



Audit Presentation

Town of Erwin

Fiscal Year June 30, 2025

R. Bryon Scott, CPA

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Independent Auditor's Report on the Financial Statement

Chart presentation

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TOWN OF ERWIN

ERWIN, NORTH CAROLINA

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

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, 2025, 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, 2025, 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 December 10, 2025 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

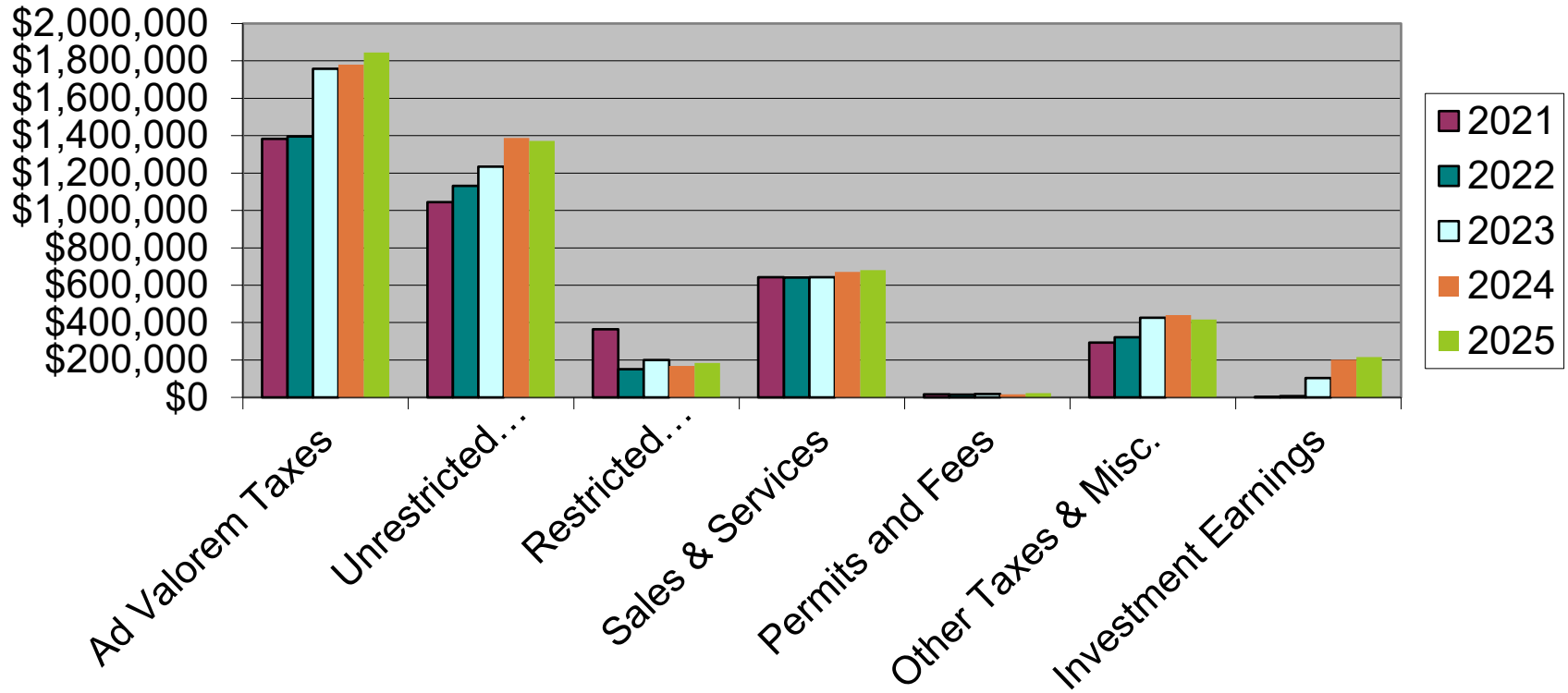
December 10, 2025



Town of Erwin

General Fund Revenue

5 year comparison

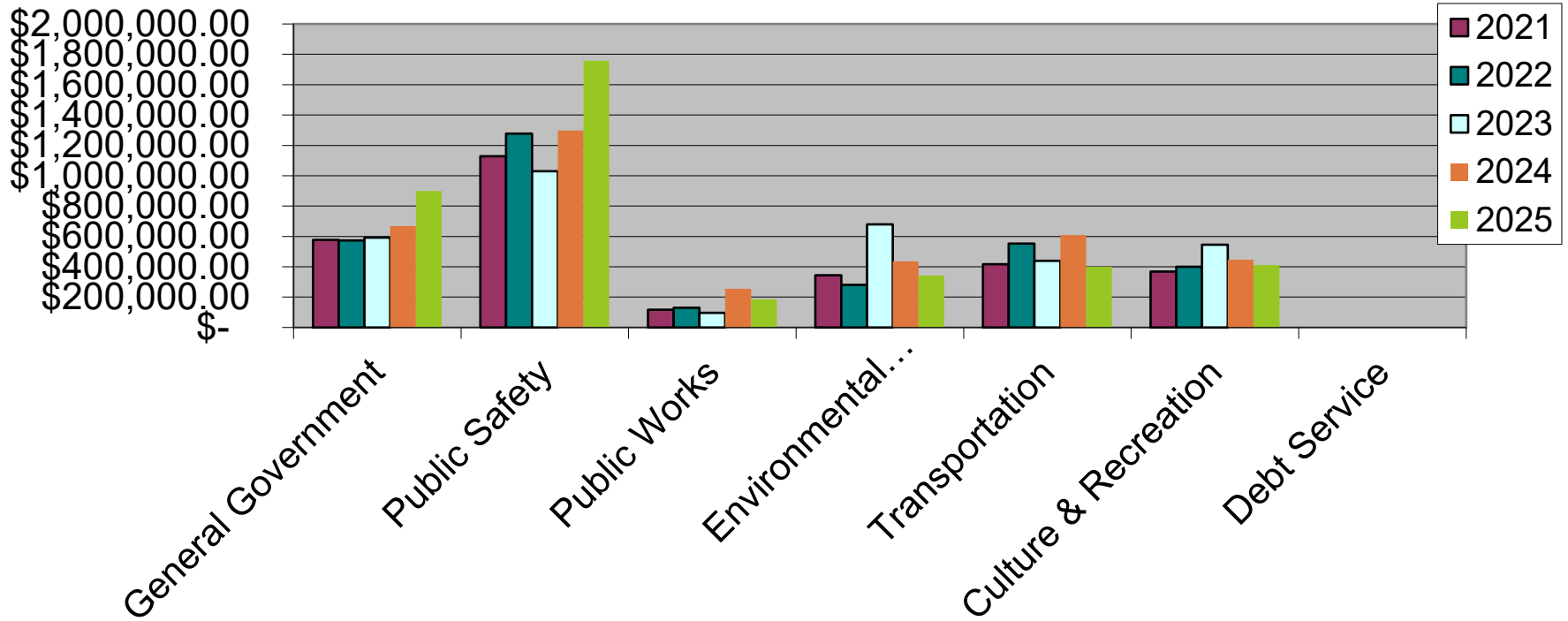




Town of Erwin

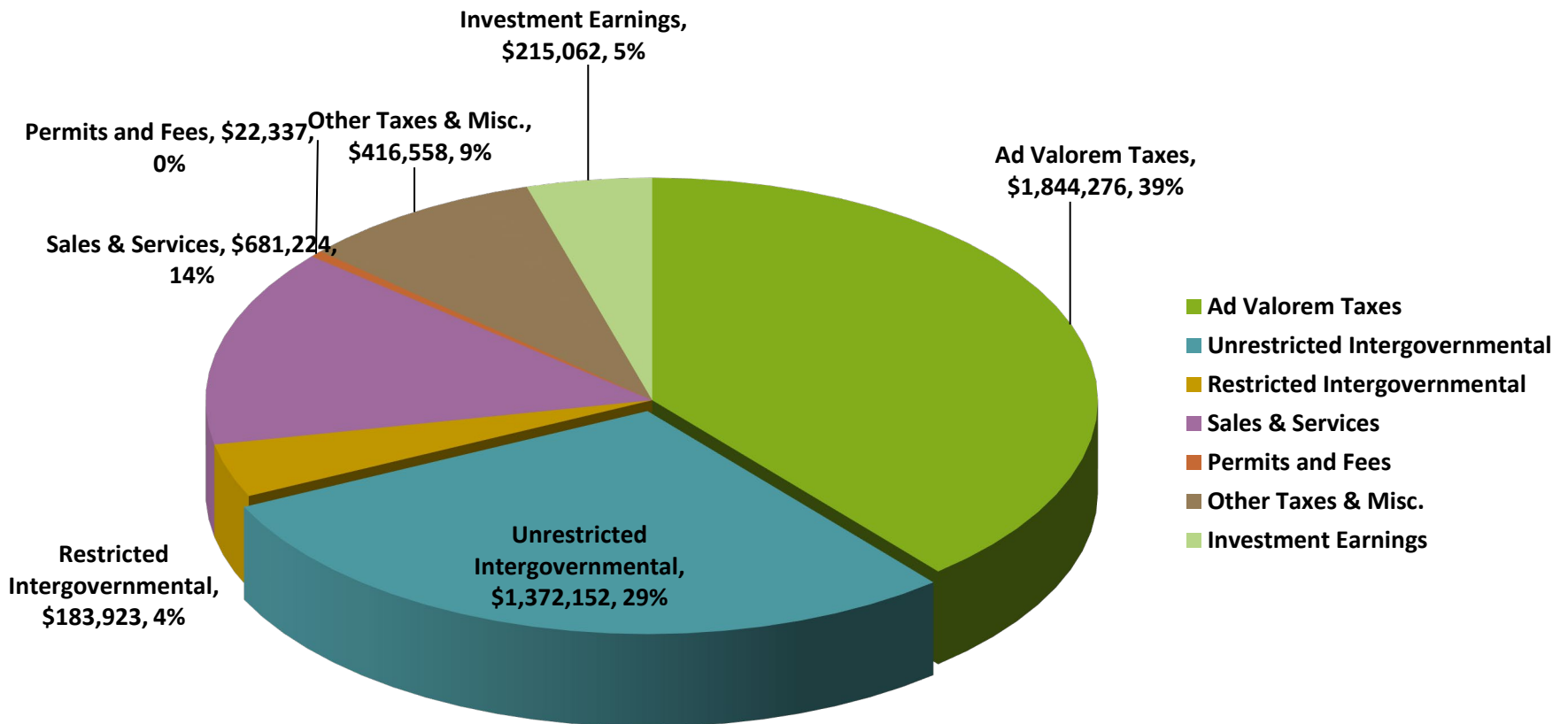
General Fund Expenditures

5 year comparison



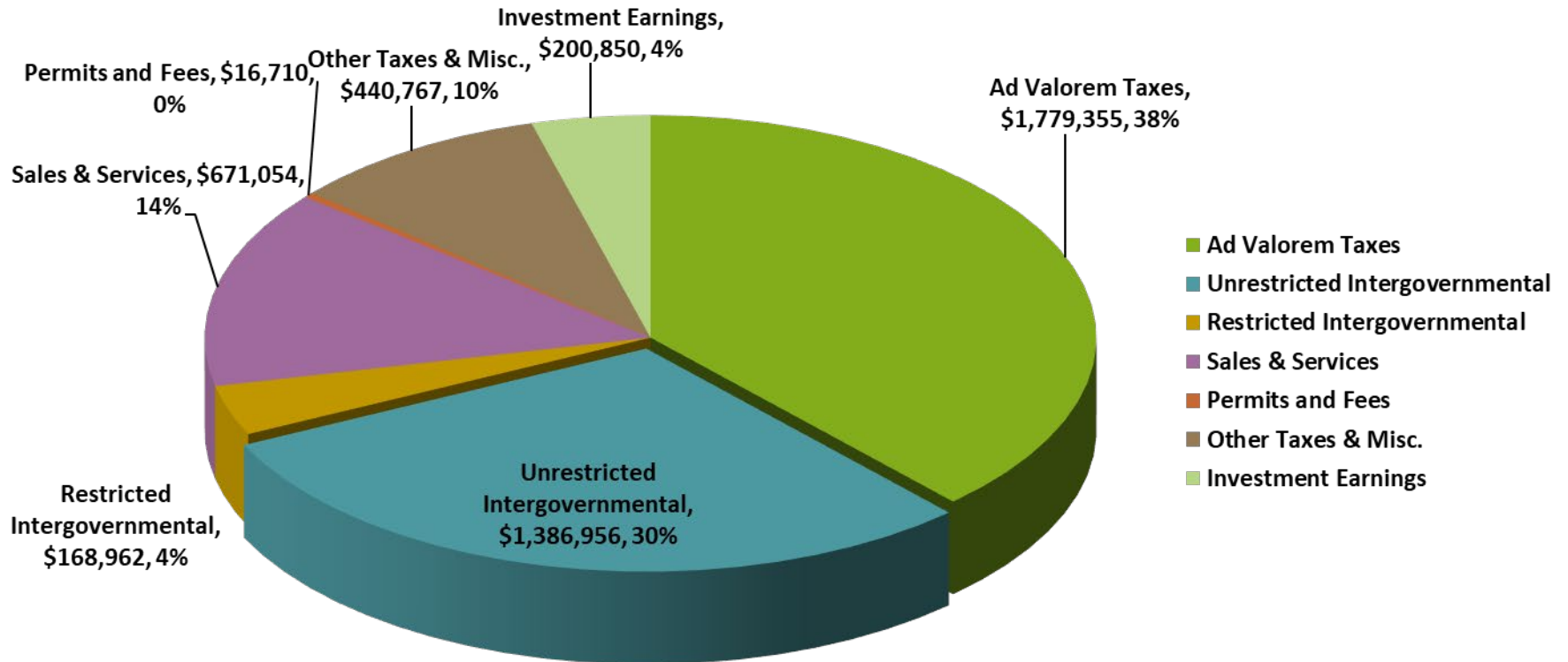


Town of Erwin 2025 Revenue



