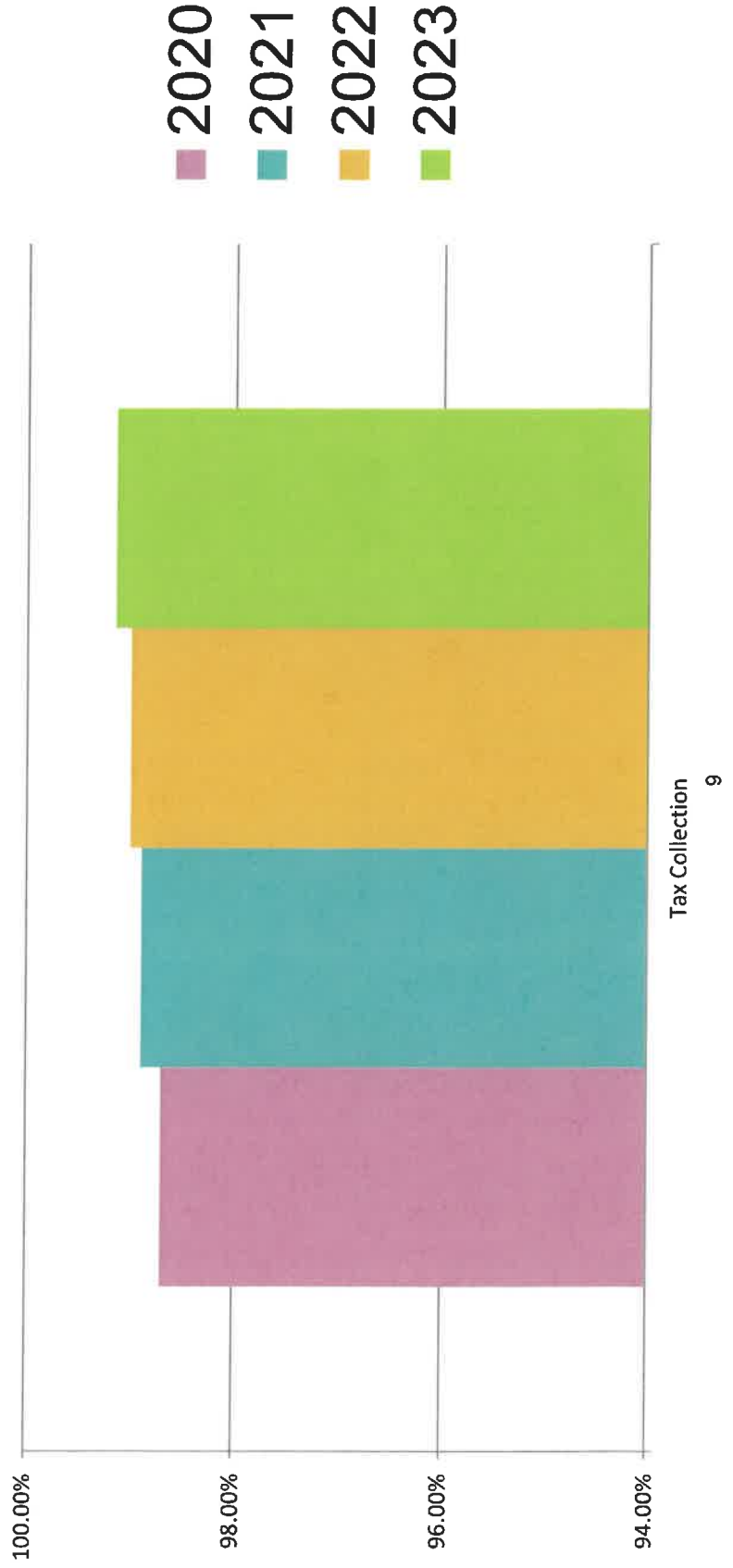
## Fund Balance Analysis-General Fund and Capital Enhancement Fund





## Tax Collection Rate Analysis

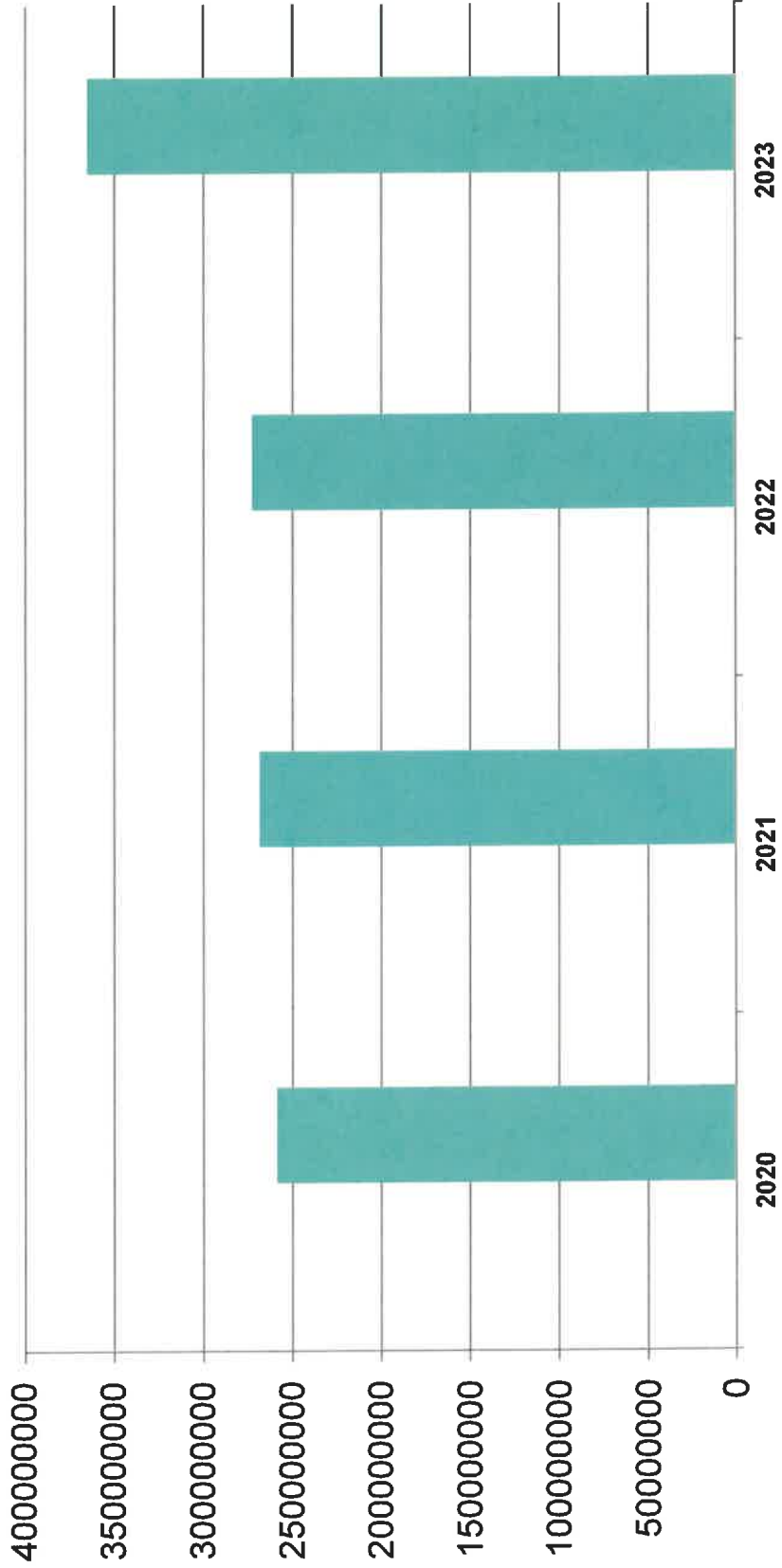
### Town of Erwin Tax Collection Rate 4 year comparison





## Property Tax Valuation Analysis

### Town of Erwin Property Tax Valuation



TOWN OF ERWIN

ERWIN, NORTH CAROLINA

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# Required Auditor Communications

Town of Erwin  
Fiscal Year June 30, 2023







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Required Auditor  
Communications

Communication of Internal  
Control Related Matters

Schedule of Findings & Responses



## Required Auditor Communications

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Area	Comments
<b>Our Responsibility under Generally Accepted Auditing Standards</b>	<ul style="list-style-type: none"><li>● Express opinion on these financial statements in conformity with generally accepted accounting principles.</li><li>● Plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.</li><li>● Determine audit procedures based upon our risk assessment of material misstatement and evaluation of internal control.</li><li>● Evaluating appropriateness of accounting policies, reasonableness of significant accounting estimates, and overall presentation of financial statements.</li><li>● Consider the Town's ability to continue as a going concern for a reasonable period of time.</li><li>● Communicating significant matters to management.</li><li>● Accumulate all known and likely misstatements identified and communicate them to appropriate level of management.</li><li>● We have no responsibility to perform procedures beyond those related to the financial statements.</li></ul>
<b>Planned scope and timing of the audit</b>	<ul style="list-style-type: none"><li>● Perform the audit according to our letter to you dated May 1, 2023. (Copy available at your request.)</li></ul>



## Required Auditor Communications

Area	Comments
<b>Significant accounting policies</b>	<ul style="list-style-type: none"><li>● Management is responsible for selecting and implementing appropriate accounting policies.</li><li>● See Note 1 to the financial statements.</li><li>● No transactions entered into for which there was a lack of authoritative guidance.</li><li>● Significant policies are listed in detail in the notes section. There are no unusual policies.</li></ul>
<b>Adoption or change in accounting policies</b>	<ul style="list-style-type: none"><li>● None.</li></ul>
<b>Significant accounting estimates</b>	<ul style="list-style-type: none"><li>● Based on management's knowledge/experience.</li><li>● Significant estimates include uncollectable accounts, based on prior year write offs.</li><li>● Estimates are reasonable.</li></ul>
<b>Significant disclosures</b>	<ul style="list-style-type: none"><li>● Disclosures are neutral, consistent, and clear.</li></ul>
<b>Difficulties encountered in Performing the audit</b>	<ul style="list-style-type: none"><li>● No significant difficulties performing the audit.</li></ul>
<b>Disagreements with management</b>	<ul style="list-style-type: none"><li>● No such disagreements arose during the course of the audit.</li></ul>
<b>Corrected/uncorrected misstatements</b>	<ul style="list-style-type: none"><li>● No uncorrected audit adjustments.</li><li>● Management reviewed and accepted responsibility for all proposed adjusting entries.</li></ul>



## Required Auditor Communications

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<b>Area</b>	<b>Comments</b>
<b>Management representation</b>	<ul style="list-style-type: none"><li>● Management signed those representations on November 14, 2023. (Copy available at your request)</li></ul>
<b>Consultations with other accountants</b>	<ul style="list-style-type: none"><li>● None to our knowledge.</li></ul>
<b>Other issues</b>	<ul style="list-style-type: none"><li>● Discussed application of accounting principles and auditing standards prior to retention but not as a condition to our retention.</li></ul>
<b>Other findings and comments</b>	<ul style="list-style-type: none"><li>● See compliance section of audit.</li><li>● Local Government Commission's financial indicators</li></ul>



## Communication of Internal Control Related Matters

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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 Town Council  
Town of Erwin, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Erwin, North Carolina, as of and for the year ended June 30, 2023, and related notes to the financial statements, which collectively comprises the Town of Erwin's basic financial statements, and have issued our report thereon dated November 14, 2023.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Erwin's internal control over financial reporting (internal control) as a basis for designing 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 Erwin'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 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 the 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency, 2023-001.



## Communication of Internal Control Related Matters

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### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Erwin'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*.

### **Town of Erwin's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town of Erwin's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 result 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*

Elizabethtown, North Carolina

November 14, 2023



## Schedule of Findings and Responses

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### Section I. Summary of Auditor's Results

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#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP:  
Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?                     yes    no
- Significant Deficiency(s) identified?                 yes    none reported

Noncompliance material to financial  
statements noted?     yes    no



## Schedule of Findings and Responses

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### Section II – Financial Statement Findings

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#### SIGNIFICANT DEFICIENCIES

##### 2023 – 001 Segregation of Duties

**Criteria:** The assignment of responsibilities should be segregated so that one person is not responsible for the authorization and recording of a transaction and the custody of the related asset. There needs to be a reconciliation or control activity to provide reasonable assurance that transactions are handled appropriately.

**Condition:** Key duties and functions are not segregated amount Town personnel. This is especially a concern in cash management, accounts receivable, purchasing, and payroll functions in all departments.

**Effect:** Transactions could be mishandled, due to errors or fraud that could lead to loss of assets or the reporting of misleading financial information.

**Cause:** There are a limited number of personnel for certain functions and lack of board oversight.

**Identification of a repeat finding:** This is a repeat finding from the immediate previous audit, 2022-001.

**Recommendation:** The duties should be separated as much as possible, by possibly training and utilizing non-financial personnel and utilizing alternative controls. The governing board should provide some of these controls.

**Views of responsible officials and planned corrective actions:** The Town agrees with this finding and will adhere to the correction action plan on page in this audit report.



## PERFORMANCE INDICATORS

The self-reported information from your unit's audit report was used to generate the following trends and performance indicators. We have created this Performance Indicator tab to make these indicators available to auditors and local governments when your audit is conducted. If any unit's results are shaded red, the unit must submit a "response to the Auditor's Findings, Recommendations, and Fiscal Matters" within 60 days from the auditor's board presentation. The response must address all performance indicators shaded in red.

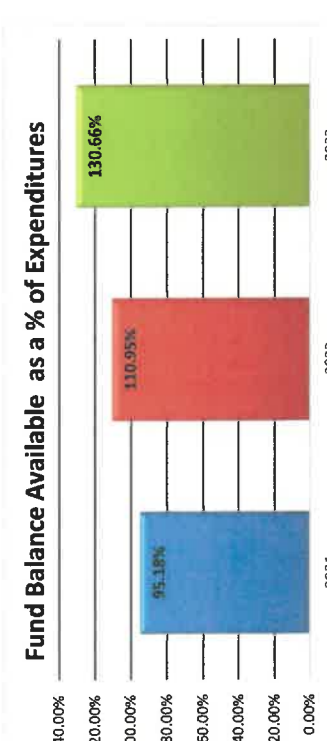
<b>Unit Name:</b>	<b>Erwin</b>	Fiscal Year 2023	
<b>Unit Number:</b>	<b>50126</b>		Explanation of Performance Indicator

In the past, units of government have been grouped by population to evaluate ratios and benchmarking (including Fund Balance Available). Beginning with fiscal year 2020, we have grouped units by General Fund expenditures for purposes of evaluating the minimum amount of fund balance a unit needs to operate. A unit's General Fund expenditures proved to be a better correlation to the amount of funds balance needed to operate, especially for units with large higher education or tourism populations. Activity from Debt Service Funds (if applicable) is included in the calculation because these funds typically originate from the General Fund and are transferred to a Debt Service Fund. The table below lists the thresholds that are used in the analysis of your unit's fiscal health. These thresholds were determined based on an analysis of previous years general fund activity. These thresholds will be monitored and updated as applicable.

Municipalities			
	Median FBA as % of Expenditures without Powell Bill	Minimum Thresholds FBA as % of Expenditures	# of Months FBA using Annualized Expenditures
<b>General Fund Expenditures below:</b>			
\$100,000	260%	100%	12.00
\$100,000 to \$999,999	132%	71%	8.52
\$1,000,000 to \$9,999,999	63%	34%	4.08
Above \$10,000,000	46%	25%	3.00
Counties			
	Median FBA as % of Expenditures without Powell Bill	Minimum Thresholds FBA as % of Expenditures	# of Months FBA using Annualized Expenditures
<b>General Fund Expenditures below:</b>			
Below \$100,000,000	39%	20%	2.40
\$100,000,000 and above	32%	16%	1.92

Units of government are grouped by general fund expenditures for purposes of evaluating available fund balance as a percentage of expenditures (GF FBA%). Each grouping category has its own minimum threshold. If you are in the lower quartile your GF FBA% might be considered a performance indicator of concern and you might be asked to communicate to us. To the left are the minimum thresholds for Municipalities and Counties.

