

**THE ERWIN BOARD OF COMMISSIONERS
FEBRUARY 2026 REGULAR MEETING
THURSDAY, FEBRUARY 5, 2026 @ 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 Minutes on January 8, 2026 **(Page 2)**

~~**PRESENTATION OF FISCAL YEAR 2024-2025 AUDIT (Page 5)**~~

4. PUBLIC HEARING

- A. ZT-2025-011 **(Page 6)**
- B. SU-2025-004 **(Page 38)**

5. NEW BUSINESS

- A. Proposed Contract with Liberty Waste Solutions **(Page 68)**

6. PRESENTATION OF FISCAL YEAR 2024-2025 AUDIT

7. PUBLIC COMMENT

Each speaker is asked to limit comments to 3 minutes, and the requested total comment period will be 30 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

7. MANAGER'S REPORT

8. ATTORNEY'S REPORT

9. 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****FEBRUARY 5, 2026****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, February 5, 2026, at 7:00 P.M. in Erwin, North Carolina.

Board Members present were Mayor Randy Baker, Mayor Pro Tem Ricky Blackmon, and Commissioners David Nelson, Alvester McKoy, Billy Turnage, and Timothy Marbell.

Board Member absent was Commissioner Charles Byrd.

Town Manager Snow Bowden, Deputy Town Clerk Katelan Blount, Town Attorney Tim Morris, Town Planner Dylan Eure, Finance Director Linda Williams, and Police Chief Jonathan Johnson were present.

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

Commissioner McKoy gave the Invocation.

Commissioner Nelson led the Pledge of Allegiance.

AGENDA ADJUSTMENT/APPROVAL OF AGENDA

Town Manager Snow Bowden requested moving the Presentation of Fiscal Year 2024-2025 Audit after New Business due to our Auditors running late.

Commissioner Blackmon made a motion to approve the agenda as amended and was seconded by Commissioner McKoy. **The Board voted unanimously.**

CONSENT

Commissioner Blackmon made a motion to approve **(ITEM A)** Minutes of Regular Meeting on January 8, 2026, which Commissioner Turnage seconded. **The Board voted unanimously.**

MINUTES CONTINUED FROM FEBRUARY 5, 2026PUBLIC HEARING

ZT-2025-011

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

Town Planner Dylan Eure stated the Town of Erwin has received a request to rezone two adjacent parcels, of which one has an address of 45 Red Hill Church Road and a Harnett County Tax Pin of 1507-14-3913.000. The said parcel is 1.79 acres and under the B-2, M-1, and R-10 zoning classifications. The second parcel does not have an address, but it can be identified by its Harnett County Tax Pin of 150715-4111.000, and is 1.62 acres under the M-1 and R-10 zoning classifications. The petition would rezone both properties to be under the R-10 zoning classification.

Mayor Baker asked if the Board had any questions for Town Staff.

No questions were asked.

Mayor Baker asked if the applicant or anyone in favor of the request would like to come forward.

The applicant, Martha Stancil of 45 Red Hill Church Road, came forward and addressed the Board. She stated that she and her husband were the owners of the two parcels, and they appreciated the Board's consideration of their request because it had been a financial hardship on them. The tax was over \$3,000 every year, and the rezoning would benefit them greatly. The neighbors were present at the meeting to support them.

Mayor Baker clarified that the property was for residential purposes, no commercial activity was taking place, and the Stancils intended to only use the property for residential purposes.

Mrs. Stancil stated that was correct.

Mayor Baker asked if the Board had any questions for the applicant.

No questions were asked.

Mayor Baker asked if anyone else in favor of the request would like to come forward.

Bill Boyer, owner of EnviroBEE, located at 127 Red Hill Church Road, came forward and stated he appreciated the Stancils as their neighbors, and he was happy to support them for this rezoning.

Sally Jackson of 15 Red Hill Church Road stated these properties about her property, and she had no problem with the Stancil's properties being rezoned to residential.

Mayor Baker asked if anyone opposed to the request would like to come forward.

No one came forward.

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

MINUTES CONTINUED FROM FEBRUARY 5, 2026

Commissioner Blackmon made a motion, 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 that all permitted uses within Erwin's R-10 district would be in the general public interest of the community, as evident in the current use of the properties and other nearby R-10 properties that have active residential uses.

Commissioner Nelson made a motion, seconded by Commissioner Blackmon, 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 that since several of the nearby properties, as well as portions of the petitioned properties, are currently zoned as R-10, there is no evidence as to why a permitted use under the R-10 district would be a detriment to the surrounding area.

Commissioner McKoy made a motion, 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 that the parcel has been operating as a residential use since the 1950's, with no proof of adversely affecting the neighborhood.

Commissioner Blackmon made a motion, seconded by Commissioner Nelson, and unanimously approved by the Board, that the proposed change is in accord with the Land Development Plan and sound planning principles. Reasoning that, although the Erwin Land Use Plan calls for this parcel to be zoned for commercial and high-density mixed uses, since the properties were developed prior to Erwin's zoning, it is reasonable to have the parcel zoned under the R-10 jurisdiction to allow its use to continue throughout the life of the structures.

Commissioner Nelson made a motion, seconded by Commissioner Blackmon, and unanimously approved by the Board, that the request is for a small-scale rezoning and should be evaluated for reasonableness. Reasoning that this rezoning request includes two adjacent parcels totaling 3.41 acres to be completely zoned under the R-10 zoning classification, of which there are additional R-10 zoned properties less than 100 feet away.

Commissioner Blackmon made a motion, seconded by Commissioner Nelson, and unanimously approved by the Board, that although Erwin's Land Use Plan calls for this area to be zoned for commercial and high-density mixed uses, it is reasonable to allow the parcels to return to a sole zoning classification that is in line with the parcels' current use. Therefore, it is recommended that ZT-2025-011 is approved.

Commissioner Blackmon made a motion to recommend that the proposed rezoning application meets all the findings in the affirmative. Although Erwin's Land Use Plan calls for this area to be zoned for commercial and high-density mixed uses, it is reasonable to allow the parcels to return to a sole zoning classification that is in line with the parcels' current use. Therefore, it is recommended that ZT-2025-011 is approved. Approval of Ordinance For Map Amendment Case # ZT-2025-011 Amendment to The Official Zoning Map To Rezone from B-2, M-1, and R-

MINUTES CONTINUED FROM FEBRUARY 5, 2026

10 to Entirely R-10 For Harnett County PIN 1507-14-3913.0000 and from M-1 and R-10 to Entirely R-10 for Harnett County PIN 1507-15-4111.0000. These motions were seconded by Commissioner Nelson and unanimously approved by the Board.

SU-2025-004

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

Town Planner Dylan Eure stated the Town of Erwin has received a special use application for 301 West F Street. The applicant wished to demolish the existing home and replace the existing structure with a two-family home or duplex. This two-family home would be approximately 2,600 square feet and have a total of 4 beds and 4 baths, with each unit having 2 beds and 2 baths. For parking, the applicant offered 6 parking spaces. In terms of parcel size, the location has a total of 14,511 square feet with 97 feet of road frontage. He did want to mention that this land use was considered desirable with our Land Use Plan, and the site plan met our regulations.

Mayor Baker asked if the Board had any questions for Town Staff.

Commissioner Blackmon confirmed that this request did meet all of our regulatory requirements.

Town Planner Dylan Eure stated that was correct.

Mayor Baker asked the applicant to come forward and stated his name and address for the record.

Applicant, Alan Stewart, of 16150 Spivey's Corner Hwy in Dunn, came forward and was sworn in by Deputy Town Clerk Katelan Blount.

Mr. Stewart stated he wanted to give the Board the history of himself and the house. The house was located at the bottom of the hill. He bought it six years ago; the house was a rental when he bought it. The people who lived there had lived there ten years prior, so they lived there 15 years and knew he had to get into the house. They always paid and did not bother him, so he found another place and got into the house. The house is not in great shape; he could fix it, but he would rather not. He would rather build a newer product that would look a lot better than putting lipstick on what is already there. To do that, he needed approval for a duplex to justify a single-family home, which was why he was seeking a special use.

Mayor Baker asked Mr. Stewart if he felt the request would bring any negative impact to the area.

Mr. Stewart stated he does not. He felt it would bring a better tenant and a nicer product. He stated no sir, he did not think there would be a negative impact. He wanted the product to be aesthetically pleasing and nicely represent Erwin.

Mayor Baker asked if the photograph included in the agenda packet was similar to what he was proposing.

Erwin Board of Commissioners

REQUEST FOR CONSIDERATION

To: The Honorable Mayor and Board of Commissioners

From: Snow Bowden, Town Manager

Date: February 5, 2026

Subject: ZT-2025-011

The Town of Erwin has received a rezoning request for two parcels. The two parcels are adjacent to each other. One parcel can be identified by the address of 45 Red Hill Church Road. The other parcel does not have an address, but it can be identified by its Harnett County Tax PIN # 1507-14-3913.000. Both parcels are under the same ownership, and they are both split-zoned lots. The applicant wishes to have both parcels fully zoned R-10. The Planning Board did recommend this rezoning request for approval. Town Staff has followed all the required steps to properly advertise the public hearing for this request.

Attachments:

- Town Planner's Memo
- ZT-2025-011 Application
- ZT-2025-011 Staff Report
- Harnett County GIS No Zoning
- Harnett County GIS with Zoning
- Permitted Uses in B-2, M-1, and R-10
- Town of Erwin Land Use Plan
- Property Owners Notified
- Public Notice Letter
- Newspaper Public Hearing Notice
- Planning Board Draft Minutes
- Planning Board Statement of Inconsistency
- Statement of Inconsistency (Approval and Denial)
- Proposed ZT-2025-011 Resolution



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

2/5/2026

ZT-2025-011 Memorandum

Rezoning Description

The Town of Erwin has received a request to rezone two adjacent parcels, of which one has an address of 45 Red Hill Church Road and a Harnett County Tax Pin of 1507-14-3913.000. The said parcel is 1.79 acres and under the B-2, M-1, and R-10 zoning classifications. The second parcel does not have an address, but it can be identified by its Harnett County Tax Pin of 150715-4111.000, and is 1.62 acres under the M-1 and R-10 zoning classifications. The petition would rezone both properties to be under the R-10 zoning classification.

Property Description

As stated previously this rezoning petition involves two parcels owned by Martha and Joseph Stancil. With one of the parcels being located within Erwin's corporate limits and the adjacent parcel being just outside of Erwin's corporate boundaries. The parcel that is located within Erwin's corporate limits has a listed physical address of 45 Red Hill Church Rd. This parcel is currently occupied by two single-family homes, and according to Harnett County GIS, they were built in the 1950's prior to Erwin's incorporation. Per Erwin's ordinances, both of the said homes are allowed to continue their use, provided that one is not destroyed or occupation is not discontinued for a period greater than 180 days. This parcel is split zoned between three zoning districts, with them being B-2, M-1, and R-10. One of the homes on the lot appears to be within the B-2 and R-10 portion, while the second appears to be on the B-2 and M-1 portion. The second adjacent parcel, petitioning to be rezoned, is located by its Harnett County Tax Pin of 1507-15-4111 and is just outside of Erwin's corporate limits. Of which this parcel is occupied by a single detached garage/shed used as an accessory for 45 Red Hill Church. This parcel's zoning classification is R-10 and B-2.

In general, town staff believes the reasoning for the current B-2 zoning is due to a general rezoning that was done after the construction HWY 421, when a blanket B-2 zoning classification was placed to designate HWY 421 as a primarily commercial corridor. While the industrial portions were likely a part of the adjacent property at 127 Red Hill Church Rd, but was later deeded off within a will. While R-10 is believed to be the original zoning classification for both parcels. In terms of wetlands and other possible environmental concerns located on the properties, there does not appear to be any flood zones, wetlands, or protected watersheds. That said, there is what appears to be a freshwater pond located on the property to its rear, located by its address of 15 Red Hill Church Rd. The surrounding land uses are primarily comprised of single-family residences, commercial establishments, and industrial uses, within the zoning

classifications being B-2, M-1, R-6, R-10, and RD. To the north of the property, there is M-1 zoning that contains uses such as EnviroBEE. To the direct east, there are both B-2 and R-10 zoning classifications, with the only uses being located on the R-10 lots being single-family homes. Further east, there is also the RD zoning classification, with the parcel being vacant woodland. To the south, the primary zoning is commercial with uses such as University Storage. To the direct west, there is R-6 zoning with the use being a single-family dwelling. Further west, there is additional M-1 zoning with the use being a solar farm.

Regards,

Dylan Eure
Town Planner

JACKSON SALLY B
15 RED HILL CHURCH RD DUNN, NC
28334-4972

PCC PROPERTIES LLC
127 RED HILL CHURCH RD DUNN, NC
28334-5949

VANN SEXTON MALCOLM JR
HEIRS
144 RED HILL CHURCH RD DUNN, NC
28334-5949

RZEMIEN LEAH MARIE
118 RED HILL CHURCH RD DUNN, NC
28334-5949

BAREFOOT MILFORD C &
BAREFOOT JOYCE K
72 RED HILL CHURCH RD DUNN, NC
28334-4972

BROTHERS TOO LLC
311 COLERIDGE DR DUNN, NC
28334-4408

SUN DAWG RENOVATIONS INC
PO BOX 2474 DUNN, NC 28335-2474

UNIVERSITY STORAGE LLC
165 SOMMERVILLE PARK RD
RALEIGH, NC 28603

Matthew S. Willis Register of Deeds
Harnett County, NC
Electronically Recorded
07/07/2025 11:35:00 AM NC Rev Stamp: \$0.00
Book: 4293 Page: 1338 - 1340 (3) Fee: \$26.00
Instrument Number: 2025012519

HARNETT COUNTY TAX ID#
061507 0337 1
061507 0337 2
07-07-2025 BY MB

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: \$0.00

Parcel Identifier No. 061507 0337 1 and 061507 0337 2
Verified by Harnett County on the _____ day of _____, 2025
By: _____

Mail/Box to: Grantee
This instrument was prepared by: Senter, Stephenson, Johnson, P.A. [WITHOUT TITLE SEARCH/TAX ADVICE]
Brief description for the Index: Two Tracts; 1.79 and 1.62 AC Home Place

THIS DEED made this 2nd day of July, 2025, by and between

GRANTOR	GRANTEE
<p>JOSEPH E. STANCIL AND WIFE, MARTHA ANN R. STANCIL</p> <p>47 Red Hill Church Road Dunn, NC 28334</p>	<p>JOSEPH E. STANCIL AND WIFE, MARTHA ANN R. STANCIL (A 99 percent interest) BRIAN KELLY STANCIL, married (A 1/5 of one percent interest) DAVID JASON STANCIL, unmarried (A 1/5 of one percent interest) ROBERT LYNN STANCIL, married (A 1/5 of one percent interest) CHRISTOPHER PAUL STANCIL, unmarried (A 1/5 of one percent interest) BETH STANCIL BERGER, married (A 1/5 of one percent interest)</p> <p>AS JOINT TENANTS WITH RIGHT OF SURVIVORSHIP</p> <p>47 Red Hill Church Road Dunn, NC 28334</p>

Enter in appropriate block for each Grantor and Grantee: name, mailing address, and, if appropriate, character of entity, e.g. corporation or partnership.

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.

Submitted electronically by Senter, Stephenson, Johnson, PA in compliance with North Carolina statutes governing recordable documents and the terms of the submitter agreement with the Harnett County Register of Deeds.

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 of that certain lot or parcel of land situated in Harnett County, North Carolina and more particularly described as follows:

See attached "Exhibit A" for Legal Description

THE PURPOSE OF THIS DEED IS TO CREATE JOINT TENANCY WITH RIGHT OF SURVIVORSHIP WITH EACH GRANTEE.

The property herein above described was acquired by Grantor by instrument recorded in Book 4293, Page 1291 Harnett County Registry.

All or a portion of the property herein conveyed includes or does not include the primary residence of a Grantor.

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:

1. General service and utility easements, restrictions, and rights-of-way of record;
2. 2025 Ad Valorem taxes, not yet due and payable.

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

By: Joseph E. Stancil (SEAL)
Joseph E. Stancil

By: Martha Ann R. Stancil (SEAL)
Martha Ann R. Stancil

State of North Carolina
County of Wake

I certify that Joseph E. Stancil and Martha Ann R. Stancil each personally appeared before me this day and acknowledged the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal this 2nd day of July, 2025.



Linda Funke Johnson
Linda Funke Johnson, Notary Public

My Commission Expires: 11/4/2028

EXHIBIT A

BEING the remaining portion less any out conveyances of the lands owned by Martha H. Hodges at the time of her death lying on the south side of the center line of the Carolina Power & Light Company power line crossing said property, the same consisting of the remainder of the seventeen (17) acres inherited by the said Martha H. Hodges from her mother, Thenie Bryant. This is the identical property devised under Item II of the will and codicils of Martha H. Hodges which is File No. 88-E-398 filed in the office of the Clerk of Superior Court of Harnett County, Incorporated herein by reference.

Remaining portion being described as:

TRACT 1:

PID: 061507 0337 1

PIN: 1507-14-3913.000

Physical Address: 45 Red Hill Church Road, Dunn, NC 28334

BEING 1.79 acres of the 3.41 acre "Home Place", and being a portion of the Martha H. Hodges property described in Book 3588, Page 0622, Harnett County Registry.

TRACT 2:

PID: 061507 0337 2

PIN: 1507-15-4111.000

Physical Address: Red Hill Church Road, Dunn, NC 28334

BEING 1.62 acres of the 3.41 acre "Home Place", and being a portion of the Martha H. Hodges property described in Book 3588, Page 0622, Harnett County Registry.

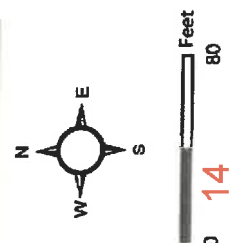


Harnett.org/GIS
November 24, 2025

- Flood Map Index
- County Boundary
- City Limits
- Address Numbers
- Gravity

- Force Main
- 6 - 36
- Road Centerlines
- US

- Parcels
- Watershed HUC12
- Watershed HUC8





**REZONING MAP REQUEST
STAFF REPORT**

Case: ZT-2025-011

Dylan Eure, Town Planner
deure@erwin-nc.org

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

Planning Board: 12/15/2025 Town Commissioners: 02/05/2026

The Town of Erwin has received a request to rezone two adjacent parcels, of which one has an address of 45 Red Hill Church Road and a Harnett County Tax Pin of 1507-14-3913.000. The said parcel is 1.79 acres and under the B-2, M-1, and R-10 zoning classifications. The second parcel does not have an address, but it can be identified by its Harnett County Tax Pin of 150715-4111.000, and is 1.62 acres under the M-1 and R-10 zoning classifications. The petition would rezone both properties to be under the R-10 zoning classification.

Applicant Information

Owner of Record:

Name: Martha & Joseph Stancil
Address: 45 Red Hill Church Rd.
City/State/Zip: Dunn, NC 28334

Applicant:

Name: Martha & Joseph Stancil
Address: 45 Red Hill Church Rd.
City/State/Zip: Dunn, NC 28334

Property Description:

- 45 Red Hill Church Rd. (Harnett County Tax Pin: 1507-14-3913.000)
 - 1.79 acres
 - Commercial B-2: 1.42 acres or 78.86%
 - Industrial M-1: .22 acres or 12.37%
 - Residential R-10: .16 acres or 8.77%
- Harnett County Tax Pin: 1507-15-4111.000
 - 1.62 acres
 - Industrial M-1: .88 acres or 53.93%
 - Residential R-10: .75 acres or 46.07%

Type of Decision:

- Legislative

Vicinity Map

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

Physical Characteristics

Site Description:

Two parcels owned by Martha and Joseph Stancil, with one of the parcels being located within Erwin's corporate limits and the adjacent parcel being just outside of Erwin's corporate boundaries. The parcel that is located within Erwin's corporate limits has a listed physical address of 45 Red Hill Church Rd. This parcel is currently occupied by two single-family homes, and according to Harnett County GIS, they were built in the 1950's prior to Erwin's incorporation. Per Erwin's ordinances, both of the said homes are allowed to continue their use, if one is not destroyed or occupation is not discontinued for a period greater than 180 days. This parcel is split zoned between three zoning districts, with them being B-2, M-1, and R-10. One of the homes on the lot appears to be within the B-2 and R-10 portion, while the second appears to be on the B-2 and M-1 portion.

The second adjacent parcel, petitioning to be rezoned, is located by its Harnett County Tax Pin of 1507-15-4111 and is just outside of Erwin's corporate limits. Of which this parcel is occupied by a single detached garage/shed used as an accessory for 45 Red Hill. This parcel's zoning classification is R-10 and B-2. In general, town staff believes the reasoning for the current B-2 zoning is due to a general rezoning that was done after the construction HWY 421, when a blanket B-2 zoning classification was placed to designate HWY 421 as a primarily commercial corridor. While the industrial portions were likely part of the adjacent property at 127 Red Hill Church, that was later deeded off within a will. While R-10 is believed to be the original zoning classification for both parcels. In terms of wetlands and other possible environmental concerns located on the properties, there does not appear to be any flood zones, wetlands, or protected watersheds. That said, there is what appears to be a freshwater pond located on the property to its rear, located by its address of 15 Red Hill Church Rd.

Surrounding Land Uses:

The surrounding land uses are primarily comprised of single-family residences, commercial establishments, and industrial uses, within the zoning classifications being B-2, M-1, R-6, R-10, and RD. To the north of the property, there is M-1 zoning that contains uses such as EnviroBEE. To the direct east, there are both B-2 and R-10 zoning classifications, with the only uses being located on the R-10 lots being single-family homes. Further east, there is also the RD zoning classification, with the parcel being vacant woodland. To the south, the primary zoning is commercial with uses such as University Storage. To the direct west, there is R-6 zoning with the

use being a single-family dwelling. Further west, there is additional M-1 zoning with the use being a solar farm.

Services Available

- Harnett County Water & Sewer
 - Duke Energy for electric
 - Brightspeed for telecommunications
 - Erwin Police Department / Harnett County Sheriff
 - Harnett County Emergency Services
-
-

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:** The rezoning is reasonable, due to the properties already having some R-10 zoning and many of the neighboring properties are zoned under the R-10 zoning classification, with no indication as to why or how the rezoning would harm the surrounding community.

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

- **Reasoning:** Although Erwin's Land Use Plan calls for these parcels to be zoned under commercial/high-density mixed-use, since the properties were developed before Erwin's incorporation, it is reasonable to have them zoned under the nearest residential zoning district.

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

- **Reasoning:** The rezoning would maintain the general welfare of the community since the purpose of the rezoning is to allow the property's zoning classification to be more in line with the current use of the property.

<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. YES</p>	<p>All permitted uses within Erwin's R-10 district would be in the general public interest of the community, as evident in the current use of the properties and other nearby R-10 properties that have active residential uses.</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.) YES</p>	<p>Since several of the nearby properties, as well as portions of the petitioned properties, are currently zoned as R-10, there is no evidence as to why a permitted use under the R-10 district would be a detriment to 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. YES</p>	<p>The parcel has been operating as a residential use since the 1950's with no proof of adversely affecting the neighborhood.</p>
<p>The proposed change is in accord with the Land Development Plan and sound planning principles. YES</p>	<p>Although the Erwin Land Use Plan calls for this parcel to be zoned for commercial and high density mixed uses, since the properties were developed prior to Erwin's zoning it is reasonable to have the parcel zoned under the R-10 jurisdictions to allow its use to continue throughout the life of the structures.</p>
<p>The request is for a SMALL SCALE REZONING and should be evaluated for reasonableness. YES</p>	<p>This rezoning request includes two adjacent parcels totaling 3.41 acres to be completely zoned under the R-10 zoning classification, of which there are additional R-10 zoned properties less than 100 feet away.</p>

Statement of Inconsistency (If approved)

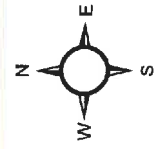
Although Erwin's Land Use Plan calls for this area to be zoned for commercial and high-density mixed uses, it is reasonable to allow the parcels to return to a sole zoning classification that is in line with the parcels current use. Therefore, it is recommended that **ZT-2025-011 is approved.**

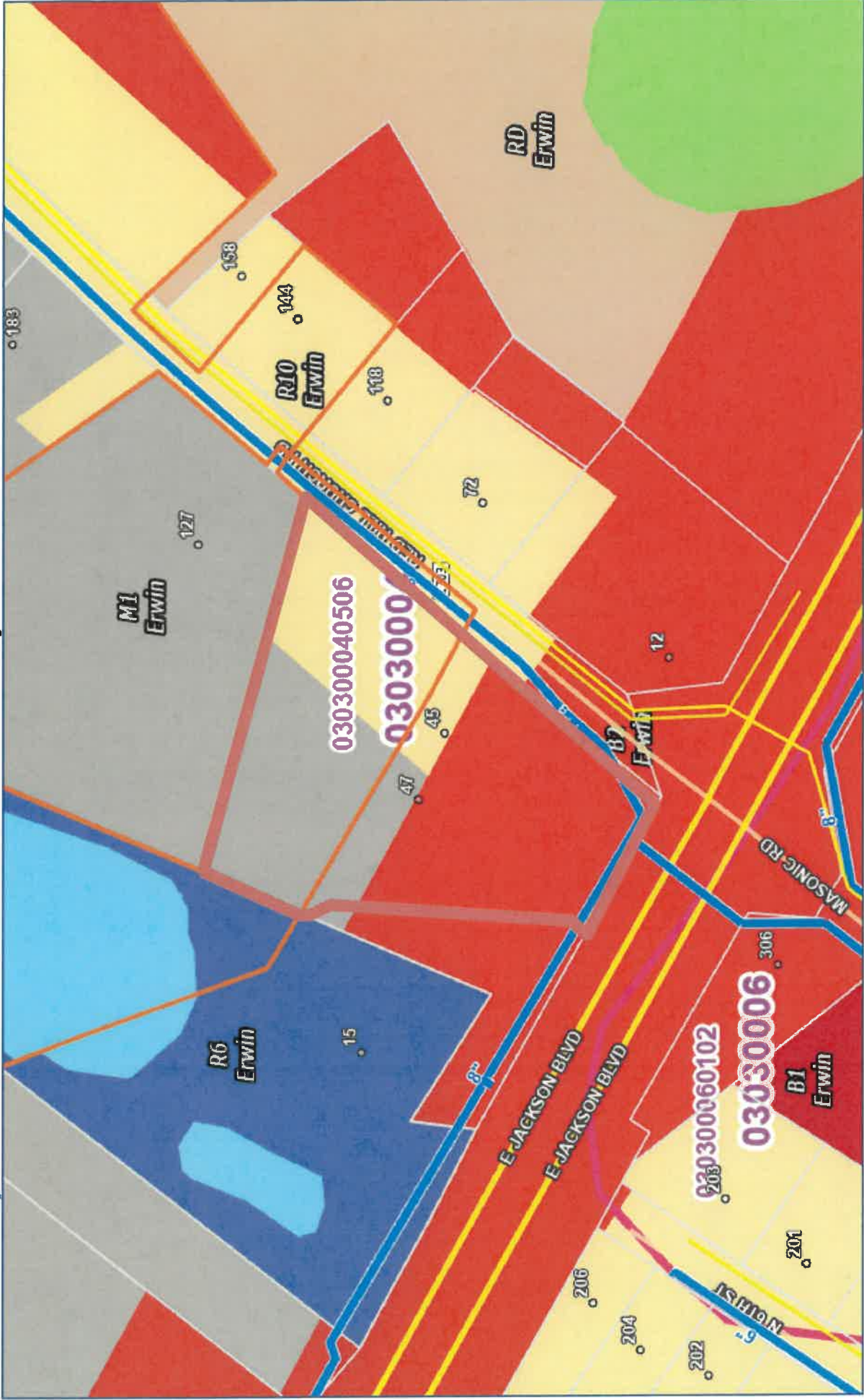
Statement of Inconsistency (If Denied)

Since Erwin's Land Use Plan calls for this area to be zoned for commercial and high-density mixed uses, it is not reasonable to allow the parcels to return to a sole zoning classification that is against Erwin's 2023 Land Use Plan. Therefore, it is recommended that **ZT-2025-011 is denied.**

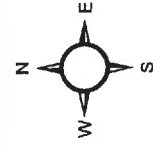


County Boundary	6 - 36	Watershed HUC12	Ponds
City Limits	Road Centerlines	Watershed HUC8	
Address Numbers	US	Freshwater Forested/ Shrub Wetland	
Gravity	Parcels	Freshwater Pond	
Force Main			





County Boundary	B1	Watershed HUC8	RD
City Limits	B2	Freshwater Forested/ Shrub Wetland	ETD
Address Numbers	M1	Freshwater Pond	
Gravity	R10	Ponds	
Force Main	R6		
6 - 36			
Road Centerlines			
US			
Parcels			
Watershed HUC12			



B-2 Permitted Uses

Sec. 36-272. Permitted principal uses and structures.