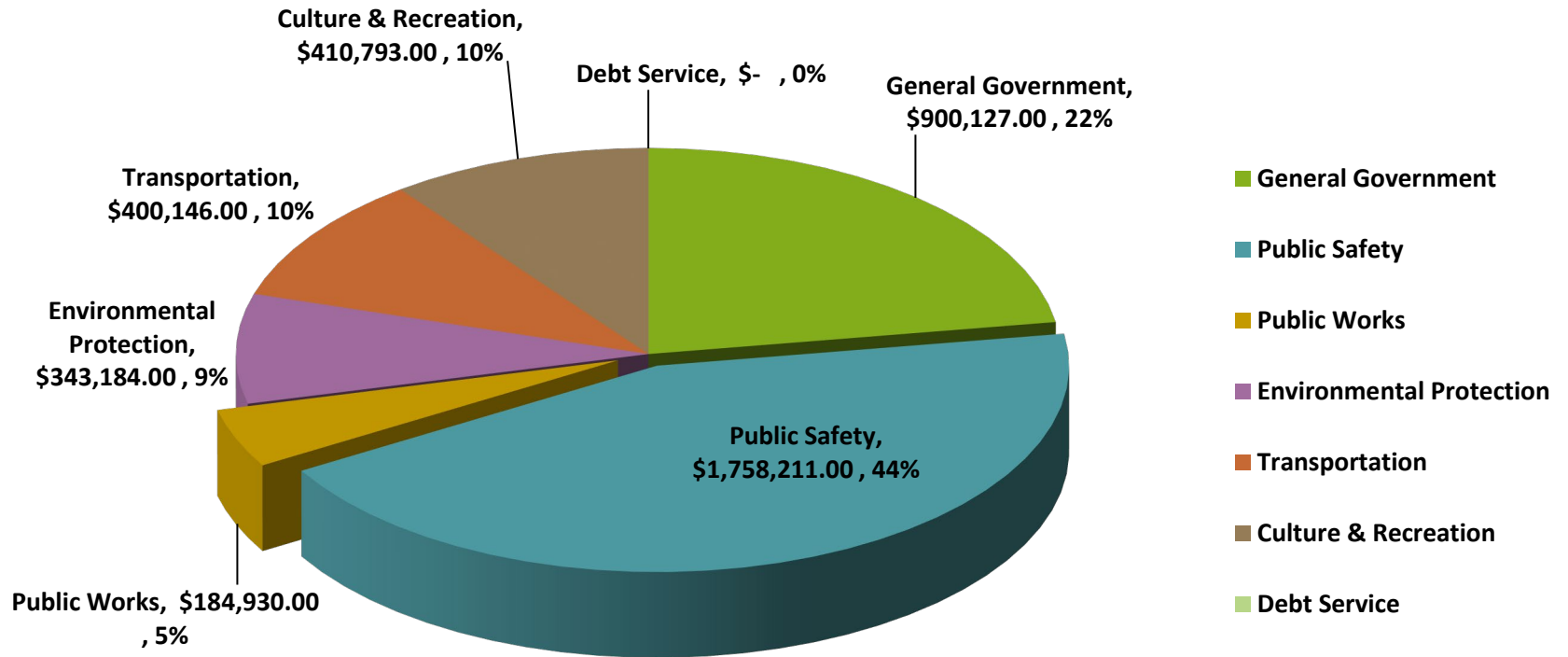


Town of Erwin 2024 Revenue



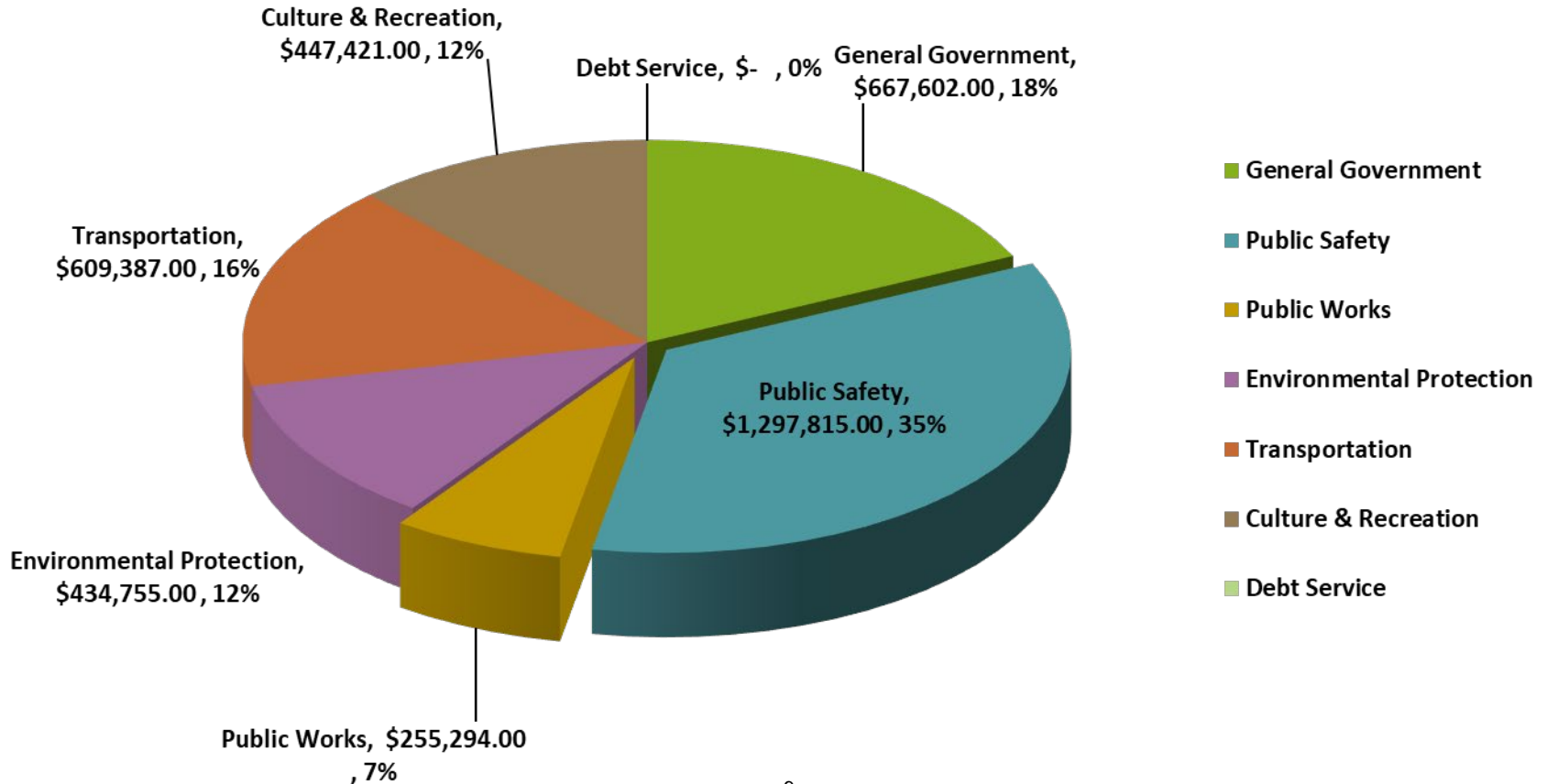


Town of Erwin 2025 Expenditures



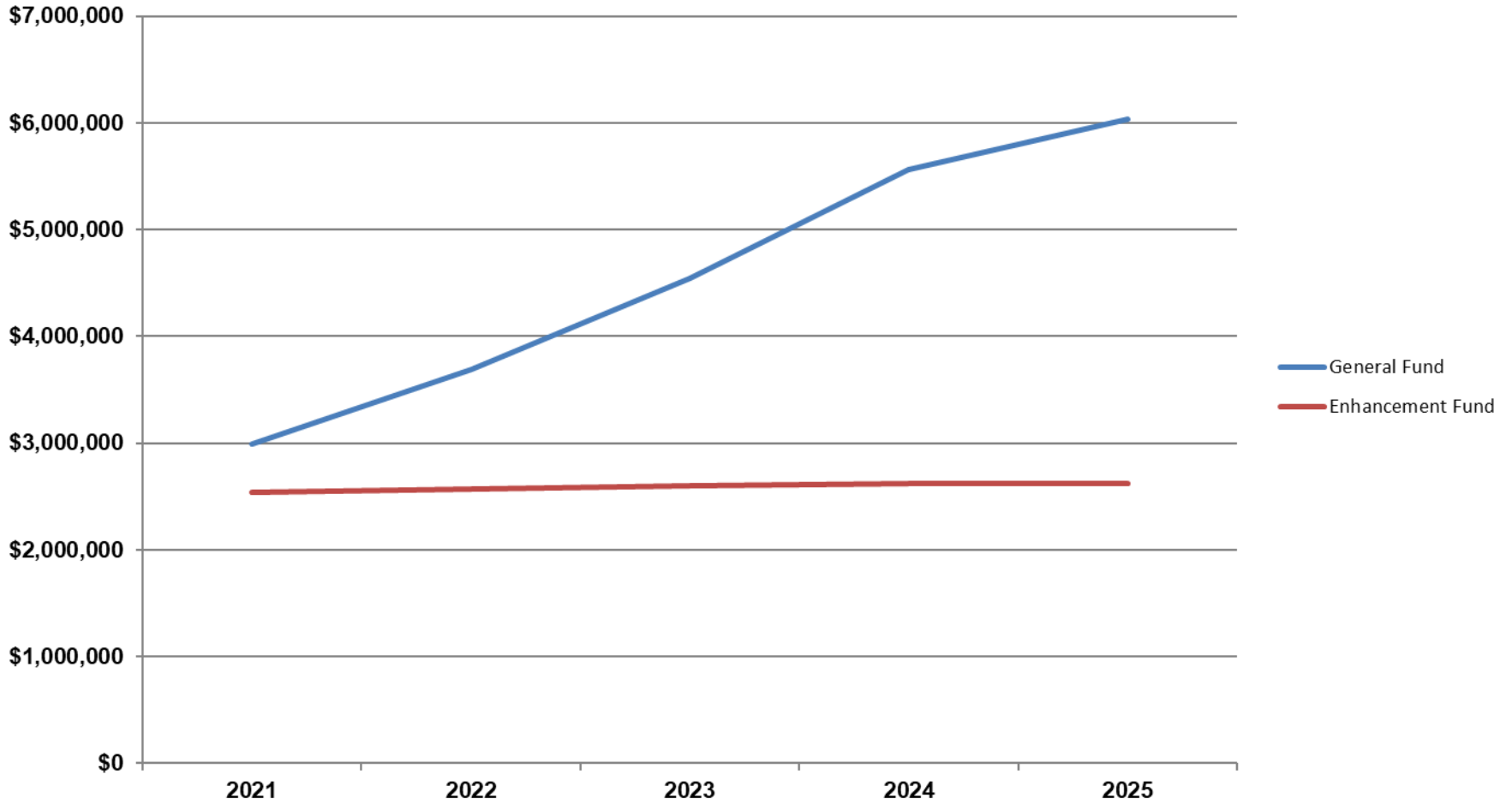


Town of Erwin 2024 Expenditures



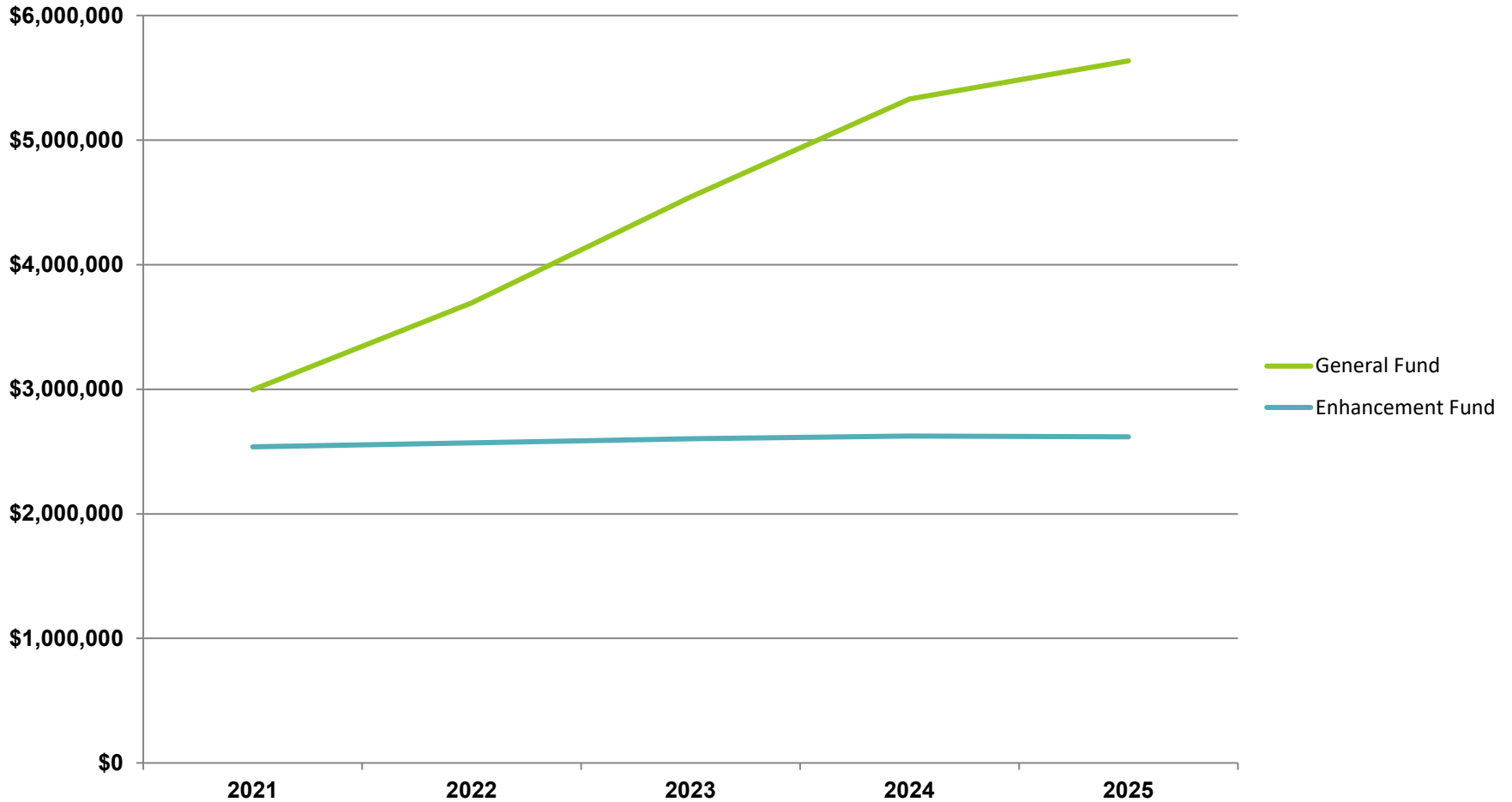


Cash Analysis-General Fund and Capital Enhancement Fund





Fund Balance Analysis-General Fund and Capital Enhancement Fund

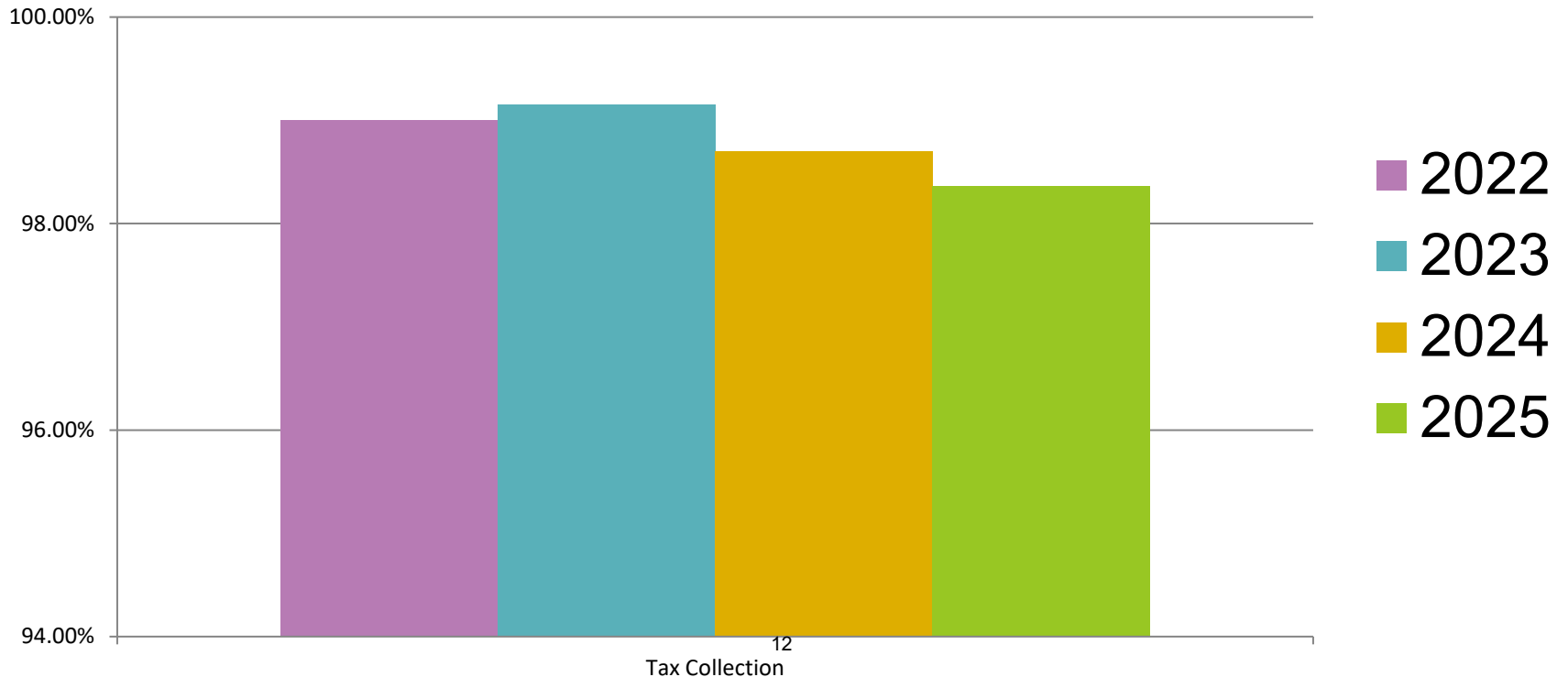




Town of Erwin