<b>GENERAL FUND:</b> As of the publication date of this workbook, prior year self-reported numbers may not been received by the LGC staff, please contact LGC staff at <a href="mailto:lgcaudit@nctreasurer.com">lgcaudit@nctreasurer.com</a> to have the prior year's financial data populated on this worksheet. Please include in email subject "Prior Year Financial Data."	Minimum Threshold	Unit Results
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	<p>Unit Name: <b>Erwin</b></p> <p>Unit Number: <b>50126</b></p>	<p style="text-align: center;"><b>Fiscal Year 2023</b></p>	<p style="text-align: center;"><b>Explanation of Performance Indicator</b></p>								
1.	<p style="text-align: center;"><b>Fund Balance Available as a % of Expenditures</b></p>  <table border="1" data-bbox="162 1155 487 1890"> <thead> <tr> <th>Year</th> <th>Fund Balance Available as a % of Expenditures</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>95.18%</td> </tr> <tr> <td>2022</td> <td>110.95%</td> </tr> <tr> <td>2023</td> <td>130.66%</td> </tr> </tbody> </table>	Year	Fund Balance Available as a % of Expenditures	2021	95.18%	2022	110.95%	2023	130.66%	<p>34% -- Average of similar units is 63%</p> <p style="text-align: right;">130.66%</p>	<p>Fund balance available for appropriation is an important reserve for local governments to provide cash flow during periods of declining revenues and to be used for emergencies and unforeseen expenditures. The information to the left indicates the amount of available cash on hand. You will also see the average for units of your size. <b>Note that 8.33% represents enough fund balance to cover only one month of expenditures.</b> Normally, a unit has to either increase revenues or decrease expenditures to increase fund balance available.</p> <p>This calculation looks at fund balance available plus debt service fund balance (if applicable) less Powell Bill restricted fund balance. This number is then divided by the total of total expenditures plus transfers out less bond proceeds and less amount expended for Powell Bill Expenditures.</p>
Year	Fund Balance Available as a % of Expenditures										
2021	95.18%										
2022	110.95%										
2023	130.66%										

Unit Name: Unit Number:	Erwin 50126	Fiscal Year 2023		Explanation of Performance Indicator
		Minimum Threshold	Unit Results	
GENERAL FUND:				
2.	There was appropriated fund balance for the General Fund in the 2023 budget <u>AND</u> your change in fund balance was negative. Please state if fund balance was used for operations or capital purposes in account 590 on the <a href="#">Unit Data from Audit Worksheet</a> .	Positive Change in Fund Balance	FALSE	If the General Fund has more expenditures than revenues because of operational issues and fund balance was appropriated to cover the loss, the continuation of this practice could result in deterioration of a unit's fund balance available.
3.	The General Fund had total fund balance less than zero - Fund Deficit	Positive Fund Balance	\$4,931,750	The General Fund has a fund deficit which means that the unit's revenues and other receipts are inadequate to support its operations. G.S. 159 13(b)(2) requires that the board fund the full amount of a prior fiscal year's deficit in the current fiscal year's budget. Therefore, this deficit should have been funded immediately after the June 30, fiscal year-end. The law requires such action be taken to stop any further deterioration of the overall financial condition of the fund. Please let us know if the deficit was funded in the budget, and what actions the unit plans to take to bring the general fund balance up to an acceptable level.

	Unit Name: Erwin		Fiscal Year 2023	Explanation of Performance Indicator
	Unit Number: 50126			
GENERAL PERFORMANCE INDICATORS:				
12	What date was the audit report submitted to the LGC? (Note audit reports are due four months after fiscal year end regardless of the contract submission date.)	2023 11/30/2023	Target Response Not Required	As stewards of the public's resources, the governing body is responsible for ensuring that the audited financial statements are available to the public in a timely manner. External groups such as the North Carolina General Assembly, federal and State agencies that provide funding, and other public associations need current financial information about your local government as well.
13	The budgeted ad valorem tax (including motor vehicles) for the General Fund had more than 3% uncollected for the fiscal year audited. Decreases are shown by a negative percentage.	2023 3.02%	Target Less than 3%	This indicator shows that the local government did not collect 3% (or more) of its budgeted ad valorem taxes. This could be an indicator of negative economic events, inaccurate budgeting, and/or issues with the collection process. Uncollected revenues at the 3% level represent several pennies of the tax rate.
14	You indicated that you expect a decrease in property value for your next property revaluation. In your FPIC Response Letter please discuss the magnitude of the drop in valuation, the overall cause of the drop and how you plan to recover the lost revenues.	2023 N/A	Target Any estimated decrease	You indicated that you expect a decrease in property value for your next property revaluation which could result in lost tax revenue.
15	Did your audit disclose any budget violations at the adopted ordinance level? (Yes or No)	2023 No	Target No over-expenditures	The unit has expenditures that exceed the legal budget ordinance. This indicates that the unit's purchase order system, contract approval process and / or payment process is not in compliance with North Carolina General Statute 159.
16	The Unit had material weaknesses, significant deficiencies, statutory violations and/or items identified on the TD Info Completed by Auditor tab that should be addressed in the FPIC Response Letter.	2023 No	Target	This indicator identifies whether the unit has any material weaknesses, significant deficiencies, management letter comments or items identified on the TD Info Completed by Auditor tab including 1055, 1056, 1058, 955 and 957, that require a response.
17	Did the unit have a board-appointed finance officer or board-appointed interim finance officer the entire fiscal year as required by G.S. 159-24 which provides that "each local government and public authority shall, at all times, have a finance officer appointed by the local government, public authority, or designated official to hold office at the pleasure of the appointing board or official?" (Yes or No)	Yes	Yes	The indicator is to determine if any time during the fiscal year, the unit was without a board-appointed finance officer.

	Unit Name:		Fiscal Year 2023	Explanation of Performance Indicator
	Erwin			
	Unit Number:			
	50126			
18	<p>Was the finance officer or interim finance officer bonded pursuant to G.S. 159-29 which requires that the finance officer give a true accounting and faithful performance bond in an amount not less than the greater of (1) \$50,000 or (2) an amount equal to 10% of the unit's annually budgeted funds, up to \$1,000,000? (Yes or No)</p>		Yes	The indicator is to determine if at any time during the fiscal year, the unit was without a bonded, board-appointed finance officer as required by G.S. 159-29.

Unit Name:		Erwin		Fiscal Year 2023		Explanation of Performance Indicator
Unit Number:		50126		Target		
GENERAL PERFORMANCE INDICATORS:						
		2023	Target			
19	The unit had problems with debt service payments being late and/or did not comply with the bond covenants.	N/A		N/A		This indicator advises whether or not the unit has issues with debt service payments or bond covenants.
20	Electric transfers-out have exceeded the amounts described in GS 159B-39. If your unit is a member of the North Carolina Eastern Municipal Power Agency it appears you have violated the GS. OR If you are not a member of the Eastern Municipal Power Agency it appears that you have violated your unit's transfer policy.	No		No		This indicator advises if there were electric transfers in violation of G.S. 159B-39 or in violation of the unit's transfer policy.
21	Are there additional issues the unit should address that affect the fiscal health or internal controls of the unit that were communicated to the unit during the audit presentation? Please include details of the issue in cell J46 to the right and in your FPIC Response.	No		No		<b>This indicator advises if any other issues that the unit should address in the FPIC response letter.</b>

**TOWN OF ERWIN  
ERWIN, NORTH CAROLINA  
FINANCIAL STATEMENTS  
June 30, 2023**





TOWN OF ERWIN, NORTH CAROLINA  
FINANCIAL STATEMENTS  
June 30, 2023

Randy L. Baker, Mayor

BOARD OF COMMISSIONERS

Charles L. Byrd  
Ricky Blackmon  
Alvestor L. McKoy

Billy Turnage  
David L. Nelson  
Timothy D. Marbell

TOWN OFFICERS

Linda P Williams  
Finance Director

Snow Bowden, Town Manager

Lauren Evans  
Town Clerk

Tim Morris  
Attorney

TOWN OF ERWIN, NORTH CAROLINA  
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## FINANCIAL SECTION





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Gregory S. Adams, CPA  
Alan W. Thompson, CPA

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### **Independent Auditor's Report**

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

#### **Report on the Audit of the 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 Erwin, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town'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 the Town of Erwin as of June 30, 2023, and the respective changes in financial position, thereof and the respective budgetary comparisons for the General Fund and the Community Enhancement 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 Erwin 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 Erwin'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 Erwin'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 Erwin'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 (pages 4 through 9) and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions (pages 38 and 39) the Other Post Employment Benefit (pages 40 and 41) and Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions (page 42) respectively be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a required 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. 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 consisted 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 Erwin'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 November 14, 2023 on our consideration of the Town of Erwin'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 Erwin'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 Erwin's internal control over financial reporting and compliance.

*Thompson, Price, Scott, Adams & Co., PA*

Elizabethtown, North Carolina

November 14, 2023

TOWN OF ERWIN

ERWIN, NORTH CAROLINA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Erwin, we offer readers of the Town of Erwin's (The "Town") financial statements this narrative overview and analysis of the financial activities of the Town of Erwin for the fiscal year ended June 30, 2023. 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

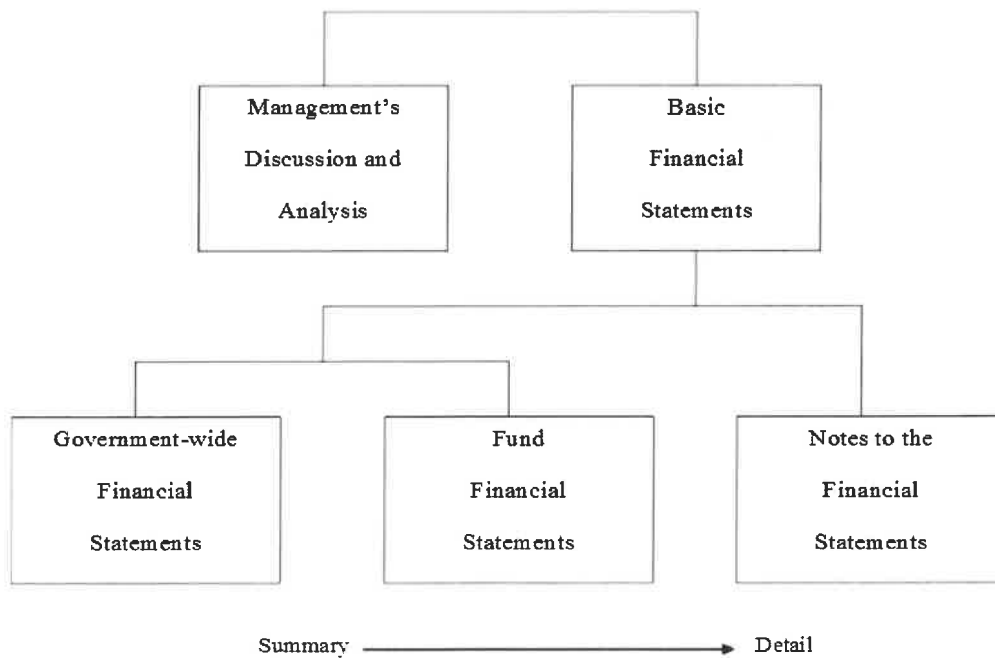
- The assets and deferred outflows of resources of the Town of Erwin exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$10,834,628 (*net position*).
- The government's total net position increased by \$1,311,130 primarily due to increases in the governmental activities net position.
- As of the close of the current fiscal year, the Town's governmental funds reported ending fund balances of \$8,113,392 an increase of \$1,070,950. Approximately 11 percent of this total amount, or \$870,804 is nonspendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,196,135 or 124 percent of total general fund expenditures for the fiscal year.
- The Town of Erwin's long term debt consists of compensated absences, other post-employment obligation and pension obligations.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town of Erwin'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 Erwin.

### 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 details about the Town's individual funds. Budgetary information required by the North Carolina General Statutes also can 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 of Erwin'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 of resources 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 have only one category: 1) governmental activities. The governmental activities include all of the Town's basic services such as public safety, environmental protection, transportation, parks and recreation, and general administration. Property taxes, sales 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 of Erwin'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 Erwin, 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 General Statutes or the Town's budget ordinance. All of the funds of Town of Erwin can be divided into one category: governmental funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All 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.

Management Discussion and Analysis  
**Town of Erwin**

The Town of Erwin 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 begin on page 19 of this audit report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Erwin’s progress in funding its obligation to provide various benefits to its employees. Required supplementary information can be found beginning on page 38 of this report.

**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**

**Town of Erwin’s Net Position  
 Figure 2**

	Governmental Activities	
	2023	2022
<b>Assets</b>		
Current and other assets:	\$ 9,340,516	\$ 8,173,361
Capital Assets	4,284,252	3,898,471
Total assets	<u>13,624,768</u>	<u>12,071,832</u>
<b>Deferred Outflows of Resources</b>	<u>867,400</u>	<u>615,943</u>
<b>Liabilities</b>		
Long-term liabilities outstanding	1,930,075	1,318,048
Other liabilities	1,164,887	1,008,591
Total liabilities	<u>3,094,962</u>	<u>2,326,639</u>
<b>Deferred inflows of resources</b>	<u>562,578</u>	<u>837,638</u>
<b>Net Position</b>		
Net Investment in Capital Assets	4,284,252	3,898,471
Restricted	859,686	744,441
Unrestricted(Deficit)	5,690,690	4,880,586
Total Net Position	<u>\$ 10,834,628</u>	<u>\$ 9,523,498</u>

Management Discussion and Analysis  
**Town of Erwin**

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 resources of the Town of Erwin exceeded liabilities and deferred inflows of resources by \$10,834,628 as of June 30, 2023. The Town's net position increased by \$1,311,130 for the fiscal year ended June 30, 2023. However, a portion, \$4,284,252 (40%), reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Erwin uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Erwin's net investment in 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 Erwin's net position of \$859,686 (8%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$5,690,690 (52%) is unrestricted.

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

- Revenues increased including ad valorem taxes after the county revaluation and grant revenue.
- Expenditures remained steady.

**Town of Erwin's Changes in Net Position**  
**Figure 3**

	Governmental Activities	
	2023	2022
Revenues		
Program Revenues		
Charges for Services	\$ 702,374	\$ 679,806
Grants and Entitlements	899,866	444,006
General Revenue		
Property Taxes	1,767,254	1,408,111
Grants and contributions not restricted to specific programs	1,235,081	1,132,105
Other Taxes	372,981	287,036
Investment Earnings	118,307	10,896
Other	53,000	42,904
Total Revenues	<u>5,148,863</u>	<u>4,004,864</u>
Expenses		
General Government	767,106	359,370
Public Safety	1,462,833	1,164,602
Transportation	760,495	943,202
Environmental Protection	299,340	281,174
Cultural and Recreation	547,959	468,696
Total Expenses	<u>3,837,733</u>	<u>3,217,044</u>
Increase(Decrease) in Net Position	<u>1,311,130</u>	<u>787,820</u>
Net Position, beginning	<u>9,523,498</u>	<u>8,735,678</u>
Net Position, ending	<u>\$ 10,834,628</u>	<u>\$ 9,523,498</u>

**Governmental Activities** - Governmental activities increased the Town of Erwin's net position by \$1,311,130, thereby accounting for all of the increase in the net position of the Town of Erwin. Key elements of the increase were mentioned above.

