



Agenda

1. Call to Order
2. Pledge of Allegiance
3. Invocation
4. Adjustment and approval of April 15, 2025 meeting agenda

RECOGNITIONS

5. 2025 Holly Springs Citizens Academy Graduation
6. Volunteer Appreciation Week

CONSENT AGENDA

7. March 4 and March 18, 2025 business meeting minutes and March 11, 2025 workshop meeting minutes
8. Monthly Budget Amendments and Grants
9. Hunt Recreation Center HVAC Replacement
10. American Rescue Plan Act - Internal Controls Policy Adoption
11. Operations Campus and Special Inspections & Construction Materials Testing Contract
12. Town Hall HVAC Replacement Design-Build
13. Development Plan 22-DP-10 Expiration Extension Request for Friendship Industrial

PUBLIC HEARINGS

14. Voluntary Annexation A24-04 4637 Optimist Farm Road
15. Voluntary Annexation A25-01 4016 Berman Edge Road

NEW BUSINESS

16. Yard Waste Collection Program Update and Ordinance Amendment
17. Licensing Agreement for the Stadium at North Main Athletic Complex (aka Ting Park)
18. Fiscal Year 2025-2026 Strategic Plan
19. Seminannual UDO Text Amendments 25-UDO-01
20. Fiscal Year 2024-2025 Nonprofit Grants

PUBLIC COMMENT PERIOD

Each speaker may speak up to 3 minutes, and the total comment period will be 30 minutes or less. Citizens should sign up with the Town Clerk to speak prior to the start of the meeting. Although the Council is interested in hearing your concerns, speakers should not expect Council action or deliberation on subject matter brought up during the Public Comment segment. Topics requiring further investigation will be referred to the appropriate town officials or staff and may be scheduled for a future agenda. Thank you for your consideration of the Town Council, staff, and other speakers.

OTHER BUSINESS

MANAGER'S REPORT

CLOSED SESSION

ADJOURNMENT

In accordance with ADA regulations please contact the Town Clerk's office at least 48 hours before the meeting to

request an auxiliary aid or service needed to participate in this meeting:
linda.mckinney@hollyspringsnc.gov 919-557-3900



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 5.

Recognitions

Title: 2025 Holly Springs Citizens Academy Graduation

Strategic Priority Area: Organizational Excellence

Staff Resource: Cassie Hack, Communications & Marketing

Action(s):

Perform graduation ceremony to recognize the 2025 Holly Springs Citizens Academy Participants

Explanation:

- The Holly Springs Citizens Academy helps community members gain a deeper understanding of their local government and the Town's services.
- The seven-week academy covers a wide variety of topics, such as public safety, growth management, transportation, and yard waste collection.
- In-person, hands-on, interactive sessions provide participants an opportunity to gain firsthand knowledge of what it takes to serve the 50,000 residents and businesses that call Holly Springs home.
- Participants were able to ask questions and get to know Town leaders and staff.
- The Graduates include:
 - Aradhya Sharma
 - Ashley Adams
 - Bikash Shakya
 - Cassie Richardson
 - Claudia Giraldo
 - Colleen Moody
 - Dustin Heffel
 - Eren Mendez
 - Glenn Wrap
 - Jameelah Jordan
 - Jenn Taylor
 - John Dullaghan
 - Katie Gailes
 - Missy Adams
 - Nick Magnini
 - Nicole Meggerson de Martinez
 - Paige John
 - Ram Ramakrishnan
 - Richard K Ford
 - Robin Haney
 - Scott Crawford
 - Scott Ester
 - Siobhan Casey

- Yale Wedig

Background:

- The second Holly Springs Citizens Academy kicked off on Feb. 27, 2025, after winter weather required a shift in schedule.
- 2025 Holly Springs Citizens Academy Sessions included:
 - Overview of Town Government
 - Managing Traffic
 - Shaping Holly Springs
 - Community Safety
 - The Parks & Recreation Experience
 - Keeping the Town Running
 - Money Matters & Community Connections

Funding Source(s):

N/A

Attachment(s):

None



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 6.

Recognitions

Title: Volunteer Appreciation Week

Strategic Priority Area: Community Safety

Staff Resource: Mayor Mayefskie

Action(s):

Proclaim April 20 - 26 as Volunteer Appreciation Week in Holly Springs.

Explanation:

- April 20–26 is National Volunteer Week and this year's theme is Celebrate Service.
- The Mayor wishes to recognize those who volunteer their time with the Town and with other organizations in Holly Springs.
- Volunteering is a great way for residents to share their time and talents helping others in our community, and all residents are encouraged to volunteer with an organization or community effort that contributes to Holly Springs being a great place to live and grow a business.

Background:

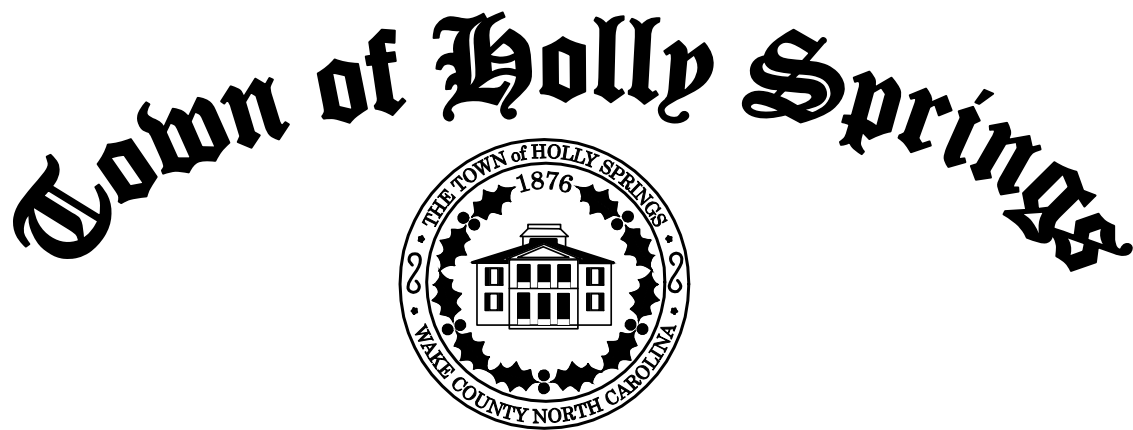
- National Volunteer Week was established in 1974 and is celebrated annually during the third week of April and this year it will be observed from April 20 to 26.

Funding Source(s):

N/A

Attachment(s):

1. Volunteer Appreciation Week 2025



A Proclamation By The Mayor

Volunteer Appreciation Week

WHEREAS, National Volunteer Week is an opportunity to recognize and honor the countless individuals who selflessly invest in the lives of others; and

WHEREAS, the theme for National Volunteer Week 2025 is “Celebrate Service”; and

WHEREAS, volunteers are finding unique and innovative ways to spread joy and meet the emotional, physical, and spiritual needs of others; and

WHEREAS, volunteers are an integral part of our heritage since the early days of our nation and it is essential that we continue this tradition of giving and sharing to preserve and improve the quality of life for all citizens in our community; and

WHEREAS, experience teaches us that government by itself cannot solve all of our nation’s problems; and the giving of oneself in service to another empowers the giver and the recipient; and

WHEREAS, our volunteers are a great treasure; and during this week we recognize the many and varied talents that volunteers share with the Town in service to Town Hall and the Parks and Recreation Department; and

WHEREAS, each year a special week is designated in our nation for the dual purpose of recognizing those who give of themselves and of encouraging all citizens to become involved in volunteer work; and it is fitting at this time that we say “thank you” to all individuals, groups, and businesses who have given time, energy, and resources to their communities through volunteer service;

NOW THEREFORE, I, Sean Mayefskie, Mayor of the Town of Holly Springs, North Carolina, do hereby proclaim April 20-26, 2025 as

Volunteer Appreciation Week

in the Town of Holly Springs and encourage the people of Holly Springs to observe this week by celebrating the important work that volunteers do every day throughout our community.

Proclaimed this, the 15th day of April, 2025.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the Town of Holly Springs, North Carolina to be affixed on this 15th day of April, 2025.

Sean Mayefskie, Mayor



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 7.

Consent Agenda

Title: March 4 and March 18, 2025 business meeting minutes and March 11, 2025 workshop meeting minutes

Strategic Priority Area: Organizational Excellence

Staff Resource: Linda McKinney, Town Clerk

Action(s):

Approve the minutes of the March 4 & 18 business meeting minutes and meeting minutes of the March 11, 2025 workshop meeting.

Explanation:

- Minutes in draft form are attached for the Council's review.
- If there are any corrections, please notify the Town Clerk in advance of Tuesday night's meeting so that corrected versions of the draft minutes can be circulated for review before adoption of the Consent Agenda.

Background:

Funding Source(s):

N/A

Attachment(s):

1. 3.4.25 minutes-DRAFT
2. 3.11.25 minutes - DRAFT
3. 3.18.25 minutes - DRAFT



MINUTES

The Holly Springs Town Council met in regular session on Tuesday, March 4, 2025. Mayor Mayefskie presided, calling the meeting to order at 7 p.m. A quorum was established as the Mayor and five Council members were present in the Chamber as the meeting opened.

Council Members Present: Mayor Sean Mayefskie, Mayor Pro Tem Dan Berry, Council members Timothy Forrest, Danielle Hewetson, Annie Drees, and Chris Deshazor.

Council Members absent: none.

Staff Members Present in Chambers: Randy Harrington, *Town Manager*; Scott Chase and Daniel Weeks, *Assistant Town Managers*; John Schifano, *Town Attorney*; Linda McKinney, *Town Clerk* (recording the minutes); Kameron Womack and Jesse Dixon, *IT*; Corey Petersohn, *Budget and Sustainability*; Cassie Hack, *Director, Communications and Marketing*; Chris Hills, *Director, Development Services*; Sean Ryan, *Development Services*; LeeAnn Plumer, *Director, Parks and Recreation*; Tina Stroupe, *Finance Director*; Jay Osborne, *Assistant Town Attorney*; LeRoy Smith, *Fire Chief*; Kathy White, *Deputy Clerk*.

2. and 3. The Pledge of Allegiance was recited followed by an invocation by Pastor Byne of Oasis Church.

4. Agenda Adjustment: The March 4, 2025 meeting agenda was adopted with changes, if any, as listed: remove item 8 from Consent Agenda for discussion.

Motion: Berry

Second: Forrest

Vote: Unanimous

RECOGNITIONS

5. Oath of Office – Planning Board

Mayor Mayefskie recognized the new Board of Adjustment members, who were sworn in previously. Linda McKinney, Town Clerk, administered the Oath of Office to the new Planning Board members, Thomas Urquhart, Josh Prizer, and Craig Kessler.

6. Learn About Butterflies Day Proclamation

Mayor Mayefskie shared some fun facts about butterflies and proclaimed March 14th as Learn About Butterflies Day in Holly Springs.

CONSENT AGENDA

The Council passed a motion to approve all items on the Consent Agenda with the exception of item 8. The motion carried following a motion by MPT Berry, a second by Council member Forrest and a unanimous vote. The following actions were affected:

7. Certification of Updated Zoning Map – Council adopted Resolution 25-07 approving certification of the Zoning Map.

A copy of Resolution 25-07 is attached to these minutes.

9. 12 Oaks Pump Station Emergency Repair – Council approved a contract with ABE Utilities for emergency repair of the 12 Oaks Pump Station with a base amount of \$160,825 and the potential for additional contract allowances up to \$108,200, for a total project cost not to exceed \$269,015.

8. Code of Ethics Policy Updates, Cost Principles Policy, Eligible Use Policy, and Property Management Policy – this item was pulled from Consent to be discussed.

Council member Deshazor said he wanted the Town Manager to change the verbiage of the Ethics Policy to define campaign activity and to define who Town Officials and Policy Makers are.

John Schifano said we need to look at what problem we are trying to solve by defining campaigning. It was meant to indicate that if you are running for office you do not use Town facilities for campaigning. We can define campaign activity as from when you file to run until you are elected, if you want to limit it to that time period. We can define it that way. Leaving it broad means you shouldn't use meetings to say "vote for me" and Candidates for office shouldn't use Public Comment period to ask for votes. It depends on what problem you are trying to solve. Council member Drees asked if referring to the Political Activity on Town Property policy solve the problem. Mr. Schifano said we could marry those two in the ethics policy if you like. Council member Drees said she thinks clarity would be a good idea. The other thing she would like to have looked at is the definition of a Policy Maker.

Mayor Mayefskie said he wanted to tackle the campaign issue first. He doesn't understand what we are trying to further define. MPT Berry quoted part of Section 4 of the proposed ethics policy and said the easy remedy would be to leverage the Policy on Political Activity definition and copy that over into this policy.

Council member Forrest asked if the Town logo was in the public domain. Mr. Schifano said it is in that we can't charge someone for using it, but if someone appropriates it, like putting it on a business card when you have nothing to do with the town, we would take issue with it. We have asked businesses in the past who have used our logo because it looks like they are holding themselves out to represent the town. It's the same with campaigns. We don't want to blur the lines between campaign signs and town signs. We want to keep that separate. But it is your policy if you want to change it.

Council member Deshazor said the other thing he would like to have addressed is changing the word "Council" to "Governing Body" to make it consistent.

Council member Drees asked if they should be disclosing property ownership. Mr. Schifano said they should. It is not something he has reminded them about, but we have developed a form and will be keeping those records going forward.

MPT Berry asked that the policy be edited and brought back for a vote.

Action: Motion to direct staff to edit the Code of Ethics Policy, changing "council" to "governing body" and referencing the Political Activities on Town Property, and bringing it back to the next meeting for a vote.

Motion: Deshazor

Second: Hewetson

Vote: unanimous

Action: Motion to adopt Cost Principles Policy, Eligible Use Policy, and Property Management Policy.

Motion: Berry

Second: Forrest

Vote: unanimous

Copies of these policies are attached to these minutes.

Public Comment: At this time, an opportunity was provided for members of the audience who had registered to speak to address the Council.

The following public comments were received in writing: a complaint by Sloan Rachmuth and an anonymous complaint about Holly Springs Police Dept.

The following public comments were received in person: none.

OTHER BUSINESS

None.

MANAGER'S REPORT

Randy Harrington, Town Manager, announced the Everclear concert coming up on May 10th, with tickets on sale now. Second, he said we sold the debt for Eagles Landing and Transportation bonds and earned a 3.44% interest rate, the lowest our financial advisor has seen this year. This speaks to the fact that we were upgraded to AAA rating, and that we're a great community. More details will be shared over the next few months. Finally, Fire Station 3's grand opening will be on Friday. For the community, from 10-2 on Saturday, people can get tours, meet fire fighters, etc. The address is 114 Cinder Station Rd. in the northwest area of town.

Chris Hills, Director of Development Services, said he was here to give an update on the Development Services department. He outlined the organization and client service principles as well as the five-year plan to revamp the department which began with the reorganization in 2020. He gave an overview of recent accomplishments, and key metrics by which the department measures success. He outlined residential and non-residential construction over the past five years. He said that in an average year there are about 100 project ideas brought to staff, 25 projects are submitted, and 20 approved.

Mr. Hills gave the outlook for residential and non-residential development. He detailed some existing challenges with development, and gave goals for the department looking ahead, specifically focusing on streamlined service delivery, which could include delegation of more approvals to staff, which is allowed by General Statute, is common in the Wake County market, and is already granted for non-residential projects under 40,000 square feet. He said staff could discuss this at a workshop if Council so desired. Mr. Hills mentioned upcoming events – TCC Coffee Chat, Developers Breakfast, and potential workshop discussions with Council on the UDO and the approval process.

Council member Deshazor raised the issue of how many people attend a Planning Board public hearing as opposed to a Town Council public hearing, and asked how that would change if this proposal for streamlining were adopted. Mr. Hills said that not as many people come to Planning Board hearings, but our increased efforts at transparency have helped with that as more neighborhood meetings are held and notice is provided to a wider area.

Sean Ryan, Development Services, discussed the following new applications for rezoning:

- 4016 Berman Edge Rd.
- Overlook on Main (1220 N. Main)
- Powell Place (7051 Rouse Rd.)

Mr. Ryan then gave updates on the following projects:

- Graham Wood Property – coming to Council March 18th
- Evans Property – coming to Council March 18th

And those still in the revision process:

- Sunset Lake Commons Apartments
- 1100 Piney Grove Wilbon Rd.
- 4500 Old Holly Springs Apex Rd.
- 600 Grigsby Ave.
- Chase Bank (Sunset Lake Rd.)
- 3020 Avent Ferry Rd. (Mira Ridge)

Mr. Ryan said that the Wake Transit Plan Update extends the Wake Transit Planning horizon out through FY2030. There is a stakeholder meeting on March 5th. He said that Land Use Plan updates and Microtransit updates are scheduled for Council's March workshop.

CLOSED SESSION: Council went into closed session pursuant to N.C.G.S. 143-318.11(a)(4) to discuss an Economic Development incentive, pursuant to N.C.G.S. 143-318.11(a)(3); to consult with the Town Attorney on two potential litigation matters; and pursuant to N.C.G.S. 143-318.11(a)(6) to perform the annual review of the Town Clerk and Town Attorney, with a motion by MPT Berry, a second by Council member Forrest and a unanimous vote.

Motion to leave closed session was made by Council member Deshazor with a second by Council member Forrest and a unanimous vote.

Adjournment: Council member Deshazor made a motion to adjourn at 9:27 pm. It was seconded by MPT Berry and passed with a unanimous vote.

Respectfully submitted on Tuesday, April 15, 2025.



Linda C. McKinney, Town Clerk

Addenda pages as referenced in these minutes follow and are a part of the official record.



MINUTES

The Holly Springs Town Council met in a workshop session on Tuesday, March 11, 2025 at the Law Enforcement Center and via livestreaming. Mayor Mayefskie presided, calling the meeting to order at 6:00 p.m. A quorum was established as the Mayor and four Council members were present in the room as the meeting opened.

Council Members Present in the room: Mayor Sean Mayefskie, Mayor Pro Tem Dan Berry Council members Danielle Hewetson, Annie Drees, and Chris Deshazor.

Council Members Absent: Council member Tim Forrest

Staff Members Present in the room: Randy Harrington, Town Manager; Linda McKinney, Town Clerk (recording the minutes); Daniel Weeks, Assistant Town Manager; Scott Chase, Assistant Town Manager; John Schifano, Town Attorney; Jesse Dixon, IT; Corey Petersohn, Director, Office of Budget and Strategic Planning; MaryBeth Spoehr, Office of Budget Innovation and Strategy, Tina Stroupe, Director, Finance; Cassie Hack, Director, Communications and Marketing; Elizabeth Goodson, Sean Ryan and Chris Ritter-Garcia, Development Services; Paige Scott, Director, Public Works; Sabrina McDonald, Director, Human Resources; Paul Liquorie, Chief of Police.

Mayor Mayefskie called the meeting to order at 6:00 p.m.

1. Overview: Randy Harrington, Town Manager, gave an overview of the meeting agenda. He suggested swapping the order of the last two items to accommodate guests who were here for other items and Council agreed.

2. Retreat Follow-Up

a) Microtransit

Chris Ritter-Garcia, Development Services, said this was a follow-up to the discussion of microtransit from the retreat, requesting Council's direction on recommended service characteristics and funding options. He said microtransit was a flexible option that could help to mitigate traffic congestion and provide mobility options for seniors and others with limited transportation options. The town would be divided into three zones, with all three zones overlapping near Main St., ensuring all residents can access the most popular community destinations. He said the recommended service model was zone based, with hours of 7 am to 8 pm, with corner-to-corner service. He outlined expected ridership with a fare-free service and with a fare, and said the estimated cost was \$514,000. He said there were two outstanding questions – should fares be free and do any of the proposed funding approaches match Council's desires.

Mr. Ritter-Garcia outlined two fare models – one where ETJ riders only were charged, and the second where all riders were charged, but at different rates depending on where they live and with a reduced fare for seniors or disabled riders. He said staff had explored using advertising to raise funds, and it would be provider-dependent, would require additional staff time and they were not able to get an estimate from potential vendors. Mr. Ritter-Garcia said the Town is being recommended for CAMPO funding at the 50% match. He outlined the timeline

associated with the CAMPO Grant, which would have the earliest start for the service in January.

Corey Petersohn, Director, Budget, Innovation, and Strategy, offered three funding options, assuming the CAMPO 50% grant and a cost of \$514,000:

1. Use the Community Investment Fund to “back” Holly Springs Rd. (Central) to free up existing Vehicle Fee revenue for microtransit;
2. Use existing operating budget;
3. Increase vehicle fee by \$5, for a total vehicle fee of \$30 to fund microtransit;

He offered the pros and cons of each option and said that Option 3 had not been endorsed by Council at the Retreat.

Council member Drees asked what the LAPP grant for Holly Springs Rd Central was. Mr. Ritter-Garcia said we would probably know in January.

Mr. Ritter-Garcia offered a summary of estimated revenue, ridership, and costs, with two service models. He asked Council if they wanted fares to be required only for ETJ riders, or for everyone and what their preferred funding option was.

Council discussed various fare structures and said they liked the idea of seniors and those with disabilities riding fare-free, but charging other riders. They agreed to a trial period of 6 to 18 months after which the program in general and the fares specifically would be evaluated. Consensus was to fund using Option 1 with fares starting at \$4 for ETJ, \$2 for in-town riders, and free for seniors or those with disabilities, but testing the idea with vendors of having one month fare free to build ridership.

[Item c moved ahead of Item b due to a PowerPoint issue]

c) Strategic Plan Update

Corey Petersohn, Director, Budget, Innovation, and Strategy, said this item was for Council to review proposed updates to the Strategic Plan, with anticipated adoption in April. He outlined the four pillars of the strategic plan as last amended by Council. He highlighted some accomplishments of past initiatives, and priorities that were identified at the retreat.

Mr. Petersohn said this update focuses on points that came out of Council's retreat. He outlined ten new initiatives, across the four priority areas, and some amendments to existing initiatives. He said final adjustments, if necessary, could be in a future Friday Briefing prior to adoption at the April Business Meeting. If more substantive discussion is needed, he would bring this back at the April workshop.

There were questions about what “completed” meant on previous initiatives. Mr. Petersohn said those initiatives are not going to stop, or stop evolving, but the resources are already dedicated.

There was discussion about the proposed size of Fire Station 4 and whether that was sufficient. Mr. Harrington said the size would continue to be evaluated, but in initial conversations with Chief Smith and considering what assets are needed in that area and the land options, a two-bay station is thought to be sufficient.

Council discussed the Festival Street initiative, what it covered relative to what was discussed at the retreat, and when design would start. Mr. Harrington said it was his intention to include this funding in the upcoming budget and the design phase could be 12 – 15 months.

b) Pay and Benefits

Sabrina McDonald, Director, Human Resources, said she wanted to give Council an update on the Pay Study progress and provide updated recommendation, and seek guidance for next steps. She explained why it was important to stay aligned with the current market. Turnover is expensive and creates expenses we can't predict. We also lose institutional knowledge. She reminded Council of the data that was presented at the retreat regarding where the Town's minimums, market points, and maximums are relative to our competition. She said

that takeaways from the retreat were a desire to continue the refinement of the pay study recommendation; to address acute needs such as critical position retention, recruitment for hard to fill positions, and realigning with the market; and a desire for cost options for a COLA/merit structure.

Ms. McDonald said that after Phase 1 of the Pay Study update, the public safety position turnover has dropped to percentages that are within the normal range. But the departments with the highest public sector competition, most limited pool of qualified candidates and highest vacancy rates had turnover percentages above “normal” rates. She said they would like to stay below 10% turnover.

Ms. McDonald said that recommendations for the Phase II pay study update include adjusting the ranges to market rate; building range around the established market rate, to more closely reflect true hiring rates; and maintaining current percentage penetration within the adjusted grade range. She gave an example of what that would look like for an employee in Salary Grade C.

Ms. McDonald said the proposed Merit and COLA implementation approach was to maintain a merit range of 0-6% for the upcoming fiscal year FY26. In years without a pay study, COLA could be added, up to 2% or 2.5% plus merit of 5% or up to 6% in future fiscal years. She said if Council’s direction was to move forward, then next steps would be for staff to finalize the pay study analysis, adjust salary range, establish new market competitive pay ranges, adjust employee salaries to existing percentage penetration, and introduce COLA for FY27 implementation for non-pay-study years.

Council discussed the need for pay studies and what could be put in place to help us stay closer to market rates. They discussed what besides salary increases was being done to retain and attract employees. They discussed whether other municipalities have COLA and whether salary ranges should be larger, and whether there was a way to combine COLA with merit or simply make the merit range larger. There was discussion about expected revenue growth for next year.

Consensus was to move forward as suggested, with the exception of the COLA which would be looked at again next year.

3. Proposed Updates to Comprehensive Plan and Future Land Use Map

Sean Ryan, Development Services, said he was seeking direction from Council on proposed Future Land Use Map (“FLUM”) updates. He said this includes the southwest area residential land use discussion that Council called out at a previous meeting, and aligning with Council’s Strategic Plan Initiatives. He said that the update of the Comprehensive Plan is currently looking at the Utility Modeling section. This involves aligning planning efforts to ensure adequate utility modeling and consolidate public engagement efforts.

Mr. Ryan said that Initiative 4.2 under the Growth Management & Economic Vitality Strategic Priority was addressed in the approach of evaluating Future Land Use Map for potential designation changes. They were evaluating areas on whether the changes support greater housing diversity, target economic development areas, and transportation corridors. He then showed three areas in the northern part of town and outlined how changes to the FLUM could increase the available number of dwelling units by around 1,700. He asked Council if these proposed changes supported the strategic plan initiative.

Council discussed whether there was developer interest in any of these properties, and the reasoning for changing the N. Main District to allow more commercial flexibility and denser residential.

Mr. Ryan said that in the 2023 UDO Workshop, four areas were identified for updates. Three of these have been completed, leaving the Land Use Map Alignment to be done. He showed the evaluation area, in the southwest part of Town/ETJ. He said that the FLUM dictates

“how” development should occur, but it doesn’t answer “when” this development should occur. There are two options for Council to consider moving forward, which have some overlap, which creates a “hybrid” option. Option 1 is to revise the FLUM to reflect desired land use patterns, and Option 2 is to maintain the FLUM and align timing with utility priority areas. He outlined what each of these two approaches would mean for the southwest area and how they would serve the town, and their impact on housing unit availability. He said that staff recommends a hybrid approach of implementing the suggested FLUM changes and allowing the utility modeling to guide other possible FLUM changes, and revisiting the FLUM after the utility modeling/analysis.

Council discussed the benefits of utility priority areas for smart growth. They discussed whether the changes increased residential close to the landfill which might increase odor complaints, and the area that Wake County recently identified for an expansion of a quarry, and whether this affected the Comprehensive Transportation Plan, which it does not substantially change.

Consensus was to use the amended map in the utility model, and if this discloses areas that don’t make sense, to get public feedback on them and bring it back to Council for adoption.

4. Town Hall Annex Assessment

Paige Scott, Director of Public Works, said she was here to provide Council with an update on the Town Hall Annex building and receive feedback on the initial path forward. She said the building has been closed in compliance with building code, posted as an unsafe building, and no access allowed unless escorted by the Facilities team. Staff members have been relocated to leased space at 242 S. Main, and the building has been assessed by Tom Faulkner.

Ms. Scott said the building is not on the historic registry and the Town has the decision authority on next steps for the building. The initial estimate for renovation is \$1.16 million, plus. Risks include finding bidders, because this is specialty work and because of the perceived risks, and change orders and increased costs are to be expected as they get into the work. The Annex is currently insured at a value of \$1 million. Council will need to decide if they want to pursue renovation of the current facility, and whether as a first step staff should bid and see what responses are received.

Ms. Scott said the replacement range for a “like for like” building would be in the \$330 to \$550 per square foot range, with total replacement costs estimated at \$1.6 to \$2.6 million. There is a reduced risk and higher confidence in this estimate than in the renovation estimate, and there is a more extensive list of responsive and qualified bidders available to do this work.

The demolition and removal cost, if the Town decided to remove the building, would be around \$100,000. The demolition could be coordinated with other Town initiatives such as the Downtown Development Plan or the Festival Street. She recapped the costs and considerations of the three options and said that staff’s recommendation was demolition, with guidance from Council on whether to replace the building or consider other long-term options such as a build-out of the second floor of the Ops Campus.

Council discussed the history of the building, how little original building was left and whether anything in it was salvageable. They discussed whether there would be room for the displaced employees at the new Ops Campus, and the cost of building out the second floor. They discussed what that parcel could be used for in the future and when that would be decided.

Council directed Communications staff to do some sort of celebration of the old building, perhaps connecting it with the upcoming 150th anniversary. Consensus was to not renovate or rebuild, but look at cost of rent vs. 2nd floor buildout at the Ops Campus. Mr. Harrington said

there could be some capacity on the first level and then staff would explore what it would cost to build out the second floor.

5. Open Discussion

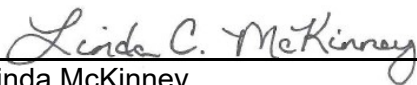
None requiring action

6. Closed Session: none.

7. Adjournment:

Motion to adjourn was made by MPT Berry seconded by Council member Deshazor and passed with a unanimous vote. The March 11, 2025 workshop meeting of the Holly Springs Town Council was adjourned at 8:52 pm.

Respectfully Submitted on Tuesday, April 15, 2025.



Linda McKinney
Town Clerk



Holly Springs Town Council
7:00 PM **Tuesday, March 18, 2025**

Regular Meeting
Holly Springs Town Hall Council Chambers
128 S. Main Street, 2nd Floor

MINUTES

The Holly Springs Town Council met in regular session on Tuesday, March 18, 2025. Mayor Mayefskie presided, calling the meeting to order at 7 p.m. A quorum was established as the Mayor and five Council members were present in the Chamber as the meeting opened.

Council Members Present: Mayor Sean Mayefskie, Mayor Pro Tem Dan Berry, Council members Timothy Forrest, Danielle Hewetson, Annie Drees, and Chris Deshazor.

Council Members absent: none.

Staff Members Present in Chambers: Randy Harrington, *Town Manager*; Scott Chase, *Assistant Town Manager*; John Schifano, *Town Attorney*; Linda McKinney, *Town Clerk* (recording the minutes); Kameron Womack and Jesse Dixon, *IT*; Corey Petersohn, *Budget and Sustainability*; Cassie Hack, *Director, Communications and Marketing*; Chris Hills, *Director, Development Services*; Grayson Taylor, Catherine Jacobs, Elliot Blonshine, Sarah Lipkin Sularz, Cheryl Cains, and Sean Ryan, *Development Services*; LeeAnn Plumer, *Director, Parks and Recreation*; Tina Stroupe, *Finance Director*; Jay Osborne, *Assistant Town Attorney*; LeRoy Smith, *Fire Chief*; Kathy White, *Deputy Clerk*.

2. and 3. The Pledge of Allegiance was recited followed by an invocation by J. Dwayne Garnett of Altar and Dwelling Place.

4. Agenda Adjustment: The March 18, 2025 meeting agenda was adopted with changes, if any, as listed: none.

Motion: Berry

Second: Forrest

Vote: Unanimous

RECOGNITIONS

5. Arbor Day Proclamation

Sarah Lipkin Sularz, Development Services, said that Arbor Day is celebrated in North Carolina on the first Friday following March 15th, which this year falls on March 21st. The Tree Advisory Committee will celebrate with an event on Saturday, March 22nd that includes planting a smokebush tree. Over the past year the Tree Advisory Committee has held pruning workshops for 37 attendees, awarded 46 street tree grants, and given away 450 trees.

Mayor Mayefskie proclaimed March 21st as Arbor Day in Holly Springs.

Eric Dean accepted the proclamation on behalf of the Tree Advisory Committee.

CONSENT AGENDA

The Council passed a motion to approve all items on the Consent Agenda. The motion carried following a motion by MPT Berry, a second by Council member Forrest and a unanimous vote. The following actions were affected:

6. February 2025 Mayor and Council Retreat and February 18, 2025 business meeting minutes – Council approved the minutes of the 2025 Mayor and Council Retreat and the February 18, 2025 business meeting.

7. Monthly Budget Amendments and Grants – Council approved the Quarterly Budget Amendments, and the reclassification of Fire Inspector Positions from the F4 paygrade to the F5 paygrade, and received the Town Manager’s approved budget amendment report.

Copies of the budget amendments are attached to these minutes.

8. Voluntary Annexation A24-04 4637 Optimist Farm Road – Council adopted Resolution 25-06 directing the Town Clerk to investigate the sufficiency of annexation petition A24-04 and setting the public hearing for April 15, 2025.

A copy of Resolution 25-06 is attached to these minutes.

9. Voluntary Annexation A25-01 4016 Berman Edge Rd. – Council adopted Resolution 25-08 directing the Town Clerk to investigate the sufficiency of annexation petition A25-01 and setting the public hearing for April 15, 2025.

A copy of Resolution 25-08 is attached to these minutes.

10. Ting Park Multi-Use Field Synthetic Turf Replacement – Council approved the budget amendment and adopted Parks and Recreation Capital Project Ordinance 25-07, authorized the Town Manager to enter into a contract with GeoSurfaces for the synthetic turf replacement for the multi-use fields at Ting Park in the amount of \$1,226,104 and to approve contracts up to the project budget total that are consistent with the project scope necessary to deliver the project.

Copies of the budget amendment and Ordinance 25-07 are attached to these minutes.

11. Utley Creek Greenway Phase 2 Design Contract Amendment #2 – Council approved design contract amendment with Alta Planning + Design, Inc. in the amount of \$75,861 for the Utley Creek Phase 2 Greenway project design.

12. Audit Services Engagement and Annual Comprehensive Financial Report Services for year ending June 30, 2025 – Council approved contracts for audit services and annual comprehensive financial report engagement for fiscal year ending June 30, 2025.

13. Surplus of Assets Valued Over \$30,000 – Council approved the surplus of Public Works Asset #13150, a Ford F450 Dump Truck, and Asset #13152, a Freightliner M2 106 Leaf Truck.

14. Installment Financing Agreement for Dewatering Centrifuge – Council adopted Resolution 25-10, authorizing the Town Manager to approve and execute Installment Purchase Agreement and direct staff to proceed with closing the loan and obtaining the funds for the dewatering centrifuge not to exceed \$874,202 in loan principal, and the remaining balance covering loan costs (interest and fees.)

A copy of Resolution 25-10 is attached to these minutes.

15. Developer Agreement for West Maple Ave. Waterline Extension – Council approved the Developer Agreement associated with the waterline extension within W. Maple Avenue.

PUBLIC HEARINGS

16. 24-DP-07 Pine Springs Upper School Development Plan

Grayson Taylor, Development Services, said this was to consider a request for a Development Plan at 420 Green Oaks Parkway for Pine Springs Upper School. He said this item had been to the Planning Board in February and was now before Council for a Quasi-judicial Public Hearing. He said the parcel was rezoned in December, which was a legislative decision, and reminded the audience that a Quasi-judicial decision requires sworn testimony by fact witnesses or opinions of qualified experts.

Mr. Taylor showed where the parcel is located in town and said that it is designated Business and Industrial in the Land Use and Character Plan, and zoned Planned Unit Development (PUD). He outlined the surrounding areas within the PUD. Then Mr. Taylor showed the site plan for the Pine Springs Upper School, which will be 3 stories, 121,068 square feet and will have 4,674 feet of total vehicle stacking on site. He showed where the handicapped EV ready, and EV charging parking spaces would be. He showed proposed elevations.

Catherine Jacobs, Development Services, said the site is served by water and sewer connecting at Green Oaks Parkway. She said the studies showed no improvements needed in water or sewer. She discussed the traffic impact analysis and the improvements required were agreed to by the applicant. These include limited access to right-in/right-out/left-out on Green Oaks Parkway and extending the existing westbound left-turn lane to 300 feet at the West access; right-in/right-out only and construction of a westbound right-turn lane of 50 feet at the East access; and a fee-in-lieu for future construction of a pedestrian crossing along Green Oaks Parkway. She said the improvements were consistent with the traffic study.

Mr. Taylor said that staff finds this project consistent with adopted Town plans, the Unified Development Ordinance and the Holly Springs Business Park PUD regulations. Public utility connections are provided, and staff recommends approval.

Thomas Urquhart, Planning Board representative, said the Planning Board voted to recommend approval with a vote of 7 – 0, with one member absent and one recusing himself because he is on the board of Pine Springs. He outlined the discussion held prior to that vote.

Mayor Mayefskie opened the public hearing and the following sworn testimony was received:

Bruce Friend, head of school for Pine Springs Prep, said the school would accommodate 1,000 students in grades 9 – 12 with a dedicated student parking lot and a staggered bell schedule to help with the mixing of student drivers with parent drivers. There will be outdoor space for student activities and pedestrian connectivity to Green Oaks Parkway and a preservation of natural areas with environmental impacts limited to those already constructed.

Andy Petty from Curry Engineering showed the approved concept plan that was in the PUD amendment and described where they are in the development process with the zoning approved in December. They hope to have construction drawing approval this spring so that construction can begin this summer to be completed in time for school to be open in the fall.

Mr. Petty said that as part of the PUD Amendment they committed to a dedicated entrance/exit for carpool with over 4,670 feet of stacking queue length; restricted entrances to control traffic in and out of the campus; a dedicated right turn only lane into the student parking area; committed \$30,000 as a fee-in-lieu of a future pedestrian crossing on Green Oaks Parkway; and to incorporate all TIA recommendations. He outlined all the traffic and parking features of the site. He said the queuing exceeded the “high demand” length as determined by NCDOT. He pointed out the addition of stop signs in multiple locations that were added after the concept plan to keep students safe as they walk from the parking lot to the school. They added a dedicated loading zone, and the EV parking spots. He said if students need EV spots, they could use the ones outside of the student parking as an incentive for grades, behavior, etc.

Council member Drees asked about the middle lane at the entrance and its intention. Mr. Petty said it was a dedicated path to the student parking lot. Council member Drees asked about the specialty crosswalks and Mr. Petty pointed them out and said they would be stamped asphalt with a different color from the pavement, and a texture.

Council member Deshazor asked about emergency evacuation plans with the current set up. Mr. Friend said that is a contingency that all schools have to have in place.

There being no further testimony, Mayor Mayefskie closed the public hearing.

Action: Motion to approve/deny Resolution 25-09 to adopt Findings of Fact and approve 24-DP-07 Pine Springs Upper School Development Plan.

Motion: Forrest

Second: Hewetson

Vote: unanimous

17. 24-REZ-03 Graham Wood Rezoning & Development Plan

Grayson Taylor, Development Services, said a request for rezoning had been received for 1432 Avent Ferry Road. As it was received prior to the UDO change, it was heard by Planning Board in February, and is now before Council. He showed the location of the site and said that it is designated as Neighborhood Center on the Land Use and Character Plan and currently zoned Rural Residential. He explained the characteristics of a neighborhood center, which is meant to be primarily a commercial category to provide goods and services to surrounding neighborhoods.

Mr. Taylor said that the request is to rezone to Conditional District Rezoning. This allows the applicant to request flexibility in exchange for providing higher quality, innovative, and sustainable development. It is not for relieving hardship, which require a variance, and the applicant must demonstrate that Conditional District Goals are met. He showed the evolution of the site from the first submittal in May of 2024 to today, and said the project was 34.24 acres and would have 82 detached dwellings and 32 attached dwellings. They are requesting permission for 120 dwellings, for flexibility. He explained the applicant's proposed standards and how they deviate from the UDO standard. He said the project is proposing to meet the conditional zoning district goals of protection of the watershed area and considerations for property with unique history or outstanding physical features.

Mr. Taylor said that the site is within Park Search Area 5, which requires setting aside of park land, and future greenway on the Future Active Transportation Map. The applicant is proposing a sidepath connection to Logging Road and a sidepath connection to Eagles Landing Park because the geography of the land does not accommodate a park.

Catherine Jacobs, Development Services, said the site can connect to water and sewer along Avent Ferry Road and extend it throughout the site. Water and Sewer Studies did not require any sewer improvements. The project is subject to the Water Resource Policy and since the agenda was published, they have withdrawn their request for an exemption. She said the project would include the realignment of Capeside Ave. and Cass Holt Road. There would be an additional access point onto Avent Ferry Rd. between Cass Holt and the Autumn Park subdivision, and the widening of Avent Ferry Rd. along the property frontage. She said that ten intersections were studied as part of the Traffic Impact Analysis (TIA). The development is required to design and construct all improvements identified by the TIA, and she outlined those improvements.

Ms. Jacobs said the proposed development agreement includes the Capeside Avenue realignment, Parks and Recreation parkland dedication and on-site greenway alternatives, with a credit towards Parks & Recreation fees, and sewer extension and/or improvements, and a fee-in-lieu of a traffic signal at the school intersection.

Ms. Jacobs said changes since the Agenda Packet was published include the applicant's adherence to the Water Resource Management Policy, with updated Allocation Form, Plan Set, and Design Manual, and an amended Development Agreement and Ordinance.

Mr. Taylor said staff finds the proposed Conditional Zoning District does not include non-residential/commercial uses and does not meet expectations of a Neighborhood Center. It offers several public infrastructure improvements to the Town, including the road realignment, but overall the proposed rezoning is inconsistent with Town plans and policies, and staff recommends denial.

Planning Board representative Thomas Urquhart said the Planning Board was split with four voting in favor and four opposed to recommending approval. One member was absent. He outlined the issues and concerns the Planning Board discussed, particularly the lack of commercial, and issues with the age-restricted nature of the development. The Planning Board voted 8-0 that it was not consistent with the comprehensive plan, but 4-4 on the reasonableness of the project. The vote to approve was 4 – 4, which does not equate to an approval.

Mayor Mayefskie opened the public hearing and the following input was received:

Kathryn Kornbau, 513 Avent Meadows, said she had lived in Holly Glen for twelve years. She opposed the development as is, due to traffic on Avent Ferry, which has not been widened. She said three schools and two daycares haven't caused NCDOT to widen Avent Ferry Road, and if you drive this area and you will realize how scary Avent Ferry is. She said people park in the Holly Glen neighborhood when there are not enough parking spaces for pick up. Tonight she wants to talk about the creek that runs through her property which is part of the Cape Fear River basin. It is shallow and narrow and it has increased in flooding over the past few years. The flooding has increased over the past years. The Town is aware of the issues and the state says it's the Town's responsibility to fix this issue. She said they've been told it is due to the increased building along Avent Ferry. We have spent \$10,000 to fix the flooding and homeowners insurance doesn't cover it. Mayor Mayefskie asked her to stop as her 3 minutes were over. She said there has never been a study on this creek. She said before building any more there needs to be a study on this creek. Before any more building is approved, there needs to be a creek study.

Wendy Dykema, 108 Holly Glen Court, said there have been a lot of near misses in this area of Holly Springs. Parents and school organizations have begged this Council and NCDOT to take action, but no action has been taken. The intersection where our children cross remains unprotected. The proposed development adds stress to our neighborhood and these three schools. At school time it will take you 20 minutes to go 200 meters. This road affects the education of our children. This development, or any development in this spot, will cause problems. People make U-turns on Avent Ferry, at the childcare, and at the entrance to Holly Glen. It's too hard to make a left so they go right and make a U-turn and this development will continue this. NCDOT will not put a light there quickly. She said 55 plus is not senior living. This is not a decrease in traffic; these people are working age. She asks Council to delay. If you can't delay, put a traffic light asap at the entrance to Holly Grove Elementary and Middle School. Make our children safer.

Russ Munisteri, 228 Harbor Fog Tr., said you are going to hear a lot of concerns about safety, but he wants to talk about Harbor Fog Trail. It is going to be a major cut through, where it is a dead-end right now. A lot of children play there. What is going to be put in place to control the traffic along Harbor Fog? That is his concern because of the kids.

Jonathan Benincosa, 304 Capeside Ave., said he is here to strongly oppose this rezoning. The responsibility of Council is to protect safety of residents, not protect developers' profits. Children have been hit or nearly hit, in that neighborhood and this rezoning will make it worse. He said the vision of a neighborhood center would be appreciated and staff did a good job on this. Comprehensive Plan "Continued growth without proper planning could erode the rural character that has attracted so many residents and businesses to make Holly Springs their home." (Quoting from the Holly Springs Comp

Plan) If Council no longer intends to follow the Comprehensive Plan, please update it so that we know what we are getting in to. A plan like this will affect our neighborhood, so please deny it. We do not have to settle for a “lesser evil,” so please consider the legacy this decision will leave. Will you be remembered for protecting small town charm, or for creating suburban sprawl. Please reject this rezoning.

Amber Benincosa, 304 Capeside Ave., spoke about the safety concerns. She struggles with letting her 11-year-old walk less than a mile to school due to unsafe traffic conditions. She has personally witnessed several near miss pedestrian accidents. She had to sign a paper with the school to let her walk to school. It's a misconception that 55+ communities result in less traffic. More vehicles put our families at risk. Capeside is used by parents of three schools picking up their students. The right turn only feature means more than 150 cars will be forced onto Capeside which was not built to handle this level of traffic. She witnessed a 4-year-old die after being hit. This community has no amenities, meaning residents will be forced to leave and compromise the safety of our children. You need to make sure Holly Springs remains a safe place for children. If you allow it to move forward, you will be setting a dangerous precedent. Please reject this development.

Stephen Moya was called, but had already left the meeting.

Jennifer Johnson, 104 Holly Glen Ct., said she will not repeat everything already said tonight, but requested that any Council member considering approving this, to please spend time on Avent Ferry Rd. during peak travel hours. It is a dangerous bottleneck of traffic and Town Council needs to address this. It needs to become four through lanes, not just adding a right turn lane. With all the other developments, and Eagles Landing, which is exciting, but it is more traffic on Avent Ferry and they will be ready at the same time which is a large increase in traffic with no real improvement in infrastructure. It is a real risk for pedestrians being hit. The Capeside intersection needs improvement for driving safety, but also for pedestrian safety. Police, flashing lights, something. Adding more cars the with the restructured intersection does not add any safety for our families. Saying yes has serious safety implications. Please say no.

Christine Walorz, 324 Covenant Rock Lane, said she is asking the Town not to grant conditional district rezoning which allows flexibility for the developer. She has lived here for sixteen years and the “flexibility” we see with developments in this town is her biggest complaint. We see proposals with flexibility, and then by the time the plans are built the flexibility has changed the plan. We have been told for the last sixteen years that this intersection would be fixed. Widening of Avent Ferry has stopped at Ralph Stephens, and the next phase didn't happen and has been moved to 2030-2045. She went to a transportation meeting back in 2020 with NCDOT and asked about the realignment and was told it was on the 2029 ten-year plan. She is asking that they do not grant developers this flexibility because it adversely affects the community and the traffic. We live in walking distance of three schools, but we don't walk our kids to school because it is not safe. The orange flags are a Band-Aid. The flashing signs, the speed signs, aren't working. Pine Springs Prep is proposing better safety features for their school than we have done for our three schools. She asked that the Town not approve this development.

Fraank Demetrius, 309 Shorehouse Way, said his neighbors were telling the truth. He has stopped a couple of children from walking into cars. He moved here and asks Council not to ruin the neighborhood by approving this and making it unsafe for his kids to walk to their friend's house.

Shivs Snunna, 1212 Happy Hunting Hills, said he has been driving on Avent Ferry since 2007 and traffic is bad. Please make sure that Avent Ferry is widened. We know we need more homes as more jobs come, but we need to balance the safety and traffic and risk with this.