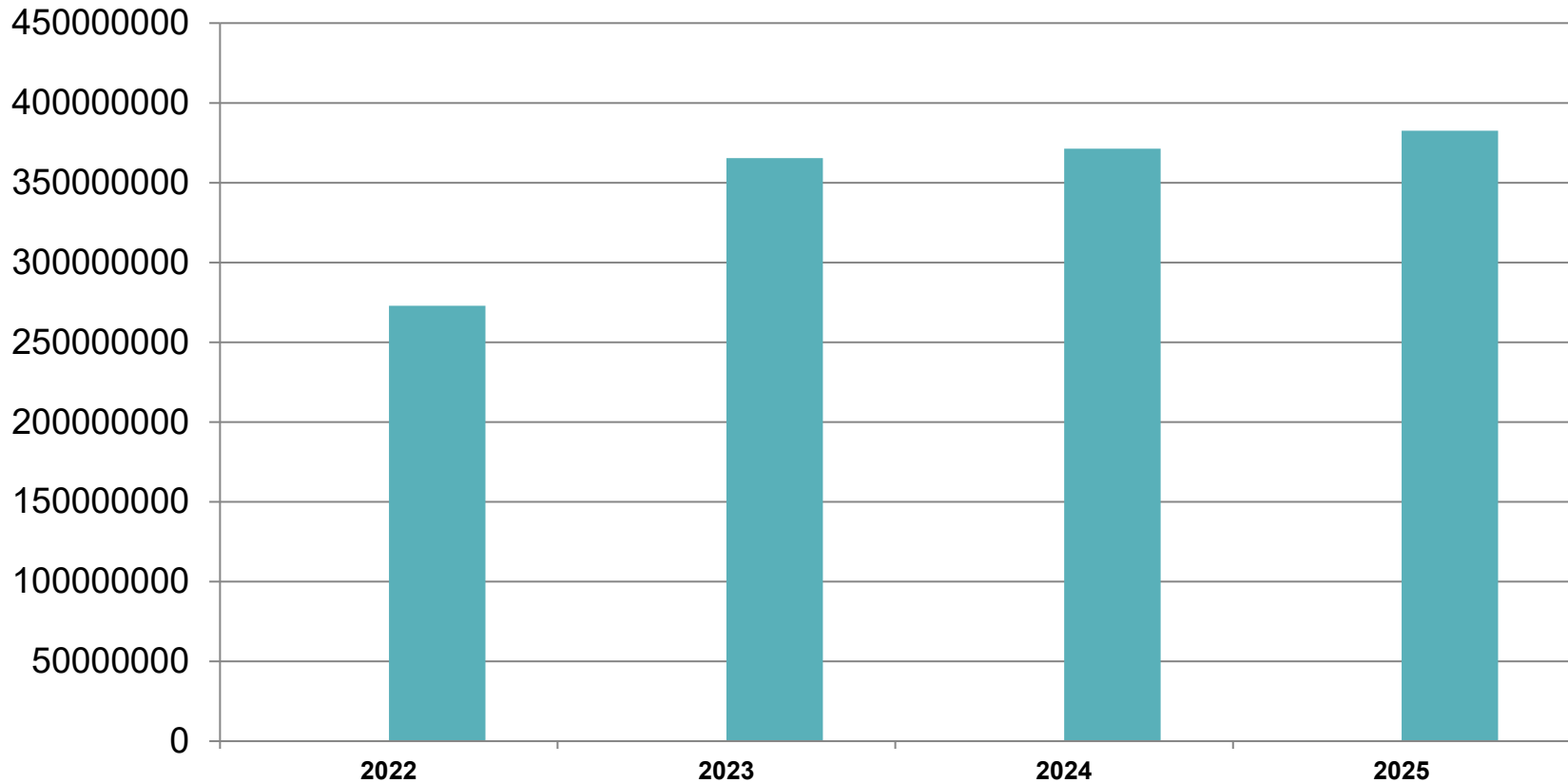
Tax Collection Rate

4 year comparison





Town of Erwin Property Tax Valuation





Required Auditor Communications

Town of Erwin

Fiscal Year June 30, 2025



Required Auditor
Communications

Communication of Internal
Control Related Matters

Schedule of Findings & Responses



Required Auditor Communications

Area	Comments
Our Responsibility under Generally Accepted Auditing Standards	<ul style="list-style-type: none">● Express opinion on these financial statements in conformity with generally accepted accounting principles.● Plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.● Determine audit procedures based upon our risk assessment of material misstatement and evaluation of internal control.● Evaluating appropriateness of accounting policies, reasonableness of significant accounting estimates, and overall presentation of financial statements.● Consider the Town's ability to continue as a going concern for a reasonable period of time.● Communicating significant matters to management.● Accumulate all known and likely misstatements identified and communicate them to appropriate level of management.● We have no responsibility to perform procedures beyond those related to the financial statements.
Planned scope and timing of the audit	<ul style="list-style-type: none">● Perform the audit according to our letter to you dated May 1, 2025. (Copy available at your request.)