Management Discussion and Analysis  
**Town of Erwin**

**FINANCIAL ANALYSIS OF THE TOWN’S FUNDS**

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

**Governmental Funds.** The focus of the Town of Erwin’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 Erwin’s financing requirements.

The general fund is the chief operating fund of the Town of Erwin. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,196,135, while total fund balance reached \$4,931,750.

At June 30, 2023, the governmental funds of Town of Erwin reported a combined fund balance of \$8,113,392 with a net increase in fund balance of \$1,070,950. Included in this change in fund balance is an increase in fund balance of the General Fund.

**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 Erwin’s investment in capital assets for its governmental activities as of June 30, 2023, totals \$4,284,252 (net of accumulated depreciation). These assets include buildings, machinery and equipment, and vehicles.

Major capital asset transactions during the fiscal year include the following:

- Park parking lot improvements.
- The addition of various equipment including leaf trucks.

**Town of Erwin’s Capital Assets  
(net of depreciation)  
Figure 4**

	Governmental Activities	
	2023	2022
Land	\$ 191,207	\$ 191,207
Construction in Progress	659,534	659,534
Buildings and Improvements	1,382,499	1,457,995
Equipment	8,347	-
Vehicles and Motor Equipment	718,745	424,174
Infrastructure	1,096,657	1,103,904
Land Improvements	227,263	61,657
	\$ 4,284,252	\$ 3,898,471

Additional information on the Town’s capital assets can be found beginning on page 25 of the Basic Financial Statements.

Management Discussion and Analysis  
**Town of Erwin**

**Long-term Debt.** As of June 30, 2023, the Town of Erwin has no outstanding debt.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Erwin is \$29,224,376. The Town did not issue any bonds during the fiscal year 2023-2024. Additional information regarding the Town's long-term debt can be found beginning on page 36.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following key economic indicators reflect the growth and prosperity of the Town of Erwin.

- The Town of Erwin's capability to grow its tax base while implementing a fiscally conservative policy has allowed the tax rate to remain consistent, although the County Revaluation has increased the overall tax base with increases to property values within the Town, and serves as an indicator of the progressing economy in Erwin. The upcoming year's tax rate was lowered to \$0.48 and remained the same \$.095 the fire protection rate.
- During the year there were some small commercial property annexations. It is anticipated for the annexation of additional commercial properties and a 55-acre tract for residential homesites.
- The Town of Erwin must seek to diversify its economy and move from its roots of manufacturing reliance. Efforts are underway to expand and enhance the commercial growth corridor of 421 as well as a downtown revitalization initiative.

The Town will continually need to closely examine all areas of revenues and expenditures as part of standard operations of procedure to increase unrestricted revenue.

**BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2024**

**Governmental Activities – General Fund**

The Town of Erwin did lower the ad valorem tax rate with the 2023-2024 adopted budget. Due to external economic factors, the Town of Erwin does not expect increases in the collection of revenues from state shared sales or franchise taxes. The lack of expected increases is anticipated to lead to the sustaining of budgeted revenue for the fiscal year ending June 30, 2024. The Town will use these revenues to finance programs currently in place.

Budgeted expenditures in the General Fund are expected to remain relatively consistent with previous levels due to continued and focused efforts by management to contain expenses and continue to deliver necessary services.

**REQUESTS FOR INFORMATION**

This report is designed to provide an overview of the Town of Erwin'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 Snow Bowden, Town Manager, Town of Erwin, P.O. Box 459, Erwin NC 28339. Mr. Bowden can be reached by e-mail at [townmanager@erwin-nc.org](mailto:townmanager@erwin-nc.org) or by telephone at (910) 897-5140. Additional information about the unit may be obtained from the Town of Erwin website at [www.erwin-nc.org](http://www.erwin-nc.org).



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## Basic Financial Statements

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Town of Erwin, North Carolina  
**Statement of Net Position**  
June 30, 2023

Exhibit 1

	Governmental Activities
<b>Assets</b>	
Current assets:	
Cash & cash equivalents	\$ 7,589,774
Restricted cash	1,156,114
Taxes receivable (net)	30,375
Accrued interest receivable on taxes	4,529
Accounts receivable (net)	649
Lease Receivable	20,510
Due from other governments	416,171
Total current assets	9,218,122
Non-current Assets:	
Lease Receivable	122,394
Capital Assets:	
Land and nondepreciable improvements	850,741
Other capital assets, net of depreciation	3,433,511
Total capital assets	4,284,252
Total Non-current Assets	4,406,646
Total Assets	13,624,768
<b>Deferred Outflows of Resources</b>	
Pension deferrals	648,713
OPEB deferrals	218,687
Total Deferred Outflows of Resources	867,400
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued liabilities	224,561
Unearned revenue	833,979
Current portion of long-term debt	106,347
Long-term Liabilities:	
Net pension liability-LGERS	879,499
Total OPEB liability	720,572
Total pension liability-LEO	330,004
Due in more than one year	-
Total liabilities	3,094,962

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

Town of Erwin, North Carolina  
**Statement of Net Position**  
June 30, 2023

Exhibit 1

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	<u>Governmental Activities</u>
<b>Deferred Inflows of Resources</b>	
Prepaid taxes	1,894
Leases	131,786
Pension deferrals	94,392
OPEB deferrals	<u>334,506</u>
	<u>562,578</u>
<b>Net Position</b>	
Net Investment in capital assets	4,284,252
Restricted for:	
Stabilization by state statute	537,551
Streets	320,059
Cultural and Recreation	-
Public safety	2,076
Unrestricted	<u>5,690,690</u>
Total Net Position	<u>\$ 10,834,628</u>

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

TOWN OF ERWIN

ERWIN, NORTH CAROLINA

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Town of Erwin, North Carolina  
**Statement of Activities**  
For the Year Ended June 30, 2023

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government	\$ 767,106	\$ 41,637	\$ 134,927	\$ -	\$ (590,542)
Public Safety	1,462,833	57,575	344,210	-	(1,061,048)
Transportation	760,495	11,924	278,708	-	(469,863)
Environmental Protection	299,340	521,236	-	-	221,896
Cultural and Recreation	547,959	70,002	67,467	74,554	(335,936)
Total Governmental Activities	<u>\$ 3,837,733</u>	<u>\$ 702,374</u>	<u>\$ 825,312</u>	<u>\$ 74,554</u>	<u>(2,235,493)</u>

General Revenues:

Taxes:

Property taxes, levied for general purpose	1,767,254
Other taxes	372,981
Grants and contributions not restricted to specific programs	1,235,081
Investment earnings, unrestricted	118,307
Miscellaneous, unrestricted	53,000
Total general revenues	<u>3,546,623</u>
Change in net position	<u>1,311,130</u>
Net position - beginning	<u>9,523,498</u>
Net position - ending	<u>\$ 10,834,628</u>

Town of Erwin, North Carolina  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2023

Exhibit 3

	Major Funds					Total Governmental Funds
	General Fund	Al Woodall Park Improvements	American Relief Plan Fund	Community Enhancement Fund	Non-Major Funds	
<b>Assets</b>						
Cash and cash equivalents	\$ 4,543,321	\$ 412,980	\$ -	\$ 2,602,626	\$ 30,847	\$ 7,589,774
Restricted cash	322,135	-	740,865	-	93,114	1,156,114
Receivables (net):						
Taxes	30,375	-	-	-	-	30,375
Accounts	50	-	-	599	-	649
Due from other funds	-	-	-	120,731	-	120,731
Due from other governments	413,430	2,193	-	-	548	416,171
Lease Receivable	-	-	-	142,904	-	142,904
<b>Total assets</b>	<b><u>5,309,311</u></b>	<b><u>415,173</u></b>	<b><u>740,865</u></b>	<b><u>2,866,860</u></b>	<b><u>124,509</u></b>	<b><u>9,456,718</u></b>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	224,561	-	-	-	-	224,561
Unearned revenue	-	-	740,865	-	93,114	833,979
Due to other funds	120,731	-	-	-	-	120,731
<b>Total liabilities</b>	<b><u>345,292</u></b>	<b><u>-</u></b>	<b><u>740,865</u></b>	<b><u>-</u></b>	<b><u>93,114</u></b>	<b><u>1,179,271</u></b>
<b>Deferred inflows of resources</b>						
Property tax receivable	30,375	-	-	-	-	30,375
Prepaid taxes	1,894	-	-	-	-	1,894
Leases	-	-	-	131,786	-	131,786
<b>Total deferred inflows of resources</b>	<b><u>32,269</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>131,786</u></b>	<b><u>-</u></b>	<b><u>164,055</u></b>
<b>Fund Balances:</b>						
Non Spendable						
Leases	-	-	-	11,118	-	11,118
Restricted						
Stabilization by State Statute	413,480	2,193	-	121,330	548	537,551
Streets	320,059	-	-	-	-	320,059
Public Safety	2,076	-	-	-	-	2,076
Committed						
Cultural and Recreation	-	412,980	-	-	30,847	443,827
Capital Projects	-	-	-	2,602,626	-	2,602,626
Assigned						
Subsequent Year						
Expenditures	-	-	-	-	-	-
Unassigned	4,196,135	-	-	-	-	4,196,135
<b>Total fund balances</b>	<b><u>4,931,750</u></b>	<b><u>415,173</u></b>	<b><u>-</u></b>	<b><u>2,735,074</u></b>	<b><u>31,395</u></b>	<b><u>8,113,392</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 5,309,311</u></b>	<b><u>\$ 415,173</u></b>	<b><u>\$ 740,865</u></b>	<b><u>\$ 2,866,860</u></b>	<b><u>\$ 124,509</u></b>	<b><u>\$ 9,456,718</u></b>

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

Town of Erwin, North Carolina  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2023

Exhibit 3, continued

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Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Total Fund Balance, Governmental Funds		8,113,392
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 8,259,849	
Accumulated depreciation	<u>(3,975,597)</u>	4,284,252
Deferred outflows of resources related to pensions are not reported in the funds		648,713
Deferred outflows of resources related to OPEB are not reported in the funds		218,687
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows or resources.		4,529
Earned revenues considered deferred inflows of resources in fund statements.		30,375
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
Compensated absences		(106,347)
Net pension liability		(879,499)
Total OPEB liability		(720,572)
Total pension liability		(330,004)
Deferred inflows of resources related to pensions are not reported in the funds		(94,392)
Deferred inflows of resources related to OPEB are not reported in the funds		<u>(334,506)</u>
Net position of governmental activities	\$	<u><u>10,834,628</u></u>

Town of Erwin, North Carolina  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
For the Year Ended June 30, 2023

Exhibit 4

	Major Funds					Total Governmental Funds
	General Fund	Al Woodall Park Improvements	American Relief Plan fund	Community Enhancement Fund	Non-Major Funds	
<b>Revenues</b>						
Ad valorem taxes	\$ 1,757,248	\$ -	\$ -	\$ -	\$ -	\$ 1,757,248
Other taxes and licenses	372,981	-	-	-	-	372,981
Unrestricted intergovernmental	1,235,081	-	-	-	-	1,235,081
Restricted intergovernmental	200,670	15,554	674,638	-	4	890,866
Permits and fees	17,495	-	-	-	-	17,495
Sales and services	642,955	-	-	24,373	-	667,328
Other revenues	156,138	9,000	-	15,169	17,551	197,858
Total revenues	<u>4,382,568</u>	<u>24,554</u>	<u>674,638</u>	<u>39,542</u>	<u>17,555</u>	<u>5,138,857</u>
<b>Expenditures</b>						
Current:						
General government	592,532	-	134,927	-	4	727,463
Public safety	1,029,992	-	344,063	-	-	1,374,055
Transportation	439,289	-	74,114	-	-	513,403
Public works	96,981	-	54,071	-	-	151,052
Environmental protection	679,048	-	-	-	-	679,048
Cultural and recreation	546,221	-	67,463	-	9,202	622,886
Total expenditures	<u>3,384,063</u>	<u>-</u>	<u>674,638</u>	<u>-</u>	<u>9,206</u>	<u>4,067,907</u>
Revenues over (under) expenditures	<u>998,505</u>	<u>24,554</u>	<u>-</u>	<u>39,542</u>	<u>8,349</u>	<u>1,070,950</u>
Net change in fund balance	998,505	24,554	-	39,542	8,349	1,070,950
Fund balances, beginning	<u>3,933,245</u>	<u>390,619</u>	<u>-</u>	<u>2,695,532</u>	<u>23,046</u>	<u>7,042,442</u>
Fund balances, ending	<u>\$ 4,931,750</u>	<u>\$ 415,173</u>	<u>\$ -</u>	<u>\$ 2,735,074</u>	<u>\$ 31,395</u>	<u>\$ 8,113,392</u>

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



Town of Erwin, North Carolina  
**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balance to the Statement of Activities**  
**Governmental Funds**  
For the Year Ended June 30, 2023

Exhibit 4,  
Continued

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

Net changes in fund balances - total governmental funds	\$	1,070,950
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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.

Capital outlay expenditures that were capitalized		659,618
Depreciation expense for Governmental assets		(273,837)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		140,336
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Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities		20,899
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OPEB Benefit payments paid and administrative expense made in the current year are not included on the Statement of Activities		28,515
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue for tax revenues		10,006

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.

Compensated absences		(30,529)
Pension expenses		(32,651)
Other postemployment benefits expenses		(29,748)
Net pension obligation		<u>(252,429)</u>

Total changes in net position of governmental activities.	\$	<u><u>1,311,130</u></u>
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Town of Erwin, North Carolina  
**Statement of Revenues, Expenditures, and Changes in Fund Balance -**  
**General Fund Budget and Actual**  
For the Year Ended June 30, 2023

Exhibit 5

	General Fund			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,678,171	\$ 1,705,667	\$ 1,757,248	\$ 51,581
Other taxes and licenses	358,158	379,658	372,981	(6,677)
Unrestricted intergovernmental	969,270	1,012,002	1,235,081	223,079
Restricted intergovernmental	150,000	200,000	200,670	670
Permits and fees	13,000	13,500	17,495	3,995
Sales and services	622,006	620,006	642,955	22,949
Other revenues	1,500	47,586	156,138	108,552
Total revenues	<u>3,792,105</u>	<u>3,978,419</u>	<u>4,382,568</u>	<u>404,149</u>
<b>Expenditures:</b>				
Current:				
General government	870,138	744,647	592,532	152,115
Public safety	1,520,527	1,196,464	1,029,992	166,472
Transportation	600,721	538,707	439,289	99,418
Public works	179,529	183,458	96,981	86,477
Environmental protection	751,244	751,244	679,048	72,196
Cultural and recreation	571,580	590,899	546,221	44,678
Total expenditures	<u>4,493,739</u>	<u>4,005,419</u>	<u>3,384,063</u>	<u>621,356</u>
Revenues over (under) expenditures	<u>(701,634)</u>	<u>(27,000)</u>	<u>998,505</u>	<u>1,025,505</u>
<b>Other financing sources (uses):</b>				
Transfers from other funds	674,634	-	-	-
Fund balance appropriated	27,000	27,000	-	(27,000)
Total other financing sources (uses)	<u>701,634</u>	<u>27,000</u>	<u>-</u>	<u>(27,000)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	998,505	<u>\$ 998,505</u>
Fund balances, beginning			<u>3,933,245</u>	
Fund balances, ending			<u>\$ 4,931,750</u>	

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

Town of Erwin, North Carolina  
**Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Community Enhancement Fund Budget and Actual**  
For the Year Ended June 30, 2023

Exhibit 5

	Community Enhancement Fund			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-
Unrestricted intergovernmental	-	-	-	-
Restricted intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Sales and services	-	-	24,373	24,373
Other revenues	-	-	15,169	15,169
Total revenues	<u>-</u>	<u>-</u>	<u>39,542</u>	<u>39,542</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Public works	-	-	-	-
Environmental protection	-	-	-	-
Cultural and recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>39,542</u>	<u>39,542</u>
<b>Other financing sources (uses):</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	39,542	<u>\$ 39,542</u>
Fund balances, beginning			<u>2,695,532</u>	
Fund balances, ending			<u>\$ 2,735,074</u>	

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

TOWN OF ERWIN

ERWIN, NORTH CAROLINA

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TOWN OF ERWIN, NORTH CAROLINA  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Erwin conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Erwin (the Town) is a municipal corporation that is governed by an elected mayor and a six-member council.