The following are permitted uses and structures:

- (1) Retail shops and stores and service establishments whose operation is conducted entirely within an enclosed building.
- (2) Offices for business and professional purposes.
- (3) Social uses, such as social halls, lodges, fraternal organizations, clubs, and similar activities.
- (4) Trades and similar enterprises catering to household and business establishments.
- (5) Motels, hotels, bed and breakfasts, boardinghouses and roominghouses, and other similar establishments.
- (6) Religious uses, including churches and other places of worship, religious education buildings, and parish houses.
- (7) Family care home.
- (8) Municipal facilities.
- (9) Mobile food vendors.
- (10) Day care centers, day nurseries, preschools, and similar uses. Day care centers, day nurseries, preschools, and similar uses may not be located within a 300-foot radius measured from the center of the property of other day care center, day nursery, preschool, or similar use.
- (11) Convenience store.

(Code 1977, § 9-4030.2; Ord. of 5-3-2001; ZT-2013-005 , § 2, 10-3-2013; Ord. No. 2023-2024-001 , 7-6-2023)

M-1 Permitted Uses

Sec. 36-310. Permitted principal uses and structures.

The following are permitted principal uses and structures:

- (1) Manufacturing, assembling and processing industries.
- (2) Wholesale, warehouse, and transfer activities.
- (3) Farms and agricultural uses.
- (4) Vehicular services.
- (5) Family care home.
- (6) Convenience store.
- (7) Municipal facilities.
- (8) Offices for business and professional purposes.
- (9) Mobile food vendors.
- (10) Athletic and exercise facilities, indoor and instructional.
- (11) Retail shops and stores and service establishments whose operation is conducted entirely within an enclosed building
- (12) Outdoor dining
- (13) Educational uses
- (14) Trades and similar enterprises catering to household and business establishments.
- (15) Public facilities.
- (16) Brewery/microbrewery.
- (17) Distillery.

(Code 1977, § 9-4031.2; Ord. of 5-3-2012; ZT-2013-005 , § 2, 10-3-2013; Ord. No. 2013-2014:006, § 2, 1-9-2014; Ord. of 11-20-2014; Ord. No. 2023-2024-002 , 7-6-2023)

R-10 Permitted Uses:

Sec. 36-144. Permitted uses and structures.

The following are permitted uses and structures:

- (1) Single-family dwellings.
- (2) Municipal facilities.
- (3) Religious uses, including churches and other places of worship, religious education buildings, and parish houses, but not including cemeteries.
- (4) Family care home.
- (5) Public facilities.
- (6) Customary home occupations.

(Code 1977, § 9-4026.2; Ord. of 5-3-2001; Ord. No. 2023-2024-001 , 7-6-2023)

Town of Erwin Land Use Plan

Future Land Use Character Areas

The Future Land Use Map (*FLUM*) and character areas guide land use and infrastructure decisions, as well as land use regulations within Erwin's planning jurisdiction. The FLUM categorizes land into six color-coded character areas. These designations describe the desired types, intensity, and spatial arrangement of land uses in Erwin's planning jurisdiction.

Employment and Industry

The Employment Center designation provides primary locations for employment and economic development opportunities where there is adequate infrastructure. Employment Centers are typically located on larger parcels to accommodate future employment growth. This designation includes some industrial uses and supporting commercial uses to serve employees.



Commercial/Mixed Use

The Commercial/Mixed Use designation features small-large scale commercial, and office uses oriented primarily along Highway 421 and at major intersections. Small-medium scale commercial and offices uses should be located at major intersections. Medium-large scale commercial and office uses should be located along Highway 421. A mix of uses should be encouraged to serve both a local and regional market. Although this designation is more auto oriented, efforts should be made to provide both pedestrian and vehicle connectivity. This character area may also include a mix of residential types where appropriate.



JACKSON SALLY B
15 RED HILL CHURCH RD DUNN, NC
28334-4972

PCC PROPERTIES LLC
127 RED HILL CHURCH RD DUNN, NC
28334-5949

**VANN SEXTON MALCOLM JR
HEIRS**
144 RED HILL CHURCH RD DUNN, NC
28334-5949

RZEMIEN LEAH MARIE
118 RED HILL CHURCH RD DUNN, NC
28334-5949

**BAREFOOT MILFORD C &
BAREFOOT JOYCE K**
72 RED HILL CHURCH RD DUNN, NC
28334-4972

BROTHERS TOO LLC
311 COLERIDGE DR DUNN, NC
28334-4408

SUN DAWG RENOVATIONS INC
PO BOX 2474 DUNN, NC 28335-2474

UNIVERSITY STORAGE LLC
165 SOMMERVILLE PARK RD
RALEIGH, NC 28603



TOWN OF ERWIN

P.O. Box 459 • Erwin, NC 28339
Phone: 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

01/12/2026

Notice of a Public Hearing ZT-2025-011

The Board of Commissioners of the Town of Erwin will hold a public hearing pursuant to NC General Statute 160D-406 on February 5th, 2026 at 7:00 P.M. at the Erwin Town Hall, 100 West F Street, Erwin, North Carolina to hear public comment on a proposed petitioned rezoning.

The rezoning request includes two parcels of land that are identified by a physical address and Harnett County Tax Pins, which are listed below:

1. Physical Address: 45 Red Hill Church Rd.-Harnett County Tax Pin: 1507-14-3913.000
2. Harnett County Tax Pin: 1507-15-4111.000

Currently these parcels are split zoned between commercial B-2, residential R-10, and industrial M-1 and the petition would rezone the said parcels to be entirely under the residential R-10 zoning 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.

Regards,

Dylan Eure
Town Planner

NOTICE OF PUBLIC HEARING

The Town of Erwin Board of Commissioners will conduct a Public Hearing on the following items pursuant to NC General Statute 160D-406, on Thursday, February 5, 2026, 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 Planner Dylan Eure at 910-591-4201 or by email at deure@erwin-nc.org.

- Case ZT-2025-011: Request to rezone two adjacent parcels:
 - 45 Red Hill Church Road (Harnett County Tax PIN # 1507-14-3913.000)- Rezoned from B-2, M-1, and R-10 to entirely R-10.
 - Harnett County Tax PIN # 1507-15-4111.000- Rezoned from M-1 and R-10 to entirely R-10
- Case SUP-2025-004: Special Use Permit Application to replace the existing structure with a duplex located at 301 West F Street. The property can also be identified by its Harnett County Tax PIN # 0597-53-4539.000.

These cases are 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.

1/16,23/2026

PLANNING BOARD
MEETING MINUTES
MONDAY, DECEMBER 15th, 2025
ERWIN, NORTH CAROLINA

The Town of Erwin Planning Board held its regular meeting in the Erwin Municipal Building Board Room 100 West F Street, Erwin NC on Monday, December 15th, 2025, at 7:00 PM.

Board members present were Chairperson Nicholas Skatell, In-Town Board Members Marsha Woodard, Rebecca Kelly, Michael Jackson, Grace Watts, and Kathryn Moore, and Out-of-Town Board Member Howard Godwin.

Board member absent was Vice Chairperson Jim Hartman. Also absent were In-Town Alternates Dean Downing and Karen Beitar.

Staff members present were Town Planner Dylan Eure, and Deputy Clerk Katelan Blount.

Chairperson Nicholas Skatell called the meeting to order at 7:00 PM.

Board Member Michael Jackson gave the invocation.

Board Member Kathryn Moore led the Pledge of Allegiance.

CONSENT ITEMS

Board Member Marsha Woodard made a motion to approve the minutes of November 17th, 2025, and was seconded by Grace Watts. **The Board voted unanimously.**

Board member Howard Godwin joined the meeting at 7:02 p.m.

OLD BUSINESS

Updates:

Town Planner Dylan Eure updated the Planning Board on the status of previously heard rezonings.

12 Red Hill Church Road that had been rezoned to entirely commercial B-2, as well as 801 S 13th Street. The parcels that Harnett Regional Water had petitioned to be rezoned in the ETJ were also approved to be rezoned as R-D. These had all been heard by the Board of Commissioners and passed.

NEW BUSINESS

ZT-2025-011

Town Planner Dylan Eure informed the Board that this rezoning request is for two adjacent parcels, one of which is known by its address of 45 Red Hill Church Road, or Harnett County Tax PIN 1507-14-3913.000. This parcel is 1.79 acres and is currently under the B-2, M-1, and R-10 zoning classifications. The additional parcel has no address but is known by the Harnett County Tax PIN 1507-15-4111.000, and

is 1.62 acres. It is currently under the M- and R-10 zoning classifications. This petition would rezone both parcels to be under the R-10 zoning classification.

It is believed by staff that these parcels were zoned in this manner due to the US 421/East Jackson Blvd expansion, which blanket zoned parcels abutting the roadway.

Town Planner Dylan Eure stated that while this request is inconsistent with the 2023 Land Use Plan, it is a reasonable request due to the applicant's current use of the properties. The parcel at 45 Red Hill Church Road currently has two single family homes on the parcel.

Chairperson Nicholas Skatell asked if there was anyone to speak in favor of the request.

The applicant, Ms. Martha Stancil, of 45 Red Hill Church Road, came forward. She stated that she and her husband are requesting the rezoning due to the current industrial or commercial zoning classification, her tax bills are over \$3,800 per year. She and her husband live on social security and this creates a hardship. She gets a tax bill for the industrial and a separate bill for the residential.

Board Member Michael Jackson stated that he wants to help, but also wants to also stay within what is best for the Town.

Town Planner Dylan Eure stated that the property valuations are done through the Harnett County Tax Department, but that those valuations are linked to the classification and that commercial is typically charged much higher. He also stated that if this is recommended for approval tonight, that the Board of Commissioners would hear it at the February 2026 meeting for approval. If this rezoning is approved, once the minutes for that meeting are approved, the applicants would be able to contact the Tax Department for an adjustment/re-evaluation.

Board Member Kathryn Moore made a motion to approve the rezoning request, which was seconded by Marsha Woodard. **The Board voted unanimously.**

Town Planner Dylan Eure informed the Board that while it has been approved by the Planning Board, this particular rezoning would require a Statement of Inconsistency, since the approval goes against the Town's 2023 Land Use Plan.

Chairperson Nicholas Skatell asked the Board to read the Statement of Inconsistency.

Board Member Marsha Woodard read the following Statement of Inconsistency:

"Although Erwin's 2023 Land Use Plan calls for this area to be zoned for commercial and high-density mixed uses, it is reasonable to allow the parcels to return to a sole zoning classification that is in line with the parcels current use.

Therefore, it is recommended that ZT-2025-011 be **approved.**"

Board member Rebecca Kelly made a motion in the affirmative, which was seconded by Kathryn Moore. **The Board voted unanimously.**

Statement of Inconsistency

ZT-2025-011

Although Erwin's Land Use Plan calls for this area to be zoned for commercial and high-density mixed uses, it is reasonable to allow the parcels to return to a sole zoning classification that is in line with the parcels current use.

Therefore, it is recommended that ZT-2025-011 be approved.



Nicholas Skatell

Chairperson



Katelan Blount

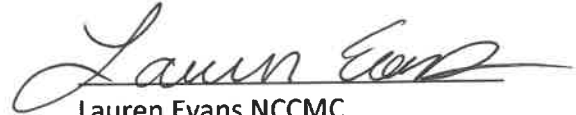
Deputy Town Clerk

Statement of Inconsistency
ZT-2025-011

Although Erwin's Land Use Plan calls for this area to be zoned for commercial and high-density mixed uses, it is reasonable to allow the parcels to return to a sole zoning classification that is in line with the parcels' current use. Therefore, it is recommended that **ZT-2025-011 is approved.**



Randy Baker
Mayor



Lauren Evans NCCMC
Town Clerk



TOWN OF ERWIN

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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-2025-011
AMENDMENT TO THE OFFICIAL ZONING MAP TO REZONE
FROM B-2, M-1, AND R-10 TO ENTIRELY R-10 FOR
HARNETT COUNTY PIN 1507-14-3913.0000 AND
FROM M-1 AND R-10 TO ENTIRELY R-10 FOR
HARNETT COUNTY PIN 1507-15-4111.0000
PER ZONING ORDINANCE ARTICLE XXIII.
ORD 2025-2026: 010**

Per Chapter 36 Zoning, Article XXIII, Changes and Amendments, Harnett County PINS 1507-14-3913.000 and 1507-15-4111.000 owned by STANCIL JOSEPH E JT W/ROS & STANCIL MARTHA ANN R JT W/ROS have been rezoned to R-10 Case # ZT-2025-011.

Matthew S. Willis Register of Deeds
Harnett County, NC
Electronically Recorded
07/07/2025 11:35:00 AM NC Rev Stamp: \$0.00
Book: 4293 Page: 1338 - 1340 (3) Fee: \$26.00
Instrument Number: 2025012519

HARNETT COUNTY TAX ID#
061507 0337 1
061507 0337 2
07-07-2025 BY MB

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: \$0.00

Parcel Identifier No. 061507 0337 1 and 061507 0337 2
Verified by Harnett County on the _____ day of _____, 2025

By: _____

Mail/Box to: Grantee

This instrument was prepared by: Senter, Stephenson, Johnson, P.A. [WITHOUT TITLE SEARCH/TAX ADVICE]
Brief description for the Index: Two Tracts: J.79 and J.62 AC Home Place

THIS DEED made this 2nd day of July, 2025, by and between

GRANTOR	GRANTEE
JOSEPH E. STANCIL AND WIFE, MARTHA ANN R. STANCIL 47 Red Hill Church Road Dunn, NC 28334	JOSEPH E. STANCIL AND WIFE, MARTHA ANN R. STANCIL (A 99 percent interest) BRIAN KELLY STANCIL, married (A 1/5 of one percent interest) DAVID JASON STANCIL, unmarried (A 1/5 of one percent interest) ROBERT LYNN STANCIL, married (A 1/5 of one percent interest) CHRISTOPHER PAUL STANCIL, unmarried (A 1/5 of one percent interest) BETH STANCIL BERGER, married (A 1/5 of one percent interest) AS JOINT TENANTS WITH RIGHT OF SURVIVORSHIP 47 Red Hill Church Road Dunn, NC 28334

Enter in appropriate block for each Grantor and Grantee: name, mailing address, and, if appropriate, character of entity, e.g. corporation or partnership.

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.

Submitted electronically by Senter, Stephenson, Johnson, PA in compliance with North Carolina statutes governing recordable documents and the terms of the submitter agreement with the Harnett County Register of Deeds.

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 of that certain lot or parcel of land situated in Harnett County, North Carolina and more particularly described as follows:

See attached "Exhibit A" for Legal Description

THE PURPOSE OF THIS DEED IS TO CREATE JOINT TENANCY WITH RIGHT OF SURVIVORSHIP WITH EACH GRANTEE.

The property herein above described was acquired by Grantor by instrument recorded in Book 4293, Page 1291 Harnett County Registry.

All or a portion of the property herein conveyed includes or does not include the primary residence of a Grantor.

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:

- 1. General service and utility easements, restrictions, and rights-of-way of record;
- 2. 2025 Ad Valorem taxes, not yet due and payable.

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

By: Joseph E. Stancil (SEAL)
Joseph E. Stancil

By: Martha Ann R. Stancil (SEAL)
Martha Ann R. Stancil

State of North Carolina
County of Wake

I certify that Joseph E. Stancil and Martha Ann R. Stancil each personally appeared before me this day and acknowledged the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal this 2nd day of July, 2025.



Linda Funke Johnson
Linda Funke Johnson, Notary Public

My Commission Expires: 11/4/2028

EXHIBIT A

BEING the remaining portion less any out conveyances of the lands owned by Martha H. Hodges at the time of her death lying on the south side of the center line of the Carolina Power & Light Company power line crossing said property, the same consisting of the remainder of the seventeen (17) acres inherited by the said Martha H. Hodges from her mother, Thenie Bryant. This is the identical property devised under Item 11 of the will and codicils of Martha H. Hodges which is File No. 88-E-398 filed in the office of the Clerk of Superior Court of Harnett County, Incorporated herein by reference.

Remaining portion being described as:

TRACT 1:

PID: 061507 0337 1

PIN: 1507-14-3913.000

Physical Address: 45 Red Hill Church Road, Dunn, NC 28334

BEING 1.79 acres of the 3.41 acre "Home Place", and being a portion of the Martha H. Hodges property described in Book 3588, Page 0622, Harnett County Registry.

TRACT 2:

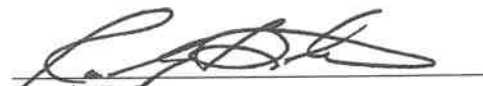
PID: 061507 0337 2

PIN: 1507-15-4111.000

Physical Address: Red Hill Church Road, Dunn, NC 28334

BEING 1.62 acres of the 3.41 acre "Home Place", and being a portion of the Martha H. Hodges property described in Book 3588, Page 0622, Harnett County Registry.

Adopted this 5th day of February 2025.


Randy Baker
Mayor

ATTEST:


Lauren Evans NCCMC
Town Clerk

MINUTES CONTINUED FROM FEBRUARY 5, 2026

Mr. Stewart stated that was exactly what he was proposing, aside from the driveway, which will be different. He may change the color of the vinyl, but that would be the only other change.

Mayor Baker asked if the Board had any questions for the applicant.

No questions were asked.

Mayor Baker asked Mr. Stewart if he wanted to add any other information.

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 in opposition to the request.

No one came forward.

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

Commissioner Blackmon made a motion, seconded by Commissioner Nelson and unanimously approved by the Board, that the use requested is listed among the special uses in the district for which the application is made. Reasoning that two-family dwellings were added to the list of special uses within the Residential Mill Village during the regularly scheduled August 1st, 2024, meeting.

Commissioner Nelson made a motion, seconded by Commissioner Blackmon and unanimously approved by the Board, that the requested use is essential or desirable to the public convenience or welfare. Reasoning that having additional housing options would benefit the community by diversifying Erwin's housing portfolio, while providing additional housing options for those who cannot afford/do not want traditional detached single-family homes.

Commissioner Blackmon made a motion, seconded by Commissioner Nelson and unanimously approved by the Board, that the requested use will not impair the integrity or character of the surrounding or adjoining districts, nor be detrimental to the health, morals, or welfare. Reasoning that, although many of the surrounding properties are classified as single-family, there is no evidence as to why a two-family dwelling would harm the surrounding area.

Commissioner Nelson made a motion, seconded by Commissioner Blackmon and unanimously approved by the Board, that the requested use will be in conformity with the Land Development Plan. Reasoning that, according to the 2023 Land Use Plan, two-family dwellings and other forms of residences should be encouraged within the Residential Mill Village to promote a healthy housing market.

Commissioner Blackmon made a motion, seconded by Commissioner Nelson and unanimously approved by the Board, that adequate utilities, access roads, drainage, sanitation, and/or other necessary facilities have been or are being provided. Reasoning that the applicant has ensured that the development could be connected to Harnett Regional water & sewer lines and will retain all existing drainage facilities within the public right-of-way.

MINUTES CONTINUED FROM FEBRUARY 5, 2026

Commissioner Nelson made a motion, seconded by Commissioner Nelson and unanimously approved by the Board, that adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets. Reasoning that the applicant has ensured that the development would have adequate parking spaces for the two-family dwelling.

Commissioner McKoy made a motion, seconded by Commissioner Nelson and unanimously approved by the Board, that the special use shall, in all other respects, conform to the applicable regulations of the district in which it is located, except as such regulations may, in each instance, be modified by the Board of Commissioners. Reasoning that the application in all aspects meets Erwin's requirements for two-family dwellings located within the Residential Mill Village District.

Commissioner Blackmon made a motion, seconded by Commissioner Nelson, and unanimously approved by the Board, to approve the statement of consistency. 24.32

Commissioner Blackmon made a motion, seconded by Commissioner Nelson, to recommend that the proposed special use application meets all required Findings of Fact in the affirmative.

Commissioner Blackmon made a motion, seconded by Commissioner Nelson, that, according to Erwin's 2023 Land Use Plan Goal 1 Objective 4, the proposed special use permit for a two-family dwelling located at 301 West F Street is recommended to be approved.

Commissioner Blackmon made a motion, seconded by Commissioner Nelson, to recommend approval of SUP-2025-004 Special Use Application for 301 West F Street to replace the existing structure with a two-family home (HC Tax PIN # 0597-53-4539.000)

All three motions were unanimously approved by the Board.

PRESENTATION OF FISCAL YEAR 2024-2025 AUDIT

R. Bryon Scott, CPA came forward and presented the Fiscal Year 2024-2025 Audit for the Town of Erwin.

A copy of the Fiscal Year 2024-2025 Audit Presentation is attached to these minutes.

Commissioner Blackmon thanked Town Staff for all they do.

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

NEW BUSINESS

Proposed Contract with Liberty Waste Solutions

Town Manager Snow Bowden informed the Board that Town Staff had planned to present this contract to the Board at our January Workshop, but the Workshop was canceled due to the weather. The only changes to the contract, since the last time the Board was presented the

Erwin Board of Commissioners

REQUEST FOR CONSIDERATION

To: The Honorable Mayor and Board of Commissioners

From: Snow Bowden, Town Manager

Date: February 5, 2026

Subject: SU-2025-004

The Town of Erwin has received a Special Use application to build a two-family home at 301 West F Street. The property can also be identified by its Harnett County Tax PIN # 0597-53-4539.000. Currently, there is a single-family structure on this parcel. If the Special Use permit is granted, the property owner will demolish the existing structure on the property. Town Staff has followed all the required steps to properly advertise the public hearing for this request.

Attachments:

- Town Planner's Memo
- SU-2025-004 Application
- SU-2025-004 Staff Report
- Harnett County GIS No Zoning
- Harnett County GIS with Zoning
- SU-2025-004 Deed
- Town of Erwin Land Use Plan
- RMV District Text Amendment Ordinance
- Property Owners Notified
- Public Notice Letter
- Newspaper Public Hearing Notice



TOWN OF ERWIN

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William R. Turnage

2/05/2026

SU-2025-004 **Memorandum**

Special Use Description

The Town of Erwin has received a special use application for 301 West F Street to demolish the existing home and replace the existing structure with a two-family home. (duplex) The two-family home will be approximately 2,600 square feet and have a total of 4 beds and 4 baths, with each unit having 2 beds and 2 baths. For parking, the applicant has offered 6 parking spaces. In terms of parcel size, the location has a total of 14,511 square feet with 97 feet of road frontage/ parcel width.

Site Description and Surrounding Land Uses

A single parcel located by its physical address of 301 West F Street, zoned under the Residential Mill Village. (RMV) The said parcel is .34 acres or 14,511 square feet and has 97 feet of road frontage/parcel width. Per Erwin's Zoning Ordinances, the proposed site plan is compliant with all of Erwin's regulations for two-family dwellings located within the RMV zoning district. In order to place a two-family home within the RMV zoning district, the applicant must have a minimum parcel size of 9,000 square feet, and 75 feet in parcel width, which the applicant has. According to the proposed site plan, the applicant is also able to meet all other requirements of two-family homes within the RMV district. The required parking for two-family homes within the RMV is 2.5 parking spaces per unit, totaling 5 parking spaces, with each space being a minimum of 8 feet by 20 feet. According to the site plan submitted, the proposed development has two 24-foot by 35-foot slabs, which translates to 6 parking spaces according to Erwin's parking space dimensional requirements. In terms of setback requirements, the two-family home will conform to all setback requirements within the RMV district. Said setbacks for this parcel would be 15 feet from the front and rear property lines and 8 feet from both of the side property lines. In terms of environmental concerns for the property, there does not appear to be any wetlands, protected watersheds, or flood zones located within the property. That being said, on Harnett County GIS, there does appear to be a sewer line running through the middle of the property. However, according to Harnett Regional Water, the said sewer line shown on GIS is just an old sewer service line that was later abandoned when a new tap for the property was installed, and should not be an issue with the redevelopment of the parcel.

The surrounding land uses comprise a mix of residential and industrial uses. The primary residential style is traditional detached single-family dwellings. While the industrial land uses are

all completely contained just north of the parcel, which is the Central Carolina Industrial Park. Although the majority of neighboring properties are single-family dwellings, according to Erwin's 2023 Land Use Plan, additional housing options such as two-family dwellings should be encouraged within the Residential Mill Village to promote housing diversity and resiliency.

Regards,

Dylan Eure
Town Planner



TOWN OF ERWIN
 100 West F St., Post Office Box 459
 Erwin, NC 28339
 (910) 897-5140 V (910) 897-5543 F
 www.erwin-nc.org

SPECIAL USE PERMIT APPLICATION

In the Matter Of the Request to the Erwin Board of Commissioners

Applicant Name	Alan Stewart	Property Owner Name	Alan Stewart
Mailing Address	16150 Spivy's corner Hwy	Mailing Address	Same
City, State, Zip	Dunn NC, 28334	City, State, Zip	Same
Telephone	910-890-2473	Telephone	Same
Email	AS.corn@services@gmail.com	Email	
Address of Subject Property		301 W F St Erwin NC, 28339	
Parcel Identification Number(s) (PIN) of Subject Property		0597-53-4539 .000	
Legal Relationship of Applicant to Owner	Same person	Floodplain SFHA	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Legal Description: Lot 2 Block		Subdivision Erwin Mills	
Zoning District	Wetlands	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Watershed Area Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Public Water Available: <input checked="" type="checkbox"/> or N	Public Sewer Available: <input checked="" type="checkbox"/> or N	Existing Septic Tank: Y or <input checked="" type="checkbox"/> N	
Number of Buildings to Remain		Gross Floor Area to Remain	
Describe Proposed Project or Request with Conditions proposed by applicant: To build a 2bed 2bat duplex (total of 4 beds & 4 bath)			
Total Acreage or Square Footage to be Disturbed		.30 acres	
Estimated Cost of Project \$		250,000	

Attach a scaled illustrative plot or site plan showing all lot dimensions, buildings, structures, driveways, parking spaces, and distances between structures and property lines.

Provide complete mailing addresses for each adjacent property owners (also property within 100 feet) and/or property owners directly across a street, if any. Names and addresses must be from current Harnett County tax listings.

Office Use Only 400	
Date Application Submitted 12/19/15	Application Fee \$350 Received By _____
Case # SU-2015-004	



TOWN OF ERWIN

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Special Use Signature Page

It is understood by the undersigned that the development and execution of the Special Use Permit is based upon the division of the Town into districts within which districts the use of land and buildings, and the bulk and location of buildings and structures in relation to the land, is substantially uniform. It is recognized, however, that there are certain uses which, because of their characteristics, cannot be properly classified in any particular district or districts, without consideration, in each case, of the impact of those uses upon neighboring land and of the public need for the particular location. Such special uses fall into two categories.

1. Uses publicly operated or traditionally affected with a public interest
2. Uses entirely private in character, but of such unusual nature that their operation may give rise to unique problems with respect to their impact upon neighboring property or public facilities.

The Zoning Ordinance 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 Special Use approval rests with the applicant. Applicant is encouraged to discuss the proposed use with affected property owners.

It is further understood that prior to the granting of any special use, the Board of Commissioners may stipulate, such conditions and restrictions upon the establishment, location, reconstruction, maintenance, and operation of the special use as it is deemed necessary for the protection of the public interest and to secure compliance with the standards and requirements specified in 9-411.5 of the Town Code. In all cases in which special uses are granted, the Board of Commissioners shall require such evidence and guarantees as it may deem necessary as proof that the conditions stipulated in connection therewith are being and will be complied with.

- Such conditions may include a time limitation;
- Conditions may be imposed which require that one or more things be done before the use requested can be initiated. (For example, "that a solid board fence be erected around the site to a height of 6 feet before the use requested is initiated");
- Conditions of a continuing nature may be imposed. (For example, "exterior loud speakers shall not be used between hours of 10:00 p.m. and 9:00 a.m.")

Compliance with Other Codes: Granting of a Special Use Permit does not exempt applicant from complying with all of the requirements of building codes and other ordinances.

SU-2025-004

Signature Page

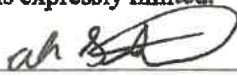
Page 1 of 2

Revocation: In any case where the conditions of the Special Use Permit have not been or are not being complied with, the Building Inspector shall give the permitted notice of intention to revoke such permit at least ten (10) days prior to a Board of Commissioners review thereof. After conclusion of the review, the Board of Commissioners may revoke such permit.