Jessica Perry, 109 Oak Moss Trail, said she has spoken about the safety of the school zone for years. Ten percent of the population of Holly Springs goes to school here. She has asked for crossing guards, lights, and has gotten minimal action. As far as this neighborhood goes, she wants guarantees not flexibility for the developer. She wants to know what is going in, how kids are going to be protected. She wants kids to be safe. If a kid is hit, who is liable? We add more development without adding safety. She said they want to be guaranteed help. Put it in writing. She said there needs to be money for the children's safety. She said her ask is that she see concrete proposals and guarantees for the safety

of the children before any more developing or road widening goes in there. Fix the intersection, but provide safety for the kids crossing the street.

Jason Barron, Morningstar Law Group, speaking for the applicant, said he has heard these concerns and issues before. He heard them 10 years ago on a different zoning case on this land. It was not approved because that development did nothing to address those concerns. He has been approached by many developers with projects that did not address these issues. With Epcon, they have a very good reputation with 55+ communities. They work with the community. When he was approached on this one, he said we have a concern with the safety of children. We need to be able to demonstrate that our project won't make it worse, it will help to fix the problem. So fixing the Capeside intersection was at the forefront. It creates a 4-way intersection with a signal and a crosswalk. There will be benches where students can wait for the light to change and then cross safely. Regarding traffic, which is a big concern along Avent Ferry, the trip data associated with this will generate 609 trips per day. If it were to develop into 60,000 sq ft of commercial space, it would generate 7,430 trips. Ten times as many trips, if it were developed for commercial. Epcon is proposing an age-restricted residential community, which generates less traffic. More importantly they generate less traffic during the peak hour times. In addition to the realignment of Capeside, we are also providing a greenway sidepath from our development to Eagles Landing. We will be able to facilitate safe passage to the park. When Eagles Landing opens, the residents of Holly Glen will be able to access it safely. That is a cost being assumed by the developer. They are not waiting for NCDOT, because they understand the safety concern. They believe that we will be contributing positively to addressing the safety concern. As you heard from Mr. Urquhart, the Planning Board had a lively discussion about this project. Could the neighborhood center continue to operate if this is approved and doesn't include any commercial? He said there is roughly 20 acres of undeveloped land that also has that designation. Harris Teeter is 80,000 sq ft on 10 acres. Something is going to develop here. If traffic is the concern, this is the best development this site could have. He said that they believe that you can continue to maintain the neighborhood center on the acres contiguous with the Park. This land has been designated commercial for over 30 years and there has been no commercial development. This area will not be negatively impacted, should it not develop commercially. This is not about a developer getting in, making money, and leaving; they are committed to being able to make the situation better. He said they respectfully request approval.

Council member Hewetson asked him to speak to the signalization of the intersection and what makes it safer for pedestrian crossing. Mr. Barron said when you create a four-way intersection, you create crosswalks. The signal creates a stop in the traffic and creates a safe way for pedestrians to cross. Council member Hewetson asked if they were talking signalization for traffic as well as pedestrians? Mayor Mayefskie asked if the greenway would be on both sides. Mr. Barron said it will be on the west side, because that will get them to the park. MPT Berry asked what commitment they were willing to make to install flashing crosswalks. Mr. Barron said they were willing to hold that conversation and work with the town. Seniors are going to want that to get to the park. Council member Drees asked what the timeline for the project was, were it to be approved. Mr. Barron said about 12-18 months of permitting, and then construction starting in 2026, with the first Certificate of Occupancy issued in summer or fall of 2027. Council member Drees asked when the street would be realigned. Mr. Barron said at the beginning before homes are ever sold. Council member Deshazor asked if they were committing to making sure the intersection is aligned, and the signal is there before any homes are occupied and how long for the realignment. Mr. Barron said it would take 6-8 months. Council member Deshazor asked if they would commit to doing the construction during the summer to reduce the safety risk. Mr. Barron said he thinks Capeside will remain open while the construction of the realignment is constructed, and then closed after the new section is opened. Council member Deshazor asked if there was a sign at the stub on Harbor Fog Trail that says it is a future road extension. Ms. Jacobs said there is. MPT Berry asked if the realignment would be straight into the project. Mr. Barron said this is not an engineered drawing, but we would align it in a perpendicular manner and connect it in a way that does not impact anyone's property. MPT Berry asked if the realignment happening before the first Certificate of Occupancy could be added into the Developer Agreement.

John Schifano, Town Attorney, said it is in the Developer Agreement that it will be completed before the 1st building permit is issued. It is contained in the realignment.

Council member Deshazor brought up the tree preservation. Mr. Barron said we increased it by 25% as part of the Water Resource Policy. Council member Drees asked if it were possible to prioritize specimen trees. Mr. Barron said they have done what they can to prioritize trees on the street. Council member Drees asked him to speak to the traffic leaving through Capeside. Mr. Barron said there is a signal there and we expect that people will make their way to the signal and turn. Council member Drees asked if they had a calculation on the impact by their development on wait time at the light. Mr. Petty said he doesn't have the queue length, but it is anticipated that it would clear the queue each cycle.

There being no further input, Mayor Mayefskie closed the public hearing.

Council member Forrest asked about the status of Avent Ferry Phase 2 with the NCDOT. Ms. Jacobs said it is on the STIP for 2029. Randy Harrington, Town Manager, said Council needed to consider that the state is working through Hurricane Helene relief, which poses some risk to that timeline.

Council member Drees asked about the neighborhood center, and why that location was chosen. Mr. Taylor said it has been there for many years, even before the bypass. Intersections often serve as a place for people to meet needs on a daily basis. We did not request the developer for any specific commercial use. We asked them to evaluate what they could do. Council member Drees asked if a commercial use would require a pump station. Ms. Jacobs said not necessarily. If this developer is able to lower a few segments along Harbor Fog to get gravity feed, a commercial development could do the same. MPT Berry asked about enforcing the 55+ requirement. Mr. Schifano said it would be a deed restriction. MPT Berry asked about the fee-in-lieu and the proportionate impact. Ms. Jacobs said it was 5.1%.

Council member Forrest said that catty-corner from the schools we have 11 acres zoned commercial across from the neighborhoods. Mr. Taylor said it is designated Neighborhood Center, and it is also undeveloped. There is a stream running through the site which would limit development. It is also not yet rezoned. Council member Forrest said in theory you could have a site as big as the Harris Teeter in that area. He said there were a lot of problems at Ralph Stephens and Avent Ferry until they got the signal right. He thinks modernizing the intersection might be beneficial.

MPT Berry asked Mr. Schifano if the Developer Agreement was sufficient as is. Mr. Schifano said if you want something beyond a standard intersection design, I don't think it is adequate. But if you are looking at a regular trued up intersection that is what you have. MPT Berry said he was looking for creativity to increase visibility at the intersection. Mr. Harrington said there could be something like a higher level of visibility pedestrian crossing. We can work something like that. Council member Forrest said he hopes an improved intersection would reduce the illegal U-turns.

Mr. Harrington said when we discussed this several years ago, one of the issues with the angle of this intersection is a longer crosswalk. When you fix the angles, you will shorten the crosswalk which will make a safer crossing. Council member Forrest said NCDOT didn't want to do anything with that crosswalk because they were planning to realign that intersection when they widened the road in the future. So having this realigned sooner would be beneficial at that crosswalk. Mr. Harrington said it would enhance the level of safety.

MPT Berry said he would suggest that the motion on the development agreement include language to increase safety. He said that in 2015 a project came before Council and he, as a resident, worked to fight it. He said when the plan was reworked and commercial was recommended there, it was to limit the number of students living there because the Holly Grove Schools are capped. He mentioned other options we could have had and said they did not make it safer or more friendly. He said he is called to support this request because the road realignment and the sidepaths provide

benefit to the community. The density is capped at no more than 120 units, which is better than any of the other four projects he has seen over the last ten years.

Mayor Mayefskie asked if NCDOT's road widening included a realignment. Ms. Jacobs said it was not included.

Council member Drees said this is a difficult decision. This is the right development, but she doesn't think it is the right time. She has heard about the problems on Avent Ferry for her entire time in office and would like to see this move forward when we know we have the road widening in place.

Council member Deshazor said he struggled with this one. He doesn't think commercial is right for that site, especially if it doesn't realign the intersection. When you are working with NCDOT, things do not move quickly. If we wait, we will still have kids who can't cross the street. The realignment and the signals will improve safety for the children. He asked about the stub's signage, because when you have that you know it was not meant to be a cul-de-sac. This is the right thing for this spot of land at this time.

Council member Hewetson said she has gone back and forth on this. But to do nothing at this time would be to leave a dangerous intersection. We have an opportunity for the realignment with proper signalization and pedestrian crosswalks. Without this you have an unsafe intersection. This wasn't an easy decision, but she thinks the realignment is worth the loss of commercial. She asked about the small creek and stormwater impact. Ms. Jacobs said it is not directly related to the creek that was discussed. The stormwater management is valuable for removing nitrogen. Any Stormwater Control Measure would have to meet Town requirements and state requirements for stormwater.

Action 1: Motion to adopt Rezoning Ordinance RZ25-01 to adopt the Plan Consistency Statement, Statement of Reasonableness, and approve 24-REZ-03 Graham Wood Rezoning.

Motion: Berry

Second: Deshazor

Vote:

Aye: Berry, Forrest, Deshazor, Hewetson

Nay: Drees

The motion passed.

Action 2: Motion to approve the proposed Development Agreement with consideration from the Town Attorney and applicant's team to work through additional pedestrian safety.

Motion: Berry

Second: Forrest

Vote:

Aye: Berry, Forrest, Deshazor, Hewetson

Nay: Drees

The motion passed.

Action 3: Motion to approve Utility Allocation Request for Graham Wood for 27,285 GPD.

Motion: Berry

Second: Forrest

Vote:

Aye: Berry, Forrest, Deshazor, Hewetson

Nay: Drees

The motion passed.

Council took a short recess.

18. 24-REZ-04 Evans Property Rezoning

Grayson Taylor, Development Services, said this was a request to rezone 6200, 6202, and 6213 Windy Farm Lane. Having come in under the old process, this item went to Planning Board in February and is now before Council for the public hearing. He showed the location of the property and said that it is designated Mixed Residential on the Land Use and Character Plan and zoned Rural Residential. The applicant is seeking a zoning of Neighborhood Residential Conditional Zoning District, and Neighborhood Center Residential Conditional Zoning District. He reminded the audience of the purpose of a conditional district rezoning.

Mr. Taylor showed the evolution of the project from the first submittal in May of 2024 to the present. He said the applicant is proposing 65 detached dwellings and 87 attached dwellings for both districts of the approximately 53-acre property. He outlined the applicant proposed standards regarding density, lot width, minimum frontage, and façade standards. He outlined the design goals and said the project provides variety in housing types and development patterns, and efficient, aesthetic, and desirable use of open space.

Elliot Blonshine, Development Services, said the site can be served by public water and sewer with connections to the Honeycutt pump station. He said that since the agenda packet as published, the applicant has agreed to adhere to the Water Resource Management Policy with EnergyStar Green building standards, and an increase of 25% of active recreation, a proposed sewer easement for the benefit of nearby development access to Honeycutt Farm Pump Station, and public art in the proposed roundabout. He said there was sufficient allocation available to support this project.

Mr. Blonshine said that transportation improvements include road widening of Cass Holt Road and Honeycutt Road along the property frontage, as well as access points onto Rouse Road and Cass Holt Road. The parcel does not have land along Rouse Road but is acquiring an easement to connect to Rouse Road. He discussed the sidewalk at Addison, and said they explored extending that sidewalk, but there are obstacles. The developer will continue working with staff on this. He said the interior road will serve as a collector road because there is no driveway access off it. The Transportation Impact Analysis studied ten intersections along Cass Holt, Rouse, Honeycutt, Piney Grove Wilbon, and Avent Ferry Roads.

Mr. Taylor said that changes since the Agenda Packet was published include the applicant's alternative adherence to the Water Resource Management Policy, by building to EnergyStar Green Building standards, increase active recreation space by 25%, providing public art in the proposed roundabout, and providing a sewer easement for the benefit of nearby development access to the Honeycutt Farm Pump Station. He said that staff believes the proposed Conditional Zoning District meets Town expectations for a Mixed Residential Neighborhood Character Area, and the objectives of the Town Comprehensive Plan. The proposed rezoning is consistent with Town plans and policies and staff recommends approval.

Planning Board representative Thomas Urquhart said that the Planning Board recommended approval of both consistency and rezoning with a vote of 8-0, with one absence. He outlined the discussions held. He said they asked about where construction traffic would be directed and what damage would be caused to Rouse Road. There were also questions about workforce housing, and school capacity.

Council member Deshazor asked him to elaborate on the discussion around the house on Cass Holt Road. Mr. Blonshine said currently the widening associated with this project would be on the other side of the road. Traditionally, road widening is symmetrical with the center line. If that were to occur that house would need to be moved or demolished. In order to widen Cass Holt to its full cross section, it would need to be asymmetrical, similar to what was done at Regan to protect the church. Those details of that widening aren't provided at the rezoning level. If we get into major subdivision, that is where those specific details will be worked out to see if we are doing a truly asymmetrical widening. Because of the way Addison West did their improvements, this project is already having to do most of the widening on their side. We are aware of the house but the decisions will happen at major subdivision.

Council member Deshazor said if we rezone this, the wheels are in motion, so this is the time to have this discussion. As part of the TIA the road widening is only on that side, but eventually it will affect the house. Laura Holleman said the applicant would address that.

Mayor Mayefskie opened the public hearing and the following input was received:

Laura Vance, 5304 Barclay Dr., Raleigh, said she grew up at the house on Cass Holt Rd and her parents, retired teachers, still live there. She said this is one of the last opportunities to find a way to save her parents' home. They want to stay there. The plan is to widen Cass Holt to four lanes with a median and if that happens, it will go through her parents front porch – their house will be destroyed. She thought this was an opportunity to realign the widening into what is now an open field. Her parents have known for 10 years that the widening was coming, and it affects every decision they have to make about their house. Having some sort of certainty, to feel like they can stay in their home, would bring them peace. To say they can plant their garden the way they would if they knew they could stay there for 20 years. She wants to work with the developer to move the road widening so her parents can keep their home.

Laura Holloman, speaking for the applicant, said this isn't a process they take lightly. It has taken over a year to review. But the intent of this project has not changed. As part of that, Mixed Residential neighborhood took shape. That is why there are townhomes. There are adequate transitions between neighborhoods. Apartments and condos don't make sense on this parcel, but townhomes do. As we transition out, we go to detached homes. The Evans family has lived in this section for a long time. They specifically carved out this property to be able to stay if they want. This is why the existing pond will be carved out and remain a pond. It utilizes existing cleared farmland. This also sets up nicely for tree preservation, and buffers between subdivisions. In terms of infill, with Honeycutt next door, they built a regional pump station, which is what the town wants because it is less for them to maintain over time. This is the first to join the Honeycutt pump station. This was set up specifically for that pump station. Additionally, Honeycutt Farms developed a greenway, and this project would connect to that. There will be sidewalks throughout the subdivision. In terms of active open space, they are working with staff to increase the areas as part of their Water Allocation, along with the public art in the roundabout. Finally, she said she wanted to speak to the question of the existing house on Cass Holt Road. They are planning on an asymmetrical road widening, to bear the full brunt, so that the house is saved. Nate Bouquin with McAdams, said they looked at a concept of what that widening would look like. NCDOT has strict transition requirements, so they sketched it out to verify that they were able to dedicate the right-of-way on their property to make sure that they can widen the road without affecting that house. Mr. Bouquin said there is an existing curve, he showed where the road would be shifted and tied back in near the signal to bear the majority of the widening on their side of the property. Council member Drees asked if the curve would require a speed change. Mr. Bouquin said it would not. They worked to make sure the curve was sufficient to be the same speed.

John Schifano, Town Attorney, asked if the applicant was willing to make the asymmetrical road widening a zoning condition. Ms. Holloman said yes, they were willing.

There being no further input, Mayor Mayefskie closed the public hearing.

MPT Berry said the top part on Honeycutt Rd is an hourglass road because it was only widened on the frontage of Honeycutt Farms. This development is coming in and proposing no meaningful road widening on Honeycutt, only the little bit. So they are creating another bottleneck, and there is no widening on Rouse Rd. He thinks this is not enough road widening for this project. He said five units per acre is too dense for this area with no road improvements. This is why we have the Water Resource Policy, which pushes us to look for improvements for all our residents, not just the ones who will live here. He thinks the options being added are not enough to push this to a priority 1 on the WRP. He thinks it is a priority 2.

Council member Deshazor asked if MPT Berry was seeking more road widening. MPT Berry said it would help. Council member Hewetson asked what the distance is between the Honeycutt widening that exists, and this proposed widening. Staff said it was about .4 of a mile from the last Honeycutt widening to Cass Holt Rd. Council member Forrest asked if MPT Berry would like to ask the developer to offer this. MPT Berry said they would if they wanted to. Council member Deshazor asked the applicant if they would consider this. Jason Barron said they do not have the ability to make any further commitments with regard to road improvements. They cannot control the sites on Honeycutt and there are streams that make road improvements very expensive in that area. At this point they do not have the ability to make any further improvements. MPT Berry said that would then be an unfunded tax payer liability. He said he voted against the land use plan in 2019 because the area's infrastructure cannot support this density.

Action 1: Motion to adopt Rezoning Ordinance RZ25-02 to adopt the Plan Consistency Statement, Statement of Reasonableness, and approve 24-REZ-04 Evans Property Rezoning, with the applicant proposed voluntary conditions.

Motion: Deshazor

Second: Hewetson

Vote:

Aye: Deshazor, Hewetson, Drees

Nay: Forrest, Berry

The motion passed.

Action 2: Motion to approve Utility Allocation Request for Evans Property for 38,760 GPD.

Motion: Deshazor

Second: Hewetson

Vote:

Aye: Deshazor, Hewetson, Drees, Forrest

Nay: Berry

The motion passed.

19. Voluntary Annexation A24-05 0 Friendship Road

Sarah Sularz, Development Services, said the Town received a petition for annexation of 1.54 acres in the 4500 block of Friendship Road. The property is contiguous with the town limits and meets all statutory requirements for annexation.

Mayor Mayefskie opened the public hearing and the following input was received: none.

There being no input, Mayor Mayefskie closed the public hearing.

Action: Motion to adopt Annexation Ordinance A24-05 to approve annexation.

Motion: Deshazor

Second: Forrest

Vote: unanimous

20. Semiannual UDO Text Amendments 25-UDO-01

Cheryl Caines, Development Services, said this item was to conduct a Public Hearing on proposed Unified Development Ordinance (UDO) amendments. This item will be heard under the new process where the public hearing is held, then it will go to Planning Board, and then to Council for a

decision on the April 15th meeting. She said that 80% of the proposed amendments are clarifications or corrections. They consolidate encroachment allowances into one chapter, clean up definitions related to front, side, and rear yards, clarify and correct use development standards, update Public Parkland Dedication and Fee-in-lieu language, and make other technical corrections and clarifications. She outlined the history of Council's discussions on this matter. She said minor changes include consolidating encroachment allowances from two Chapters into one; clearing up inconsistencies to clarify allowances in front, side, corner side, and rear yards. She said the amendments implement changes accepted at the November 12, 2024 Council workshop, which update Public Park Land Dedication & Fee-in-Lieu methodologies with calculations considering unit type, and the inclusion of improvement costs in the Fee-in-Lieu.

Mayor Mayefskie opened the public hearing and the following input was received: none.

There being no input, Mayor Mayefskie closed the public hearing.

Action: Motion to forward the proposed Unified Development Ordinance amendments to the Planning Board for review and recommendation.

Motion: Forrest

Second: Hewetson

Vote: unanimous

UNFINISHED BUSINESS

21. Ethics Policy Updates

John Schifano, Town Attorney, said this item was to consider revisions to the ethics policy to bring it in line with federal requirements regarding who is barred from receiving benefit or interest in the covered person's town-related work. He outlined the changes made at Council's suggestion to replace "campaign activity" with "political activity" and "council" to "governing board" to ensure that the mayor is included in the definition. He said some good comments on additional changes were received, but if Council is ok with these changes his recommendation is to approve this so we are in compliance for our ARPA grant, and bring revisions back at a future workshop.

Action: Motion to approve Policy P-021.4, revisions to the code of Ethics and Conduct for Town Officials.

Motion: Drees

Second: Forrest

Vote: unanimous

Public Comment: At this time, an opportunity was provided for members of the audience who had registered to speak to address the Council.

The following public comments were received in writing: none

The following public comments were received in person: none

OTHER BUSINESS

Council member Deshazor said it is Women's History Month and he recognized all the women. The greenway ribbon cutting for the new greenway was Monday and he said residents are very excited about it and pleased with staff response.

Council member Hewetson said that on Saturday we are celebrating Arbor Day at the Cultural Center with the planting of a tree at 9:30 am.

Council member Drees said this is Creek Week and the litter pickup starts Saturday and there is a virtual walk online. She said Senior Spotlight is a senior newsletter full of resources, check it out online. She reminded the public that Parks and Recreation Advisory Committee and Tree Advisory Committee are accepting applications through April 7th.

Council member Forrest asked if our environmental team could evaluate the creek in Holly Glen and Braxton Village to define the issue. Mayor Mayefskie asked if Council wanted to see that. Council member Hewetson asked if it was town property, rather than HOA or personal property. If so, yes. Randy Harrington, Town Manager asked for clarification on what Council is asking for. Council member Forrest said he wanted a report to define the scope of the problem set. Who owns the property? Is it flooding? If so, we should help our residents figure it out. But we need to understand the scope of the issue first, in the spirit of Creek Week.

Council member Forrest said the Citizens Academy is going on. We are having discussions on having a Teen Citizens Academy for a four to six hour exploration. Explorers of the local Scouting America would like to sponsor it, vet people, get them here, so staff isn't bearing the burden. It provides opportunities for teens to understand that there are career opportunities in local government that they could pursue. He would like Council's concurrence on sponsoring something on a Saturday. It would be advertised through guidance counselors. The Explorer Program is about showing teens what occupation opportunities exist so that they know what is available to them. Council member Deshazor asked who would be responsible for writing the content. Mr. Harrington said the purpose is to excite youth about jobs in local government. The thought would be a weekday, shadowing employees, giving students the chance to visit several different departments to see what life is like in that department. It would not be as in depth as the Citizens Academy. MPT Berry asked if we were approached or if we went out looking. Council member Forrest said we were approached and we would be the first local government to participate. MPT Berry said if we are going to commit Town resources he wants to make sure that it is not outside of the bounds. Mayor Mayefskie said he thinks it's a good idea, but his concern is, what if the Girls Scouts had something, and then some other civic group, how much staff time are we committing? Council member Drees asked if you have to be a scout to attend. Council member Forrest said it is advertised through guidance counselors, not through the scouting program. Council member Deshazor asked if they would need to be Holly Springs residents. Council member Forrest said we could limit it, but right now it's county wide. Council member Deshazor said we are using Holly Springs resources, so it should be for Holly Springs residents. Council member Forrest said we have five high schools that serve Holly Springs. How do we limit it to residents? Or do we allow any student from those five high schools? Council member Drees asked if we could prioritize Holly Springs residents. Council member Hewetson asked if that could be done, or would you have to prioritize those five high schools. She said our staff isn't all from Holly Springs, they aren't even all from Wake County. If we're trying to attract future employees. Council member Deshazor said Council should give direction tonight and then work out the details at a workshop. Council member Drees asked if Mr. Harrington was comfortable with that use of staff resources. Mr. Harrington that is why in conversations with Council member Forrest, they talked about the importance of bringing it to the whole Council. I have been upfront about where staff has the capacity to support this, and where they don't. It needs to be on a weekday, and our staff needs to not have the responsibility of organizing it and getting students here. If Council blesses it going forward, I would suggest we don't need a workshop, just give us the authority to move forward and we will work out the details.

MPT Berry said Winward Point reached out about the gas line construction. Is there anything to report back on the repair of the signage that they tore up? Mr. Harrington said this is a NCDOT right-of-way and the Town doesn't have the jurisdiction. We have met with the HOA and gone onsite. He will have to check with staff and get back to them, because he doesn't have the information. John Schifano, Town Attorney, said we will impact the sign with our road widening project. We tasked an

appraiser to evaluate what was there, but it will be a long while before it is replaced, because of the road widening. Mr. Harrington said it doesn't make sense for the gas company to rebuild the entrance monument because it will be torn down again in about a year, but we have been working with the HOA.

MPT Berry said that on the Main St. Visa project he is hearing that dirt and debris brought out in the road. Is there anything we can do? Mr. Harrington said we can have our construction inspectors follow up, remind, and educate them, if need be, on what needs to be done.

MPT Berry said as far as the process goes with our meetings, we should look at some process updates that if development teams don't have their act together before the agenda cut off, they get punted to the next meeting. Material changes in terms and conditions of agreements or commitments a few hours before the meeting is not workable. We need to keep them to the same standards as staff so that Council has time to review things. There was consensus.

MPT Berry said a semi-truck has been parked on the side of Piney Grove Wilbon for days. You can't see when you pull out of Garrison, and it is dangerous. Please reiterate with the Chief the interest of residents in getting this moved.

Council member Drees said we have seen what is going on at Winward Point and would like to have more coordination between projects. Mr. Harrington said he agrees, and hopes that our partners feel the same way, but sometimes we are not notified. Council member Drees asked if we could look for check points or opportunities to check in to manage projects more efficiently. Mr. Harrington said we do have regular meetings with NCDOT and that is something that we can bring up.

MANAGER'S REPORT

Randy Harrington, Town Manager, said Wake County Commissioners made a decision this week about the reassessment of property values. Only Counties are authorized to assess property value in North Carolina. By law they must do this at least every 8 years. On Monday the Commissioners asked the tax assessor to begin a transition of the frequency of property revaluations, from every 4 years, to at first a 3 year to 2027, and then every 2 years starting in 2029. As we hear more, we will get that information to you. MPT Berry asked if we received any notification of this. Mr. Harrington said a few weeks ago the Wake County Managers heard that the tax assessors were going to go to the Commissioners to talk about it, but not that the Commissioners were going to take action.

CLOSED SESSION: Council went into closed session pursuant to N.C.G.S. 143-318.11(a)(4) to discuss two Economic Development projects, with a motion by MPT Berry a second by Council member Forrest and a unanimous vote.

Motion to leave closed session was made by MPT Berry with a second by Council member Forrest and a unanimous vote.

Adjournment: Council member Deshazor made a motion to adjourn at 10:26 pm. It was seconded by Council member Hewetson and passed with a unanimous vote.

Respectfully submitted on Tuesday, April 15, 2025.



Linda C. McKinney, Town Clerk

Addenda pages as referenced in these minutes follow and are a part of the official record.



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 8.

Consent Agenda

Title: Monthly Budget Amendments and Grants

Strategic Priority Area: Growth Management & Economic Vitality

Staff Resource: Corey Petersohn, Budget, Innovation, and Strategy

Action(s):

Approve the following amendments and adopt associated ordinances:

- Amendment 1 - Middle Creek Restoration
 - Accept a \$200,000 grant from the Division of Water Resources (DWR) of the North Carolina Department of Environmental Quality (NCDEQ) for the Middle Creek Restoration Stormwater Project.
 - Adopt the Grants and Special Revenue Fund Ordinance (25-08)

Explanation:

- Town Council approval is required for any amendments that increase the total appropriation of transfer of funds greater than \$50,000 between departments:
 - Amendment 1 - Middle Creek Restoration Stormwater Project: this ordinance will appropriate \$200,000 in grant funding as well as \$300,000 in Stormwater Reserves for a total project budget of \$500,000.
 - This project located just east of the Arbor Creek Neighborhood (off Anchor Creek Way) will stabilize and restore over 260 linear feet of eroded stream bank, plant and seed 0.76 acres of riparian buffer, and reconstruct an erosion control device to better control stormwater runoff.
 - The project will prevent erosion that threatens the stability of nearby homes, a sewer line, and contributes sediment into Middle Creek.
 - Earlier this fiscal year, the Town was awarded a \$200,000 grant from the Division of Water Resources at the NC Department of Environmental Quality (NCDEQ) for the Middle Creek Stormwater Project.
 - Next month, staff anticipate bidding the construction element of the project.
 - Staff are requesting that Town Council establish the project budget now in advance of the bid, which will enable staff to negotiate the contract with the lowest responsible bidder should their bid exceed the established project budget.
 - Staff anticipate bringing the winning bid for approval back to Council in May.
 - The Grants and Special Revenue Ordinance (25-08) appropriates all funds for all projects included within the fund (see Ordinance Summary attachment).

Background:

- The Middle Creek Restoration Stormwater Project was originally intended to be included in the Fiscal Year 2024-2025 Community Investment Plan (CIP), but was removed by staff pending the application for the NCDEQ Grant.
- If the grant was not awarded, staff intended to reassess and reduce the scope of the project.
- In October, the staff received notification of receiving the \$200,000 grant.
- Staff have finalized design and engineering estimates in advance of bidding the project later this month.

Funding Source(s):

Community Investment Plan - Grants / Stormwater Reserves

Attachment(s):

1. Award Letter - Middle Creek Stream Stabilization
2. Summary of GSR Ordinance Changes for April 15 2025
3. Grants and Special Revenue Ordinance (25-08)

ROY COOPER

Governor

MARY PENNY KELLEY

Secretary

RICHARD E. ROGERS, JR.

Director



NORTH CAROLINA
Environmental Quality

October 25, 2024

Tina Stroupe, Finance Director
Town of Holly Springs
P.O. Box 8
Holly Springs, NC 27540

Dear Ms. Stroupe,

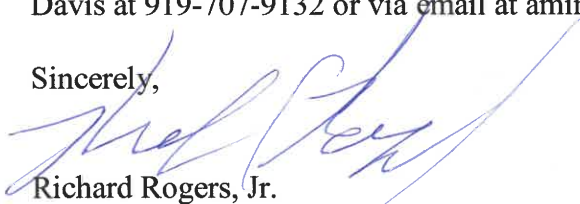
The Division of Water Resources (DWR) of the North Carolina Department of Environmental Quality (NCDEQ) is pleased to announce that **\$200,000** in financial assistance for a project located in your jurisdiction has been approved by the State of North Carolina.

We congratulate the Town of Holly Springs on its sponsorship of the **Middle Creek Stream Bank Stabilization Project**. This grant will provide financial assistance to stabilize and restore over 260 linear feet of severely eroding stream bank, plant and seed 0.76 acres of riparian buffer and reconstruct a non-functioning level spreader to better control stormwater runoff. Your ongoing efforts to improve the condition of water resources in your jurisdiction are to be commended.

DWR will be contacting your staff concerning the administrative requirements, including the signing of a grant contract with the State, for the use of state funds for this project. This award letter is not a guarantee of funding, and the issuance of any contracts is subject to funding availability. Please see the *Contract Modifications* section of our *State & Local Projects Fall 2024 Guidelines* if the project scope has been impacted by Hurricane Helene.

We look forward to working with you on this project. If you have questions, please contact Amin Davis at 919-707-9132 or via email at amin.davis@deq.nc.gov.

Sincerely,



Richard Rogers, Jr.
Director, Division of Water Resources

ECc: Carrie Kennedy, Town of Holly Springs
Amin Davis, Division of Water Resources
Joseph Myers, Division of Water Resources



North Carolina Department of Environmental Quality | Division of Water Resources
512 North Salisbury Street | 1617 Mail Service Center | Raleigh, North Carolina 27699-1617
919.707.9000

Summary or Ordinance Changes for April 15, 2025, Town Council

Grants and Special Revenue Fund Project Ordinance

Current Grants and Special Revenue Ordinance Appropriation	\$5,816,116
Middle Creek – Stormwater Reserves	\$300,000
Middle Creek – NCDEQ Grant	\$200,000
Grants and Special Revenue Ordinance (25-08)	\$6,316,116



Ordinance No. 25-08

Date Submitted: April 15, 2025

Date Adopted: April 15, 2025

**Grants and Special Revenue Fund Project Ordinance
HOLLY SPRINGS, NORTH CAROLINA**

BE IT ORDAINED by the Town Council of Holly Springs, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

SECTION I: The project authorized by this ordinance consists of general government projects funded by donations, grants, and local, state, and federal restricted funds.

SECTION II: The officers of this unit are hereby directed to proceed with the capital project within the terms of the budget contained herein.

SECTION III: The following amounts are appropriated for the project funds effective April 15, 2025

Grant and Special Revenue Fund	
Expenditures:	
Code Enforcement	2,816,041
General Government	2,401,011
Stormwater	500,000
Police	452,581
Parks and Recreation	103,983
Development Services	25,000
Public Works	12,500
Fire	5,000
Total	6,316,116

SECTION IV: The following revenues are anticipated to be available to complete these projects:

Grant and Special Revenue Fund	
Revenues:	
Transfers from General Fund	3,234,347
State Grants and Intergovernmental Funds	2,336,889
Miscellaneous Revenues	365,675
Federal Grants and Intergovernmental Funds	379,205
Total	6,316,116

SECTION V: The Finance Officer hereby directed to maintain within the project funds detailed accounting records.

SECTION VI: The Budget Officer is directed to include a detailed analysis of the past and future costs and revenues on this capital project in every budget submission made to the Town Council.

SECTION VII: The Town Manager or designee is authorized to amend expenditures within the fund for expenditures that are authorized per section I of this ordinance that do not change the total appropriation within the fund.

SECTION VIII: Copies of this capital project ordinance shall be furnished to the Clerk to the Town Council, and to the Budget Officer and the Finance Officer for direction in carrying out this project.

SECTION IX: All ordinances in conflict with this ordinance are hereby repealed or amended to reflect the controlling nature of this Ordinance.

The provisions of this ordinance shall become effective April 15, 2025, in accordance with the laws of the State of North Carolina.

Adopted this, the 15th day of April 2025.

Town of Holly Springs by

Sean Mayefskie, Mayor

ATTEST:

Linda McKinney, Town Clerk





Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 9.

Consent Agenda

Title: Hunt Recreation Center HVAC Replacement

Strategic Priority Area: Vibrant Community
Organizational Excellence

Staff Resource: Bhavi Joshi, Kimberly Keyes, Utilities and Infrastructure

Action(s):

- Approve the Newcomb and Company contract to replace and install two chiller units and provide a 200-ton temporary chiller for six months at W.E. Hunt Recreation Center, for a total of \$419,435.00
- Authorize the Town Manager to approve any additional contracts and contract amendments that are necessary to deliver the project that are within the Council-approved project budget and consistent with the project scope.

Explanation:

- The Public Works Facility Maintenance staff have identified the Hunt Center Chiller unit is at a high risk of failure, is currently barely function, and the units have exceeded their life expectancy.
- A 22-week lead time for new chillers necessitated the prompt hiring of an HVAC contractor to prevent the downtime during spring and summer events planned for the Hunt center. The Public Works Department recommended Newcomb and Company for chiller replacement.
- To ensure uninterrupted operation at the Hunt Center during the 22-week lead time, Newcomb and Company will install a temporary chiller. This minimizes programming disruption and frequent repairs required to maintain occupant comfort. The repair of the existing chillers was deemed impractical due to their age and unpredictable failures.
- While awaiting the new chiller, Newcomb and Company and CMS Controls will assess the entire HVAC system. Tasks include testing, calibration and identifying component replacements to ensure optimal performance of the new chiller and reduce strain on existing equipment. Completion of the assessment is expected by April 25, 2025.
- Newcomb and Company will install a temporary chiller to ensure the Hunt center remains operational while awaiting the replacement unit. These proactive steps help prevent facility downtime during the spring and summer, ensuring scheduled activities and events proceed without disruption.
- Newcomb's contract total is \$419,435, which includes \$87,500 for five months of 200-ton air-cooled chiller rental prior to the actual HVAC replacement due to the high likelihood of failure of the existing system during the upcoming warmer months plus \$331,935 for two new air-cooled chillers (materials and labor) and one month of 200-ton air-cooled rental

chiller during the actual replacement/construction period.

Background:

- At the February 6-8, 2025 Mayor and Council Retreat, the Public Works facilities team shared immediate facility maintenance needs that included a \$500,000 request for the Hunt Center HVAC replacement and a recommended approach to fund the replacement.

Funding Source(s):

- Community Investment Plan - General Fund Unassigned Fund Balance

Attachment(s):

1. Contract for PURCHASE OF ASSETS - Formal Bid - Newcomb - Chiller replacement Hunt Center



CONTRACT TO PURCHASE ASSET(S) FORMAL BID

THIS AGREEMENT dated _____, between the **Town of Holly Springs**, North Carolina, for itself and its Successors & Assigns (hereinafter called the "Town") and **Newcomb and Company** (herein after called the "Vendor").

Town hereby desires to enter into a contract for the purchase of certain assets with the Vendor and the Vendor agrees to enter into this contract and deliver the assets to the Town as set forth below or as stated in **Exhibit A**, in the manner and time hereinafter described, and both parties do hereby agree as follows:

SERVICES OF VENDOR

The assets to be purchased are described in **Exhibit A** (the "Quote") as attached hereto and incorporated by reference. Vendor agrees to employ such personnel as may be needed to secure, make, and deliver the assets in the manner and time prescribed herein. Such personnel shall be employees of the Vendor and said Vendor shall be an independent Vendor of the Town.

BRIEF SUMMARY OF PURCHASE(S) AND/OR SERVICE(S): This is a one-time service contract for the replacement of the chillers in the Hunt Center HVAC system, which also includes rental of temporary chillers and any repairs/service needed to ensure remaining components will work with the new chillers, as further described in Schedule 1 of **Exhibit A**.

TOWN'S RESPONSIBILITIES

The Town shall make available the facilities to the Vendor, as necessary to complete delivery and/or installation of assets, and shall not impede the work of the Vendor, except as necessary. Any additional Town responsibilities shall be listed in **Exhibit A**.

BIDDING COMPLIANCE:

The Town shall comply with the bidding laws of the State of North Carolina. Failure to do so shall make this Contract void. The Town's Contract Manager for this Contract is:

Bhavi Joshi, Utilities & Infrastructure (Name, Department)
Email: bhavi.joshi@hollyspringsnc.gov
Phone: (919) 557-2910

For purchase \$90,000 and above, formal (public) bidding is required.

The Contract Manager certifies that public bidding has taken place.

OR

The Contract Manager certifies that an exception to public bidding applies. The exception is: a special emergency pursuant to N.C.G.S. 143-129(e)(2). A Declaration of Emergency was made by the Director of Utilities & Infrastructure on March 6, 2025, which is attached and incorporated by reference at **Exhibit D**.

Contract Manager **Date Signed:**
Printed Name: Bhavi Joshi

Department Head/Supervisor **Date Signed:**
Printed Name: Kendra Parrish

PAYMENT

The Town shall pay the Vendor the contract sum in the following manner:

___The Vendor shall provide the Town with an invoice upon the receipt of the goods described in **Exhibit A**, which the Town shall have thirty (30) days to pay.

OR

X Description of Alternative Payment Terms:

The Contract total is not to exceed **\$419,435.00**. The base contract includes removal of the older chillers and installation of new chillers and one month of rental chiller charge (**\$331,935.00**), plus an additional five (5) months of rental chillers at the rate of \$17,500.00 per month (**\$87,500.00**) exclusive of tax.

TIME AND MANNER FOR PURCHASE OF ASSETS

The times and manner for the purchase of the assets subject to this Contract are set forth in **Exhibit A**, or as otherwise set forth below:

As soon as possible.

All ownership terms shall be F.O.B. 128 S. Main Street, Holly Springs, NC 27540, unless the Town's Contract Administrator specifies a different delivery address below:

W.E. Hunt Center, 301 Stinson Avenue, Holly Springs, NC 27540.

GENERAL CONSIDERATIONS

1. Standards of Performance.

- 1.1** The standard of care for all services performed or furnished by Vendor under this Agreement will be the care and skill ordinarily used by members of the Vendor's profession practicing under similar circumstances at the same time and in the same locality.
- 1.2** Vendor represents that, prior to submitting the Bid and executing this Contract, Vendor became and remains thoroughly acquainted with all matters relating to the performance of this Contract, all applicable laws and all of the terms and conditions of this Contract. All Services under this Contract shall be coordinated under and performed to the satisfaction of the Town Contact. Town is authorized to withhold payment of any funds under this Contract until complete delivery and/or installation of assets as described in Exhibit A.
- 1.3** Vendor shall be responsible for the technical accuracy of its services and documents resulting therefrom, and Town shall not be responsible for discovering deficiencies therein. Vendor shall correct such deficiencies without additional compensation except to the extent such action is directly attributable to deficiencies in Town furnished information.
- 1.4** Vendor and Town shall comply with applicable Laws or Regulations and Town mandated standards. This Agreement is based on these requirements as of its Effective Date. Changes to these requirements after the Effective Date of this Agreement may be the basis for modifications to Town's responsibilities or to Vendor's scope of services, times of performance, or compensation.
- 1.5** Vendor is an independent Vendor of the Town. The Town and the Vendor mutually agree to indemnify and hold harmless each party from any claims of negligence brought forth. Vendor is familiar with the property and its condition.

2. Warranty.

- 2.1** Vendor knows and understands the purpose to which the assets are being purchased by the Town. Vendor hereby warrants that the materials that are the

subject of this contract are fit for the purpose intended by the Town, and agrees to warrant good craftsmanship for a period of not less than 1 year, or any term longer stated in **Exhibit A**. In the event of any contradictory language in **Exhibit A**, this language shall apply. If the Vendor offers any additional warranties, they shall be included as **Exhibit C**.

3. Term and Termination.

3.1 The term for this contract is until receipt of the good(s) described in **Exhibit A**, or one (1) year, whichever is shorter.

3.2 The mutual obligations of the Parties contained in this Agreement may be terminated:

3.2.1 For cause by either party upon 30 days written notice in the event of a failure by the other party to perform in accordance with the terms hereof.

3.2.2 For failure to consistently satisfy the Standards of Performance in the opinion of the Town Contract.

3.2.3 Upon mutual agreement.

4. Controlling Law.

4.1 This agreement is to be governed by the law of the State of North Carolina.

4.2 Venue and jurisdiction are proper in the 10th Judicial District of North Carolina (Wake County).

5. Notices.

5.1 Any notice required under this Agreement will be in writing, addressed to the appropriate party at its address below, or given personally, or by regular, registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of the receipt.

5.1.1 For the Town:

Bhavi Joshi, Project Manager	(Name, Title)
Utilities & Infrastructure	(Department)
P.O. Box 8	(Address)
Holly Springs, NC 27540	
(919) 557-2910	(Phone)
Bhavi.joshi@hollyspringsnc.gov	(e-mail)

5.1.2 For the Vendor/Vendor:

Scott McMillian,	(Name, Title)
Newcomb and Company	(Company)
3000 Comfort Court	(Address)

Raleigh, NC 27604

(919) 862-3000

smcmillian@newcombandcompany.com

(Phone)

(e-mail)

6. Severability.

6.1 Any provision or part of the Agreement held to be void or unenforceable under any Laws or Regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Town and Vendor, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

7. Waiver.

7.1 Non-enforcement of any provision by either party shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement.

8. Attorney's Fees.

8.1 In the event of a breach of this Agreement, the substantially prevailing party shall be entitled to an award of reasonable attorney's fees and costs relating to compelling performance under this Agreement.

9. Insurance & Indemnification Requirement.

9.1 The Vendor will be providing installation services on Town property or for Town assets, and the Vendor shall provide general liability insurance for a minimum of \$1,000,000 per occurrence, \$2,000,000 aggregate, and an umbrella policy for at least \$5,000,000 for the complete term of the contract. Additionally, the Vendor shall supply workman's compensation insurance coverage to all employees within the statutory limits. If this requirement is triggered, then the Vendor shall provide a Certificate of Insurance, naming the Town as an additional insured entity for so long as required to complete the installation, which Certificate is attached as **Exhibit B**. Any acceptance of lower insurance limits must be authorized on the Exhibit B cover page.

9.2 The Contractor agrees to waive any and all claims against the Town from itself or its employees arising from work performed by the Contractor pursuant to this Contract, except for claims related to non-payment of amounts. The Contractor shall protect, defend, indemnify and hold the Town and its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees, or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings, or causes of actions of every kind and character in connection with or arising out of this Agreement and the Contractor performance hereof, that are proximately caused by the negligence, willful or wanton conduct, or breach of contract relating to the Contractor's work in under this Agreement or any addendums or modifications thereto, except to the extent that the same are by the negligence or willful misconduct of the Town. For such claims, the Contractor/Licensee further agrees to

investigate, handle, provide defense for and respond to, any such claims at its sole expense and agrees to bear all other costs and expenses related thereto, even if such claims are groundless, false, or fraudulent.

10. Prohibition Against Sex Offenders.

10.1 In the event that Vendor or its employees are being granted access to the Town's Park system and/or Town Facilities (collectively "Facility") during hours of operation. Vendor hereby agrees that it shall not employ or otherwise allow to perform any aspect of the Contract any person who is a registered sex offender for any scope of work requiring such employee or Vendor of the Vendor to access any area of the Facility. Vendor shall have an affirmative duty to ensure compliance with this section by checking the state and national registry for sex offenders against any employee, agent, Vendor, subcontractor, officer, director, or any person that shall in any way perform under this contract. Vendor shall check the registry initially and periodically during the term of the Contract as often as necessary to ensure compliance with this section at all times. Vendor additionally agrees to indemnify and hold the Town harmless for any act or omission that may arise out of the operation of the Contract, the ACP, or any parole agreement among the parties that arise from, directly or indirectly, the Vendor's failure to ensure compliance with this section. This indemnification includes a duty to provide a legal defense.

11. Independent Vendor.

11.1 Vendor's status shall be that of an independent Vendor and not an agent, servant, employee, or representative of Town in the performance of the Services. Vendor shall exercise independent judgment in performing duties under this Contract and is solely responsible for setting working hours, scheduling or prioritizing the workflow and determining how the work is to be performed. No term or provision of this Contract or act of Vendor in the performance of this Contract shall be construed as making Vendor the agent, servant or employee of Town, or making Vendor or any of its employees eligible for the fringe benefits, such as retirement, insurance and worker's compensation, which Town provides its employees.

11.2 Vendor's Control Over Services Provided for Installation. Vendor shall retain the unqualified right of control over the means, manner and methods by which the Installation is performed, and the right to perform such services at the locations and times as required to complete said installation of asset(s), and as approved by the Town. Vendor shall be responsible for providing all equipment, materials and supplies that Vendor determines are needed to timely complete the Installation.

11.3 The Vendor agrees to waive any and all claims against the Town from itself or its employees arising from materials supplied, delivery by the Vendor and work performed by the Vendor pursuant to this Contract and to protect, defend, indemnify and hold the Town and its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees, or other expenses or liabilities of every kind in character and arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings, or causes of actions of every kind and character in connection with or arising directly or indirectly out of this Agreement and/or the performance hereof.

The Vendor/Licensee further agrees to investigate, handle, provide defense for and respond to, any such claims at its sole expense and agrees to bear all other costs and expenses related thereto, even if such claims are groundless, false, or fraudulent.

12. Non-Discrimination.

12.1 As a condition of this Contract, Vendor covenants that Vendor will take all necessary actions to insure that, in connection with any operations under this Contract, Vendor, its officers, employees and subcontractors will not discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, religion, national origin, age, sex, sexual orientation, or handicap unrelated to job performance, either directly, indirectly or through contractual or other arrangements. Vendor shall also comply with all applicable requirements of the Americans with Disabilities Act, 42 U.S.C.A. §§12101-12213, as amended. In this regard, Vendor shall keep, retain and safeguard all records relating to this Contract or work performed hereunder for a minimum period of three (3) years from final Contract completion, with full access allowed to authorized representatives of Town, upon request, for purposes of evaluating compliance with this and other provisions of the Contract.