B. Basis of Presentation

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town does not have any business-type activities.

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 particular 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, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The Town does not have any proprietary funds. The Town does not have any fiduciary funds to report.

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 of the general government except those 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 and construction, sanitation services and cultural and recreation.

**Al Woodall Park Improvement Capital Project** - This fund was created for the capital project activity within the parks and recreation facilities.

**American Relief Plan Grant Project Fund** – Which reports the activity of American Relief Plan Act funding received.

**Community Enhancement Fund** - This fund was created from the sale proceeds of the Town's water and sewer system. Earnings and cell tower lease will be accumulated and expended for community enhancement projects within the Town.

The Town reports the following non-major governmental funds:

**Priebe Field Capital Project** - This fund is used to account for grant funds and local donations for the improvement of a Town recreation park.

**SCIF Grant Community Building Capital Project** - This fund is used to account for grant funds and local donations for the improvement of the community building.

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.

TOWN OF ERWIN, NORTH CAROLINA  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2023

*Government-wide Financial Statements.* The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using 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, entitlements, 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 leases and IT subscriptions 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 a 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 beer and wine 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 Erwin because the tax is levied by Harnett 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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. 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 and the Community Enhancement Fund. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the Capital Project Funds. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi year funds. The Town manager is authorized by the budget ordinance to transfer appropriations between functional areas within a fund up to 5 percent of the appropriated monies for the department where the allocation is reduced; however, any revisions that alter the total expenditures of any fund or exceed the 5 percent limitation must be approved the governing board. During the year, several amendments to the original budget were necessary.

TOWN OF ERWIN, NORTH CAROLINA  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2023

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

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. Because the NCCMT Government has 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.

Cash and Cash Equivalents - The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

Restricted Cash - 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. ARPA and SCIF grant funds provided the grant funding in advance of the related expenditures, all unspent cash is restricted. Controlled substance tax and other forfeiture funds are held as restricted until expended for that purpose.

Governmental Activities	
General Fund	
Streets	\$ 320,059
ARPA Funding	740,865
SCIF Grant	93,114
Public Safety	2,076
Total Governmental Activities	<u>\$ 1,156,114</u>

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 1<sup>st</sup>, the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values as of January 1, 2022. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

Allowance 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.

Lease Receivable - The Town's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the Town may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

TOWN OF ERWIN, NORTH CAROLINA  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2023

Inventory - The Town does not maintain any inventories.

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. Minimum capitalization costs are as follows: land, \$5,000; buildings, improvements, and other plant and distribution systems, \$5,000; infrastructure, \$5,000; furniture and equipment, \$5,000; and vehicles, \$5,000. 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 water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	40
Other Improvements	20
Motor Vehicles	5
Equipment & Furniture	10
Plant Assets	50

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, pension deferrals for the 2022 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 several items that meet the criterion for this category - prepaid taxes, property taxes receivable, leases and pension deferrals for the 2023 fiscal year.

Long-Term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities fund type statement of net position.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

Compensated Absences - The vacation policy of the Town provides for the accumulation of up to thirty (30) days 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 current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported in the government wide.

The Town's sick leave policy provide 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 does not have any obligation for the accumulated sick leave until it is taken, no accrual for sick leave has been made.

Net Position/Fund Balances

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



TOWN OF ERWIN, NORTH CAROLINA  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2023

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 the total unexpended Powell Bill funds.

Restricted for Public Safety – portion of fund balance that is restricted by the funding source, which provides the Town with a portion of drug seizure money.

**Committed Fund Balance** – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Erwin'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.

Committed for Cultural and Recreation – portion of fund balance committed by the Board for parks and recreation expenditures.

Capital Projects – portion of fund balance committed by the Board for capital improvements.

**Assigned fund balance** – portion of fund balance that Town of Erwin intends to use for specific purposes.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation and any modifications to the original budget.

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

TOWN OF ERWIN, NORTH CAROLINA  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2023

The Town of Erwin adheres to the North Carolina Local Government Commission's recommendation of a minimum fund balance for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance does not go below eight percent of budgeted expenditures. Any portion of the general fund balance in excess of 8% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

Defined Benefit Cost-Sharing Plans - For purposes of measuring the net pension (asset)/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 (LERS) and additions to/deductions from LERS' fiduciary net position have been determined on the same basis as they are reported by LERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Erwin's employer contributions are recognized when due and the Town of Erwin has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LERS. Investments are reported at fair value.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

1. Noncompliance with N.C. 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.

NOTE 3: DETAIL NOTES ON ALL FUNDS

A. Assets

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 name. 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 undercollateralization. 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, 2023, the Town's deposits had a carrying amount of \$5,562,672 and a bank balance of \$8,989,313. Of the bank balance, \$3,768,419 was covered by pledge securities, \$250,000 was covered by federal depository insurance and the remainder was covered under the pooling method or pledged assets by the financial institution. At June 30, 2023, the Town's petty cash fund totaled \$200.

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Investments

At June 30, 2023 the Town had \$3,183,016 invested in the North Carolina Capital Management Trust Government Portfolio which carried a credit rating of AAAM by Standard and Poor's and AAAM-mf by Moody's Investors Service. The Town had no policy regarding credit risk of its investments.

Receivables – Allowance for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position is net of the following allowance for doubtful accounts:

Fund	June 30, 2023
General Fund	
Taxes Receivable	\$ 15,000
Total	\$ 15,000

Lease Receivable

In March 2019, the Town amended the lease agreement for the lease of real estate used for a cell tower. Under the lease, the vendor pays the Town \$1,992 per month for sixty months in exchange for right to the land. On the annual anniversary date, the payment is increased by 3%. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 5.50%, which is the stated rate in the agreement. There is an optional 60 month extension of the lease agreement which management believes is reasonably certain to be exercised. Final lease payment based on the extended period of time is February 2029.

In fiscal year 2023, the Town recognized \$24,373 of lease revenue and \$8,852 of interest revenue under the lease.

Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental Activities:</b>				
<b>Capital Assets not Being Depreciated:</b>				
Land	\$ 191,207	\$ -	\$ -	\$ 191,207
Construction in Progress	659,534	-	-	659,534
Total Capital Assets not Being Depreciated:	850,741	-	-	850,741
<b>Capital Assets Being Depreciated:</b>				
Buildings	2,653,261	-	-	2,653,261
Equipment	988,692	20,054	-	1,008,746
Vehicles and Motor Equipment	1,545,148	422,514	(68,919)	1,898,743
Infrastructure	1,448,150	42,075	-	1,490,225
Land Improvements	158,700	174,975	-	333,675
Furniture	24,458	-	-	24,458
Total Capital Assets Being Depreciated:	6,818,409	659,618	(68,919)	7,409,108
<b>Less Accumulated Depreciation</b>				
Buildings	1,195,266	75,496	-	1,270,762
Equipment	988,692	11,707	-	1,000,399
Vehicles and Motor Equipment	1,120,974	127,943	(68,919)	1,179,998
Infrastructure	344,246	49,322	-	393,568
Land Improvements	97,043	9,369	-	106,412
Furniture	24,458	-	-	24,458
Total Accumulated Depreciation	3,770,679	\$ 273,837	\$ (68,919)	3,975,597
<b>Total Capital Assets Being Depreciated, net</b>	<b>3,047,730</b>			<b>3,433,511</b>
<b>Governmental Activity Capital Assets, net</b>	<b>\$ 3,898,471</b>			<b>\$ 4,284,252</b>

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**Primary Government**

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

General Government	\$ 49,512
Public Safety	57,760
Transportation	84,980
Cultural & Recreational	81,585
Total Depreciation Expense	\$ 273,837

**B. Liabilities**

1. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

*Plan Description.* The Town of Erwin 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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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 (age 55 for firefighters). 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 (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) 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. Town of Erwin 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 of Erwin's contractually required contribution rate for the year ended June 30, 2023, was 13.04% of compensation for law enforcement officers and 12.18% for general employees and firefighters, actuarially determined as an amount

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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 of Erwin were \$140,336 for the year ended June 30, 2023.

*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, 2023, the Town reported a liability of \$879,499 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2022 (measurement date), the Town’s proportion was 0.01559%, which was an increase of 0.00167% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Town recognized pension expense of \$252,429. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 37,897	\$ 3,716
Changes of assumptions	87,754	-
Net difference between projected and actual earnings on pension plan investments	290,684	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	15,007	13,541
Town contributions subsequent to the measurement date	140,336	-
Total	\$ 571,678	\$ 17,257

\$140,336 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 liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>		
2024	\$	127,809
2025		110,276
2026		37,513
2027		138,487
	\$	414,085

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*Actuarial Assumptions.* The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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, 2016 through December 31, 2020.

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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	0.9%
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 2022 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 2.50%. 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.

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*Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate.* The following presents the Town's proportionate share of the net pension asset 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)	\$ 1,587,382	\$ 879,499	\$ 296,162

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

b. Law Enforcement Officers Special Separation Allowance

*Plan Description.* The Town of Erwin administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2021, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	3
Active plan members	12
Total	15

Summary of Significant Accounting Policies:

*Basis of Accounting.* The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 73.

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2021 valuation. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	4.31%
Projected salary increases	3.25 - 7.75 percent, including inflation and productivity factor
Includes inflation at	2.50 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index.

All mortality rates use Pub-2010 amount-weighted tables. All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

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Contributions.

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$25,834 as benefits came due for the reporting period.

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

At June 30, 2023, the Town reported a total pension liability of \$330,004. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the Town recognized pension expense of \$32,651.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 19,880	\$ 27,647
Changes of assumptions and other inputs	47,377	49,488
Benefit payments and administrative expenses subsequent to the measurement date.	9,778	-
Total	\$ 77,035	\$ 77,135

\$9,778 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date have been reported as deferred outflows of resources and will be recognized as a decrease of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2024	\$	1,081
2025		2,245
2026		(3,504)
2027		(8,218)
2028		(1,482)
Thereafter		-
	\$	(9,878)

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 4.31 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	<b>1% Decrease (3.31%)</b>	<b>Discount Rate (4.31%)</b>	<b>1% Increase (5.31%)</b>
Total Pension Liability	\$ 354,688	\$ 330,004	\$ 307,867



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**Schedule of Changes in Total Pension Liability  
Law Enforcement Officers' Special Separation Allowance**

	<b>2023</b>
Beginning balance	\$ 368,597
Service Cost	21,810
Interest on the total pension liability	8,003
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	11,318
Changes of assumptions or other inputs	(53,890)
Benefit payments	(25,834)
Other changes	-
Ending balance of the total pension liability	\$ 330,004

The plan currently uses mortality tables that vary by age, 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 experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

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

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension Expense	\$ 252,429	\$ 32,651	\$ 285,080
Pension Liability	879,499	330,004	1,209,503
Proportionate share of the net pension liability	0.01559%	N/A	
<b>Deferred of Outflows of Resources</b>			
Differences between expected and actual experience	37,897	19,880	57,777
Changes of assumptions	87,754	47,377	135,131
Net difference between projected and actual earnings on plan investments	290,684	-	290,684
Changes in proportion and differences between contributions and proportionate share of contributions	15,007	-	15,007
Benefit payments and administrative costs paid subsequent to the measurement date	140,336	9,778	150,114
<b>Deferred of Inflows of Resources</b>			
Differences between expected and actual experience	3,716	27,647	31,363
Changes of assumptions	-	49,488	49,488
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	13,541	-	13,541

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c. Supplemental Retirement Income Plan

*Plan Description.* The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to all qualifying employees employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Town also contributes on behalf of all other employees. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each law enforcement officer's salary, and all amounts contributed are vested immediately. For all other plan members, the Town contributes two percent. Also, plan members may make voluntary contributions to the plan. Contributions for the year ended June 30, 2023 were \$79,937, which consisted of \$57,172 from the Town and \$22,765 from employees.

d. Other Post Employment Benefits

Healthcare Benefits

*Plan Description.* Under the terms of a Town resolution, the Town administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The Plan provides postemployment healthcare benefits to retirees of the Town, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and who retire with 20 years of service and are over sixty years of age, the Town pays 50% of the cost of coverage. For employees who retire with 25 years of service, regardless of their age, the Town pays 75% of the cost of coverage. For employees who retire with 30 years of service, the Town pays the full cost of coverage for those benefits. The Town pays the full cost of coverage for employees' benefits through private insurers and employees have the option of purchasing dependent coverage at the Town's group rates. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplemental plan after qualifying for Medicare. The Town Council may amend the benefit provision. A separate report was not issued for the plan. New employees are not eligible for this benefit regardless of their years of service.

Membership of the HCB Plan consisted of the following at June 30, 2022, the date of the latest actuarial valuation:

	<b>General Employees</b>	<b>Law Enforcement Employees</b>
Retirees receiving benefits	-	3
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	11	12
Total	11	15

Total OPEB Liability

The Town's total OPEB liability of \$720,572 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

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*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Salary increases	
General Employees	3.25% to 8.41%
Law Enforcement Employees	3.25% to 7.90%
Discount rate	3.54%
Healthcare cost trend rates	
Pre-Medicare Medical and Prescription Drug	7.00 percent for 2022 decreasing to an ultimate rate of 4.50% by 2032

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

Changes in the Total OPEB Liability

<u>Total Changes in OPEB Liability</u>	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 722,616
Changes for the year	
Service cost	29,195
Interest	15,933
Change in benefit terms	-
Differences between expected and actual experience	57,032
Changes in assumptions or other inputs	(75,689)
Benefit payments	(28,515)
Net changes	(2,044)
Balance at June 30, 2023	\$ 720,572

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.54%.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate (3.54%)</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 792,254	\$ 720,572	\$ 656,894

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 650,695	\$ 720,572	\$ 803,291

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**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the Town recognized OPEB expense of \$34,536. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 125,384	\$ 252,967
Changes of assumptions	77,553	81,539
Benefit payments made and administrative expenses for OPEB made subsequent to the measurement date.	15,750	-
Total	\$ 218,687	\$ 334,506

\$15,750 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2024	\$ (14,522)
2025	(14,522)
2026	(14,522)
2027	(13,417)
2028	(11,376)
Thereafter	(63,210)
	\$ (131,569)

**2. Other Employment Benefit**

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employees' 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

TOWN OF ERWIN, NORTH CAROLINA  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2023

3. Deferred Outflows and Inflows of Resources

Deferred outflows of resources are comprised of the following:

Source	Amount
Contributions to pension plan in current fiscal year	\$ 140,336
Benefit payments made and administrative expenses for LEOSSA made subsequent to the measurement date.	9,778
Benefit payments made and administrative expenses for OPEB made subsequent to the measurement date.	15,750
Differences between expected and actual experience	183,161
Changes of assumptions	212,684
Net difference between projected and actual earnings on investments	290,684
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,007
Total	<u>\$ 867,400</u>

Deferred inflows of resources are comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ 1,894	\$ 1,894
Taxes Receivable (General Fund)	-	30,375
Lease Receivable (Community Enhancement Fund)	131,786	131,786
Differences between expected and actual experience	284,330	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes of assumptions	131,027	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,541	-
Total	<u>\$ 562,578</u>	<u>\$ 164,055</u>

4. 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 has insurance coverage through the Travelers Insurance Company and 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 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 has obtained flood insurance for areas subject to flooding.