Expiration: In any case where a Special Use Permit has not been exercised within the time limit set by the Board of Commissioners, or within one year if no specific time limit has been set, then without further action, the permit shall be null and void. "Exercised" as set forth in this section shall mean that binding contracts for the construction of the main building have been let; or in the absence of contracts that the main building is under construction to a substantial degree; or that pre-requisite conditions involving substantial investment are contracted for, in substantial development, or completion (sewer, drainage, etc.). When construction is not part of the use, "exercised" shall mean that the use is in operation in compliance with the conditions set for in the permit.

Duration: Duration of a special use and any conditions attached shall be perpetually binding to the property unless it is expressly limited.

Applicant Signature and Date: _____





TOWN OF ERWIN

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(910) 897-5140 V (910) 897-5543 F
www.erwin-nc.org

SPECIAL USE APPLICATION Record of Adjacent Property Owners With Mailing Addresses Per Harnett County Land Records

Property Owner (1)	Robert Wilson	Mailing
Address	307 W Fst	City Erwin ST Zip
Property Owner (2)	Jean & James Bradley	Mailing
Address	308 WEST	City Erwin ST Zip
Property Owner (3)	Dean & Christie Price	Mailing
Address	306 WEST	City Erwin ST Zip
Property Owner (4)	Jesus & Rosalva ALvarado	Mailing
Address	304 WEST	City Erwin ST Zip
Property Owner (5)	Seth Lackamy	Mailing
Address	302 WEST	City Erwin ST Zip
Property Owner (6)	Andra ALvarado	Mailing
Address	304 S 15 ST	City Erwin ST Zip
Property Owner (7)	Hazel Chrisp	Mailing
Address	302 S 15 ST	City Erwin ST Zip
Property Owner (8)	David Rivera	Mailing
Address	300 S 15 ST	City Erwin ST Zip
Property Owner (9)	Calvin & Shirley Waver	Mailing
Address	305 WEST	City Erwin ST Zip
Property Owner (10)	200 North 13 LLC	Mailing
Address	200 N 13 ST	City Erwin ST Zip
Property Owner (11)		Mailing
Address		City ST Zip
Property Owner (12)		Mailing
Address		City ST Zip
Property Owner (13)		Mailing
Address		City ST Zip

SU-2022-004

Adjacent Property Owners

1

Action by the Board of Commissioners

In granting a Special Use Permit the Board of Commissioners shall make written findings that the applicable regulations of the district in which it is located are fulfilled. With due regard to the nature and state of all adjacent structures and uses, the district within which same is located, and official plans for future development, the Board of Commissioners shall also make written findings that the following provisions are fulfilled:

1. The use requested is listed among the special uses in the district for which application is made
2. The requested use is essential or desirable to the public convenience or welfare
3. The requested use will not impair the integrity or character of the surrounding or adjoining districts, nor be detrimental to the health, morals, or welfare
4. The requested use will be in conformity with the Land Development Plan
5. Adequate utilities, access roads, drainage, sanitation and/or other necessary facilities have been or are being provided
6. That adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets
7. That the special use shall, in all other respects, conform to the applicable regulations of the district in which it is located, except as such regulations may, in each instance, be modified by the Board of Commissioners.



TOWN OF ERWIN

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IMPORTANT

This is a complete Special Use Application package consisting of 10 pages. For this application to be accepted, it must be completed and returned with all required documents and entries.

Do be aware that under certain conditions the applicant may be required to obtain a Driveway Permit from the NC Department of Transportation prior to Special Use Permit approval.

Using the Zoning Ordinance

- Go to the applicable zoning district in Article 3. That section will serve as a guide to begin the development of your site plan. This section will also direct you to pertinent requirements such as: parking, sign, lighting, and other general provision such as streetscape requirements and other general development regulations that may apply to the proposed development.
- Be sure to read Article 11 – Special Uses.
- Complete the Special Use Permit Application, the Special Use Signature page, and the Record of Adjacent Property Owners sheet; and include other required information with the application. Use additional pages if necessary. Adjacent property owners' names must be from current Harnett County tax listing; so this requires that the applicant contact Harnett County. Addresses of the adjacent property owners must be complete which includes name, mailing address, and zip code.
- The submitted site plan must be drawn to scale and include all dimensions and required provision. Of these dimensions and other requirements, be sure to include the following:
 - Existing structures on the proposed lot, their dimensions and distances between on another and the lot's property lines
 - Proposed structures including their dimensions and distances from other structures on the lot and proposed distances from property lines (i.e. setbacks)
 - All easements and rights-of-way located on the proposed lot
 - All natural features including tree lines, drainage ways, etc.
 - The location and dimensions of required parking area(s) as may be required by Ordinance
 - Proposed lighting plans as may be required by Ordinance
 - Demonstration of the placement of buffers and streetscape as may be required by ordinance

SU-2008-004

Important

Page 1 of 1



TOWN OF ERWIN

100 West F St., Post Office Box 459
Erwin, NC 28339
(910) 897-5146 V (910) 897-5543 F
www.erwin-nc.org

Processing Requirements

Special Uses are not Uses by Right. It is the responsibility of the applicant to demonstrate that the requested use will meet the minimum requirements set forth in the Erwin Zoning Ordinance. The Board's decision will be greatly influenced by the completeness and neatness of the submitted application.

A requested and very necessary tool is the site plan. Its importance cannot be overstated. Applicant is encouraged to portray in detail and to accurately scale the property boundaries, improvements, and any natural features. In some cases, approval or denial may depend on the quality of the Site Plan.

If the proposed use involves business operations, description of the anticipated activity needs to be sufficiently disclosed. This will assist the Board in determining the Town's infrastructure capability, the public health and safety considerations such as traffic and noise, and how neighboring property may be affected.

All uses require dedicated parking spaces and some may require lighting, buffering, fences, landscaping, and other elements. It is suggested that the applicant spend some time reading the Town's Zoning Ordinance prior to application. Copies of the Zoning Ordinance may be purchased at Town Hall. Copies are available in the Erwin Library and Town Hall for review. An electronic copy of the Ordinance can be found on the Town website as well at www.erwin-nc.org.

A complete application consists of all documents included in the application package and any required maps, site plan, and/or related documents. These documents become the property of the Town. It is the applicant's responsibility to submit 10 copies of this completed application. Each member of the Governing Board receives a copy including the Town Manager, Town Clerk, Town Attorney, and Code Enforcement Officer.

The completed application and fees must be submitted no later than the first Friday of the month to be placed on following month's Town Board Agenda.

**Town of Erwin
Record and Decisions**

Office Use Only

Notice Mailed _____ Property Posted _____ Newspaper Advertised Date _____

Public Hearing Date and Comments: _____

<u>Governing Body Motion</u>	Record of Decision:	Yea	Nay
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

Town Board Decision and Date _____

Certified By: _____

LEGEND

- POB Point of Beginning**
- New Iron Set
 - Iron Pin Found
 - Wooden Bollard
 - Found Stone
 - Found Stake and Stone
 - Cotton Spindle Set
 - Record Stone Not Found
- Property Lines
 - - - Fence Line
 - Centeline of Road
 - - - Edge of Asphalt
 - Woodline
 - - - Edge of Concrete
 - E- Overhead Electric

This survey in of another category,
not for recordation sales or conveyances

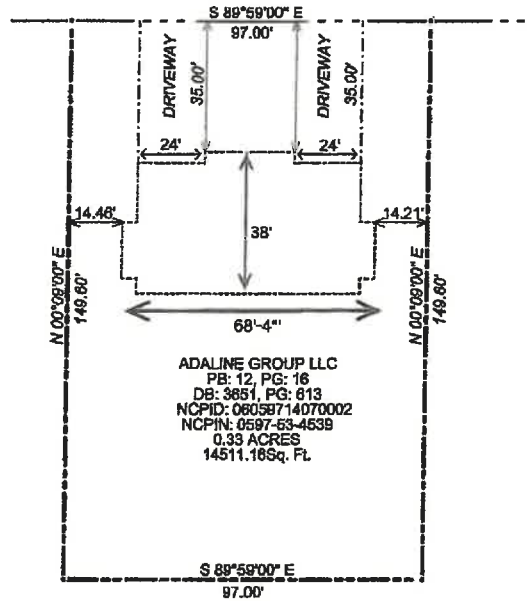
VICINITY MAP



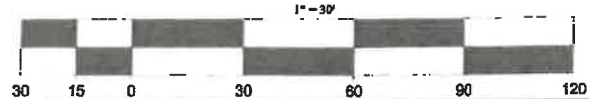
WEST F STREET
60' PUBLIC R/W

MINIMUM BUILDING SETBACKS

- FRONT YARD — 15'
- REAR YARD — 15'
- SIDE YARD — 8'
- HEIGHT — 35'



ADALINE GROUP LLC
PB: 12, PG: 16
DB: 3851, PG: 613
NCPID: 06059714070002
NCPIN: 0597-53-4539
0.33 ACRES
14511.16Sq. Ft.



NOTES:

1. All BIS and EIPs are "Control Corners".
2. No NCGS Monuments found within 2000' of the Property.
3. All bearings are referenced to Deed Bk 3651, Pg 613, and Plat Bk 12, Pg 16 all distances are horizontal.
4. Deed references as noted on map.

CERTIFICATE OF OWNERSHIP and DEDICATION: I (we) certify that I am (we are) the owner (owners) or agent of the property shown and described hereon, that I (we) adopt this subdivision plan with my (our) free consent, establish the minimum building setbacks, and dedicate streets, alleys, walks, parks, and other sites and easements to public or private use as noted.

Date _____ Owner / Owners / Agent _____

SURVEY OF	SITEPLAN FOR	
	ADALINE GROUP LLC	
	301 WEST F ST., ERWIN, N.C. 28339	
	TOWNSHIP: DUKE	STATE: NORTH CAROLINA
	COUNTY: HARNETT	DATE: JULY 15, 2025
	TOWN OF ERWIN	
ZONED R/W	NCPID: 06059714070002 NCPIN: 0597-53-4539	
	OWNER: ADALINE GROUP LLC	
	8231 NEWTON GROVE HWY	
	DUNN, NC 28334	
	ON THE LEVEL .	
	LANDSURVEYING, PLLC.	
	JAMES LONNIE PEACOCK, PLS	
	FIRM # P-2158	
	NC Reg. Land Surveyor No. L-5141	
	1646 DENNING RD. BENSON, N.C 27504	
	TELEPHONE: 919-422-3580	
	SCALE 1" = 30' FEET	



**Town of Erwin Planning Board
Special Use Guidelines for Findings of Fact**

1. The use requested is listed among the special uses in the district for which application is made:
 Yes No Duplex is within special use of the RV district

2. The requested use is essential or desirable to the public convenience or welfare
 Yes No Duplex is increasing housing diversity

3. The requested use will not impair the integrity or character of the surrounding or adjoining districts, nor be detrimental to the health, morals, or welfare
 Yes No No evidence showing duplex will harm the surrounding areas.

4. The requested use will be in conformity with the Land Development Plan
 Yes No according to the Land Use Plan duplexes are desirable in the RV district.

5. Adequate utilities, access roads, drainage, sanitation and/or other necessary facilities have been or are being provided
 Yes No Harmett Regional has confirmed the site can be connected

6. That adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets
 Yes No Parking spaces do meet Erwin's required ordinance.

7. That the special use shall, in all other respects, conform to the applicable regulations of the district in which it is located, except as such regulations may, in each instance, be modified by the Board of Commissioners pursuant to the recommendations of the Planning Board
 Yes No All site elements meet Erwin's standards

SU-205 034

Finding of Facts

1

 Outlook

Fwd: 301 W F St

From Alan Stewart <alan@naylorrealty.com>
Date Mon 7/14/2025 12:06 PM
To Dylan Eure <deure@erwin-nc.org>

Is this email from Harnett regional water good enough?

----- Forwarded message -----

From: **Randolph Clegg** <rclegg@harnett.org>
Date: Mon, Apr 28, 2025 at 7:33 AM
Subject: RE: 301 W F St
To: Alan Stewart <alan@naylorrealty.com>

Good morning,

We were able to confirm that the sewer line shown on our maps is just a old sewer service line for the existing house # 301 W F St. Looks like this line was abandoned at some point and a new sewer tap was installed for 301 W F ST. The sewer line in question will not be an issue with any future construction

From: Alan Stewart <alan@naylorrealty.com>
Sent: Friday, April 25, 2025 10:22 AM
To: Randolph Clegg <rclegg@harnett.org>
Subject: Re: 301 W F St

Ok, thanks for the update.

On Fri, Apr 25, 2025 at 7:49 AM Randolph Clegg <rclegg@harnett.org> wrote:

Our plan is to try to gather more information on this today.

From: Alan Stewart <alan@naylorrealty.com>
Sent: Thursday, April 24, 2025 2:55 PM
To: Katherine E. Moore <kemoore@harnett.org>
Cc: Jay Meyers <jmeyers@harnett.org>; Brandy Champion <bchampion@harnett.org>; Randolph Clegg <rclegg@harnett.org>
Subject: Re: 301 W F St

Following up to see if there are any updates?

On Tue, Apr 15, 2025 at 11:34 AM Katherine E. Moore <kemoore@harnett.org> wrote:

Per sewer supervisor.

This is an active line and they are verifying the location. Will update once I get more information.

From: Alan Stewart <alan@naylorrealty.com>
Sent: Tuesday, April 15, 2025 11:33 AM
To: Katherine E. Moore <kemoore@harnett.org>
Cc: Jay Meyers <jmeyers@harnett.org>; Brandy Champion <bchampion@harnett.org>; Randolph Clegg <rclegg@harnett.org>
Subject: Re: 301 W F St

Any updates?

On Mon, Apr 14, 2025 at 11:19 AM Katherine E. Moore <kemoore@harnett.org> wrote:

Alan Stewart , he is cc'd in the email:

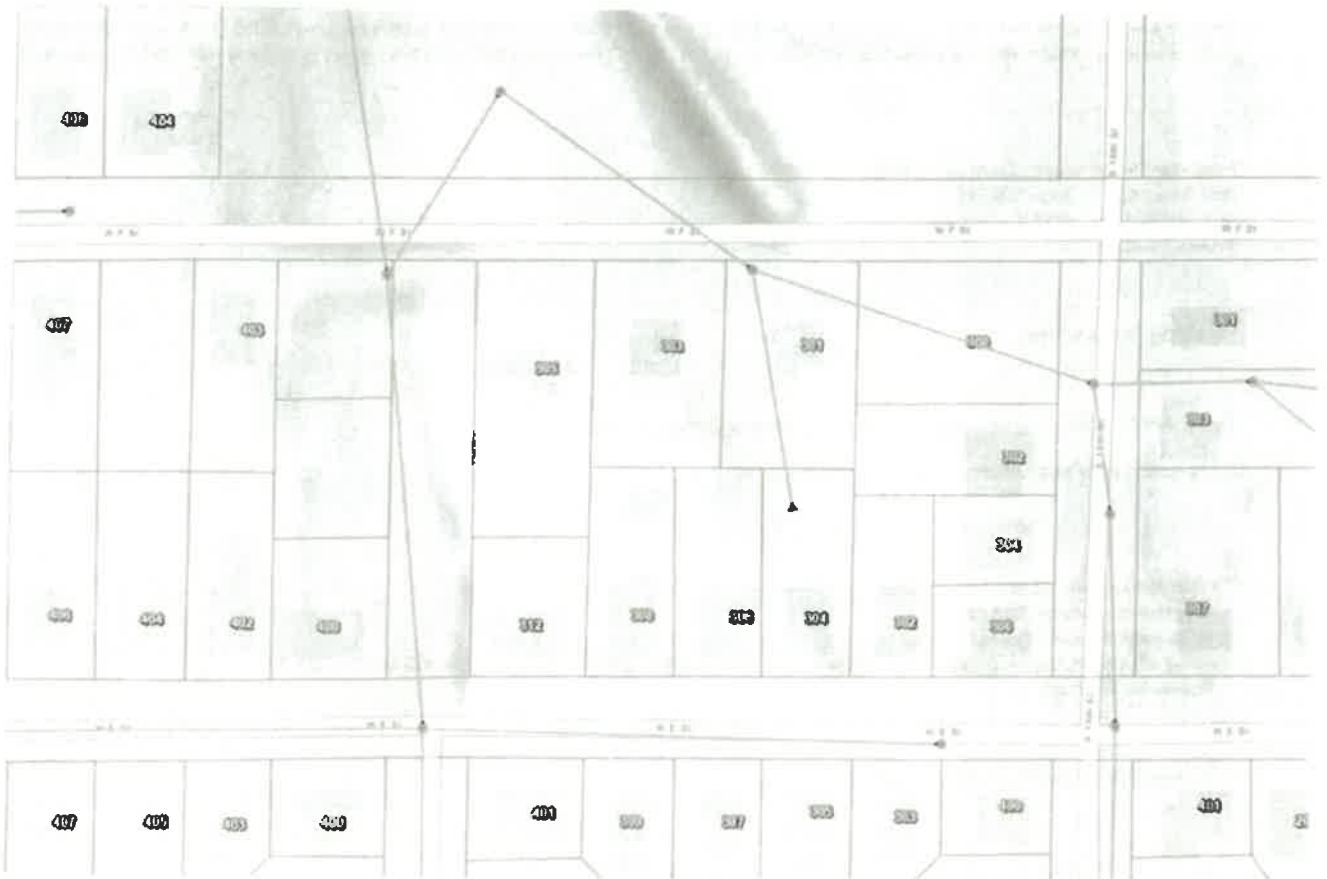
910-890-2473

Called in inquiring about the property in Erwin 301 W F st.

There is a sewer line running right through the property. Please see below.

He is wanting to tear down the house and build a duplex on that lot but the duplex will definitely go over the line CONNECTING 301 TO 304. He is wondering how that will work and if he is allowed to? Is the line active? Is the line for the service at 301 W E ST.

Thanks for any help you can give.



Katherine Moore

Senior Engineer Tech

Harnett Regional Water



(910) 814-6482 (office) | (910) 624-5025 (cell) | kemoore@harnett.org

700 McKinney Parkway (Physical) | PO Box 1119 (mailing) | Lillington, NC 27546

www.harnettwater.org



SPECIAL USE REQUEST STAFF REPORT

Case: SUP-2025-004

Dylan Eure, Town Planner

deure@erwin-nc.org

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

Public Hearing Date: Thursday, February 5th, 2026

The Town of Erwin has received a special use application for 301 West F Street to replace the existing structure with a two-family home. (duplex) The two-family home will be approximately 2,600 square feet and have a total of 4 beds and 4 baths, with each unit having 2 beds, 2 baths, and separate kitchen facilities. For parking, the applicant has offered 6 parking spaces. In terms of parcel size, the location has a total of 14,511 square feet with 97 feet of road frontage/ parcel width.

Applicant Information

Owner of Record:

Name: Alan Stewart

Address: 16150 Spivey's Corner Hwy

City/State/Zip: Dunn, NC 28334

Applicant:

Name: Alan Stewart/Adaline Group LLC

Address: 8231 Newton Grove HWY

City/State/Zip: Dunn, NC 28334

Property Description

Address of Property: 301 West F Street

Harnett County Tax PIN: 0597-53-4539.000

Acres/Square Footage: .34 acres or 14,511 Square Feet

Zoning District: RMV – Residential Mill Village

Type of Decision:

- Quasi-Judicial

Vicinity Map

- See Attached Document

Physical Characteristics**Site Description:**

A single parcel located by its physical address of 301 West F Street, zoned under the Residential Mill Village. (RMV) The said parcel is .34 acres or 14,511 square feet and has 97 feet of road frontage/parcel width. Per Erwin's Zoning Ordinances, the proposed site plan is compliant with all of Erwin's regulations for two-family dwellings located within the RMV zoning district. In order to place a two-family home within the RMV zoning district, the applicant must have a minimum parcel size of 9,000 square feet, and 75 feet in parcel width, which the applicant has. According to the proposed site plan, the applicant is also able to meet all other requirements of two-family homes within the RMV district. The required parking for two-family homes within the RMV is 2.5 parking spaces per unit, totaling 5 parking spaces, with each space being a minimum of 8 feet by 20 feet. According to the site plan submitted, the proposed development has two 24-foot by 35-foot slabs, which translates to 6 parking spaces according to Erwin's parking space dimensional requirements. In terms of setback requirements, the two-family home will conform to all setback requirements within the RMV district. Said setbacks for this parcel would be 15 feet from the front and rear property lines and 8 feet from both of the side property lines. In terms of environmental concerns for the property, there does not appear to be any wetlands, protected watersheds, or flood zones located within the property. On Harnett County GIS, there does appear to be a sewer line running through the middle of the property. However, according to Harnett Regional Water, the said sewer line shown on GIS is just an old sewer service line that was later abandoned when a new tap for the property was installed, and should not be an issue with the redevelopment of the parcel.

Surrounding Land Uses:

The surrounding land uses comprise a mix of residential and industrial uses. The primary residential style is traditional detached single-family dwellings. While the industrial land uses are all completely contained just north of the parcel, which is the Central Carolina Industrial Park. Although the majority of neighboring properties are single-family dwellings, according to Erwin's 2023 Land Use Plan, additional housing options such as two-family dwellings should be encouraged within the Residential Mill Village to promote housing diversity and resiliency.

Services Available

- Electricity (Duke Energy)
- Harnett Regional Water and Sewer
- Erwin Police / Fire

Zoning District Compatibility

Special Use	RMV
Two-Family Dwellings	X

Staff Evaluation

Yes No The use requested is listed among the special uses in the district for which the application is made.

- **Reasoning:** Two-family dwellings were added to the list of special uses within the Residential Mill Village during the regularly scheduled August 1st, 2024, meeting.

Yes No The requested use is essential or desirable to the public convenience or welfare.

- **Reasoning:** Having additional housing options would benefit the community by diversifying Erwin's housing portfolio, while providing additional housing options for those who cannot afford/do not want traditional detached single-family homes.

Yes No The requested use will not impair the integrity or character of the surrounding or adjoining districts, nor be detrimental to the health, morals, or welfare.

- **Reasoning:** Although many of the surrounding properties are classified as single-family, there is no evidence as to why a two-family dwelling would harm the surrounding area.

Yes No The requested use will be in conformity with the Land Development Plan.

- **Reasoning:** According to the 2023 Land Use Plan, two-family dwellings and other forms of residences should be encouraged within the Residential Mill Village to promote a healthy housing market.

Yes No Adequate utilities, access roads, drainage, sanitation, and/or other necessary facilities have been or are being provided.

- **Reasoning:** The applicant has ensured that the development could be connected to Harnett Regional water & sewer lines and will retain all existing drainage facilities within the public right-of-way.

Yes No That adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.

- **Reasoning:** The applicant has ensured that the development would have adequate parking spaces for the two-family dwelling.

Yes No The special use shall, in all other respects, conform to the applicable regulations of the district in which it is located, except as such regulations may, in each instance, be modified by the Board of Commissioners.

- **Reasoning:** The application in all aspects meets Erwin's requirements for two-family dwellings located within the Residential Mill Village District.

Statement of Consistency

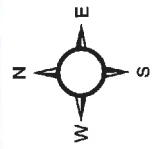
According to Erwin's 2023 Land Use Plan Goal 1 Objective 4, the proposed special use permit for a two-family dwelling located at 301 West F Street is recommended to be **approved**.

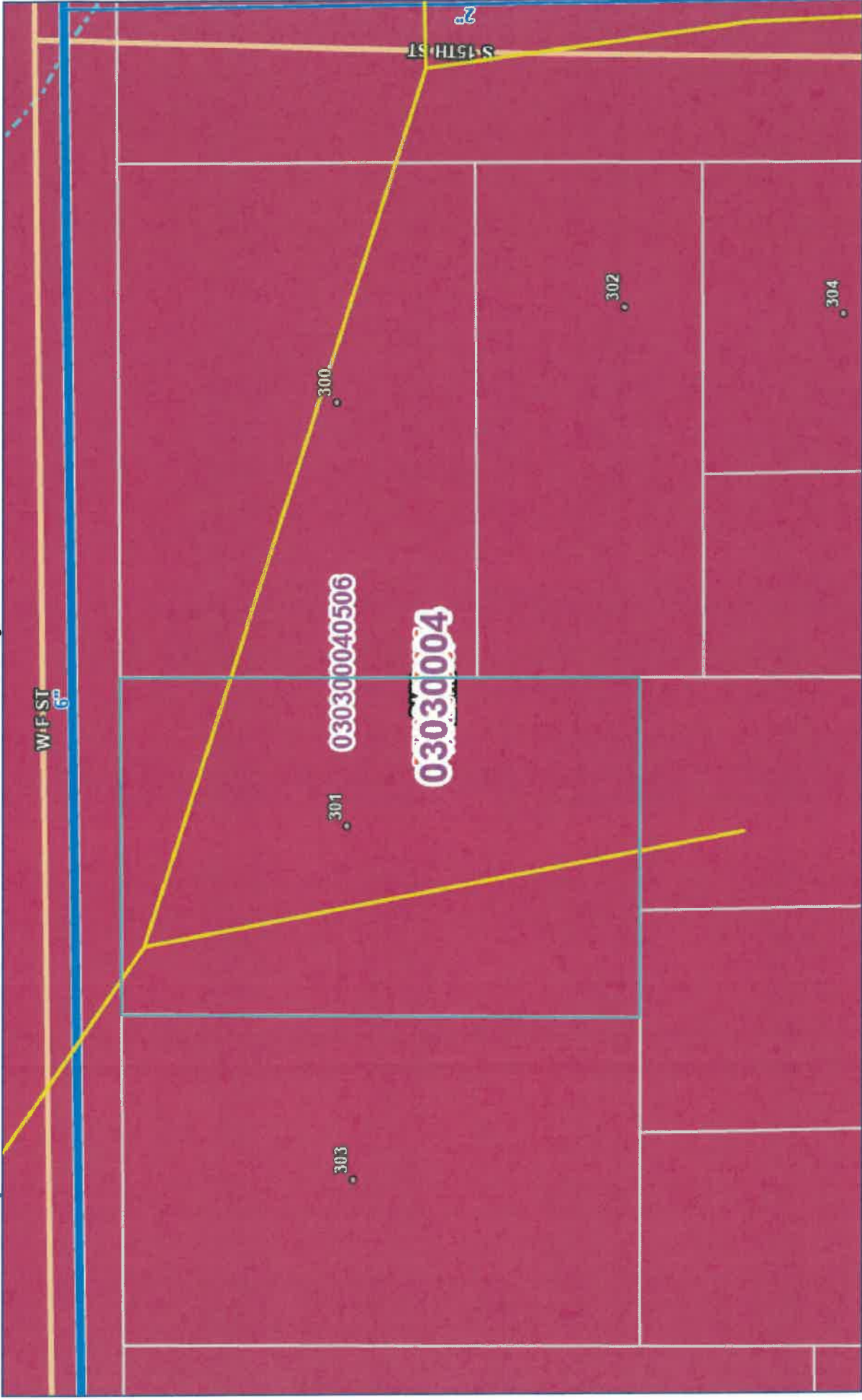


Harnett.org/GIS

December 19, 2025

Flood Map Index	Gravity	Watershed HUC8
County Boundary	2 - 5	Unnamed Flowline
City Limits	6 - 36	Road Centerlines
Address Numbers	Parcels	Watershed HUC12



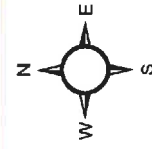


- Flood Map Index
- County Boundary
- City Limits
- Address Numbers

- Gravity
- 2 - 5
- 6 - 36
- Road Centerlines
- Named Flowline
- Unnamed Flowline

- Parcels
- Watershed HUC12
- Watershed HUC8

- RMV
- ETD



For Registration Kimberly S. Hargrove
Register of Deeds
Harnett County, NC
Electronically Recorded
2018 Nov 02 04:21 PM NC Rev Stamp: \$ 45.00
Book: 3651 Page: 613 - 615 Fee: \$ 26.00
Instrument Number: 2018015517

HARNETT COUNTY TAX ID#
06-0597-14-07-0002

11-02-2018 BY CW

Submitted electronically by Morgan & Perry Law, PLLC in compliance with North Carolina statutes governing recordable documents and the terms of the submitter agreement with the Harnett County Register of Deeds.