13. Vendor's Employees.

13.1 Vendor agrees and consents that the Town is allowing access to the Vendor to both publicly used and private sensitive Town facilities. Vendor, and any employee, agent, subagent, volunteer, or any person authorized to act on behalf of the Vendor shall maintain a professional demeanor at all times during the interaction with the Town's patrons and visitors to Town facilities. Vendor shall refrain from other commercial or political activity while performing this contract on Town Facilities. Vendor shall undergo criminal background checks on all employees and subcontractors working at the direction of the Vendor in this contract, and shall exclude any employees from working in any Town facility any employees that:

- 1) had a conviction of any felony within the past 10 years;
- 2) has a conviction in the past 10 years of any violent crime or crime involving theft or dishonesty; or
- 3) is currently a registered sex offender.

14. Assignment.

14.1 VENDOR shall not sell, assign, transfer or convey this Contract, in whole or in part, without the prior written consent of the Town. As an express condition of consent to any assignment, VENDOR shall remain liable for completion of the Contract work in the event of default by the successor Vendor or assignee.

15. Right of Review and Audit.

15.1 Town may review any and all of the services performed by Vendor under this Contract. Town is granted the right to audit, at Town's election, all of Vendor's

records and billings relating to the performance of this Contract. Vendor agrees to retain such records for a minimum of three (3) years following completion of this Contract. Any payment, settlement, satisfaction, or release made or provided during the course of performance of this Contract shall be subject to Town's rights as may be disclosed by an audit under this section.

16. Non-Appropriations.

16.1 No provision of this agreement shall be construed or interpreted as creating a pledge of the faith and credit of the town within the meaning of any constitutional debt limitation. No provision of this agreement shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the town within the meaning of the constitution of the state. This agreement shall not directly or indirectly or contingently obligate the town to make any payments beyond those appropriated in the sole discretion of the town for any fiscal year in which this agreement is in effect; provided, however, that any failure or refusal by the town to appropriate funds which results in the failure by the town to make any payment coming due hereunder will in no way obviate the occurrence of the event of default resulting from such nonpayment. No deficiency judgment may be rendered against the town in any action for breach of a contractual obligation under this agreement and the taxing power of the town is not and may not be pledged directly or indirectly or contingently to secure any moneys due under this agreement.

17. Full Agreement. This Contract is the full agreement of the parties, and neither has, or is relying on any information not contained in this Contract or its Exhibits. The terms of this Contract supersede any conflicting terms which may be contained in any Exhibit attached hereto and incorporated by reference.

18. Exhibit List. The following documents shall be attached hereto and incorporated by reference.

Exhibit A – Quote or Purchase Agreement

Exhibit B – Certificate of Insurance, if installation

Exhibit C – Warranty, if applicable

Exhibit D – Declaration of Emergency

[Signature Page Follows]

TOWN OF HOLLY SPRINGS:

VENDOR:

BY: _____
Randy J. Harrington, Town Manager
Date: _____

Signature _____

Name: _____

Title: _____

WITNESS:

Linda McKinney, Town Clerk
Date: _____

Contract Manager: _____ Date: _____

Purchasing Manager: _____ Brettany DeVold
Date: _____

Purchase Order No.: _____ (if applicable)

Approved as to form:

John Schifano, Town Attorney Date: _____

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

Tina Stroupe, Director of Finance Date: _____

CONTRACT FOR PROFESSIONAL SERVICES

EXHIBIT A

LIMITED SCOPE PROJECT AGREEMENT

This agreement (the “Agreement”) is made this 25th day of March 2025, between The Town of Holly Springs, located at 128 S Main St. Holly Springs, NC 27540 (the “Customer”), and, Newcomb and Company located at 3000 Comfort Ct. Raleigh, NC 27604 (the “Contractor”).

1. SCOPE OF WORK:

1.1. Contractor will perform the work set forth in Schedule I, Work and Schedule (the “Work”), attached hereto, for Customer at Customer’s premises, located at WE Hunt Recreation Center 301 Stinson Ave, Holly Springs, NC 27540 (the “Site”).

1.2. Contractor will perform the Work pursuant to the provisions of this Agreement, including the provisions set forth in Schedule I.

1.3. Notwithstanding the schedule set forth in Schedule I, all dates for commencement, progress, or completion are estimates only. Contractor will make commercially reasonable efforts to meet such estimated schedule, but Contractor shall not be liable for any loss or damages arising from untimely performance of the Work.

2. PRICING AND PAYMENT:

2.1. Customer agrees to pay Contractor pursuant to the provisions of this Agreement, including the provisions set forth in Schedule II, Pricing, Invoicing, and Payment, attached hereto.

3. SITE ASSESSMENT AND ADDITIONAL WORK:

3.1. Prior to performing any Work, Contractor will conduct an initial inspection of the Site to determine if the Site is in suitable condition for the Work. If Contractor determines that other work is required prior to commencement of the Work, such work shall not constitute Work under this Agreement, and Contractor will provide Customer with a quotation for such work. If Customer refuses to authorize such work, Contractor may, at its sole option, renegotiate the provisions of this Agreement or terminate this Agreement.

3.2. If Customer requests any other work that Contractor concludes is outside the scope of Work, Contractor will provide Customer with a quotation for such work and the parties will execute a change order for such work.

4. CONCEALED OR UNKNOWN CONDITIONS:

4.1. If Contractor encounters conditions at the Site in the performance of the Work that are (i) subsurface, latent, or otherwise concealed physical conditions that differ materially from those indicated on the documents for the Work or (ii) unknown physical conditions of an unusual nature that differ materially from those conditions (a) ordinarily found to exist at or about the Site or (b) generally recognized as inherent in construction activities of the type and character as the Work, Contractor will notify Customer of such conditions promptly, and prior to significantly disturbing such conditions.

4.2. If such conditions cause an increase in the cost of the Work or the time required for performance of the Work, Contractor shall be entitled to an equitable adjustment in the price, time, or both.

5. PRE-EXISTING CONDITIONS:

5.1. Contractor will not be not liable for any loss or damage arising from or related to conditions at the Site that existed prior to Contractor's commencement of the Work, including, but not limited to, those involving the building envelope, mechanical equipment, electrical equipment, plumbing, indoor air quality, or mold and/or fungi.

6. SITE ACCESS AND CUSTOMER OBLIGATIONS:

6.1. Customer agrees to:

- (i) provide safe and reasonable access to the Site so that Contractor can perform the Work, and to remove any partitions, fixtures, or materials that may impede Contractor's ability to perform the Work;
- (ii) allow Contractor to start and stop any equipment as is necessary to perform the Work; and
- (iii) provide any other assistance as is reasonably necessary so that Contractor can perform the Work.

7. WARRANTY:

7.1. Contractor warrants that (i) the materials provided in performing the Work will be free from defects to the same extent as set forth in the warranty provided by the manufacturer of such materials and (ii) the workmanship provided in performing the Work will be good and of a workman-like standard for twelve (12) months from the date of substantial completion of the Work. Substantial completion shall be the earlier of the date that the Work is sufficiently complete so that Customer can utilize the Work for its intended purpose or the date that Customer receives beneficial use of the Work.

7.2. Contractor's warranty in section 7.1. of this article (i) applies only to materials and labor furnished by Contractor in performing the Work and (ii) shall be null and void if Customer

subsequently has another contractor provide goods or services that relate to, concern, or otherwise affect the Work.

7.3. Contractor promptly shall repair or replace, at its sole option, any defective materials occurring within the applicable warranty period for such item, to the extent of such warranty. If a manufacturer's warranty excludes payment to Contractor for labor costs associated with removal, installation, repair, or other like or similar costs to remedy defective materials, Contractor will provide such labor at its own expense during normal working hours for sixty (60) days from substantial completion of the Work, and if Customer requires warranty work at any other time outside normal hours, Customer will pay Contractor the rates then applicable to such labor at such time. Thereafter, Customer will pay Contractor the rates then applicable to such labor at such time.

7.4. Contractor promptly shall repair or replace, at its sole option, any improper workmanship of its Work occurring within the applicable warranty period without cost to Customer. Contractor will provide labor for the performance of this warranty work at its own expense only during normal working hours, and if Customer requires warranty work at any other time, Customer will pay Contractor the rates then applicable to such labor at such time.

7.5. CUSTOMER'S SOLE AND EXCLUSIVE WARRANTY IS THE REPAIR OR REPLACEMENT SET FORTH IN THIS ARTICLE. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER IMPLIED WARRANTIES. CONTRACTOR'S TOTAL LIABILITY UNDER THIS WARRANTY IS LIMITED TO THE OBLIGATIONS SET FORTH IN THIS ARTICLE. THIS IS CUSTOMER'S SOLE AND EXCLUSIVE REMEDY AND IT IS IN LIEU OF ANY AND ALL OTHER POSSIBLE REMEDIES, DAMAGES, CLAIMS, OR WARRANTIES WHETHER EXPRESS OR IMPLIED. THE DAMAGE LIMITATION SET FORTH IN ARTICLE 10 ALSO SHALL APPLY TO THIS WARRANTY.

8. EXCUSED DELAY AND ACCELERATION:

8.1. Contractor shall not be liable for any delay, or loss or damage arising therefrom, and shall be entitled to additional time for the Work, if the delay is caused by an occurrence beyond the control of Contractor, or Contractor's subcontractors, suppliers, or vendors, and without fault or negligence of any of them.

8.2. Contractor shall be entitled to additional compensation for any excused delay as set forth in section 8.1 of this article.

8.3. Contractor shall be entitled to additional compensation for any acceleration or compression of the schedule set forth in Schedule I, and for any out of sequence or overtime work, except to the extent caused by Contractor's own negligent acts or omissions.

9. INDEMNITY:

9.1. Contractor will defend and indemnify Customer from and against claims, damages, losses, or expenses (any or all, collectively, the "Claim"), including, but not limited to, reasonable attorneys fees, arising out of Contractor's negligent performance of the Work or its breach of this Agreement, provided that such Claim is attributable to (i) bodily injury, sickness, disease, or death or (ii) injury to tangible property (other than the Work itself), but only to the extent that any such Claim is caused by the negligent acts or omissions of Contractor or by the breach of this Agreement by Contractor, or its subcontractor(s), or anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, and provided further that, if such Claim is caused by the joint or concurrent acts, omissions, or negligence of the parties, including the parties indemnified hereunder, the parties shall bear the defense and loss in proportion to their degree of liability.

10. LIMITATION OF LIABILITY:

10.1. Notwithstanding anything to the contrary in this Agreement, under no circumstances, whether arising out of contract, tort (including negligence), strict liability, warranty or otherwise, shall either party be liable to the other for special, indirect, incidental, consequential, exemplary or punitive damages of any nature.

10.2. In no event shall Contractor's aggregate liability to Customer for such actual and direct damage exceed an amount, at Contractor's sole option, that is equal to (i) the amount of this Agreement or (ii) the cost to Contractor to repair or replace the portion of the Work giving rise to the claim.

11. HAZARDOUS MATERIALS:

11.1. Contractor shall not perform any work of any sort that concerns hazardous materials, and shall have no responsibility for accumulation, storage, transportation, or disposal of any hazardous materials or waste generated by Customer or present at the Site.

11.2. Contractor shall not be deemed an "operator" of the Site for purposes of current or pending federal, state, or local laws, rules, or regulations pertaining to hazardous materials.

11.3. In no event shall Contractor be required to sign any manifests related to hazardous materials generated by Customer or present at the Site.

11.4. Customer shall disclose to Contractor in writing and in advance of Contractor performing any Work any known hazardous materials that are present at the Site, including, but not limited to, the location and type of each such hazardous material, so that Contractor can inform and protect its employees from health risks associated with such hazardous materials.

11.5. Contractor shall not be required to perform any Work in any part of the Site where hazardous materials are present or where Contractor suspects the presence of hazardous materials, and Contractor immediately may stop providing Work in either instance and notify Customer of the circumstance giving rise to the stoppage. Contractor's nonperformance of Work due to such actual or potentially unsafe working conditions shall constitute an excused delay. Customer will be responsible for taking any and all actions necessary to correct such condition in accordance with all applicable laws and regulations, and Contractor will resume performance of the Work in the affected area only in the absence of hazardous materials and/or when the affected area has been rendered harmless and safe for Contractor's performance of the Work.

11.6. Customer shall defend, indemnify, and hold harmless Contractor from any claims, damages, losses or expenses, including, but not limited to, reasonable attorneys fees, arising out of or resulting from this article.

12. TERMINATION:

12.1. Customer or Contractor may terminate this Agreement for convenience upon two (2) weeks prior written notice to the other party. In the event of such termination, Customer will pay Contractor for all Work performed and goods purchased for the Work through the date of termination and, in addition, in the event of termination for convenience by Customer, all other reasonable costs incurred by Contractor that are associated with such termination.

12.2. Customer may terminate this Agreement for cause, but only upon seven (7) days written notice and, further, upon Contractor's failure to commence curative measures in such time and thereafter to proceed to effect such cure. In the event of such termination, Customer will pay Contractor all undisputed amounts due Contractor for all Work performed through to the date of termination.

12.3. Contractor may suspend its performance of the Work, without liability of any sort to Customer, if Customer fails to make payment to Contractor within thirty (30) days after the date payment is due. Upon payment, Contractor will recommence performance, and shall be entitled to an extension of time equal to the suspension and all reasonable costs associated with such suspension.

13. NO ASSIGNMENT:

13.1. Neither Customer nor Contractor shall assign any of its rights or obligations hereunder without the prior written approval of the other party.

14. CHOICE OF LAW AND JURISDICTION:

14.1. This Agreement shall be governed by, construed, and enforced for all purposes in accordance with the laws of the State where the Work is performed, without giving effect to its conflict of laws provisions.

14.2. Any and all actions arising from, relating to, or concerning the subject matter of this Agreement shall be commenced in the United States Federal Court in the appropriate district of such State or the State court of such State, either of which shall have exclusive jurisdiction over such actions.

14.3. Any such action shall be submitted TO THE COURT ONLY for resolution, WITHOUT TRIAL TO A JURY. THE PARTIES HEREBY WAIVE ANY RIGHT TO A JURY TRIAL REGARDING ANY SUCH ACTION.

14.4. Any such action also shall be commenced with one (1) year from the date of the Work giving rise to such claim, with the exception of any action by Contractor for collection of amounts due to it.

14.5. Contractor shall be entitled to all fees and costs, including reasonable attorney's fees, incurred by it in any action to collect amounts due to it from Customer.

15. ENTIRE AGREEMENT:

15.1. This Agreement sets forth the entire agreement between the parties on the subject matter contained herein, and supercedes and renders null and void any and all prior or contemporaneous oral or written understandings, negotiations, or promises relating to these issues. No agreement modifying this Agreement shall be binding unless made in writing and signed by a duly authorized representative of the party to be bound. No quotations, proposals, other terms, or other documents form a part of this Agreement, unless specifically referenced herein and attached hereto.

16. Owner Requested Language:

16.1.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

Customer:
The Town of Holly Springs

Contractor:
Newcomb and Company

By: See attached signature page

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

SCHEDULE I
WORK AND SCHEDULE

WORK:

Contractor will perform the following Work:

Chiller Replacements

The following proposal outlines work required to replace two (2) Air Cooled Chillers serving the building HVAC system with new Air-Cooled Chillers of matching performance. All work will be performed during normal business hours, overtime rates do NOT apply. We have not included any temporary cooling while the replacement takes place.

A) Our Scope of work includes the following materials and services:

- Demolition and removal of both existing chillers
 - Remove and recover refrigerant pursuant to EPA guidelines
 - Demolition of the existing chilled water piping as needed for the chiller replacement only
- Furnish and install two (2) new chillers as follows:
 - 122 nominal tons
 - 460 volt 3 phase
 - BACnet IP
 - Evaporator Heater (Freeze Protection)
 - Hot Gas Bypass
 - Service Remote Connectivity
 - Suction Service Valves
 - Standard Scroll Compressors
 - Al/Cu Condenser Coil
 - High-Efficiency Variable Condenser Fans
 - Brazed Plate Heat Exchanger (BPHE)
 - Single Point Power with Factory Non-Fused Disconnect
 - Coil Trim Panels
 - Low Sound - Includes Aero-Acoustic Fans
 - Factory Startup with 1st Year Parts & Labor Warranty
 - Compressor Years 2-5 Parts Only Warranty
- Furnish and install new chilled water piping as needed for connection to the existing valves:
 - All chilled water piping will be schd 40, Blk Steel, **Domestic**
 - Provide supports, stands and hangers to properly support new piping
 - Existing isolation valves to remain
- Replace all exterior piping insulation with new
 - All new exterior piping insulation to be Poly-Iso with Aluminum Jacket
 - Replace existing heat trace with new to match existing power provided
- Provide electrical work as follows:
 - Demo Existing Electrical Conduit/Wire as needed
 - Provide new Breakers in MDP for each chiller. Breakers to match MOCP on chiller nameplate
 - Chillers to have Factory Non-Fused Disconnects (Similar to existing Chillers)
 - Chillers will be positioned to line up with the existing conduits in the concrete pad

(Cont.)

- All work to be performed by a NC licensed electrical contractor
- Controls work required to tie the chiller back into the existing controls system
 - Work performed by CMS and included in this proposal
- All crane and rigging required for demolition and installation of the new chillers
 - Crane will set up at the rear of the building next to the mechanical courtyard
- Test and Balance of water flows and documentation
- All work to be performed during normal business hours, overtime rates do NOT apply
- Permit fees included
- Owner Training

Rental Chiller:

The following outlines work required to install one (1) 200-Ton Air Cooled Rental Chiller to serve the building HVAC system. All work will be performed during normal business hours, overtime rates do NOT apply.

We propose to include the following materials and services:

- Furnish and install one (1) 200-Ton Air Cooled Chiller as follows:
 - Provide all flexible hoses for connection to the existing chilled water piping system
 - Provide and install material needed for connections to the existing piping system
 - Provide all dunnage required for level installation of chiller and protection of surfaces
- Provide electrical work as follows:
 - Chillers are provided with electrical cables to tie into the existing switch gear
 - Provide all work required to terminate the power cables in the existing MDP using the existing 400 amp breaker designated for one of the existing chillers
- Controls assistance for confirmation of system performance with rental chiller
 - Work performed by CMS and included in this proposal
- All crane and rigging required for installation and removal of the rental chiller
 - Chiller will be set up at the rear of the building next to the mechanical courtyard

B) Our exclusions are as follows:

- Weekend or after-hours work requiring Overtime Labor, see add amount below for Weekend Rates
- Engineering work of any kind
- Glycol of any kind
 - Provide, remove, retain or handle any existing glycol should any exist in the chilled water system
- New chilled water isolation valves
 - All new chilled water piping to take place from the existing isolation valves to the new chiller connections
- Exclude Existing Electrical Code Violations and Any Repairs if they exist
 - This includes GFPE Circuit Breakers for heat trace if they are required
- Chemical Treatment work of any kind
 - All water treatment is by the owner
- Modification of the existing concrete housekeeping pad and fence, all work to take place within the footprint of the existing mechanical courtyard and maintain all service clearances

C) Schedule of Work for chiller Replacement:

- The estimated lead time for the chillers is 22 weeks from the date of approval
- We anticipate the physical work to be complete 6-7 business days from the date of commencement of work. This is dependent on the weather causing delays.
- We plan to minimize the outage of chilled water service to the building by replacing one chiller at a time.
- We intend on replacing the first chiller and have it operational before disconnecting and replacing the second chiller.
- The period of time required to replace one chiller is one day.
- In the days following the replacement of the chillers, there will be additional work that will require 4 to 5 days to complete work as follows:
 - Controls work to integrate the chillers with the existing controls system
 - Heat trace of the pipe to safeguard against freezing
 - Insulation of the exterior pipe

SCHEDULE II
PRICING, INVOICING, AND PAYMENT

PRICING:

Customer agrees to pay Contractor for the Work in accordance with the following:

Total Contract Amount of **\$365,210.00**.

The total Contract Amount includes installation, removal and one months rental of the temporary chiller. Each additional month will be invoiced at **\$17,500.00**

If the Customer is eligible for Duke Energy Saver Rebates, the Total Base Contract amount will be \$331,935. The rebate of \$33,275.00 will be paid directly to Carrier Corporation and the savings is transferred to the customer in the cost of the chillers.

This Total Base Contract amount with Rebate does not include the recurring fees of \$17,500.00 per month for the rental chiller.

Progress billings will be billed monthly on the 25th of each month. At project completion final billing will be billed in full.

INVOICING AND PAYMENT:

Customer agrees to pay Contractor in accordance with the following requirements:

- (i) Customer also shall pay Contractor, in addition to the pricing set forth above, all excise, sales, use, occupation or other similar taxes imposed on Contractor by any governmental authority or in any way connected with Contractor's performance of its obligations under this Agreement;
- (ii) Contractor will invoice Customer as follows:
 - (iii) Customer's payment on invoices is due net 30 days from date of invoice;
 - (iv) late payment to Contractor shall be subject to simple interest at the rate of one and one-half percent (1½ %) per month, not to exceed the maximum amount allowed by applicable law, calculated from the date payment was due until the date payment is received by Contractor;
 - (v) Contractor may invoice Customer for all equipment or material purchased, whether delivered to the Site or to an off-site storage facility, and for all Work performed on-Site or off-Site; and
 - (vi) 10% retention will be withheld during the duration of the project and bill upon final completion of the project.

EXHIBIT B

_____ **Insurance requirement waived**

_____ **Lower Insurance Limit Approved**

Approved by: _____

Printed Name: _____

 X **Certificate of Insurance attached**

COI Expires: 10/1/2025



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/29/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER ***MARSH USA LLC 1166 AVENUE OF THE AMERICAS NEW YORK, NY 10036 Phone: 866-966-4664 Emcor.Certrequest@marsh.com / Fax: 203-229-6787 CN102796740--STD-24-25	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Continental Casualty Company INSURER B: American Casualty Company of Reading, PA INSURER C: Transportation Insurance Co INSURER D: Continental Insurance Company INSURER E: INSURER F:	FAX (A/C, No): NAIC # 20443 20427 20494 35289
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COVERAGES **CERTIFICATE NUMBER:** NYC-012093721-01 **REVISION NUMBER:** 1

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PROJECT ☐ LOC OTHER:			GL 7092778897	10/01/2024	10/01/2025	EACH OCCURRENCE \$ 12,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 25,000 PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 14,000,000 PRODUCTS - COMP/OP AGG \$ 14,000,000
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY			BUA 7092778902	10/01/2024	10/01/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 12,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Auto Physical Damage \$ Included
D	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$ 10,000			CUE 7094548497	10/01/2024	10/01/2025	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☒ N	N/A	WC 7 92781590 (AOS) WC 7 92783954 (CA) WC 7 92798289 (AZ, OR, WI)	10/01/2024 10/01/2024 10/01/2024	10/01/2025 10/01/2025 10/01/2025	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
ADDITIONAL INSURED UNDER ALL POLICIES (EXCEPT WORKERS COMPENSATION & EMPLOYERS LIABILITY) WHERE REQUIRED BY CONTRACT: TOWN OF HOLLY SPRINGS
WHERE REQUIRED BY CONTRACT, COVERAGE PROVIDED TO THE ADDITIONAL INSURED IS PRIMARY & NON-CONTRIBUTORY.
WAIVER OF SUBROGATION AS REQUIRED BY CONTRACT AND WHERE NOT PROHIBITED BY LAW.

CERTIFICATE HOLDER TOWN OF HOLLY SPRINGS ATTN: JOE CONIGLIARO PO BOX 8 HOLLY SPRINGS, NC 27540	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE of Marsh USA LLC <i>Marsh USA LLC</i>
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EXHIBIT C

WARRANTY INFORMATION:

☒ Attached hereto – see below

☐ Found at the following link:

☐ Not Available/Applicable

Factory Startup with 1st Year Parts & Labor Warranty

(This covers anything that fails on the chiller for one year, no charge to TOHS)

Compressor Years 2-5 Parts Only Warranty

(For Years 2 through 5 if a compressor fails, part will be covered by Carrier, but TOHS will be required to pay for the labor to replace)

We also include a 1-year parts and labor warranty for any of the work we perform on all jobs we do.

EXHIBIT D

DECLARATION OF EMERGENCY

Brettany DeVold

From: Kendra Parrish
Sent: Thursday, March 6, 2025 7:56 AM
To: Brettany DeVold
Cc: Debbie Abbene; Kimberly Keyes; Bhavi Joshi; J. Scott Chase
Subject: Hunt Center HVAC Emergency Project

Good Morning Brettany,

It has now become an emergency to replace the HVAC units at the W.E. Hunt Community Center. The system is rapidly deteriorating, and failure is imminent. Temporary fixes are no longer sustainable, and without immediate action, the facility could face a complete shutdown, disrupting essential services for town residents.

Currently, one of the two condensers is completely inoperable, while the other is functioning at only 20% capacity. The major components of the system, including the condensers and chillers, are over 20 years old and need replacement.

Our Town Maintenance team has responded to multiple emergency calls to keep the system running, but these are only temporary fixes. The system has been pushed to its limits and is at risk of complete failure, with no guarantee of temporary repairs holding it together.

Adding to the urgency, the lead time for replacing a condenser is at least 20 weeks (five months). When the unit inevitably fails, we will need to rent a condenser to maintain operations, as the facility provides essential town services seven days a week. The W.E. Hunt Center supports senior programs, after-school activities, summer camps, meeting spaces, classrooms, and a fitness center for residents.

Replacing the recommended HVAC units and components is long overdue. The system is on its last leg, and we must act now to prevent a complete shutdown that could disrupt vital community services.

Our group is working closely with PWD and will be attempting to obtain contractors and equipment as expeditiously as possible, while also managing costs.



Kendra D Parrish, PE, CFM | Executive Director

Town of Holly Springs Utilities & Infrastructure Department

P.O. Box 8 | 128 S. Main St. | Holly Springs, NC 27540

Office: (919) 557-3935 | Cell: (919) 524-0848 | www.hollyspringsnc.gov

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Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 10.

Consent Agenda

Title: American Rescue Plan Act - Internal Controls Policy Adoption

Strategic Priority Area: Organizational Excellence

Staff Resource: Tina Stroupe, Finance

Action(s):

Adopt American Rescue Plan Act - Internal Controls Policy

Explanation:

- Due to updates and guidance from the Federal government and as part of the Town's American Rescue Plan Act (ARPA) funding through the Department of Environmental Quality (DEQ), an ARPA Internal Control policy needs adoption as a requirement to receive grants and remain in compliance with Federal law 2 CFR Part 200, Uniform Guidance Procurement Policy for Using Federal Funds as well as the Final Rule of the Coronavirus State and Local Fiscal Recovery Fund program of the American Rescue Plan Act of 2021 (ARP/CSLFRF) issued by the US Treasury.
- Staff is requesting adoption of Internal Controls Policy specific to ARPA funding.
- The purpose of the Town's American Rescue Plan Act-Internal Controls Policy is to:
 - Identify internal control policies and procedures the Town uses in tracking, monitoring and reporting SLFRF (State and Local Fiscal Recovery Fund) projects and expenditures and compliance requirements for the expenditure of CSLFRF under ARPA.
 - The Town is required to establish, document, and maintain effective internal controls over the Federal awards and provide assurance the awards are being managed in compliance with Federal statutes, regulations and terms and conditions of the award.
 - The recommended policy ensures compliance with law 2 CFR Part 200.303, Uniform Guidance Procurement Policy for Using Federal Funds and provides written documentation of the process for Town staff.
- The policy includes five components of internal control:
 - Control Environment - The Town's commitment to internal controls by Town Management demonstrated by ethical values through leadership, communications, personnel practices and daily actions. This would also include management and staff training on compliance requirements and ensure policies and procedures are in place to ensure compliance and accountability.
 - Risk Assessment - identify and respond to risks that may arise during the administration of the ARPA/CSLFRF award. These risks may include change in personnel or systems, organizational restructuring, or new accounting practices or procedures.
 - Control Activities - these activities should include segregation of duties, documentation and record-keeping of financial transactions relating to

Town Council Business Meeting
April 15, 2025

ARPA/CSLFRF, reconciliations and adoption of policies and procedures.

- Information and Communication - The Town communicates accurate and quality information to employees, external stakeholders, and community members.
- Monitoring - this should include management's ongoing assessments of the Town's internal controls to identify any weaknesses and make changes as necessary to internal controls as well as the internal controls policy.

Background:

- Council recently approved the following policies as a funding and compliance requirement for the American Rescue Plan Act (ARPA) funding through the Department of Environmental Quality:
 - Code of Ethics Policy
 - Eligible Use Policy
 - Cost Principles Policy
 - Property Management Policy
- The Internal Control Policy was still under development at the time the previous policies were approved, and were thus not included in the previous batch of policies.
- The Town has received ARPA grant funding through the NC Department of Environmental Quality (NCDEQ) for the following projects:
 - Asset Inventory and Assessment Water Project
 - Asset Inventory and Assessment Wastewater Project
 - Sanford Water Filtration Facility Expansion Project
- Internal Control is a process effected by management and staff, designed to provide reasonable assurance that an entity is meeting its objectives with respect to the reliability of financial reporting, compliance with laws and regulations, and effectiveness and efficiency of operations. The Town has internal control policies and practices and this policy action will match the formatting and language requirements as required by the Federal government as the grantor.
- Staff are committed to ensuring that all Town policies and procedures remain up to date, represent best practices and industry standards, and are informative, clear, and concise while remaining compliant with all laws and regulations, both Federal and State.

Funding Source(s):

N/A

Attachment(s):

1. P-057 TOHS ARPA Internal Controls Policy

 Holly Springs, N.C.	P-057 Coronavirus State and Local Fiscal Recovery Funds (ARP/CSLFRF): Internal Controls	
	Prepared By:	Tina Stroupe
Policy & Procedure Statements of the Holly Springs Town Council	Department:	Finance
	Date Approved by Council:	4.15.2025
	Effective Date:	
	Supersedes Old #:	N/A
	Old Effective Date:	N/A

SECTION I: Policy Overview and Purpose

President Joe Biden signed into law the \$1.9 trillion American Rescue Plan Act (ARPA) on March 11, 2021. Included in the ARPA is the Coronavirus State and Local Fiscal Recovery Fund (SLFRF), which provides \$350 billion to state, local, and Tribal governments to support their recovery from the COVID-19 pandemic.

The purpose of this policy is to state the internal control policies and procedures that the Town of Holly Springs (hereby referred to as “Town”) uses in tracking, monitoring, and reporting SLFRF projects and expenditures. This document is in accordance with the following directive from the U.S. Treasury’s *Compliance and Reporting Guidance*: 2 CFR Part 200.303, “the recipient must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.”¹

Internal Control Framework

Internal Control is a process effected by management, staff, and other stakeholders, designed to provide reasonable assurance that an entity is meeting its objectives with respect to the reliability of financial reporting, compliance with laws and regulations, and effectiveness and efficiency of operations.

The Town’s internal controls are modeled after the internal control framework set forth in the Government Accountability Office’s Standards for Internal Control in the Federal Government (the “Green Book”).² As described in the Green Book, Management is responsible for establishing and maintaining the internal control system in compliance with the duties outlined in this policy. The Oversight Body’s (as defined below) primary role is to ensure management performs its internal control responsibilities. However, every employee bears some responsibility for the internal control process.

SECTION II: Definitions

Allowable Costs: Costs that are permitted by the grant program’s authorizing legislation. Subpart E of the Uniform Guidance – Cost Principles provides a detailed listing of items that are typically allowable and unallowable.

¹ U.S. Department of the Treasury, <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>

² United States Government Accountability Office, <https://www.gao.gov/assets/gao-14-704g.pdf>

Coronavirus State and Local Fiscal Recovery Funds (ARP/CSLFRF): The Coronavirus State and Local Fiscal Recovery Funds is a program authorized by the American Rescue Plan Act (ARPA), that delivered \$350 billion to state, territorial, local and Tribal governments across the United States to support the response and recovery from the COVID-19 public health emergency.

Expenditures: Outflows of net financial resources. They include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements, and shared revenues.

Federal Uniform Guidance (UG): The Uniform Administrative Requirements, Cost Principles, and Compliance Requirements for federal awards, found in Part 200 of Title 2 of the Code of Federal Regulations. The UG establishes a set of government-wide regulations and standardized framework for managing federal awards.

Internal Controls: Processes and procedures that ensure the integrity of financial and accounting information, promote accountability, and prevent fraud. Actions are taken to manage organizational risk and increase the likelihood that objectives and goals will be achieved.

Management: Refers to employees who have direct responsibility for the day-to-day operations of the entity, including the implementation of internal controls. For the purposes of this policy, “management” includes: Town Administration, Finance Director or Designee, Grant Writer, Grants Accountant, Grants Administrator, and Project Manager.

Oversight Body: As referenced in the Government Accountability Office’s Standards for Internal Control in the Federal Government, refers to an appointed body designated to perform oversight at the direction of the governing board. The oversight body for the Town of Holly Springs is the Town Council.

Subaward: An award provided by a pass-through entity to a Subrecipient.

Subrecipient: Non-federal agency that expends federal funds received from a pass-through entity to carry out an authorized project or service.

SECTION III: The Green Book Recognizes Five Components of Internal Control: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring

The five components of internal control are: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring. Each component consists of principles that are required for an effective internal control system (See *Appendix A: Internal Control Components and Principles*).

The Town understands that each component must be present and functioning for the internal control process to operate at the optimal level. The responsibilities tied to each of the components are discussed below.

a. CONTROL ENVIRONMENT

The Control Environment is the foundation for all other components of internal control, providing discipline and structure. Management values integrity, accountability, and competence in all operations, including the administration of federal awards. Management communicates and reinforces its expectations throughout the organization. The Town's commitment to internal controls over expenditures of ARP/CSLFRF funds include, but are not limited to, the following:

- Management demonstrates a commitment to integrity and ethical values through its leadership, communications, personnel practices, and daily actions. (Principle 1)
- Management periodically reviews the Town's internal control system to identify weaknesses that may negatively impact the proper administration of the ARP/CSLFRF award. (Principle 2)
- The Town has several staff members who are assigned specific tasks, including the verification of each other's work. The segregation of duties helps to ensure accuracy in the administration of the ARP/CSLFRF award. (Principle 3)
- Management is committed to educating itself and staff on the compliance requirements tied to the administration of the ARP/CSLFRF award. (Principle 4)
- Management adopts policies necessary to ensure compliance with the Uniform Guidance and the ARP/CSLFRF award terms and conditions and enforces accountability by communicating instances of non-compliance. (Principle 5)

b. RISK ASSESSMENT

The Town is committed to identifying and managing the risks that may arise during the administration of the ARP/CSLFRF award.

The Risk Assessment component of internal control involves Management evaluating the risks that the Town faces that could negatively impact it from achieving its objectives. These objectives include:

- **Operational Objectives:** All assets are appropriately safeguarded against risks of fraud, theft, loss, or abuse.
- **Reporting Objectives:** Finance systems and processes produce accurate and reliable financial reporting for federal award expenditures. The Town's Schedule of Expenditures of Federal Awards (SEFA) is complete and accurate.
- **Compliance Objectives:** Expenditures comply with U.S. Treasury's Final Rule and other federal, state, and local regulations and the terms and conditional of the award. (Principle 6)

Risk Identification (Principle 7 and Principle 8)

Management shall identify risks that may impair the Town's ability to achieve its objectives. Management shall focus its risk assessment on areas of opportunity for employees to commit fraud. Specific areas and types of risk include:

- Rapid growth in operations,
- Changes in personnel,
- Organizational restructuring,
- New activities or service areas,

- New or revised information systems,
- Changes in the operating or regulatory environment, and
- New or updated accounting and/or financial reporting practices.

Uniform Guidance Compliance & Risk Identification (Principle 7 and Principle 8)

There are specific risks that arise in the administration of a grant award. Management will identify areas of risk that may impair the Town's ability to comply with the ARP/CSLFRF award terms and conditions and/or applicable state and federal law and regulations. Specifically, the Town will evaluate risks of non-compliance in the following compliance areas:

- Eligibility,
- Allowable Costs/Cost Principles,
- Period of Performance,
- Financial Management,
- Property Management,
- Procurement,
- Subrecipient Monitoring, and
- Program Income.

Risk Analysis (Principle 9)

Management shall determine the potential severity of liabilities associated with the risks identified by weighing the likelihood of occurrence against the degree of impact.

Likelihood × Impact = Risk Priority						
After rating each risk for likelihood & impact, multiply to identify which risks are highest priority to control for.						
Risk Priority						
Likelihood	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
Impact						

Priority Rank Scale	
Low	1 to 4
Moderate	5 to 9
High	10 to 19
Very High	20+

Risk Response (Principle 9)

Management shall review the results of the risk analysis and determine whether to implement control activities to mitigate risks. Management will respond to identified risks in one of three ways:

- Accept the risk,
- Reduce the risk by implementing control activities to help prevent or detect issues, or
- Avoid the risk by not pursuing certain activities.

Management shall consider the relative cost of implementing controls versus the benefit(s) offered in deciding whether to mitigate risk(s) through the implementation of control activities. When possible, control activities will be implemented to mitigate risks that rate "High" or "Very High" on the Likelihood/Impact scale

c. CONTROL ACTIVITIES

Control Activities are actions taken by Management, through policies and procedures, to respond to risks that may prevent the entity from achieving its objectives. The internal control activities

are either preventative or detective. The Town uses a variety of control activities that support internal controls, including, but not limited to the following (Principle 10, Principle 11, Principle 12):

- Written policies and procedures,
- Segregation of duties: separating authorization, custody, record-keeping, and reconciliation functions,
- Authorizations to undertake projects/programs/expenditure,
- Reconciliation of accounts of records,
- Documentation and record-keeping,
- Physical controls, including locks, physical barriers, and security systems to protect physical assets,
- IT controls, including passwords, access logs, and firewalls to protect sensitive data and restrict access to electronic data and files (Principle 11),
- Staff training, or
- A combination of the above.

The Town demonstrates control activities through:

- Per North Carolina General Statute, the Town's budget is adopted annually by the Town Council. Project Ordinances are adopted for Capital Project funds and proprietary capital improvements.
- Policy and Procedure Statements: P-051 Grant Policy establishes an approval structure when applying for and accepting grant awards.
- Administrative Rule: FN-11.2 Fiscal Policy Guidelines establishes goals and standards to influence and guide financial management practices for the Town.
- Administrative Rule: FN-12 Purchasing Policy provides guidance on Federal, State, and Town policies and regulations as it pertains to the procurement of goods, services, and construction projects.
- Administrative Rule: IT-04 Archive Records Scanning Policy provides guidance on documentation retention guidelines for the destruction of original documents and the retention of digital documents.
- Administrative Rule: IT-06 Policy on Security Cameras provides guidance on the standard setup, proper usage, dissemination, and installation/removal of security and asset protection cameras.
- Administrative Rule: IT-05 Policy on Information Technology provides employees direction for the management, care, and use of the Town's technology resources.
- Administrative Rule: IT-01.02 User Account and Password Policy establishes a standard for the creation of network user accounts and passwords, the protection of passwords, and the frequency of change.

- Administrative Rule: IT-07 Mobile Computer Policy establishes a standard for the care and usage of a laptop, including the responsibilities of an assigned user. Policy outlines physical and cyber protection.
- The Town places a strong emphasis on continuing education, as the laws and policies governing our work can frequently change. Staff members continually educate themselves on the latest developments related to ARP/CSLFRF and other relevant federal and state regulations.

d. INFORMATION AND COMMUNICATION

The Town communicates accurate and quality information to employees, external stakeholders, and community members (Principle 13). Communication plays an essential role in the internal control system by helping to promote transparency regarding the use of public funds.

Management shall be responsible for communication internal control processes to those employees directly involved in finance and/or grant administration (Principle 14). Management will communicate its policies, procedures, and internal controls through various handbooks, programs, training, and electronic communications.

Internal control deficiencies should be reported, with serious matters reported immediately to Executive Leadership and/or Town Council. Employees are required to report any critical issues within the internal control system to management as soon as possible after the discovery.

To ensure transparency regarding the use of ARP/CSLFRF funds, the Town shall communicate quality information to community members and external stakeholders (Principle 15). The communication channels may include:

- The Town webpage provides residents access to the Annual Comprehensive Financial Report through the Transparency Portal.
- Residents may sign up to receive newsletters, emails, and text messages from the Town that include information on initiatives and opportunities to share input on key topics.

e. MONITORING

The monitoring component of internal control requires a periodic or ongoing evaluation of the internal control system in response to changing circumstances and/or new or changing risks.

Ongoing monitoring of the Town's ARP/CSLFRF expenditures is essential to achieve Town objectives of compliance and accurate reporting. The Town will conduct ongoing monitoring of the internal control system to identify its strengths and weaknesses. A periodic review of internal control policies and procedures is needed to identify policies and procedures that need adjusted as well as policies and procedures that are effective and, to the extent possible, build on those successes.

Internal and external audits will be conducted pursuant to federal and state law. These audit processes will test the effectiveness of internal controls over federal and state awards.

The Town uses a variety of control activities that support internal controls, including, but not limited to the following:

- Management identifies strengths and weaknesses of the control system and evaluates if changes in controls are needed (Principle 16)
- Amendments are made to control procedures on a timely basis in response to a new or changing risk or weakness (Principle 17)
- Project expenditures are routinely checked to ensure total spent does not exceed authorized and eligible amounts
- Project expenditures are verified through a multi-level review and approval process

SECTION IV: Financial Management, 2 CFR § 200.302

Each organization receiving funding must have a financial management system in place to satisfy the requirement set forth in 2 CFR § 200.302. Organizations may rely on existing accounting processes and procedures, provided such processes adequately track the obligations and expenditures of ARP/CSLFRF funds.

Objectives:

Ensure compliance with the following requirements set forth in 2 CFR § 200.302, as follows:

1. Track all federal awards received and related expenditures separately for each federal program.
2. Provide accurate, current, and complete financial data to enable the disclosures of the results of each federal award.
3. Identify the source and application of funds. Track authorizations, obligations, and disbursements, and tie any expenditures to eligible uses of ARP/CSLFRF funds.
4. Maintain control over, and accountability for, all funds, property, and other assets.
5. Compare budgeted amounts with actual expenditures.
6. Expenditures must be supported by the Town's written procedures for determining the allowability, reasonableness, and allocability of costs.

Control Activities:

a. Segregation of Duties

Duties and functions related to financial management and reporting are segregated to ensure no one person has control over all parts of a financial transaction.

b. Documentation

Documentation of financial transactions is complete and accurate and facilitates tracing the transaction from authorization and initiation through disbursement.

- Grant Administrator shall ensure that, at a minimum, accounting records evidencing authorizations, obligations, and expenditures of ARP/CSLFRF funds are created and retained according to record retention requirements.
- Source documentation is retained, including paid invoices, payrolls, time and attendance records, contracts, and subaward documents.

c. *Reporting*

Finance Director or Designee shall prepare quarterly reports for the governing board that includes updates for grant project expenditures and a comparison of budget to actuals.

d. *Reconciliation*

General ledger and subsidiary ledgers used to account for the receipt and disbursements of ARP/CSLFRF funds are reconciled monthly against account balances by someone who does not have record-keeping/bookkeeping functions.

Communication and Monitoring:

The Finance Director or designee is responsible for communicating the financial management requirements and associated control activities to the appropriate personnel. All employees within the Finance Department have responsibility for internal controls, including the ongoing assessment of the effectiveness of internal control activities over the financial management system.

SECTION V: Eligibility

The Town is responsible for ensuring ARP/CSLFRF funds are expended on eligible projects and programs. The process for making eligibility determinations is described in the Town's Eligible Use Policy.

Objectives:

1. Ensure that supported projects and programs under the ARP/CSLFRF are eligible under one of the expenditure categories. Eligible uses include projects identified in the Final Rule that fit within one of the four eligible use categories: COVID-19/Negative Economic Impacts, Revenue Replacement, Premium Pay, Investment in Necessary Broadband and Water/Sewer Infrastructure.
2. Document eligibility review and project determinations.
3. Establish processes to ensure funds are not expended on ineligible uses. Prohibited uses include bulk deposits into pension funds, debt services, replenishing financial reserves, the satisfaction of settlements and judgments, support for programs that undermine effort to stop the spread of COVID-19, and any use that would violate state or local law.

Control Activities:

- **Eligible Use Policy.** The Town has adopted an Eligible Use Policy that explains the eligible uses of ARP/CSLFRF award funds and includes the Town's process for reviewing and documenting eligibility determinations.
- **Authorization.** The Town has reviewed applicable Treasury guidance, including the Final Rule, and has trained staff to conduct initial eligibility reviews for all project or program requests.
- **Documentation.** This documentation is retained for the five-year record retention period. Grant Administrators are responsible for overseeing compliance with documentation and record retention requirements.

Communication and Monitoring:

Management shall ensure that staff is adequately trained to recognize allowable costs and associated compliance requirements for each eligibility category.

SECTION VI: Allowable Costs/Cost Principles, 2 CFR §§ 200.400 to 200.476

The Uniform Guidance Cost Principles provides guidance on how to charge specific items of cost to a federal award. A written Allowable Cost/Cost Principles policy is required for compliance with 2 CFR § 200.202.

Cost Items charged using Revenue Replacement ARP/CSLFRF funds are subject to an allowable cost review. Cost items charges under the COVID-19/Negative Economic Impacts and Infrastructure Investment categories are subject to additional compliance requirements, including the Selected Item of Cost review.

Objectives:

1. Ensure all costs charged to the federal award are allowable as defined in the Uniform Guidance, Subpart E- Cost Principles.
2. Consistently apply local policies to both federally financed and non-federally financed activities.
3. Treat costs consistently as direct or indirect costs.
4. Train staff to conduct an allowable cost review in compliance with the UG Cost Principles.
5. When applicable, appropriately charge indirect costs using either the Negotiated Independent Cost Rate Agreement (NICRA) or the de minimis rate of 15 percent.

Control Activities:

- **Policy.** The Town has adopted an Allowable Cost/Cost Principle Policy, as required by 2 CFR § 200.302.
- **Segregation of Duties.** When possible, duties are segregated between those who initiate, approve, and record financial transactions.
- **Documentation.** The Grants Administrator shall ensure that documentation evidencing compliance with the Cost Principles is created and maintained through December 31, 2031. At a minimum, cost items will be reviewed for allowability prior to being charged to the federal award.

Communication and Monitoring:

Management shall ensure that staff is adequately trained to recognize allowable costs and associated compliance requirements for each eligibility category. Management shall periodically test the control activities by reviewing a sample of cost items charged to the proper project codes within the grant project ordinance.

SECTION VII: Period of Performance (See Award Terms and Conditions)

The Period of Performance covers the period of time the Town may obligate and expend ARP/CSLFRF funds must be used for costs incurred between March 3, 2021, and December 31, 2024. For a cost to be

incurred, funds must be obligated. All obligated funds must be expended by December 31, 2026. Any unspent award funds must be returned to the Treasury.

Objectives:

Ensure that all obligations and expenditures are incurred during the ARP/CSLFRF award period of performance.

Control Activities:

- Management reviews obligation dates to ensure that all obligations are made for costs incurred between March 3, 2021 and December 31, 2024.
- Management reviews obligation and expenditure dates on contracts, or when performing eligibility and allowable cost reviews.

Communication and Monitoring:

Management shall communicate pertinent dates, including the period of performance, to any staff responsible for obligating or expending federal award funds. Periodic review by management will ensure that all obligations are incurred between March 3, 2021, and December 31, 2024.

SECTION VIII: Procurement, Suspension & Debarment, 2 CFR §§ 200.317 to 200.327

Expenditures of ARP/CSLFRF funds under the revenue replacement category are exempt from federal procurement requirements. When expending ARP/CSLFRF funds in other expenditure categories, the Town is required to adopt written procurement procedures and follow all federal procurement rules outlined in the Uniform Guidance (2 CFR §§ 200.318–200.327) as well as its own internal policies. Where established local or state rules are more strict than federal rules, the Town must follow the most restrictive rule.