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 and tax collector are each individually bonded for \$80,000 and \$10,000, respectively. Two remaining clerks are bonded for \$10,000 each.

TOWN OF ERWIN, NORTH CAROLINA  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2023

5. Claims, Judgments and Contingent Liabilities

At June 30, 2023, the Town was a defendant to various lawsuits. In the opinion of Town's management and the Town Attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.

6. Long-Term Obligations

Changes in Long Term Liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
Net Pension Liability(LGERS)	\$ 213,477	\$ 666,022	\$ -	\$ 879,499	\$ -
Total Pension Obligation(LEO)	368,597	-	(38,593)	330,004	-
OPEB Obligation	722,616	-	(2,044)	720,572	-
Compensated Absences	75,818	139,659	(109,130)	106,347	106,347
Total Governmental Activities	<u>\$ 1,380,508</u>	<u>\$ 805,681</u>	<u>\$ (149,767)</u>	<u>\$ 2,036,422</u>	<u>\$ 106,347</u>

The legal debt margin of the Town at June 30, 2023 was \$29,224,376.

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2023, consist of the following:

Receivable Fund	Payable Fund	Amount
Community Enhancement Fund	General Fund	\$ 120,731
		<u>\$ 120,731</u>

The above due to/from transaction was the result of common usage of the central depository account when the Community Enhancement Fund upfronts funding for capital projects until grant reimbursements are received. The Town is in the process of clearing out these accounts and has sent the board a plan to pay the amount back.

D. 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>\$4,931,750</b>
<b>Less:</b>	
Stabilization by State Statute	413,480
Streets - Powell Bill	320,059
Public Safety	2,076
Appropriated Fund Balance in 2023-24 Budget	-
<b>Remaining Fund Balance</b>	<b>4,196,135</b>

TOWN OF ERWIN, NORTH CAROLINA  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2023

**NOTE 4: 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.

**NOTE 5: MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 14, 2023, the date which the financial statements were available for issue.

TOWN OF ERWIN

ERWIN, NORTH CAROLINA

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## Required Supplementary Financial Data

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The section contains additional statements required by Governmental Accounting Standards Board.

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Schedule of Changes in Total Pension Liability -

Law Enforcement Officers' Special Separation Allowance

Schedule of Total Pension Liability as a Percentage of Covered Payroll -

Law Enforcement Officers' Special Separation Allowance

Other Postemployment Benefits

Schedule of Funding Progress

Other Postemployment Benefits

Schedule of Employer Contributions

Schedule of Proportionate Share of Net Pension Liability (Asset) Local Government  
Employees' Retirement System

Schedule of Contributions to Local Government Employees' Retirement System

Town of Erwin, North Carolina  
Schedule of Proportionate Share of Net Pension Liability (Asset)  
Required Supplementary Information  
Last Ten Fiscal Years \*

Local Government Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability (asset) (%)	0.01559%	0.01392%	0.01508%	0.01519%	0.01609%	0.01357%	0.01517%	0.01742%	0.01712%
Town's proportion of the net pension liability (asset) (\$)	\$ 879,499	\$ 213,477	\$ 538,873	\$ 414,827	\$ 381,710	\$ 207,312	\$ 321,958	\$ 78,180	\$ (100,963)
Town's covered-employee payroll	\$ 1,015,534	\$ 1,030,223	\$ 1,066,415	\$ 1,006,350	\$ 1,021,420	\$ 901,037	\$ 1,026,190	\$ 1,086,966	\$ 1,032,372
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	86.60%	20.72%	50.53%	41.22%	37.37%	23.01%	31.37%	7.19%	( 9.78%)
Plan fiduciary net position as a percentage of the total pension liability**	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 Erwin, North Carolina  
Schedule of Contributions  
Required Supplementary Information  
Last Ten Fiscal Years \*

Local Government Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 140,336	\$ 118,819	\$ 108,449	\$ 99,826	\$ 81,866	\$ 80,671	\$ 68,823	\$ 71,136	78,416
Contributions in relation to the contractually required contribution	140,336	118,819	108,449	99,826	81,866	80,671	68,823	71,136	78,416
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered - employee payroll	\$ 1,113,858	\$ 1,015,534	\$ 1,030,223	\$ 1,066,415	\$ 1,006,350	\$ 1,021,420	\$ 901,037	\$ 1,026,190	1,086,966
Contributions as a percentage of covered - employee payroll	12.60%	11.70%	10.53%	9.36%	8.13%	7.90%	7.64%	6.93%	7.21%

Town of Erwin, North Carolina  
 Schedule of Changes in Total Pension Liability  
 Law Enforcement Officers' Special Separation Allowance  
 June 30, 2023

	2023	2022	2021	2020	2019	2018
Beginning balance	\$ 368,597	\$ 414,983	\$ 304,626	\$ 332,188	\$ 321,589	\$ 357,021
Service Cost	21,810	19,637	14,433	11,100	12,962	11,046
Interest on the total pension liability	8,003	7,702	9,433	11,597	9,733	13,103
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	11,318	(33,155)	18,820	(30,792)	26,629	(41,211.00)
Changes of assumptions or other inputs	(53,890)	(8,702)	98,234	7,703	(11,555)	16,771
Benefit payments	(25,834)	(31,868)	(30,563)	(27,170)	(27,170)	(35,141)
Other changes	-	-	-	-	-	-
Ending balance of the total pension liability	\$ 330,004	\$ 368,597	\$ 414,983	\$ 304,626	\$ 332,188	\$ 321,589

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

Town of Erwin, North Carolina  
 Schedule of Total Pension Liability as a Percentage of Covered Payroll  
 Law Enforcement Officers' Special Separation Allowance  
 June 30, 2023

	2023	2022	2021	2020	2019	2018
Total pension liability	\$ 330,004	\$ 368,597	\$ 414,983	\$ 304,626	\$ 332,188	\$ 321,589
Covered-employee payroll	553,527	455,480	506,793	424,288	440,227	387,709
Total pension liability as a percentage of covered - employee payroll	59.62%	80.92%	81.88%	71.80%	75.46%	82.95%

Notes to the schedules:

The Town of Erwin has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

Town of Erwin, North Carolina  
 Schedule of Changes in Total Other Postemployment Benefits Liability  
 And Related Ratios  
 June 30, 2023

	2023	2022	2021	2020	2019
Total Other Postemployment Benefits (OPEB) Liability	\$ 29,195	\$ 29,717	\$ 30,719	\$ 25,276	\$ 28,385
Service Cost at the end of the year	15,933	15,377	33,472	29,739	21,817
Interest on Total OPEB Liability and cash flows	-	-	-	110,856	-
Changes in benefit terms	57,032	8,352	(346,512)	(2,468)	120,825
Differences between expected and actual experience	(75,689)	17,340	51,448	27,306	16,425
Changes of assumptions or other inputs	(28,515)	(28,343)	(28,929)	(30,157)	(41,355)
Benefit payments and implicit subsidy credit	(2,044)	42,443	(259,802)	160,552	146,097
Net change in OPEB liability	722,616	680,173	939,975	779,423	633,326
Total OPEB liability - beginning	\$ 720,572	\$ 722,616	\$ 680,173	\$ 939,975	\$ 779,423
Total OPEB liability - ending	984,213	1,012,687	1,012,687	1,006,350	1,021,420
Covered - employee payroll	73.21%	71.36%	67.17%	93.40%	76.31%
Total OPEB liability as a percentage of covered payroll					

Notes to the schedules:

Changes in assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period.

Fiscal Year	Rate
2023	3.54%
2022	2.16%
2021	3.50%
2020	3.50%
2019	3.89%

## Supplementary Statements

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The section contains additional statements required by the Local Government Commission  
in North Carolina.

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Town of Erwin, North Carolina  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
For the Fiscal Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes:			
Ad valorem taxes	\$	\$ 1,747,396	\$
Penalties and interest		9,852	
Total	<u>1,705,667</u>	<u>1,757,248</u>	<u>51,581</u>
Other taxes and licenses:			
Fire protection charges		344,677	
Auto licenses		28,304	
Total	<u>379,658</u>	<u>372,981</u>	<u>(6,677)</u>
Unrestricted intergovernmental:			
Local option sales taxes		1,019,951	
Gasoline tax refund		8,020	
Telecommunications tax		16,610	
Utility franchise tax		142,923	
Piped natural gas		11,053	
Video franchise fee		11,096	
Solid Waste Disposal Tax		3,730	
Beer and wine tax		21,698	
Total	<u>1,012,002</u>	<u>1,235,081</u>	<u>223,079</u>
Restricted intergovernmental:			
Powell Bill Allocation		150,523	
Controlled Substance Tax		147	
Harnett County Grant		50,000	
Total	<u>200,000</u>	<u>200,670</u>	<u>670</u>
Permits and fees:			
Inspection fees			
Business registration fees		289	
Zoning permits		16,975	
Court fees		231	
Total	<u>13,500</u>	<u>17,495</u>	<u>3,995</u>
Sales and services:			
School Resource Officers		57,344	
Recreation department			
Concessions, sponsorships & donations		17,557	
Sponsors donations/entry fees		34,800	
Mowing Contract		11,924	
Library fees		94	
Collection fees		9,392	
Garbage and storm water		511,844	
Total	<u>620,006</u>	<u>642,955</u>	<u>22,949</u>

Town of Erwin, North Carolina  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
For the Fiscal Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Other Revenues:</b>			
Investment earnings		103,138	
Miscellaneous		53,000	
<b>Total Other Revenues</b>	<u>47,586</u>	<u>156,138</u>	<u>108,552</u>
<b>Total Revenues</b>	<u>3,978,419</u>	<u>4,382,568</u>	<u>404,149</u>
<b>General Government:</b>			
<b>Governing Body:</b>			
Salaries		21,675	
Benefits		1,658	
Other Operating Expenses		5,569	
Capital Outlay		-	
<b>Total Governing Body</b>	<u>36,115</u>	<u>28,902</u>	<u>7,213</u>
<b>Administration:</b>			
Salaries		202,577	
Benefits		100,727	
Professional Expenses		10,542	
General Insurance		72,271	
Other Operating Expenses		165,184	
Capital Outlay		42,075	
<b>Total Administration</b>	<u>681,773</u>	<u>593,376</u>	<u>88,397</u>
<b>Planning:</b>			
Salaries		30,756	
Benefits		12,605	
Contracted Services		57,437	
Other Operating Expenses		4,383	
Capital Outlay		-	
<b>Total Administration</b>	<u>161,686</u>	<u>105,181</u>	<u>56,505</u>
<b>ARPA Revenue Replacement Expense Offset</b>	<u>(134,927)</u>	<u>(134,927)</u>	<u>-</u>
<b>Total General Government</b>	<u>744,647</u>	<u>592,532</u>	<u>152,115</u>
<b>Public safety:</b>			
<b>Police:</b>			
Salaries		570,214	
Benefits		227,671	
Other Operating Expenses		185,358	
Capital Outlay		51,448	
<b>Total</b>	<u>1,190,369</u>	<u>1,034,691</u>	<u>155,678</u>

Town of Erwin, North Carolina  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
For the Fiscal Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Fire:</b>			
Contract Services		339,364	
<b>Total</b>	<u>350,158</u>	<u>339,364</u>	<u>10,794</u>
ARPA Revenue Replacement Expense Offset	(344,063)	(344,063)	-
<b>Total Public Safety</b>	<u>1,196,464</u>	<u>1,029,992</u>	<u>166,472</u>
<b>Streets:</b>			
Salaries		99,675	
Benefits		40,650	
Other Operating Expenses		155,738	
Capital Outlay		11,412	
Powell Bill		170,890	
Contracted Services		35,038	
ARPA Revenue Replacement Expense Offset		(74,114)	
<b>Total Transportation</b>	<u>538,707</u>	<u>439,289</u>	<u>99,418</u>
<b>Public works:</b>			
Administration			
Salaries		64,251	
Benefits		23,619	
Other Operating Expenses		35,758	
Capital Outlay		-	
<b>Total Administration</b>	<u>140,529</u>	<u>123,628</u>	<u>16,901</u>
Storm Water:			
Other Operating Expenses		27,424	
<b>Total Storm Water</b>	<u>97,000</u>	<u>27,424</u>	<u>69,576</u>
ARPA Revenue Replacement Expense Offset	(54,071)	(54,071)	-
<b>Total Public Works</b>	<u>183,458</u>	<u>96,981</u>	<u>86,477</u>
<b>Environmental protection:</b>			
Sanitation:			
Other Operating Expenses		17,156	
Contracted Services		282,184	
Capital Outlay		379,708	
<b>Total Environmental Protection</b>	<u>751,244</u>	<u>679,048</u>	<u>72,196</u>

Town of Erwin, North Carolina  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
For the Fiscal Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Culture and recreation:			
Parks and recreation:			
Salaries		155,707	
Benefits		51,030	
Contracted Services		60,349	
Other Operating Expenses		88,660	
Capital Outlay		174,975	
Total parks and recreation	<u>568,725</u>	<u>530,721</u>	<u>38,004</u>
Community and library building:			
Salaries		3,373	
Benefits		1,469	
Contracted Services		69,405	
Other Operating Expenses		8,716	
Capital Outlay		-	
Total community and library building	<u>89,637</u>	<u>82,963</u>	<u>6,674</u>
ARPA Revenue Replacement Expense Offset	<u>(67,463)</u>	<u>(67,463)</u>	<u>-</u>
Total Culture and Recreation	<u>590,899</u>	<u>546,221</u>	<u>44,678</u>
Total Expenditures	<u>4,005,419</u>	<u>3,384,063</u>	<u>621,356</u>
Revenues over (under) expenditures	<u>(27,000)</u>	<u>998,505</u>	<u>1,025,505</u>
Fund Balance Appropriated	<u>27,000</u>	<u>-</u>	<u>(27,000)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>998,505</u>	<u>\$ 998,505</u>
Fund Balances, beginning		<u>3,933,245</u>	
Fund Balances, ending		<u>\$ 4,931,750</u>	

Town of Erwin, North Carolina  
**Al Woodall Park Improvements Capital Project**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Positive (Negative)
<b>Revenues:</b>					
Restricted Intergovernmental Grant	\$ 339,678	\$ 305,710	\$ 15,554	\$ 321,264	\$ (18,414)
Donations	195,000	48,100	9,000	57,100	(137,900)
Total Revenue	<u>534,678</u>	<u>353,810</u>	<u>24,554</u>	<u>378,364</u>	<u>(156,314)</u>
<b>Expenditures:</b>					
Capital Outlay		642,547	-	642,547	
Total Expenditures	<u>679,356</u>	<u>642,547</u>	<u>-</u>	<u>642,547</u>	<u>36,809</u>
Revenues Over(Under) Expenditures	<u>(144,678)</u>	<u>(288,737)</u>	<u>24,554</u>	<u>(264,183)</u>	<u>(119,505)</u>
<b>Other Financing Sources(Uses)</b>					
Transfers - In (Out)					
From/(To) Enhancement	144,678	679,356	-	679,356	534,678
Total Other Financing Sources (Uses)	<u>144,678</u>	<u>679,356</u>	<u>-</u>	<u>679,356</u>	<u>534,678</u>
Revenues and Other Sources Over Other Uses	<u>\$ -</u>	<u>\$ 390,619</u>	24,554	<u>\$ 415,173</u>	<u>\$ 415,173</u>
<b>Fund Balance</b>					
Fund Balances, beginning			<u>390,619</u>		
Fund Balances, ending			<u>\$ 415,173</u>		