**NORTH CAROLINA
GENERAL WARRANTY DEED**

Excise Tax: \$ 45.00	Recording Time, Book and Page
Tax Map No.	Parcel Identifier No. 0597-53-4539

Mail after recording to: PO Box 1989; Fuquay-Varina, NC 27526

This instrument was prepared by: Morgan & Perry Law, PLLC

THIS DEED made this 2nd day of November, 2018 by and between

GRANTOR

**WILLIAM T. SAWYER and spouse,
DONNA K. SAWYER**

213 Norris Road
Dunn, NC 28334

GRANTEE

**ADALINE GROUP, LLC
a North Carolina Limited Liability Company**

8231 Newton Grove Highway
Dunn, NC 28334

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 the City of Erwin, Harnett County North Carolina and more particularly described as follows:

See EXHIBIT A.

All or a portion of the property hereinabove described was acquired by Grantor by instrument recorded in Book 1544, Page 822, Harnett County Registry.

All or a portion of the property herein conveyed does not include the primary residence of the Grantor.

A map showing the above described property is recorded in Book _____ and Page _____ and referenced within this instrument.

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 except for the exceptions hereinafter stated.

Title to the property hereinabove described is subject to the following exceptions:

All such valid and enforceable easements, restrictions, and rights of way of record and any ad valorem taxes which may be outstanding.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officer(s), the day and year first above written.

(SEAL)

William T. Sawyer
WILLIAM T. SAWYER (SEAL)

By: _____

Donna K. Sawyer
DONNA K. SAWYER (SEAL)

Title: _____

NORTH CAROLINA

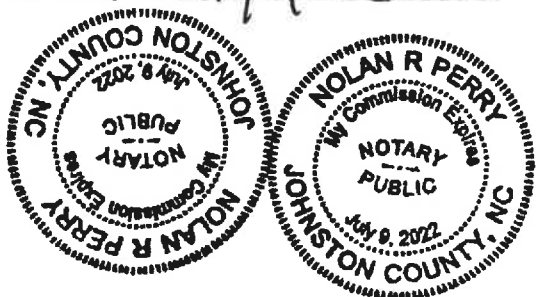
COUNTY OF WILKINSON

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document:

WILLIAM T. SAWYER and DONNA K. SAWYER

Witness my hand and official stamp or seal, this the 2 day of November, 2014.

My Commission Expires: 7/5/22



Nolan R. Perry
Notary Public

Print Notary Name: Nolan R. Perry

EXHIBIT A

FIRST LOT: Lot No. 282 as shown on a plat entitled "Section 1 of a Subdivision of Erwin Mills, Inc. Erwin, NC by Pickell and Pickell, Engineers dated January, 1951" and recorded in the Office of Register of Deeds for Harnett County, NC, in Plat Book 6 at Pages 87, 88, 89, and 90 to which reference is hereby made for a more particular description.

SECOND LOT: Being Lot #2 fronting 97 feet to the South side of West "F" Street in Section No. 2 of the subdivision for Erwin Mills, Inc. as per plat and survey by Harold T. Turlington, Registered Surveyor, October 23 and 30, 1965 and recorded in Plat Book 12 at Page 16, Harnett County Registry, to which reference is hereby made for a more particular description.

Overview

The Recommendations section offers specific policy and programming recommendations and actions related land use, housing, transportation, infrastructure and services, parks, natural resources, and economic development. These recommendations aim to provide guidance on key topics and typically require coordination with Town leadership, Town departments, and partnering organizations in and close by Erwin and Harnett County. Supplemental information can be found in callout boxes to illustrate why recommendations were made. provide examples of success stories from other municipalities, and explain concepts. Recommendations are divided by the four goals from Chapter 1 of this Plan.

Land Use and Housing



Goal 1: Establish a land use pattern that promotes economic development and housing diversity while protecting the character of the town.

LUH 1: Utilize the Future Land Use map to guide rezoning and development decisions to ensure that the scale and intensity of development is consistent with the long-term vision of the town, availability of infrastructure and compatible with surrounding land uses.

LUH 2: Consider updates to the Zoning Ordinance to assist in the implementation of this Plan.

LUH 3: Encourage new residential development in appropriate locations and designed to fit the character of different parts of Town.

3.1: Encourage new residential subdivisions to be located in the Medium Density and Suburban Residential areas on the Future Land Use Map.

3.2: Development with increased density should be located in the Medium Density areas and Commercial/Mixed Use areas on the Future Land Use Map.



3.3: Encourage subdivisions with larger lots and/or higher amounts of open space to be located in the Suburban Residential areas on the Future Land Use Map.

LUH 4: Allow for a variety of residential land uses.

- 4.1:** Encourage a mix of higher-density housing types to locate in Commercial/Mixed Use areas or near US 421.
- 4.2:** Allow a variety of small-scale attached housing types (accessory dwellings, duplexes, quads, townhomes) on well-located sites in the mill village.
 - ◆ Consider allowing townhomes in more areas (Currently allowed only as a Special Use in R-10, R-6, RMV, and DMV districts).
 - ◆ Consider allowing duplexes, triplexes or quadplexes in more areas (currently allowed as a Special Use in R-6 only).
 - ◆ Consider allowing accessory dwelling units that meet design criteria (minimum setbacks, etc.).
- 4.3:** Allow a certain percentage of attached homes as part of new planned developments (i.e. 30% max).
 - ◆ Encourage alley-loaded attached units with front porches and on-street parking to improve pedestrian safety.
 - ◆ Consider reduced setbacks and lot width requirements for rear loaded housing types.



LUH 5: Protect rural views on the edges of town.

5.1: Discourage large stretches of “Fanny First” development (visible backs of homes) along major roads by encouraging tree preservation, planting buffers and location of open space along blocks.

ADALINE GROUP LLC
8231 NEWTON GROVE HWY DUNN,
NC 28334

**WILSON ROBERT A H JR &
WILSON KAY H**
303 WEST F STREET ERWIN, NC
28339-0000

**WEAVER CALVIN E & WEAVER
SHIRLEY J**
305 WEST F STREET ERWIN, NC
28339

200 NORTH 13 LLC
320 ROEBLING ST STE 125
BROOKLYN, NY 11211-6262

MODESTO SOTO VICTOR HUGO
7645 BENSON HARDEE RD BENSON,
NC 27504-6156

CHRISP HAZEL T
302 S 15TH STREET ERWIN, NC
28339-2005

**ALVARADO ANDREA BALESKA
ROSALES**
304 S 15TH ST ERWIN, NC 28339-
2005

PARKY PROPERTIES LLC
224 JEN MAR DR FUQUAY VARINA, NC
27526

LOCKAMY SETH
302 W E ST ERWIN, NC 28339

**ALVARADO JESUS & ALVARADO
ROSALVA**
304 W E ST ERWIN, NC 28339-2025

**PRICE DEAN R & PRICE CHRISTIE
L**
306 W E ST ERWIN, NC 28339

BRADLEY JEAN & BRADLEY JAMES
308 W E ST ERWIN, NC 28339-2025

MCLEAN REA CLARK HEIRS
312 W E ST ERWIN, NC 28339-2025



TOWN OF ERWIN

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

1/12/2026

Notice of a Public Hearing SUP-2025-004

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 February 5th, 2026 at 7:00 P.M. at the Erwin Town Hall, 100 West F Street, Erwin, North Carolina to hear public comment regarding the approval of a special use permit.

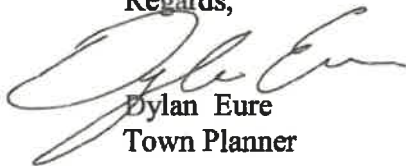
There has been a special land use application submitted to the Town of Erwin. The special use request includes a single parcel of land that is listed below:

- 301 W F St. Erwin, NC 28339.

The applicant has requested to demolish the existing home and replace it with a two-family home, which is more commonly known as a duplex.

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.

Regards,



Dylan Eure
Town Planner

NOTICE OF PUBLIC HEARING

The Town of Erwin Board of Commissioners will conduct a Public Hearing on the following items pursuant to NC General Statute 160D-406, on Thursday, February 5, 2026, 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 Planner Dylan Eure at 910-591-4201 or by email at deure@erwin-nc.org.

- Case ZT-2025-011: Request to rezone two adjacent parcels:
 - 45 Red Hill Church Road (Harnett County Tax PIN # 1507-14-3913.000)- Rezoned from B-2, M-1, and R-10 to entirely R-10.
 - Harnett County Tax PIN # 1507-15-4111.000- Rezoned from M-1 and R-10 to entirely R-10
- Case SUP-2025-004: Special Use Permit Application to replace the existing structure with a duplex located at 301 West F Street. The property can also be identified by its Harnett County Tax PIN # 0597-53-4539.000.

These cases are 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.
1/16,23/2026

Erwin Board of Commissioners

REQUEST FOR CONSIDERATION

To: The Honorable Mayor and Board of Commissioners

From: Snow Bowden, Town Manager

Date: February 5, 2026

Subject: Presentation of Fiscal Year 2024-2025 Audit

Our current auditor Bryon Scott, CPA, will be presenting the FY 2024-2025 audit at our February Town Board meeting. At your seats, there is a packet that includes this presentation and the Financial Statements for Fiscal Year 2024-2025.

Overall, we had another good audit report. Just like in previous years, our auditors pointed out an internal control issue in our operations, which is segregation of duties (Pages 21-22). Due to our small staff size, this is an issue that is brought up every year. I have tried to implement some of the recommendations in previous audit reports to address this deficiency. I will continue to follow the recommendations in this report to address this concern.

Attachments:

- FY 2024-2025 Audit Presentation



Audit Presentation

Town of Erwin

Fiscal Year June 30, 2025

R. Bryon Scott, CPA
910-862-8129
bscott@tpsacpas.com





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- General Fund Expenditures Analysis
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- Revenue Analysis-Fiscal Year June 30, 2024
- Expenditures Analysis-Fiscal Year June 30, 2025
- Expenditures Analysis-Fiscal Year June 30, 2024
- 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

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LGC Financial Indicators

TOWN OF ERWIN

ERWIN, NORTH CAROLINA

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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

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 responsible 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.

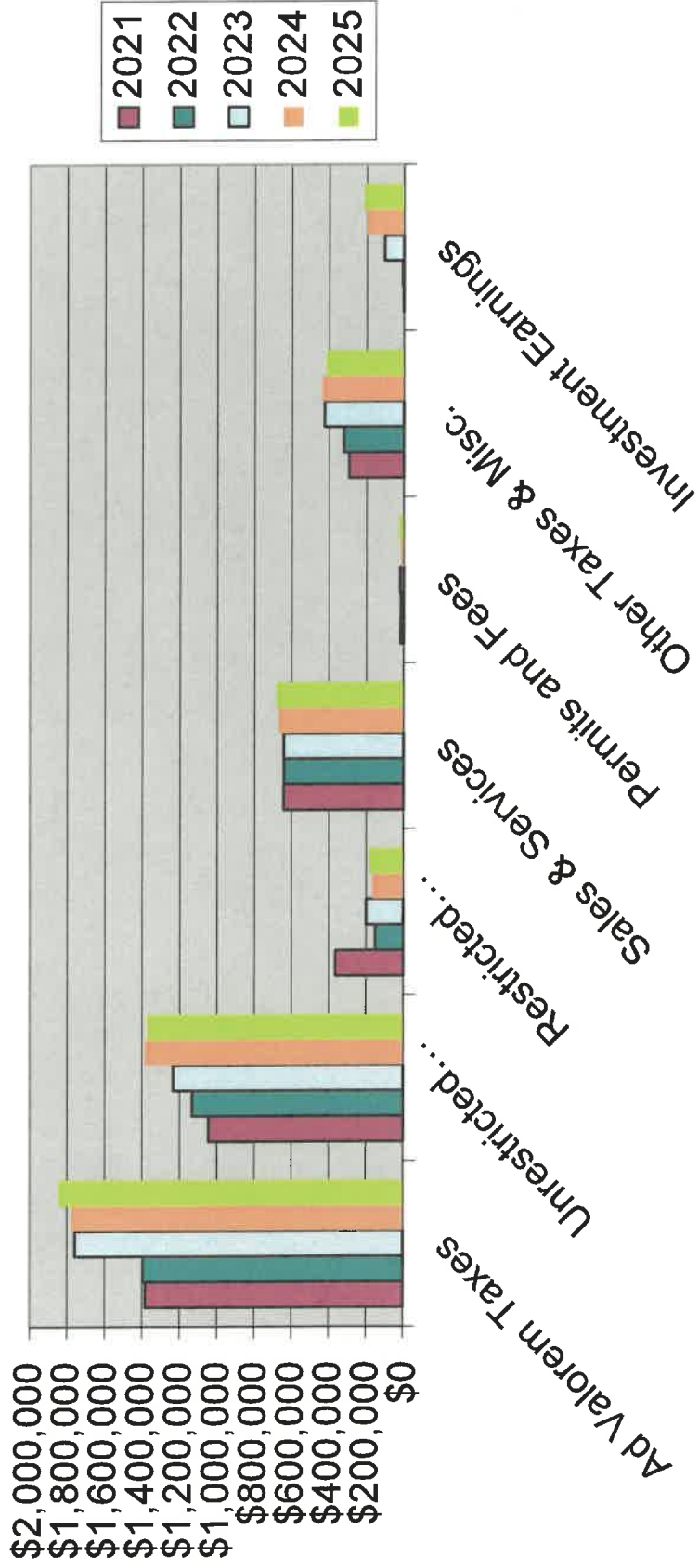
Thompson, Price, Scott, Adams & Co., PA

Elizabethtown, North Carolina
December 10, 2025



Revenue Analysis

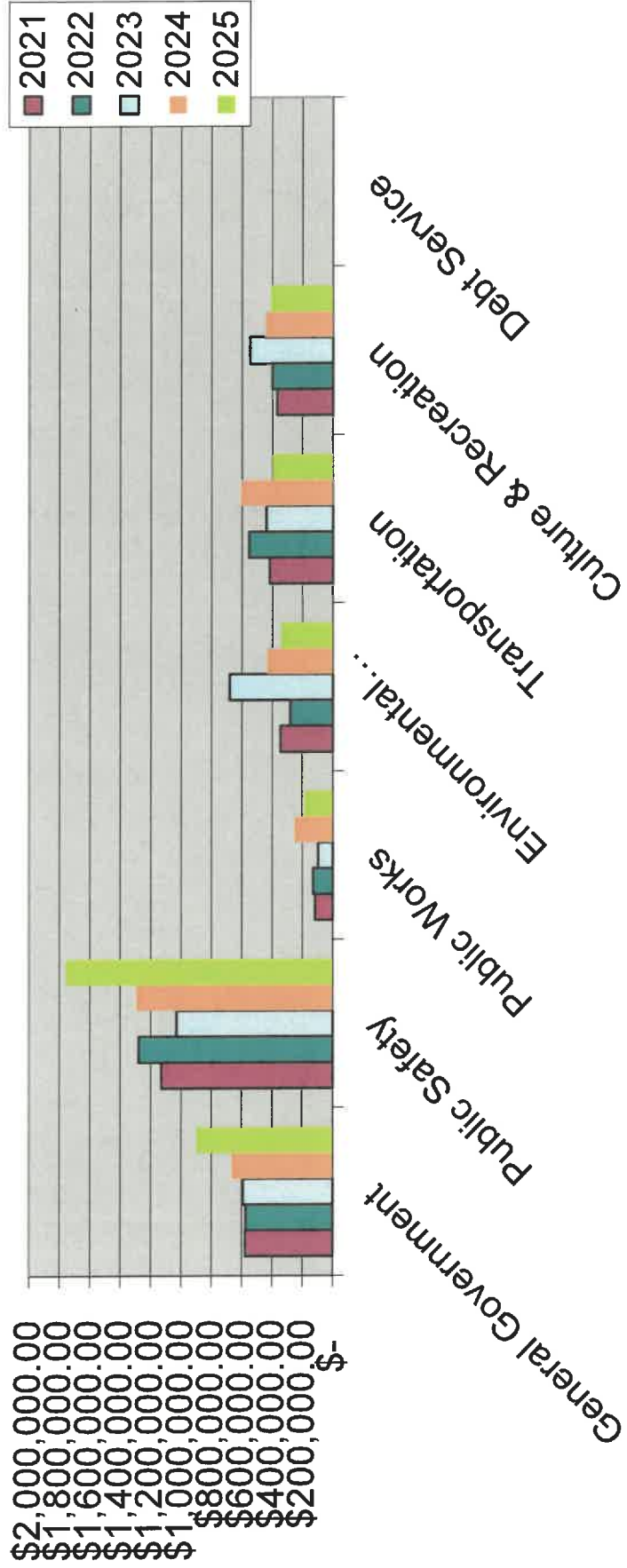
Town of Erwin General Fund Revenue 5 year comparison