Objectives:

The Purchasing Division recognizes it must satisfy the minimum federal procurement requirements, as follows:

1. Adopt a written procurement policy that considers the procurement standards in § 200.318, which includes bidding contracts in compliance with federal bidding thresholds, oversight of contractors' performance, and maintaining records to document the history of procurements.
2. Provide full and open competition in conducting procurements, consistent with the standards outlined in § 200.319 and § 200.320, which allows for non-competitive procurements only in limited circumstances.
3. Comply with the requirements of § 200.320(a) when using the micro-purchase and small purchase methods of procurement.
4. Use the sealed bids method for procurement contracts exceeding the simplified acquisition threshold. Utilize the competitive proposal method when sealed bidding is not possible.
5. Ensure noncompetitive procurement methods meet the conditions set forth under § 200.320(c).

6. Perform a cost or price analysis for every procurement action in excess of the simplified acquisition³ threshold, including contract modifications.
7. Pursuant to 2 CFR 200.319(b), if a firm assists in the development or drafting of specifications, statements of work, or bids or RFPs, the firm must be excluded from competing for the procurements.
8. Ensure that all contracts include the applicable contract provisions required by § 200.327 and described in Appendix II of 2 CFR 200.
9. Verify that a contractor is eligible by reviewing the suspended and debarred list on SAM.gov.

Procurement Control Activities as related to ARP/CSLFRF:

- Uniform Guidance Procurement Policy for Using Federal Funds: Incorporated into its Purchasing Policy, the Town maintains documented procurement procedures that are consistent with the standards outlined in § 200.317 through 200.327.
- Procurements that receive Federal Funding are identified and scrutinized to ensure procurement standards are met.
- The Town Council must approve certain contracts as defined in the Purchasing Policy.
- A pre-audit certificate that is signed by the Finance Director is attached to all purchase orders, invoices, or other contractual obligations.
- Purchasing Division verifies that contractors are not on the suspended or debarred list before contract execution. A screenshot of the record check shall be maintained.

Documentation:

The Town documents the history of procurements, as required, in the form of purchase orders, contracts and electronic filings, including, but not limited to, the following:

- Solicitation specifications and proof of advertisement
- Solicitation Responses
- Evaluation documents
- Executed Contract that includes terms in accordance with Uniform Guidance
- Proof of Suspension/Debarment Check

The Purchasing Division retains procurement records in the Town's financial management system, New World, as well as on the Town's server. All records shall be maintained for a period of five (5) years after the ARP/CSLFRF period of performance (through December 31, 2031).

Communication and Monitoring:

Management shall make verifiable effort to train relevant Town staff in federal procurement law. Policies and procedures will be communicated to staff during annual procurement trainings, when changes or updates are required and approved, or as requested.

SECTION IX: Property Management, 2 CFR §§ 200.310 to 200.316

³ Federal Acquisition Regulation Part 13- Simplified Acquisition Procedures, <https://www.acquisition.gov/far/part-13>

Except for property, supplies, or equipment acquired using revenue loss funds, the Town must follow the applicable provisions of the Uniform Guidance regarding property standards (2 CFR 200.310–316), subject to the requirements set out in the Final Rule FAQ 13.16.

Per FAQ 13.16, during the period of performance, the Town may use property, supplies, or equipment purchased with ARP/CSLFRF funds for a purpose other than the purpose for which the initial purchase was made, provided the new use is consistent with another eligible use. After the period of performance, the Town is more limited in how it may use the property purchases with ARP/CSLFRF funds.

Objectives:

1. Ensure real property, personal property, supplies and equipment are used in compliance with the Uniform Guidance property standards (2 CFR §§ 200.310–316), and subject to the requirements set out in FAQ 13.16.
2. Ensure documentation is maintained to substantiate any determination on whether the use of an asset is authorized for a particular purpose during and after the award period of performance.
3. Establish adequate safeguards to prevent loss, damage, or theft of property.
4. Follow adequate maintenance procedures to keep equipment in good condition.
5. Ensure proper disposition of real property and equipment in accordance with § 200.311(c) and § 200.313 (e).

Control Activities:

- **Insurance Coverage.** Purchase equivalent insurance coverage for real property and equipment as is provided to other property owned by the Town (2 CFR § 200.310).
- **Property Management Policy.** The Town has adopted a Property Management Policy that sets forth property management processes, including procedures for record-keeping, reporting, and disposition responsibilities for real and personal property.
- **Real and Personal Property Reporting.** Finance Director or Designee shall oversee the annual reporting requirements for any real property or personal property acquired with federal awards funds. Standard Form 429⁴ shall be used to report real property and the Standard Form 428⁵ shall be used to report tangible personal property, including equipment.
- **Equipment Management.** The Town has procedures for managing equipment, whether acquired in whole or in part under a federal award, until disposition takes place. The Town will, at a minimum, meet the following requirements:
 - Maintain equipment records that include a description of equipment, serial number/model number, source of funding, acquisition date, location and condition of equipment, unit acquisition cost, and final data, including date of disposal, sales price, and method used to determine fair market value § 200.313(d).

⁴ Standard Form 429 (Real Property Status Report) is available in the Grants.gov Forms Repository, <https://www.grants.gov/forms/forms-repository/post-award-reporting-forms>

⁵ Standard Form 428 (Tangible Personal Property Report) is available in the Grants.gov Forms Repository, <https://www.grants.gov/forms/forms-repository/post-award-reporting-forms>

- Ensure adequate safeguards to prevent loss, damage, or theft of property. Properly insure for loss and theft.
- Regular maintenance will be performed to keep the property in good condition.
- A physical inventory of equipment will be performed, as defined in the Town's Capital Asset policy, and the results reconciled with the property records, at least once every two years.
- If the Town is authorized or required to sell equipment, proper sales procedures will be used to ensure the highest possible return.

Communication and Monitoring:

Management provides guidance through policies and procedures and will train employees to understand the various compliance requirements set forth in the Uniform Guidance property management standards. Periodic review of established controls shall be performed to ensure that all reporting and property management requirements are satisfied for both real property and equipment.

SECTION X: Subrecipient Risk Assessment and Monitoring, 2 CFR §§ 200.331 to 200.333

Expenditures of revenue loss funds are exempt from compliance with this section. See Final Rule FAQ 13.15. Each unit must design its own system of internal controls over subrecipient selection and monitoring that meet the requirements set forth in 2 CFR §§ 200.331-333.

Objectives:

Ensure compliance with requirements set forth in the Uniform Guidance requirements 2 CFR §§ 200.331-333.

Control Activities:

- Subrecipient agreements are reviewed and approved by knowledgeable staff to ensure all compliance requirements are captured and that all required elements set forth in 2 CFR § 200.332 are included.
- Management conducts subrecipient risk assessments and approves individual subrecipient monitoring plans.
- Management periodically evaluates subrecipient monitoring plans with actual monitoring activities that have been undertaken to ensure monitoring occurs as scheduled.

Communication and Monitoring:

Management shall be responsible for communicating the compliance requirements and specific award terms and conditions to subrecipients. Management will ensure that external stakeholders are apprised of any subaward agreements executed using ARP/CSLFRF funds and the intended purpose of the supported program. Management shall conduct ongoing monitoring to ensure staff is adequately monitoring each subrecipient's compliance with the terms set forth in the subaward agreement.

SECTION XI: Program Income, 2 CFR § 200.307

Program income relates to gross income earned from expenditures of federal awards, such as income from fees for services performed, the use or rental of property acquired with program funds, and for the sale of items fabricated under the program. Program income is only triggered when income will be earned under

the COVID-19/Economic Impacts Category or for income earned on a water/wastewater infrastructure project. When program income is earned, it is added back to the total ARP/CSLFRF award allocation.

Objectives:

1. Separately track and account for program income during the ARP/CSLFRF award's period of performance.
2. Expend program income on eligible projects and programs during the period of performance.

Control Activities:

- On a monthly basis, recorded program income is reconciled with supporting documentation, such as loan ledgers and other accounting records.
- Program income is separately tracked and accounted for within the grant project ordinance.
- Management ensures program income is added to the total ARP/CSLFRF award and used to support eligible projects and programs.
- Individuals who collect cash or other receipts are different from those who deposit receipts, generate invoices, record general ledger activity, and reconcile bank statements.

Communication & Monitoring:

Management shall identify program income requirements and communicate compliance requirements to staff. Management shall periodically review accounting records to ensure program income is separately accounted for during the award period of performance.

End of Policy Statement No. P-057

Adopted by the Holly Springs Town Council on April 15, 2025 as certified by:

Linda C. McKinney, CMC
Town Clerk



Appendix A

Internal Control Components and Principles

CONTROL ENVIRONMENT

1. The oversight body and management should demonstrate a commitment to integrity and ethical values.
2. The oversight body should oversee the entity's internal control system.
3. Management should establish an organization structure, assign responsibility, and delegate authority to achieve the entity's objectives.
4. Management should demonstrate a commitment to recruit, develop, and retain competent individuals.
5. Management should evaluate performance and hold individuals accountable for their internal control responsibilities.

RISK ASSESSMENT

6. Management should define objectives clearly to enable the identification of risks and define risk tolerances.
7. Management should identify, analyze, and respond to risks related to achieving the defined objectives.
8. Management should consider the potential for fraud when identifying, analyzing, and responding to risks.
9. Management should identify, analyze, and respond to significant changes that could impact the internal control system.

CONTROL ACTIVITIES

10. Management should design control activities to achieve objectives and respond to risk.
11. Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
12. Management should implement control activities through policies.

INFORMATION AND COMMUNICATION

13. Management should use quality information to achieve the entity's objectives.
14. Management should internally communicate the necessary quality information to achieve the entity's objectives.
15. Management should externally communicate the necessary quality information to achieve the entity's objectives.

MONITORING

16. Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
17. Management should remediate identified internal control deficiencies on a timely basis.



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 11.

Consent Agenda

Title: Operations Campus and Special Inspections & Construction Materials Testing Contract

Strategic Priority Area: Community Safety

Organizational Excellence

Staff Resource: Kimberly Keyes, Utilities and Infrastructure

Action(s):

1. Award and authorize the Town Manager to sign and execute the Special Inspections & Construction Materials Testing contract for the Operations Campus project to Southern Engineering for the amount of \$207,055.25.
2. Authorize the Town Manager to negotiate, sign, and execute any other required agreements to include construction engineering & inspections (CEI) and contract administration (CA), amendments, or change orders necessary to deliver the Operations Campus project that are consistent with prior Council action, scope, and within the project budget and approved funding sources.

Explanation:

- Special Inspections and Material Testing are required by code to be performed by a third party for confirmation that all materials provided meet the necessary safety level with the correct installment.
- The scope of their services includes (but is not limited to) testing of: soils, cast-in-place concrete, structural steel and bolting, cold-formed steel decking, structural masonry, seismic resistance, fire-resistant penetrations and joints, and pavements.
- The Town previously obtained these services for Phase 1A of the project, but not for the current phase, Phase 1B. This scope of work specifically pertains to Phase 1B of the Operations Campus.
- This contract is separate from the Construction Manager at Risk services and specifically provides for an unbiased view of the quality of the work, ensuring compliance, structural integrity, prevention/mitigation of cost overruns, structural performance expected throughout its lifespan, and documentation for future maintenance.
- This action is within the prior approved project budget.

Background:

- The project phase consists of a new two-story Administration building and a new one-story Operations building.
- Site improvements will include new parking lots, cast-in-place concrete retaining walls, and a yard waste disposal convenience center.

Funding Source(s):

Community Investment Plan - Limited Obligation Bond / General and Utility Funds Sources

Attachment(s):

1. Contract for PROFESSIONAL SERVICES - QBS - Southern Engineering - SI&CMT



CONTRACT FOR PROFESSIONAL SERVICES **SUBJECT TO Q.B.S.**

THIS AGREEMENT dated _____, between the **Town of Holly Springs**, North Carolina, for itself and its Successors & Assigns (hereinafter called the "Town") and **Southern Engineering & Testing, PC** (herein after called the "Contractor").

Town hereby desires to enter into a contract for services with the Contractor and the Contractor agrees to enter into this contract and perform the Services as set forth below, in the manner and time hereinafter described, and both parties do hereby agree as follows:

SERVICES OF CONTRACTOR

The services of the Contractor shall be performed in the manner as described in **Exhibit A** (the "Proposal") as attached hereto and incorporated by reference. Contractor agrees to employ such personnel as may be needed to deliver services in the manner and time prescribed herein. Such personnel shall be employees of the Contractor, said Contractor being an independent contractor of the Town.

BRIEF SUMMARY OF SERVICE(S): This is a Professional Services contract with the Contractor to perform special inspections & construction materials testing services for the Town of Holly Springs Operations Campus, Phase 1B, as further described in **Exhibit A**.

TOWN'S RESPONSIBILITIES

The Town shall make available the facilities and information to the Contractor and shall not impede the work of the Contractor except as necessary. Any additional Town responsibilities shall be listed in **Exhibit A**.

BIDDING COMPLIANCE:

The Town shall comply with the bidding laws of the State of North Carolina. Failure to do so shall make this Contract void. The Town's Contract Manager for this Contract is:

Kimberly Keyes, Utilities & Infrastructure
Email: Kimberly.keyes@hollyspringnc.gov
Phone: (919) 557-2929

(Name, Department)

X The Contract Manager certifies that the Contractor was selected using Qualification Based Selection. An announcement was made through a Request for Qualifications (2025-1005) that was circulated on January 28, 2025. The Contractor was selected as the best qualified for the work described herein.

OR

 An exemption was allowed by the Town Manager, and an Exemption Memorandum is attached as the last page of this Contract as **Exhibit D**.

Contract Manager **Date Signed:**
Printed Name: Kimberly Keyes

Department Head/Supervisor **Date Signed:**
Printed Name: Kendra Parrish

PAYMENT

The Town shall pay the Contractor the contract sum in the following manner:

 Upon completion of the services listed in **Exhibit A**, the Contractor shall invoice the Town, and the Town shall have 30 days from receipt to pay. Contract total not to exceed \$_____ without prior written agreement by the Town and Contractor.

 Payment on basis of Time and/or Materials as described in **Exhibit A**

 X Description of Alternative Payment Terms:

The Contractor shall provide the Town with periodic invoices detailing the services performed, as per the rates listed on page 7 of Exhibit A. The contract total shall not exceed \$207,055.25 without the prior written authorization of the Town's Contract Manager.

TIME FOR RENDERING SERVICES

The times for rendering the services are set forth in **Exhibit A**, or as otherwise set forth below:

GENERAL CONSIDERATIONS

1. Standards of Performance.

CONTRACT FOR PROFESSIONAL SERVICES

- 1.1 The standard of care for all services performed or furnished by Contractor under this Agreement will be the care and skill ordinarily used by members of the Contractor's profession practicing under similar circumstances at the same time and in the same locality.
- 1.2 Contractor represents that, prior to submitting the Bid and executing this Contract, Contractor became and remains thoroughly acquainted with all matters relating to the performance of this Contract, all applicable laws and all of the terms and conditions of this Contract. All Services under this Contract shall be coordinated under and performed to the satisfaction of the Town Contact, taking into consideration the standard of care listed above. Town is authorized to withhold payment of any funds under this Contract until periodic performance of the Services has been inspected, accepted, and approved by the Town Contact.
- 1.3 Contractor shall be responsible for the technical accuracy of its services and documents resulting therefrom, and Town shall not be responsible for discovering deficiencies therein. Contractor shall correct such deficiencies without additional compensation except to the extent such action is directly attributable to deficiencies in Town furnished information.
- 1.4 Contractor and Town shall comply with applicable Laws or Regulations and Town mandated standards. This Agreement is based on these requirements as of its Effective Date. Changes to these requirements after the Effective Date of this Agreement may be the basis for modifications to Town's responsibilities or to Contractor's scope of services, times of performance, or compensation.
- 1.5 Contractor is an independent contractor of the Town. The Town and the Contractor mutually agree to indemnify and hold harmless each party from any claims of negligence brought forth. Contractor is familiar with the property and its condition.

2. Term and Termination.

- 2.1 The term for this contract is as long as necessary to complete the scope of work agreed to, but in no event shall it exceed two (2) years.
- 2.2 The mutual obligations of the Parties contained in this Agreement may be terminated:
 - 2.2.1 For cause by either party upon 30 days written notice in the event of a failure by the other party to perform in accordance with the terms hereof.
 - 2.2.2 For failure to consistently satisfy the Standards of Performance in the opinion of the Town Contact.
 - 2.2.3 Upon mutual agreement.

3. Controlling Law.

- 3.1 This agreement is to be governed by the law of the State of North Carolina, regardless of any language in any quote, contract, agreement supplied by the

Contractor.

3.2 Venue and jurisdiction are proper in the 10th Judicial District of North Carolina (Wake County).

4. Notices.

4.1 Any notice required under this Agreement will be in writing, addressed to the appropriate party at its address below, or given personally, or by regular, registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of the receipt.

4.1.1 For the Town:

Kimberly Keyes, Sr. Project Manager	(Name, Title)
Utilities & Infrastructure	(Department)
P.O. Box 8	(Address)
Holly Springs, NC 27540	
(919) 557-2929	(Phone)
Kimberly.keyes@hollyspringsnc.gov	(e-mail)

4.1.2 For the Contractor/Vendor:

Don Brown, Vice President	(Name, Title)
Southern Engineering & Testing, PC	(Company)
5400 Old Poole Road	(Address)
Raleigh, NC 27610	
(919) 772-1068	(Phone)
donbrown@southernengineering.com	(e-mail)

5. Severability.

5.1 Any provision or part of the Agreement held to be void or unenforceable under any Laws or Regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Town and Contractor, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

6. Waiver.

6.1 Non-enforcement of any provision by either party shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement.

7. Attorney's Fees.

7.1 In the event of a breach of this Agreement, the substantially prevailing party shall be entitled to an award of reasonable attorney's fees and costs relating to compelling

performance under this Agreement.

8. Insurance & Indemnification Requirement.

8.1 Contractor shall provide professional liability insurance for a minimum of \$1,000,000 per occurrence, \$2,000,000 aggregate, for the complete term of the contract. Additionally, the Contractor shall supply workman's compensation insurance coverage to all employees within the statutory limits, as necessary. Contractor shall supply proof of coverage to the Town, which shall list "Town of Holly Springs" as additional insured, to all professional liability policies for the duration of the contract term. Any waiver of the insurance requirement, or an acceptance of lower limits shall be stated on the **Exhibit B** cover page and a certificate of insurance shall be attached hereto as **Exhibit B**.

8.2 The Contractor agrees to waive any and all claims against the Town from itself or its employees arising from work performed by the Contractor pursuant to this Contract, except for claims related to non-payment of amounts. The Contractor shall protect, defend, indemnify and hold the Town and its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees, or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings, or causes of actions of every kind and character in connection with or arising out of this Agreement and/or the performance hereof, that are proximately caused by the negligence, willful or wanton conduct, or breach of contract relating to the Contractor's work in under this Agreement or any addendums or modifications thereto, except to the extent that the same are by the negligence or willful misconduct of the Town. For such claims, the Contractor/Licensee further agrees to investigate, handle, provide defense for and respond to, any such claims at its sole expense and agrees to bear all other costs and expenses related thereto, even if such claims are groundless, false, or fraudulent.

9. E-Verify.

9.1 Contractor hereby agrees to comply with N.C.G.S. § 64-25, et. seq. regardless of Contractor's status as an independent contractor and not an employee with the Town. The E-Verify Affidavit shall be attached hereto as **Exhibit C**.

10. Independent Contractor.

10.1 Contractor's status shall be that of an independent contractor and not an agent, servant, employee, or representative of Town in the performance of the Services. Contractor shall exercise independent judgment in performing duties under this Contract and is solely responsible for setting working hours, scheduling or prioritizing the workflow and determining how the work is to be performed. No term or provision of this Contract or act of Contractor in the performance of this Contract shall be construed as making Contractor the agent, servant or employee of Town, or making Contractor or any of its employees eligible for the fringe benefits, such as retirement, insurance and worker's compensation, which Town provides its employees.

10.2 Contractor's Control Over Services Provided. Contractor shall retain the unqualified right of control over the means, manner and methods by which the

Services are performed, and the right to perform such Services at the locations and times that Service Provider independently determines, as approved by the Town. Contractor shall be responsible for providing all equipment, materials and supplies that Contractor determines are needed to timely provide the Services.

- 10.3** Contractor shall be responsible for the technical accuracy of its services and documents resulting therefrom, and Town shall not be responsible for discovering deficiencies therein. Contractor shall correct such deficiencies without additional compensation except to the extent such action is directly attributable to deficiencies in Town furnished information.

11. Non-Discrimination.

- 11.1** As a condition of this Contract, Contractor covenants that Contractor will take all necessary actions to insure that, in connection with any operations under this Contract, Contractor, its officers, employees and subcontractors, will not discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, religion, national origin, age, sex, sexual orientation, or handicap unrelated to job performance, either directly, indirectly or through contractual or other arrangements. Contractor shall also comply with all applicable requirements of the Americans with Disabilities Act, 42 U.S.C.A. §§12101-12213, as amended. In this regard, Contractor shall keep, retain and safeguard all records relating to this Contract or work performed hereunder for a minimum period of three (3) years from final Contract completion, with full access allowed to authorized representatives of Town, upon request, for purposes of evaluating compliance with this and other provisions of the Contract.

12. Contractor's Employees.

- 12.1** Contractor agrees and consents that the Town is allowing access to the Contractor to both publicly used and private sensitive Town facilities. Contractor, and any employee, agent, subagent, volunteer, or any person authorized to act on behalf of the Contractor shall maintain a professional demeanor at all times during the interaction with the Town's patrons and visitors to Town facilities. Contractor shall refrain from other commercial or political activity while performing this contract on Town Facilities. Contractor shall undergo criminal background checks on all employees and subcontractors working at the direction of the Contractor in this contract, and shall exclude any employees from working in any Town facility any employees that:

- 1) had a conviction of any felony within the past 10 years;
- 2) has a conviction in the past 10 years of any violent crime or crime involving theft or dishonesty; or
- 3) is currently a registered sex offender.

13. Assignment.

- 13.1** Contractor shall not sell, assign, transfer or convey this Contract, in whole or in part, without the prior written consent of the Town. As an express condition of

consent to any assignment, Contractor shall remain liable for completion of the Contract work in the event of default by the successor contractor or assignee.

14. Right of Review and Audit.

14.1 Town may review any and all of the services performed by Contractor under this Contract. Town is granted the right to audit, at Town's election, all of Contractor's records and billings relating to the performance of this Contract. Contractor agrees to retain such records for a minimum of three (3) years following completion of this Contract. Any payment, settlement, satisfaction, or release made or provided during the course of performance of this Contract shall be subject to Town's rights as may be disclosed by an audit under this section.

15. Non-Appropriations.

15.1 No provision of this agreement shall be construed or interpreted as creating a pledge of the faith and credit of the town within the meaning of any constitutional debt limitation. No provision of this agreement shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the town within the meaning of the constitution of the state. This agreement shall not directly or indirectly or contingently obligate the town to make any payments beyond those appropriated in the sole discretion of the town for any fiscal year in which this agreement is in effect; provided, however, that any failure or refusal by the town to appropriate funds which results in the failure by the town to make any payment coming due hereunder will in no way obviate the occurrence of the event of default resulting from such nonpayment. No deficiency judgment may be rendered against the town in any action for breach of a contractual obligation under this agreement and the taxing power of the town is not and may not be pledged directly or indirectly or contingently to secure any moneys due under this agreement.

16. Full Agreement. This Contract is the full agreement of the parties, and neither has, or is relying on any information not contained in this Contract or its Exhibits. The terms of this Contract supersede any conflicting terms which may be contained in any Exhibit attached hereto and incorporated by reference.

17. Modification. The Contract may not be modified except by either a Change Order or an Amendment. Any Change Order or Amendment must be made in writing, utilizing the appropriate Town form, approved by the Town (and Town Council, if necessary) and executed with the same formalities as this original contract.

18. Exhibit List. The following documents shall be attached hereto and incorporated by reference.

Exhibit A – Proposal and Scope of Work

Exhibit B – Certificate of Insurance

Exhibit C – E-Verify Affidavit

Exhibit D – ~~QBS Exemption Memorandum, if applicable~~

[Signature Page Follows]

TOWN OF HOLLY SPRINGS:

CONTRACTOR:

BY: _____
Randy J. Harrington, Town Manager
Date:

Signature _____

Name: _____

Title: _____

WITNESS:

Linda McKinney, Town Clerk
Date:

Contract Manager: _____ Date:

Purchasing Manager: _____ Brettany DeVold
Date:

Purchase Order No.: _____ (if applicable)

Approved as to form:

John Schifano, Town Attorney Date:

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

Tina Stroupe, Director of Finance Date:

CONTRACT FOR PROFESSIONAL SERVICES

EXHIBIT A

March 17, 2025

Kimberly A Keyes, CAPM
Senior Project Manager
Town of Holly Springs - Utilities and Infrastructure Department
128 S Main Street
Holly Springs, NC 27540

Re: Proposal for Special Inspections & Construction Materials Testing
Holly Springs Operations Center Phase 1B
Holly Springs, NC
SE&T Proposal No: 25-31680

Dear Kimberly,

SOUTHERN ENGINEERING AND TESTING, P.C. (SE&T) is pleased to submit our proposal to provide continued construction material testing and special inspection services for your project. We look forward to the opportunity to remain engaged on this project and are available to discuss the proposed scope of services, schedule, and cost herein if desired.

Presented below is a review of furnished project information, along with our proposed scope of service and fee information.

PROJECT UNDERSTANDING

Our understanding of the project is based upon the following:

- ToHS Ops Campus – Plan set dated September 25, 2024
- HSOC Admin 01-Engineering Rev 09 plan set dated September 25, 2024
- HSOC Ops 01-Engineering Rev 09 plan set dated September 25, 2024
- Statement of Special Inspections found in the Admin and Ops Center plan sets dated September 25, 2024
- Construction schedule dated January 21, 2025

The project consists of a new Administration building that will be two stories tall, and a new Operations building that will be one story tall. Site improvements will include new parking lots, cast-in-place concrete retaining walls, yard waste disposal convenience center, and a concrete pad storage area.

SCOPE OF SERVICES

Our anticipated scope of services for this project is outlined below. In addition to these services, we will work closely with the members of your project team to for a smooth flow of communication with timely responses. We view communication as the foundation of developing a long-term, mutually beneficial, partnership.

Soils

Testing and observations of soils will be required during mass grading and for final fine grading. We anticipate soil testing/observation to including:

- Laboratory testing of fill materials to verify suitability (two standard proctors included).
- Verify proper fill material placement.
- Field tests for soil and aggregate density/compaction.
- Inspect and test excavations and subgrade.
- Foundation bearing evaluations (with DCP testing).
- Quantification of unsuitable materials and/or rock.
- Proofroll of soil subgrade and stone base for parking lots, roadways, and fire lanes.

Cast-in-Place Concrete

This work includes inspecting steel reinforcement and continuous monitoring of concrete placements for footings, slab-on-grade, elevated slabs, cast-in-place retaining walls, and pavement. Concrete testing/observation will include:

- Observation of formwork for shape, location, and dimensions.
- Periodic observation of steel reinforcement for size, length, quantity, spacing, and placement.
- Collect accepted mix designs and verify appropriate mix is used onsite.
- Continuous monitoring of concrete placement, as required.
- Periodic observations of curing techniques.
- Periodic observations of cold and hot weather concreting techniques.
- Sampling of fresh concrete and field testing (slump, air content, and temp.).
- Preparation of concrete strength test specimens (65 sets of seven lab-cured cylinders).
- Laboratory compressive strength testing.
- Pick-up of the concrete specimen after the initial site cure.

Please note that monitoring of concrete placements is required to be continuous observations and personnel will need to be onsite through the entire duration of these activities.

Structural Steel and Bolting

Structural steel observation is expected to include:

- Observation of steel framing joints to confirm member sizes and connections per contract documents.
- Confirm welding procedure specifications and welder certifications
- Observation of high-strength bolts and connections.
- Periodic observation of single pass fillet welds with 5/16-inch width and less.
- Continuous observation of single pass fillet welds greater than 5/16-inch width.
- Observation of steel framing joints to confirm member sizes and connections per contract documents
- Collect material data sheets and Certificate of Compliance for A325 and A490 bolts, nuts, and washers
- Periodic observations of fit ups and root openings for groove and fillet welds
- Two visits for Ultrasonic Testing of full penetration welds at moment connections
- Observations of steel stairs and railings per project documents
- Observation of weld repair activities

Cold Formed Steel Decking

These services shall consist of:

- Collect welding procedures and manufacturers certifications for consumables
- Verify use of proper materials, storage practices, and welding/fastening equipment
- Verify welder qualifications and welding procedures
- Confirm adherence to welding procedure and proper environmental conditions
- Verify that welds meet visual acceptance criteria
- Confirm that welds and mechanical fasteners are of the correct size and location, including support, sidelap, and perimeter welds
- Observe mechanical fastener installation to verify compliance with manufacturer's instructions
- Verify adequate repairs are completed where needed

Structural Masonry

Structural masonry observations are required, for which anticipate the following task. This also includes sampling and lab testing of grout used in building foundation walls and enclosures.

- Verify proportions of site prepared mortar conform to contract documents
- Collect mix design for grout and verify it conforms to contract documents
- Collect report on verification of f_m prior to construction
- Periodic observation of construction mortar joints
- Verification of size and location of structural elements
- Verification of size, grade, placement, and lap lengths of reinforcement and connection of masonry to structural frame

- Observation of grout spaces to ensure they are clean and free of debris
- Continuous observation of the placement of all grout as required
- Observation of anchor bolts per project documents
- Verification of protection techniques
- Preparation of grout strength test specimens (5 sets of 4 prisms)
- Laboratory testing of grout prisms

Seismic Resistance

This work shall consist of:

- Collect certificates of compliance for qualifying equipment supports, attachments, and components; verify correctness of labels and installation
- Verify installation and anchorage of pipe and duct systems carrying hazardous materials and associated mechanical units
- Verify anchorage of electrical equipment for emergency and standby power systems

Fire-Resistant Penetrations and Joints

These services shall consist of:

- Periodic observation of through-penetration firestop systems installed in compliance with the contract documents and manufacturer requirements
- Periodic observations of penetration fire stop systems (10%) in accordance with ASTM E2174
- Periodic observations of fire-resistant joint systems (5%) in accordance with ASTM E2393

Pavements

These services shall consist of:

- Coring to extract asphalt test cores (up to 10 core samples)
- Laboratory testing of asphalt cores to check thickness and compaction/density

Exclusions

Please note that the following items are specifically excluded from our fee; however, if so needed, Stewart can provide a cost estimate for these non-covered services.

- Casting and testing of field-cured concrete specimen
- Observation of welded reinforcing steel.
- Fabrication shop observation(s).
- Overtime beyond the hours noted.
Weekend and/or holiday work.
- Re-observation of non-conformant items.
- Testing of concrete for sidewalks, curb & gutter, and other non-structural flatwork.
- Observations and testing for cold formed steel framing.

- Thickness, bond, and density testing of sprayed-applied fire resistance materials (not listed on SSI)

and notes

We will provide detailed daily field reports[^] with the results distributed to required parties as designated by you. If there are discrepancies noted in the observation, materials testing, or test results, we will alert the general contractor's superintendent verbally at the site (if available) to generate awareness of identified issue(s), so they may be resolved prior to continuing work.

To accomplish the scope of services, we will provide qualified personnel to conduct field tests on an on-call basis. We request a 24-hour notice, so we can efficiently supply the project with appropriate personnel. Please note that our services do not include supervision or direction of the actual work. Also, be aware that neither the presence of our field representative nor the observation and testing performed by our firm shall release the contractor from its responsibility to build the project per the apposed project documents.

ESTIMATED FEE

Our services will be invoiced based on the attached unit rates. Using the provided construction schedule, we've assumed that that substantial completion with regards to our services will be at the end of June 2025; however, miscellaneous building and site work is scheduled to continue sporadically through December 2025. We have estimated 100 days on site for our primary special inspector. We've included 50 days for a CMT technician, some of which will overlap our primary inspector for tasks that cannot be handled by one person (e.g. large concrete pours, multiple construction operations, etc.). We also included 23 days for a CWI during steel erection. The bulk of our estimate is based on an 8-hour workday; however, since overtime is common in construction, we have included 140 hours of overtime (1.5X standard rate) for our primary inspector/technician in this fee estimate.

The total estimated cost of our services outlined herein is **\$207,055.25** and includes the onsite observation and testing durations noted above, travel/trip charges, lab testing noted herein, project management, and administrative support. Please note that testing and observation services are difficult to estimate, as we are dependent on the pace and sequencing of the contractor(s). Should actual quantities exceed (or underrun) our estimated durations, our total fee for this project will increase (or decrease) accordingly.

AUTHORIZATION

We appreciate the opportunity to provide this proposal. If this proposal is acceptable to you, please forward a purchase order to us referencing this proposal to initiate a new contract. If you have any questions or need any additional information, please do not hesitate to contact one of the undersigned team members.

Respectfully submitted,

SOUTHERN ENGINEERING AND TESTING, P.C.

NC License No. C-4167; SC Certificate of Authorization No.: 5297



Benjamin Hackworth, MSI
Manager of Construction Services



Don Brown, P.E.
Vice President / Principal

Enclosures: Unit Rates and General Conditions

STAFF RATES (PER HOUR)

1. Engineering Technician I.....	\$60.00
2. Engineering Technician II	\$70.00
3. Engineering Technician III	\$80.00
4. Special Inspector I.....	\$70.00
5. Special Inspector II.....	\$80.00
6. Special Inspector III	\$90.00
7. ICC Bolting Inspector	\$95.00
8. Certified Welding Inspector (CWI).....	\$125.00
9. Asst. Project Manager	\$100.00
10. Project Manager	\$125.00
11. Project Manager (PE)	\$135.00
12. Sr Project Manager	\$130.00
13. Sr Project Manager (PE)	\$150.00
14. Service Line Manager	\$150.00
15. Principal	\$215.00
16. Clerical.....	\$68.50

LABORATORY TESTING & EQUIPMENT CHARGES (EACH)

17. Atterberg Limits	\$125.00
18. Particle Size Analysis: Soil / Aggregate.....	\$110.00/\$125.00
19. Washed #200	\$90.00
20. Hydrometer	\$100.00
21. Specific Gravity	\$100.00
22. Water Content.....	\$20.00
23. NCDOT Soil Classification (Atterberg limits, hydrometer, washed #270, particle size analysis)	\$350.00
24. Organic Content (Loss of Ignition)	\$65.00
25. Corrosion Suite – soil (pH, resistivity, sulfate, chloride)	\$500.00
26. Thermal Conductivity of Soil.....	\$900.00
27. Compaction Characteristics (Proctor Tests)	
a. Standard: Soil / Aggregate	\$175.00/\$245.00
b. Modified: Soil / Aggregate	\$225.00/\$275.00
c. Soil Proctor Rock Correction Surcharge	\$75.00
28. CBR Testing: One point / Three points.....	\$250.00/\$550.00
29. Unit Weight Determination/One-point proctor.....	\$80.00
30. Tri-axial Shear Strength	
31. Unconsolidated-Undrained	\$300.00
32. Consolidated-Undrained w/ pore pressure.....	\$1,500.00
33. Consolidated-Drained w/ pore pressure	\$650.00
34. Remolding Charge (per point)	\$75.00
35. Soil Permeability	
36. Undisturbed	\$325.00
37. Remolded	\$350.00
38. Consolidation	\$800.00
39. Expansion Index	\$500.00
40. Soil Swell Test (30-day)	\$700.00
41. Compressive Strength Testing:	
a. Concrete Cylinders (4-in. x 8-in.)	\$25.00
b. Concrete Cylinders (6-in. x 12-in.)	\$50.00
42. Concrete Cores.....	\$50.00
43. Concrete Beams (flexural strength).....	\$200.00
44. Mortar Cubes	\$20.00
45. Grout Prisms	\$35.00
46. Rock cores	\$100.00
47. Asphalt Core Thickness and Density	\$175.00
48. Sprayed Fireproofing Material: Density / Adhesion	\$35.00/\$35.00
49. Concrete Coring Equipment (per day).....	\$350.00
50. Floor Flatness Equipment (per day).....	\$275.00
51. Nuclear Density Gauge (per day)	\$50.00
52. Transportation Charge (per trip).....	\$50.00

NOTES

1. All technician and inspector rates are subject to a 1.5 multiplier for overtime, which includes greater than eight hours per day, Saturdays, and work before 7 a.m. and after 6 p.m. Sunday hours will be billed with a 2.0 multiplier. Holiday hours will be billed with a 3.0 multiplier. Billing increments for all staff is ¼ hour.
2. Southern Engineering reserves the right to bill a 4-hour minimum for cancelled services or for short duration test/observation requests if the assigned staff is unable to serve another client/project in its place.
3. For scheduling purposes, Southern requires notification before 3 p.m. the preceding day for all testing and observation services. When able, we will cover work on shorter notice but cannot guarantee staff availability.
4. Compression testing premium of \$200.00 per set applied to weekend compression testing.
5. All rates are subject to a 3% increase every 12 months during the duration of the contract.

EXHIBIT B

_____ **Insurance requirement waived**

_____ **Lower Insurance Limit Approved**

Approved by: _____

Printed Name: _____

 X **Certificate of Insurance attached**

COI Expires: 12/31/2025

Terra Insurance Company
(A Risk Retention Group)
Two Fifer Avenue, Suite 100
Corte Madera, CA 94925



DATE

03/31/25

CERTIFICATE OF INSURANCE

CERTIFICATE HOLDER

Town of Holly Springs (NC)
Attn: Debbie Abbene
128 S. Main St.
Holly Springs, NC 27540

This certifies that the "claims made" insurance policy (described below by policy number) written on forms in use by the Company has been issued. This certificate is not a policy or a binder of insurance and is issued as a matter of information only, and confers no rights upon the certificate holder. This certificate does not alter, amend or extend the coverage afforded by this policy.

The policy of insurance listed below has been issued to the insured named below for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Aggregate limits shown may have been reduced by paid claims.

TYPE OF INSURANCE Professional Liability

POLICY NUMBER
225226

EFFECTIVE DATE
01/01/25

EXPIRATION DATE
12/31/25

LIMITS OF LIABILITY \$1,000,000 EACH CLAIM
\$2,000,000 ANNUAL AGGREGATE

PROJECT DESCRIPTION

ToHS Operations Center

CANCELLATION: If the described policy is cancelled by the Company before its expiration date, the Company will mail written notice to the certificate holder thirty (30) days in advance, or ten (10) days in advance for non-payment of premium. If the described policy is cancelled by the insured before its expiration date, the Company will mail written notice to the certificate holder within thirty (30) days of the notice to the Company from the insured.

NAME AND ADDRESS OF INSURED

Southern Engineering and Testing, P.C. (SE&T)
6120 Brookshire Boulevard, Suite A
Charlotte, NC 28216

ISSUING COMPANY:

TERRA INSURANCE COMPANY
(A Risk Retention Group)

A blue ink signature of David C. Cook, President of Terra Insurance Company.

President



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

01/10/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER I.S.C.A. 105 Tricia Ct. Thomasville NC 27360		CONTACT NAME: Tracy Davis PHONE (A/C, No, Ext): (336) 475-9762 E-MAIL ADDRESS: Tracy@iscofa.com FAX (A/C, No):	
INSURED Southern Engineering and Testing, P.C. 6120 Brookshire Blvd Ste A Charlotte NC 28216		INSURER(S) AFFORDING COVERAGE INSURER A: VALLEY FORGE INS CO (CNA) NAIC # 20508 INSURER B: NATIONAL IND CO 20087 INSURER C: CONTINENTAL CASUALTY COMPANY (CNA) 20443 INSURER D: NATIONAL FIRE INS CO OF HARTFORD (CNA) 20478 INSURER E: INSURER F:	

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PRO-JECT ☐ LOC ☐ OTHER:			7013325380	08/10/2024	08/10/2025	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 \$
	☐ AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ HIRED AUTOS ONLY ☒ SCHEDULED AUTOS ☐ NON-OWNED AUTOS ONLY			70APB010350	12/31/2024	12/31/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☒ RETENTION \$ 10000			7013325458	08/10/2024	08/10/2025	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
	☒ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y / N ☒ N	N / A		7013325413	08/10/2024	08/10/2025	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

Town of Holly Springs
128 S. Main St.
Holly Spring, NC 27502
Debbie.abbene@hollyspringsnc.gov

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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EXHIBIT C

STATE OF NORTH CAROLINA)
)
COUNTY OF WAKE)

AFFIDAVIT OF CONTRACTOR'S COMPLIANCE WITH E-VERIFY

I, _____ (the individual attesting below), being duly authorized by and on behalf of **Southern Engineering & Testing, PC** (the "Contractor") after first being duly sworn hereby swears or affirms as follows:

1. Contractor understands that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with NCGS §64-25(5).

2. Contractor understands that Contractors Must Use E-Verify. Each Contractor, after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with NCGS §64-26(a).

3. Contractor is a person, business entity, or other organization that transacts business in this State and that employs 25 or more employees in this State. (mark Yes or No)

a. YES _____

b. NO _____

4. Contractor's subcontractors comply with E-Verify, and if Contractor is the winning bidder on this project Contractor will ensure compliance with E-Verify by any subcontractors subsequently hired by Contractor.

Dated: _____

Signature of Affiant: _____

Print or Type Name: _____

EXHIBIT D

N/A



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 12.

Consent Agenda

Title: Town Hall HVAC Replacement Design-Build

Strategic Priority Area: Community Safety

Staff Resource: Bhavi Joshi, Utilities and Infrastructure, Kimberly Keyes, Utilities and Infrastructure

Action(s):

- Approve the Brady Trane Service proposal to replace and install two air handling units in the attic, replace two outdoor condensing units and install a new mechanical roof access hatch at Town Hall and project contingency, for a total amount of \$592,000.00
- Approve budget amendment and adopt PAYGO Capital Project Ordinance (25-10)
- Authorize the Town Manager to negotiate, sign, and execute any other required agreements or change orders necessary to deliver the HVAC project that are consistent with prior Council action, scope, and within the project budget and approved funding sources.

Explanation:

- The Town Hall HVAC system was installed in 2002 when the facility was originally built. The average life expectancy for most HVAC units is 15 years. The current Town Hall units have exceeded their life expectancy and are at high risk to incur chronic failure at any time.
- Replacement of the Town Hall HVAC has been planned in two phases. Just prior to COVID, in Phase I two of the four air handling units in the basement were replaced, along with two of the four condensers in a mechanical yard adjacent to the building. The final Phase II involves replacing the remaining two air handlers (located in the attic) and two condensers, as these units have exceeded their life expectancy and are experiencing performance issues.
- \$165,000 was originally projected for Phase II to replace the remaining two air handling units and two condensing units.
- The Town received two bids for Phase II and both significantly exceeded the project budget. Due to the high cost and supply chain difficulties during COVID, staff re-evaluated options to see if costs could be improved.
- The project budget was increased to \$410,000, and Phase II was rebid on May 9th, 2024. The rebid generated preliminary strong interest, with seven potential bidders attending the pre-bid walk-through. However, no bids were ultimately submitted by vendors. Upon following up with the bidders, concerns were cited about the limited attic access, which would make installation significantly more difficult. Other location options for the units were evaluated and presented their own cost, design, and space availability challenges.
- The project scope was then revised to include a new roof access hatch opening to address

Town Council Business Meeting
April 15, 2025

the market reluctance to bid on the project, thus requiring a structural design modification to Town Hall. Given these modifications, a Design-Build (DB) approach was chosen, as it integrates both design and construction under a single contract in an attempt to better resolve the project challenges.

- On December 5, 2024, a Request for Qualifications (RFQ) was issued for a DB team. Four teams submitted proposals, and after evaluation by the internal selection committee, Brady Trane was selected.
- On March 21, 2025, the Town Manager approved Brady Trane's contract for preliminary services and scope development in the amount of \$31,500.
- In light of current market conditions and the addition of structural modification complexity to the Town Hall roof to access and replace HVAC units, bids exceed the current project budget and \$144,000 in additional funding is necessary to complete the project.
- The attached budget amendment appropriates additional General Fund investment earnings that have already been collected in Fiscal Year 2024-25 and transfers \$144,726 to the PAYGO project fund, bringing the total project budget to \$654,726, which includes all design and work to-date as well as the proposed lump sum construction contract for \$592,000.
 - Note - PAYGO Capital Project Ordinance (25-10) appropriates all funds for all projects within the PAYGO Fund. A summary is attached detailing the changes included with this ordinance.

Background:

- At the February 6-8, 2025 Mayor and Council Retreat, Public Works shared a number of high priority maintenance needs across town, including that additional funding would be needed to complete the Town Hall HVAC replacement project resulting from the necessity to modify the roof structure to access and replace the system.

Funding Source(s):

Community Investment Plan - General Fund Revenue Sources

Attachment(s):

1. FY25 Budget Amendment Form - Town Hall HVAC
2. Summary of PAYGO Ordinance Changes for April 15 2025
3. PAYGO Project Ordinance (25-10)
4. DBIA 525 - Lump Sum Agreement - Brady Trane Service Inc - TOHS Town Hall_TOWN COUNCIL EDITION

Town of Holly Springs FY2024-25 Budget Amendment Request

BE IT ORDAINED by the Town Council of the Town of Holly Springs, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2025.

Department: Utilities & Infrastructure **Date:** 4/15/2025

Reason for Budget Amendment:

Appropriating existing revenues (Interest on Investment) and transferring \$144,726 to the General Fund PAYGO for the Town Hall HVAC project.

Expense			
Account #	Account Description	Increase	Decrease
10-95.11	General Fund - Transfer to PAYGO	\$ 144,726	
Total Expense:		\$ 144,726	\$ -

Revenue			
Account #	Account Description	Increase	Decrease
10-352	General Fund - Interest on Investment	\$ 144,726	
Total Revenue:		\$ 144,726	\$ -

Department Head Signature (or electronic submission)

Town Manager Signature (if necessary)

Town Manager has authorized Department Directors to transfer operating funds within their department.
Town Manager is authorized to approve transfers between departments within the same fund up to \$50,000.
All inter-departmental transfers will be reported to Town Council by the following month.
Amendments that change the total budget or departmental transfers over \$50,000 require Town Council approval.

Summary or Ordinance Changes for April 15, 2025, Town Council

PAYGO Project Ordinance

Current PAYGO Ordinance Appropriation	\$10,872,824
Town Hall HVAC – Transfer from General Fund	\$144,726
PAYGO Capital Project Ordinance (25-10)	\$11,017,550



Ordinance No. 25-10

Date Submitted: April 15, 2025

Date Adopted: April 15, 2025

**PAYGO Capital Project Ordinance
HOLLY SPRINGS, NORTH CAROLINA**

BE IT ORDAINED by the Town Council of Holly Springs, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

SECTION I: The project authorized by this ordinance consists of general government “pay-as-you-go” (PAYGO) capital projects related to downtown development, public facilities, Town projects, sidewalk and streets, Americans with Disabilities Act (ADA) improvements, vehicle replacements, park and playground amenities, public works projects, and one-time general government capital projects, infrastructure, and equipment.

SECTION II: The officers of this unit are hereby directed to proceed with the capital project within the terms of the budget contained herein.