Town of Erwin, North Carolina  
**American Relief Plan Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance-Budget and Actual**  
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted Intergovernmental					
Federal Grant	\$ 1,643,205	\$ 227,701	\$ 674,638	\$ 902,339	\$ (740,866)
Total Revenue	<u>1,643,205</u>	<u>227,701</u>	<u>674,638</u>	<u>902,339</u>	<u>(740,866)</u>
<b>Expenditures:</b>					
General Government		-	134,927	134,927	
Public Safety		-	344,063	344,063	
Cultural and Recreational		-	67,463	67,463	
Public Works		-	54,071	54,071	
Transportation					
Payroll Cost		-	74,114	74,114	
Capital Outlay		227,701	-	227,701	
Total Expenditures	<u>1,643,205</u>	<u>227,701</u>	<u>674,638</u>	<u>902,339</u>	<u>740,866</u>
Revenues Over(Under)					
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources					
Over Other Uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balance					
Fund Balances, beginning			<u>-</u>		
Fund Balances, ending			<u>\$ -</u>		

Town of Erwin, North Carolina  
**Community Enhancement Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
For the Fiscal Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Sales and services:			
Land Lease	\$ -	\$ 24,373	\$ 24,373
Interest	-	6,317	6,317
Interest on Lease Receivable	-	8,852	8,852
Total Revenue	<u>-</u>	<u>39,542</u>	<u>39,542</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over Other Uses	<u>\$ -</u>	39,542	<u>\$ 39,542</u>
Fund Balance			
Fund Balances, beginning		<u>2,695,532</u>	
Fund Balances, ending		<u>\$ 2,735,074</u>	

Town of Erwin, North Carolina  
**Combining Balance Sheet**  
**Nonmajor Governmental Fund**  
For the Fiscal Year Ended June 30, 2023

	<u>SCIF Grant</u>	<u>Community Bldg</u>	<u>Priebe Field</u>	<u>Total Nonmajor</u>
	<u>Capital Project</u>	<u>Capital Project</u>	<u>Capital Project</u>	<u>Governmental</u>
				<u>Funds</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$	-	\$ 30,847	\$ 30,847
Restricted Cash		93,114	-	93,114
Due From Other Governments		-	548	548
		<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	\$	<u>93,114</u>	\$ <u>31,395</u>	\$ <u>124,509</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts Payable	\$	-	\$ -	\$ -
Advance from other government		93,114	-	93,114
Due to Other Funds		-	-	-
		<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities		<u>93,114</u>	<u>-</u>	<u>93,114.00</u>
<b>Fund Balance:</b>				
<b>Restricted</b>				
Stabilization by State Statute		-	548	548
Cultural and Recreation		-	-	-
<b>Committed</b>				
Cultural and Recreation		-	30,847	30,847
Unassigned		-	-	-
		<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances		<u>-</u>	<u>31,395</u>	<u>31,395</u>
		<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Liabilities and</b>		<u>          </u>	<u>          </u>	<u>          </u>
<b>Fund Balances</b>	\$	<u>93,114</u>	\$ <u>31,395</u>	\$ <u>124,509</u>



Town of Erwin, North Carolina  
**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance**  
**Nonmajor Governmental Fund**  
For the Fiscal Year Ended June 30, 2023

	SCIF Grant Community Bldg Capital Project	Priebe Field Capital Project	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Restricted Intergovernmental			
State Grants	\$ 4	\$ -	\$ 4
Miscellaneous Income	-	17,551	17,551
Interest on Investments	-	-	-
Total Revenue	<u>4</u>	<u>17,551</u>	<u>17,555</u>
<b>Expenditures:</b>			
General Government	4	-	4
Cultural and Recreational	-	9,202	9,202
Total Expenditures	<u>4</u>	<u>9,202</u>	<u>9,206</u>
Revenues Over(Under)			
Expenditures	<u>-</u>	<u>8,349</u>	<u>8,349</u>
<b>Fund Balance</b>			
Fund Balances, beginning	-	23,046	23,046
Fund Balances, ending	<u>\$ -</u>	<u>\$ 31,395</u>	<u>\$ 31,395</u>

Town of Erwin, North Carolina  
**Capital Projects Fund - SCIF Grant Community Building**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance-Budget and Actual**  
From Inception and for the Fiscal Year Ended June 30, 2023

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>					
Restricted Intergovernmental					
SCIF Grant	\$ 100,000	\$ 6,882	\$ 4	\$ 6,886	\$ (93,114)
Total Revenue	<u>100,000</u>	<u>6,882</u>	<u>4</u>	<u>6,886</u>	<u>(93,114)</u>
<b>Expenditures:</b>					
Operating Expenditures		6,882	4	6,886	
Capital Outlay		-	-	-	
Total Expenditures	<u>100,000</u>	<u>6,882</u>	<u>4</u>	<u>6,886</u>	<u>93,114</u>
Revenues Over(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance</b>					
Fund Balances, beginning			<u>-</u>		
Fund Balances, ending			<u>\$ -</u>		

Town of Erwin, North Carolina  
**Priebe Field Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance-Budget and Actual**  
For the Fiscal Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Donation and Field Rental		\$ 17,551	
Total Revenue	\$ 10,000	17,551	\$ 7,551
Expenditures:			
Cultural and Recreation			
Operating Expenses		9,202	
Total Expenditures	10,000	9,202	798
Revenues Over(Under)			
Expenditures	-	8,349	8,349
Fund Balance Appropriated	-	-	-
Revenues and Other Sources			
Over Other Uses	-	8,349	8,349
Fund Balance			
Fund Balances, beginning		23,046	
Fund Balances, ending		\$ 31,395	

TOWN OF ERWIN

ERWIN, NORTH CAROLINA

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## OTHER SCHEDULES

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This section includes additional information on property taxes.

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

Town of Erwin, North Carolina  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
June 30, 2023

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2022</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2023</u>
2022 - 2023	\$ -	\$ 2,100,502	\$ 2,082,801	\$ 17,701
2021 - 2022	16,338	-	8,175	8,163
2020 - 2021	5,568	-	584	4,984
2019 - 2020	4,204	-	437	3,767
2018 - 2019	2,652	-	-	2,652
2017 - 2018	2,185	-	-	2,185
2016 - 2017	1,688	-	80	1,608
2015 - 2016	1,256	-	27	1,229
2014 - 2015	1,177	-	-	1,177
2013 - 2014	1,279	-	-	1,279
2012 - 2013	-	-	-	-
	<u>\$ 36,347</u>	<u>\$ 2,100,502</u>	<u>\$ 2,092,104</u>	<u>\$ 44,745</u>
Less: Allowance for uncollectable accounts:				
General Fund				(15,000)
Add				
Auto Tags Receivable				630
Ad valorem taxes receivable - net				<u>\$ 30,375</u>
 <u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 1,757,248
Fire protection charges - General Fund				344,677
Reconciling items:				
Interest collected				(9,852)
Releases				31
Subtotal				<u>(9,821)</u>
Total collections and credits				<u>\$ 2,092,104</u>

Town of Erwin, North Carolina  
**Analysis of Current Tax Levy**  
**Town - Wide Levy**  
For the Fiscal Year Ended June 30, 2023

	Town - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 365,304,696	0.575	\$ 2,100,502	\$ 1,869,794	\$ 230,708
Total	<u>365,304,696</u>		<u>2,100,502</u>	<u>1,869,794</u>	<u>230,708</u>
 Total property valuation	 <u>\$ 365,304,696</u>				
 Net levy			 2,100,502	 1,869,794	 230,708
 Uncollected taxes at June 30, 2023			 <u>17,701</u>	 <u>17,701</u>	 <u>-</u>
 Current year's taxes collected			 <u>\$ 2,082,801</u>	 <u>\$ 1,852,093</u>	 <u>\$ 230,708</u>
 Current levy collection percentage			 <u>99.15%</u>	 <u>99.05%</u>	 <u>100.00%</u>

TOWN OF ERWIN

ERWIN, NORTH CAROLINA

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COMPLIANCE SECTION

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Thompson, Price, Scott, Adams & Co., P.A.  
Post Office Box 1690  
Elizabethtown, North Carolina 28337  
Telephone (910) 862-8129  
Fax (910) 862-8120

R. Bryon Scott, CPA  
Gregory S. Adams, CPA  
Alan W. Thompson, CPA

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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 Town Council  
Town of Erwin, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Erwin, North Carolina, as of and for the year ended June 30, 2023, and related notes to the financial statements, which collectively comprises the Town of Erwin's basic financial statements, and have issued our report thereon dated November 14, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Erwin's internal control over financial reporting (internal control) as a basis for designing 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 Erwin'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 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 the 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency, 2023-001.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Erwin'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*.

**Town of Erwin's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town of Erwin's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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 result 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**

Elizabethtown, North Carolina

November 14, 2023

Town of Erwin, North Carolina  
Schedule of Findings and Responses  
For the Fiscal Year Ended June 30, 2023

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**Section I. Summary of Auditor's Results**

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Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant Deficiency(s) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

Town of Erwin, North Carolina  
Schedule of Findings and Responses  
For the Fiscal Year Ended June 30, 2023

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**Section II – Financial Statement Findings**

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SIGNIFICANT DEFICIENCIES

2023 – 001 Segregation of Duties

Criteria: The assignment of responsibilities should be segregated so that one person is not responsible for the authorization and recording of a transaction and the custody of the related asset. There needs to be a reconciliation or control activity to provide reasonable assurance that transactions are handled appropriately.

Condition: Key duties and functions are not segregated amount Town personnel. This is especially a concern in cash management, accounts receivable, purchasing, and payroll functions in all departments.

Effect: Transactions could be mishandled, due to errors or fraud that could lead to loss of assets or the reporting of misleading financial information.

Cause: There are a limited number of personnel for certain functions and lack of board oversight.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-001.

Recommendation: The duties should be separated as much as possible, by possibly training and utilizing non-financial personnel and utilizing alternative controls. The governing board should provide some of these controls.

Views of responsible officials and planned corrective actions: The Town agrees with this finding and will adhere to the correction action plan on page in this audit report.



## Town of Erwin

100 West F. Street  
Erwin, NC 28339

Corrective Action Plan  
For the Fiscal Year Ended June 30, 2023

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### Section II – Financial Statement Findings

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#### SIGNIFICANT DEFICIENCY

2023 – 001 Segregation of Duties

Name of contact person:	Randy L. Baker, Mayor
Corrective Action:	The duties will be separated as much as possible and alternative controls will be used to compensate for lack of separation. The governing board will become more involved in providing some of these controls.
Proposed Completion Date:	The Board will implement the above procedure immediately.

TOWN OF ERWIN

ERWIN, NORTH CAROLINA

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## MINUTES CONTINUED FROM JANUARY 4, 2024

### PRESENTATION OF JANUARY CITIZEN OF THE MONTH

Homer Joseph Ennis Jr of Chicora Road was recognized as the January 2024 Citizen of the Month. Mayor Baker presented him with a Proclamation Plaque.

*The Proclamation is part of these minutes as an attachment.*

### PRESENTATION OF EMPLOYEE OF THE QUARTER

Finance Director Linda Williams was awarded the Quarter 4 2023 Employee of the Quarter Award for the Town of Erwin. Mayor Baker presented her with a Plaque.

### RECESSED

Commissioner Turnage made a motion to recess at 7:25 PM for a reception and was seconded by Commissioner Nelson. **Motion Unanimously Approved.**

### RECONVENED

Commissioner Nelson made a motion to go back into regular session at 7:38 PM and was seconded by Commissioner Turnage. **Motion Unanimously Approved.**

### PUBLIC HEARING

#### **ZT-2023-006**

Commissioner Turnage made a motion to open the Public Hearing and was seconded by Commissioner Byrd. **The Board voted unanimously.**

Town Manager Snow Bowden informed the Board that the applicant was unable to attend the meeting due to an emergency at work but wishes to proceed with the request.

Mayor Baker stated the rezoning request was a legislative decision and the Board could hear the request without representation from the applicant. Staff was present to present the application. **There was no objection from the Board and the hearing proceeded.**

Town Planner Dylan Eure came forward and addressed the Board. He stated that the Town of Erwin received a request to rezone a piece of property located at 261 Suggs Road Dunn, NC. Said parcel was currently zoned under Industrial and the request was to move it to its neighboring land use type of being under the Rural District. The owner of the parcel was Eldridge and Franklin Investments of Clayton North Carolina, who had intentions to sell said parcel for the development of a single-family home. The Harnett County Tax PIN for the parcel was 1507-28-9258.000. The overall size of the property was 1.9 acres totaling approximately 53,500 Sq Feet with the closest accessible road being Suggs Road which was off of Red Hill Church Road. Its current zoning classification was M-1 Industrial but had been used for single-family homes in the past. According to Harnett County GIS, the parcel was approximately .6 of a mile away from Erwin's corporate limits and was in the municipality's planning jurisdiction. According to GIS said parcel was not within a flood zone, wetland, or watershed location. He stated it was important to



# TOWN OF ERWIN

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## PROCLAMATION RECOGNIZING HOMER JOSEPH ENNIS JR FOR CITIZEN OF THE MONTH 2023-2024—011

**Mayor**  
Randy L. Baker  
**Mayor Pro Tem**  
Ricky W. Blackmon  
**Commissioners**  
Alvester L. McKoy  
Timothy D. Marbell  
Charles L. Byrd  
David L. Nelson  
William R. Turnage

**WHEREAS**, the Town of Erwin Mayor and Board of Commissioners realize that the Town of Erwin's greatest asset is viewed as the citizens that contribute tirelessly and unselfishly of themselves to aid in the well-being of the residents within the community. These citizens display characteristics and qualities in an individual that strive to make a real difference in the lives of children, adults, and the elderly without desire for recognition, remuneration, or personal gain; and

**WHEREAS**, Mr. Homer Joseph Ennis Jr of Chicora Road was born in Fayetteville, NC on September 30, 1971, to Homer and Angelina Ennis.

**WHEREAS**, Mr. Ennis married his wife, Amy, in 2012. They have been blessed with four children, Krystal, Stephanie, Cody, and Shahna, and four grandchildren, Gage, Grace, Colton, and the newest addition, Corey.

**WHEREAS**, Mr. Ennis graduated from Triton High School in 1989, and in 2011 he graduated from Central Carolina Community College BLET. He worked for the Harnett County Department of Corrections from 1991-1998. He then worked as an Assembler, Welder, and Supervisor at John Deere Turf Care from 1998-2010 and moved on to work as a Police Lieutenant at Harnett Health from 2010-2017. He was employed by the Town of Erwin as a Part-Time Patrol Officer in October 2016 and then transferred to a Full-Time Patrol Officer position in May 2017. He began serving as the SRO Officer in 2019 until his promotion to Lieutenant in September 2020.

**WHEREAS**, Mr. Ennis has lived in Erwin all his life. He loves his Town and the people in it. He truly enjoys his job, working in his Town, and the big family atmosphere he has with his coworkers. He never hesitates to jump in and protect his fellow officers, he always has their backs. Mr. Ennis believes everyone has good in them and tries to bring that good out in everyone but will do what he is called to do and take someone down if they decide they do not want to be good. He is a big 80s man, he is full of random knowledge such as trivia, and loves to tell dad jokes. He is a big Philadelphia Eagles fan and enjoys metal detecting in his spare time; and

**NOW THEREFORE BE IT RESOLVED** that the Town of Erwin Mayor and Board of Commissioners give recognition and appreciation to Mr. Homer Joseph Ennis Jr for his valuable contributions to the quality of life in our community and proudly acknowledge Mr. Homer Joseph Ennis Jr as the January 2024 Citizen of the Month.