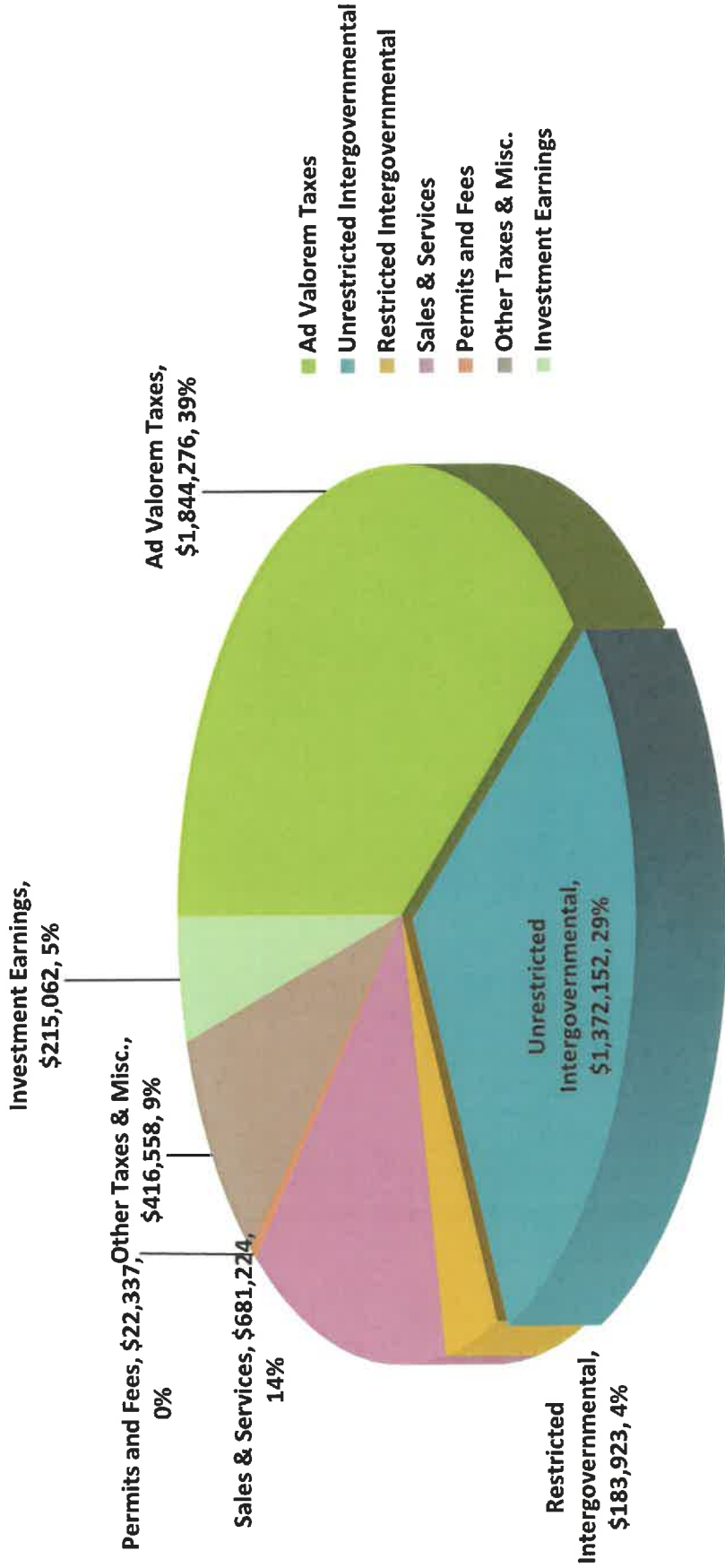
Expenditures Analysis

Town of Erwin General Fund Expenditures 5 year comparison



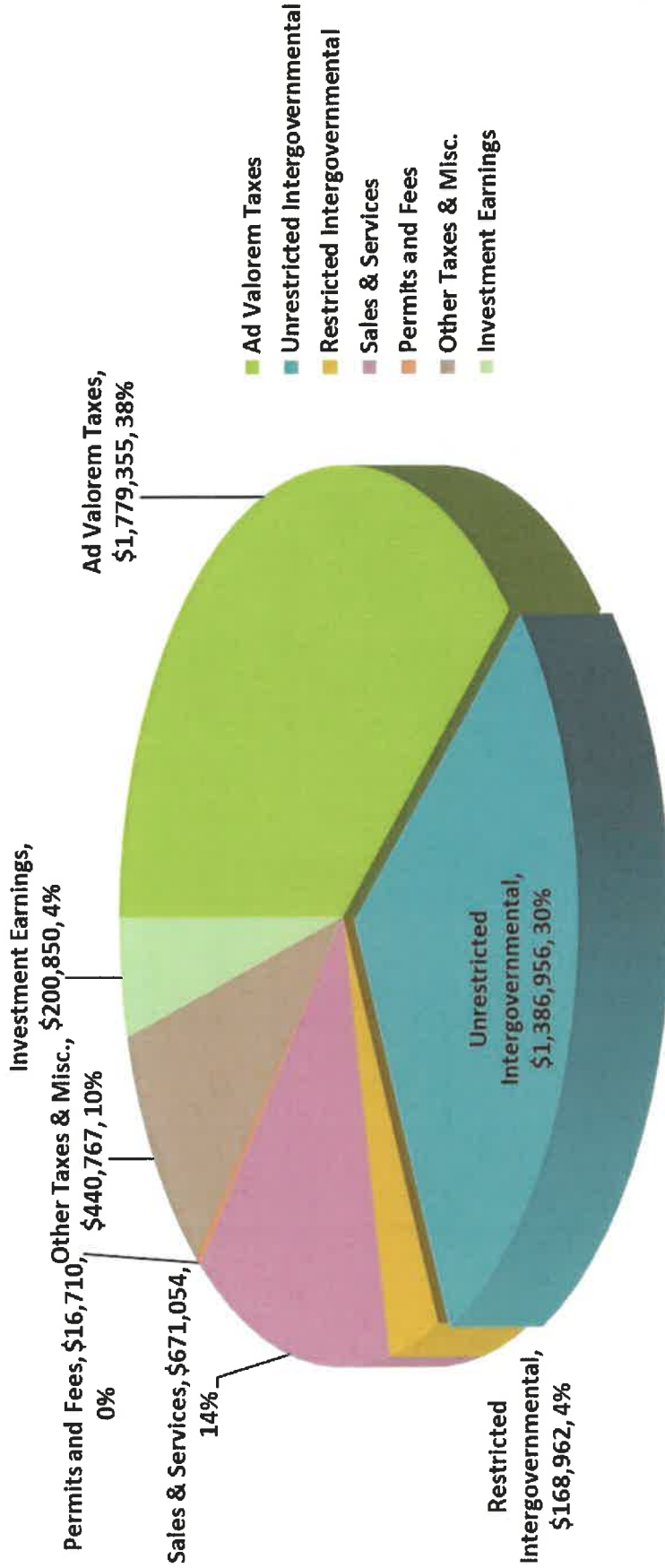


Town of Erwin 2025 Revenue



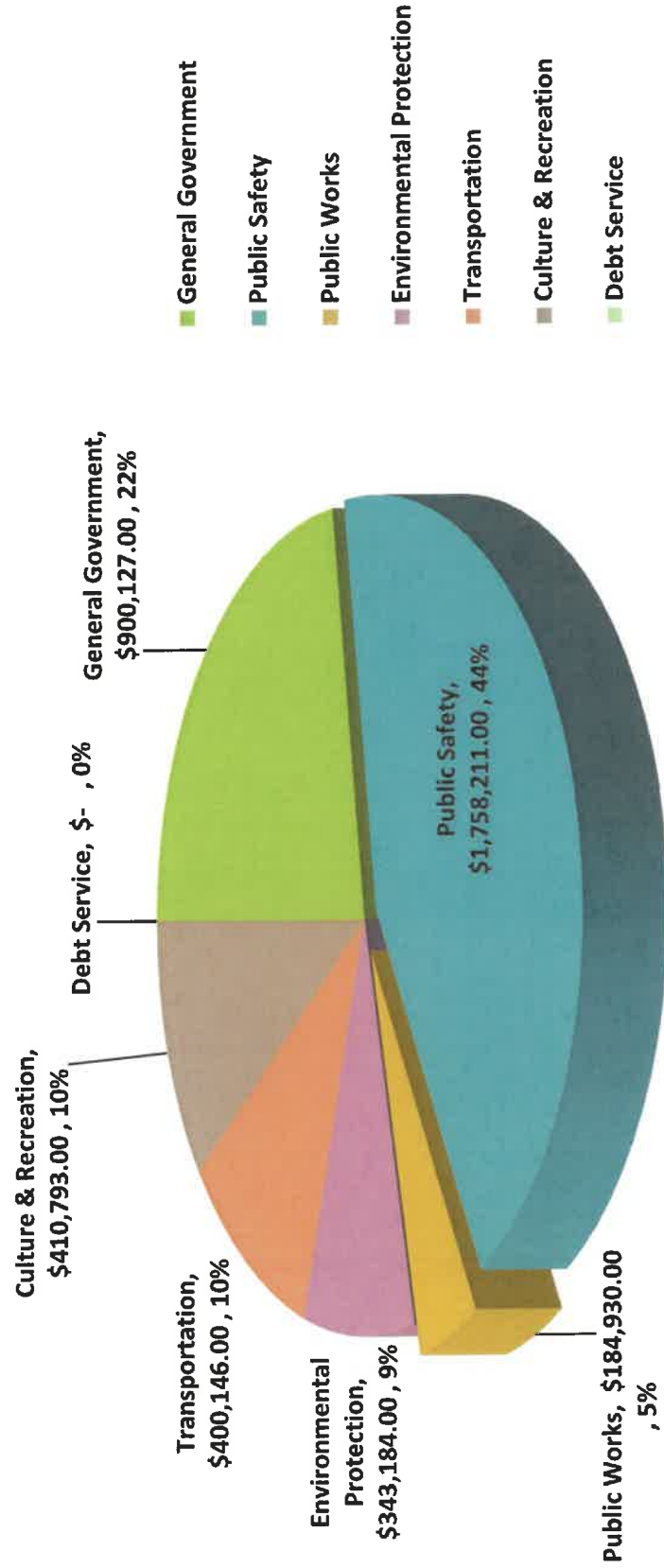


Town of Erwin 2024 Revenue





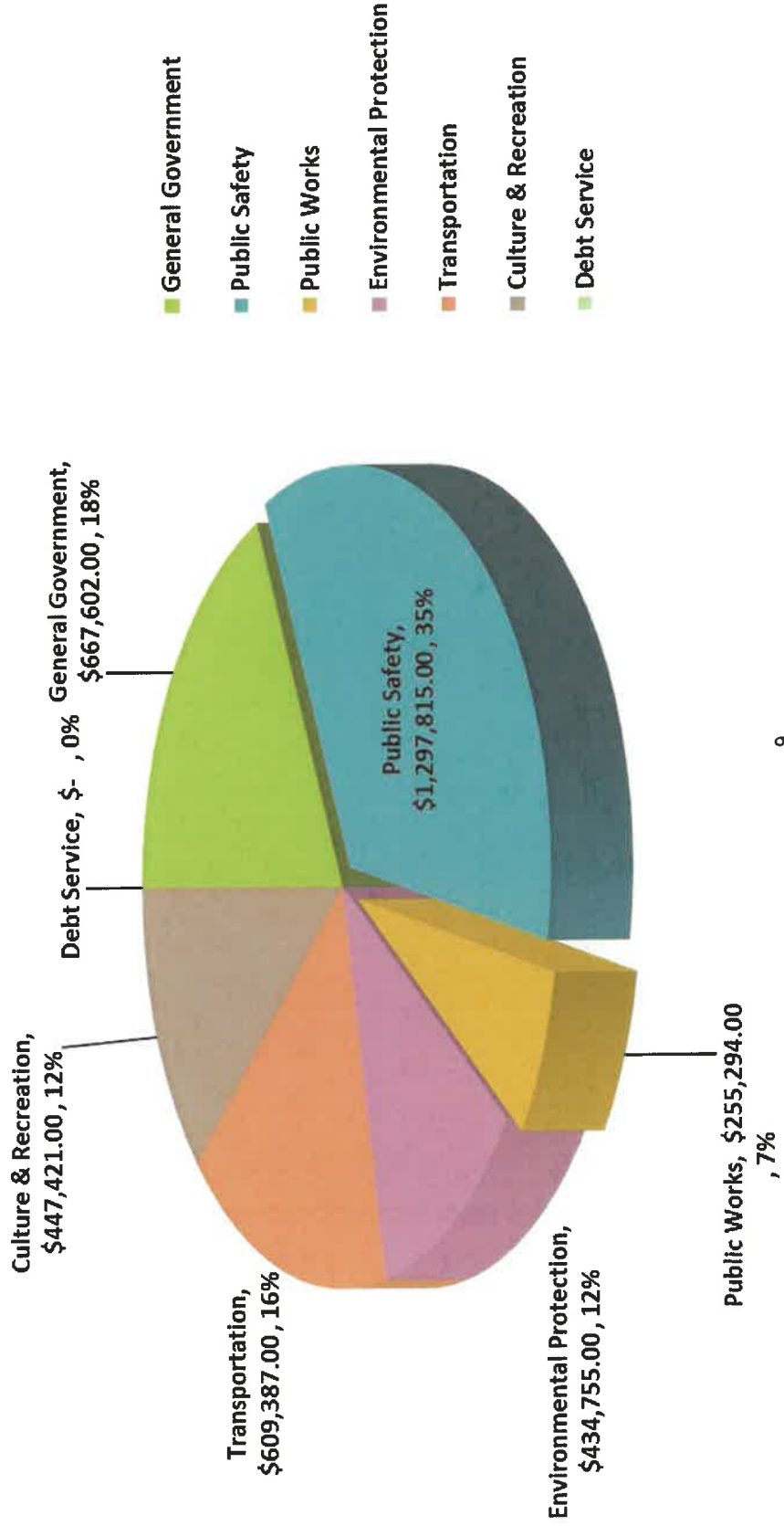
Town of Erwin 2025 Expenditures





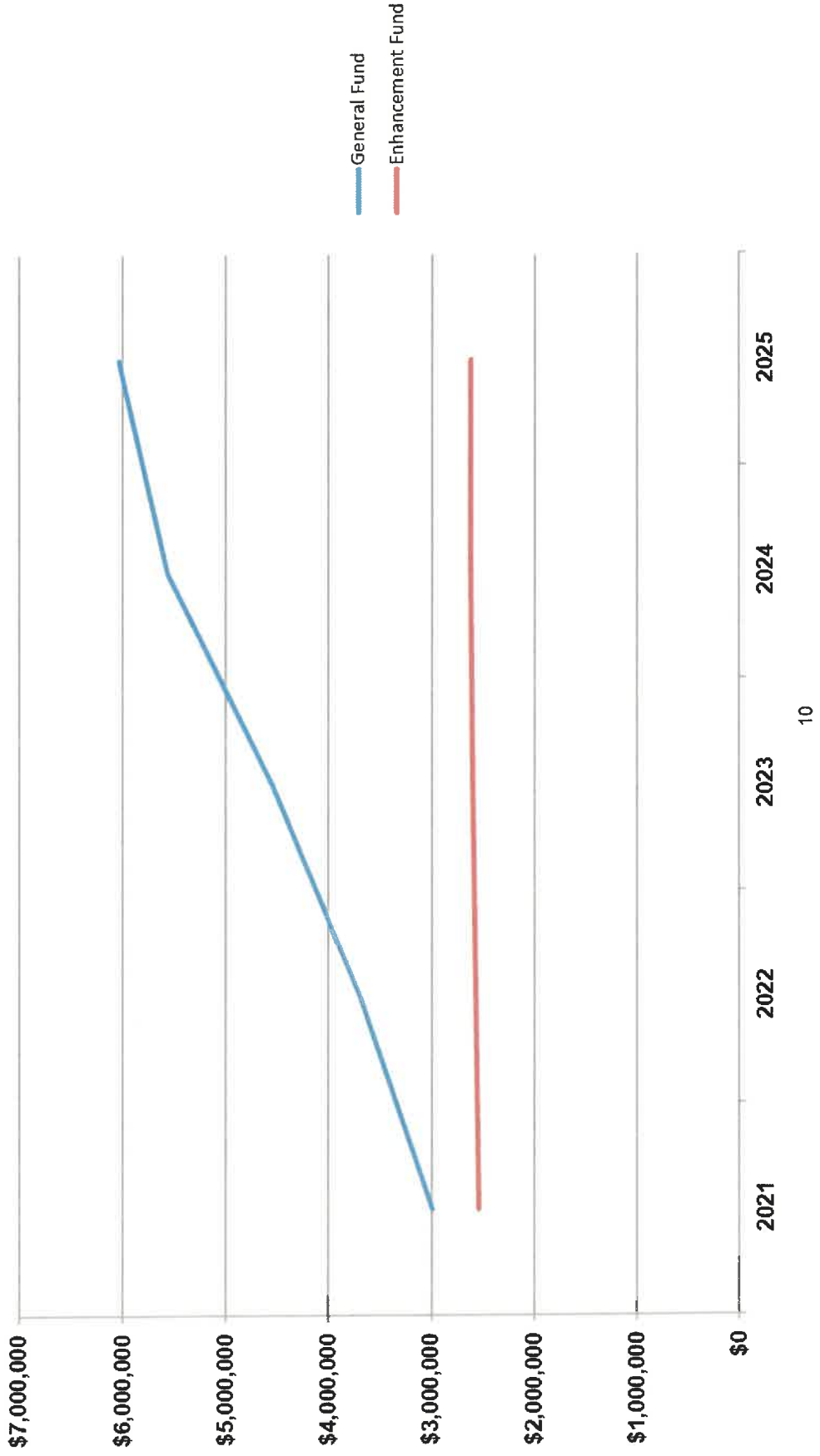
Expenditures Analysis-Fiscal Year June 30, 2024

Town of Erwin 2024 Expenditures



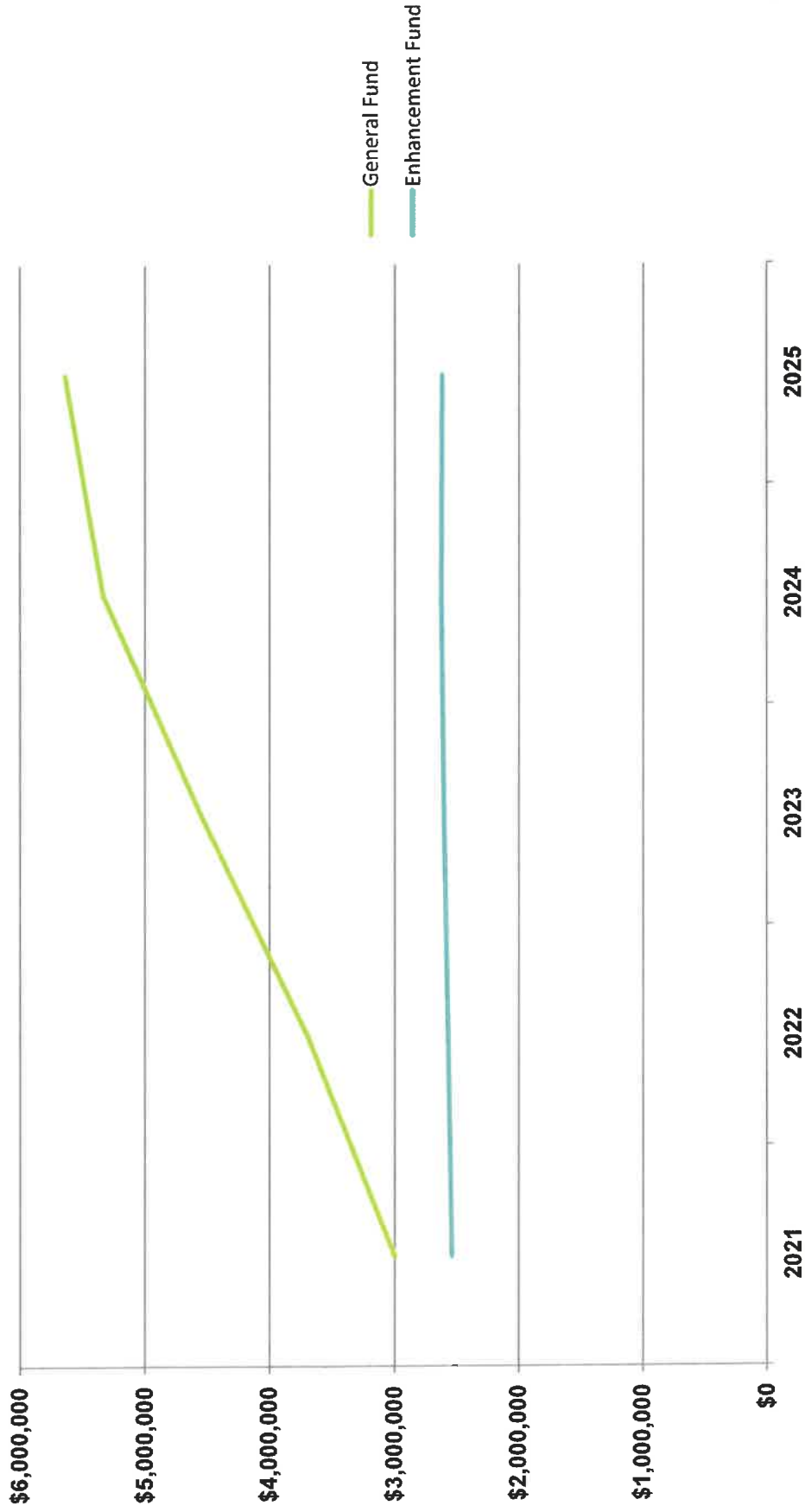


Cash Analysis-General Fund and Capital Enhancement Fund





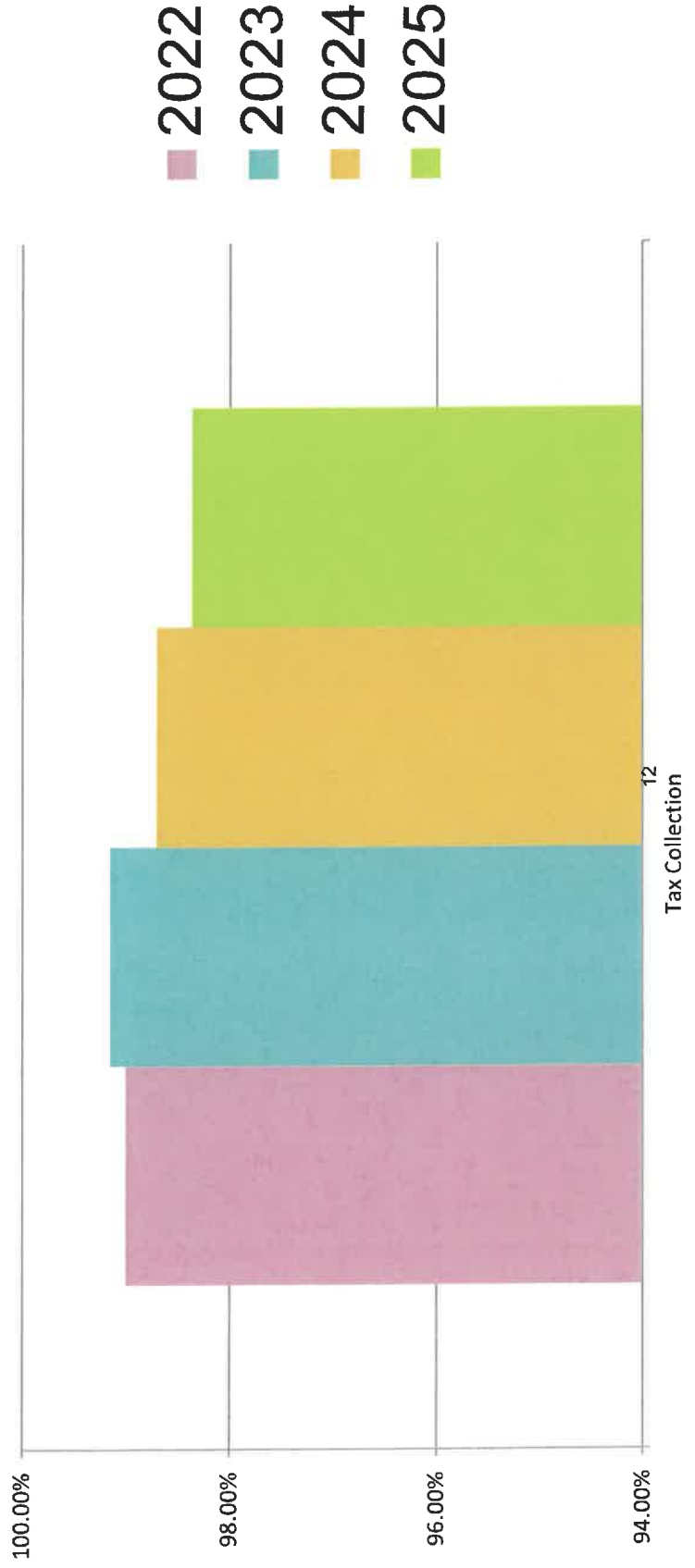
Fund Balance Analysis-General Fund and Capital Enhancement Fund





Tax Collection Rate Analysis

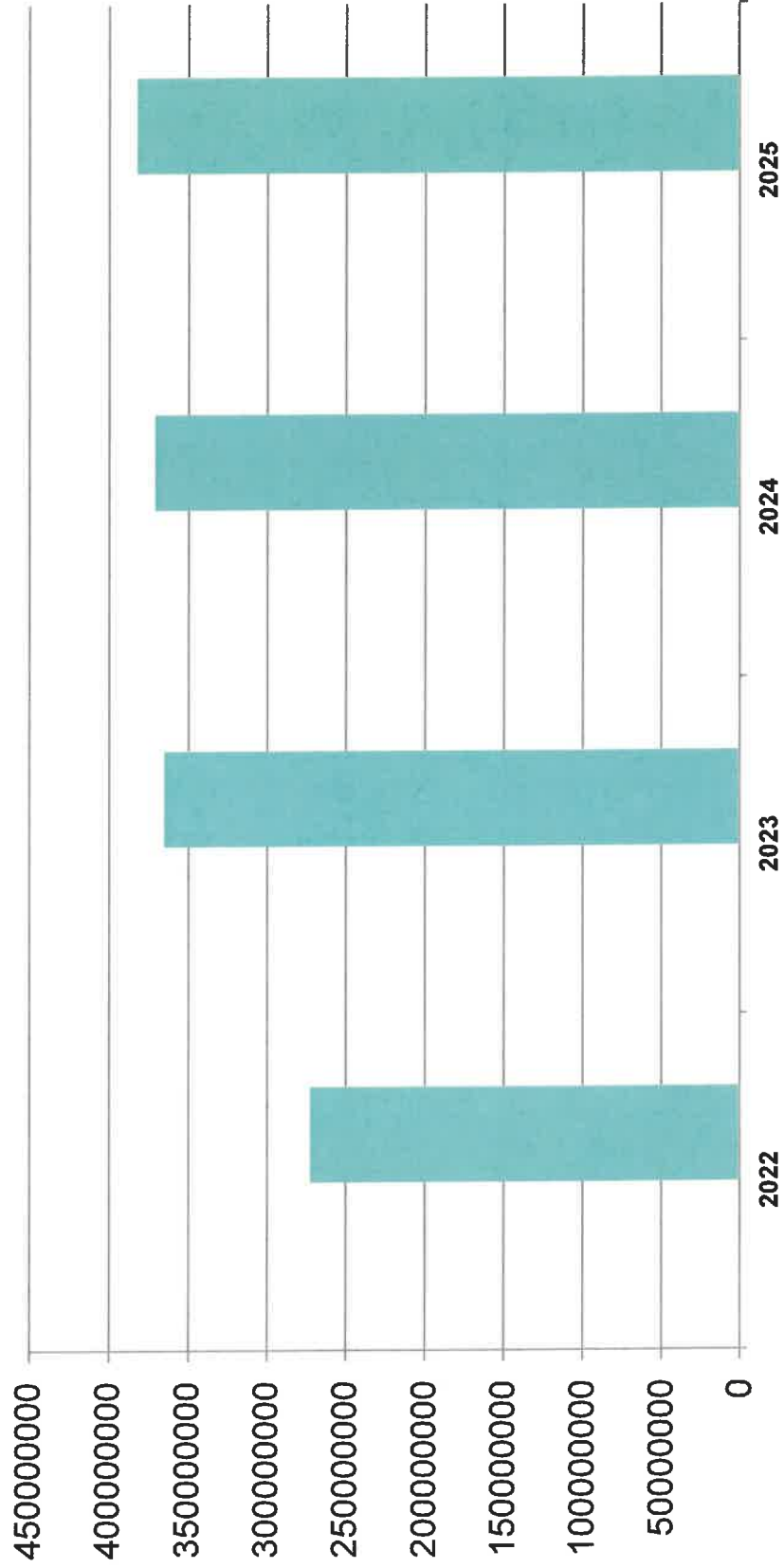
Town of Erwin Tax Collection Rate 4 year comparison





Property Tax Valuation Analysis

Town of Erwin Property Tax Valuation





Required Auditor Communications

Town of Erwin

Fiscal Year June 30, 2025



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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 I. Summary of Auditor's Results

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 none reported
- Significant Deficiency(s) identified? yes none reported

Noncompliance material to financial statements noted? yes no



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	2023	2024	2025	Fail Condition	2025 Status
980	Date the auditor presented or plans to present Financial Performance Indicators of Concern (FPIC) to the Governing Board.					Data Not Available
Summary						
	Number of Financial Performance Indicators of Concern (FPICs)	0	0	0	Greater Than 0	Pass
General Fund						
	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						
	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						
	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		
Fund Balance Available as Percent of Expenditures & Transfers Out Without Powell Bill	$(506+536+647-11-4-6-5)/(532+20+509-533-508-1050)$	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. 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. 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. Municipality General Fund Expenditures Groups Minimum Threshold FBA as % of Expenditures: 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% County General Fund Expenditures Groups Minimum Threshold FBA as % of Expenditures: 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.

Water & Sewer Fund

Indicator Name	Formula	Description
Quick Ratio	$(654-655-510-579^*) / (633-634-635-636-637-638-578^*) * 579 \& 578$ Used FY 20-23	A Quick Ratio less than 1 indicates that the unit owes more 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 in 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	$(657-658-511-581^*) / (639-640-641-642-643-644-580^*) * 581 \& 580$ Used FY 20-23	A Quick Ratio less than 1 indicates that the unit owes more 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 in 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"

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	
Collected Ad Valorem Tax as Percent of Budgeted Ad Valorem Tax	(984-985)/985	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.
Expected Property Revaluation Direction	991	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.
Other Issues	973	Indicator using reported expected decrease in property value for unit's next property revaluation which could result in lost tax revenue. 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) are not applicable for your unit type.

**TOWN OF ERWIN
ERWIN, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2025**

TOWN OF ERWIN, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2025

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



Thompson, Price, Scott, Adams & Co., P.A.
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Telephone (910) 862-8129
Fax (910) 862-8120

R. Bryon Scott, CPA
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

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, 2025. 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

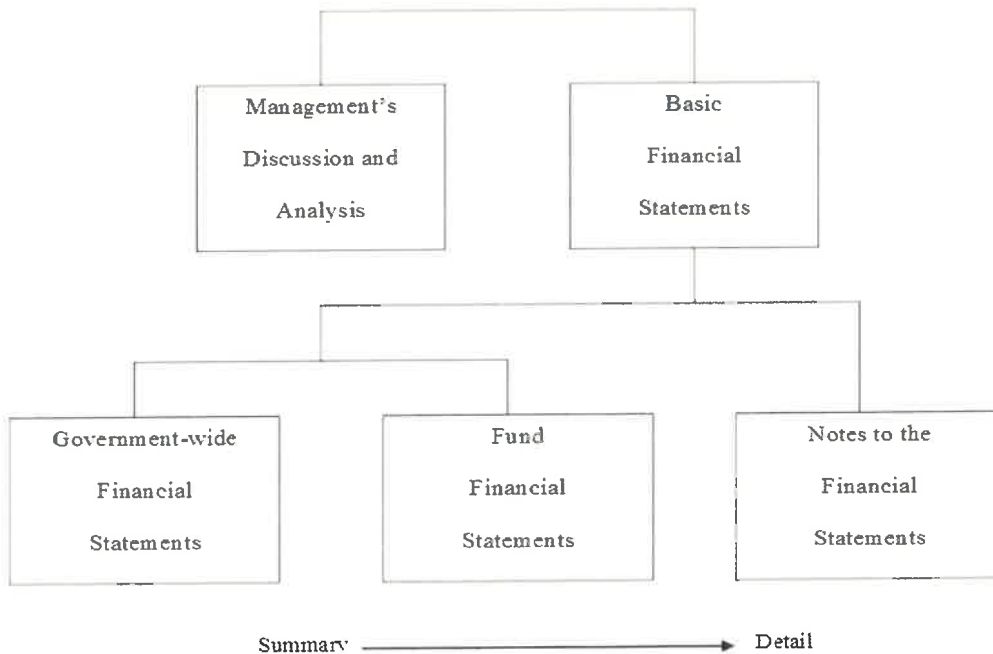
- The assets and deferred outflows of resources of the Town of Erwin exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$13,267,252 (*net position*).
- The government's total net position increased by \$385,866 primarily due to increases in property taxes and investment income.
- As of the close of the current fiscal year, the Town's governmental funds reported ending fund balances of \$10,695,724 an increase of \$548,568. Approximately 22 percent of this total amount, or \$2,406,328 is nonspendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,528,238 or 143 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 for governmental funds.

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 pension and other post-employment benefits to its employees. Required supplementary information can be found beginning on page 39 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	
	2025	2024
Assets		
Current and other assets:	\$ 11,075,994	\$ 10,589,487
Capital Assets	4,358,731	4,433,709
Total assets	<u>15,434,725</u>	<u>15,023,196</u>
Deferred Outflows of Resources	<u>766,222</u>	<u>841,082</u>
Liabilities		
Long-term liabilities outstanding	1,930,410	2,033,721
Other liabilities	272,494	347,330
Total liabilities	<u>2,202,904</u>	<u>2,381,051</u>
Deferred inflows of resources	<u>730,791</u>	<u>576,032</u>
Net Position		
Net Investment in Capital Assets	4,358,731	4,433,709
Restricted	2,395,618	1,827,629
Unrestricted(Deficit)	6,512,903	6,645,857
Total Net Position	<u>\$ 13,267,252</u>	<u>\$ 12,907,195</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 \$13,267,252 as of June 30, 2025. The Town's net position increased by \$385,866 for the fiscal year ended June 30, 2025. However, a portion, \$4,358,731 (33%), 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 \$2,395,618 (18%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$6,512,903 (49%) 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.
- Investment income increased.
- Expenditures increased to satisfy grant requirements.

Town of Erwin's Changes in Net Position
Figure 3

	Governmental Activities	
	2025	2024
Revenues		
Program Revenues		
Charges for Services	\$ 706,551	\$ 718,337
Grants and Entitlements	396,643	1,962,832
General Revenue		
Property Taxes	1,860,383	1,799,672
Grants and contributions not restricted to specific programs	1,372,152	1,386,956
Other Taxes	389,455	377,721
Investment Earnings	215,062	210,695
Other	38,712	71,571
Total Revenues	<u>4,978,958</u>	<u>6,527,784</u>
Expenses		
General Government	1,083,189	890,713
Public Safety	1,802,021	1,614,317
Transportation	802,979	1,000,742
Economic Development	-	109
Environmental Protection	343,184	343,400
Cultural and Recreation	561,719	605,936
Total Expenses	<u>4,593,092</u>	<u>4,455,217</u>
Increase(Decrease) in Net Position	<u>385,866</u>	<u>2,072,567</u>
Net position - beginning, previously reported	12,907,195	10,834,628
Restatement	(25,809)	-
Net position - beginning as restated	<u>12,881,386</u>	<u>10,834,628</u>
Net Position, ending	<u>\$ 13,267,252</u>	<u>\$ 12,907,195</u>

Management Discussion and Analysis
Town of Erwin

Governmental Activities - Governmental activities increased the Town of Erwin's net position by \$385,866, thereby accounting for all of the increase in the net position of the Town of Erwin. Key elements of the increase were mentioned above.

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 \$5,528,238, while total fund balance reached \$6,652,906.

At June 30, 2025, the governmental funds of Town of Erwin reported a combined fund balance of \$10,695,724 with a net increase in fund balance of \$548,568. 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, 2025, totals \$4,358,731 (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	
	2025	2024
Land	\$ 191,207	\$ 191,207
Construction in Progress	278,152	124,122
Buildings and Improvements	1,237,246	1,313,422
Equipment	493,971	684,083
Vehicles and Motor Equipment	327,219	271,129
Infrastructure	1,830,936	1,849,746
	<u>\$ 4,358,731</u>	<u>\$ 4,433,709</u>

Additional information on the Town's capital assets can be found beginning on page 26 of the Notes to the Basic Financial Statements.

Management Discussion and Analysis
Town of Erwin

Long-term Debt. As of June 30, 2025, 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 \$30,615,457. The Town did not issue any bonds during the fiscal year 2024-2025. 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 rates have slightly increased to \$0.50 town tax rate and \$.105 fire protection rate from the prior year of \$.48 and \$.095, respectfully.
- 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, 2026

Governmental Activities – General Fund

The Town of Erwin did change the ad valorem tax rate with the 2025-2026 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, 2026. 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 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.