SECTION III: PAYGO Fees shall be deposited directly into the fund effective April 15, 2025

PAYGO Fund	
Expenditures:	
General Fund PAYGO Projects	11,017,550
Total	11,017,550

SECTION IV: The following revenues are anticipated to be available to complete these projects:

PAYGO Fund	
Revenues:	
General Government Revenues	10,665,136
Federal Grants	190,588
Other Financing Sources - Leases	161,826
Total	11,017,550

SECTION V: The Finance Officer hereby directed to maintain within the project funds detailed accounting records.

SECTION VI: The Budget Officer is directed to include a detailed analysis of the past and future costs and revenues on this capital project in every budget submission made to the Town Council.

SECTION VII: The Town Manager or designee is authorized to amend expenditures within the fund for expenditures that are authorized per section I of this ordinance that do not change the total appropriation within the fund.

SECTION VIII: Copies of this capital project ordinance shall be furnished to the Clerk to the Town Council, and to the Budget Officer and the Finance Officer for direction in carrying out this project.

SECTION IX: All ordinances in conflict with this ordinance are hereby repealed or amended to reflect the controlling nature of this Ordinance.

The provisions of this ordinance shall become effective April 15, 2025, in accordance with the laws of the State of North Carolina.

Adopted this, the 15th day of April 2025.

Town of Holly Springs by

Sean Mayefskie, Mayor

ATTEST:

Linda McKinney, Town Clerk



DRAFT: TOWN COUNCIL VERSION - APRIL 15, 2025 MTG.

Standard Form of Agreement Between Owner and Design- Builder – Lump Sum

Document No. 525

Second Edition, 2010

© Design-Build Institute of America
Washington, D.C.



Design-Build Institute of America - Contract Documents

LICENSE AGREEMENT

By using the DBIA Contract Documents, you agree to and are bound by the terms of this License Agreement.

- 1. License.** The Design-Build Institute of America ("DBIA") provides DBIA Contract Documents and licenses their use worldwide. You acknowledge that DBIA Contract Documents are protected by the copyright laws of the United States. You have a limited nonexclusive license to: (a) Use DBIA Contract Documents on any number of machines owned, leased or rented by your company or organization; (b) Use DBIA Contract Documents in printed form for bona fide contract purposes; and (c) Copy DBIA Contract Documents into any machine-readable or printed form for backup or modification purposes in support of your permitted use.
- 2. User Responsibility.** You assume sole responsibility for the selection of specific documents or portions thereof to achieve your intended results, and for the installation, use, and results obtained from the DBIA Contract Documents. You acknowledge that you understand that the text of the DBIA Contract Documents has important legal consequences and that consultation with an attorney is recommended with respect to use or modification of the text. You will not represent that any of the contract documents you generate from DBIA Contract Documents are DBIA documents unless (a) the document text is used without alteration or (b) all additions and changes to, and deletions from, the text are clearly shown.
- 3. Copies.** You may not use, copy, modify, or transfer DBIA Contract Documents, or any copy, modification or merged portion, in whole or in part, except as expressly provided for in this license. Reproduction of DBIA Contract Documents in printed or machine-readable format for resale or educational purposes is expressly prohibited. You will reproduce and include DBIA's copyright notice on any printed or machine-readable copy, modification, or portion merged into another document or program.
- 4. Transfers.** You may not transfer possession of any copy, modification or merged portion of DBIA Contract Documents to another party, except that a party with whom you are contracting may receive and use such transferred material solely for purposes of its contract with you. You may not sublicense, assign, or transfer this license except as expressly provided in this Agreement, and any attempt to do so is void.
- 5. Term.** The license is effective for one year from the date of purchase. DBIA may elect to terminate it earlier, by written notice to you, if you fail to comply with any term or condition of this Agreement.
- 6. Limited Warranty.** DBIA warrants the electronic files or other media by which DBIA Contract Documents are furnished to be free from defects in materials and workmanship under normal use during the Term. There is no other warranty of any kind, expressed or implied, including, but not limited to the implied warranties of merchantability and fitness for a particular purpose. Some states do not allow the exclusion of implied warranties, so the above exclusion may not apply to you. This warranty gives you specific legal rights and you may also have other rights which vary from state to state. DBIA does not warrant that the DBIA Contract Documents will meet your requirements or that the operation of DBIA Contract Documents will be uninterrupted or error free.
- 7. Limitations of Remedies.** DBIA's entire liability and your exclusive remedy shall be: the replacement of any document not meeting DBIA's "Limited Warranty" which is returned to DBIA with a copy of your receipt, or at DBIA's election, your money will be refunded. In no event will DBIA be liable to you for any damages, including any lost profits, lost savings or other incidental or consequential damages arising out of the use or inability to use DBIA Contract Documents even if DBIA has been advised of the possibility of such damages, or for any claim by any other party. Some states do not allow the limitation or exclusion of liability for incidental or consequential damages, so the above limitation or exclusion may not apply to you.

8. **Acknowledgement.** You acknowledge that you have read this agreement, understand it and agree to be bound by its terms and conditions and that it will be governed by the laws of the District of Columbia. You further agree that it is the complete and exclusive statement of your agreement with DBIA which supersedes any proposal or prior agreement, oral or written, and any other communications between the parties relating to the subject matter of this agreement.

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Article 11	Other Provisions.....	10



Standard Form of Agreement Between Owner and Design-Builder - Lump Sum

This document has important legal consequences. Consultation with an attorney is recommended with respect to its completion or modification.

This **AGREEMENT** (the "Agreement") is made as of the _____, by and between the following parties, for services in connection with the Project identified below.

OWNER:

(Name and address)

Town of Holly Springs
128 S. Main St
Holly Springs, NC 27540

DESIGN-BUILDER:

(Name and address)

Brady Trane Service, Inc. (aka Brady)
2025 16th Street
Greensboro, NC 27405

PROJECT:

(Include Project name and location as it will appear in the Contract Documents)

Town Hall HVAC Upgrade

In consideration of the mutual covenants and obligations contained herein, Owner and Design-Builder agree as set forth herein.

Article 1

Scope of Work

1.1 Design-Builder shall perform all design and construction services, and provide all material, equipment, tools and labor, necessary to complete the Work described in and reasonably inferable from the Contract Documents.

Article 2

Contract Documents

2.1 The Contract Documents are comprised of the following:

2.1.1 All written modifications, amendments, minor changes and Change Orders to this Agreement issued in accordance with DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder* (2010 Edition) ("General Conditions of Contract");

2.1.2 The Basis of Design Documents, including the Owner's Project Criteria, Design-Builder's Proposal and the Deviation List, if any, contained in the Design-Builder's Proposal, which shall specifically identify any and all deviations from Owner's Project Criteria;

2.1.3 This Agreement, including all exhibits and attachments, executed by Owner and Design-Builder (List for example, performance standard requirements, performance incentive requirements, markup exhibits, allowances, or unit prices);

Exhibit A – Construction Phase Proposal. Owner and Design Builder mutually acknowledge that the Construction Phase Proposal (Exhibit A) includes the following exhibits as referenced in this contract:

1. Scope of Work
2. Exclusions and Assumptions
3. Preliminary Schedule
4. Preliminary Logistics Plan
5. Construction Budget
6. Owner-Provided Scope with Markup

Exhibit B – Insurance Requirements – Design Builder

Exhibit C – Insurance Requirements – Owner

Exhibit D – Preliminary Schedule

Exhibit E – Affidavit of Capital Improvement

Exhibit F – Hazardous Materials

Exhibit G – Certificate of Substantial Completion

Exhibit H – Certificate of Final Completion

2.1.4 The General Conditions of Contract; and

2.1.5 Construction Documents prepared and approved in accordance with Section 2.4 of the General Conditions of Contract.

Article 3

Interpretation and Intent

3.1 Design-Builder and Owner, prior to execution of the Agreement, shall carefully review all the Contract Documents, including the various documents comprising the Basis of Design Documents, for any conflicts or ambiguities. Design-Builder and Owner will discuss and resolve any identified conflicts or ambiguities prior to execution of the Agreement.

3.2 The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Time(s) for the Contract Price. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards. In the event inconsistencies, conflicts, or ambiguities between or among the Contract Documents are discovered after execution of the Agreement, Design-Builder and Owner shall attempt to resolve any ambiguity, conflict or inconsistency informally, recognizing that the Contract Documents shall take precedence in the order in which they are listed in Section 2.1 hereof. Conflicts existing within Section 2.1.2 shall be resolved by giving precedence first to the Deviation List, if any, then the Design-Builder's Proposal, and then the Owner's Project Criteria.

3.3 Terms, words and phrases used in the Contract Documents, including this Agreement, shall have the meanings given them in the General Conditions of Contract.

3.4 If Owner's Project Criteria contain design specifications: (a) Design-Builder shall be entitled to reasonably rely on the accuracy of the information represented in such design specifications and their compatibility with other information set forth in Owner's Project Criteria, including any performance specifications; and (b) Design-Builder shall be entitled to an adjustment in the Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by such inaccurate design specification.

3.5 The Contract Documents form the entire agreement between Owner and Design-Builder and by incorporation herein are as fully binding on the parties as if repeated herein. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents.

Article 4

Ownership of Work Product

4.1 Work Product. All drawings, specifications and other documents and electronic data, including such documents identified in the General Conditions of Contract, furnished by Design-Builder to Owner under this Agreement ("Work Product") are deemed to be instruments of service and Design-Builder shall retain the ownership and property interests therein, including but not limited to any intellectual property rights, copyrights and/or patents, subject to the provisions set forth in Sections 4.2 through 4.5 below.

4.2 Owner's Limited License Upon Project Completion and Payment in Full to Design-Builder. Upon Owner's payment in full for all Work performed under the Contract Documents, Design-Builder shall grant Owner a limited license to use the Work Product in connection with Owner's occupancy of the Project, conditioned on Owner's express understanding that its alteration of the Work Product without the involvement of Design-Builder is at Owner's sole risk and without liability or legal exposure to Design-Builder or anyone working by or through Design-Builder, including Design Consultants of any tier (collectively the "Indemnified Parties"), and on the Owner's obligation to provide the indemnity set forth in Section 4.5 below.

4.3 Owner's Limited License upon Owner's Termination for Convenience or Design-Builder's Election to Terminate. If Owner terminates this Agreement for its convenience as set forth in Article 8 hereof, or if Design-Builder elects to terminate this Agreement in accordance with Section 11.4 of the General Conditions of Contract, Design-Builder shall, upon Owner's payment in full of the amounts due Design-Builder under the Contract Documents, grant Owner a limited license to use the Work Product to complete the Project and subsequently occupy the Project, and Owner shall thereafter have the same rights as set forth in Section 4.2 above, conditioned on the following:

4.3.1 Use of the Work Product is at Owner's sole risk without liability or legal exposure to any Indemnified Party and on the Owner's obligation to provide the indemnity set forth in Section 4.5 below;

4.3.2 The names and any and all seals of Design-Builder and any Design Consultant of Design-Builder shall be removed from the Work Product; and

4.3.3 Owner agrees to pay Design-Builder the additional sum of zero Dollars (\$0) compensation for the right to use the Work Product to complete the Project and subsequently use the work Product in accordance with Section 4.2 if Owner terminates for convenience and Owner resumes the Project through its employees, agents, or third parties. Such fee shall not be owed should Design-Builder elect to terminate.

4.4 Owner's Limited License upon Design-Builder's Default. If this Agreement is terminated due to Design-Builder's default pursuant to Section 11.2 of the General Conditions of Contract, then Design-Builder grants Owner a limited license to use the Work Product to complete the Project and subsequently occupy the Project, and Owner shall thereafter have the same rights and obligations as set forth in Section 4.2 above. Notwithstanding the preceding sentence, if it is ultimately determined that Design-Builder was not in default, Owner shall be deemed to have terminated the Agreement for convenience, and Design-Builder shall be entitled to the rights and remedies set forth in Section 4.3 above.

4.5 Owner's Indemnification for Use of Work Product. Owner shall indemnify any Indemnified Parties based on the use or alteration of the Work Product under any of the circumstances identified in this Article 4, and shall defend, indemnify and hold harmless such Indemnified Parties from and against any and all claims, damages, liabilities, losses and expenses, including attorneys' fees, arising out of or resulting from the use or alteration of the Work Product.

Article 5

Contract Time

5.1 Date of Commencement. The Work shall commence within five (5) days of Design-Builder's receipt of Owner's Notice to Proceed ("Date of Commencement") unless the parties mutually agree otherwise in writing.

5.2 Substantial Completion and Final Completion.

5.2.1 Substantial Completion of the entire Work shall be achieved no later than September 31, 2025 ("Scheduled Substantial Completion Date").

5.2.2 Interim milestones and/or Substantial Completion of identified portions of the Work ("Scheduled Interim Milestone Dates") shall be achieved as follows: *(Insert any interim milestones for portions of the Work with different scheduled dates for Substantial Completion)*

See Preliminary Schedule contained in Exhibit A, attached hereto.

5.2.3 Final Completion of the Work or identified portions of the Work shall be achieved as expeditiously as reasonably practicable. Final Completion is the date when all Work is complete pursuant to the definition of Final Completion set forth in Section 1.2.7 of the General Conditions of Contract.

5.2.4 All of the dates set forth in this Article 5 (collectively the "Contract Time(s)") shall be subject to adjustment in accordance with the General Conditions of Contract.

5.3 Time is of the Essence. Owner and Design-Builder mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents.

5.4 Liquidated Damages. Design-Builder understands that if Substantial Completion is not attained by the Scheduled Substantial Completion Date, Owner will suffer damages which are difficult to determine and accurately specify. Design-Builder agrees that if Substantial Completion is not attained by ten (10) days after the Scheduled Substantial Completion Date (the "LD Date"), Designer-Builder shall pay Owner one hundred (\$ 100) as liquidated damages for each day that Substantial Completion extends beyond the LD Date.

5.5 Any liquidated damages assessed pursuant to this Agreement shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties and any other damages, whether special or consequential, and of whatsoever nature incurred by Owner which are occasioned by any delay in achieving the Contract Time(s).

Owner and Design-Builder agree that the maximum aggregate liability Design-Builder has for any liquidated damages that may be assessed under this Agreement for failure to achieve the Contract Time(s) shall be two thousand five hundred dollars (\$2,500).

5.6 In addition to Design-Builder's right to a time extension for those events set forth in Section 8.2.1 of the General Conditions of Contract, Design-Builder shall also be entitled to an appropriate adjustment of the Contract Price for those events set forth in Section 8.2.1 of the General Conditions of Contract. Said additional compensation shall be limited to the direct costs and expenses Design-Builder can demonstrate it has reasonably and actually incurred as a result of such event.

Article 6

Contract Price

6.1 Contract Price. Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract the sum of five hundred and ninety two thousand Dollars (\$ 592,000) ("Contract Price"), subject to adjustments made in accordance with the General Conditions of Contract. Unless otherwise provided in the Contract Documents, the Contract Price is deemed to include all sales, use, consumer and other taxes mandated by applicable Legal Requirements.

6.2 Pricing for Changes. If the Contract Price requires an adjustment due to changes in the Work, and the cost of such changes is determined under Sections 9.4.1.3 or 9.4.1.4 of the General Conditions of Contract, the following method will be used:

A mutually accepted lump sum, properly itemized and to permit evaluation by Owner.

6.3 Allowance Items and Allowance Values.

6.3.1 Any and all Allowance Items, as well as their corresponding Allowance Values, are set forth in an Exhibit hereto.

6.3.2 Design-Builder and Owner have worked together to review the Allowance Items and Allowance Values based on design information then available to determine that the Allowance Values constitute reasonable estimates for the Allowance Items. Design-Builder and Owner will continue working closely together during the preparation of the design to develop Construction Documents consistent with the Allowance Values. Nothing herein is intended in any way to constitute a guarantee by Design-Builder that the Allowance Item in question can be performed for the Allowance Value.

6.3.3 No work shall be performed on any Allowance Item without Design-Builder first obtaining in writing advanced authorization to proceed from Owner. Owner agrees that if Design-Builder is not provided written authorization to proceed on an Allowance Item by the date set forth in the Project schedule, due to no fault of Design-Builder, Design-Builder may be entitled to an adjustment of the Contract Time(s) and Contract Price.

6.3.4 The Allowance Value for an Allowance Item includes the direct cost of labor, materials, equipment, transportation, taxes and insurance associated with the applicable Allowance Item. All other costs, including design fees, Design-Builder's overall project management and general conditions costs, overhead and fee, are deemed to be included in the original Contract Price, and are not subject to adjustment, regardless of the actual amount of the Allowance Item.

6.3.5 Whenever the actual costs for an Allowance Item is more than or less than the stated Allowance Value, the Contract Price shall be adjusted accordingly by Change Order, subject to Section 6.3.4. The amount of the Change Order shall reflect the difference between actual costs incurred by Design-Builder for the particular Allowance Item and the Allowance Value.

Article 7

Procedure for Payment

7.1 Progress Payments.

7.1.1 Design-Builder shall submit to Owner on the twenty fifth (25th) day of each month, beginning with the first month after the Date of Commencement, Design-Builder's Application for Payment in accordance with Article 6 of the General Conditions of Contract.

7.1.2 Owner shall make payment within ~~ten (10)~~ thirty (30) days after Owner's receipt of each properly submitted and accurate Application for Payment in accordance with Article 6 of the General Conditions of Contract, but in each case less the total of payments previously made, and less amounts properly withheld under Section 6.3 of the General Conditions of Contract.

7.2 Retainage on Progress Payments.

7.2.1 Owner will retain two and a half percent (2.5%) of each Application for Payment provided. Owner will not retain any additional retention amounts from Design-Builder's subsequent Applications for Payment. Owner will also reasonably consider reducing retainage for Subcontractors completing their work early in the Project.

7.2.2 Within fifteen (15) days after Substantial Completion of the entire Work or, if applicable, any portion of the Work, pursuant to Section 6.6 of the General Conditions of Contract, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to (a) the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion and (b) all other amounts Owner is entitled to withhold pursuant to Section 6.3 of the General Conditions of Contract.

7.3 Final Payment. Design-Builder shall submit its Final Application for Payment to Owner in accordance with Section 6.7 of the General Conditions of Contract. Owner shall make payment on Design-Builder's properly submitted and accurate Final Application for Payment within thirty (30) days after Owner's receipt of the Final Application for Payment, provided that Design-Builder has satisfied the requirements for final payment set forth in Section 6.7.2 of the General Conditions of Contract.

7.4 Interest. Intentionally omitted.

7.5 Record Keeping and Finance Controls. With respect to changes in the Work performed on a cost basis by Design-Builder pursuant to the Contract Documents, Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents. During the performance of the Work and for a period of three (3) years after Final Payment, Owner and Owner's accountants shall be afforded access to, and the right to audit from time-to-time, upon reasonable notice, Design-Builder's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to changes in the Work performed on a cost basis in accordance with the Contract Documents, all of which Design-Builder shall preserve for a period of three (3) years after Final Payment. Such inspection shall take place at Design-Builder's offices during normal business hours unless another location and time is agreed to by the parties. Any multipliers or markups agreed to by the Owner and Design-Builder as part of this Agreement are only subject to audit to confirm that such multiplier or markup has been charged in accordance with this Agreement, with the composition of such multiplier or markup not being subject to audit.

Article 8

Termination for Convenience

8.1 Upon ten (10) days' written notice to Design-Builder, Owner may, for its convenience and without cause, elect to terminate this Agreement. In such event, Owner shall pay Design-Builder for the following:

8.1.1 All Work executed and for proven loss, cost or expense in connection with the Work;

8.1.2 The reasonable costs and expenses attributable to such termination, including demobilization costs and amounts due in settlement of terminated contracts with Subcontractors and Design Consultants; and

8.1.3 The fair and reasonable sums for overhead and profit on the sum of items 8.1.1 and 8.1.2 above.

8.2 In addition to the amounts set forth in Section 8.1 above, Design-Builder shall be entitled to receive one of the following as applicable:

8.2.1 If Owner terminates this Agreement prior to commencement of construction, Design-Builder shall be paid zero percent (0%) of the remaining balance of the Contract Price.

8.2.2 If Owner terminates this Agreement after commencement of construction, Design-Builder shall be paid ten percent (10%) of the remaining balance of the Contract Price.

8.3 If Owner terminates this Agreement pursuant to Section 8.1 above and proceeds to design and construct the Project through its employees, agents or third parties, Owner's rights to use the Work Product shall be as set forth in Section 4.3 hereof. Such rights may not be transferred or assigned to others without Design-Builder's express written consent and such third parties' agreement to the terms of Article 4.

[The following Article 9 should be used only if the Owner and Design-Builder agree to establish their respective representatives at the time the Agreement is executed rather than during the performance of the Project.]

Article 9

Representatives of the Parties

9.1 Owner's Representatives.

9.1.1 Owner designates the individual listed below as its Senior Representative ("Owner's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

Kendra Parrish, Director Utilities & Infrastructure
Town of Holly Springs
P.O. Box 8
Holly Springs, NC 27540
(919) 557-3935
Kendra.parrish@hollyspringsnc.gov

9.1.2 Owner designates the individual listed below as its Owner's Representative, which individual has the authority and responsibility set forth in Section 3.4 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

Bhavi Joshi, Project Manager
Town of Holly Springs
P.O. Box 8
Holly Springs, NC 27540
(919) 557-2910
Bhavi.joshi@hollyspringsnc.gov

9.2 Design-Builder's Representatives.

9.2.1 Design-Builder designates the individual listed below as its Senior Representative ("Design-Builder's Senior Representative"), which individual has the authority and responsibility for

avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

Fred Parker
Director of Contracting Operations
2025 16th Street
Greensboro, NC 27405
336-362-4421
Fred.parker@bradyservices.com

9.2.2 Design-Builder designates the individual listed below as its Design-Builder's Representative, which individual has the authority and responsibility set forth in Section 2.1.1 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

Kevin Lynn
Vertical Market Leader
808 Aviation Parkway, Suite 1100
Morrisville, NC 27560
984-867-7653
Kevin.lynn@bradyservices.com

Article 10

Bonds and Insurance

10.1 Insurance. Design-Builder and Owner shall procure the insurance coverages set forth in the Insurance Exhibit attached hereto and in accordance with Article 5 of the General Conditions of Contract.

10.2 Bonds and Other Performance Security. Design-Builder shall provide the following performance bond and labor and material payment bond or other performance security:

Performance Bond.

☒ Required ☐ Not Required

Payment Bond.

☒ Required ☐ Not Required

Other Performance Security.

☐ Required ☒ Not Required

Article 11

Allocation of IRC Section 179D Deduction

- 11.1** Per the scope of this Agreement, Design-Builder represents that it is a designer per IRS Notice 2008-40 Section 3.02. Based on these representations, Owner agrees to allocate the full amount of the available deduction allowed under § 179D, if any, to Design-Builder upon completion of this contract. The allocation of the available deduction will adhere to the requirements of IRS Notice 2008-40 Section 3.04 and will be obtained via a third-party representative of Design-Builder. Design-Builder agrees to indemnify the Owner against any and all third party claims arising out of the Owner's allocation of these amounts.

In executing this Agreement, Owner and Design-BUILDER each individually represents that it has the necessary financial resources to fulfill its obligations under this Agreement, and each has the necessary corporate approvals to execute this Agreement, and perform the services described herein.

OWNER:

DESIGN-BUILDER:

See attached signature page

(Name of Owner)

Brady Trane Service, Inc.

(Name of Design-BUILDER)

(Signature)

(Signature)

(Printed Name)

(Printed Name)

(Title)

(Title)

Date: _____

Date: _____

TOWN OF HOLLY SPRINGS CONTRACT SIGNATURE PAGE

NOTICE TO ALL CONTRACTORS & VENDORS:

Notwithstanding anything to the contrary in your contracts, this Contract is valid and enforceable only on the following conditions: Any language in the attached contract purporting to create an indemnity against the Town is hereby stricken and given no effect. Any provision for forum selection or choice of law other than the situs of this contract (Wake County, North Carolina) is hereby stricken and given no effect. The signatures below are only effective upon the Vendor's acceptance of the foregoing. In the event that you do not accept this notice and notification, inform the Contract Manager/Contact listed below immediately. For contracts obligating a town expenditure exceeding \$2,500, a PO is required.

VENDOR SIGNATURE: _____

I certify the above language is acceptable.

Date: _____

Printed Name & Title: _____

Approved as to form:

John Schifano, Town Attorney Date: _____

Town Contact/Contract Manager: _____ Date: _____

PURCHASE ORDER NO _____ (If Applicable)

Approved by Brettany DeVold _____ (initials) Date: _____

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

Tina Stroupe Director of Finance Date: _____

TOWN OF HOLLY SPRINGS

By: _____
Randy Harrington, Town Manager Date: _____

ATTEST:

By: _____
Linda C. McKinney, Town Clerk
Date: _____

(Town Seal)

NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE TOWN WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A DELEGATION OF GOVERNMENTAL POWERS NOR AS A DONATION BY OR A LENDING OF THE CREDIT OF THE TOWN WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE. THIS AGREEMENT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE TOWN TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE TOWN FOR ANY FISCAL YEAR IN WHICH THIS AGREEMENT IS IN EFFECT; PROVIDED, HOWEVER, THAT ANY FAILURE OR REFUSAL BY THE TOWN TO APPROPRIATE FUNDS WHICH RESULTS IN THE FAILURE BY THE TOWN TO MAKE ANY PAYMENT COMING DUE HEREUNDER WILL IN NO WAY OBVIATE THE OCCURRENCE OF THE EVENT OF DEFAULT RESULTING FROM SUCH NONPAYMENT. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE TOWN IN ANY ACTION FOR BREACH OF A CONTRACTUAL OBLIGATION UNDER THIS AGREEMENT AND THE TAXING POWER OF THE TOWN IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONEYS DUE UNDER THIS AGREEMENT.

Town of Holly Springs

Town Hall HVAC Upgrade

Construction Phase Proposal

April 7, 2025



Scope of Work

- 1) Brady will deliver the scope of work identified in the Exhibit A: Design and Preconstruction Proposal, executed on 3/21/25, with the following amendments:
 - a) AHU-2 and AHU-4 shall be Carrier **40RLA**
 - b) CU-2 and CU-4 shall be Carrier model number **38AXD**
 - c) Yard door alternate listed in 2.2. Incidental General Construction and Electrical Work not included
 - d) The condensate shall be drained via the current method of drainage rather than piped outside and insulated or as noted on the drawings.
- 2) The roof hatch scope includes:
 - a) Provide & install misc lumber to frame out +/- 3'4" x 10' opening for new roof hatch.
 - b) Remove existing shingles and cut existing plywood deck to provide 3'4"x10' rough opening for new roof hatch
 - c) Provide & install (1) new Bilco SS-50 aluminum roof hatch at new roof opening Bid includes provision of roof hatch in manufacturers powder-coat finish color "Jet Black". 1year powdercoat warranty provided by manufacturer.
 - d) Hoist and crane new roof hatch to roof area
 - e) Install new self-adhered underlayment around frame of skylight, tying into adjacent plywood roof deck
 - f) Fabricate and install stainless steel diverter along up-side slope of hatch to direct water movement around curb
 - g) Install new asphalt shingles around roof hatch tying into adjacent shingle roof system. New shingles to match existing manufacturer and color as closely as possible.
 - h) Install new painted metal step-flashing & counterflashings around base of new roof hatch and related shingle tie-in as required for weathertightness.
 - i) Demobilize and dispose of all project-related debris
- 3) Warranties shall be provided in accordance with the Design and Preconstruction Proposal
- 4) In the event of any discrepancies between the scope of work and the permit drawings, which shall be reviewed and approved by Town staff, shall

Exclusions and Assumptions

- 1) This Construction Phase Proposal shall be governed by the terms and conditions agreed upon by the Town of Holly Springs and Brady Trane Service, Inc. per the executed DBIA 525: Lump Sum Agreement and DBIA 535: General Conditions.
- 2) Freight is included where applicable.
- 3) Sales tax is excluded pending completion of North Carolina Department of Revenue Form E-589CI, Affidavit of Capital Improvement
- 4) Life safety work of any kind is excluded unless included otherwise in this Exhibit A.
- 5) Domestic water plumbing, such as wastewater, domestic water and drainage, is excluded.
- 6) Temporary power, cooling or heating is excluded.
- 7) Hazardous material abatement is excluded.
- 8) Any structural modifications to the building are excluded unless otherwise included in this Exhibit A

- 9) Any unforeseen or hidden conditions that could not be identified through a reasonable investigation of the site are excluded.

Preliminary Schedule

Recommended Preliminary Schedule

Lead times on the HVAC units are 7-11 weeks. Based on the estimated time for the Town's drawing review, permit review and a submittal review, the equipment will not arrive until July.

Construction duration is an estimated three weeks, with the HVAC being turned on for one of the floors after two weeks. Total project duration with TAB, commissioning and checkout will be seven weeks.

The following work will take place first during the summer:

- 1) Installation of the roof hatch
- 2) Installation of the exterior refrigerant lines
- 3) Installation of the refrigerant line covers

Then, when the HVAC is replaced during the summer, the building will have:

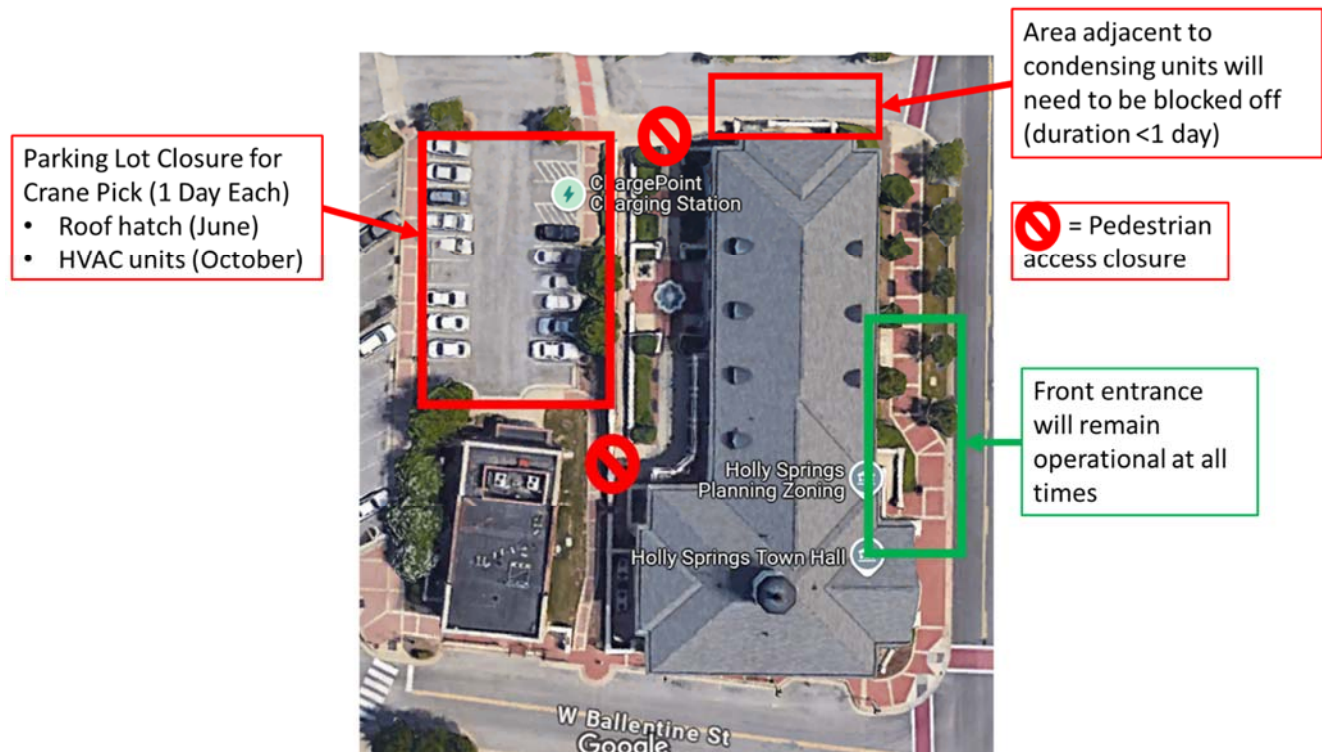
- 1) No heating and cooling on both floors for two weeks
- 2) No heating and cooling on the second floor for an additional week, for a total of three weeks

Preliminary Logistics Plan

Crane Picks

During the crane picks in June (roof hatch) and October (HVAC units), the parking lots and west entrances to the buildings will need to be vacated and blocked off from pedestrian access. The exterior courtyard units will be installed with a lull, which will require the area adjacent to be blocked off with cones and flags in the north parking lot.

The second floor of the building will also need to be vacated during each of these crane picks.



Construction

During the HVAC construction phase, work will be confined to the attic and the exterior courtyard. Workers will need access to the interior attic ladder on the second floor. Workers will be wearing identifying clothing and proper PPE. Care will be taken to protect Town Hall property during construction.

Many items will be coordinated with Town staff, including:

- Exact schedule and start date of roof hatch installation
- Exact schedule and start date of HVAC construction phase
- Coordination of safety requirements during crane picks
- Safety requirements for an occupied building and an active construction site
- Access and badging for contractors
- Floor protection
- Route mapping for contractors to limit interactions or interruptions with staff

Lump Sum Construction Budget

Line Item	Amount
General Conditions - General Requirements	\$ 15,000
General Conditions – Labor (PM + Super)	\$ 35,000
HVAC Equipment	\$ 70,000
Mechanical & Electrical Construction ¹	\$ 295,000
Controls & Fire Alarm	\$ 42,500
TAB, Commissioning, Engineering Inspections	\$ 32,000
Roof Hatch	\$ 85,000
P&P Bonds	\$ 7,500
Construction Budget	\$ 582,000
Owner Contingency ²	\$ 10,000
Contract Value	\$ 592,000

1. The mechanical and electrical construction line item includes:

- Installing new refrigerant piping up from condensing units along wall up to attic and then through the attic
- Installing cover for exterior refrigerant piping
- Crane picks for AHUs in the roof and removing the demolished AHUs
- Cutting the AHUs down into pieces to allow for demolition
- Setting and installing the AHUs (which may need to be re-assembled after the crane pick)
- Mechanical installation (ductwork, condensate piping, AHUs)
- Electrical demolition and install
- Startup

2. Unforeseen Contingency will be Owner-controlled funds that will be used for scope additions or unforeseen conditions identified during the project. These might include:

- 1) Repairs to the condensing units during the summer before construction
- 2) Replacing the mechanical yard door & hinges
- 3) Existing conditions that are identified after demolition begins
- 4) Additional repairs outside of the scope of the project



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 13.

Consent Agenda

Title: Development Plan 22-DP-10 Expiration Extension Request for Friendship Industrial

Strategic Priority Area: Growth Management & Economic Vitality

Staff Resource: Cheryl Caines, Development Services

Action(s):

Grant a 6-month extension for 22-DP-10 for Friendship Industrial to extend the expiration date from April 9, 2025, to October 9, 2025, as requested by Helix Ventures, LLC.

Explanation:

- Helix Ventures has requested to extend the approval of their Development Plan (Friendship Industrial 22-DP-10). The plan is for two flex industrial buildings (150,000 square feet each) on 29.3 acres south of Amgen within the Friendship Industrial Park.
- According to the letter submitted with the request, Helix anticipates resubmitting the Construction Drawings within the extension period allowed. Helix Ventures is working to confirm the approved plans continue to meet the requirements of potential new tenants.
- Approval of this extension will set the new expiration date at October 9, 2025.
- If approved, one additional 6-month extension may be granted by Town Council.

Background:

- The Friendship Industrial Development Plan was approved by the Town Council on February 20, 2024.
- In accordance with UDO Section 11.10 Development Plans are valid for a period of 12 months. The Town Council may extend said approval by up to 1 year in 6-month increments where applicants demonstrate a compelling reason.
- Construction Drawings were submitted for the development and the last activity was on April 9, 2024 when review comments were sent to the applicant. This last activity would normally be the date used to determine the 12 months of plan validity.

Funding Source(s):

N/A

Attachment(s):

1. CaMP Helix Phs 1a Approval Extension Letter 3-31-25

PHASE 1A APPROVAL EXTENSION LETTER

CAMP HELIX - HOLLY SPRINGS, NORTH CAROLINA



Jonathon Keener
Helix Ventures LLC
O/B/O Friendship Road LandCo LLC
3717 National Drive, Ste 209
Raleigh, NC 27612

Date: March 31, 2025

Town of Holly Springs
128 S. Main Street
Holly Springs, NC 27540

Re: CaMP Helix – Phase 1a Approval Extension

Director Hills,

Please accept this letter as Friendship Road LandCo's first 6-Month Extension Request for our Town approved Site Plan for Phase 1a of the overall campus. This request is submitted with consideration for our efforts to confirm the construction drawings are continuing to meet the requirements of potential new tenants in the Park. We anticipate completing the evaluation and resubmitting within the extension time period allowed.

Trusting that the above information satisfies the submission requirements of the Town, we respectfully request that this Extension Request be added to the consent agenda to be heard by the Town Council at its April 15th, 2025 meeting.

Sincerely,

Jonathon Keener

Jonathon Keener
Helix Ventures LLC
O/B/O Friendship Road LandCo LLC



3717 National Drive, Ste. 209
Raleigh, NC 27612





Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 14.

Public Hearings

Title: Voluntary Annexation A24-04 4637 Optimist Farm Road

Strategic Priority Area: Growth Management & Economic Vitality

Staff Resource: Sarah Sularz, Development Services

Action(s):

- Conduct legislative Public Hearing.
- Adopt Annexation Ordinance A24-04.

Explanation:

- The Town has received a petition for voluntary annexation of +/- 1.307 acres.
- The property is located at 4637 Optimist Farm Road and is owned by Michael and Dana Nardella.
- Annexation is desired for access to utilities.

Background:

- The property is contiguous with town limits.
- The property meets all statutory requirements for annexation.
- Staff requested feedback from all departments and there were no issues reported with this annexation.
- The determination of sufficiency was made on March 18, 2025.

Funding Source(s):

N/A

Attachment(s):

1. A24_04 map
2. A24-04 Resolution of Sufficiency - signed
3. A24-04- 4637 Optimist Farm Rd - Ordinance - Draft



Annexation Information

Annexation Number

A24-04

Total Acres

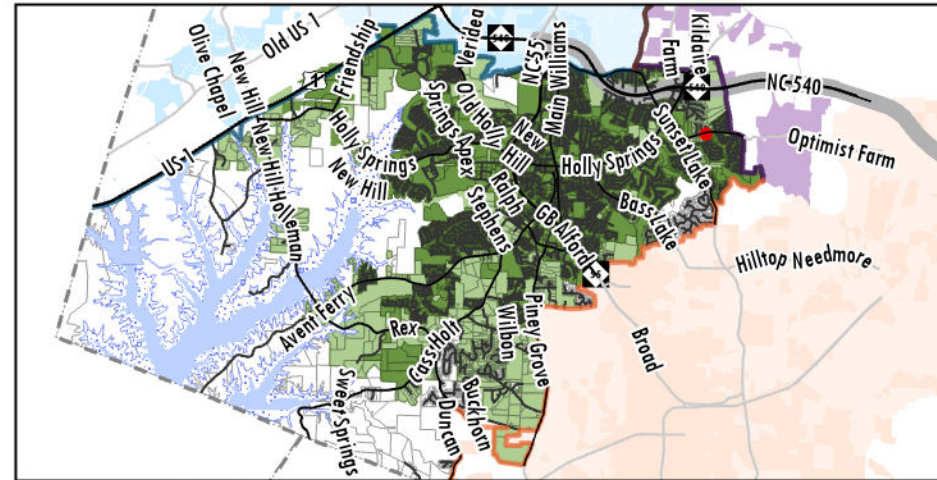
1.307 +/- | Deed Acres

Property Address

46370 Optimist Farm Rd

Contiguous to Town Limits

☒ Yes ☐ No



Town Location Map

Holly Springs



Apex



Fuquay-Varina



Cary



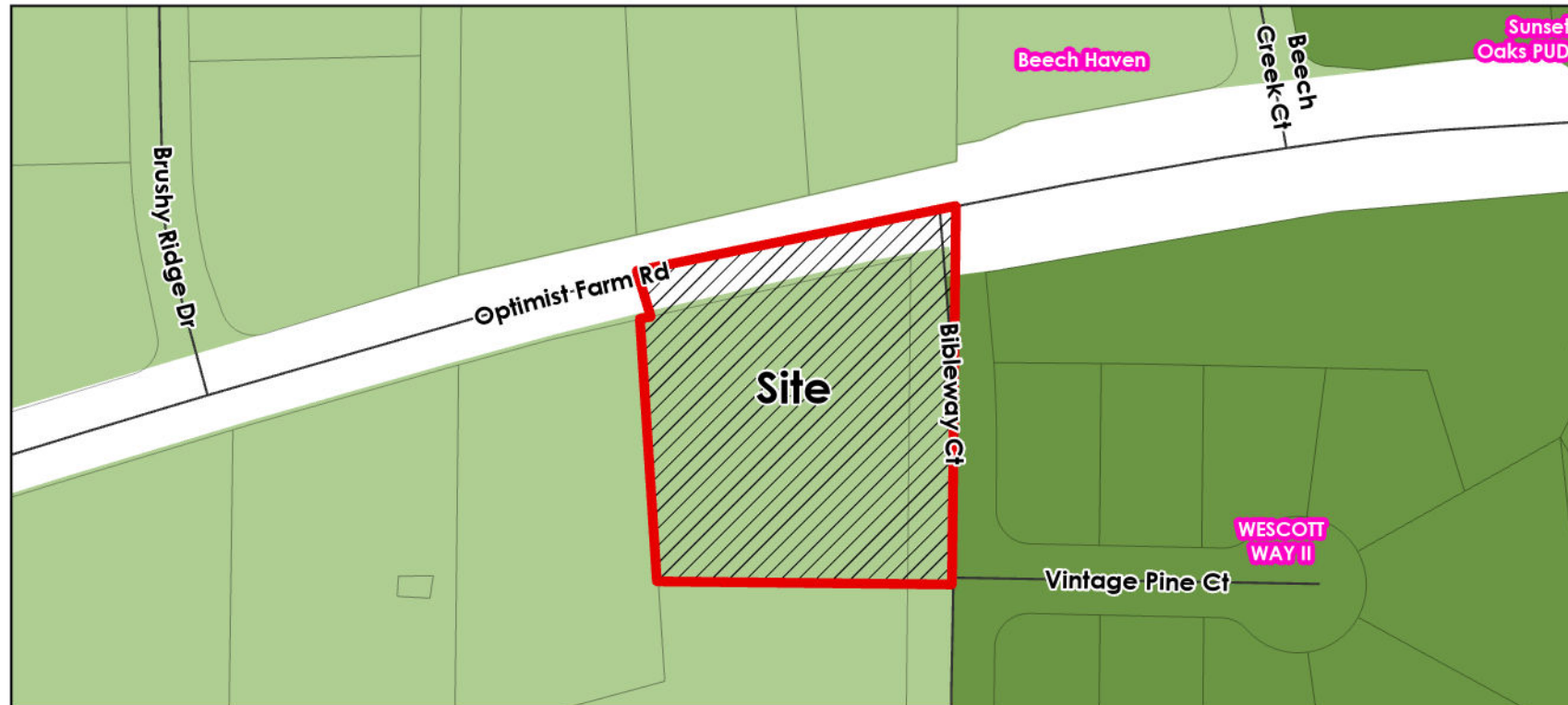
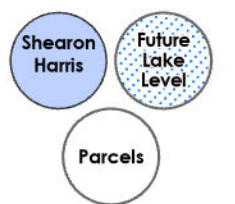
Subdivision

Apex/Cary
Annexation Agreement

Apex/Holly Springs
Annexation Agreement

Cary/Holly Springs
Annexation Agreement

FV/Holly Springs
Annexation Agreement



Property Location Map



Resolution No. 25-06

Date Adopted: March 18, 2025

Annexation No.: A24-04

**RESOLUTION OF THE HOLLY SPRINGS TOWN COUNCIL DIRECTING THE TOWN CLERK
TO INVESTIGATE A PETITION RECEIVED UNDER G.S. 160A-58 AND FIXING THE DATE
OF A PUBLIC HEARING ON THE QUESTION OF ANNEXATION**

WHEREAS, a petition requesting annexation of an area described in said petition was received by the Town of Holly Springs; and

WHEREAS, G.S. 160A-58.2 provides that the sufficiency of the petition shall be investigated by the Town Clerk before further annexation proceedings may take place; and

WHEREAS, the Town Council of the Town of Holly Springs deems it advisable to proceed in response to this request for annexation, subject to the Clerk's satisfactory investigation of the sufficiency of the petition; and

WHEREAS, the area proposed for annexation is described as follows:

Lying and being in Holly Springs Township, Wake County, North Carolina, and more particularly described as follows:

Beginning at an existing iron pipe near the southern right-of-way of Optimist Farm Road, said point having NC Grid Coordinate values of North - 696,432.423, East - 2,063,422.428 and being the same point on Lot 5 as shown in Book of Maps 2024, Page 1881 in the Wake County Register of Deeds;

THENCE North 03 degrees 42 minutes 17 seconds West for a distance of 35.13 feet to a point in the centerline of Optimist Farm Road;

THENCE with the centerline of Optimist Farm Road North 78 degrees 30 minutes 43 seconds East for a distance of 238.63 feet to a point in the intersection of Optimist Farm Road and Bibleway;

THENCE with the centerline of Bibleway South 00 degrees 36 minutes 05 seconds West for a distance of 277.23 feet to a point in the centerline of Bibleway;

THENCE leaving the centerline of Bibleway North 89 degrees 24 minutes 00 seconds West for a distance of 216.23 feet to a point and being a common corner between Lots 5 and 6 as shown in Book of Maps 2024, Page 1881 in the Wake County Register of Deeds;

THENCE North 03 degrees 42 minutes 17 seconds West for a distance of 192.77 feet to the point and place of beginning.

Together with and subject to covenants, easements, and restrictions of record.
Said property contains 1.307 acres more or less.

NOW, THEREFORE BE IT RESOLVED by the Town Council of the Town of Holly Springs, North Carolina, that:

Section 1. The Town Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the Holly Springs Town Council the result of her investigation.

Section 2. Subject to the Town Clerk's satisfactory result of her investigation, a public hearing on the question of annexation of the area described herein will be held at the Town Hall Council Chambers, located at 128 S. Main Street, at 7 p.m. (or as soon thereafter as is practicable) on Tuesday, April 15, 2025.

Section 3. Notice of the public hearing shall be published in the Raleigh News & Observer, newspapers having general circulation in the Town of Holly Springs, at least ten (10) days prior to the date of the public hearing.

Adopted this, the 18th day of March, 2025.



ATTEST:



Sean Mayefskie, Mayor



Linda C. McKinney, Town Clerk



Annexation Ordinance No.: **A24-04**

Please mail after recordation to:

Town of Holly Springs
Town Clerk's Office
P. O. Box 8
Holly Springs, NC 27540

**An Ordinance to Extend the Corporate Limits
of the Town of Holly Springs, North Carolina**

WHEREAS, the Town Council of the Town of Holly Springs has been petitioned pursuant to the provisions of N.C.G.S. 160A-31 to annex the area described herein; and

WHEREAS, the Town Council of the Town of Holly Springs has directed the Town Clerk to investigate the sufficiency of the petition for annexation; and

WHEREAS, following the certification of the sufficiency of the petition by the Town Clerk, the Town Council fixed a date for a public hearing on the question of annexation and caused a notice thereof to be published in a paper of general circulation in the Town of Holly Springs once ten days prior to the date of the hearing; and

WHEREAS, the Town Council found as a fact following public hearing on the matter that the petition for annexation is sufficient and meets all of the requirements set forth in N.C.G.S. 160A-31;

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF HOLLY SPRINGS,
NORTH CAROLINA:**

Section 1. By virtue of the authority granted by N.C.G.S. 160A-31, the following described territory is hereby annexed and made part of the Town of Holly Springs effective as of the 15th day of April, 2025.