Required Auditor Communications

Area	Comments
Significant accounting policies	<ul style="list-style-type: none">● Management is responsible for selecting and implementing appropriate accounting policies.● See Note 1 to the financial statements.● No transactions entered into for which there was a lack of authoritative guidance.● Significant policies are listed in detail in the notes section. There are no unusual policies.
Adoption or change in accounting policies	<p>Governmental Accounting Standards Board</p> <ul style="list-style-type: none">● Statement 101-Accounting for Compensated Absences.
Significant accounting estimates	<ul style="list-style-type: none">● Based on management's knowledge/experience.● Significant estimates include uncollectable accounts, based on prior year write offs.● Estimates are reasonable.
Significant disclosures	<ul style="list-style-type: none">● Disclosures are neutral, consistent, and clear.
Difficulties encountered in Performing the audit	<ul style="list-style-type: none">● No significant difficulties performing the audit.
Disagreements with management	<ul style="list-style-type: none">● No such disagreements arose during the course of the audit.
Corrected/uncorrected misstatements	<ul style="list-style-type: none">● No uncorrected audit adjustments.● Management reviewed and accepted responsibility for all proposed adjusting entries.



Required Auditor Communications

Area	Comments
Management representation	<ul style="list-style-type: none">● Management signed those representations on December 10, 2025. (Copy available at your request.)
Consultations with other accountants	<ul style="list-style-type: none">● None to our knowledge.
Other issues	<ul style="list-style-type: none">● Discussed application of accounting principles and auditing standards prior to retention but not as a condition to our retention.
Other findings and comments	<ul style="list-style-type: none">● See compliance section of audit.● Local Government Commission's financial indicators



Communication of Internal Control Related Matters

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, 2025, 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 December 10, 2025.

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. 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, 2025-001.



Communication of Internal Control Related Matters

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
December 10, 2025



Schedule of Findings and Responses

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCIES

2025 – 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, 2024-001.

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 66 in this audit report.

Financial 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.

Financial Performance Indicators

Account #	Question	2025
980	Date the auditor presented or plans to present Financial Performance Indicators of Concern (FPIC) to the Governing Board.	Data Not Available

Summary

Indicator Name	2023	2024	2025	Fail Condition	2025 Status
Number of Financial Performance Indicators of Concern (FPICs)	0	0	0	Greater Than 0	Pass

General Fund

Indicator Name	2023	2024	2025	Fail Condition	2025 Status
Fund Balance Available as Percent of Expenditures & Transfers Out Without Powell Bill	130.66%	150.84%	144.32%	Less Than 34.00%	Pass
Use of Fund Balance for Operations	No	No	No	Equal Yes	Pass
Total Fund Balance	\$4,931,750	\$5,900,130	\$6,652,906	Less Than \$0	Pass

Water & Sewer Fund

Indicator Name	2023	2024	2025	Fail Condition	2025 Status
Quick Ratio	Data Not Available	Data Not Available	Data Not Available	Less Than 1.00	Not Applicable
Operating Net Income Excluding Depreciation; Including Debt Service Principal and Interest	\$0	\$0	\$0	Less Than \$0	Pass
Unrestricted Cash as a Percentage of Expenses	Data Not Available	Data Not Available	Data Not Available	Less Than 16.00%	Not Applicable
Transfers in > 3% of Total of Operating and Non-Operating Expenses	\$0	\$0	\$0	Less Than \$0	Pass
Capital Assets Condition Ratio	Data Not Available	Data Not Available	Data Not Available	Less Than or Equal To 50.00%	Not Applicable

Electric Fund

Indicator Name	2023	2024	2025	Fail Condition	2025 Status
Quick Ratio	Data Not Available	Data Not Available	Data Not Available	Less Than 1.00	Not Applicable
Operating Net Income Excluding Depreciation; Including Debt Service Principal and Interest	\$0	\$0	\$0	Less Than \$0	Pass
Unrestricted Cash as a Percentage of Expenses	Data Not Available	Data Not Available	Data Not Available	Less Than 16.00%	Not Applicable
Is Unit following G.S. § 159B-39 or the unit's transfer policy?	Yes	Yes	Yes	Equal No	Pass

Debt/Liabilities

Indicator Name	2023	2024	2025	Fail Condition	2025 Status
Late Debt Service Payments and/or Bond Covenants Not Met	N/A	N/A	N/A	Equal Yes	Pass

Internal Controls

Indicator Name	2023	2024	2025	Fail Condition	2025 Status
Adopted Ordinance Level Budget Violations	No	No	No	Equal Yes	Pass
Material weaknesses, significant deficiencies, and/or statutory violations	No	No	No	Equal Yes	Pass
Appointed Finance Officer Exists During Fiscal Year per G.S. § 159-24 (Local Governments & Public Authorities) or G.S. § 115C-435 (Board of Education)	Yes	Yes	Yes	Equal No	Pass
Appointed Finance Officer Bonded per G.S. § 159-29 (Local Governments & Public Authorities) or G.S. § 115C-442 (Board of Education)	Yes	Yes	Yes	Equal No	Pass
Financial Statements - Auditor Opinion Unmodified	Yes	Yes	Yes	Equal No	Pass
Going Concern	No	No	No	Equal Yes	Pass

General Qualifying Factors

Indicator Name	2023	2024	2025	Fail Condition	2025 Status
Date Audit Submitted	11/30/2023	10/29/2024	Data Not Available	Greater Than 12/31/2025	Not Applicable
Collected Ad Valorem Tax as Percent of Budgeted Ad Valorem Tax	3.02%	1.75%	3.67%	Less Than -3.00%	Pass
Expected Property Revaluation Direction	N/A	N/A	Increase	Equal Decrease	Pass
Other Issues	0	0	0	Greater Than 0	Pass

Financial Performance Indicators - Descriptions: For Informational Purposes Only

Summary

Indicator Name	Formula	Description
Number of Financial Performance Indicators of Concern (FPICs)	Number of Financial Performance Indicators of Concern (FPICs) Unit has	