Basic Financial Statements

Town of Erwin, North Carolina
Statement of Net Position
June 30, 2025

Exhibit 1

	Governmental Activities
Assets	
Current assets:	
Cash & cash equivalents	\$ 8,681,453
Restricted cash	1,663,464
Taxes receivable (net)	60,748
Accrued interest receivable on taxes	10,580
Accounts receivable (net)	711
Lease Receivable	24,685
Due from other governments	556,929
Total current assets	10,998,570
Non-current Assets:	
Lease Receivable	77,424
Capital Assets:	
Land and nondepreciable improvements	469,359
Other capital assets, net of depreciation	3,889,372
Total capital assets	4,358,731
Total Non-current Assets	4,436,155
Total Assets	15,434,725
Deferred Outflows of Resources	
Pension deferrals	611,346
OPEB deferrals	154,876
Total Deferred Outflows of Resources	766,222
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	217,494
Current portion of long-term debt	55,000
Long-term Liabilities:	
Net pension liability-LGERS	1,059,153
Total OPEB liability	478,637
Total pension liability-LEO	262,352
Due in more than one year	130,268
Total liabilities	2,202,904

Town of Erwin, North Carolina
Statement of Net Position
June 30, 2025

Exhibit 1

	<u>Governmental Activities</u>
Deferred Inflows of Resources	
Prepaid taxes	49
Leases	91,399
Pension deferrals	124,828
OPEB deferrals	<u>514,515</u>
	<u>730,791</u>
Net Position	
Net Investment in capital assets	4,358,731
Restricted for:	
Stabilization by state statute	732,154
Streets	403,200
Cultural and Recreation	754,116
Economic Development	499,891
Public safety	6,257
Unrestricted	<u>6,512,903</u>
Total Net Position	<u>\$ 13,267,252</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, 2025

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	\$ 1,083,189	\$ 21,959	\$ 45,886	\$ -	\$ (1,015,344)
Public Safety	1,802,021	76,854	48,366	-	(1,676,801)
Transportation	802,979	10,470	292,250	-	(500,259)
Environmental Protection	343,184	530,305	-	-	187,121
Cultural and Recreation	561,719	66,963	10,141	-	(484,615)
Total Governmental Activities	\$ 4,593,092	\$ 706,551	\$ 396,643	\$ -	(3,489,898)

General Revenues:

Taxes:	
Property taxes, levied for general purpose	1,860,383
Other taxes	389,455
Grants and contributions not restricted to specific programs	1,372,152
Investment earnings, unrestricted	215,062
Miscellaneous, unrestricted	38,712
Total general revenues	<u>3,875,764</u>
Change in net position	<u>385,866</u>
Net position - beginning, as previously reported	12,907,195
Restatement	(25,809)
Net position - beginning, restated	12,881,386
Net position - ending	<u>\$ 13,267,252</u>

Balance Sheet
Governmental Funds
June 30, 2025

	Major Funds					Total Governmental Funds
	General Fund	Stormwater Capital Project	American Relief Plan Fund	Community Enhancement Fund	Non-Major Funds	
Assets						
Cash and cash equivalents	\$ 6,039,846	\$ -	\$ -	\$ 2,617,076	\$ 24,531	\$ 8,681,453
Restricted cash	409,457	-	-	-	1,254,007	1,663,464
Receivables (net):						
Taxes	60,748	-	-	-	-	60,748
Accounts	290	-	-	421	-	711
Due from other funds	41,589	-	-	120,732	12,193	174,514
Due from other governments	458,332	95,449	-	-	3,148	556,929
Lease Receivable	-	-	-	102,109	-	102,109
Total assets	<u>7,010,262</u>	<u>95,449</u>	<u>-</u>	<u>2,840,338</u>	<u>1,293,879</u>	<u>11,239,928</u>
Liabilities						
Accounts payable and accrued liabilities	163,634	53,860	-	-	-	217,494
Due to other funds	132,925	41,589	-	-	-	174,514
Total liabilities	<u>296,559</u>	<u>95,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>392,008</u>
Deferred inflows of resources						
Property tax receivable	60,748	-	-	-	-	60,748
Prepaid taxes	49	-	-	-	-	49
Leases	-	-	-	91,399	-	91,399
Total deferred inflows of resources	<u>60,797</u>	<u>-</u>	<u>-</u>	<u>91,399</u>	<u>-</u>	<u>152,196</u>
Fund Balances:						
Non Spendable						
Leases	-	-	-	10,710	-	10,710
Restricted						
Stabilization by State Statute	500,211	95,449	-	121,153	15,341	732,154
Streets	403,200	-	-	-	-	403,200
Cultural and Recreation	-	-	-	-	754,116	754,116
Economic Development	-	-	-	-	499,891	499,891
Public Safety	6,257	-	-	-	-	6,257
Committed						
Cultural and Recreation	-	(95,449)	-	-	34,531	(60,918)
Capital Projects	-	-	-	2,617,076	-	2,617,076
Assigned						
Subsequent Year						
Expenditures	215,000	-	-	-	-	215,000
Unassigned	5,528,238	-	-	-	(10,000)	5,518,238
Total fund balances	<u>6,652,906</u>	<u>-</u>	<u>-</u>	<u>2,748,939</u>	<u>1,293,879</u>	<u>10,695,724</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,010,262</u>	<u>\$ 95,449</u>	<u>\$ -</u>	<u>\$ 2,840,338</u>	<u>\$ 1,293,879</u>	<u>\$ 11,239,928</u>

Town of Erwin, North Carolina
Balance Sheet
Governmental Funds
June 30, 2025

Exhibit 3, continued

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Total Fund Balance, Governmental Funds	\$	10,695,724
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$	9,122,429
Accumulated depreciation		<u>(4,763,698)</u>
Deferred outflows of resources related to pensions are not reported in the funds		611,346
Deferred outflows of resources related to OPEB are not reported in the funds		154,876
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows or resources.		10,580
Earned revenues considered deferred inflows of resources in fund statements.		60,748
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
Compensated absences		(185,268)
Net pension liability		(1,059,153)
Total OPEB liability		(478,637)
Total pension liability		(262,352)
Deferred inflows of resources related to pensions are not reported in the funds		(124,828)
Deferred inflows of resources related to OPEB are not reported in the funds		<u>(514,515)</u>
Net position of governmental activities	\$	<u><u>13,267,252</u></u>

Town of Erwin, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2025

Exhibit 4

	Major Funds					Total Governmental Funds
	General Fund	Stormwater Capital Project	American Relief Plan fund	Community Enhancement Fund	Non-Major Funds	
Revenues						
Ad valorem taxes	\$ 1,844,276	\$ -	\$ -	\$ -	\$ -	\$ 1,844,276
Other taxes and licenses	389,455	-	-	-	-	389,455
Unrestricted intergovernmental	1,372,152	-	-	-	-	1,372,152
Restricted intergovernmental	183,923	95,449	91,409	-	-	370,781
Permits and fees	22,337	-	-	-	-	22,337
Sales and services	681,224	-	-	24,862	-	706,086
Other revenues	242,165	-	-	14,599	1,000	257,764
Total revenues	<u>4,735,532</u>	<u>95,449</u>	<u>91,409</u>	<u>39,461</u>	<u>1,000</u>	<u>4,962,851</u>
Expenditures						
Current:						
General government	900,127	-	21,024	-	93,114	1,014,265
Public safety	1,758,211	-	45,705	-	-	1,803,916
Transportation	400,146	-	8,227	-	-	408,373
Public works	184,930	-	7,312	-	-	192,242
Environmental protection	343,184	-	-	-	-	343,184
Cultural and recreation	410,793	95,449	9,141	-	136,920	652,303
Total expenditures	<u>3,997,391</u>	<u>95,449</u>	<u>91,409</u>	<u>-</u>	<u>230,034</u>	<u>4,414,283</u>
Revenues over (under) expenditures	<u>738,141</u>	<u>-</u>	<u>-</u>	<u>39,461</u>	<u>(229,034)</u>	<u>548,568</u>
Other financing sources (uses):						
Transfers from other funds	14,635	-	-	-	38,339	52,974
Transfers to other funds	-	-	-	(44,639)	(8,335)	(52,974)
Proceeds From Capital Lease	-	-	-	-	-	-
Total other financing sources (uses)	<u>14,635</u>	<u>-</u>	<u>-</u>	<u>(44,639)</u>	<u>30,004</u>	<u>-</u>
Net change in fund balance	752,776	-	-	(5,178)	(199,030)	548,568
Fund balances, beginning	5,900,130	-	-	2,754,117	1,492,909	10,147,156
Fund balances, ending	<u>\$ 6,652,906</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,748,939</u>	<u>\$ 1,293,879</u>	<u>\$ 10,695,724</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, 2025

Exhibit 4,
Continued

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

Net changes in fund balances - total governmental funds	\$	548,568
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlay expenditures that were capitalized		376,598
Depreciation expense for Governmental assets		(451,576)
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities</p>		
		217,437
<p>Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities</p>		
		18,348
<p>OPEB Benefit payments paid and administrative expense made in the current year are not included on the Statement of Activities</p>		
		20,980
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Change in unavailable revenue for tax revenues		16,107
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences		(18,846)
Pension expenses		(17,896)
Other postemployment benefits expenses		(7,697)
Net pension obligation		<u>(316,157)</u>
Total changes in net position of governmental activities.	\$	<u><u>385,866</u></u>

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, 2025

Exhibit 5

	General Fund			
	Original	Final	Actual Amounts	Variance Over/(Under)
Revenues:				
Ad valorem taxes	\$ 1,756,078	\$ 1,778,968	\$ 1,844,276	\$ 65,308
Other taxes and licenses	347,558	394,058	389,455	(4,603)
Unrestricted intergovernmental	1,231,800	1,270,880	1,372,152	101,272
Restricted intergovernmental	160,000	160,000	183,923	23,923
Permits and fees	20,000	20,200	22,337	2,137
Sales and services	695,807	702,817	681,224	(21,593)
Other revenues	172,582	202,394	242,165	39,771
Total revenues	<u>4,383,825</u>	<u>4,529,317</u>	<u>4,735,532</u>	<u>206,215</u>
Expenditures:				
Current:				
General government	1,088,110	1,097,410	900,127	197,283
Public safety	1,733,809	1,879,301	1,758,211	121,090
Transportation	696,124	696,124	400,146	295,978
Public works	207,260	207,260	184,930	22,330
Environmental protection	343,759	343,759	343,184	575
Cultural and recreation	437,172	437,172	410,793	26,379
Total expenditures	<u>4,506,234</u>	<u>4,661,026</u>	<u>3,997,391</u>	<u>663,635</u>
Revenues over (under) expenditures	<u>(122,409)</u>	<u>(131,709)</u>	<u>738,141</u>	<u>869,850</u>
Other financing sources (uses):				
Transfers from other funds	122,409	108,709	14,635	(94,074)
Fund balance appropriated	-	23,000	-	(23,000)
Total other financing sources (uses)	<u>122,409</u>	<u>131,709</u>	<u>14,635</u>	<u>(117,074)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>752,776</u>	<u>\$ 752,776</u>
Fund balances, beginning			<u>5,900,130</u>	
Fund balances, ending			<u>\$ 6,652,906</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, 2025

Exhibit 5
continued

	Community Enhancement Fund			
	Original	Final	Actual Amounts	Variance Over/(Under)
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-
Unrestricted intergovernmental	-	-	-	-
Restricted intergovernmental	-	-	-	-
Permits and fees	-	-	-	-
Sales and services	10,000	28,892	24,862	(4,030)
Other revenues	-	8,301	14,599	6,298
Total revenues	<u>10,000</u>	<u>37,193</u>	<u>39,461</u>	<u>2,268</u>
Expenditures:				
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>10,000</u>	<u>37,193</u>	<u>39,461</u>	<u>2,268</u>
Other financing sources (uses):				
Transfers to other funds	(10,000)	(44,639)	(44,639)	-
Fund balance appropriated	-	7,446	-	(7,446)
Total other financing sources (uses)	<u>(10,000)</u>	<u>(37,193)</u>	<u>(44,639)</u>	<u>(7,446)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(5,178)	<u>\$ (5,178)</u>
Fund balances, beginning			2,754,117	
Fund balances, ending			<u>\$ 2,748,939</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, 2025

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.

Stormwater Capital Project – This fund was created for the capital project activity for the repair of a drainage pipe and street improvement.

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:

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.

SCIF Grant Woodall Park Parking Lot Capital Project – This fund was created for the park improvements and expansion area within the parks and recreation facilities.

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

TOWN OF ERWIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

SCIF Grant Eco-Denim Junction Capital Project – This fund is used to account for grant funds and local donations for the improvement of land owned by the Town.

Harnett County Recreation Parks Capital Project – This fund is used to account for grant funds for the addition of recreation courts at the Town recreation park.

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

Juniper Creek Stream Study Grant Project – This fund was created for the study of the Juniper Creek Stream that by the Town recreational field.

C. Measurement Focus and Basis of Accounting

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

Government-wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus. 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.

TOWN OF ERWIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

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.

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] 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	\$ 403,200
SCIF Grant	1,254,007
Public Safety	6,257
Total Governmental Activities	\$ 1,663,464

Ad Valorem Taxes Receivable - By G. S. 105-347 and G. S. 159-13(a), the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2024. 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.

TOWN OF ERWIN, NORTH CAROLINA
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For the Fiscal Year Ended June 30, 2025

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.

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 2025 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 2025 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.

TOWN OF ERWIN, NORTH CAROLINA
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For the Fiscal Year Ended June 30, 2025

Compensated Absences – The Town recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee or paid to an employee flex spending account) during or upon separation from employment. Based on the criteria above, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is recorded as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits where applicable

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 provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. In accordance with GASB Statement 101 for the Town’s government-wide fund, an expense and liability for sick leave is recognized using the “practical expedient approach” by the Standard for the portion of sick leave expected to be used and paid by the Town. Any unused sick leave accumulated for employees who leave the city or the ABC Board before retirement is forfeited

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.

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 – 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 1930s 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 provides a formula for determining what portion of the fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as “Restricted by State Statute” defined as follows: *“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, prepaids, and lease receivables in excess of deferred inflows of resources for leases, as they are classified as non-spendable. 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.

TOWN OF ERWIN, NORTH CAROLINA
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For the Fiscal Year Ended June 30, 2025

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.

Restricted for Cultural and Recreation – portion of fund balance resulting in unspent grant funds for use at the Town’s parks.

Restricted for Economic Development – portion of fund balance resulting in unspent grant funds for use in renovating an old mill.

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.

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 (LGERS) and additions to/deductions from LGERS’ fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town 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 LGERS. Investments are reported at fair value.

Accounting for Changes

The implemented GASB Statement No. 101, Compensated Absences in the current fiscal year. The objective of the Statement is to better meet information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of the Statement required a prior period adjustment to reduce the government-wide net position by \$25,809, to record the estimated liability for sick leave at June 30, 2024

TOWN OF ERWIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

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, 2025, the Town's deposits had a carrying amount of \$5,140,658 and a bank balance of \$5,233,403. Of the bank balance, \$3,811,886 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, 2025, the Town's petty cash fund totaled \$200.

Investments

At June 30, 2025 the Town had \$5,204,059 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, 2025
General Fund	
Taxes Receivable	\$ 15,000
Total	\$ 15,000

TOWN OF ERWIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

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 2025, the Town recognized \$22,527 of lease revenue and \$6,297 of interest revenue under the lease.

Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 191,207	\$ -	\$ -	\$ 191,207
Construction in Progress	124,122	154,030	-	278,152
Total Capital Assets not Being Depreciated:	<u>315,329</u>	<u>154,030</u>	<u>-</u>	<u>469,359</u>
Capital Assets Being Depreciated:				
Buildings	2,660,058	-	-	2,660,058
Equipment	2,099,821	-	-	2,099,821
Vehicles and Motor Equipment	1,221,931	144,229	-	1,366,160
Infrastructure	2,448,692	78,339	-	2,527,031
Total Capital Assets Being Depreciated:	<u>8,430,502</u>	<u>222,568</u>	<u>-</u>	<u>8,653,070</u>
Less Accumulated Depreciation				
Buildings	1,346,636	76,176	-	1,422,812
Equipment	1,415,738	190,112	-	1,605,850
Vehicles and Motor Equipment	950,802	88,139	-	1,038,941
Infrastructure	598,946	97,149	-	696,095
Total Accumulated Depreciation	<u>4,312,122</u>	<u>\$ 451,576</u>	<u>\$ -</u>	<u>4,763,698</u>
Total Capital Assets Being Depreciated, net	<u>4,118,380</u>			<u>3,889,372</u>
Governmental Activity Capital Assets, net	<u>\$ 4,433,709</u>			<u>\$ 4,358,731</u>

Primary Government

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

General Government	\$ 47,027
Public Safety	81,040
Transportation	192,507
Cultural & Recreational	<u>131,002</u>
Total Depreciation Expense	<u>\$ 451,576</u>

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

TOWN OF ERWIN, NORTH CAROLINA
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For the Fiscal Year Ended June 30, 2025

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.

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, 2025, was 15.04% of compensation for law enforcement officers and 13.67% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Erwin were \$217,437 for the year ended June 30, 2025.

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.

TOWN OF ERWIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

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

At June 30, 2025, the Town reported a liability of \$1,059,153 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2024 (measurement date), the Town's proportion was 0.01571%, which was an increase of 0.00116% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Town recognized pension expense of \$316,157. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 185,604	\$ 1,248
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	143,991	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	33,331	23,011
Town contributions subsequent to the measurement date	217,437	-
Total	\$ 580,363	\$ 24,259

\$217,437 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, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2026	\$	105,512
2027		207,308
2028		42,128
2029		(16,281)
	\$	338,667

Actuarial Assumptions. The total pension liability in the December 31, 2023 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.

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For the Fiscal Year Ended June 30, 2025

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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, 2025 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 2025 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.

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:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Town's proportionate share of the net pension liability (asset)	\$ 1,876,850	\$ 1,059,153	\$ 386,485

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.

TOWN OF ERWIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

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, 2023, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	2
Active plan members	11
Total	13

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, 2023 valuation. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	4.28%
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-2020.

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 \$18,348 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, 2025, the Town reported a total pension liability of \$262,352. The total pension liability was measured as of December 31, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the Town recognized pension expense of \$17,896.

TOWN OF ERWIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,688	\$ 70,451
Changes of assumptions and other inputs	15,121	30,118
Benefit payments and administrative expenses subsequent to the measurement date.	9,174	-
Total	<u>\$ 30,983</u>	<u>\$ 100,569</u>

\$9,174 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, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2026	\$ (17,602)
2027	(22,316)
2028	(15,580)
2029	(14,098)
2030	(8,220)
Thereafter	(944)
	<u>\$ (78,760)</u>

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 4.28 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 (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current rate:

	<u>1% Decrease (3.28%)</u>	<u>Discount Rate (4.28%)</u>	<u>1% Increase (5.28%)</u>
Total Pension Liability	\$ 288,599	\$ 262,352	\$ 238,854

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

	<u>2025</u>
Beginning balance	\$ 278,113
Service Cost	18,596
Interest on the total pension liability	10,758
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(19,705)
Changes of assumptions or other inputs	(7,063)
Benefit payments	(18,347)
Other changes	-
Ending balance of the total pension liability	<u>\$ 262,352</u>

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.

TOWN OF ERWIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

The actuarial assumptions used in the December 31, 2023 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	\$ 316,157	\$ 17,896	\$ 334,053
Pension Liability	1,059,153	262,352	1,321,505
Proportionate share of the net pension liability	0.01571%	N/A	
Deferred of Outflows of Resources			
Differences between expected and actual experience	185,604	6,688	192,292
Changes of assumptions	-	15,121	15,121
Net difference between projected and actual earnings on plan investments	143,991	-	143,991
Changes in proportion and differences between contributions and proportionate share of contributions	33,331	-	33,331
Benefit payments and administrative costs paid subsequent to the measurement date	217,437	9,174	226,611
Deferred of Inflows of Resources			
Differences between expected and actual experience	1,248	70,451	71,699
Changes of assumptions	-	30,118	30,118
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	23,011	-	23,011

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, 2025 were \$130,276, which consisted of \$75,981 from the Town and \$54,295 from employees.

TOWN OF ERWIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

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, 2024, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Employees
Retirees receiving benefits	-	2
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	15	11
Total	15	13

Total OPEB Liability

The Town’s total OPEB liability of \$478,637 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2024 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	3.93%
Healthcare cost trend rates	
Pre-Medicare Medical and Prescription Drug	7.00 percent for 2024 decreasing to an ultimate rate of 4.50% by 2034

The Town selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

TOWN OF ERWIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

Changes in the Total OPEB Liability

<u>Total Changes in OPEB Liability</u>	<u>Total OPEB Liability</u>
Balance at June 30, 2024	\$ 727,105
Changes for the year	
Service cost	19,266
Interest	26,863
Change in benefit terms	-
Differences between expected and actual experience	(274,890)
Changes in assumptions or other inputs	1,273
Benefit payments	(20,980)
Net changes	<u>(248,468)</u>
Balance at June 30, 2025	<u>\$ 478,637</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.65% to 3.93%.

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, 2024 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 (3.93%) that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate (3.93%)</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 532,283	\$ 478,637	\$ 431,413

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	\$ 426,592	\$ 478,637	\$ 540,768

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

For the year ended June 30, 2025, the Town recognized OPEB expense of \$13,355. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 90,728	\$ 447,582
Changes of assumptions	57,973	66,933
Benefit payments made and administrative expenses for OPEB made subsequent to the measurement date.	6,175	-
Total	<u>\$ 154,876</u>	<u>\$ 514,515</u>

TOWN OF ERWIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

\$6,175 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, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2026	\$	(37,114)
2027		(36,009)
2028		(33,968)
2029		(34,845)
2030		(46,679)
Thereafter		(177,199)
	\$	<u>(365,814)</u>

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.

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	\$ 217,437
Benefit payments made and administrative expenses for LEOSA made subsequent to the measurement date.	9,174
Benefit payments made and administrative expenses for OPEB made subsequent to the measurement date.	6,175
Differences between expected and actual experience	283,020
Changes of assumptions	73,094
Net difference between projected and actual earnings on investments	143,991
Changes in proportion and differences between employer contributions and proportionate share of contributions	33,331
Total	<u>\$ 766,222</u>

TOWN OF ERWIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

Deferred inflows of resources are comprised of the following:

	Statement of Net Position	Balance Sheet
Prepaid taxes (General Fund)	\$ 49	\$ 49
Taxes Receivable (General Fund)	-	60,748
Lease Receivable (Community Enhancement Fund)	91,399	91,399
Differences between expected and actual experience	519,281	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes of assumptions	97,051	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,011	-
Total	\$ 730,791	\$ 152,196

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 \$530,000 and \$10,000, respectively. Two remaining clerks are bonded for \$10,000 each.

5. Claims, Judgments and Contingent Liabilities

At June 30, 2025, 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)	\$ 963,924	\$ 95,229	\$ -	\$ 1,059,153	\$ -
Total Pension Obligation (LEO)	278,113	-	(15,761)	262,352	-
OPEB Obligation	727,105	-	(248,468)	478,637	-
Compensated Absences	166,423	18,845	-	185,268	55,000
Total Governmental Activities	\$ 2,135,565	\$ 114,074	\$ (264,229)	\$ 1,985,410	\$ 55,000

The change in compensated absences liability is presented as a change.

The legal debt margin of the Town at June 30, 2025 was \$30,615,457.

TOWN OF ERWIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2025, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	Amount
* Community Enhancement Fund	General Fund	\$ 120,732
** Stormwater Capital Project	General Fund	41,589
** General Fund	Juniper Creek Stream Study Grant Project	10,000
** Al Woodard Park Improvements	General Fund	2,193
		<u>\$ 174,514</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.
- ** These interfund balances are the result of using the general fund as a central depository and will clear at the end of the project period.

Transfers to/from Funds at June 30, 2025, consist of the following:

From Preibe Field Special Revenue Fund		
To Harnett County Recreation Courts Capital Project	\$	3,000
To General Fund		5,335
From Community Enhancement Fund		
To General Fund		9,300
To Juniper Creek Stream Study Grant Project		10,000
To Harnett County Recreation Courts Capital Project		25,339
	<u>\$</u>	<u>52,974</u>

The above transfers were related local matches for various projects.

D. Fund Balance

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

<i>Total fund balance-General Fund</i>	<i>\$6,652,906</i>
Less:	
Stabilization by State Statute	500,211
Streets - Powell Bill	403,200
Public Safety	6,257
Appropriated Fund Balance in 2025-26 Budget	215,000
Remaining Fund Balance	<u>5,528,238</u>

TOWN OF ERWIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

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 December 10, 2025, the date which the financial statements were available for issue.

NOTE 6: RESTATEMENTS

Change in Accounting Principle

The Town implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, July 1, 2024. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. As a result, the Town recognized an additional \$25,809 for governmental activities in compensated absences for sick leave as of June 30, 2024, resulting in a decrease in beginning net position of the same amounts.

For the year ended June 30, 2025, GASB Statement No. 102, *Certain Risk Disclosures*, was implemented. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

Required Supplementary Financial Data

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's proportion of the net pension liability (asset) (%)	0.01571%	0.01455%	0.01559%	0.01392%	0.01508%	0.01519%	0.01609%	0.01357%	0.01517%	0.01742%
Town's proportion of the net pension liability (asset) (\$)	\$1,059,153	\$ 963,924	\$ 879,499	\$ 213,477	\$ 538,873	\$ 414,827	\$ 381,710	\$ 207,312	\$ 321,958	\$ 78,180
Town's covered-employee payroll	\$1,332,705	\$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
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	79.47%	86.54%	86.60%	20.72%	50.53%	41.22%	37.37%	23.01%	31.37%	7.19%
Plan fiduciary net position as a percentage of the total pension liability**	83.30%	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%

* 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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 217,437	\$ 179,287	\$ 140,336	\$ 118,819	\$ 108,449	\$ 99,826	\$ 81,866	\$ 80,671	\$ 68,823	\$ 71,136
Contributions in relation to the contractually required contribution	217,437	179,287	140,336	118,819	108,449	99,826	81,866	80,671	68,823	71,136
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered - employee payroll	\$ 1,518,783	\$ 1,332,705	\$ 1,113,858	\$ 1,015,534	\$ 1,030,223	\$ 1,066,415	\$ 1,006,350	\$ 1,021,420	\$ 901,037	\$ 1,026,190
Contributions as a percentage of covered - employee payroll	14.32%	13.45%	12.60%	11.70%	10.53%	9.36%	8.13%	7.90%	7.64%	6.93%

Town of Erwin, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 278,113	\$ 330,004	\$ 368,597	\$ 414,983	\$ 304,626	\$ 332,188	\$ 321,589	\$ 357,021	\$ 360,299
Service Cost	18,596	15,150	21,810	19,637	14,433	11,100	12,962	11,046	12,114
Interest on the total pension liability	10,758	13,831	8,003	7,702	9,433	11,597	9,733	13,103	12,495
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(19,705)	(70,049)	11,318	(33,155)	18,820	(30,792)	26,629	(41,211)	-
Changes of assumptions or other inputs	(7,063)	7,369	(53,890)	(8,702)	98,234	7,703	(11,555)	16,771	(7,302)
Benefit payments	(18,347)	(18,192)	(25,834)	(31,868)	(30,563)	(27,170)	(27,170)	(35,141)	(20,585)
Other changes	-	-	-	-	-	-	-	-	-
Ending balance of the total pension liability	\$ 262,352	\$ 278,113	\$ 330,004	\$ 368,597	\$ 414,983	\$ 304,626	\$ 332,188	\$ 321,589	\$ 357,021

This schedule is intended to show 10 years of information, additional years' information will be displayed as it becomes available.

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

The Town of Erwin has no assets accumulated in a trust that meets the criteria for a pension trust as defined by GASB Statement 67.

Town of Erwin, North Carolina
 Schedule of Total Pension Liability as a Percentage of Covered Payroll
 Law Enforcement Officers' Special Separation Allowance
 June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 262,352	\$ 278,113	\$ 330,004	\$ 368,597	\$ 414,983	\$ 304,626	\$ 332,188	\$ 321,589	\$ 357,021
Covered-employee payroll	618,536	534,147	553,527	455,480	506,793	424,288	440,227	387,709	394,851
Total pension liability as a percentage of covered - employee payroll	42.41%	52.07%	59.62%	80.92%	81.88%	71.80%	75.46%	82.95%	90.42%

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, 2025

	2025	2024	2023	2022	2021	2020	2019
Total Other Postemployment Benefits (OPEB) Liability							
Service Cost at the end of the year	\$ 19,266	\$ 19,099	\$ 29,195	\$ 29,717	\$ 30,719	\$ 25,276	\$ 28,385
Interest on Total OPEB Liability and cash flows	26,863	25,749	15,933	15,377	33,472	29,739	21,817
Changes in benefit terms	-	-	-	-	-	110,856	-
Differences between expected and actual experience	(274,890)	(6,171)	57,032	8,352	(346,512)	(2,468)	120,825
Changes of assumptions or other inputs	1,273	(7,308)	(75,689)	17,340	51,448	27,306	16,425
Benefit payments and implicit subsidy credit	(20,980)	(24,836)	(28,515)	(28,343)	(28,929)	(30,157)	(41,355)
Net change in OPEB liability	(248,468)	6,533	(2,044)	42,443	(259,802)	160,552	146,097
Total OPEB liability - beginning	727,105	720,572	722,616	680,173	939,975	779,423	633,326
Total OPEB liability - ending	\$ 478,637	\$ 727,105	\$ 720,572	\$ 722,616	\$ 680,173	\$ 939,975	\$ 779,423
Covered - employee payroll	1,309,907	984,213	984,213	1,012,687	1,012,687	1,006,350	1,021,420
Total OPEB liability as a percentage of covered payroll	36.54%	73.88%	73.21%	71.36%	67.17%	93.40%	76.31%

Notes to the schedules:

This schedule is intended to show 10 years of information, additional years' information will be displayed as it becomes available.

The Town has no assets accumulated in a trust that meets the criteria for an OPEB trust as defined by GASB Statement 68.