Being that area of land marked Annexation Area as shown on the map recorded in Book of Maps _____, Page _____ in the Wake County Register of Deeds office and described as follows:

Beginning at an existing iron pipe near the southern right-of-way of Optimist Farm Road, said point having NC Grid Coordinate values of North - 696,432.423, East - 2,063,422.428 and being the same point on Lot 5 as shown in Book of Maps 2024, Page 1881 in the Wake County Register of Deeds;

THENCE North 03 degrees 42 minutes 17 seconds West for a distance of 35.13 feet to a point in the centerline of Optimist Farm Road;

THENCE with the centerline of Optimist Farm Road North 78 degrees 30 minutes 43 seconds East for a distance of 238.63 feet to a point in the intersection of Optimist Farm Road and Bibleway;

THENCE with the centerline of Bibleway South 00 degrees 36 minutes 05 seconds West for a distance of 277.23 feet to a point in the centerline of Bibleway;

THENCE leaving the centerline of Bibleway North 89 degrees 24 minutes 00 seconds West for a distance of 216.23 feet to a point and being a common corner between Lots 5 and 6 as shown in Book of Maps 2024, Page 1881 in the Wake County Register of Deeds;
THENCE North 03 degrees 42 minutes 17 seconds West for a distance of 192.77 feet to the point and place of beginning.
Together with and subject to covenants, easements, and restrictions of record. Said property contains 1.307 acres more or less.

Adopted this, the 15th day of April, 2025.

ATTEST TO:



Linda C. McKinney, Town Clerk

Sean Mayefskie, Mayor

I, Linda C. McKinney, Town Clerk of the Town of Holly Springs, do hereby certify that the foregoing is a true and accurate copy of an annexation ordinance duly adopted by the Town Council of the Town of Holly Springs, North Carolina, at a meeting held April 15, 2025, at 7 o'clock p.m. at the Town Hall in the Town of Holly Springs.

IN WITNESS WHEREOF, I have here unto set my hand and have caused the official corporate seal of said Town to be affixed, this the 15th day of April, 2025.

Linda C. McKinney, Town Clerk





Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 15.

Public Hearings

Title: Voluntary Annexation A25-01 4016 Berman Edge Road

Strategic Priority Area: Growth Management & Economic Vitality

Staff Resource: Sarah Sularz, Development Services

Action(s):

- Conduct legislative Public Hearing.
- Adopt Annexation Ordinance A25-01.

Explanation:

- The Town has received a petition for voluntary annexation of +/- 1 acre.
- The property is located at 4016 Berman Edge Rd. and is owned by SIRE Development LLC.
- The parcel is contiguous to town limits.
- Staff requested feedback from all departments and there were no issues reported with this annexation.
- Annexation is desired in order to connect to Town utilities. This property is also under review for a potential rezoning and minor subdivision.

Background:

- The property is contiguous with town limits.
- The property meets all statutory requirements for annexation.
- Staff requested feedback from all departments and there were no issues reported with this annexation.
- The determination of sufficiency was made on March 18, 2025.

Funding Source(s):

N/A

Attachment(s):

1. A25-01 map
2. 25-08 Resolution of Sufficiency Annexation A25-01 - signed
3. A25-01 Ordinance



Annexation Information

Annexation Number

A25-01

Total Acres

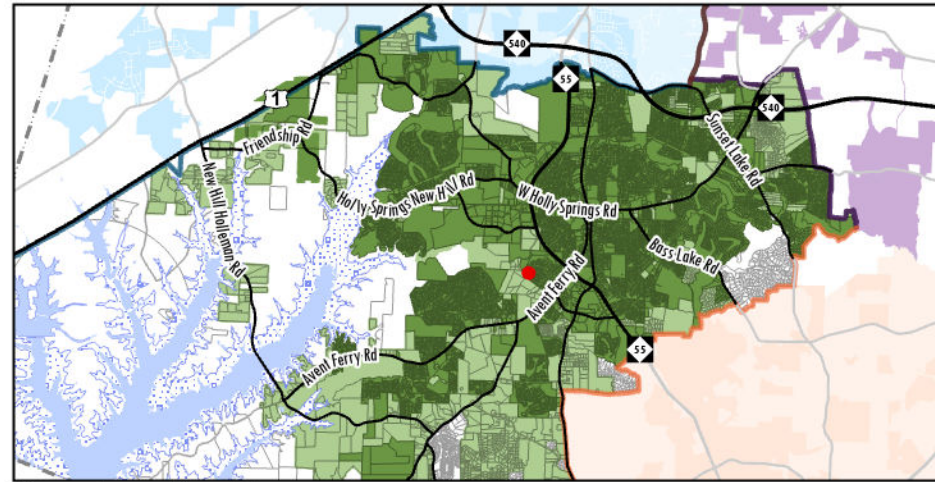
1.00 +/- | Deed Acres

Property Address

4016 Berman Edge Rd

Contiguous to Town Limits

■ Yes □ No



Town Location Map



Property Location Map

Holly Springs



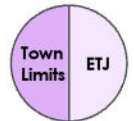
Apex



Fuquay-Varina



Cary



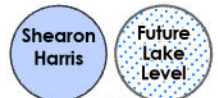
Subdivision

Apex/Cary
Annexation Agreement

Apex/Holly Springs
Annexation Agreement

Cary/Holly Springs
Annexation Agreement

FV/Holly Springs
Annexation Agreement



Parcels



Resolution No. 25-08

Date Adopted: March 18, 2025

Annexation No.: A25-01

**RESOLUTION OF THE HOLLY SPRINGS TOWN COUNCIL DIRECTING THE TOWN CLERK
TO INVESTIGATE A PETITION RECEIVED UNDER G.S. 160A-58 AND FIXING THE DATE
OF A PUBLIC HEARING ON THE QUESTION OF ANNEXATION**

WHEREAS, a petition requesting annexation of an area described in said petition was received by the Town of Holly Springs; and

WHEREAS, G.S. 160A-58.2 provides that the sufficiency of the petition shall be investigated by the Town Clerk before further annexation proceedings may take place; and

WHEREAS, the Town Council of the Town of Holly Springs deems it advisable to proceed in response to this request for annexation, subject to the Clerk's satisfactory investigation of the sufficiency of the petition; and

WHEREAS, the area proposed for annexation is described as follows:

Lying and being in Holly Springs Township, Wake County, North Carolina, and more particularly described as follows:

Being Lot 1 of the Hockaday property, recorded in Book of Maps 2007 Page 1228; having Wake County Pin #0648488641; and being more particularly described as follows:
Beginning at an EIP, being the Southeastern corner of Lot 16 the Bluffs at Morgan Park, having NC grid coordinates N – 688622.80' E – 2044681.39'; and being the Point and place of beginning;

THENCE North 40 degrees 03 minutes 18 seconds East for a distance of 172.67 feet along the Eastern line of Lot 16 to an EIP;

THENCE South 53 degrees 12 minutes 18 seconds East for a distance of 232.97 feet to and EIS on the Right of Way of Utley Bluffs Drive;

THENCE along a curve to the left having a radius of 1024.99 feet and an arc length of 143.08 feet, being subtended by a chord of South 32 degrees 47 minutes 03 seconds West for a distance of 142.96 feet along said Right of Way to an EIS;

THENCE South 28 degrees 49 minutes 47 seconds West for a distance of 14.60 feet along said Right of Way to and EIS at the turnout with Berman Edge Road;

THENCE along a curve to the right having a radius of 25.00 feet and an arc length of 44.17 feet, being subtended by a chord of South 79 degrees 26 minutes 35 seconds West for a distance of 38.64 feet to an EIS on the Right of Way of Berman Edge Road;

THENCE North 49 degrees 55 minutes 34 seconds West for a distance of 229.01 feet along said Right of Way to the Point and Place of beginning.

Together with and subject to covenants, easements, and restrictions of record.

Said property contains 1.00 acre more or less.

NOW, THEREFORE BE IT RESOLVED by the Town Council of the Town of Holly Springs, North Carolina, that:

Section 1. The Town Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the Holly Springs Town Council the result of her investigation.

Section 2. Subject to the Town Clerk's satisfactory result of her investigation, a public hearing on the question of annexation of the area described herein will be held at the Town Hall Council Chambers, located at 128 S. Main Street, at 7 p.m. (or as soon thereafter as is practicable) on Tuesday, April 15, 2025.

Section 3. Notice of the public hearing shall be published in the Raleigh News & Observer, newspapers having general circulation in the Town of Holly Springs, at least ten (10) days prior to the date of the public hearing.

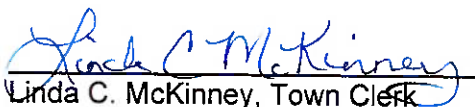
Adopted this, the 18th day of March, 2025.



ATTEST:



Sean Mayerskie, Mayor



Linda C. McKinney, Town Clerk



Annexation Ordinance No.: **A25-01**

Please mail after recordation to:

Town of Holly Springs
Town Clerk's Office
P. O. Box 8
Holly Springs, NC 27540

**An Ordinance to Extend the Corporate Limits
of the Town of Holly Springs, North Carolina**

WHEREAS, the Town Council of the Town of Holly Springs has been petitioned pursuant to the provisions of N.C.G.S. 160A-31 to annex the area described herein; and

WHEREAS, the Town Council of the Town of Holly Springs has directed the Town Clerk to investigate the sufficiency of the petition for annexation; and

WHEREAS, following the certification of the sufficiency of the petition by the Town Clerk, the Town Council fixed a date for a public hearing on the question of annexation and caused a notice thereof to be published in a paper of general circulation in the Town of Holly Springs once ten days prior to the date of the hearing; and

WHEREAS, the Town Council found as a fact following public hearing on the matter that the petition for annexation is sufficient and meets all of the requirements set forth in N.C.G.S. 160A-31;

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF HOLLY SPRINGS,
NORTH CAROLINA:**

Section 1. By virtue of the authority granted by N.C.G.S. 160A-31, the following described territory is hereby annexed and made part of the Town of Holly Springs effective as of the 15th day of April, 2025.

Being that area of land marked Annexation Area as shown on the map recorded in Book of Maps _____, Page _____ in the Wake County Register of Deeds office and described as follows:

Being Lot 1 of the Hockaday property, having Wake County Pin #0648488641; and being more particularly described as follows:

Beginning at an EIP, being the Southeastern corner of Lot 16 the Bluffs at Morgan Park, having NC grid coordinates N – 688622.80' E – 2044681.39'; and being the Point and place of beginning;

THENCE North 40 degrees 03 minutes 18 seconds East for a distance of 172.67 feet along the Eastern line of Lot 16 to an EIP;

THENCE South 53 degrees 12 minutes 18 seconds East for a distance of 232.97 feet to and EIS on the Right of Way of Utley Bluffs Drive;

THENCE along a curve to the left having a radius of 1024.99 feet and an arc length of 143.08 feet, being subtended by a chord of South 32 degrees 47 minutes 03 seconds West for a distance of 142.96 feet along said Right of Way to an EIS;

THENCE South 28 degrees 49 minutes 47 seconds West for a distance of 14.60 feet along said Right of Way to and EIS at the turnout with Berman Edge Road;

THENCE along a curve to the right having a radius of 25.00 feet and an arc length of 44.17 feet, being subtended by a chord of South 79 degrees 26 minutes 35 seconds West for a distance of 38.64 feet to an EIS on the Right of Way of Berman Edge Road;

THENCE North 49 degrees 55 minutes 34 seconds West for a distance of 229.01 feet along said Right of Way to the Point and Place of beginning.

Together with and subject to covenants, easements, and restrictions of record.

Said property contains 1.00 acres more or less.

Adopted this, the 15th day of April, 2025.

ATTEST TO:



Linda C. McKinney Town Clerk

Sean Mayefskie, Mayor

I, Linda C. McKinney, Town Clerk of the Town of Holly Springs, do hereby certify that the foregoing is a true and accurate copy of an annexation ordinance duly adopted by the Town Council of the Town of Holly Springs, North Carolina, at a meeting held April 15, 2025, at 7 o'clock p.m. at the Town Hall in the Town of Holly Springs.

IN WITNESS WHEREOF, I have here unto set my hand and have caused the official corporate seal of said Town to be affixed, this the 15th day of April, 2025.

Linda C. McKinney Town Clerk





Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 16.

New Business

Title: Yard Waste Collection Program Update and Ordinance Amendment

Strategic Priority Area: Vibrant Community
Organizational Excellence

Staff Resource: Freddie Rodriguez, Solid Waste Manager

Action(s):

1. Receive an update on the yard waste collection program
2. Adopt Ordinance 25-09, amending the town yard waste collection ordinance regarding fee-free sweeps and inclusion of on-demand yard waste cart pick-up.
3. Approve adding a \$15 fee for on-demand extra yard waste cart pick-up to the Town's fee schedule.

Explanation:

- The town's yard waste collection program has evolved over the last few years to incorporate operational efficiencies, best practices, compliance with North Carolina Department of Environmental Quality permitting, and meeting the needs of the residents.
- Yard waste carts were implemented in March 2024. After reviewing a year's worth of data, including resident feedback, Public Works has identified an on-demand collection option for residents that have periodic need for additional yard waste collection beyond that of the standard service level.
- Implementation of on-demand extra yard waste cart pickup would allow residents to request an additional collection of their yard waste cart(s) outside their regular scheduled biweekly collection.
- The cost of the collection is \$15 per cart per request, and it will be scheduled for collection within 24 business hours of a resident request. The fee will be added to the residents' monthly utility bill.
- The town's code of ordinances will be updated (as attached) to incorporate this new on-demand cart pickup option for residents.
- Additionally, the ordinance update includes adding the timeframe for the spring and fall fee-free sweeps and allowable prior set out window of time to mitigate large bundles of yard waste at the curb weeks prior to the scheduled fee-free sweeps.

Background:

- Yard waste collection is a service offered by the town for a fee included on the town's residential utility bill for residential collection of leaves, grass clippings, small limbs, plant or hedge clippings and dead plants and shrubs.
- Other yard waste services available to town residents include a yard waste convenience

center, two fee-free spring and fall sweeps, and curb-side collection of large quantities of yard waste for an additional cost based on volume.

Funding Source(s):

N/A

Attachment(s):

1. 25-09 Amend Yard Waste Ordinance



Ordinance No. 25-09

Date Submitted: April 15, 2025

Date Adopted: April 15, 2025

AN ORDINANCE TO AMEND THE TOWN CODE OF THE TOWN OF HOLLY SPRINGS, NC TO AMEND CHAPTER 14 ARTICLE II, YARD AND LEAF WASTE, WHITE GOODS, AND BULKY TRASH COLLECTION

BE IT ORDAINED by the Holly Springs Town Council of the Town of Holly Springs, North Carolina, that the Code of Ordinances Chapter 14: Public Works, Article II, YARD AND LEAF WASTE, WHITE GOODS, AND BULKY TRASH COLLECTION is amended as follows:

Part 1: Sec. 14-34. Pre Collection and Collection Practices is amended as follows with an underline for new text and strikethrough indicating removal of text:

Sec. 14-34. Pre-collection and collection practices.

- (a) Yard and leaf waste shall be kept separate from and shall not be mixed or commingled with any other solid waste material for the purposes of residential collection by the town or its agents.
- (b) Yard and leaf waste must be properly disposed of by the residential customer in a timely manner. Proper disposal includes placement in the yard waste cart as described in this article, disposal at a proper facility, or mulching or reincorporating vegetative matter on site in a manner consistent with best practices so as to not become a nuisance.
- (c) Cart program. Yard and leaf waste materials are only to be placed in town-issued carts, placed at the collection point for collection, with the exception of fall and winter leaf collection as described below in subsection (f)(1) below. The schedule of collection shall be determined by the director of public works. The lid of the cart must be closed with nothing placed on top, however, lids that are open six inches or less shall be considered closed. The town shall provide each residential customer with one cart, the cost of which shall be covered by the residential customer's monthly yard waste fee. Any additional carts may be ordered for a fee, which shall be posted in the adopted fees and charges schedule, and posted on the town's website. There will be a monthly fee associated with each additional cart ordered by a residential customer, also posted in the adopted fees and charges schedule and on the town's website. Yard waste carts shall be placed for collection according to the following guidelines:
 - (1) The cart shall not be placed earlier than 7:00 a.m. on the day before collection day.
 - (2) The cart must not block any street or public right-of-way.
 - (3) The cart must be at least five feet from other objects.
 - (4) The cart must be safely accessible to collection crews.
- (d) On-Demand Yard Waste Cart Pickup: In addition to the regularly scheduled collection day determined by the director of public works, a resident may request a designated pick-up of their yard waste cart by a request to the Office of Customer Care online or through use of the 311 App. The Town will endeavor to satisfy the on-demand request within twenty-four (24) business hours from the receipt of the request. A one-time fee will be assessed on the resident's monthly utility bill for each request. The fee shall be posted in the adopted fees and charges schedule, and posted on the Town's website. This service is in addition to, and not a replacement for, scheduling excessive yard waste collections described in Section. 14-35(c) below.

- ~~(e)~~(f) Residential customers may opt-out of the cart program at any time. Notice of opt-out must be provided in writing to the director of public works by completing the requisite form if before December 15, 2023, and thereafter by contacting the office of customer care, either online or by dialing 311 from within the corporate limits. In the event that a residential customer has opted-out of the cart program, they shall only place yard and leaf waste in piles at the collection point after calling to schedule a pick-up for excessive loads and paying the appropriate fee. Residential customers may also take said materials to the convenience center for disposal. Residential customers shall take care to ensure that no yard and leaf waste is in the gutter or storm-water run-off channels.
- ~~(f)~~(g) Residential customers shall ensure that all yard and leaf waste shall be properly disposed of and shall not be commingled with other materials that are not included in the definition of yard and leaf waste provided above. Where yard and leaf waste is found to be commingled with other materials, town staff or its agents will not collect the yard and leaf waste until such time as the other materials are removed by the residential customer. In the event of commingled or otherwise improperly prepared yard and leaf waste, the residential customer will receive a tag on their door notifying them that the commingled waste will not be collected and must be removed by the residential customer or separated according to these pre-collection guidelines before the next collection cycle. Leaves that are collected by a vacuum must be free from all other organic or inorganic material, including but not limited to twigs, sticks and rocks. Failure to adhere to the pre-collection practices shall result in the commingled or improperly stored/prepared materials not being collected on the residential customer's regular collection day, as well as subjecting the residential customer to potential fees, fines and penalties as described in section 14-40 of this article.
- ~~(g)~~(h) Yard and leaf waste shall be properly prepared for collection by the residential customer and in accordance with the town's pre-collection procedure statement as established by the town manager and amended from time to time. A copy of this procedure statement is on file in the town clerk's office and is also available on the town website. Proper pre-collection methods are as follows:
- (1) During the period of November 1 through January 31, which is the fall and winter leaf collection season, residential customer desiring yard and leaf waste collection by the town or its agents shall rake only their leaves as described in subsection (e) of this section into separate piles at the collection point such that they can be collected by vacuum.
 - (2) During the period of January 2 through January 22, which is Christmas tree collection by the town or its agents, residential customer shall place their Christmas tree at the collection point. All tinsel, nails, screws, wires, ribbon and other non-vegetative material shall be removed from the Christmas tree by the residential customer prior to being set out for collection. Wreaths may be set out by residents for collection provided that the wreaths are free from wire, screws, metal frames, and all other non-vegetative material. Christmas trees and wreaths can also be taken to the yard waste convenience center during hours of operation at any time of year.
 - (3) The Town provides two (2) weeks of fee-free collection of acceptable residential yard waste each calendar year, which occur every year during the first full week of April and the second full week of October, unless a different schedule is posted on the Town's website 30 days prior. Residents shall place acceptable yard waste material no sooner than 48 hours prior to the first day of the fee-free collection week at the curb.
 - ~~(3)~~ (4) During all times of the year, any residential customer shall place yard and leaf waste in their designated yard waste cart, and place it at the collection point. The director of public works shall determine a collection schedule for yard and leaf waste, which shall be published on the town's website. The town encourages its residential customers to compost this material when possible.
- ~~(h)~~(i) The town does not pick up or dispose of land clearing debris.
- ~~(i)~~(j) Residential customers shall ensure that any private contractors doing work on their property are aware of this article and its requirements that contractors properly dispose of any waste off-site.

Part 2: REPEAL OF CONFLICTING ORDINANCES

All ordinances or parts of the Town Code of Ordinances of the Town of Holly Springs conflicting or inconsistent with the provisions of this Ordinance are hereby repealed.

Part 3: SEVERABILITY

If any section, part of a section, paragraph, sentence, clause, phrase, or word of this Ordinance is for any reason held or declared to be unconstitutional, inoperative or void, such holdings shall not affect the remaining portion of this Ordinance and it shall be construed to have been the legislative intent to pass the Ordinance without such unconstitutional, invalid or inoperative part therein, and the remainder of this Ordinance after the exclusion of such part or parts shall be deemed to be held valid as if such part or parts had not been included therein, or if this Ordinance or any of the provisions thereof shall be held inapplicable to any person, group of persons, property, kind of property, circumstances, or set of circumstances, such holdings shall not affect the applicability thereof to any other person, property or circumstances.

Part 4: INCLUSION IN CODE

It is the intention of the Town Council entered as hereby ordained, that the provisions of this Ordinance shall become and be made part of the Town Code of Ordinances of the Town of Holly Springs, North Carolina; that the Section(s) of this Ordinance may be renumbered or relettered to accomplish such intention, and that the word "Ordinance" may be changed to "Section, or "Article" or other word.

Part 5: EFFECTIVE DATE

The provisions of this ordinance shall become effective April 15, 2025 in accordance with the laws of the State of North Carolina.

Adopted this, the 15th day of April, 2025.

Town of Holly Springs by

Sean Mayefskie, Mayor

ATTEST:

Linda McKinney, Town Clerk





Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 17.

New Business

Title: Licensing Agreement for the Stadium at North Main Athletic Complex (aka Ting Park)

Strategic Priority Area: Vibrant Community

Staff Resource: LeeAnn Plumer, Parks & Recreation

Action(s):

Authorize the Town Manager to enter into a 10-year Licensing Agreement with Capitol Broadcasting Company for the use of the stadium at North Main Athletic Complex (aka Ting Park).

Explanation:

- The Town and the Holly Springs Baseball Club, LLC entered into a 10-year agreement in May 2015, with an amendment in August 2020, for the right to use the stadium at North Main Athletic Complex (aka Ting Park) for a collegiate summer baseball league (Coastal Plain League (CPL)) and other related events.
- The parties are seeking to enter into another 10-year agreement with updated terms and conditions. For the past several months, staff have been meeting with representatives of the local CPL team, the Holly Springs Salamanders, and providing feedback to and from Council members regarding updates to the agreement that will provide mutually beneficial outcomes.
- Key terms of the new agreement include:
 - 34 annual game/use times; allows additional times for practice based on field availability
 - Additional event or use times will be charged per the Town Council-approved fee schedule
 - Increase of the yearly lease fee, which includes both an annual escalation percentage and a contribution towards capital investment for stadium improvements.
 - Outlines custodial and cleaning responsibilities and remedies
 - Identifies exclusive use areas and non-exclusive areas of the stadium and clubhouse
 - 50% food and beverage revenue share for Town-hosted events; adds signage at the concession window to identify/name the vendor; permits the sale of alcoholic beverages
 - Prohibits metal cleats in the clubhouse and on the turf field and pitcher's mound
 - Provides advertising space in the stadium for Town-related services/needs
 - Outlines shared custodian and porter duties with associated terms; includes fees for these services with an annual escalation percentage
 - 10-year License Agreement
 - First year rental fee of \$29,540, plus custodial fees of \$500 per game, and a capital investment fee of \$1,500 per year. All three fees will increase each year by 3% of

Town Council Business Meeting
April 15, 2025

the prior year's fees

Background:

- Ting Stadium has been home to the Holly Springs Salamanders, a team of the Coastal Plain League (CPL), since 2015. The CPL is a collegiate summer league, featuring top-notch college baseball players from across the nation. The CPL prides itself on creating a professional, minor-league-like atmosphere for its players, coaches, umpires, and fans each summer.
- Over the last four seasons, the HS Salamanders averaged more than 33,000 fans in attendance at the games each year. These summer baseball games have become a local entertainment and sporting destination for many Holly Springs and Wake Co. families. Visitors to games help support the local businesses and provide a positive economic impact on Holly Springs.

Funding Source(s):

N/A

Attachment(s):

1. TING License Agreement for Salamanders FINAL 4_9_25

STATE OF NORTH CAROLINA
WAKE COUNTY

LICENSE AGREEMENT FOR
USE OF TING BASEBALL STADIUM

THIS LICENSE AGREEMENT, made this _____ day of _____, 2025 by and between the **TOWN OF HOLLY SPRINGS**, a municipal corporation, (hereinafter "Town" or "LICENSOR") and The Holly Springs Baseball Club, LLC, organized under the laws of the State of North Carolina and authorized to do and doing business in the State of North Carolina, (hereinafter "LICENSEE").

WITNESSETH:

WHEREAS, LICENSEE operates a collegiate summer league baseball team and has previously entered into an agreement with LICENSOR for the licensed use of Ting Stadium through an original license agreement which commenced on May 27, 2015, and was amended in August 2020. This new License Agreement (the "Agreement") shall replace the original License Agreement and amendment in their entirety; and,

WHEREAS, LICENSEE desires to use Ting Stadium located at 101 Sportsmanship Way, Holly Springs, NC ("Ting Stadium") and other Licensed Areas (as defined below) for baseball games and other related events as described herein; and LICENSOR is willing to allow LICENSEE the exclusive use of the Licensed Areas for *baseball games, camps and related events* and non-exclusive use of the Licensed Areas for *secondary events* subject to certain terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing and the terms and conditions set forth herein, the receipt and sufficiency of such consideration being hereby acknowledged, the parties hereby agree as follows:

1. Use of Licensed Areas. "Licensed Areas" shall include Ting Stadium (Dick Sears field and grandstand, concourse, "batter's eye" area, ticketing office, umpire office, home and visitor locker rooms, training room, scoreboard and sound system, souvenir shop, concession areas, laundry room, restrooms, clubhouse and press box areas). To the extent that this Agreement grants exclusive use during the Licensed Times to these areas, the following areas are hereby licensed however use shall not be exclusive at any time and shall be shared with the LICENSOR: the parking lot and equipment room.

LICENSOR grants to LICENSEE the exclusive and non-exclusive license, right and privilege to use the Licensed Areas for a period commencing on May 1, 2025, and ending on April 30, 2034 (the “Term”), in accordance with a schedule to be agreed to annually by the LICENSOR and LICENSEE for the following events:

(a) **Games.** The LICENSEE, utilizing the Licensed Areas for home games for a Coastal Plain League franchise team, shall be allowed 34 use days per season for home games, team’s post-season playoff games, and team fan fests. A use day shall be from 11 AM to 11 PM. LICENSOR agrees that LICENSEE’S playoff game schedule is determined after the regular season ends, and LICENSOR grants LICENSEE scheduling priority of the Licensed Areas for all post-season play. LICENSEE may be allowed additional use times for the franchise team practices subject to availability at the discretion of the LICENSOR at no additional cost. Additional use times for franchise games exceeding the 34 use days may be granted at the rental rate established by Town Council in the Town’s annual budget posted on the Town’s website (e.g., 2025 budget located at <https://www.hollyspringsnc.gov/DocumentCenter/View/49145/FY25-Approved-Budget-Book?bidId=>) (the “Rental Fee”) at the discretion of the LICENSOR.

(b) **Secondary Events.** LICENSEE shall be able to use the Licensed Areas of Ting Stadium for Town-approved uses such as camps, for the Rental Fee.

(c) **Season long use.** LICENSEE shall be allowed to occupy and use solely for the convenience of the LICENSEE for the entire baseball season the following areas: Press box and ticket office. This season long use shall be from May 15 to August 15 each year of the Term.

(d) **Year-long use.** In addition to the above Season long use, the LICENSEE shall be allowed year-long use of the laundry room, concession areas, and souvenir shop.

During its approved scheduled uses of the Licensed Areas, LICENSEE shall have exclusive and non-exclusive use and may grant or deny access to the Licensed Areas upon such conditions and terms as it may choose.

The proposed schedule for LICENSEE’S use of the Licensed Areas for games, summer camps, and other Town approved uses during each year of this Agreement shall be submitted to the LICENSOR by December 31st of each year of the Term. LICENSEE and LICENSOR may add additional dates during the

year as the schedule allows. LICENSOR will cooperate with and notify LICENSEE of all other inquiries/potential uses of the Licensed Areas. Additionally, each year the parties shall meet prior to October 1 at a mutually convenient time and location to discuss any upcoming facility modification requests of the Licensee. LICENSOR shall consider such requests in a timely manner relative to the scope of the request. The Licensee shall have no right to make modifications to the facility without written approval by the LICENSOR, and no action or inaction of any member of LICENSOR staff shall serve to waive this requirement of prior written approval.

All inquiries and requests to the Holly Springs Parks and Recreation Department for use of the Licensed Areas by additional entities will be submitted to the LICENSEE in advance of the proposed use.

2. Fee. LICENSEE shall pay to LICENSOR a fee for each year for the uses previously outlined in **Section 1. Use of Licensed Areas**, paragraph **(a) *Games*** herein for (i) a yearly license fee of \$29,540, plus (ii) custodial service fee of \$500 per use for a total custodial fee of \$17,000 per year; plus (iii) a Capital Investment fee of \$1,500 per year (collectively, the “License Fee”). These license, custodial service, and Capital Investment fees shall each increase every year by 3% of the prior year’s fee. Any fee for a Secondary Event shall be paid according to the Rental Fee in effect at the time of the use. Fees for the Season Long Use or Year Long Use areas shall be included in the License Fee described above.

LICENSOR shall be responsible for satisfaction of any and all property taxes and assessments on the Licensed Areas for property and equipment owned by LICENSOR, and shall maintain insurance on all fixtures and improvements owned by LICENSOR against loss due to fire or other casualty, except for such losses as may be caused by LICENSEE or LICENSEE’S invitees, agents, officers, servants, or others acting on behalf of or for the benefit of LICENSEE.

3. Cancellations and Termination. The LICENSEE reserves the right, in its sole discretion, to cancel events due to inclement weather, an act of God, unsuitable field conditions, potential damage to the Licensed Areas or any portion of the Licensed Areas, or other non-arbitrary cause, and such cancelled event will be rescheduled at a date mutually agreed upon by the parties.

When an event is cancelled, LICENSEE shall make all necessary arrangements to notify the public of the details of the cancellation, including contacting the media. Any tickets that have been pre-sold may

be refunded only from the original location where the tickets were purchased and any other location reasonably accessible to the public.

LICENSOR may revoke and terminate the License if LICENSEE does not comply or come into compliance, with any term or condition of this Agreement or any Town ordinance, regulation, policy or directive thereof after fifteen (15) days written notice to LICENSEE. Failure of LICENSEE to adhere to and/or comply with any of these terms, conditions, restrictions, covenants, and/or the requirements of all applicable Federal, State or local laws, as it relates to this Agreement, is an event of default and will result, at LICENSOR'S option, in (i) cancellation of LICENSEE'S permits, (ii) cancellation of the remaining dates in the approved schedule, (iii) denial of its permits for one or more future games and/or other events.

4. Personnel and Press. LICENSEE, at its expense, shall furnish a sufficient number of personnel or staff, including gatemen and ushers, to accommodate its patrons and to manage the LICENSEE'S events. Only duly authorized personnel from the LICENSOR and those persons entitled by reason of their official connections with LICENSEE or LICENSEE'S baseball related events are allowed on the activity fields of the Licensed Areas, and LICENSEE shall enforce this field access limitation. Only emergency medical service and/or field maintenance vehicles are approved for field and concourse usage on the Licensed Areas.

5. Security. LICENSEE shall provide and bear the expense of adequate staffing to accommodate its patrons and provide off-duty police officers or other adequate security during its uses of the Licensed Areas. Any private security used by LICENSEE shall be duly licensed by the State of North Carolina. LICENSEE will provide sufficient staff and security personnel to ensure, to the maximum extent practical, that good behavior is maintained, and the public's safety is protected at all of its permitted events.

LICENSOR will cooperate with LICENSEE to properly secure all buildings and the remainder of the Licensed Areas during the duration of the Agreement.

6. Behavior, Maintenance and Damages. It is LICENSEE'S responsibility to see that good behavior is maintained at LICENSEE'S events, and that the Licensed Areas are not damaged beyond normal wear and tear, including, but not limited to the turf of the playing field. LICENSEE will not cause, or fail to act

to prevent, any damage to the Licensed Areas or any utility services serving the Licensed Areas. LICENSEE will make timely repairs or replacements to the Licensed Areas and/or utility services and/or roads and parking areas necessitated by its intentional or negligent acts or the acts of its invitees, agents, officials, employees, contractors or any person acting for LICENSEE'S benefit or for whom LICENSEE is otherwise responsible. "Timely" means beginning repairs or replacements within seven (7) days of receiving notice from the LICENSOR that repairs or replacements are needed and thereafter proceeding with due diligence to complete the repairs or replacements.

LICENSEE shall strictly enforce the prohibition of metal cleats in the clubhouse and on the turf field.

LICENSEE will pay all of its expenses related to its use of the Licensed Areas except for LICENSOR provided utilities. LICENSOR will pay for all electric, water, sewer services and will supply the required trash dumpsters. LICENSOR will install the necessary cable and Internet options for the stadium tenants. LICENSEE will be responsible for monthly cable, Internet and telephone fees installed for LICENSEE'S exclusive use at the Licensed Areas. LICENSOR will cooperate with LICENSEE to ensure that all necessary inventory for use in the maintenance and repair of the baseball field is stored on-site at the Licensed Areas. LICENSOR will maintain, in good condition and repair and ensure facilities are operational for LICENSEE's events, all Licensed Areas facilities, including but not limited to turf, field lights, locker rooms, coach's office, trainer's room, laundry and equipment room, umpire dressing room, fences, public address system, press box, restrooms, and scoreboard.

It is the intent of both Parties that the Facility and Licensed Areas are at all times maintained properly and cleaned so that visitors to the Facility have an excellent experience and that the reputation of both Parties remains at its highest level. In consideration of the foregoing, LICENSEE shall be responsible for cleaning the Licensed Areas during all LICENSEE events. This should include removing loose debris from concourse and in spectator areas, and emptying the trash cans from the concourse, grandstand, press box and public restrooms ("Portering"). The LICENSEE is responsible for cleaning the concession stand areas. Cleaning activities by the LICENSEE are in addition to and separate of the custodial fee described in Section 2 above.

At the conclusion of each LICENSEE event, the LICENSOR shall be responsible for professionally cleaning and sanitizing the restrooms, clubhouse, grandstand, seating, concourse, locker rooms and coach's office.

The parties agree that a professional level of cleanliness of the Licensed Areas is of utmost importance to the parties, and at minimum, agree to adhere to the recommendations set by CDC here: <https://www.cdc.gov/hygiene/about/when-and-how-to-clean-and-disinfect-a-facility.html> as updated from time to time (collectively the "Standards"). If in the reasonable opinion of either Party the other Party is either not Porterage properly (in the case of LICENSEE) or not adhering to the Standards, the complaining Party will first notify the other of the concerns in writing, specifying the reasons therefore and providing photographic proof of any deficiency. If, after the next use, the non-complaining Party continues in its deficiency (as shown by photographic proof or otherwise) the cleaning fee shall be adjusted as follows:

(i) If the LICENSEE remains deficient in Porterage for two consecutive use times, the cleaning fee shall be increased by an amount that is \$800 per use during the first year, which increases 3% per year for each year. The following year will revert to the custodial service fee in Section 2 above unless cleaning issues persist and include a 3% increase for each year thereafter as outlined in Section 2 above. If LICENSOR assumes reasonable Porterage and standard cleaning duties during and after LICENSEE events, that does not relieve the LICENSEE of its obligations to timely remove and properly dispose of litter and debris during and after each use of the Licensed Areas, and to maintain a high standard of operation maintenance of the Licensed Area(s) including proper cleaning and custodial services.

(ii) If the LICENSOR remains deficient in meeting the cleaning standards listed above for two consecutive use times, the LICENSEE shall receive a full credit of the per use custodial service fee for each subsequent time the LICENSOR remains deficient. LICENSOR shall endeavor to replace the professional cleaning subcontractor that remains deficient as quickly as practicable.

The LICENSOR will maintain the field lighting, public address system and scoreboard in working order for LICENSEE'S events. The LICENSOR will maintain the playing field of the Licensed Areas, excluding lining and marking prior to events. Any maintenance of playing field assumed by LICENSEE during events, including inclement weather recovery, shall be in accordance with mutually approved methods and/or baseball field maintenance generally recognized best practices. LICENSEE will perform all pre-game and post-game maintenance for LICENSEE events. The LICENSOR shall obtain any additionally needed, appropriately equipped infield dragging and maintenance apparatus needed for use by the LICENSOR and LICENSEE. LICENSEE may make use of any baseball related equipment in the Licensed Areas owned by the LICENSOR, however LICENSOR shall not be responsible for any use, maintenance, or replacement of such equipment.

7. Indemnity. In addition to all other provisions of this Agreement and not in limitation of them, LICENSEE agrees to protect, indemnify and save harmless the LICENSOR, its officers, officials, agents and employees from and against all claims, demands and causes of action, in favor of LICENSEE'S employees or third parties on account of personal injuries or death or on account of property damages arising out of LICENSEE'S use of or presence on the Licensed Areas and resulting from the intentional or negligent acts or omissions of LICENSEE, its agents, officials, employees or any person acting for LICENSEE or for whom LICENSEE is responsible. The provisions of this section shall include indemnification of all losses, damages, awards, costs and expenses, including attorney's fees. LICENSEE shall promptly give notice to LICENSOR of any occurrence, which may result in any claim for injury or damages.

8. Insurance. LICENSEE shall maintain during the life of this Agreement statutory workers' compensation insurance. LICENSEE shall take out and maintain during the life of this Agreement commercial general liability insurance and broad form property damage insurance in the minimum amount of \$1 million per occurrence limit, general aggregate limit and products-completed operations aggregate limit of \$2 million general aggregate. Any subcontractors hired by the Licensee will also be required to provide the same levels of general liability and products-completed operations coverage. To the extent that LICENSEE sells or serves or authorizes the serving of alcoholic beverages including, but not limited to, malt beverages, such coverage shall include liquor liability insurance protecting against claims arising out of the sale or distribution of alcoholic beverages, including but not limited to, malt beverages on the Licensed Areas. LICENSOR shall be named as additional insured on any such policy.

9. Concessions. LICENSEE shall have all concession rights and receive all concession revenue during LICENSEE events during the term of this Agreement. LICENSEE shall be responsible for obtaining and maintaining all necessary permits and licenses at any time that LICENSEE is providing concession sales in the Licensed Areas. LICENSEE shall be allowed to provide Concessions at any Town or secondary event held at the Licensed Areas. In the event of any Town sponsored event, the LICENSEE shall pay the Town fifty (50)% of the Net Profit from food and beverage sales generated at said Town event. The "Net Profit" shall be calculated as follows: Gross Revenues received during any Town event less any included taxes, less credit card fees, less cost of goods sold, less cost of security for the event, and less labor costs attributed to concessions for the event. The Town shall have the right to audit the books and records of

the LICENSEE or its approved concession vendor to ensure compliance with this and other sections. LICENSEE shall be responsible for ensuring the concession area is maintained in a safe, clean, and sanitary condition. LICENSEE shall supply signage indicating that concessions are owned and operated by the LICENSEE (or its contracted vendor approved by the Town). The LICENSOR reserves the right to inspect the concession area at all times. This inspection will include, but will not be limited to, the quality of service rendered, the nature of the articles offered for sale to the public, and the cleanliness/neatness of the concession area. LICENSEE and its employees and volunteers will abide by the Wake County Health Department rules and regulations, the North Carolina Rules Governing the Regulation of Restaurants and other Food Handling Establishments and will cooperate with the Wake County Health Department to meet or exceed requirements for concessions. LICENSEE will furnish, use, and operate the concession stand buildings, which are part of the Licensed Areas during its permitted events or during other events for which it may have contracted its services. Equipment owned by LICENSEE may be placed, or left in the concession stand after LICENSEE events, and will be done so at the sole risk of LICENSEE. LICENSOR shall not use the concession equipment of LICENSEE and shall not allow any third-party use of any LICENSEE equipment.

Any equipment or other facilities owned by and placed within the concession areas of the Licensed Areas by LICENSEE shall be listed on a separate schedule marked and entitled "LICENSEE'S Concession Stand Equipment" which will be attached to this Agreement and amended from time to time by a document signed by the LICENSOR and LICENSEE. All such equipment and facilities shall be free of and not result in any liens or encumbrances on the Licensed Areas or any other LICENSOR property, and shall conform and comply with all applicable codes, laws, regulations and ordinances.

Upon termination of the Agreement, LICENSEE will remove the LICENSEE's Concession Stand Equipment and will restore the Licensed Areas to its prior condition, reasonable wear and tear excepted within thirty (30) days of such termination. Any equipment or facilities remaining after thirty (30) days from termination shall become the property of LICENSOR or shall be removed, stored, and disposed of by LICENSOR.

LICENSEE shall have the right of first refusal to provide concessions at other events held on the Licensed Areas that are approved by and/or scheduled by LICENSOR. In the event LICENSEE elects not to provide or is unable to provide concessions for any of these events, LICENSEE will promptly notify the

LICENSOR, but in any case, when applicable, give at least seven (7) calendar day notice to the LICENSOR prior to the event. In such event, LICENSOR may provide concessions using its own equipment or may assign such right to an approved third-party that is properly licensed and permitted to sell and serve alcoholic beverages under the provision outlined in this Agreement. The LICENSOR or their assigned third-party is responsible for any and all damages to concession equipment during use.

During all LICENSEE sponsored events, LICENSEE shall retain and have full control over all merchandise rights at the Licensed Areas including the exclusive right to sell and dispense programs (and advertising therein), as well as the exclusive right to sell novelty items such as T-Shirts, sweatshirts, hats, pins, and other souvenir items at its events. LICENSEE shall maintain the option to sell Licensee's novelty items at all events. LICENSEE will keep all revenue from merchandise sales.

LICENSEE may allow the use of vendor locations to third parties in the Licensed Areas during all LICENSEE sponsored events, so long as LICENSEE remains liable for compliance with all terms, conditions, and provisions of this Agreement and for any and all actions and liabilities that may arise from such vendor's use and presence upon the Licensed Areas. All vendors must be properly licensed, insured, and will be considered subcontractors of LICENSEE.

LICENSOR has approved and authorized LICENSEE to sell alcoholic beverages to include malt beverages, wine, and premeasured/prepackaged beverages at Ting Stadium. Other alcoholic beverages may also be sold upon agreement by both parties, such consent will not be unreasonably withheld or delayed. All alcoholic beverage sales shall be done within the rules and regulations of both the State of North Carolina and the Town of Holly Springs. The responsibility for the cost of any improvements to the Licensed Areas required for the sale of alcoholic beverages and such improvements shall be the responsibility of the LICENSEE. All such improvements shall be subject to the approval of the LICENSOR and the North Carolina Alcohol Law Enforcement agency. Upon revocation of this License and/or termination of this Agreement, LICENSEE shall remove all such improvements and restore the Licensed Areas to its original condition unless otherwise approved, in writing, by LICENSOR. The sale of alcoholic beverages shall also be subject to the following conditions:

- (a) LICENSEE shall obtain all necessary local and state permits, comply with all state laws and local ordinances and provide all required insurance.

- (b) LICENSEE will limit alcoholic beverage sales to only those persons who are of legal age, and
- (c) LICENSEE shall have food for sale or available whenever alcoholic beverages are being sold.
- (d) LICENSEE shall provide off-duty police officers during such events when alcoholic beverage sales are conducted.

10. Improvements. LICENSEE will make no alterations, modifications, additions or improvements to the Licensed Areas without the LICENSOR'S prior written consent. All approved alterations, modifications, additions or improvements will be performed at LICENSEE'S expense and in a good and workmanlike manner utilizing quality materials, by a licensed contractor approved by the LICENSOR, or if approved by the LICENSOR, by LICENSEE'S own personnel, and those approved alterations, modifications, additions or improvements will be listed on a separate schedule marked as and entitled "Other Licensed Areas Improvements" which will be attached to this Agreement and updated from time to time by written, signed amendment. All such approved alterations, modifications, additions or improvements shall be free of and not result in any liens or encumbrances on the Licensed Areas or any other LICENSOR property, and conform and comply with all applicable codes, laws, regulations and ordinances. Upon termination of the License, LICENSEE will remove promptly any improvements, modifications; additions or alterations identified by the LICENSOR for removal and will restore the Licensed Areas to its prior condition, reasonable wear and tear excepted. Any improvements, modifications, additions or alterations made by LICENSEE that the LICENSOR does not require to be removed will become the property of the LICENSOR.

The LICENSEE will have the sole and exclusive right to all advertising sales and revenue on the interior outfield wall, the front face of the scoreboard, the grandstand, the tarpaulin, the dugouts, the concourse, picnic areas, and the beer garden of Ting Stadium during the term of the Agreement and its use of the Licensed Areas. The LICENSOR may, without being unreasonably withheld, disapprove signs and advertising it considers objectionable and may require removal of objectionable signs and advertisements as well as signs it considers in disrepair, at LICENSEE'S expense. Prior to the start of each annual Coastal Plain League season, LICENSEE shall determine and allocate a prominent area of the stadium for Town-directed advertising where the Town can place a banner at no cost to the Town and/or LICENSEE.

Upon termination of this Agreement, LICENSEE shall remove all advertisements and signs and restore the Licensed Areas and area surrounding the Licensed Areas to its original condition, ordinary

wear and tear excepted. LICENSOR shall have the right to inspect the Licensed Areas and surrounding area at all times during LICENSEE'S use thereof, and LICENSEE shall cooperate to permit such inspections.

11. Notice. LICENSOR'S representative for management of this Agreement shall be the Holly Springs Department of Parks and Recreation Director. LICENSEE'S representative for operations under this Agreement shall be Mike Birling. All communication relating to the use of the Licensed Areas under this Agreement shall be through the parties' representatives. Any dispute between the LICENSOR'S representative and the LICENSEE may be appealed, in writing, to the Town Manager of the LICENSOR whose decision will be final. The parties may change representatives by written notice as provided herein. All notices under this Agreement must be in writing and given by certified mail, return receipt requested addressed as follows:

To LICENSOR:	The Town of Holly Springs Randy Harrington, Town Manager PO Box 8 Holly Springs, NC 27540
To LICENSEE:	The Holly Springs Baseball Club, LLC Mike Birling, Vice President Baseball Operations 409 Blackwell Street Durham, NC 27701
with a copy to:	Capitol Broadcasting Company, Inc. Attn: General Counsel 2619 Western Blvd. Raleigh, NC 27606

12. Assignment. LICENSEE shall have the right to assign or transfer this Agreement with the prior written approval of LICENSOR, which approval shall not be unreasonably withheld, conditioned or delayed.

13. Reference. Use of the masculine includes feminine and neuter, singular includes plural; and captions and headings are inserted for convenience of reference and do not define, describe, extend or limit the scope of intent of this Agreement.

14. Interpretation. All of the terms and conditions contained herein shall be interpreted in accordance with the laws of the State of North Carolina. In the event of a conflict between the various terms and conditions contained herein or between these terms and other applicable provisions, then the more particular shall prevail over the general and the more stringent or higher standard shall prevail over the less stringent or lower standard. Headings of paragraphs or sections are for reference only.