**Duly Adopted**, this the 4<sup>th</sup> day of January 2024.

**ATTEST:**

  
Randy Baker  
Mayor

  
Lauren Evans, NCCMC  
Town Clerk

MINUTES CONTINUED FROM JANUARY 4, 2024

note that this parcel would require a septic and a well approved by Harnett County prior to the home being built.

Commissioner Byrd inquired whether the septic had already been tested.

Mr. Eure stated that he did not believe it had been tested at that time. He went and looked at the parcel and it looked as though septic and well had been there previously but when pulling deeds and maps for the property, he could not find any proof of that.

Commissioner Marbell confirmed that there was a home on the property in the past.

Mr. Eure stated that was correct.

Mayor Baker reminded the Board that a rezoning request can be used for any permitted use in the zoning district.

Mayor Baker asked if anyone was present to speak in favor of the request.

No one came forward.

Mayor Baker asked if anyone was present to speak against the request.

No one came forward.

Commissioner McKoy made a motion to close the Public Hearing and was seconded by Commissioner Turnage. **The Board voted unanimously.**

Commissioner Byrd made a motion in the affirmative, seconded by Commissioner Nelson, and unanimously approved by the Board that the impact to the adjacent property owners and the surrounding community is reasonable, and the benefits of the rezoning outweigh any potential inconvenience or harm to the community.

- **Reasoning:** A single-family dwelling used to be on the property and is surrounded by an existing neighborhood.

Commissioner Nelson made a motion in the affirmative, seconded by Commissioner Byrd, and unanimously approved by the Board that the requested zoning district is compatible with the existing Land Use Plan.

- **Reasoning:** According to Erwin's current Land Use Plan done in 2023 the property is assigned to be labeled Industrial. However, all other parcels in use in the area are zoned for residential uses.

Mayor Baker made a motion in the affirmative, seconded by Commissioner Byrd, and unanimously approved by the Board that the proposal does enhance or maintain the public health, safety, and general welfare.

- **Reasoning:** The proposed zoning change would allow for the parcel to provide additional housing for the municipality.

Commissioner Byrd made a motion in the affirmative, seconded by Commissioner Nelson, and unanimously approved by the Board that the request is for a small-scale rezoning and should be evaluated for reasonableness.

- **Reasoning:** This rezoning request includes a single parcel that was occupied by a single-family home before demolition.

### MINUTES CONTINUED FROM JANUARY 4, 2024

Commissioner Byrd made a motion in the affirmative, seconded by Commissioner Nelson, and unanimously approved by the Board that there is a convincing demonstration that all uses permitted under the proposed district classification would be in the general public interest and not merely in the interest of an individual or small group.

- **Reasoning:** Rezoning is for a single parcel to be considered residential so a single-family home may be built on the parcel.

Commissioner Nelson made a motion in the affirmative, seconded by Commissioner Byrd, and unanimously approved by the Board that there is a convincing demonstration that all uses permitted under the proposed district classification would be appropriate in the area included in the proposed change. (When a new district designation is assigned, any use permitted in the district is allowable, so long as it meets district requirements, and not merely uses which applicants state they intend to make of the property involved.)

- **Reasoning:** The rezoning would only classify a single parcel to be residential like the other parcels in the surrounding area.

Commissioner Byrd made a motion in the affirmative, seconded by Commissioner Nelson, and unanimously approved by the Board that there is a convincing demonstration that the character of the neighborhood will not be materially and adversely affected by any use permitted in the proposed change.

- **Reasoning:** The area affected is already zoned under RD and have single-family homes on the lots.

Commissioner Nelson made a motion in the affirmative, seconded by Commissioner Byrd, and unanimously approved by the Board that the proposed change is in accord with the Land Development Plan and sound planning principles.

- **Reasoning:** Even though the parcel is labeled in the 2023 Land Use Plan to be Industrial all of the surrounding parcels being used are for Residential uses.

Commissioner Byrd made a motion that the requested rezoning to RD is compatible with all of the Town of Erwin's regulatory documents and would not only have a positive impact on the surrounding community but would enhance the public health, safety, and general welfare as stated in the evaluation. It is recommended that this rezoning request be **Approved** and was seconded by Commissioner Nelson. **The Board voted unanimously**

Commissioner Byrd made a motion to recommend the approval of Ordinance For Map Amendment Case # ZT-2023-006 Amendment To The Official Zoning Map To Rezone From Industrial (M-1) To Rural District (RD) Per Zoning Ordinance Article XXIII For Harnett County PIN 1507-28-9258.000 ORD 2023-2024: 004 and was seconded by Commissioner Nelson. **The Board voted unanimously.**

### **School Safety Zone**

Commissioner Byrd made a motion to open the Public Hearing and was seconded by Commissioner Nelson. **The Board voted unanimously.**

Town Manager Snow Bowden stated we have received complaints about speeding around Erwin Elementary School. Out of concern for the safety of children walking and riding their bikes to school. After some research, the Town Board has the authority to establish a School Safety Zone on a Town



# TOWN OF ERWIN

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Ricky W. Blackmon  
**Commissioners**  
Alvester L. McKoy  
Timothy D. Marbell  
Charles L. Byrd  
David L. Nelson  
William R. Turnage

1/4/2023

## ZT-2023-006 Memorandum

### Rezoning Description

The Town of Erwin has received a request to rezone a piece of property located at 261 Suggs Road Dunn, NC. Said parcel is currently zoned under Industrial and the request is to move it to its neighboring land use type of being under the Rural District. The owner of the parcel who is Eldridge and Franklin Investments of Clayton North Carolina has intentions to sell said parcel for the development of a single family home. The Harnett County Tax Pin for the parcel is 1507-28-9258.000.

### Property Description

The overall size of the property is 1.9 acres totaling approximately 53,500 Sq Feet with the closet accessible road being Suggs Road off of Red Hill Church Road. Its current zoning classification is M-1 Industrial but has been used for single family homes previously. According to Harnett County GIS the parcel is approximately .6 of a mile away from Erwin's corporate limits and is in the municipalities planning jurisdiction. According to GIS said parcel is not within a flood zone, wetland, or watershed location.

### Findings of Fact

Eldridge and Franklin Investments of Clayton NC put in a request to rezone 621 Suggs Road from Industrial to be a part of the Rural District to construct a single family home on said parcel on November 13<sup>th</sup>, 2023. Neighboring land uses are Industrial to the West and Southwest. With the Rural District being on the South, East, North, and Northeast of the parcel. After visiting the site it seems to have once been a single family home that was demolished.

Regards,

Dylan Eure  
Town Planner

check #001421

Revised 9-19-2014



# Application for an Amendment To The Official Zoning Map of Erwin, NC

PAID

Staff Only: Zoning Case # Z-2023 - 006  
Fee: \$300 Check # 001621 MO NA Cash NA  
PB Recommendation: A D A/W Conditions  
BOC Date: 1/4/24 Decision: A D T A/W Conditions

Print Applicant Name: Eldridge and Franklin Investments  
Name of Legal Property Owner: Eldridge and Franklin Investments  
Location of Property: 261 Suggs Rd Dum NC

Please Circle One of the Following: Less than one Acre One to 4.99 Acres Five or more Acres

Zoning change requested from Industrial to Residential (MD)

If Conditional District, note conditions:

Harnett County Tax Map PIN 1507-28-9258

Property owner(s) of area requested and address(es)

Brentley T Baker 4065 Powhatan Rd Clayton NC, 27520

(If more space is required, please attach to this document separately)

- Submit names and addresses of property owners immediately adjacent to the proposed rezoning area (and properties within 100 feet of proposed rezoning area) and across any street(s) and identify on an area map
- Attach a metes and bounds description, deed drawing of the area involved or a reference to lots in an approved subdivision on the entire property requested for change
- This application must be filed with the Town Hall by 4:00 p.m. on the Friday which is at least 25 days before the meeting at which it is to be considered and may be withdrawn without penalty no later than 19 days prior to the public hearing

Whenever an application requesting an amendment has been acted on and denied by the Town Board, such application, or one substantially similar shall not be reconsidered sooner than one year after the previous denial.

It is understood by the undersigned that the Zoning Map, as originally adopted and as subsequently amended, is presumed by the Town to be appropriate to the property involved and that the burden of proof for a zoning amendment rests with the applicant. Applicant is Encouraged to Discuss the Proposed Zoning Amendment with Affected Property Owners.

[Signature] 919-262-6828  
Signature of Applicant Contact Number

4065 Powhatan Rd Clayton NC 27520  
Mailing Address of Applicant



**REZONING MAP REQUEST  
STAFF REPORT**

Case: ZT-2023-006

Dylan Eure, Town Planner

deure@erwin-nc.org

Phone: (910) 591-4201 Fax: (910) 897-5543

Planning Board: 12/18/2023 Town Commissioners: 01/04/2024

Requested zoning map amendment for a single parcel zoned under Industrial (M-1) to Erwin's Rural District (RD) for the purpose of building a single family dwelling.

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**Applicant Information**

**Owner of Record:**

Name: Eldridge and Franklin Investments

Address: 4065 Powhatan Rd

City/State/Zip: Clayton, NC 27520

**Applicant:**

Name: Eldridge and Franklin Investments

Address: 4065 Powhatan Rd

City/State/Zip: Clayton, NC 27520

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**Property Description**

261 Suggs Road Dunn, NC 28334 ( HC Tax Pin #1507-28-9258 )

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**Vicinity Map**

- See Attached Harnett County GIS Image with zoning districts
- See Attached Harnett County GIS Image without zoning districts

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**Physical Characteristics**

Site Description: A single vacant parcel totaling 1.90 acres which had previously been a single family dwelling that has since been demolished located on Suggs Road. According to Harnett County GIS no water or sewer lines are accessible through the property. Septic system and well may already be installed on the property, however, there are no former site plans available

through GIS. Said parcel is not within municipal boundaries but is within Erwin's planning jurisdiction.

Surrounding Land Uses: The surrounding land uses are Industrial (M-1) to the West and South West with the Rural District to the South, East and North of the property.

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**Services Available**

- Duke Energy for electric
  - No water or sewer lines run by the home, home will require well and septic if not already installed by former owners.
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**Staff Evaluation**

The applicant has requested to have a single parcel rezoned from Industrial (M-1) to Erwin's Rural District (RD).

**Staff Evaluation**

Yes  No The IMPACT to the adjacent property owners and the surrounding community is reasonable, and the benefits of the rezoning outweigh any potential inconvenience or harm to the community

- **Reasoning:** A single family dwelling used to be on the property and is surrounded by an existing neighborhood.

Yes  No The requested zoning district is COMPATIBLE with the existing Land Use Classification.

- **Reasoning:** According to Erwin's current Land Use Plan done in 2023 the property is assigned to be labeled Industrial. However, all other parcels in use in the area are zoned for residential uses.

Yes  No The proposal does ENHANCE or maintain the public health, safety, and general welfare.

- **Reasoning:** The proposed zoning change would allow for the parcel to provide additional housing for the municipality.

Yes  No The request is for a SMALL SCALE REZONING and should be evaluated for reasonableness.

- **Reasoning:** This rezoning request includes a single parcel that was occupied by a single family home before demolition.
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<p>There is a convincing demonstration that all uses permitted under the proposed district classification would be in the general public interest and not merely in the interest of an individual or small group. <b>YES</b></p>	<p>Rezoning is for a single parcel to be considered residential so a single family home may be built on the parcel.</p>
<p>There is a convincing demonstration that all uses permitted under the proposed district classification would be appropriate in the area included in the proposed change. (When a new district designation is assigned, any use permitted in the district is allowable, so long as it meets district requirements, and not merely uses which applicants state they intend to make of the property involved.) <b>YES</b></p>	<p>The rezoning would only classify a single parcel to be residential like the other parcels in the surrounding area.</p>
<p>There is a convincing demonstration that the character of the neighborhood will not be materially and adversely affected by any use permitted in the proposed change. <b>YES</b></p>	<p>The area affected is already zoned under RD and have single family homes on the lots.</p>
<p>The proposed change is in accord with the Land Development Plan and sound planning principles. <b>YES</b></p>	<p>Even though the parcel is labeled in the 2023 Land Use Plan to be Industrial all of the surrounding parcels being used are for Residential uses.</p>

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**Statement of Consistency**

The requested rezoning from M-1 to RD is compatible with all of the Town of Erwin's regulatory documents and would not only have a positive impact on the surrounding community but create additional housing for future residents of Erwin. According to Erwin's 2023 Land Use Plan this parcel is directly on the boarder of the M-1 Industrial District and the Rural District. It is recommended that this rezoning request be **Approved**.

**Attachments:**

- ZT-2023-006 Application
- Harnett County GIS Image with zoning districts
- Harnett County GIS Image without zoning districts
- Adjacent property owner sheet

- Public notice letter sent to adjacent property owners



Edward Turlington  
PO Box 1027  
Dunn, NC 28335

James Anthony Peterkin  
PO Box 826  
Coats, NC 27521

Harnett County  
PO Box 759  
Lillington, NC 27546

Duran Hugo Munguila  
114 Clayton Rd  
Angier, NC 27501

Mary Lockamy  
149 Suggs Rd  
Dunn, NC 28334

Christine Annie Wiggins & Billy Alston Simon  
306 Suggs Rd  
Dunn, NC 28334



# TOWN OF ERWIN

P.O. Box 459 · Erwin, NC 28339  
Ph: 910-897-5140 · Fax: 910-897-5543  
[www.erwin-nc.org](http://www.erwin-nc.org)

12/19/2023

## Notice of a Public Hearing ZT-2023-006

**Mayor**  
Randy L. Baker  
**Mayor Pro Tem**  
Ricky W. Blackmon  
**Commissioners**  
Alvester L. McKoy  
Timothy D. Marbell  
Charles L. Byrd  
David L. Nelson  
William R. Turnage

The Board of Commissioners of the Town of Erwin will hold a public hearing pursuant to NC General Statute 160D-406 on January 4<sup>th</sup>, 2024 at 7:00 P.M. at the Erwin Town Hall, 100 West F Street, Erwin, North Carolina to hear public comment on a proposed rezoning request.

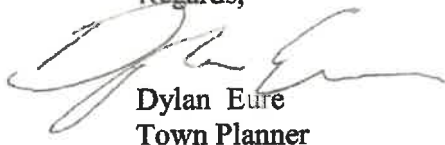
There has been a zoning map amendment application submitted to the Town. The rezoning request includes a single parcel of land that are listed below:

- 261 Suggs Road Dunn, NC 28334 (HC Tax Pin: 1507-28-9258)

The applicant has requested to have the parcel listed above rezoned from Industrial (M-1) to the Rural District (R-D). The applicant would like to build a single family home which are permitted within the Town's Industrial District.

A copy of this case is available for review at the Erwin Town Hall. Questions concerning this case can be addressed to the Town Planner Dylan Eure at 910-591-4201 or by email at [deure@erwin-nc.org](mailto:deure@erwin-nc.org)

Regards,



Dylan Eure  
Town Planner

## NOTICE OF PUBLIC HEARING

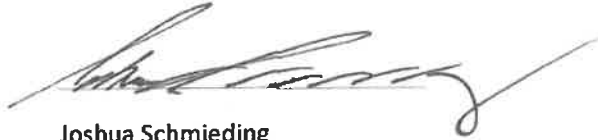
The Town of Erwin Board of Commissioners will conduct a Public Hearing on the following item pursuant to NC General Statute 160D-406, on Thursday, January 4, 2024, at 7:00 P.M. in the Erwin Municipal Building Board Room located at 100 West F Street, Erwin, NC 28339. Questions can be addressed to the Town Manager Snow Bowden at 910-591-4200 or by email at [townmanager@erwin-nc.org](mailto:townmanager@erwin-nc.org).