General Fund

Indicator Name	Formula	Description
Fund Balance Available as Percent of Expenditures & Transfers Out Without Powell Bill	$(506+536+647-11-4-6-5)/(532+20+509-533-508-1050)$	<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 indicates the amount of available cash on hand. Note that 8.33% represents enough fund balance to cover only one month of expenditures. 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> <p>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% may be considered a performance indicator of concern and you may be asked to communicate to us.</p> <p>Municipality General Fund Expenditures Groups Minimum Threshold FBA as % of Expenditures:</p> <ol style="list-style-type: none"> 1. Less Than Or Equal To \$99,999 100% 2. \$100,000 To \$999,999 71% 3. \$1,000,000 To \$9,999,999 34% 4. Greater Than Or Equal To \$10,000,000 25% <p>County General Fund Expenditures Groups Minimum Threshold FBA as % of Expenditures:</p> <ol style="list-style-type: none"> 1. Less Than Or Equal To \$99,999,999 20% 2. Greater Than Or Equal To \$100,000,000 16%
Use of Fund Balance for Operations	$23 < 0 \ \& \ 590 = \text{Operations}$	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.

Total Fund Balance	9	If the General Fund is negative, that means 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.
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Water & Sewer Fund

Indicator Name	Formula	Description
Quick Ratio	$(654-655-510-579^*) / (633-634-635-636-637-638-578^*) * 579 \text{ \& } 578 \text{ Used FY } 20-23$	A Quick Ratio less than 1 indicates that the unit owes mores for its current bills than what it has on hand in unrestricted cash and investments plus what is owed from customers (accounts receivable). This could indicate that the fund may have difficulty paying its current bills. If this pattern continues, the water and/or sewer system may not be sustainable.
Operating Net Income Excluding Depreciation; Including Debt Service Principal and Interest	84-85+49-331-89	Formula subtracts operating expenses from operating revenues. Depreciation expense is not included the calculation but debt principal and interest payments are included. A negative balance indicates that your rates are not covering your operating expenses and debt service payments.
Unrestricted Cash as a Percentage of Expenses	$80 / (85+351-49+331)$	Formula calculates how many month's worth of expenses (including debt principal but not depreciation) a unit can pay based on the amount of unrestricted cash at year end. The typical billing cycle is one month (8.33%) and one extra month usually gives a local government enough cash to handle unusual monthly expenses (16.66%). This 16% would be the bare minimum necessary to keep the fund from experiencing cash flow issues.
Transfers in > 3% of Total of Operating and Non-Operating Expenses	$((85+351) * 0.03) - 986$	The rate structure of the Water and Sewer Fund should support the operating expenses of the fund without operating subsidies or transfers from other funds.
Capital Assets Condition Ratio	$1 - ((523+524+525+526) / (515+516+517+518))$	This capital assets condition ratio formula calculates the remaining useful life. A remaining useful life asset value less than or equal to 0.50 may signal the need to replace the assets in the near future.

Electric Fund

Indicator Name	Formula	Description
Quick Ratio	$(657-658-511-581^*) / (639-640-641-642-643-644-580^*) * 581 \text{ \& } 580 \text{ Used FY } 20-23$	A Quick Ratio less than 1 indicates that the unit owes mores for its current bills than what it has on hand in unrestricted cash and investments plus what is owed from customers (accounts receivable). This could indicate that the fund may have difficulty paying its current bills. If this pattern continues, the electric system may not be sustainable.
Operating Net Income Excluding Depreciation; Including Debt Service Principal and Interest	93-94+52-100-98	Formula subtracts operating expenses from operating revenues. Depreciation expense is not included the calculation but debt principal and interest payments are included. A negative balance indicates that your rates are not covering your operating expenses and debt service payments.
Unrestricted Cash as a Percentage of Expenses	$90 / (364+94-52+100)$	Formula calculates how many month's worth of expenses (including debt principal but not depreciation) a unit can pay based on the amount of unrestricted cash at year end. The typical billing cycle is one month (8.33%) and one extra month usually gives a local government enough cash to handle unusual monthly expenses (16.66%). This 16% would be the bare minimum necessary to keep the fund from experiencing cash flow issues.

Is Unit following G.S. § 159B-39 or the unit's transfer policy?	IF Electric - Total Transfers Out to all funds <= 0 then "Yes". If Amount Transferred minus PILOT and Transfers to Electric Capital Projects <= Allowable Transfer per statute Then "Yes"	This indicator advises if there were electric transfers in violation of G.S. § 159B-39 or in violation of the unit's transfer policy.
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Debt/Liabilities

Indicator Name	Formula	Description
Late Debt Service Payments and/or Bond Covenants Not Met	974	This indicator advises whether or not the unit has issues with debt service payments or bond covenants.

Internal Controls

Indicator Name	Formula	Description
Adopted Ordinance Level Budget Violations	1057	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 Chapter 159.
Material weaknesses, significant deficiencies, and/or statutory violations	1055, 1056, 1058, 955, 957	This indicator identifies whether the unit has any material weaknesses, significant deficiencies, management letter comments or items identified on the Transmittal Document Information tab.
Appointed Finance Officer Exists During Fiscal Year per G.S. § 159-24 (Local Governments & Public Authorities) or G.S. § 115C-435 (Board of Education)	1059	The indicator is to determine if any time during the fiscal year, the unit was without an appropriately appointed finance officer.
Appointed Finance Officer Bonded per G.S. § 159-29 (Local Governments & Public Authorities) or G.S. § 115C-442 (Board of Education)	1067	The indicator is to determine if at any time during the fiscal year, the unit was without a properly bonded, board-appointed finance officer.
Financial Statements - Auditor Opinion Unmodified	906	
Going Concern	953	

General Qualifying Factors

Indicator Name	Formula	Description
Date Audit Submitted	1066	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.
Collected Ad Valorem Tax as Percent of Budgeted Ad Valorem Tax	(984-985)/985	This percent 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.
Expected Property Revaluation Direction	991	Indicator using reported expected decrease in property value for unit's next property revaluation which could result in lost tax revenue.
Other Issues	973	This indicator advises if any other issues that the unit should address in the FPIC response letter.

* Please note that not all account numbers are applicable for all unit types. Account number(s) shown in formula(s) that are not available for data entry are not applicable for your unit type.