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
2025	3.93%
2024	3.65%
2023	3.54%
2022	2.16%
2021	3.50%
2020	3.50%

Supplementary Statements

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

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, 2025

	Budget	Actual	Variance Over (Under)
Revenues:			
Ad valorem taxes:			
Ad valorem taxes	\$	\$ 1,823,951	\$
Penalties and interest		20,325	
Total	<u>1,778,968</u>	<u>1,844,276</u>	<u>65,308</u>
Other taxes and licenses:			
Fire protection charges		361,746	
Auto licenses		27,709	
Total	<u>394,058</u>	<u>389,455</u>	<u>(4,603)</u>
Unrestricted intergovernmental:			
Local option sales taxes		1,113,086	
Gasoline tax refund		11,095	
Telecommunications tax		14,203	
Utility franchise tax		186,775	
Piped natural gas		16,696	
Video franchise fee		9,113	
Solid Waste Disposal Tax		3,587	
Beer and wine tax		17,597	
Total	<u>1,270,880</u>	<u>1,372,152</u>	<u>101,272</u>
Restricted intergovernmental:			
Powell Bill Allocation		181,262	
Controlled Substance Tax		286	
Grants		2,375	
Total	<u>160,000</u>	<u>183,923</u>	<u>23,923</u>
Permits and fees:			
Business registration fees		357	
Zoning permits		21,602	
Court fees		378	
Total	<u>20,200</u>	<u>22,337</u>	<u>2,137</u>
Sales and services:			
School Resource Officers		76,476	
Recreation department			
Concessions, sponsorships & donations		7,158	
Sponsors donations/entry fees		56,815	
Mowing Contract		10,470	
Collection fees		8,133	
Garbage and storm water		522,172	
Total	<u>702,817</u>	<u>681,224</u>	<u>(21,593)</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Other Revenues:			
Investment earnings		215,062	
Donations		2,990	
Miscellaneous		24,113	
Total Other Revenues	<u>202,394</u>	<u>242,165</u>	<u>39,771</u>
Total Revenues	<u>4,529,317</u>	<u>4,735,532</u>	<u>206,215</u>
Expenditures:			
General Government:			
Governing Body:			
Salaries		19,800	
Benefits		1,514	
Other Operating Expenses		12,551	
Capital Outlay		-	
Total Governing Body	<u>35,085</u>	<u>33,865</u>	<u>1,220</u>
Adminstration:			
Salaries		263,791	
Benefits		100,078	
Professional Expenses		16,759	
General Insurance		102,989	
Other Operating Expenses		221,202	
Capital Outlay		-	
Total Adminstration	<u>813,541</u>	<u>704,819</u>	<u>108,722</u>
Planning:			
Salaries		106,123	
Benefits		43,315	
Contracted Services		26,924	
Other Operating Expenses		6,105	
Capital Outlay		-	
Total Adminstration	<u>248,784</u>	<u>182,467</u>	<u>66,317</u>
ARPA Revenue Replacement Expense Offset		<u>(21,024)</u>	<u>21,024</u>
Total General Government	<u>1,097,410</u>	<u>900,127</u>	<u>197,283</u>
Public safety:			
Police:			
Salaries		799,608	
Benefits		318,623	
Other Operating Expenses		179,709	
Capital Outlay		144,229	
Total	<u>1,514,743</u>	<u>1,442,169</u>	<u>72,574</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, 2025

	Budget	Actual	Variance Over (Under)
Fire:			
Contract Services		361,747	
Total	<u>364,558</u>	<u>361,747</u>	<u>2,811</u>
ARPA Revenue Replacement Expense Offset		(45,705)	45,705
Total Public Safety	<u>1,879,301</u>	<u>1,758,211</u>	<u>121,090</u>
Streets:			
Salaries		144,893	
Benefits		60,944	
Other Operating Expenses		183,837	
Capital Outlay		-	
Powell Bill		13,619	
Contracted Services		5,080	
ARPA Revenue Replacement Expense Offset		(8,227)	
Total Transportation	<u>696,124</u>	<u>400,146</u>	<u>295,978</u>
Public works:			
Administration			
Salaries		77,125	
Benefits		28,144	
Other Operating Expenses		26,117	
Capital Outlay		-	
Total Administration	<u>135,860</u>	<u>131,386</u>	<u>4,474</u>
Storm Water:			
Other Operating Expenses		60,856	
Capital Outlay		-	
Total Storm Water	<u>71,400</u>	<u>60,856</u>	<u>10,544</u>
ARPA Revenue Replacement Expense Offset		(7,312)	7,312
Total Public Works	<u>207,260</u>	<u>184,930</u>	<u>22,330</u>
Environmental protection:			
Sanitation:			
Other Operating Expenses		21,873	
Contracted Services		321,311	
Capital Outlay		-	
Total Environmental Protection	<u>343,759</u>	<u>343,184</u>	<u>575</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, 2025

	Budget	Actual	Variance Over (Under)
Culture and recreation:			
Parks and recreation:			
Salaries		193,798	
Benefits		61,389	
Contracted Services		30,540	
Other Operating Expenses		124,515	
Capital Outlay		-	
Total parks and recreation	411,172	410,242	930
Community and library building:			
Contracted Services		3,154	
Other Operating Expenses		6,538	
Capital Outlay		-	
Total community and library building	26,000	9,692	16,308
ARPA Revenue Replacement Expense Offset	-	(9,141)	9,141
Total Culture and Recreation	437,172	410,793	26,379
Total Expenditures	4,661,026	3,997,391	663,635
Revenues over (under) expenditures	(131,709)	738,141	869,850
Other Financing Sources (Uses):			
Transfers To/From Other Funds:			
From Other Funds	91,409	-	(91,409)
From Textile Museum	9,300	9,300	-
From Priebe Field	8,000	5,335	(2,665)
Total Other Financing Sources(Uses)	108,709	14,635	(94,074)
Fund Balance Appropriated	23,000	-	(23,000)
Net Change in Fund Balance	\$ -	752,776	\$ 752,776
Fund Balances, beginning		5,900,130	
Fund Balances, ending		\$ 6,652,906	

Town of Erwin, North Carolina
Stormwater Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2025

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
Revenues:					
Restricted Intergovernmental Grant	\$ 492,500	\$ -	\$ 95,449	\$ 95,449	\$ (397,051)
Donations	-	-	-	-	-
Total Revenue	<u>492,500</u>	<u>-</u>	<u>95,449</u>	<u>95,449</u>	<u>(397,051)</u>
Expenditures:					
Capital Outlay	<u>492,500</u>	<u>-</u>	<u>95,449</u>	<u>95,449</u>	<u>397,051</u>
Total Expenditures	<u>492,500</u>	<u>-</u>	<u>95,449</u>	<u>95,449</u>	<u>397,051</u>
Revenues and Other Sources Over Other Uses	<u>\$ -</u>	<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
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, 2025

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
Revenues:					
Restricted Intergovernmental					
Federal Grant	\$ 1,643,204	\$ 1,551,795	\$ 91,409	\$ 1,643,204	\$ -
Total Revenue	<u>1,643,204</u>	<u>1,551,795</u>	<u>91,409</u>	<u>1,643,204</u>	<u>-</u>
Expenditures:					
General Government		284,301	21,024	305,325	
Public Safety		668,791	45,705	714,496	
Cultural and Recreational		132,409	9,141	141,550	
Public Works		164,479	7,312	171,791	
Transportation					
Payroll Cost		74,114	8,227	82,341	
Capital Outlay		227,701	-	227,701	
Total Expenditures	<u>1,643,204</u>	<u>1,551,795</u>	<u>91,409</u>	<u>1,643,204</u>	<u>-</u>
Revenues and Other Sources					
Over Expenditures and Other Uses	\$ -	\$ -	-	\$ -	\$ -
Fund Balance					
Fund Balances, beginning			-		
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, 2025

	Budget	Actual	Variance Over (Under)
Revenues:			
Sales and services:			
Land Lease	\$ 28,892	\$ 24,862	\$ (4,030)
Interest	8,301	8,301	-
Interest on Lease Receivable	-	6,298	6,298
Total Revenue	37,193	39,461	2,268
Other Financing Sources(Uses)			
Transfers - In (Out)			
To Other Funds	(44,639)	(44,639)	-
Total Other Financing Sources (Uses)	(44,639)	(44,639)	-
Fund Balance Appropriated	7,446	-	(7,446)
Revenues and Other Sources Over Other Uses	\$ -	(5,178)	\$ (5,178)
Fund Balance			
Fund Balances, beginning		2,754,117	
Fund Balances, ending		\$ 2,748,939	

Town of Erwin, North Carolina
Combining Balance Sheet
Nonmajor Governmental Fund
For the Fiscal Year Ended June 30, 2025

	SCIF Grant Community Bldg Capital Project	SCIF Grant Al Woodal PK Lot Capital Project	Priebe Field Special Revenue Fund	Eco-Denim Junction Capital Project	Harnett County Recreation Courts Capital Project	Al Woodall Park Improvements	Juniper Creek Stream Study Grant Project	Total Nonmajor Governmental Funds
Assets								
Cash and Cash Equivalents	\$ -	\$ -	\$ 24,531	\$ -	\$ -	\$ -	\$ -	\$ 24,531
Restricted Cash	-	311,136	-	499,891	-	442,980	-	1,254,007
Due From Other Governments	-	3,148	-	-	-	-	-	3,148
Due From Other Funds	-	-	-	-	-	2,193	10,000	12,193
Total Assets	\$ -	\$ 314,284	\$ 24,531	\$ 499,891	\$ -	\$ 445,173	\$ 10,000	\$ 1,293,879

Liabilities and Fund Balances

Liabilities:								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance:								
Restricted								
Stabilization by State Statute	-	3,148	-	-	-	2,193	10,000	15,341
Economic Development	-	-	-	499,891	-	-	-	499,891
Cultural and Recreation	-	311,136	-	-	-	442,980	-	754,116
Committed								
Economic Development	-	-	-	-	-	-	-	-
Cultural and Recreation	-	-	24,531	-	-	-	10,000	34,531
Unassigned	-	-	-	-	-	-	(10,000)	(10,000)
Total Fund Balances	\$ -	\$ 314,284	\$ 24,531	\$ 499,891	\$ -	\$ 445,173	\$ 10,000	\$ 1,293,879
Total Liabilities and Fund Balances	\$ -	\$ 314,284	\$ 24,531	\$ 499,891	\$ -	\$ 445,173	\$ 10,000	\$ 1,293,879

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, 2025

	SCIF Grant Community Bldg/ Capital Project	SCIF Grant AI Woodal PK Lot Capital Project	Priebe Field Special Revenue Fund	Eco-Demin Junction Capital Project	Harnett County Recreation Courts Capital Project	AI Woodall Park Improvements	Juniper Creek Stream Study Grant Project	Total Nonmajor Governmental Funds
Revenues:								
Restricted Intergovernmental								
State Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Income	-	-	-	-	-	1,000	-	1,000
Total Revenue	-	-	-	-	-	1,000	-	1,000
Expenditures:								
General Government	93,114	-	-	-	-	-	-	93,114
Cultural and Recreational	-	58,581	-	-	78,339	-	-	136,920
Total Expenditures	93,114	58,581	-	-	78,339	-	-	230,034
Revenues Over(Under) Expenditures	(93,114)	(58,581)	-	-	(78,339)	1,000	-	(229,034)
Other Financing Sources(Uses)								
Transfers - In (Out)	-	-	-	-	-	-	-	(8,335)
Transfers Out	-	-	(8,335)	-	-	-	-	(8,335)
Transfers In	-	-	-	-	28,339	-	10,000	38,339
Total Other Financing Sources (Uses)	-	-	(8,335)	-	28,339	-	10,000	30,004
Revenues and Other Sources Over Other Uses	(93,114)	(58,581)	(8,335)	-	(50,000)	1,000	10,000	(199,030)
Fund Balance								
Fund Balances, beginning	93,114	372,865	32,866	499,891	50,000	444,173	-	1,492,909
Fund Balances, ending	-	314,284	24,531	499,891	-	445,173	10,000	1,293,879

Town of Erwin, North Carolina
Capital Projects Fund - SCIF Grant Community Building Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2025

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

Town of Erwin, North Carolina
Capital Projects Fund - SCIF Al Woodall Pk Lot Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2025

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
Revenues:					
Restricted Intergovernmental					
SCIF	\$ 480,000	\$ 480,000	\$ -	\$ 480,000	\$ -
Total Revenue	<u>480,000</u>	<u>480,000</u>	<u>-</u>	<u>480,000</u>	<u>-</u>
Expenditures:					
Cultural and Recreational					
Capital Outlay	480,000	107,135	58,581	165,716	314,284
Total Expenditures	<u>480,000</u>	<u>107,135</u>	<u>58,581</u>	<u>165,716</u>	<u>314,284</u>
Revenues and Other Sources Over Other Uses	\$ -	\$ 372,865	(58,581)	\$ 314,284	\$ 314,284
Fund Balance					
Fund Balances, beginning			372,865		
Fund Balances, ending			<u>\$ 314,284</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues:			
Donation and Field Rental		\$	
Total Revenue	\$ -	-	\$ -
Expenditures:			
Cultural and Recreation			
Operating Expenses			
Total Expenditures	-	-	-
Revenues Over(Under)			
Expenditures	-	-	-
Other Financing Sources(Uses)			
Transfers - In (Out)			
From/(To) General Fund	(8,335)	(8,335)	-
Total Other Financing Sources (Uses)	(8,335)	(8,335)	-
Fund Balance Appropriated	8,335	-	(8,335)
Revenues and Other Sources Over Other Uses	\$ -	(8,335)	\$ (8,335)
Fund Balance			
Fund Balances, beginning		32,866	
Fund Balances, ending		\$ 24,531	

Town of Erwin, North Carolina
Capital Projects Fund - SCIF Eco-Denim Junction Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2025

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
Revenues:					
Restricted Intergovernmental					
SCIF Grant	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -
Interest	-	-	-	-	-
Total Revenue	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
Expenditures:					
Economic Development					
Operating Expenses	500,000	109	-	109	499,891
Total Expenditures	<u>500,000</u>	<u>109</u>	<u>-</u>	<u>109</u>	<u>499,891</u>
Revenues and Other Sources Over Other Uses	<u>\$ -</u>	<u>\$ 499,891</u>	-	<u>\$ 499,891</u>	<u>\$ 499,891</u>
Fund Balance					
Fund Balances, beginning			<u>499,891</u>		
Fund Balances, ending			<u>\$ 499,891</u>		

Town of Erwin, North Carolina
Capital Projects Fund - Harnett County Recreation Courts Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
Revenues:					
Restricted Intergovernmental					
Grant	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	\$ -
Total Revenue	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Expenditures:					
Capital Outlay			78,339		
Total Expenditures	<u>78,339</u>	<u>-</u>	<u>78,339</u>	<u>78,339</u>	<u>-</u>
Revenues Over(Under)					
Expenditures	<u>(28,339)</u>	<u>50,000</u>	<u>(78,339)</u>	<u>(28,339)</u>	<u>-</u>
Other Financing Sources(Uses)					
Transfers - In (Out)					
From/(To) Other Funds	28,339	-	28,339	28,339	-
Total Other Financing Sources (Uses)	<u>28,339</u>	<u>-</u>	<u>28,339</u>	<u>28,339</u>	<u>-</u>
Revenues and Other Sources Over Other Uses	<u>\$ -</u>	<u>\$ 50,000</u>	<u>(50,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance					
Fund Balances, beginning			<u>50,000</u>		
Fund Balances, ending			<u>\$ -</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, 2025

	<u>Project</u> <u>Authorization</u>	<u>Prior</u> <u>Years</u>	<u>Actual</u> <u>Current</u> <u>Year</u>	<u>Total</u> <u>to Date</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>
Revenues:					
Restricted Intergovernmental					
State Grant	\$ 339,678	\$ 321,264	\$ -	\$ 321,264	\$ (18,414)
Donation	<u>195,000</u>	<u>86,100</u>	<u>1,000</u>	<u>87,100</u>	<u>(107,900)</u>
Total Revenue	<u>534,678</u>	<u>407,364</u>	<u>1,000</u>	<u>408,364</u>	<u>(126,314)</u>
Expenditures:					
Capital Outlay		<u>642,547</u>	<u>-</u>	<u>642,547</u>	
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>(235,183)</u>	<u>1,000</u>	<u>(234,183)</u>	<u>(89,505)</u>
Other Financing Sources(Uses)					
Transfer in - Enhancement Fd	<u>144,678</u>	<u>679,356</u>	<u>-</u>	<u>679,356</u>	<u>534,678</u>
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>\$ 444,173</u>	<u>1,000</u>	<u>\$ 445,173</u>	<u>\$ 445,173</u>
Fund Balance					
Fund Balances, beginning			<u>444,173</u>		
Fund Balances, ending			<u>\$ 445,173</u>		

Town of Erwin, North Carolina
Juniper Creek Stream Study Grant Project
Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual
For the Fiscal Year Ended June 30, 2025

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over (Under)
Revenues:					
Restricted Intergovernmental:					
Grant	\$ 10,000	\$ -	\$ -	\$ -	\$ (10,000)
Total Revenue	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>
Expenditures:					
Cultural and Recreation					
Operating Expenses		-	-	-	
Capital Outlay		-	-	-	
Total Expenditures	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Revenues Over(Under)					
Expenditures	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Other Financing Sources(Uses)					
Transfers - In (Out)					
From/(To)					
Enhancement Fund	10,000	-	10,000	10,000	-
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Revenues and Other Sources					
Over Other Uses	<u>\$ -</u>	<u>\$ -</u>	10,000	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Fund Balance					
Fund Balances, beginning			-		
Fund Balances, ending			<u>\$ 10,000</u>		

OTHER SCHEDULES

This section includes additional information on property taxes.

- 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, 2025

<u>Fiscal Year</u>	Uncollected Balance July 1, 2024	<u>Additions</u>	Collections And Credits	Uncollected Balance June 30, 2025
2024 - 2025	\$ -	\$ 2,200,486	\$ 2,165,027	\$ 35,459
2023 - 2024	27,434	-	15,770	11,664
2022 - 2023	10,284	-	2,042	8,242
2021 - 2022	6,721	-	770	5,951
2020 - 2021	4,719	-	550	4,169
2019 - 2020	3,475	-	506	2,969
2018 - 2019	2,581	-	337	2,244
2017 - 2018	2,185	-	298	1,887
2016 - 2017	1,608	-	159	1,449
2015 - 2016	1,229	-	136	1,093
2014 - 2015	1,095	-	1,095	-
	<u>\$ 61,331</u>	<u>\$ 2,200,486</u>	<u>\$ 2,186,690</u>	<u>\$ 75,127</u>
Less: Allowance for uncollectable accounts:				
General Fund				(15,000)
Add				
Auto Tags Receivable				621
Ad valorem taxes receivable - net				<u>\$ 60,748</u>
 <u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 1,844,276
Fire protection charges - General Fund				361,746
Reconciling items:				
Interest collected				(20,325)
Releases				993
Subtotal				<u>(19,332)</u>
Total collections and credits				<u>\$ 2,186,690</u>

Town of Erwin, North Carolina
Analysis of Current Tax Levy
Town - Wide Levy
For the Fiscal Year Ended June 30, 2025

	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 (including fire tax)	\$ 382,693,217	0.575	\$ 2,200,486	\$ 1,942,032	\$ 258,454
Total	<u>382,693,217</u>		<u>2,200,486</u>	<u>1,942,032</u>	<u>258,454</u>
Total property valuation	<u>\$ 382,693,217</u>				
Net levy			2,200,486	1,942,032	258,454
Uncollected taxes at June 30, 2025			<u>35,459</u>	<u>35,459</u>	<u>-</u>
Current year's taxes collected			<u>\$ 2,165,027</u>	<u>\$ 1,906,573</u>	<u>\$ 258,454</u>
Current levy collection percentage			<u>98.36%</u>	<u>98.17%</u>	<u>100.00%</u>

TOWN OF ERWIN

ERWIN, NORTH CAROLINA

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COMPLIANCE SECTION



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

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.

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

Town of Erwin, North Carolina
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2025

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.



Town of Erwin

100 West F. Street
Erwin, NC 28339

Corrective Action Plan
For the Fiscal Year Ended June 30, 2025

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

2025 – 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 FEBRUARY 5, 2026

contract in November, were the addition of a table on page 77 that addressed an increase in fuel costs and the change of language in Exhibit A on Page 76. This was a five-year contract with Liberty Waste Solutions to provide trash pickup for residential properties in Town. The first year would be \$7.92 per month per trash cart. Per our RFP, the Town issued, they would be allowed to go up on the rate they charge for the CPU Index, which was a standard index companies use to gauge inflation. He reminded the Board that we will be discontinuing our recycling collection. Town Attorney Tim Morris reviewed the contract and was happy with it.

Mayor Baker stated he wanted to be clear that when Liberty Waste Solutions takes over this contract, every resident will be provided with new cans that say Liberty Waste Solutions.

Town Manager Snow Bowden stated that was correct.

Mayor Baker stated he wanted to make sure we have a method in place to ensure that all residents have new cans and their trash is not missed.

Town Manager Snow Bowden stated the Town will have to work with GFL to make sure they pick up all of their cans. In other Towns, GFL has followed the Trash truck with a box truck and picked up the cans behind it. The first month will be a rough transition, but overall, he felt it would be a good move for the Town of Erwin. The Town will figure out what to do with the old Town of Erwin carts. A letter will be sent to all residents in early spring to explain the transition to Liberty Waste Solutions and the end of the recycling program.

Commissioner Blackmon made a motion to approve the Contract with Liberty Waste Solutions and was seconded by Commissioner Nelson. **The Board voted unanimously.**

PUBLIC COMMENT

Nathan Barefoot of 35 Della Lane came forward. He stated he had never been to a public meeting like this, and he was impressed with the Town. For better or worse, he stated he would start coming to a lot more of these meetings. His home is located right outside of Erwin on HWY 421, and it has seemed to become a private highway for Dunn City Police, Harnett County Sheriff, and State Troopers. He had tried to have a few meetings with those Chiefs. He had a meeting with Erwin Police Chief Jonathan Johnson, and he just wanted to inform the Board that this Police Department stands out like a shining star in this county. They are not out here harassing people or maliciously going after people. You do not see speed traps or any of the Police Officers speeding or acting a fool. We have a great Chief of Police, and the Town of Erwin is accomplishing everything it needs to accomplish in the right way. He asked the Erwin Police Department to please speak with the other law enforcement officials about using HWY 421 as a race track going up to 75 mph.

MANAGER'S REPORT

Town Manager Snow Bowden provided the Board with a detailed report at their seats. He stated that if they had any questions, they should give him a call.

Erwin Board of Commissioners

REQUEST FOR CONSIDERATION

To: The Honorable Mayor and Board of Commissioners

From: Snow Bowden, Town Manager

Date: February 5, 2026

Subject: Proposed Contract with Liberty Waste Solutions

The proposed contract for our Solid Waste collection services is included in this agenda. The proposed contract is for a five-year term, and it has an option to renew after five-years if both parties wish to just renew. The Town does not have to renew the contract at the end of the term, but we have the option if we choose to do so. If the Town or Liberty Waste Solutions does not wish to renew the contract for an additional five-year term, proper notice must be provided by the party that does not wish to renew the contract for another term.

There is language in the proposed contract involving the service fee that Liberty Waste Solutions can charge in bullet point 6. The fee can be adjusted annually based on the Consumer Price Index for All Urban Consumers Water and Sewer Trash Collection Services. There is language in item 6(a) that discusses any potential fuel surcharges if there is a major fuel increase that can be identified in Exhibit B.

The proposed contract is just for residential solid waste collection. The Town of Erwin does not provide waste collection for commercial businesses (this includes churches and other non-profits). The contractor will provide a 96-gallon roll out cart for each structure that qualifies for this service in our Town Limits. There are a few apartments that utilize dumpsters for trash collection and not residential roll-out carts.

As a reminder, the proposed contract does not include any collection services for residential recycling. The recycling market has changed a lot over the last few years. The transfer stations for recyclables have gotten a lot stricter, and they do not tolerate loads that have materials that are not recyclable. Unfortunately, we have a rather high contamination rate in our recyclables. Town Staff is going to prepare a notification to share with our residents about discontinuing this service. Currently, every residential customer in our Town Limits must pay for a trash and recycling cart. If a resident wishes to get a second cart for trash collection, they will have to pay an additional fee (like our current model).

SOLID WASTE COLLECTION, TRANSPORTATION AND DISPOSAL AGREEMENT

This SOLID WASTE COLLECTION, TRANSPORTATION AND DISPOSAL AGREEMENT (this "Agreement") is made and entered into this ___ day of, February 2026 by and between the Town of Erwin, North Carolina, hereinafter referred to as "CUSTOMER", and Wall Recycling, LLC d/b/a Liberty Waste Solutions hereinafter referred to as "CONTRACTOR".

WITNESSETH

WHEREAS, CUSTOMER is responsible for the collection and disposal of solid waste materials of its residents; and

"WHEREAS, CUSTOMER desires to engage CONTRACTOR to collect all residential solid waste materials from within its boundaries in accordance with the terms of this Agreement and applicable law, including, without limitation, the ordinances of the Town of Erwin, County of Harnett and the State of North Carolina.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

Term: This Agreement shall be binding on all parties for a period of five years beginning July 1, 2026 and ending June 30, 2031 with one (1) five-year renewal option pending agreement of both parties. Should either the Town or Contractor elect not to renew and extend the contract for an additional five (5) year period, notice must be given, by certified mail (return receipt requested) to the other party in writing not less than ninety (90) days prior to the expiration of the Contract.

1. Services. CUSTOMER hereby grants to CONTRACTOR the exclusive right for the collection and transportation of all residential solid waste materials in the Town of Erwin from the point of pickup to the Harnett County Transfer Station as directed by Customer, which disposal site has been permitted in accordance with applicable laws, rules and regulations for disposal of solid waste (the "Services").
 - a. Residential Curbside Trash Collection - Subject to Section 3 below, each home is provided by CONTRACTOR with a 96 Gallon cart to be serviced on a once per week basis. Carts must be placed at the curb no later than 7:00 a.m. on the scheduled day of collection. Carts must be placed in a manner suitable to be emptied by the automatic dumping arm of the refuse vehicle.

- b. CONTRACTOR will provide special collections to elderly, injured, ill, or handicapped residents receiving SOLID WASTE Curbside Collection that are incapable of placing containers curbside. Such residents shall be identified and approved by CUSTOMER and qualifications for such special collection shall be determined by a written doctor's note or approval from TOWN MANAGER. CUSTOMER shall maintain and provide the CONTRACTOR with a list of these addresses for this special service. Such collection will be from a front or side door that is visible to the street. CONTRACTOR shall not charge any additional cost for this service but may request CUSTOMER to re-evaluate any address where evidence of abuse may exist.

Types of Waste: Title to Waste.

- A. Notwithstanding anything to the contrary herein, CONTRACTOR shall only be responsible for the collection, transportation and disposal of Acceptable Solid Waste, and only such Acceptable Solid Waste as is disposed of in a 96-gallon cart, CONTRACTOR provided, residential roll-out cart (Cart contents only).
- B. For purposes of this Agreement, "Acceptable Solid Waste" means mixed household solid waste and mixtures of household, commercial and industrial solid waste that are permitted under the governing permits and then applicable laws to be accepted at the applicable disposal facilities and that are not otherwise Unacceptable Waste.
- C. For purposes of this Agreement, "Unacceptable Solid Waste" means:
 - a. any material which by reason of its composition characteristics or quantity is hazardous waste as defined in the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901 et seq., and the regulations thereunder or any material which by reason of its composition or characteristics is hazardous waste, a hazardous substance or hazardous material as defined in or under any other federal, state or local law, and the applicable regulations thereunder, and any other material which any governmental agency or unit having or claiming appropriate jurisdiction shall determine from time to time to be harmful, toxic or dangerous, or otherwise ineligible for disposal at the applicable disposal facility; explosive materials, corrosive materials, pathological waste, radioactive materials, cesspool and other human waste, human remains, motor vehicles, batteries, tires, refrigerators, gasoline tanks, gas cylinders, asbestos insulation, closed metal containers, barrels, more than an incidental amount of tires, refrigerators that have not been properly evacuated, liquid waste including chemical wastes, sewage and other highly diluted water-carried materials or substances and those in gaseous forms, special nuclear or by-product materials within the meaning of the Atomic Energy Act of 1954, as amended; and
 - b. any other material which may present a substantial endangerment to public health or safety, would cause applicable air quality or water effluent standards to be violated by the normal operation of the Transfer Station or because of its size, durability or composition cannot be managed or disposed of at the applicable disposal facility or has a reasonable possibility of otherwise adversely affecting

the operation of the applicable disposal facility outside the normal usage expected for the facility.