15. Saving Clause. If any section, subsection, paragraph, sentence, clause, phrase or portion of this Agreement is for any reason held invalid, unlawful, or unconstitutional by any court of competent jurisdiction, such portion shall be deemed severable and such holding shall not affect the validity of the remaining portions hereof.

16. Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties. This Agreement shall not be modified or otherwise amended except in writing signed by the parties.

17. Other Matters. Incidental matters not expressly provided for in this Agreement shall be at the discretion of the Department which shall at all times have complete authority to enforce regulations governing the operations of the Licensed Areas and to give directions to LICENSEE.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed in their names.

**TOWN OF HOLLY SPRINGS, NORTH CAROLINA,
LICENSOR**

By: _____

**THE HOLLY SPRINGS BASEBALL CLUB, LLC,
By: Capitol Broadcasting Company, its Manager
LICENSEE**

By: _____



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 18.

New Business

Title: Fiscal Year 2025-2026 Strategic Plan

Strategic Priority Area: Organizational Excellence

Growth Management & Economic Vitality

Vibrant Community

Community Safety

Staff Resource: Corey Petersohn, Budget, Innovation, and Strategy

Action(s):

Adopt the Fiscal Year 2025-2026 Strategic Plan

Explanation:

- This year's strategic plan update builds on the Mayor and Council's vision and four strategic priority areas:
 - Community Safety
 - Growth Management & Economic Vitality
 - Organizational Excellence
 - Vibrant Community
- This year's update includes 5 complete initiatives, 10 proposed new initiatives, and 3 minor adjustments.
- New initiatives focus on constructing Fire Station 4, advancing the Downtown Area Plan, transportation improvements, and Parks and Recreation improvements including greenways and development of the Ting Park area.

Background:

- The Strategic Plan lays out the Mayor and Town Council's vision for Holly Springs.
- The Strategic Plan is updated annually in advance of the budget process to provide guidance for the Town Manager's Recommended Budget.

Funding Source(s):

N/A

Attachment(s):

1. FY2025-2026 Strategic Plan - with Edits
2. FY2025-2026 Strategic Plan - CLEAN



Town of Holly Springs

Fiscal Year 2025-26 Strategic Plan

Vision Statement

Holly Springs offer an unmatched quality of life that reflects the joys of small town living in a safe, family-friendly community that residents and businesses are proud to call home.

Strategic Priority Areas



Community Safety - Holly Springs is one of the safest communities in North Carolina built on a foundation of trust, respect, and community partnerships.



Growth Management & Economic Vitality - Holly Springs preserves its small-town charm, characteristics, and history through strategic transportation & land-use planning, economic development, and infrastructure management.



Organizational Excellence - Holly Springs is a leader in responsible and responsive government with a high-performing organization that meets the public service needs of its residents.



Vibrant Community - Holly Springs provides a high quality of life with abundant amenities, exceptional customer service, and superior public services.



Community Safety



Holly Springs is one of the safest communities in North Carolina built on a foundation of trust, respect, and community partnerships.

1. Maintain the Town's high level of public safety by applying professional best practices and policies.

Initiative 1.1: Obtain Police Department CALEA (Commission on Accreditation for Law Enforcement Agencies) accreditation, recognizing commitment to professional policing and national best practices and standards.

Initiative 1.2: Complete a Fire Department organizational self-assessment and draft a department strategic plan in preparation for seeking accreditation from the Center for Public Safety Excellence.

2. Plan for adequate infrastructure that promotes a safe community.

COMPLETED **Initiative 2.1:** Assess fire station coverage needs and potential locations for future Fire Stations 4 and 5.

NEW Initiative: Design and construct Fire Station 4.

3. Invest in innovative approaches to ensure a safe and welcoming community.

Initiative 3.1: Promote a community-policing philosophy with an emphasis on purposeful policing building on "organic" partnerships, resident and business visibility and engagement, and unique approaches to address community needs and cultivate strong relationships.

Initiative 3.2: Invest in data-driven, geo-based and analytical policing strategies to develop a more technologically advanced approach to crime prevention and investigations.

Initiative 3.3: Develop multi-disciplinary approaches and partnerships to address social, physical and mental health issues with the goal of interrupting recurring cycles and making appropriate referrals to organizations with subject matter expertise.

COMPLETED **Initiative 3.4:** Enhance citizen engagement and outreach events for police and fire.



Growth Management & Economic Vitality



Holly Springs preserves its small-town charm, characteristics, and history through strategic transportation & land-use planning, economic development, and infrastructure management.

1. Enhance, attract, and engage diverse economic development opportunities.

Initiative 1.1: Concentrate business recruitment efforts and site-readiness programs in the target industries of Wake County Economic Development, specifically Life Sciences, Advanced Manufacturing, IT & Technology, Clean Tech & Smart Grid, and Corporate or Divisional headquarters.

Initiative 1.2: Be a development resource to support, sustain, and grow small businesses, start-ups, and entrepreneurs.

2. Create a vibrant downtown center.

Initiative 2.1: Facilitate multi-modal accessibility to the downtown center, with an emphasis on walkability, pedestrian and bicycle safety.

Initiative 2.2: Enhance the public spaces and character of the downtown area through investments in signage, streetscapes, branding, and civic spaces as outlined in the Downtown Area Plan.

Initiative 2.3: Explore partnerships and funding opportunities to advance investments in the downtown such as a public market, additional downtown parking, **creating a festival street**, and further development of Mims Park.

NEW Initiative: Advance feasibility analysis and design for a festival street investment on Avent Ferry Rd.

3. Plan, maintain, and invest in sustainable and resilient water, sewer, and stormwater infrastructure.

Initiative 3.1: Develop a coordinated long-range master plan for water, wastewater, reclaimed, and stormwater systems.

Initiative 3.2: Develop a water, sewer, and reclaimed asset management plan to ensure system integrity and identify needed maintenance and investments to handle future growth.

4. Support land use planning, policies, and partnerships that provide for sustainable and economic growth while balancing small town characteristics.



Town of Holly Springs FY 2025-26 Strategic Plan

Initiative 4.1: Pursue a residential/non-residential tax base ratio of 70%/30%.

Initiative 4.2: Evaluate and identify potential modifications to Vision Holly Springs Comprehensive Plan Section 1: Land Use & Character to support greater housing diversity, specifically along transportation corridors and targeted economic development areas.

Initiative 4.3: Establish criteria for Area Median Income (AMI) and percentage of workforce housing units within a development in order for a development project to be considered for fee or improvement credits.

Initiative 4.4: Develop streamlined customer engagement processes for simple building or renovation permit requests and specialized customer service approaches to assist non-building industry experts in navigating permitting processes.

Initiative 4.5: Develop policies, procedures, and/or mitigation strategies for management of property nuisance abatement.

5. Partner with neighbors to promote smart regional transportation infrastructure investments.

Initiative 5.1: Complete the Main St. right turn lane, NC-55 Bypass right turn lane, Avent Ferry Rd pedestrian improvements, and Holly Springs Rd. East bond projects.

Initiative 5.2: Support an efficient and connected local and regional multi-modal transportation system through engagement on projects including the NC-540 Southeast Extension and Wake Transit Plan.

Initiative 5.3: Deploy pedestrian safety devices and traffic control measures to enhance pedestrian and bicycle safety.

Initiative 5.4: Develop a network for an innovative and intelligent transportation system with NCDOT to assist in managing traffic congestion.

NEW Initiative: Complete construction of Holly Springs Rd "Central" widening (Flint Point Lane to Main St).

NEW Initiative: Complete design of Holly Springs Rd "West" widening (NC-55 Bypass to Main St).

NEW Initiative: Explore roadway priority investments to include Cass Holt Rd, Sunset Lake Rd, and Main St "diet" streetscape (on-street parking / pedestrian improvements).

NEW Initiative: Seek financial and implementation partnerships for the creation of a micro-transit transportation mobility option.



Organizational Excellence



Holly Springs is a leader in responsible and responsive government with a high-performing organization that meets the public service needs of its residents.

1. As an employer of choice, we will retain and recruit a highly skilled workforce.

Initiative 1.1: Invest in employee skills training and leadership development at all levels in the organization.

Initiative 1.2: Provide competitive pay and benefits and fulfilling workplace experiences that attracts and retains top talent.

Initiative 1.3: Expand employee diversity and inclusion.

2. Leverage technology and innovative business approaches to improve business efficiencies.

Initiative 2.1: Create and apply data-driven decision-making tools, including performance management and benchmarking, to enhance strategic and daily service delivery management.

Initiative 2.2: Research and pilot Smart City initiatives that leverage data and technology to improve operational efficiencies and information sharing with residents.

NEW Initiative: Pursue professional accreditation of departments (Utilities and Infrastructure, Parks and Recreation, and Public Works).

3. Leverage community engagement opportunities to expand resident connections with their town government and community.

COMPLETED Initiative 3.1: Complete refresh of the Town website to enhance, usability and information sharing.

Initiative 3.2: Plan and create a town-wide celebration of the sesquicentennial (150th) anniversary (In 2026).

Initiative 3.3: Expand sense of place and belonging through celebrations, branding, and unique engagement experiences.



4. Ensure financial stewardship.

Initiative 4.1: Update and apply financial best management practices such as internal controls, budgetary enhancements, and asset management.

COMPLETED Initiative 4.2: Enhance financial metrics and policies to achieve credit rating upgrades that in turn lead to the lowest borrowing costs for taxpayers.

Initiative 4.3: Develop new Town-wide risk management program and reduce the Town's risk exposure and actual risk liability experiences.

5. Establish sustainability and resiliency practices that balance the protection and preservation of historical and environmental assets with fiscal and operational efficiency.

Initiative 5.1: Engage staff and community partners to increase awareness and understanding of sustainability opportunities and practices.

Initiative 5.2: Identify opportunities to transition Town light duty non-public safety vehicles to hybrid or electric, as appropriate.

Initiative 5.3: Reduce Town facility energy consumption by 10% over the next 5 years (by 2028).



Vibrant Community



Holly Springs provides a high quality of life with abundant amenities, exceptional customer service, and superior public services.

1. Develop comprehensive parks and recreation amenity offerings to include a variety of parks, greenways, and recreation facilities.

Initiative 1.1: Prioritize recommended park improvements from the Sugg Farm concept plan and pursue amenity construction.

Initiative 1.2: Advance design and construction of Eagles Landing Park to build the first park in Holly Springs west of Hwy 55.

COMPLETED Initiative 1.3: Complete Arbor Creek / Middle Creek and Utley Creek – Phase 1 greenways to establish significant connections between neighborhoods and downtown. **Finalize Utley Creek Phase 2 greenway alignment.**

NEW initiative: Construct Utley Creek Phase 2 greenway.

Initiative 1.4: Begin design and construction planning to complete Ting Park Connector and Middle Creek to Camp Branch Greenway segments to enhance connectivity of the greenway network.

Initiative 1.5: Establish a funding strategy to advance priority park and greenway investments, including opportunities to leverage public-private and regional partnerships.

NEW Initiative: Conduct a Request for Proposal process to match desired uses for available Town-owned land at Ting Park with suitable private development that will further enhance the Ting Park area as a top destination area.

NEW Initiative: Enhance development community awareness of Ting Park area vision plan and identify opportunities to advance other private investment surrounding the athletic complex.

2. Provide a broad offering of cultural and recreational events and programming.

Initiative 2.1: Install informational signage to bring community awareness to the unique natural resource areas throughout town.

Initiative 2.2: Leverage mutually-beneficial partnerships to provide additional events and offerings to complement existing offerings by the Town.

Initiative 2.3: Assess the Town's cultural and recreational offerings to ensure programming and resources align to meet the needs of a growing and changing population.



3. Cultivate a creative and friendly atmosphere that is welcoming to all cultures and the diversity of our residents and visitors.

Initiative 3.1: Identify innovative and receptive approaches to engage communities that are traditionally underserved.

4. Provide high quality public services and exceptional customer service.

Initiative 4.1: **Align appropriate communications tools and** enhance resident notification capabilities for emergency situations and/or isolated customer service disruptions (e.g. watermain breaks, solid waste collection delays, etc.)

Initiative 4.2: Implement final phase of 311 Customer Care Center technology capabilities through the implementation of AI generated "bot" interaction option for customer questions.

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Town of Holly Springs

Fiscal Year 2025-26 Strategic Plan

Vision Statement

Holly Springs offer an unmatched quality of life that reflects the joys of small town living in a safe, family-friendly community that residents and businesses are proud to call home.

Strategic Priority Areas



Community Safety - Holly Springs is one of the safest communities in North Carolina built on a foundation of trust, respect, and community partnerships.



Growth Management & Economic Vitality - Holly Springs preserves its small-town charm, characteristics, and history through strategic transportation & land-use planning, economic development, and infrastructure management.



Organizational Excellence - Holly Springs is a leader in responsible and responsive government with a high-performing organization that meets the public service needs of its residents.



Vibrant Community - Holly Springs provides a high quality of life with abundant amenities, exceptional customer service, and superior public services.



Community Safety



Holly Springs is one of the safest communities in North Carolina built on a foundation of trust, respect, and community partnerships.

1. Maintain the Town's high level of public safety by applying professional best practices and policies.

Initiative 1.1: Obtain Police Department CALEA (Commission on Accreditation for Law Enforcement Agencies) accreditation, recognizing commitment to professional policing and national best practices and standards.

Initiative 1.2: Complete a Fire Department organizational self-assessment and draft a department strategic plan in preparation for seeking accreditation from the Center for Public Safety Excellence.

2. Plan for adequate infrastructure that promotes a safe community.

Initiative 2.1: Design and construct Fire Station 4.

3. Invest in innovative approaches to ensure a safe and welcoming community.

Initiative 3.1: Promote a community-policing philosophy with an emphasis on purposeful policing building on "organic" partnerships, resident and business visibility and engagement, and unique approaches to address community needs and cultivate strong relationships.

Initiative 3.2: Invest in data-driven, geo-based and analytical policing strategies to develop a more technologically advanced approach to crime prevention and investigations.

Initiative 3.3: Develop multi-disciplinary approaches and partnerships to address social, physical and mental health issues with the goal of interrupting recurring cycles and making appropriate referrals to organizations with subject matter expertise.



Growth Management & Economic Vitality



Holly Springs preserves its small-town charm, characteristics, and history through strategic transportation & land-use planning, economic development, and infrastructure management.

1. Enhance, attract, and engage diverse economic development opportunities.

Initiative 1.1: Concentrate business recruitment efforts and site-readiness programs in the target industries of Wake County Economic Development, specifically Life Sciences, Advanced Manufacturing, IT & Technology, Clean Tech & Smart Grid, and Corporate or Divisional headquarters.

Initiative 1.2: Be a development resource to support, sustain, and grow small businesses, start-ups, and entrepreneurs.

2. Create a vibrant downtown center.

Initiative 2.1: Facilitate multi-modal accessibility to the downtown center, with an emphasis on walkability, pedestrian and bicycle safety.

Initiative 2.2: Enhance the public spaces and character of the downtown area through investments in signage, streetscapes, branding, and civic spaces as outlined in the Downtown Area Plan.

Initiative 2.3: Explore partnerships and funding opportunities to advance investments in the downtown such as a public market, additional downtown parking, and further development of Mims Park.

Initiative 2.4: Advance feasibility analysis and design for a festival street investment on Avent Ferry Rd.

3. Plan, maintain, and invest in sustainable and resilient water, sewer, and stormwater infrastructure.

Initiative 3.1: Develop a coordinated long-range master plan for water, wastewater, reclaimed, and stormwater systems.

Initiative 3.2: Develop a water, sewer, and reclaimed asset management plan to ensure system integrity and identify needed maintenance and investments to handle future growth.

4. Support land use planning, policies, and partnerships that provide for sustainable and economic growth while balancing small town characteristics.



Town of Holly Springs FY 2025-26 Strategic Plan

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Holly Springs Planning Board

Planning Board Meeting Agenda Cover Sheet

Agenda Item#: 19.

New Business

Title: Seminannual UDO Text Amendments 25-UDO-01

Strategic Priority Area: Vibrant Community
Growth Management & Economic Vitality

Staff Resource: Cheryl Caines, Development Services

Action(s):

Adopt Ordinance 25-06 to adopt the Plan Consistency Statement, Statement of Reasonableness, and approve UDO Text Amendments.

Explanation:

- This Unified Development Ordinance (UDO) text amendment package contains the Spring 2025 amendments for consideration as part of the Town's normal twice-yearly initiative to review and amend the ordinance where appropriate.
- The proposed UDO text amendment package contains a series of amendments to various sections of the UDO identified by staff during the implementation and administration of the ordinance.
- Amendments contained in the attached draft ordinance include relocating encroachment allowances into one table, modifications of definitions related to corner and interior sides and development restrictions within side yards, updates to reflect changes in the Parkland Dedication & Fee-in-Lieu policy, and various clarifications and technical corrections.
- Detailed language of the proposed amendment can be found in the attached draft ordinance 25-06.
- As a living document, it is customary for the ordinance to need clarification or changes as town policies change, interpretations are made, or community expectations evolve.

Town Council Public Hearing:

- The legislative public hearing process, including UDO Text Amendments, is prior to the Planning Board Review and Recommendation.
- The public hearing was held on March 18, 2025. A link to the Public Hearing Video is included in the staff report.
- No issues or concerns were raised during the public hearing.

Staff Recommendation: Approve

Planning Board Recommendation: Approve (9-0)

A summary of the Planning Board discussion is in the staff report (*Note: This Report is a separate attachment from the Staff Report*).

Note: Based on public feedback that was received after Planning Board review and recommendation, Staff made one minor clarification to Parts 1, 2, and 3 of the ordinance. A reference to Chapter 3 additional standards was added to Tables 2.2.1, 2.2.2, and 2.2.3 for ease of use and clarity. These updates provide additional clarity and do not substantially alter the referenced UDO Sections.

Background:

- The Town Council adopted an amendment to the UDO in 2024 that updated the process for legislative cases such as Rezoning and Unified Development Ordinance Amendments.
- Included in this update was a change to the timing of the public hearing - changing the public hearing to occur prior to the Planning Board meeting instead of immediately prior to the Town Council decision.
- In accordance with the updated process, consideration of these amendments will take place on the following schedule:
 - Tuesday, March 18 - Town Council Public Hearing
 - Tuesday, March 25 - Planning Board review and recommendation
 - Tuesday, April 15 - Town Council consideration and decision
- Staff provided an overview of some of these amendments at the February 6, 2025 Mayor and Council Retreat.
- The Parkland Dedication Report and updated dedication and fee-in-lieu methodologies were presented and accepted at the November 12, 2024 Town Council Workshop with next steps to be incorporated into the UDO.
- In October 2021, the Town Council adopted the 2022 UDO with an effective date of March 1, 2022.

Funding Source(s):

N/A

Attachment(s):

1. 25UDO01_Spring2025_TCStaffRpt_041525
2. 25UDO01UDOAmdments_PlanningBoardActionReport
3. 25UDO01_Supp5_FinalDraft_041525



Project Type: Unified Development Ordinance (UDO) Text Amendment

Applicant / Petitioner:

Town of Holly Springs

Amendment Overview

This UDO text amendment package contains the Spring 2025 amendments for consideration as part of the Towns twice-yearly initiative to update the Ordinance. Detailed language of the proposed amendment can be found in the attached draft ordinance.

In October 2021, the Town Council adopted the 2022 UDO with an effective date of March 1, 2022. Following adoption, staff has been working with residents, businesses, and the development community to implement the ordinance and has determined a list of amendments needed to make technical corrections and minor modifications. The proposed UDO text amendment package contains a series of edits to various UDO sections that have been identified by staff during implementation and administration of the ordinance. As a living document, it is customary for the ordinance to need clarifications or changes as town policies change, interpretations are made, or community expectations evolve. This amendment package also contains updates to Public Parkland dedication and fees-in-lieu, which implement updated methodologies accepted by the Town Council in November 2024.

Requested Action:

Legislative Decision: The Town Council must hold a Legislative public hearing to receive public comments regarding the proposal. The Amendments will be forwarded to the Planning Board for review and recommendation.

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Unified Development Ordinance (UDO) Text Amendment Information

The proposed amendments table below provides a summary of the proposed changes to the Town of Holly Springs Unified Development Ordinance (UDO) and an explanation of why the change is needed.

Purpose of Amendment Key	
Legal Compliance	Change made to comply with North Carolina General Statutes or other legal change.
Clarification or Correction	Change made to provide clarification on UDO intent, prevent misinterpretations, or correct grammatical errors.
Minor Change	Minor changes made to further achieve goals and policies outlined in the Comprehensive Plan or changes made to better implement the established policy based on resident, business, and development community feedback.
Major Change	Major changes to support a specific town policy or substantially change current UDO regulations.

List of Amendments		
Ordinance Part	Purpose of Amendment	Amendment Summary
1, 2, 3	Clarification or Correction	Update table notes to reflect section references based on proposed amendments.
4	Clarification or Correction	Moving the existing Standards for Outlots from the Setback Encroachment Allowances section as these standards relate to setback and perimeter buffer requirements for Outlot development and not encroachments;
	Minor Change	Updating the Encroachment Allowances table to address conflicts with other code sections and place all encroachments allowed in the code into one location;
		Updating figures to reflect proposed definition changes.
5	Clarification or Correction	Update Conditional District Ineligible Activities language regarding Public Parks to reflect proposed changes in Parkland Dedication and Fee-in-Lieu (Chapter 4).
6, 7	Clarification or Correction	Clarify that uses within Conditional Zoning Districts shall meet additional use standards.
8	Clarification or Correction	Specify the permitted locations of Drive in/Drive Through uses with additional standards based on the updated side and rear yard definitions.
9	Clarification or Correction	Clarify restrictions on locating fueling station canopies within easements, perimeter buffers, and setbacks based on the updated side and rear yard definitions.



10	Clarification or Correction	Specify and clarify the permitted locations of accessory structures based on the updated side and rear yard definitions.
11, 12, 13, 14	Clarification or Correction	Correct terminology to be consistent with use in other code sections and with defined terms. Specify and clarify the permitted locations of accessory structures based on the updated side and rear yard definitions.
15, 16	Clarification or Correction	Correct terminology to be consistent with use in other code sections.
17	Clarification or Correction	Correct section reference.
18	Clarification or Correction	Correct a defined term and Land Use & Character designation; clarify the open space requirements for sites within the Downtown Village District.
19	Clarification or Correction	Update section reference for Public Park Land requirements; specify that open space requirements do not apply to Infrastructure Uses such as substations, waste treatment plants, pump stations, and telecommunications.
	Minor Change	
20	Clarification or Correction	Correct section reference and clarify components required for Open Space Calculation
21	Clarification or Correction	Grammatical correction.
22	Clarification or Correction	Remove duplicative text.
23	Clarification or Correction	Update Public Park Land fee-in-lieu criteria to determine when it may be allowed in lieu of dedication; update methodologies for public park land dedication and fee-in-lieu calculation; update administration language of dedication and fees-in-lieu.
	Legal Compliance	
24	Clarification or Correction	Correct UDO chapter reference.
25	Clarification or Correction	Clarify standard; correct spelling error.
26	Clarification or Correction	Move Forecourt regulations into a more appropriate location (Building Placement and Orientation); delete encroachment language which is being relocated to a centralized Encroachment Allowances table in Chapter 2.
27, 28	Clarification or Correction	Update Public Park "Space" to "Land" to be consistent with Chapter 4 amendments.
29	Clarification or Correction	Modify definitions to be consistent with and support administration of other proposed amendments.
	Minor Change	



Decision-Making Information

Comprehensive Plan Summary Table

Vision Holly Springs Comprehensive Plan	
Land Use & Character Plan (Section 1)	☒ Consistent ☐ Inconsistent
Comprehensive Transportation Plan (Section 2)	☒ Consistent ☐ Inconsistent
Parks, Recreation & Greenways Master Plan (Section 3)	☒ Consistent ☐ Inconsistent
Community Facilities Plan (Section 4)	☒ Consistent ☐ Inconsistent
Infrastructure & Utilities Plan (Section 5)	☒ Consistent ☐ Inconsistent
Natural Resources Plan (Section 6)	☒ Consistent ☐ Inconsistent

Unified Development Ordinance (UDO) Text Amendment Staff Analysis

Staff has reviewed the application and has determined the requested Zone Map Change is:

- | | |
|---|--|
| ☒ Consistent with Adopted Plans | ☐ Inconsistent with Adopted Plans |
| ☒ Reasonable and in the Public Interest | ☐ Not Reasonable and in the Public Interest |

The proposed UDO amendments further the implementation of the character-based land use approaches outlined in Section 1: Land Use & Character Plan and Section 3: Parks, Recreation, and Greenways Master Plan, and provides the tools necessary for staff and the development community to implement the goals and objectives stated in the Plan.

- Allows greater use of residential lots for accessory uses while protecting community character and minimizing impacts on adjacent properties.
- Ensures for the provision of public parks and recreation facilities.
- Corrects technical errors and makes clarifications to ensure consistent interpretation.

Staff Recommendation: ☒ Approve ☐ Deny

Previous Case Related Items

Staff provided an overview of some of these amendments at the February 6, 2025 Mayor and Council Retreat. The Parkland Dedication Report and updated dedication and fee-in-lieu methodologies were presented and accepted at the November 12, 2024 Town Council Workshop.



Legislative Public Hearing

Public Hearing Date: 3/18/2025

Public Hearing Video: <https://hollyspringsnc.portal.civicclerk.com/event/561/overview> (Public Hearing begins at 3:07:30)

Legislative Public Hearing Summary

Prior to the Legislative Public Hearing:

- Published notice was made twice in the News & Observer.

Public Hearing Discussion:

- No issues or concerns were raised during the public hearing.

Planning Board Action

Planning Board Meeting Date: 3/25/2025

A summary of the Planning Board discussion, the adopted Plan Consistency Statement, and the final recommendation can be found in the Planning Board Action Report attached with the agenda item.

Post Planning Board Action

An addition was made to:

- Part 1, Section 2.2.1, Table 2.2.1 - A, Note N9
- Part 2, Section 2.2.2, Table 2.2.2 – A, Note N8
- Part 3, Section 2.2.3, Table 2.2.3 – A, Note N6

to add a reference to additional standards found in 3.3 Additional Use Provisions, and 3.4 Accessory Uses, Buildings, and Structures.

This addition is in response to public feedback for ease of use and to ensure users understand that additional standards apply to certain uses and accessory structures.

Town Council Consideration & Action

Town Council Consideration & Decision

Town Council Decision: Legislative Decision

*Legislative Decision:*

Legislative public hearings are held prior to a change in policy that may affect the entire community, including decisions on the Unified Development Ordinance (UDO). The public hearing allows the Town Council to receive public comments regarding the proposal and then have discussion and deliberation. Based on the information provided on the proposal, the Town Council will make a determination on whether or not to approve the policy or modification.

Potential Zoning Map Amendment Petition Motion:

Adopt Ordinance #25-06 to adopt the statement of compatibility and approve UDO Text Amendments

**Planning Board Meeting Date: 3/25/2025**

Per NCGS § 160D-604(b), all proposed amendments to the Unified Development Ordinance (UDO) or Zoning Map shall be submitted to the Planning Board for review and comment. If no written report is received from the Planning Board within 30 days of referral of the amendment to the Planning Board, the Town Council may act on the amendment without the Planning Board report. The Town Council is not bound by the recommendations, if any, of the Planning Board.

Planning Board Decision Type: Advisory Decision

Advisory Decision

The Planning Board must review the application and make a recommendation to the Town Council.

The Planning Board should consider whether or not the Unified Development Ordinance (UDO) Text Amendments are consistent with the Vision of Holly Springs Comprehensive Plan and are reasonable and in the public interest.

The Planning Board discussed the following issues and concerns:

- Clarifications on the Parkland Dedication Fee-in-Lieu calculation related to improvement and maintenance costs.
- Discussion on the requirement of public art within developments.

Zoning Map Amendment Plan Consistency Statement

Per NCGS § 160D-604(d), the Planning Board shall advise and comment on whether the proposed action is consistent with all applicable officially adopted plans, and provide a written recommendation to the Town Council that addresses plan consistency and other matters as deemed appropriate by the Planning Board, but a comment by the Planning Board that a proposed amendment is inconsistent with the officially adopted plans shall not preclude consideration or approval of the proposed amendment by the Town Council.

The Planning Board adopted the following Plan Consistency Statement (9 - 0)

The proposed Unified Development Ordinance (UDO) amendments provide the Town of Holly Springs the necessary policies and development standards to implement Vision Holly Springs. Specifically, the proposed UDO implements the character-based land use approaches outlined in Section 1: Land Use & Character Plan and provides opportunities for more mixed-use activity centers throughout Holly Springs, provides context sensitive infill opportunities, and provides increased opportunities to diversify home & neighborhood choices in the community. The proposed UDO amendments also implement the goals and policies of Section 2: Comprehensive Transportation Plan, by providing the standards needed to implement the Town's transportation infrastructure needs and Section 3: Parks, Recreation and Greenways Master Plan by providing the standards to implements the Town's Parks and Recreation needs. Finally, the proposed UDO text amendments provide the tools necessary for staff and the development community to implement the goals and objectives stated in the Plan.

Those voting against the motion:



Zoning Map Amendment Petition Motion

The Planning Board recommends the Town Council approve Unified Development Ordinance (UDO) Text Amendment 25-REZ-01 to modify the Unified Development Ordinance as submitted by the Town of Holly Springs.

The Planning Board voted in favor of the recommendation (9 - 0)



Ordinance No. 25-06

Date Submitted: March 18, 2025

Date Adopted:

**AN ORDINANCE TO AMEND SECTIONS OF THE CODE OF ORDINANCES
TO MODIFY APPENDIX A: UNIFIED DEVELOPMENT ORDINANCE
AND ADOPT THE COMPATIBILITY STATEMENT REQUIRED BY
NORTH CAROLINA GENERAL STATUTES 160D**

WHEREAS, the Town of Holly Springs Town Council adopted *Vision Holly Springs: Town of Holly Springs Comprehensive Plan* in November 2007; and

WHEREAS, the Town of Holly Springs Town Council has maintained and updated *Vision Holly Springs: Town of Holly Springs Comprehensive Plan* by adopting *Section 1: Land Use & Character Plan* in 2019; *Section 3: Parks, Recreation and Greenways Master Plan* in 2021; *Section 2: Comprehensive Transportation Plan* in 2022; *Section 1: Land Use & Character Plan Appendix E: Downtown Area Plan* in 2023; and *Section 1: Land Use & Character Plan Appendix F: Northeast Gateway Master Plan* in 2022, and

WHEREAS, Town of Holly Springs desires to amend the Unified Development Ordinance in accordance with the goals and policies contained within *Vision Holly Springs: Town of Holly Springs Comprehensive Plan*; and

WHEREAS, the Holly Springs Planning Board has reviewed this request at a Public Meeting and recommended approval; and

WHEREAS, an opportunity for public input into the suggested amendment has been offered in a public hearing before the Town Council; and

WHEREAS, the Holly Springs Town Council finds that the proposed UDO amendments are consistent with the *Vision Holly Springs: Town of Holly Springs Comprehensive Plan* as follows: The proposed Unified Development Ordinance (UDO) amendments provide the Town of Holly Springs the necessary policies and development standards to implement *Vision Holly Springs*. Specifically, the proposed UDO implements the character-based land use approaches outlined in *Section 1: Land Use & Character Plan* and provides opportunities for more mixed-use activity centers throughout Holly Springs, provides context sensitive infill opportunities, and provides increased opportunities to diversify home & neighborhood choices in the community. The proposed UDO amendments also implement the goals and policies of *Section 2: Comprehensive Transportation Plan*, by providing the standards needed to implement the Town's transportation infrastructure needs and *Section 3: Parks, Recreation and Greenways Master Plan* by providing the standards to implements the Town's Parks and Recreation needs. Finally, the proposed UDO text amendments provide the tools necessary for staff and the development community to implement the goals and objectives stated in the Plan; and

THEREFORE, BE IT ORDAINED by the Holly Springs Town Council of the Town of Holly Springs, North Carolina, that the Code of Ordinances Appendix A: Unified Development Ordinance of the Town is amended as follows:

Part 1: Chapter 2 Development Standards; District Standards, Development Standards for Residential Use Districts, Table 2.2.1-A Notes.

Modify text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to maintain section reference consistency throughout the UDO, as follows:

Table 2.2.1-A Notes	
N9	The Building Placement standards shall apply to all buildings and structures, unless specifically permitted otherwise. Refer to Sections 2.3. 56 Setback Encroachment Allowances, 3.3 Additional Use Provisions, and 3.4 Accessory Uses, Buildings, and Structures for additional standards.
N10	Residential Dwellings in established neighborhoods may be eligible for a Front Setback reduction based on the Building placement on adjacent Lots. See Section 2.3. 54 for allowances.

Part 2: Amending Chapter 2 Districts, District Standards, Development Standards for Commercial & Mixed-Use Districts; Table 2.2.2-A Notes.

Modify text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to maintain section reference consistency throughout the UDO, as follows:

Table 2.2.2-A - Notes	
N8	The Building Placement standards shall apply to all buildings and structures, unless specifically permitted otherwise. Refer to Sections 2.3. 56 Setback Encroachment Allowances, 3.3 Additional Use Provisions, and 3.4 Accessory Uses, Buildings, and Structures for additional standards.

Part 3: Amending Chapter 2 Districts, District Standards, Development Standards for Employment/Campus Use Districts; Table 2.2.3-A Notes.

Modify text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to maintain section reference consistency throughout the UDO, as follows:

Table 2.2.3-A - Notes	
N6	The Building Placement standards shall apply to all buildings and structures, unless specifically permitted otherwise. Refer to Sections 2.3. 56 Setback Encroachment Allowances, 3.3 Additional Use Provisions, and 3.4 Accessory Uses, Buildings, and Structures for additional standards.

Part 4: Amending Chapter 2 Districts; Application and Interpretation of Development Standards, Section 2.3.5 Setback Encroachment Allowances.

Add or modify text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to move the outlot setback standards from the encroachment allowances and create a separate subsection allowing outlot standards to be found more easily by applicants, modify Setback and Right-of-way Encroachments, and figures, as follows:

2.3.5 ~~Setback Encroachment Allowances~~ Standards for Outlots

- A. Outlots or multi-tenant Buildings within an Integrated Center may provide a Minimum Setback of 0 feet along all Lot Lines in common with other Outlots or in common with the main portion of the Integrated Center.**
- B. If any portion of an Outlot abuts the perimeter of the Project, that portion of the Outlot shall comply with the applicable Thoroughfare, Front, Side or Rear Setback requirements established in this Chapter.**
- C. The main portion of the Integrated Center is not required to provide a Minimum Setback along the Lot Line in common with an Outlot.**
- D. If an Outlot is for an individual tenant space within a multitenant Building, there shall be no minimum setbacks required.**
- E. A Type A Perimeter Buffer is required for Outlots along all Lot lines in common with other Outlots or the main portion of the Integrated Center. Vehicle parking areas, loading areas, interior drives, or Interior Access Drives may be within Perimeter Buffers between Outlots if the landscape material that would have been required to be installed is provided elsewhere on each of the affected Outlots as either additional Foundation Landscaping are or additional interior Parking Area landscaping.**

2.3.6 Setback and Right-of-Way Encroachment Allowances

A. Encroachment Allowances. Certain Structures and Building elements are permitted to encroach within the minimum required Setbacks, ~~or Rights-of-Way or easements~~ if permitted **by the Right-of-Way Owner** as specified below in **Table 2.3.6-A**. ~~Further encroachments related to Building elements are described in Chapter 8. Additional standards may apply to the type of Structures or Building elements listed in the table.~~

~~B. Minimum Setbacks for Outlots. Outlots or multi-tenant Buildings within an Integrated Center may provide a Minimum Setback of 0 feet along all Lot lines in common with other Outlots or in common with the main portion of the Integrated Center. If any portion of an Outlot abuts the perimeter of the Project, that portion of the Outlot shall comply with the applicable Thoroughfare, Front, Side, or Rear Setback requirements established in this Chapter. The main portion of the Integrated Center is not required to provide a Minimum Setback along the Lot line in common with an Outlot. If an Outlot is for an individual tenant space within a multi-tenant Building, there shall be no Minimum Side Setback required. The Minimum Setback for Outlots along all Lot lines in common with other Outlots may be used for Vehicle Parking Areas, loading areas, interior drives or~~

~~interior Access Drives provided that the area of each Minimum Setback that would have been devoted to landscaping and the amount of landscape material that would have been required to be installed in that Setback are provided elsewhere on each of the affected Outlots as either additional Foundation Landscaping area or additional interior parking area landscaping.~~

Table 2.3.56-A – Permitted Setback and Right-of-Way Encroachments		
Type of Encroachment	Standards	Additional Standards (N1)
Accessory ground-mounted solar energy system	No closer than 1/2 of the Setback that would otherwise apply from the Front, Side, or Rear Lot Line.	Section 3.3.9.A.2.
ADA ramps and Fire Escapes	3 ft Setback from any Side/ Rear property Lot Line.	
Awnings, Canopies, and Marquees (without signage) (N2) (N3)	Up to a maximum of 8 ft from the Building into the Right-of-Way up to the back of the curb. Awnings may be made of fabric, but high gloss and plasticized fabrics are prohibited.	
Balconies (N2) (N3)	3 ft encroachment into Front Setback or Right-of-Way. May have roofs but cannot be screened or glassed.	
Bollards (N2)	Within the Right-of-Way but must be painted either black or match the color scheme of the Building.	
Building Stairs	5 ft into any Setback, or more in a Front Setback if needed to meet Building code requirements. May not encroach into the Right-of-Way.	
Colonnades/Arcades (N2) (N3)	Into the Right-of-Way. Support Structures must be at least 8 ft from the Building to allow for pedestrian Sidewalk clearance.	
Fences & Walls in Residential Use Districts	Up to property Lot Line, unless restricted by additional standards. Fences along Side-Corner Lot Lines shall not be placed	Section 3.4.2.H

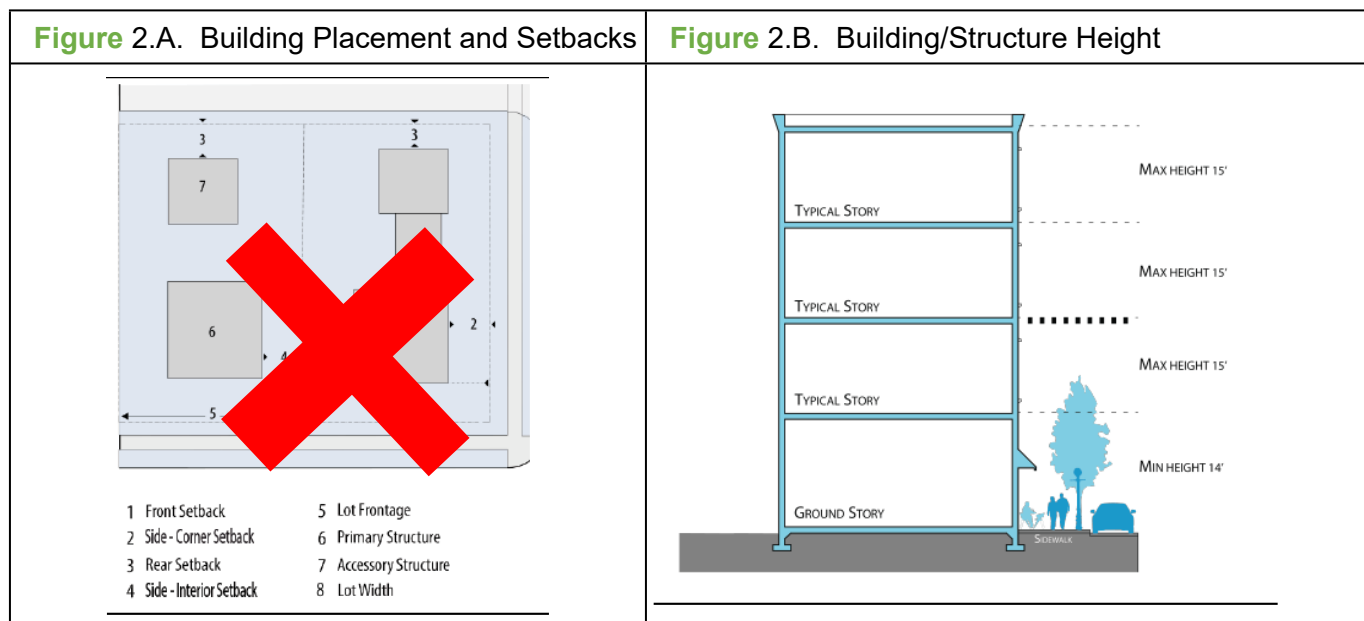
Table 2.3.56-A – Permitted Setback and Right-of-Way Encroachments		
Type of Encroachment	Standards	Additional Standards (N1)
	closer to the front of the Lot than ½ the depth of the Building footprint.	
Fences & Walls in Commercial & Mixed-Use Districts and Employment/Campus Use Districts	Up to Lot line, unless restricted by additional standards.	Section 3.4.3.C.
Grade Level Improvements (e.g. walkways, driveways, uncovered patios and stoops) in Residential Use Districts	Up to the Lot line, unless restricted by additional standards.	Section 3.4.2.J.
Laterally-supported extensions (e.g., eaves, cornices, bay windows, roof overhangs)	Up to 3 ft into any required Setback.	
Mechanical Equipment (e.g., utility boxes, HVAC equipment, swimming pool filtration)	5 ft Setback from any Side/ Rear property Lot Line.	
Outdoor Light Fixtures	Within a required Front, Side, or Rear Setback, or required Perimeter Buffer, provided that the outdoor light fixture is located adjacent to the interior edge of such Setback or Perimeter Buffer.	Section 8.4.E.2.
Swimming Pools in Residential Use Districts	5 ft Setback from any Side - Interior or Rear Lot Line. 5 ft Setback from any Side - Corner Lot Line between the Rear Building Line and Rear Lot Line.	Section 3.4.2.Q.
Porches and Stoops	May be constructed within Within the Minimum required Front Setback but shall not extend into the Right-of-Way.	
Temporary Outdoor Storage of Personal Property (short-term)	See additional standards.	Table 3.5-A.
Uncovered Residential Decks (maximum 5' in height above finished	5 ft Setback from any side/ Side or Rear property Lot Line.	

Table 2.3.56-A – Permitted Setback and Right-of-Way Encroachments		
Type of Encroachment	Standards	Additional Standards (N1)
grade measured to top of rail) and Pools		
Notes: Additional Standards for these encroachments found in Section 3.4.2. N1: Additional standards are found in the referenced section. N2: Encroachment into the Right-of-Way requires an encroachment agreement with the jurisdiction. N3: Minimum Vertical Clearances a. Minimum 10 feet of vertical clearance must be maintained from Sidewalk Grade. b. Minimum of 15 feet of vertical clearance must be provided over a Driveway, interior Access Drive, or alley.		

2.3.6 2.3.7 Building/Structure Height Measurement.

A. Measurement Method. Building/Structure height shall be measured from the average elevation of the proposed finished Grade at the front of the Building or Structure to the uppermost Eave Line.

B. Height Exemptions. Appurtenances/features such as parapet walls, chimneys, spires, cupolas, steeples, Antenna attached to a Building or Structure shall not be included in the calculation of Building Height and compliance with the limitations of the Base District.



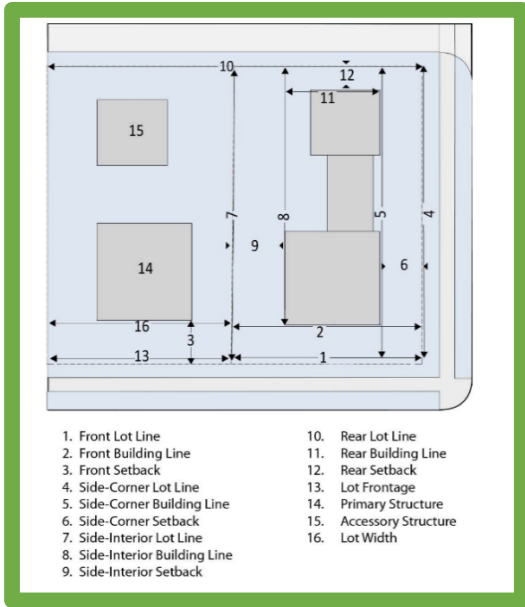


Figure 2.B. Building/Structure Height Cont'd

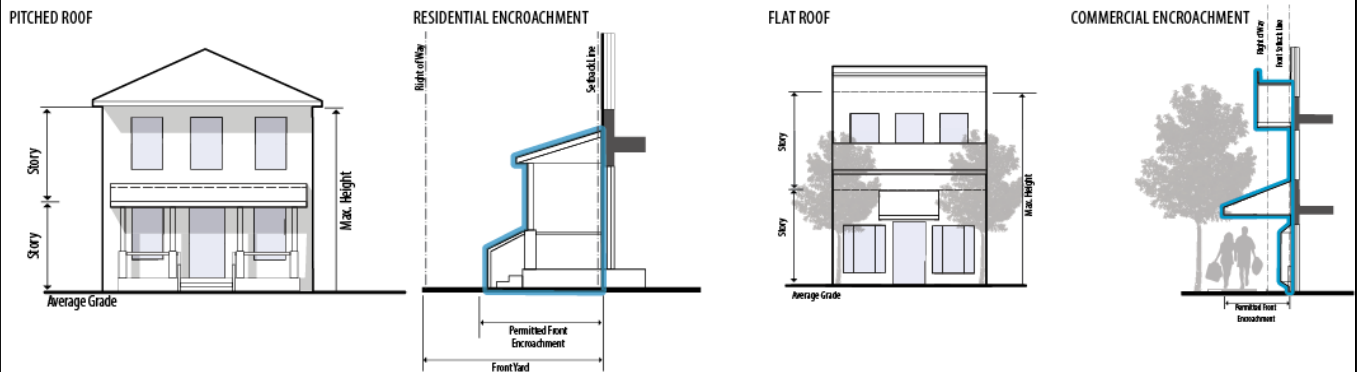


Figure 2.C. Infill Lot Setbacks

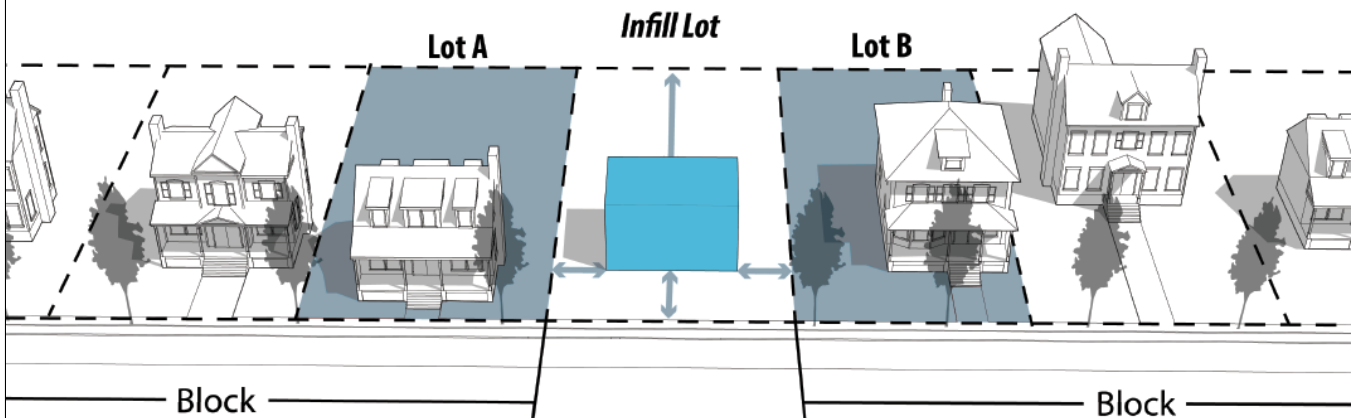


Figure 2.D. Encroachment
Colonnade/Arcade

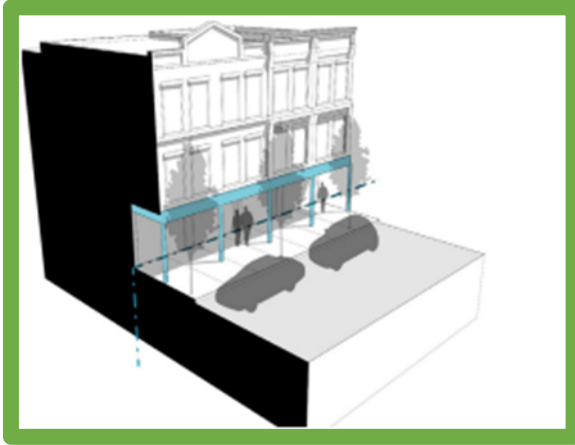


FIGURE 2.E. Encroachment
Balconies Into the Right-Of-Way

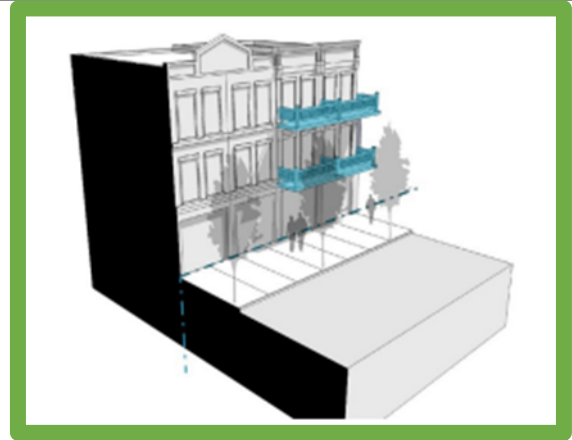


Figure 2.F. Encroachment – Awnings



Part 5: Chapter 2 Districts, Conditional Zoning Districts, Section 2.4.2.C. Conditional Zoning District (CD) Procedure, Ineligible Activities.