- Case ZT-2023-006: Request to have a parcel located at 261 Suggs Road rezoned from Industrial District (M-1) to Rural District (RD). The property can also be identified by its Hamett County Tax PIN # 1507-28-9258,000.
- Establish a School Safety Zone on a portion of South 10th Street, East D Street, East E Street, and East F Street.

This case is available for review at the Erwin Town Hall. All persons desiring to be heard either for or against the proposed items set forth above are requested to be present at the above-mentioned time and place.  
12/15,22/2023

**Statement-of-Consistency**

The requested rezoning to RD is compatible with all of the Town of Erwin's regulatory documents and would not only have a positive impact on the surrounding community, but would enhance the public health, safety, and general welfare as stated in the evaluation. It is recommended that this rezoning request be **Approved**.



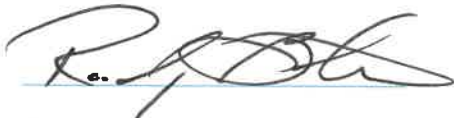
Joshua Schmieding  
Planning Board Vice-Chairperson



Lauren Evans  
Town Clerk

**Statement-of-Consistency**

The requested rezoning to RD is compatible with all of the Town of Erwin's regulatory documents and would not only have a positive impact on the surrounding community, but would enhance the public health, safety, and general welfare as stated in the evaluation. It is recommended that this rezoning request be **Approved**.

A handwritten signature in black ink, appearing to read "Randy Baker", written over a light blue horizontal line.

Randy Baker  
Mayor

A handwritten signature in black ink, appearing to read "Lauren Evans", written over a light blue horizontal line.

Lauren Evans  
Town Clerk



# TOWN OF ERWIN

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Mayor  
Randy L. Baker  
Mayor Pro Tem  
Ricky W. Blackmon  
Commissioners  
Alvester L. McKoy  
Timothy D. Marbell  
Charles L. Byrd  
David L. Nelson  
William R. Turnage

## ORDINANCE FOR MAP AMENDMENT CASE # ZT-2023-006 AMENDMENT TO THE OFFICIAL ZONING MAP TO REZONE FROM INDUSTRIAL (M-1) TO RURAL DISTRICT (RD) PER ZONING ORDINANCE ARTICLE XXIII FOR HARNETT COUNTY PIN 1507-28-9258.000

ORD 2023-2024: 004

Per Chapter 36 Zoning, Article XXIII, Changes and Amendments, Harnett County PIN 1507-28-9258.000 owned by Eldridge and Franklin Investments LLC has been rezoned to Rural District (RD), Case # ZT-2023-006.

Matthew S. Willis Register of Deeds  
Harnett County, NC  
Electronically Recorded  
06/30/2023 02:23:57 PM NC Rev Stamp: \$0.00  
Book: 4198 Page: 1984 - 1985 (2) Fee: \$26.00  
Instrument Number: 2023010739

HARNETT COUNTY TAX ID #  
061507 0634

06-30-2023 BY: TC

### NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: \$0.00

Parcel Number 0615070634

Mail To: SL Cox Law PC 201 Bellaris St Garner NC 27529

This instrument was prepared by: S.L. Cox Law PC

Brief description for the Index

261 Suggs Rd.

THIS DBED made this 30<sup>th</sup> day of May 2023, by and between

**GRANTOR**  
Grindstone Acquisitions, LLC  
201 Bellaris St.  
Garner, NC 27529

**GRANTEE**  
Eldridge and Franklin Investments, LLC  
7007 Scarlet Ln  
Garner, NC 27529

Property is \_\_\_\_\_ is not  primary residence of  
the grantor.

**Property Conveyed:**  
261 Suggs Rd.  
Dunn, NC 28345

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in, City Dunn, Harnett County, North Carolina and more particularly described as follows: **BEGINNING** at a point in State Road #1727, which point of beginning is located in the center of the tracks of the Durham Southern Railroad line South 44 deg. 42 min. West 26.6 feet from an iron stake in the center of said railroad track and runs thence with the center line of said railroad track South 44 deg. 42 min. West 599.4 feet; thence North 18 deg. 57 min. East 653.5 feet to a point in the aforesaid State Road; thence with aforesaid State Road South 47 deg. 28 min. East to the **BEGINNING**, Containing 1.9 acres, more or less, and being part of the lands described in deed recorded in Book 367, Page 640, Harnett County Registry.

The property hereinabove described was acquired by Grantor see Book 4036, Page 98

Submitted electronically by "SL Cox Law PC"  
in compliance with North Carolina statutes governing recordable documents  
and the terms of the submitter agreement with the Harnett County Register of Deeds.



TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

- General easements of record.
- Restrictive covenants of record.
- Ad valorem taxes now due and payable.

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written

  
 \_\_\_\_\_ (SEAL)  
 Samantha Cox, as Manager for Grindstone Acquisitions, LLC

STATE OF NC  
 COUNTY OF Johnston

I, Holly L. Rau, a Notary Public of said County and state, do hereby certify that Samantha Cox, as Manager for Grindstone Acquisitions, LLC and personally appeared before me this day, and being by me duly sworn, says that he or she executed the foregoing and annexed instrument.


WITNESS my hand and notarial seal on this 30<sup>th</sup> day of June, 2023.

  
 \_\_\_\_\_  
 NOTARY PUBLIC



My Commission Expires: 1-25-2027

Adopted this the 4<sup>th</sup> day of January 2024.

  
 \_\_\_\_\_  
 Randy Baker,  
 Mayor

ATTEST:

  
 \_\_\_\_\_  
 Lauren Evans, NCCMC  
 Town Clerk

### MINUTES CONTINUED FROM JANUARY 4, 2024

maintained street by the adoption of an Ordinance. Signs would be posted on East D Street and South 10<sup>th</sup> Street, parallel to the school zone signs on Denim Drive. We are looking at funds for sidewalks but this School Safety Zone would be a step in the right direction.

Mayor Baker asked if anyone was present to speak in favor of the request.

No one came forward.

Mayor Baker asked if anyone was present to speak against the request.

No one came forward.

Commissioner McKoy made a motion to close the Public Hearing and was seconded by Commissioner Byrd. **The Board voted unanimously.**

Mayor Baker stated the School Safety Zone Ordinance was much needed. He asked if Town Staff planned to paint the road.

Town Manager Snow Bowden stated that signs are required by the Ordinance but painting the roads would not hurt.

Commissioner Byrd stated it was well overdue.

Commissioner Byrd made a motion to approve the Ordinance Establishing a School Safety Zone on East D Street and South 10<sup>th</sup> Street Pursuant to N.C.G.S. 20-141.1 and was seconded by Commissioner McKoy. **The Board voted unanimously.**

Town Manager Snow Bowden stated that he planned to discuss the speeding issue and placing new signage of 25 MPH on all roads at our Budget Workshop.

### PUBLIC COMMENT

No one was present to speak.

### MANAGER'S REPORT

Town Manager Snow Bowden informed the Board:

- At our January workshop meeting we will have a lot to discuss:
  - 480k grant for park expansion and related equipment.
  - 500K stormwater management plan grant- this should help us with a plan for stormwater throughout the Town. This was one of the biggest complaints that we have gotten. We were waiting on a letter from the State so we could put out an RFQ to hire a firm to help us with this plan.
  - 500k grant for economic development.
  - Discussion of hiring an engineer to assist with the water line installation on St. Matthew's Road with the grant we received from the State of NC.
  - We should be discussing an updated MOU from Harnett County regarding our SRO program.

# Erwin Board of Commissioners

## REQUEST FOR CONSIDERATION

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To: The Honorable Mayor and Board of Commissioners

From: Snow Bowden, Town Manager

Date: January 4, 2024

Subject: School Zone Ordinance

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Pursuant to N.C.G.S. 20-141.1 the local authority (in this case the Erwin Town Board) has the authority to adopt an ordinance to regulate the speed limit in a school zone during an established time that would be advertised by regulatory signs in the established area. We have received numerous complaints about speeding around Erwin Elementary and we have some safety concerns that we hope this will address. There are a number of children that walk to school and Erwin Elementary is also a larger school now with it being a K-5 school. Before they demolished the old school on this site Erwin Elementary was a 3-5 (grade school). Gentry was the primary school for this district (K-2). The proposed ordinance establishes a school zone on East D Street and South 10<sup>th</sup> Street during the same time period as the already established school zone on Denim Drive.

\*Town Staff and the Erwin Police Department are well aware of the speeding complaints throughout the Town of Erwin. We plan on bringing up the possibility of changing the speed limits throughout the Town of Erwin but that will require substantial funding due to the need for additional signage. Town Staff hoped to have this discussion once we start planning for the budget for the next Fiscal Year. The process to change the speed limit on our town-maintained streets involves approving a text amendment to our Town Code, which requires presentation to the Planning Board for their recommendation, then we have a public hearing for any input from the public, and if the majority of the members of the Town Board vote to approve the text amendment to our Town Code we will need to install the new signs showing the speed limit.

Attachments:

- Proposed ordinance



# TOWN OF ERWIN

P.O. Box 459 · Erwin, NC 28339  
Ph: 910-897-5140 · Fax: 910-897-5543  
www.erwin-nc.org

**Mayor**  
Randy L. Baker  
**Mayor Pro Tem**  
Ricky W. Blackmon  
**Commissioners**  
Alvester L. McKoy  
Timothy D. Marbell  
Charles L. Byrd  
David L. Nelson  
William R. Turnage

**AN ORDINANCE ESTABLISHING A SCHOOL SAFETY ZONE  
ON EAST D STREET AND SOUTH 10<sup>TH</sup> STREET  
PURSUANT TO N.C.G.S. 20-141.1  
ORD 2023-2024: 005**

**WHEREAS**, the Town of Erwin Mayor and Board of Commissioners realize that the safety of our children is a top priority of our residents;

**WHEREAS**, the Town of Erwin Mayor and Board of Commissioners are extremely appreciative of the Harnett County School System and Harnett County for funding such a great facility in the heart of the Town of Erwin;

**WHEREAS**, the Town of Erwin Mayor and Board of Commissioners realize that we have more kids walking to the new Erwin Elementary School

**WHEREAS**, the Town of Erwin wishes to establish a School Safety zone on our town-maintained streets including East D Street and South 10<sup>th</sup> Street from the following hours 7:30 until 8:30 AM and 2:30 until 3:30 PM.

**WHEREAS**, the Erwin Mayor and Board of Commissioners have the authority pursuant to N.C.G.S 20-141.1 to establish a school safety zone on our town-maintained streets.

**WHEREAS**, the proposed school safety zone will be identified by the proper signage indicating the authorized lower speed limit and the times and days that it is in place.

**WHEREAS**, the authorized speed limit in the school zone shall be 25 miles per hour.

**NOW, THEREFORE BE IT ORDAINED** by the Board of Commissioners of the Town of Erwin, North Carolina that a school zone is established on East D Street and South 10<sup>th</sup> Street.

**Duly Adopted**, this the 4<sup>th</sup> day of January 2024.

**ATTEST:**

  
Randy Baker  
Mayor

  
Lauren Evans, NCCMC  
Town Clerk



**TOWN OF ERWIN  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
THURSDAY, JANUARY 4, 2024, AT 7 PM**

**PUBLIC COMMENT-** *Each speaker is asked to limit comments to 3 minutes, and the requested total comment period will be 15 minutes or less. Citizens should sign up prior to the start of the meeting. Please provide the clerk with copies of any handouts you have for the Board. Although the Board is interested in hearing your concerns, speakers should not expect Board action or deliberation on subject matter brought up during the Public Comment segment. Thank you for your consideration of the Town Board, staff and other speakers. §160A-81.1*

Name	Address	Subject
1. <del>XXXXXXXXXX</del>	20 EDNA JOHN CT.	ISSUES AT 21 EDNA JOHN <sup>CT</sup>
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
8. _____	_____	_____
9. _____	_____	_____
10. _____	_____	_____
11. _____	_____	_____
12. _____	_____	_____

### MINUTES CONTINUED FROM JANUARY 4, 2024

- He thanked Mark Walton and Lynn Lambert with the Harnett County Soil and Water Division. Mark helped us apply for a planning grant that should help with the CCAP grant that we were expecting to receive for the Porter Park Stream restoration project.
- He planned to pass out budget forms to all of our department heads the following Monday for them to submit with their budget request by mid-February for the upcoming Fiscal Year.
- Our COG Mid-Carolina reached out to him right before Christmas and set up a meeting with the NC League of Municipalities. We should be getting another grant to help with engineering services. He suggested using those funds for an ADA transition plan. The grant should be around \$50,000.00.
- We were working on getting quotes for the Community Building work.
- We were going to get back to work on getting quotes to update our Town Code and a HWY 421 Corridor overlay district to go in line with our updated Land Use Plan.
- He was still waiting to hear back from FAMPO about a meeting to discuss a potential MOU for us to join this organization and leave the Mid-Carolina RPO.
- Early voting for the 2024 election will be taking place at the Al Woodall Park gym again this year. He would let the Board know more information as soon as he knew it.
- We were still working on West K Street. Public Works recently put up a better barricade to hopefully keep people out.
- Ample Storage had submitted plans to Harnett County to tear down the old White House Restaurant. He knew it was long overdue, but he was hopeful to have that site cleaned up soon.

### ATTORNEY'S REPORT

Town Attorney Tim Morris thanked the Board for allowing him to be their Town Attorney.

### GOVERNING COMMENTS

Commissioner McKoy wished everyone a Happy New Year.

Commissioner Marbell wished everyone a Happy New Year.

Commissioner Byrd thanked citizens for taking the time to be at our meetings. The recognition given out was so well deserved. He thanked Finance Director Linda Williams for all that she does. He thanked our Police Chief and was amazed by all of our Town Staff.

Commissioner Nelson stated he was proud of the citizens of Erwin, the Fire Department, Police Department for the wonderful job done with Shop with a First Responder. He was thankful for Town Staff. He wished everyone a Happy New Year.

Commissioner Turnage stated he had South Erwin on his mind and we needed to do something about the Getting Place. As far as the grass, it looked the best it ever looked. He was looking for a good year for Erwin and wanted to make people proud of our Town.

Mayor Baker echoed the comments of his fellow Board Members. He thanked Commissioner McKoy for the invocation he gave at the beginning of the meeting. He really took it to heart. He wished everyone a

**MINUTES CONTINUED FROM JANUARY 4, 2024**

Happy, Healthy, and Safe New Year. He was looking forward to good things and as Commissioner McKoy prayed, we are in God's will. We have outstanding staff. He congratulated Finance Director Linda Williams for her award of Employee of the Quarter and Lieutenant Joey Ennis for his award as Citizen of the Month. Giving those awards was the highlight of what he did as Mayor, to give recognition to our Staff and our Citizens and he was thankful for that honor.

**ADJOURNMENT**

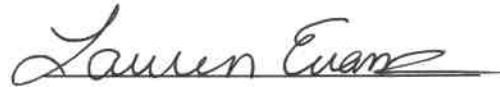
Commissioner Byrd made a motion to adjourn at 8:02 P.M. and was seconded by Commissioner Turnage. **The Board voted unanimously.**

**MINUTES RECORDED AND TYPED BY  
LAUREN EVANS TOWN CLERK**

**ATTEST:**



**Randy Baker**  
**Mayor**



**Lauren Evans, NCCMC**  
**Town Clerk**