- D. Title to waste material that does not conform to the definition of Acceptable Solid Waste shall remain with the generator and shall not be deemed to pass to CONTRACTOR at any time.
2. Equipment: All equipment utilized is to be reliable and presentable during the performance of this Agreement, including backup equipment. All equipment shall be maintained by CONTRACTOR in a safe condition throughout the Term.
 3. Schedule. CONTRACTOR shall operate on a schedule to ensure timely service. Services will not be provided on New Year's Day, Christmas Day, Thanksgiving Day, Labor Day, Independence Day, Memorial Day or any day that the Harnett County Transfer Station is closed. In the event that CUSTOMER service days fall on a designated holiday, then an alternate day will be chosen to ensure timely service.
 4. Newly Developed and Annexed Areas: CONTRACTOR will, within thirty (30) days of notification by the CUSTOMER, provide the Services to newly developed and annexed areas. As new homes are constructed and occupied, CONTRACTOR shall provide Services on the next scheduled day of collection following notification thereof. CONTRACTOR shall be responsible for notifying CUSTOMER of all collection locations being serviced which do not appear on the billing register. Billing will be adjusted by CONTRACTOR as promptly as practicable following the addition of new or annexed homes including, to the extent necessary, adding any prior months' billings for such new or annexed homes that have been serviced but not previously billed and including pro-rations for partial months, as appropriate.
 5. Rates: Number of Units: Total compensation due to CONTRACTOR shall be set forth in Exhibit A incorporated by reference and made a part hereof on a per unit basis, subject to adjustment as set forth below (the "Service Fee"). Payment is due by the 10th day of the following month in which the invoice is submitted. The number of units for which CONTRACTOR will provide Services is estimated as of the date of this Agreement to be approximately _____ residential carts, provided, however, that CUSTOMER will provide evidence to CONTRACTOR of the actual number of units, including addresses and number of carts per address, to be serviced within thirty (30) days following the date of this Agreement by use of water meter or other utility records. Thereafter, the number of units to be serviced and billed will be reviewed and adjusted on a monthly basis to reflect the actual number of units serviced. CUSTOMER is responsible for billing its residents for services.
 6. Adjustments: The Service Fee will be increased annually every July 1st beginning on July 1, 2027 to reflect the annual adjustment (from the 12 month time frame of March 2026 to February 2027 and each subsequent year with the same timeframe. This allows for the increase to be known and implemented in time for annual July 1st adjustments) based on Table 1 of the Consumer Price Index for All Urban Consumers (CPI-U): U.S. Town Average, by expenditure category and commodity and service group, Water and Sewer and Trash Collection Services (2) Garbage and Trash Collection

- a. In addition, changes in the Service Fee may be negotiated if such adjustments arise out of changes in direct operational costs related to provision of the Services over which CONTRACTOR has no control, including by way of example, but not limitations, such expense as landfill, or material processing, fees and governmental regulations (see table in Exhibit B, should diesel fuel rise above \$4.50/gallon for 2+ consecutive months. If prices rise above and decline, fuel surcharge will be removed) Documentation will be provided and adjustments in Service Fees will not be unreasonably refused.
7. Representations of CONTRACTOR: CONTRACTOR currently has, and will maintain throughout the term, all permits and licenses required by law for the provision of the Services, and will provide the Services in accordance in all material respects with applicable laws. CONTRACTOR will comply with all Federal and State requirements concerning fair employment and concerning the treatment of all employees without regard or discrimination by reason of race, color, religion, sex, national origin or physical disability.
8. Point of Contact: All dealings, contacts, etc. between CONTRACTOR and CUSTOMER shall be directed by CONTRACTOR to the Town Manager or his designee. CUSTOMER will direct all interaction related to this Agreement to the General Manager or his designee.
9. Local Presence: CONTRACTOR will provide a local and/or toll-free telephone number to its office for the use of CUSTOMER to communicate with CONTRACTOR if the need arises during normal business hours of 8:00 a.m. to 5:00 p.m.
10. Notification of Customer and/or Residents: CONTRACTOR will notify CUSTOMER about service inquiry procedures, regulations and days of collection prior to the date Services begin under this Agreement. In addition, as and when requested by CUSTOMER, CONTRACTOR will notify the residents with respect to any changes in service day or other similar information. CUSTOMER will ensure that any resident phone numbers provided by CUSTOMER to CONTRACTOR will have been provided in compliance with the Telephone Consumer Protection Act with the consent of the resident to receiving phone calls related to the Services and will indemnify and hold CONTRACTOR harmless with respect thereto.
11. Breach: Termination: If either party reasonably concludes that the other is in material breach of this Agreement, such party shall so notify the other party in writing, including a detailed description thereof. The party alleged to be in breach shall be allowed up to thirty (30) days after notice by the other party in which to make necessary adjustments to remedy said deficiencies or to take action to remedy any deficiencies that require longer than thirty (30) days to cure. In the event the breaching party fails to correct (or take action to correct) such deficiencies within thirty (30) days after written notice of the deficiencies or breach, then the other party may terminate this Agreement. Neither party shall be liable to the other for any special, consequential or punitive damages.
12. Indemnification: CONTRACTOR agrees to indemnify and hold CUSTOMER harmless from and against any and all claims, liabilities, demands and causes of action arising out of CONTRACTOR'S negligence in performance of the Services or arising out of CONTRACTOR'S failure to comply with the provisions of this Agreement. Notwithstanding the foregoing, under no circumstances will CONTRACTOR be required to indemnify CUSTOMER with respect to any claims, liabilities, demands or causes of

- action arising in whole or in part out of the CUSTOMER'S negligence, willful misconduct or failure to comply with the provisions of this Agreement.
13. Force Majeure: CONTRACTOR shall not be liable for failure to perform under this Agreement if that failure arises out of causes beyond the control and without the fault or negligence of CONTRACTOR. Such causes may include but not be limited to acts of the government in its sovereign or contracted capacity, fires, floods, strikes, epidemics, quarantine restriction, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the reasonable control and without fault or negligence of CONTRACTOR.
 14. Assignment: Neither party may assign this Agreement, or the rights hereunder, without prior written approval of the other, which approval will not be unreasonably withheld; provided, however, that CONTRACTOR may assign this Agreement to an affiliate of CONTRACTOR without the prior approval of CUSTOMER.
 15. Insurance: CONTRACTOR shall be required to carry general liability insurance, workers compensation insurance and motor vehicle insurance as required by State laws as outlined below:
 - a. Workmen's Compensation Statutory: \$1,000,000 aggregate
 - b. Employer's Liability \$1,000,000 each occurrence
 - c. Bodily Injury Liability \$2,000,000 each occurrence
 - d. Except Automobile \$2,000,000 aggregate
 - e. Property Damage Liability \$2,000,000 each occurrence Except Automobile \$2,000,000 aggregate
 - f. Automobile Bodily Injury \$500,000 each person
 - g. Property Damage Liability \$2,000,000 each occurrence
 - h. \$2,500,000 aggregate Excess Umbrella Liability \$3,000,000 each occurrence
 - i. The above coverage may be provided by the Contractor's parent corporation.
 16. Arbitration. Any controversy or claim arising out of or related to this Agreement or any transactions contemplated herein that cannot be amicably resolved, will be resolved by binding arbitration held in Lillington, North Carolina, or any other location mutually agreeable to the parties, in accordance with the commercial arbitration rules of the American Arbitration Association. The decree or judgment of any award rendered by the arbitrator may be entered in any court having jurisdiction thereof.
 17. Notice. All notices and other communications hereunder will be in writing and may be given by personal delivery, nationally recognized express courier, registered or certified mail (return receipt requested), or facsimile (receipt confirmed). Such notice will be deemed effective when received if it is given by personal delivery, nationally recognized express courier, or facsimile, and will be effective three (3) days after mailing by registered or certified mail, so long as it is actually received within five (5) days (and, if not so received within five (5) days, is effective when actually received) by the parties at the following addresses (or at such other address for a party as will be specified by like notice):
 - a. IF to CONTRACTOR: Liberty Waste Solutions- ATTN: General Manager, 2126 Garner Road Raleigh, NC 27610
 - b. IF to CUSTOMER: Town of Erwin, ATTN: Snow Bowden, Town Manager PO Box 459 Erwin, NC 28339

18. Entire Agreement. This Agreement constitutes the entire understanding between the parties, and cancels and supersedes all prior negotiations, understandings and agreements, oral or written, relating to the provision of the services described herein.
19. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature page follows.]

DRAFT

IN WITNESS WHEREOF, the Town of Erwin and Liberty Waste Solutions, have executed this Solid Waste Collection, Transportation and Disposal Agreement as of the date first set forth above.

The Town of Erwin, North Carolina

Liberty Waste Solutions

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

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

Town Finance Officer

DRAFT

Exhibit A

Residential Curbside Trash-The charge for once per week residential curbside trash collection to CUSTOMER from CONTRACTOR shall be:

\$ 7.92 per month per cart for Trash

CONTRACTOR will provide one 96-gallon cart for Municipal Solid Waste (MSW) to each address using the Services. CUSTOMER may request additional carts for residents. Additional carts will be billed by the number of carts requested multiplied by the monthly rate.

Trash Service Fee does not include disposal charges. All MSW will be delivered to Harnett County Transfer Station where no fees are charged to Harnett County Residential service customers. If at any time Harnett County changes this policy and begins to charge disposal fees, these fees will be added as a direct pass through to CUSTOMER. Any charges or fees incurred by CONTRACTOR related to disposal and/or handling of waste shall be the responsibility of CUSTOMER and reimbursed subject to section 5 above.

There will be no fuel surcharges or environmental fees charged during the tenure of this agreement without review and approval of both parties, referring to 6.a. above.

Exhibit B

DOE/EIA Diesel Price (PADD 1C) Increase Over \$4.50 Surcharge %

\$4.50 or below	—	0.0%
\$4.60	\$0.10	0.6%
\$4.70	\$0.20	1.1%
\$4.80	\$0.30	1.7%
\$4.90	\$0.40	2.2%
\$5.00	\$0.50	2.8%
\$5.10	\$0.60	3.4%
\$5.20	\$0.70	3.9%
\$5.30	\$0.80	4.5%
\$5.40	\$0.90	5.0%
\$5.50	\$1.00	5.6%
\$5.60	\$1.10	6.2%
\$5.70	\$1.20	6.7%
\$5.80	\$1.30	7.3%

SOLID WASTE COLLECTION, TRANSPORTATION AND DISPOSAL AGREEMENT

This SOLID WASTE COLLECTION, TRANSPORTATION AND DISPOSAL AGREEMENT (this "Agreement") is made and entered into this 5th day of, February 2026 by and between the Town of Erwin, North Carolina, hereinafter referred to as "CUSTOMER", and Wall Recycling, LLC d/b/a Liberty Waste Solutions hereinafter referred to as "CONTRACTOR".

WITNESSETH

WHEREAS, CUSTOMER is responsible for the collection and disposal of solid waste materials of its residents; and

"WHEREAS, CUSTOMER desires to engage CONTRACTOR to collect all residential solid waste materials from within its boundaries in accordance with the terms of this Agreement and applicable law, including, without limitation, the ordinances of the Town of Erwin, County of Harnett and the State of North Carolina.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

Term: This Agreement shall be binding on all parties for a period of five years beginning July 1, 2026 and ending June 30, 2031 with one (1) five-year renewal option pending agreement of both parties. Should either the Town or Contractor elect not to renew and extend the contract for an additional five (5) year period, notice must be given, by certified mail (return receipt requested) to the other party in writing not less than ninety (90) days prior to the expiration of the Contract.

1. Services. CUSTOMER hereby grants to CONTRACTOR the exclusive right for the collection and transportation of all residential solid waste materials in the Town of Erwin from the point of pickup to the Harnett County Transfer Station as directed by Customer, which disposal site has been permitted in accordance with applicable laws, rules and regulations for disposal of solid waste (the "Services").
 - a. Residential Curbside Trash Collection - Subject to Section 3 below, each home is provided by CONTRACTOR with a 96 Gallon cart to be serviced on a once per week basis. Carts must be placed at the curb no later than 7:00 a.m. on the scheduled day of collection. Carts must be placed in a manner suitable to be emptied by the automatic dumping arm of the refuse vehicle.

- b. CONTRACTOR will provide special collections to elderly, injured, ill, or handicapped residents receiving SOLID WASTE Curbside Collection that are incapable of placing containers curbside. Such residents shall be identified and approved by CUSTOMER and qualifications for such special collection shall be determined by a written doctor's note or approval from TOWN MANAGER. CUSTOMER shall maintain and provide the CONTRACTOR with a list of these addresses for this special service. Such collection will be from a front or side door that is visible to the street. CONTRACTOR shall not charge any additional cost for this service but may request CUSTOMER to re-evaluate any address where evidence of abuse may exist.

Types of Waste: Title to Waste.

- A. Notwithstanding anything to the contrary herein, CONTRACTOR shall only be responsible for the collection, transportation and disposal of Acceptable Solid Waste, and only such Acceptable Solid Waste as is disposed of in a 96-gallon cart, CONTRACTOR provided, residential roll-out cart (Cart contents only).
- B. For purposes of this Agreement, "Acceptable Solid Waste" means mixed household solid waste and mixtures of household, commercial and industrial solid waste that are permitted under the governing permits and then applicable laws to be accepted at the applicable disposal facilities and that are not otherwise Unacceptable Waste.
- C. For purposes of this Agreement, "Unacceptable Solid Waste" means:
 - a. any material which by reason of its composition characteristics or quantity is hazardous waste as defined in the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901 et seq., and the regulations thereunder or any material which by reason of its composition or characteristics is hazardous waste, a hazardous substance or hazardous material as defined in or under any other federal, state or local law, and the applicable regulations thereunder, and any other material which any governmental agency or unit having or claiming appropriate jurisdiction shall determine from time to time to be harmful, toxic or dangerous, or otherwise ineligible for disposal at the applicable disposal facility; explosive materials, corrosive materials, pathological waste, radioactive materials, cesspool and other human waste, human remains, motor vehicles, batteries, tires, refrigerators, gasoline tanks, gas cylinders, asbestos insulation, closed metal containers, barrels, more than an incidental amount of tires, refrigerators that have not been properly evacuated, liquid waste including chemical wastes, sewage and other highly diluted water-carried materials or substances and those in gaseous forms, special nuclear or by-product materials within the meaning of the Atomic Energy Act of 1954, as amended; and
 - b. any other material which may present a substantial endangerment to public health or safety, would cause applicable air quality or water effluent standards to be violated by the normal operation of the Transfer Station or because of its size, durability or composition cannot be managed or disposed of at the applicable disposal facility or has a reasonable possibility of otherwise adversely affecting

the operation of the applicable disposal facility outside the normal usage expected for the facility.

- D. Title to waste material that does not conform to the definition of Acceptable Solid Waste shall remain with the generator and shall not be deemed to pass to CONTRACTOR at any time.
2. Equipment: All equipment utilized is to be reliable and presentable during the performance of this Agreement, including backup equipment. All equipment shall be maintained by CONTRACTOR in a safe condition throughout the Term.
 3. Schedule. CONTRACTOR shall operate on a schedule to ensure timely service. Services will not be provided on New Year's Day, Christmas Day, Thanksgiving Day, Labor Day, Independence Day, Memorial Day or any day that the Harnett County Transfer Station is closed. In the event that CUSTOMER service days fall on a designated holiday, then an alternate day will be chosen to ensure timely service.
 4. Newly Developed and Annexed Areas: CONTRACTOR will, within thirty (30) days of notification by the CUSTOMER, provide the Services to newly developed and annexed areas. As new homes are constructed and occupied, CONTRACTOR shall provide Services on the next scheduled day of collection following notification thereof. CONTRACTOR shall be responsible for notifying CUSTOMER of all collection locations being serviced which do not appear on the billing register. Billing will be adjusted by CONTRACTOR as promptly as practicable following the addition of new or annexed homes including, to the extent necessary, adding any prior months' billings for such new or annexed homes that have been serviced but not previously billed and including pro-rations for partial months, as appropriate.
 5. Rates: Number of Units: Total compensation due to CONTRACTOR shall be set forth in Exhibit A incorporated by reference and made a part hereof on a per unit basis, subject to adjustment as set forth below (the "Service Fee"). Payment is due by the 10th day of the following month in which the invoice is submitted. The number of units for which CONTRACTOR will provide Services is estimated as of the date of this Agreement to be approximately 2,221 residential carts, provided, however, that CUSTOMER will provide evidence to CONTRACTOR of the actual number of units, including addresses and number of carts per address, to be serviced within thirty (30) days following the date of this Agreement by use of water meter or other utility records. Thereafter, the number of units to be serviced and billed will be reviewed and adjusted on a monthly basis to reflect the actual number of units serviced. CUSTOMER is responsible for billing its residents for services.
 6. Adjustments: The Service Fee will be increased annually every July 1st beginning on July 1, 2027 to reflect the annual adjustment (from the 12 month time frame of March 2026 to February 2027 and each subsequent year with the same timeframe. This allows for the increase to be known and implemented in time for annual July 1st adjustments) based on Table 1 of the Consumer Price Index for All Urban Consumers (CPI-U): U.S. Town Average, by expenditure category and commodity and service group, Water and Sewer and Trash Collection Services (2) Garbage and Trash Collection

- a. In addition, changes in the Service Fee may be negotiated if such adjustments arise out of changes in direct operational costs related to provision of the Services over which CONTRACTOR has no control, including by way of example, but not limitations, such expense as landfill, or material processing, fees and governmental regulations (see table in Exhibit B, should diesel fuel rise above \$4.50/gallon for 2+ consecutive months. If prices rise above and decline, fuel surcharge will be removed) Documentation will be provided and adjustments in Service Fees will not be unreasonably refused.
7. Representations of CONTRACTOR: CONTRACTOR currently has, and will maintain throughout the term, all permits and licenses required by law for the provision of the Services, and will provide the Services in accordance in all material respects with applicable laws. CONTRACTOR will comply with all Federal and State requirements concerning fair employment and concerning the treatment of all employees without regard or discrimination by reason of race, color, religion, sex, national origin or physical disability.
8. Point of Contact: All dealings, contacts, etc. between CONTRACTOR and CUSTOMER shall be directed by CONTRACTOR to the Town Manager or his designee. CUSTOMER will direct all interaction related to this Agreement to the General Manager or his designee.
9. Local Presence: CONTRACTOR will provide a local and/or toll-free telephone number to its office for the use of CUSTOMER to communicate with CONTRACTOR if the need arises during normal business hours of 8:00 a.m. to 5:00 p.m.
10. Notification of Customer and/or Residents: CONTRACTOR will notify CUSTOMER about service inquiry procedures, regulations and days of collection prior to the date Services begin under this Agreement. In addition, as and when requested by CUSTOMER, CONTRACTOR will notify the residents with respect to any changes in service day or other similar information. CUSTOMER will ensure that any resident phone numbers provided by CUSTOMER to CONTRACTOR will have been provided in compliance with the Telephone Consumer Protection Act with the consent of the resident to receiving phone calls related to the Services and will indemnify and hold CONTRACTOR harmless with respect thereto.
11. Breach: Termination: If either party reasonably concludes that the other is in material breach of this Agreement, such party shall so notify the other party in writing, including a detailed description thereof. The party alleged to be in breach shall be allowed up to thirty (30) days after notice by the other party in which to make necessary adjustments to remedy said deficiencies or to take action to remedy any deficiencies that require longer than thirty (30) days to cure. In the event the breaching party fails to correct (or take action to correct) such deficiencies within thirty (30) days after written notice of the deficiencies or breach, then the other party may terminate this Agreement. Neither party shall be liable to the other for any special, consequential or punitive damages.
12. Indemnification: CONTRACTOR agrees to indemnify and hold CUSTOMER harmless from and against any and all claims, liabilities, demands and causes of action arising out of CONTRACTOR'S negligence in performance of the Services or arising out of CONTRACTOR'S failure to comply with the provisions of this Agreement. Notwithstanding the foregoing, under no circumstances will CONTRACTOR be required to indemnify CUSTOMER with respect to any claims, liabilities, demands or causes of

- action arising in whole or in part out of the CUSTOMER'S negligence, willful misconduct or failure to comply with the provisions of this Agreement.
13. Force Majeure: CONTRACTOR shall not be liable for failure to perform under this Agreement if that failure arises out of causes beyond the control and without the fault or negligence of CONTRACTOR. Such causes may include but not be limited to acts of the government in its sovereign or contracted capacity, fires, floods, strikes, epidemics, quarantine restriction, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the reasonable control and without fault or negligence of CONTRACTOR.
 14. Assignment: Neither party may assign this Agreement, or the rights hereunder, without prior written approval of the other, which approval will not be unreasonably withheld; provided, however, that CONTRACTOR may assign this Agreement to an affiliate of CONTRACTOR without the prior approval of CUSTOMER.
 15. Insurance: CONTRACTOR shall be required to carry general liability insurance, workers compensation insurance and motor vehicle insurance as required by State laws as outlined below:
 - a. Workmen's Compensation Statutory: \$1,000,000 aggregate
 - b. Employer's Liability \$1,000,000 each occurrence
 - c. Bodily Injury Liability \$2,000,000 each occurrence
 - d. Except Automobile \$2,000,000 aggregate
 - e. Property Damage Liability \$2,000,000 each occurrence Except Automobile \$2,000,000 aggregate
 - f. Automobile Bodily Injury \$500,000 each person
 - g. Property Damage Liability \$2,000,000 each occurrence
 - h. \$2,500,000 aggregate Excess Umbrella Liability \$3,000,000 each occurrence
 - i. The above coverage may be provided by the Contractor's parent corporation.
 16. Arbitration. Any controversy or claim arising out of or related to this Agreement or any transactions contemplated herein that cannot be amicably resolved, will be resolved by binding arbitration held in Lillington, North Carolina, or any other location mutually agreeable to the parties, in accordance with the commercial arbitration rules of the American Arbitration Association. The decree or judgment of any award rendered by the arbitrator may be entered in any court having jurisdiction thereof.
 17. Notice. All notices and other communications hereunder will be in writing and may be given by personal delivery, nationally recognized express courier, registered or certified mail (return receipt requested), or facsimile (receipt confirmed). Such notice will be deemed effective when received if it is given by personal delivery, nationally recognized express courier, or facsimile, and will be effective three (3) days after mailing by registered or certified mail, so long as it is actually received within five (5) days (and, if not so received within five (5) days, is effective when actually received) by the parties at the following addresses (or at such other address for a party as will be specified by like notice):
 - a. IF to CONTRACTOR: Liberty Waste Solutions- ATTN: General Manager, 2126 Garner Road Raleigh, NC 27610
 - b. IF to CUSTOMER: Town of Erwin, ATTN: Snow Bowden, Town Manager PO Box 459 Erwin, NC 28339

18. Entire Agreement. This Agreement constitutes the entire understanding between the parties, and cancels and supersedes all prior negotiations, understandings and agreements, oral or written, relating to the provision of the services described herein.
19. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, the Town of Erwin and Liberty Waste Solutions, have executed this Solid Waste Collection, Transportation and Disposal Agreement as of the date first set forth above.

The Town of Erwin, North Carolina

BY: Snow Bowden
NAME: Snow Bowden
TITLE: Town Manager

Liberty Waste Solutions

BY: Rebecca Morris
NAME: Rebecca Morris
TITLE: Sr Corp. Sales

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

Ginda P. Williams
Town Finance Officer

Exhibit A

Residential Curbside Trash-The charge for once per week residential curbside trash collection to CUSTOMER from CONTRACTOR shall be:

\$ 7.92 per month per cart for Trash

CONTRACTOR will provide one 96-gallon cart for Municipal Solid Waste (MSW) to each address using the Services. CUSTOMER may request additional carts for residents. Additional carts will be billed by the number of carts requested multiplied by the monthly rate.

Trash Service Fee does not include disposal charges. All MSW will be delivered to Harnett County Transfer Station where no fees are charged to Harnett County Residential service customers. If at any time Harnett County changes this policy and begins to charge disposal fees, these fees will be added as a direct pass through to CUSTOMER. Any charges or fees incurred by CONTRACTOR related to disposal and/or handling of waste shall be the responsibility of CUSTOMER and reimbursed subject to section 5 above.

There will be no fuel surcharges or environmental fees charged during the tenure of this agreement without review and approval of both parties, referring to 6.a. above.

Exhibit B

DOE/EIA Diesel Price (PADD 1C) Increase Over \$4.50 Surcharge %

\$4.50 or below	—	0.0%
\$4.60	\$0.10	0.6%
\$4.70	\$0.20	1.1%
\$4.80	\$0.30	1.7%
\$4.90	\$0.40	2.2%
\$5.00	\$0.50	2.8%
\$5.10	\$0.60	3.4%
\$5.20	\$0.70	3.9%
\$5.30	\$0.80	4.5%
\$5.40	\$0.90	5.0%
\$5.50	\$1.00	5.6%
\$5.60	\$1.10	6.2%
\$5.70	\$1.20	6.7%
\$5.80	\$1.30	7.3%



**TOWN OF ERWIN
BOARD OF COMMISSIONERS
REGULAR MEETING
THURSDAY, FEBRUARY 5, 2026, AT 7 PM**

PUBLIC COMMENT- *Each speaker is asked to limit comments to 3 minutes, and the requested total comment period will be 30 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. <u>Nathan Barefoot</u>	<u>35 Della Ln</u>	<u>Police Dep.</u>
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
8. _____	_____	_____
9. _____	_____	_____
10. _____	_____	_____
11. _____	_____	_____
12. _____	_____	_____



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

Memo to: Mayor and Board of Commissioners

From: Snow Bowden, Town Manager

RE: February Managers Report

Date: 2/5/2026

- Please congratulate our Town Planner Dylan Eure. He has earned his North Carolina Certified Zoning Official (NCCZO) certification. He has taken several training courses/continuing education courses over the last two years to work towards this certification, and he had to pass an exam to earn this certification.
- The Town of Erwin will close (918/916 South 13th Street) on the lot behind Al Woodall Park on 2/16/2026. The tax value of the property was set at \$91,600. The appraised value of the home was \$63,000. The court approved the sale of the land at \$63,000. Once we close on the property. I will get an asbestos inspection completed as soon as possible and have any asbestos abated so we can demolish the structure and clean-up the lot. I am not sure what the closing costs might be. The State of NC approved us spending up to \$150,000 for land acquisition with the grant that we are using for this project. I thought it might be closer to \$95,000. So far, we have spent \$169,119.22 out of this grant. The total grant was \$485,000. After subtracting the land purchase of \$63,000. We will have \$232,119.22 in other park improvements that we will need to spend by June 30th, or we must give the money back to the State of NC. We had planned on doing some other minor improvements to the workshop at Al Woodall Par. We have been in serious need of replacing the light poles on Field #1 and #3 for a long time. A safe estimate to install the new lights and remove the old poles on Field #1 would be \$225,000. Based on state contract. Field #3 would be \$305,000. I need to talk to Doug in more detail. But we will get these funds spent by the deadline.
- The Town of Erwin received a grant for economic development in the amount of \$500,000 that we need to spend by June 30th. It does not look like there will be any extensions on this grant deadline. There are a lot of towns that are having a hard time getting the funds spent. I am waiting to hear if we could use the funds on trying to fix West K Street or potentially use them to help start the process to build a new police station. The original goal of this grant was to develop the site behind the Erwin Fire and Rescue Department as "Denim Junction". Kind of like an economic hub in the center of Erwin. Like an extension of our downtown with

incubators for start-up businesses. This idea sounded great in theory, and I think it would work well, but it was too big of an idea for a small municipality to try and take over. That site is much better suited for a new police station. The grant is vague, which is useful for us, but it can also restrict us some. I do not want to give any money back to the State when we have projects that need to be fixed in Erwin. I am working as hard as I can to try and find a project to use these funds on. I wanted to run a few ideas at our January workshop but that was canceled due to the weather.

- We will have a pretty busy workshop in February due to us canceling the workshop in January due to the weather. We moved all the items that were up for discussion in January to February plus some other pending proposed text amendments.
- Our bike/pedestrian plan is still waiting for approval from NCDOT.
- We have a meeting with TRC about our Storm Water Management Plan next Tuesday. I plan to find out what progress has been made on North 9th Street and Butler Drive. They are currently in the third phase of this project. They have inspected a few lines in town with CCTV equipment to verify the condition of each pipe. We did not have enough funds in this grant to inspect all of our storm water lines in Erwin. We have had some difficulties dealing with applying for reimbursements with this grant. We should have those issues solved.
- The ADA Transition Plan is almost finished. Once it is finished, we will need to present it at a Town Board meeting and allow public comment before it can be sent to DOJ.
- All budget requests are due to me by tomorrow at 5PM. I have started working on the proposed budget for the next Fiscal Year. We will schedule a workshop meeting in March to discuss. We have a lot of requests for the upcoming year that will be tough to fund all of them.
 - One thing that we are going to have to fund next year is a new website that will be compliant with new federal regulations. This will be a rather large expense, but we can discuss it at the workshop in March. This will be a good improvement for the Town.

MINUTES CONTINUED FROM FEBRUARY 5, 2026

The Manager's Report is part of these minutes as an attachment.

ATTORNEY'S REPORT

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

Mayor Baker informed the Board that the Town of Erwin was turning 100 years old this year. We had a party planned on April 18th, and he asked for participation from all Board Members and Town Staff. This event will be an all-hands-on-deck event. The citizens deserve a great showing for this celebration.


ADJOURNMENT

Commissioner Blackmon made a motion to adjourn at 7:45 P.M. and was seconded by Commissioner Turnage. **The Board voted unanimously.**

MINUTES RECORDED AND TYPED BY

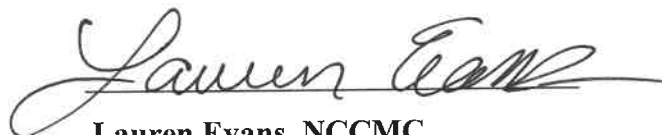
LAUREN EVANS TOWN CLERK

ATTEST:



Randy Baker

Mayor



Lauren Evans, NCCMC

Town Clerk