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to update Public Park Space to Land for consistency with Chapter 4 amendments, as follows:

C. Ineligible Activities. The following activities are ineligible for CDs.

1. Prohibited Land Use Establishment: Uses which are not expressly allowed in the underlying base district are prohibited in the CD District.
2. Public Park ~~Space~~ **Land**, Conservation Areas and Environmental Reductions: A reduction in the amount of required On-Site Private Open Space, Public Park ~~Space~~ **Land**, or Conservation Areas pursuant to Chapter 4 shall not be permitted.

Part 6: Chapter 3 Uses, Purpose and Applicability, Section 3.1.1 Applicability of Use Standards.

Add text as indicated in **bold** to clarify additional use standards shall also apply to Conditional Zoning Districts, as follows:

3.1.1 Applicability of Use Standards

The Use Table (3.2-A) assigns 1 of 5 permissions to each use in each District as follows:

- A. Permitted Use (P). The Use is permitted by right with no additional requirements and is subject only to the other general standards throughout this Ordinance.
- B. Permitted Use with Additional Standards (PS). The use is permitted by right, provided that the additional Use standards set forth in this chapter are met. The specified standards are intended to ensure that these Uses are compatible with other development permitted within the Districts.
- C. Accessory Use (A). The Use is permitted only as an accessory to another permitted Use in that district.
- D. Special Use Permit (SUP). The Use is permitted only when a Special Use Permit has been approved in accordance with Section 11.12.
 - 1. Special Use Permits are required for Uses which are generally compatible with other Uses permitted in a District but which, because of their unique characteristics or potential impacts on the surrounding neighborhood and/or the Town as a whole, require individual consideration in their location, design, configuration, and/or operation at the particular location proposed.
 - 2. All applications for Special Use Permits shall, at a minimum, meet the standards for the District in which they are located and the additional standards set forth in this chapter for that Use.
- E. Conditional Zoning District (CD). The Use is permitted only subject to a Conditional Zoning District (CD) rezoning or is otherwise permitted in a previously rezoned Conditional Zoning District (CD). **The Use shall meet the additional standards set forth in this Chapter for that Use.**
- F. Prohibited Uses (—). The Use is prohibited in the specified District.

Part 7: Chapter 3 Uses, Section 3.3 Additional Use Provisions and Special Use Permit Standards.

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to clarify additional use standards shall also apply to Conditional Zoning Districts, as follows:

3.3 Additional Use Provisions ~~and Special Use Permit Standards~~

3.3.1 General Purpose and Applicability Provisions

- A. Purpose and Intent.

1. The purpose of this Section is to establish Additional Use and design standards to ensure Compatibility amongst adjacent properties, protect and strengthen neighborhood character, and to achieve quality urban design within the Town.
2. The provisions of this Section are intended to support a mixed-use character throughout the town by allowing land Use variety yet limiting development intensities at certain locations.
3. The provisions of this Section are also intended to guide the ~~approving authority~~ **decision-making body**'s decisions and Project review so that land Use/development proposals are compatible to the scale, character, and urban design of the neighborhood in which they are located. These provisions will support the Town's decision to approve, approve with conditions, or deny a particular proposal.

B. Applicability.

1. Specific Uses. The provisions of this Section are applicable to those Uses listed as "PS – Permitted Uses with Additional Standards," ~~and/or~~ "SUP – Special Use Permit," **and/or "CD – Conditional Zoning District"** pursuant to Table 3.2-A.
2. New Uses and Expansions of Existing **Uses**. These provisions are applicable to new Uses and expansions of existing Uses. Where an existing Use exists, these provisions shall only apply to the new Building elements. Where the existing portions of the Use do not comply with the provisions of this Section, the nonconforming provisions/allowances of Chapter 10 shall apply.
3. Conflict. Where there are potential regulatory conflicts between the District (or Zone) standards of Chapter 2, the Building, Site & Subdivision Lot Design Standards of Chapter 8, and the provisions of this Section, the provisions herein shall apply.
4. Additional Conditions of Approval. The ~~approving authority~~ **decision-making body** may impose additional conditions of approval for Special Use Permits, ~~Conditional Zoning District (CD) applications, and Projects subject to Development Plan review~~ which may be in addition to the provisions of this Section. In doing so, the conditions of approval may further limit development scale, size, and intensity to ensure compatibility with neighboring properties.

Part 8: Chapter 3 Use Provisions, Section 3.3.5. D. Retail, Dining, and Entertainment Uses – Additional Uses Provisions; Drive in/Drive Through.

Add text as indicated in **bold** to clarify the permitted locations of accessory structures consistent with defined terms, as follows:

3.3.5.D. Drive in/Drive Through.

1. Applicability. The provisions of this subsection apply to facilities where food or other products/services may be purchased or services may be obtained by motorists without leaving their vehicles and by maneuvering around the site in a dedicated lane. The provisions of this section are not applicable to public voting establishments, medical testing/treatment enters, and/or charity/food bank distribution.
2. Locational Limitations. Drive Through windows shall be located on the side or rear Building façades – the service windows shall not be located on the front, Street-facing façade.
3. Service speakers. Service speakers shall be oriented away from adjacent Residential Use Districts and their audible impact shall be mitigated through volume control, deflective screens or similar features.
4. Drive Through Circulation Lanes.
 - a. Except in the CB District, no circulation lane is permitted between the Building and the Street. All such circulation must occur in the Side – **Interior** or Rear **Yard** of the site.
 - b. Where permitted in the CB District, circulation in the Front **Yard** of the Building is permitted provided that screening is provided a minimum 4 feet in height. The screening must be comprised of a wall that matches the materials of the principal Structure with foundation plantings to Buffer the wall from the Sidewalk.
 - c. At least 6 stacking spaces must be provided per Drive Through lane, beginning behind the first point at which the vehicle must stop (which may be the order board, a pre-order board or payment/pick-up window).
 - d. Door openings for Drive Through Uses that include an overhead door for cars (such as car washes) must not face the Street.

Part 9: Chapter 3 Use Provisions, Section 3.3.5. F. Retail, Dining, and Entertainment Uses – Additional Uses Provisions; Fueling Stations, Canopies.

Add text as indicated in **bold** to clarify the permitted locations of accessory structures consistent with defined terms, as follows:

2. Canopies.

- a. Canopies are considered an Accessory Structure to the Fueling Station and shall not be located in the Front **or Side – Corner Yard** ~~as defined in this UDO~~.
- b. All fueling pumps shall be covered with a Canopy or roof Structure.
- c. Canopies and related elements, including fuel dispensers, support columns, planters, etc., shall be constructed of the same Building materials, colors, and textures as the primary Structure.
- d. Canopies/roof Structures shall be Setback a minimum of 15 feet from the Right-of-Way and shall be outside of all required Setbacks. Canopies shall be designed to only cover the pump islands and drive up lanes for fueling.
- e. Interest shall be added to the Canopy through the use of: roof line variations; separation of roof pitches; varying the direction of roof pitches; use of mansard roofs, hip roofs, gambrel roofs; inclusion of dormers; or, other variation in roof design.

Part 10: Chapter 3 Use Provisions, Accessory Structures and Uses, General Applicability, Section 3.4 Accessory Structures and Uses.

Add text as indicated in **bold** and remove text as indicated in ~~striketrough~~ to clarify terminology and specify the permitted locations of accessory structures, as follows:

3.4 Accessory ~~Structures and~~ Uses, **Buildings, or Structures**

3.4.1 General Applicability

- A. Accessory Uses, Buildings or Structures are those which are clearly incidental and subordinate to a primary Use or Structure located on the same Lot.
- B. Accessory Uses, Buildings or Structures are permitted in all Districts, provided that the primary Use is a Permitted Use within the zoning District.
- C. Accessory Uses, Buildings or Structures are not permitted on a Lot without a primary Building.
- D. ~~Excluded Locations~~ **Location Restrictions**.

- a. Easements. Accessory Uses, Buildings or Structures shall not encroach upon any **platted or recorded easements unless specifically authorized by the terms of the** easement or by written consent of the agency in whose favor the easement is granted, and in the case of a Town Easement or an access easement, authorized by the Administrator.
- b. Septic Areas. Accessory Buildings or Structures (including fences, Patios, Decks, etc.) shall not be located above a septic system or septic repair area.
- c. Sight Distance Triangles. Accessory Uses, Buildings or Structures shall not encroach upon any sight distance triangles, as specified in the Town's Engineering Design & Construction Standards.

d. Perimeter Buffers. Accessory Uses, Buildings or Structures shall not encroach upon a Perimeter Buffer unless otherwise permitted.

e. Setbacks. Accessory Uses, Buildings or Structures shall comply with the required Setbacks of Section 2.2. unless otherwise modified by this Section. Encroachments are allowed as permitted in Table 2.3.6-A.

Part 11: Chapter 3 Uses, 3.4 Accessory Structures and Uses, 3.4.2 Residential Use Districts and Residential Uses in All Other Districts.

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to maintain section reference consistency throughout the UDO, as follows:

B. Accessory Building Limitations

1. Area. The total square foot area of all detached Accessory Buildings on a Lot shall not exceed 50% of the Finished Floor Area of the primary Dwelling. For Lots greater than 2 acres in the RR District, the total square foot area of all detached Accessory Buildings on a Lot shall not exceed 100% of the Finished Floor Area of the primary Dwelling.

2. Maximum Number. The maximum number of detached Accessory Buildings on a Lot shall not exceed the following:

a. In the RR District: Not applicable

b. In all other Residential Use Districts: 2

3. Location. Detached Accessory Buildings ~~shall not be located in the Front Yard~~ **are permitted in Rear and Side - Interior Yards only.**

Part 12: Chapter 3 Uses, 3.4 Accessory Structures and Uses, 3.4.2 Residential Use Districts and Residential Uses in All Other Districts.

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to clarify allowances based on permitted encroachments table and to maintain section reference consistency throughout the UDO, as follows:

F. ~~Covered Porches, Gazebos, and~~ **Decks and Stairs**

~~Covered Porches, and~~ **Decks and gazebos** shall comply with ~~Setback encroachment~~ all Setback requirements that apply to the primary Structure, **except for permitted** encroachments ~~allowances~~ in Section 2.3.56, ~~and Maximum Building Height regulations of the applicable Zoning District for primary Buildings unless permitted in Table 2.3.5-A.~~

G. Family Child Care Home.

1. Play Areas. All play equipment shall be located in a fenced area away from any parking, loading, or service areas. Front yards shall not be used as play areas.

2. Resident Operator Required. A Family Child Care Home is permitted in a private

residence occupied by the authorized operator only.

3. Buffering. A Type B buffer shall be provided along any rear or side property line adjoining Residential Use Districts.

H. Fences and Walls.

1. Applicability. These provisions are applicable to all fences and walls.

2. Maximum Heights (as measured above grade)

a. Front Yard: 4 feet

b. Side-Corner Yard: ~~6~~ 4 feet, **except fences in Side - Corner Yards located behind ½ of the depth of the Building footprint shall not exceed 6 feet**

c. **Side – Interior** and Rear Yards: 6 feet

d. Perimeter Street Frontage of a Subdivision: 6 feet

3. Finished Side to Face Outward. The finished side of the fence shall face outward from the Lot upon which the fence is placed.

4. Permitted Materials.

a. Front Yard, Side-Corner Yard, or Perimeter Street Frontage of a Subdivision: Wood or vinyl picket, brick wall or ornamental only.

b. Side or Rear Yard: Wood, vinyl, ornamental, brick wall, or chain link.

5. Control of Access Fencing. All new or replacement of control of access fencing along the Right-of-Way shall be black Ornamental.

I. Game Courts. Game courts shall not be located in any primary Structure Front Yard or primary Minimum Side or Rear Setback provided, however, a basketball goal may be located in a Driveway in any Residential Use District.

J. Grade Level Improvements

1. Front **and Side-Corner** Yards. Permitted improvements include:

a. Stoops;

b. Walkways with a maximum width of up to 6 feet; and,

c. Driveways and Parking Areas, provided that Driveways and Parking Areas shall meet the following standards:

- i. Lots 60 feet or wider, the width of the Driveway or Parking Area shall not exceed 20 feet or 50% of the Lot Width, whichever is greater, but not to exceed 45 feet; and
- ii. On Lots narrower than 60 feet, the width of Driveways or Parking Areas constructed after the date of adoption of this UDO shall not exceed 12 feet; and
- iii. The maximum width at the Right-of-Way is in accordance with the Engineering Design & Construction Standards; and
- iv. Only 1 Driveway shall be permitted on an individual Lot or subplot.

2. Side-**Interior** Yards. Permitted improvements include:

- a. General ~~ground~~-**Grade** level improvements, and
- b. Interior Access Drives, provided, however that an interior Access Drive may only be located in 1 Side Yard and shall not exceed 12 feet wide and that the remainder of said Side Yard and any other Side Yard shall otherwise be maintained as Open Space free from Buildings or Structures.

3. Rear Yards. Permitted improvements include:

- a. General ~~ground~~-**Grade** level improvements, and
- b. Driveways and Parking Areas, provided that Driveways and Parking Areas shall meet the following standards:
 - i. The width of the Driveway or Parking Area shall not exceed 20 feet or 50% of the Lot Width, whichever is greater, but not to exceed 45 feet; and
 - ii. The maximum width at the property line is in accordance with the Town's Engineering Design & Construction Standards; and
 - iii. Only 1 Driveway shall be permitted on an individual Lot or subplot.
- c. Interior Access Drives, where necessary to provide access to an abutting rear alley with a maximum width of up to 20 feet.

Part 13: Chapter 3 Uses, 3.4 Accessory Structures and Uses, 3.4.2 Residential Use Districts and Residential Uses in All Other Districts.

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to clarify allowances based on permitted encroachments table and to maintain section reference consistency throughout the UDO, as follows:

O. Satellite Dish Antennas.

1. Intent and Purpose. These regulations are intended to allow satellite Dish Antennas to be located in a manner that does not unreasonably delay or prevent the installation, maintenance or use of the Antenna; does not unreasonably increase the cost of installation, maintenance or use of the Antenna; or preclude reception of an acceptable quality signal. The following regulations are intended to meet the above objectives without unnecessarily burdening the Federal interests in ensuring the availability of satellite services and in promoting fair and effective competition among competing communication service providers.

2. General Provisions. In any Residential Use District, satellite Dish Antennas shall be no greater than 1 meter (39.37") in diameter shall be permitted as either ground mounted or roof mounted, provided that:

a. If ground mounted, satellite Dish Antennas shall:

i. Not be located in any Front, ~~or Side, or Rear~~ Yard, or ~~between the established front building line and the front lot line~~ **within the minimum primary Rear Setback**; and,

ii. Not exceed the Maximum Building Height allowed for an Accessory Structure.

Part 14: Chapter 3 Uses, 3.4 Accessory Structures and Uses, 3.4.2 Residential Use Districts and Residential Uses in All Other Districts.

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to clarify allowances based on permitted encroachments table and to maintain section reference consistency throughout the UDO, as follows:

Q. Swimming Pools

1. A Swimming Pool shall not be located in any Front Yard or in any ~~primary Side – Corner~~ Yard, **except for permitted encroachments in Section 2.3.6 or Rear Setback.**

2. Abandoned or unused Swimming Pools, situated on a premises which are not occupied for periods of 30 days or more, shall be drained or equipped with a cover adequate to prevent persons, children or animals from danger or harm.

Part 15: Chapter 4 Open Space and Conservation.

Modify text as indicated in **bold** and ~~strikethrough~~ to term "Tree Protection Area" throughout the Chapter to be consistent with terminology and defined terms, as follows:

Replace all instances of "~~Tree Protection Area~~" with "**Tree Preservation Area.**"

Part 16: Chapter 4 Open Space and Conservation.

Modify text as indicated in **bold** and ~~strikethrough~~ to term "Public Park Space" throughout the Chapter to be consistent with terminology and defined terms, as follows:

Replace all instances of "~~Public Park Space~~" with "**Public Park Land.**"

Part 17: Chapter 4 Open Space and Conservation, Purpose and Intent, Applicability, 4.1.2.A. General.

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to correct section reference, as follows:

All Subdivisions and development Projects (i.e., new construction, Building additions, Parking Area expansions, etc.) shall conform to the requirements of this Chapter subject to the exceptions ~~below.~~ **in this subsection.**

Part 18: Chapter 4 Open Space and Conservation, Purpose and Intent, Applicability, 4.1.2.C. Exemptions.

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to correct defined terms and Land Use and Character designation name, and clarify Open Space requirements in the Downtown Village District as follows:

2. Minor Residential Subdivisions and individual Buildings not a part of a larger Project or Subdivision (e.g., infill Project on previously subdivided Lot) with 4 or fewer units (i.e., ~~quadplex~~ **Quadruplex**/small multifamily Building) are exempt from all on-site Private Open Space requirements but remain subject to Public Park Space and Conservation Area standards.

3. Downtown Village District – Land Use & Character Plan Exemption. Subdivisions and/or development Projects located within the Downtown Village **District** Future Land Use category (from the Comprehensive Plan) are ~~not~~ subject to the following **modified** standards:

a. **Residential Use Districts: Exempt from the** On-Site Private Open Space requirements **of this Chapter** ~~in the SR, NR, NCR and MXR Districts~~ **except for Tree Preservation Area requirements as modified by 4.1.2.C.b.**

b. **Non-Residential Use Districts: Subject to all On-Site Private Open Space requirements of this Chapter,** ~~On-Site Private Open Space–Tree Preservation Area requirements of this Chapter provided, however~~ **but subject to the following modified Tree Preservation Area requirements:**

i. The removal of any tree 20 inches or greater diameter at breast height (DBH) must be approved through a Type 1 review procedure or through a Development Plan. The proposed tree removal activities shall not be in conflict with any condition of approval that may have been imposed on the site/development.

ii. Existing tree canopies shall be prioritized in meeting the minimum On-Site Private Open Space requirements (e.g. required Active Recreation Areas and/or Urban Civic Spaces).

Part 19: Chapter 4 Open Space and Conservation, Consolidated Open Space and Conservation Requirements, Table 4.2-A Minimum Open Space Requirements by Zoning District Table.

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to update Public Park Land Requirement and exempt Infrastructure Uses from active recreation area requirements, as follows:

TABLE 4.2-A – MINIMUM OPEN SPACE REQUIREMENTS BY ZONING DISTRICT TABLE													
	RESIDENTIAL USE DISTRICTS					COMMERCIAL & MIXED-USE DISTRICTS				EMPLOYMENT/CAMPUS USE DISTRICTS			
	RR	SR	NR	NCR	MXR	NMX	DMX	RMX	CB	SP	IVMX	BRT	HI
ON-SITE PRIVATE OPEN SPACE													
Method 1: Standard Projects (N1, N2 & N3)													
Total Minimum Required (% of total Project site)	30%	30%	30%	15%	15%	12%	1%	15%	15%	10%	1%	3%	3%
The <i>Total Minimum Required</i> Open Space may include a combination of 3 components: Tree Preservation, Active Recreation, and/or Urban Civic Space in addition to minimums listed below, as applicable.													
Component 1. Tree Preservation Area (minimum) (N5)	25%	20%	20%	10%	10%	10%	0%	0%	10%	0%	0%	0%	0%
Component 2. Active Recreation Area (minimum) (N5)	0%	5%	5%	5%	5%	0%	0%	2%	2%	0%	0%	2%	2%
Component 3. Urban Civic Space (minimum)	n/a	n/a	n/a	n/a	n/a	200 sf/0.5% (N4)	200 sf/0.5% (N4)	200 sf/0.5% (N4)	200 sf/0.5% (N4)	200 sf/0.5% (N4)	200 sf/0.5% (N4)	n/a	n/a
Flexible Space	5%	5%	5%	0%	0%	1.5%	0.5%	12.5%	2.5%	9.5%	0.5%	1%	1%

Method 2: Conservation Subdivision													
Total Minimum Required (% of total Project site)	50%	40%	40%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PUBLIC PARK SPACE LAND REQUIREMENT (RESIDENTIAL DWELLING UNITS) (N6)													
Public Park Space Land (required in addition to On-Site Private Open Space minimum)				Refer to Section 4.7 Public Park Land 1/20-acre X total number of Dwelling Units									
CONSERVATION AREA REQUIREMENT (WHERE PRESENT)													
Minimum Conservation Area	Conservation areas and their associated buffers shall be provided where natural features (such as riparian corridors and designated greenways) exist on the subject site pursuant to subsection 4.8 of this Chapter. Required Conservation Areas may be used to meet portions of On-Site Private Open Space requirements.												
Notes: N1. Non-residential Uses located in a Residential Use District shall follow the requirements listed for the NMX District. N2. On-site Private Open Space is required for all Major Subdivisions - Residential where the resulting plat/Subdivision action results in 5 or more Lots and Development Plans that include Attached or Apartment Dwellings N3. The total minimum required On-site Private Open Space is inclusive of other requirements including tree preservation/conservation areas, floodplains, Perimeter Buffers, landscaping etc. N4. Where two standards are listed in the table for a specific zone and Open Space type, the greater standard shall apply. Infrastructure Uses shall not be required to provide Urban Civic Space. N5. For Projects that could be considered in multiple Open Space categories, the most stringent requirements shall apply. Infrastructure Uses shall not be required to provide Active Recreation Area. N6. Applicant may pay the Town a payment in lieu of providing Public Park Space pursuant to the limits of outlined in this table and the standards outlined in Section 4.7.2.													

Part 20: Chapter 4 Open Space and Conservation, On-Site Private Open Space Standards, General Standards and Methodology, Calculation Methodology, Section 4.3.1.C.2 Method 1 – Standard Projects.

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to correct terminology and section reference, as follows:

2. Each development/Subdivision Project shall provide the “Total Minimum Required” pursuant to Method 1 in Table 4.2-A. For some **Use** Districts, a proportion of the minimum On-Site Private Open Space shall be provided as a combination of the following components:

- a. Tree Preservation Area,
- b. Active Recreation Area, and/or
- c. Urban **Open Civic** Space. ~~pursuant to the minimum percentages listed in Table 4.2-A.~~
- d. **The minimum percentages for each On-Site Private Open Space component shall be provided pursuant to UDO Table 4.2-A.**

Part 21: Chapter 4 Open Space and Conversation, On-Site Private Open Space Standards, Table 4.3-A
Types of Permitted Open Space Configurations Table

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to correct section grammar, as follows:

Table 4.3-A – Types of Permitted Open Space Configurations Table				
Open Space Type	Illustration	Recommended Size	Description & Key Features	Typical Facilities & Requirements
Mini-Park		Min: 2,000 sq. ft. Max: None	Mini-Parks are small spaces typically designed for small-scale passive recreation (e.g., courtyard seating) and active recreation (e.g., playgrounds). recreation.	Playgrounds may be fenced and shall be equipped with playground equipment and/or fountain/splash pad, seating, and an open shelter or other shading Structure. Courtyards are spaces with more than 50% of its perimeter defined by Building edges that is available for informal activities and seating. Courtyards are usually paved.
Close		Min: 2,500 sq. ft. Max: None	Closes are alternatives to a paved cul-de-Sac that are available for informal activities near the fronting residences.	Passive recreation, formal landscaping, and seating.
Plaza		Min: 2,000 sq. ft. Max: 2 acres	A Plaza shall be located adjacent to or as a part of a civic Building or common	It shall maintain all surface areas at a slope of less than 3% and

Table 4.3-A – Types of Permitted Open Space Configurations Table				
Open Space Type	Illustration	Recommended Size	Description & Key Features	Typical Facilities & Requirements
			area facility developed as a Project amenity and shall be spatially defined by Building frontages. a Plaza shall not exceed in horizontal length or width more than 3 times the height of adjacent Buildings.	may include passive recreation, accessory Structure, drinking fountains, paths and trails, seating, primary surfaces with brick or other paver materials. Surface areas may be stepped, in a manner approved as being appropriate and necessary to accommodate natural topography.
Square		Min: 2,000 sq. ft. Max: 2 acres	A Square is a defined space available for civic purposes, unstructured, and limited amounts of Structured recreation. Squares are generally spatially defined by Building frontages and located at the intersection of important Streets.	Passive and active unstructured or Structured recreation, accessory Structure, drinking fountains, community facility <5,000 gross square feet, paths and trails, seating. It may be surfaced in any combination of grass, crushed gravel, brick pavers, or other suitable ground cover.
Green		Min: 2,000 sq. ft. Max: 5 acres	Greens are informal spaces typically sited to preserve key natural features and may include passive and limited active recreational amenities.	Passive and active unstructured or Structured recreation, accessory Structure, drinking fountains, community facility <5,000 gross square feet, paths and trails, seating. The surface is predominately grass or other natural ground cover and tree stand areas.

Table 4.3-A – Types of Permitted Open Space Configurations Table				
Open Space Type	Illustration	Recommended Size	Description & Key Features	Typical Facilities & Requirements
Park		Min: 1 acre Max: None	Parks are available for unstructured recreation and a limited amount of Structured recreation including some athletic fields.	Facilities may include, but not be limited to, such passive recreational Use amenities as benches, picnic tables, paths and trails, drinking fountains, gazebos, playground, stages or band stands as well as active recreational Uses such as athletic fields and their related facilities.
Parkway		Min: 1 acre Max: None	Parkways are areas that share more than 25% of their perimeter along a Street with a minimum depth of 50 feet from the back of curb / edge of pavement. Parkway shall retain, to the greatest extent possible, natural or pre-existing contours, topography, water courses and vegetation.	Parkways often contain trails. If the Parkway is sparsely vegetated, it shall be provided with supplemental interior landscaping of an informal design.
Greenbelt		Min: 20 feet in width	greenbelts are generally conservation areas that shall retain, to the greatest extent possible, natural or pre-existing contours, topography, water courses and vegetation.	Passive and active recreation, greenways, trails, and seating.

Part 22: Chapter 4 Open Space and Conservation, Tree Preservation Areas, Tree Preservation Priorities, Section 4.4.1.C Significant Natural Resource Areas.

Remove text as indicated in **strikethrough** to remove duplicative text, as follows:

The applicant shall also prioritize designated Tree Protection Areas around existing significant natural resource areas that may exist on the site. To qualify as a significant natural resource area, the Project Area must have an observed presence of species of special concern, threatened or endangered species as determined by the North Carolina Wildlife Resources Commission (NCWRC) and North Carolina Plant Conservation Program (NCPCP), or other important ecological or geologic features. Significant Natural Resource Areas may or may not include trees. ~~Significant natural resource areas may or may not include trees.~~ The following qualifications apply to specific natural resource features:

Part 23: Chapter 4 Open Space and Conservation, Public Park Land (Space), Section 4.7 Public Park Land (Space)

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to update Public Park Land (Space) Requirement Fee Determination, as follows:

4.7 Public Park ~~Space~~ **Land**

4.7.1 General Standards **& Criteria**

A. Requirement. Development Projects and Subdivision activities that would result in additional residential Dwelling Units shall provide Public Park ~~Space~~ **Land** pursuant to Table 4.7.2-A **and a fee-in-lieu of Improvement Cost pursuant to Table 4.7-C and** based on the resulting residential **Dwelling** Units. The applicant may provide its required Public Park ~~Space~~ **Land** pursuant to 1 or more of the following options.

1. The applicant may dedicate a portion of the ~~subject~~ **Project** site for Public Park ~~Space~~ **Land**;
2. The applicant may dedicate other lands (separate from the ~~subject~~ **Project** site) for Public Park ~~Space~~ **Land**; and/or
3. The applicant may provide a ~~payment-in-lieu~~ **fee-in-lieu** of dedicating physical land to the Town **pursuant to Table 4.7-B.**

~~B. Dedication Timing. Where the applicant provides physical land to meet the Public Park Space requirements, said land shall be dedicated or a payment in lieu shall be remitted to the Town pursuant to the following Project milestones:~~

- ~~1. For Detached and Attached Dwellings, payment shall be made on or before the submittal date for approval of the Final Plat mylar for signatures to be recorded with the Wake County Register of Deeds, in the amount per Dwelling Unit as specified in the current Town Schedule.~~
- ~~2. For Apartment Dwellings, payment shall be made prior to the issuance of a Building permit, in the amount per Dwelling Unit specified in the current Town Schedule.~~

~~C-B.~~ Criteria for **Land** Dedication. All land dedicated to the Town for ~~recreation and Park development~~ **Public Park Land** shall substantially meet the following criteria:

1. Unit. The dedicated land shall form a single parcel of land except where the decision-making body determines that multiple parcels would be in the public interest.
2. Shape. The shape of the dedicated land shall be sufficiently square or configured to be usable for recreational activities.
3. Location. Location should support the Uses specified in the Park Search Area recommendations of the Comprehensive Plan.
4. Access. Public access to the dedicated land shall be provided either by direct Street Frontage or public easement at least 30 feet in width.
5. Topography. Generally, dedicated land reserved for ~~recreational purposes~~ **Public Park Land** shall not exceed a 5% slope for the majority of the land area. The decision-making body may allow for larger slopes where the ~~decision-making~~ body determines the land has recreational value and would meet existing deficiencies in the adopted level of service in the immediate vicinity.
6. Usableness. The dedicated land shall be usable for recreation. Lakes and wetlands ~~may~~ **should** not be included in computed dedicated land area. ~~Where the decision-making body determines that recreational needs are being adequately met, either by other dedicated parcels of land or existing recreational facilities, then land that is not usable for recreation may be dedicated as Public Park Space.~~
7. Plans. Town and County plans shall be taken into consideration when evaluating proposals for the dedication of land for Public Park ~~Space~~ **Land** purposes.

C. Criteria for Fee-in-Lieu. Applicants may provide a fee-in-lieu to the Town for all or portions of the required Public Park Land pursuant to Table 4.7-B. The fee-in-lieu option may be allowed in the following situations:

1. The site topography is not suitable for parkland Use which may include excessive slopes of 5% or greater, devoid of mature tree canopies, specimen trees, and/or solely contains riparian areas and wetlands.
2. The site has topographic features that make publicly accessible parkland impractical.
3. The fee-in-lieu option would provide a greater public benefit in the general site vicinity that could be achieved on the subject site.
4. The immediate vicinity is currently well-served by Public Park Lands and the area exceeds the Town's adopted level of service for Parks and recreation.
5. The proposed development/Subdivision involves fewer than 35 Lots or Dwelling Units.

D. Criteria for Choice Between **Land** Dedication and Fee-in-Lieu.

1. Whether the Town Council accepts the dedication of land or elects to require payment of a fee-in-lieu thereof, or a combination of both, shall be determined by but not limited to the following:

- a. An adopted plan of the Town;
- b. The recommendations of the Planning Board;
- c. Topography, geology, access and location of land available for dedication; and,
- d. Size and shape of the land available for dedication.

2. The determination of the Town Council as to whether land shall be dedicated or whether a fee-in-lieu should be charged, or a combination of both, shall be final and conclusive. In development/Subdivision Projects involving fewer than 35 Lots or Dwelling Units, only the payment of fees-in-lieu shall be required.

4.7.2 ~~Payment in lieu of Public Park Spaces~~ **Public Park Land Dedication or Fee-in-Lieu Calculation.**

A. ~~Applicability and Allowances.~~ **Calculation Method.**

1. **Public Park Land Dedication.** Where it is determined that Public Park Land dedication is appropriate to satisfy the requirements of this UDO, the amount of the Public Park Land to be dedicated shall be calculated as follows:

Table 4.7-A - Public Park Land Dedication Calculation				
Number of Dwelling Units (by Residential Use)	X	Required Acres/Unit	=	Total Public Park Land Dedication Required (acres)
Residential Uses		Required Acres/Unit		
Detached Dwelling (except Detached Dwelling – Cottage)		0.0363		
Attached Dwelling - Townhome				

Detached Dwelling – Cottage	0.0163
Attached Dwelling (except Attached Dwelling – Townhome)	
Apartment Dwelling	

~~Payment in Lieu Option. Applicants may provide a payment in lieu to the Town for all or portions of the required Public Park Space(s) pursuant to Table 4.2-A. The payment in lieu option may be allowed in the following situations:~~

- ~~a. The site is devoid of mature tree canopies, Specimen Trees, and/or environmental features (e.g., riparian areas and wetlands).~~
- ~~b. The site has topographic features that make publicly accessible Open Space impractical.~~
- ~~c. The payment in lieu option would provide a greater public benefit in the general site vicinity that could be achieved on the subject site.~~
- ~~d. The immediate vicinity is currently well-served by Public Park Spaces and the area exceeds the Town's adopted level of service for Parks and recreation.~~
- ~~e. The proposed development/Subdivision involves fewer than 35 Lots or Dwelling Units.~~

2. Fee-in-Lieu. Where it is determined that a fee-in-lieu is appropriate to satisfy the requirements of this UDO, the amount of the Public Park fee-in-lieu shall be calculated as follows:

Table 4.7-B - Fee-in-Lieu of Public Park Land Dedication Calculation				
Total Public Park Land Dedication Required (acres) (N1)	X	Land Value per acre (N2)	=	Total Fee-in-Lieu of Public Park Land Dedication
Notes: N1: Refer to Table 4.7-A N2: Applicant shall provide the pre-development appraised land value of the land prior to development Project/Subdivision activity or site construction pursuant to the most current property records from the Wake County Assessor.				

3. Improvement Cost. In addition to the Public Park Land dedication and/or fee-in-lieu requirement, a fee-in-lieu of improvement cost shall be required and shall be calculated as follows:

Table 4.7-C – Improvement Cost Calculation				
Total Public Park Land Dedication Required (acres) (N1)	X	\$41,394	=	Total Improvement Cost
Notes: N1: Refer to Table 4.7-A				

B. ~~Fee Determination and Disbursement.~~ Disagreements.

~~Payment in lieu of dedication shall be the product of the pre-development appraised value of the land to be developed (per gross acre) multiplied by the number of acres to be dedicated. The following formula shall be used to determine the fee:~~

Fee Determination Calculation				
Pre-Development Appraised Value of Entire Development (per gross acre)	X	Required Park Space Dedication (acres)	=	Payment in Lieu of Dedication Fee

1. ~~Determination of Pre-Development Appraised Value.~~ Public Park Land Dedication.

~~The applicant shall provide the Pre-Development Appraised Value of the land prior to Subdivision activity or site construction pursuant to the most current property records from the Wake County Assessor.~~

a. In the event that the Town and the applicant or Subdivider of land cannot agree upon the location, terrain, size or shape of the land necessary to be dedicated for Public Park Land, or cannot agree upon the details of provisions for an equitable amount of land in another location or where there is disagreement between the Town and the applicant or Subdivider, such disagreement shall be determined by a special committee.

b. Such special committee shall consist of 3 members appointed as follows: 1 member shall be a professional land appraiser appointed by the Town Council; 1 member shall be a professional land

appraiser appointed by the Subdivider; and, 1 member shall be a professional land appraiser appointed by the 2 appointed members. The special committee shall view the land and hear the contentions of both the Town and the Subdivider. The findings of the special committee shall be by majority vote and shall be certified to the Town Council within 45 days of the time of appointment of the third member of the special committee. The costs of the professional land appraiser appointed by the Subdivider and 1/2 the cost of the professional land appraiser appointed by the appraisers shall be borne by the Subdivider. The costs of the professional land appraiser appointed by the Town Council and 1/2 the cost of the professional land appraiser appointed by the appraisers shall be borne by the Town Council.

2. ~~Disagreements Regarding Payments In Lieu.~~ **Fee-in-Lieu.**

a. Any disagreement in the amount of required ~~payment~~ **fee-in-lieu** shall be resolved by conducting a professional appraisal of the fair market value of the property. The professional appraiser shall be mutually agreed upon by the ~~developer~~ **applicant** and the Town. An appraiser shall be appointed by the Town, at the ~~developer~~ **applicant's** expense, should an agreement not be reached.

C. ~~Use of Land by Town; Use of Funds Received in Lieu of Dedication.~~ **Timing.**

~~1. The land received by the Town under this Section shall be Used only for the purpose of providing Public Park Space and Park and recreational areas, but shall not be so restricted should the Town decide to sell such land as provided by the following paragraph.~~

~~2. The Town shall have the right to sell any land dedicated to the Town for Public Park Space or Parks and recreation purposes on finding by the Town Council and the Administrator that a particular piece of property is not feasible or compatible with adopted plans of the Town.~~

~~Fees collected in lieu of dedications and any proceeds from such transactions or sales shall be held in a special fund by the Town, and the funds shall be Used by the Town for the purpose of acquiring and developing Park spaces as shown on the Comprehensive Plan and for no other purpose. The depository for such funds may be the same as permitted for other funds of the Town and, pending their expenditure in accordance with the terms of this Section, such funds may be invested as other funds of the Town. The Town may, at its discretion, add additional monies to the fund for the purpose of purchasing public recreational land to be Used for public recreational purposes. On all matters not specifically provided for in this Section, the Local Government Budget and Fiscal Control Act shall be controlling.~~

Land shall be dedicated or a fee-in-lieu shall be remitted to the Town pursuant to the following Project milestones:

1. For Detached and Attached Dwellings, land shall be dedicated or a fee-in-lieu shall be made on or before the submittal date for approval of the Final Plat mylar for signatures to be recorded with the Wake County Register of Deeds, in the amount per Dwelling Unit as required pursuant to Section 4.7.2.

2. For Apartment Dwellings, land shall be dedicated or a fee-in-lieu shall be made prior to the issuance of a Building permit, in the amount per Dwelling Unit as required pursuant to Section 4.7.2.

~~D. Special Committee to Settle Disagreements Between Town and Subdivider.~~

~~1. In the event that the Town and the developer or Subdivider of land cannot agree upon the location, terrain, size or shape of the land necessary to be dedicated for a Public Park Space, or cannot agree upon the details of provisions for an equitable amount of land in another location or where there is disagreement between the Town and the developer or Subdivider, such disagreement shall be determined by a special committee.~~

~~2. Such special committee shall consist of 3 members appointed as follows: 1 member shall be a professional land appraiser appointed by the Town Council; 1 member shall be a professional land appraiser appointed by the Subdivider; and, 1 member shall be a professional land appraiser appointed by the 2 appointed members. The special committee shall view the land and hear the contentions of both the Town and the Subdivider. The findings of the special committee shall be by majority vote and shall be certified to the Town Council within 45 days of the time of appointment of the third member of the special committee. The costs of the professional land appraiser appointed by the Subdivider and 1/2 the cost of the professional land appraiser appointed by the appraisers shall be borne by the Subdivider. The costs of the professional land appraiser appointed by the Town Council and 1/2 the cost of the professional land appraiser appointed by the appraisers shall be borne by the Town Council.~~

4.7.3 Use of Land by Town; Use of Fees Received in-Lieu of Dedication.

A. The land received by the Town under this Section shall be Used only for the purpose of providing Public Park Land and Park and recreational areas, but shall not be so restricted should the Town decide to sell such land as provided by the following:

1. The Town shall have the right to sell any land dedicated to the Town for Public Park Land or Parks and recreation purposes on finding by the Town Council and the Administrator that a particular piece of property is not feasible or compatible with adopted plans of the Town.

2. Fees collected in-lieu of dedications and any proceeds from such transactions or sales shall be held in a special fund by the Town, and the funds shall be Used by the Town for the purpose of acquiring and developing Public Park Land as shown on the Comprehensive Plan and for no other purpose. The depository for such funds may be the same as

permitted for other funds of the Town and, pending their expenditure in accordance with the terms of this Section, such funds may be invested as other funds of the Town. The Town may, at its discretion, add additional monies to the fund for the purpose of purchasing Public Park Land to be Used for public recreational purposes. On all matters not specifically provided for in this Section, the Local Government Budget and Fiscal Control Act shall be controlling.

B. Service Zones.

1. **West Zone.** When Public Park Land is dedicated and/or fees-in-lieu are collected for Development Projects and Subdivision activities west of NC 55, such land and or fees shall be used for the purpose of providing Public Park Land and Park and recreational areas west of NC 55.

2. **East Zone.** When Public Park Land is dedicated and/or fees-in-lieu are collected for Development Projects and Subdivision activities east of NC 55, such land and or fees shall be used for the purpose of providing Public Park Land and Park and recreational areas east of NC 55.

3. **When Public Park Land is dedicated and/or fees-in-lieu are collected for Development Projects and Subdivision activities in close proximity to NC 55, the Town shall have the discretion to determine if acquiring land across the service areas would better align with the established park search areas, and other projects that the Town plans to construct in the future, as outlined in the Vision Holly Springs Comprehensive Plan.**

Part 24: Chapter 4 Open Space, Conservation Buffer Areas, Maintenance of Conservation Buffer Areas, Employment / Campus Use Districts, Section 4.8.2.C.2.

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to correct UDO reference, as follows:

1. No accessory Building or Accessory Structure of any kind, other than a Freestanding Sign authorized by ~~Section~~ **Chapter** 9 of this UDO, shall be permitted in the required Conservation Buffer Area.

Part 25: Chapter 4 Open Space, Conservation Buffer Areas, Table 4.8-C – Table of Approved Uses

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to clarify standards and correct spelling errors, as follows:

Table 4.8-C – Table of Approved Uses				
	Neuse River Basin Subject to 15A NCAC 02B	Cape Fear River Basin		
	Zone NRB1 & NRB2*	Zone NRB3	Zone CFB1	Zone CFB2
Greenway/hiking trails located	Allowable	Allowable	Exempt	Exempt

<i>Temporary roads used for bridge construction or replacement provided that restoration activities, such as soil stabilization and re-vegitating vegetating, are conducted immediately after construction</i>	Allowable	Allowable	Allowable	Allowable
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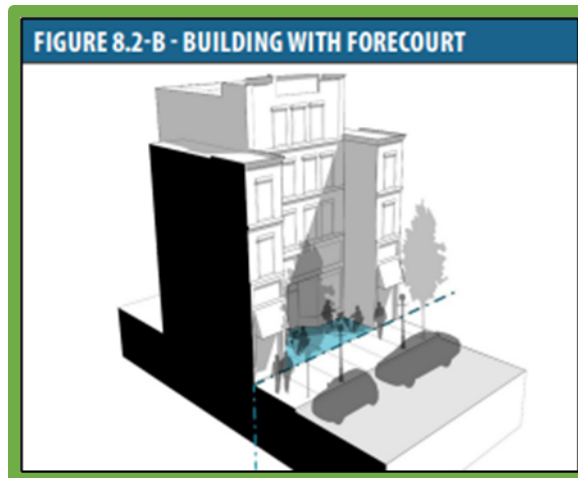
Part 26: Chapter 8 Building, Site & Subdivision Lot Design Standards, Section 8.4.2 Building Design Standards.

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to move Forecourt regulations into a more appropriate location, as follows:

8.4.2 Building Design Standards

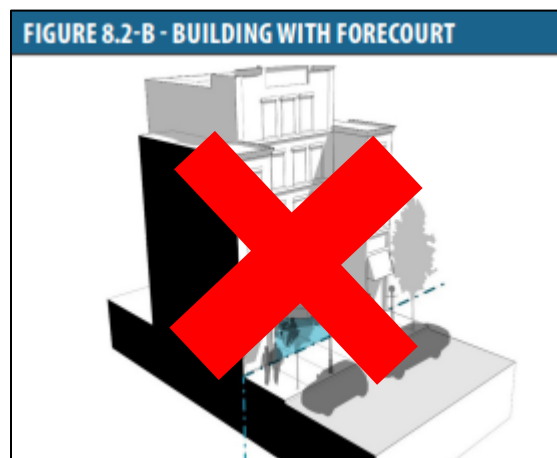
E. Building Placement and Orientation

- 1.The placement of Buildings should reinforce the Street wall, maximize natural surveillance and visibility, and facilitate pedestrian access and circulation.
2. Building façades should be parallel to the Lot Line unless an alternative is approved during development review.
3. The area between the Building and the Front Lot Line shall include amenities such as landscaping, tables, and seating.
- 4.When a Commercial/Mixed-Use Building is located less than 50 feet from a Street, the Building shall be oriented so that at least 1 principal entrance faces the Public Street rather than the interior of the site. In the case of a Corner Lot, the principal entrance shall face the Front Lot Line.
5. Principal entrances to Buildings should be located to provide easy access to public transit stops where applicable.
6. Buildings shall not significantly overshadow private Open Spaces or the common/ public area windows of adjacent Buildings to prevent the significant loss of amenity to adjacent Buildings and private Open Spaces.
- 7. Forecourts may be used to provide entry yards or for outdoor dining, display merchandise, and/or entries to individual tenants or units.**

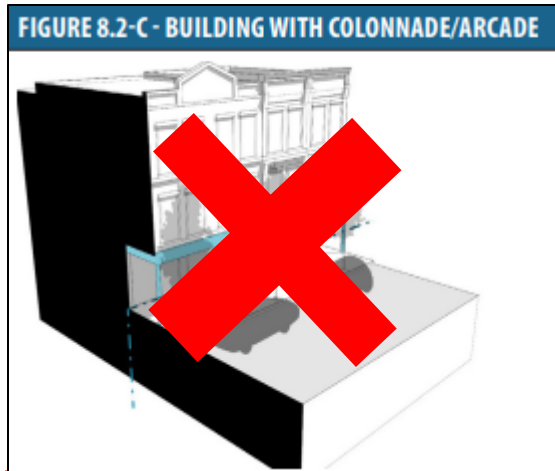


~~F. Encroachments. In addition to the encroachment allowances in Section 2.3.56, the following Building element encroachments may be allowed:~~

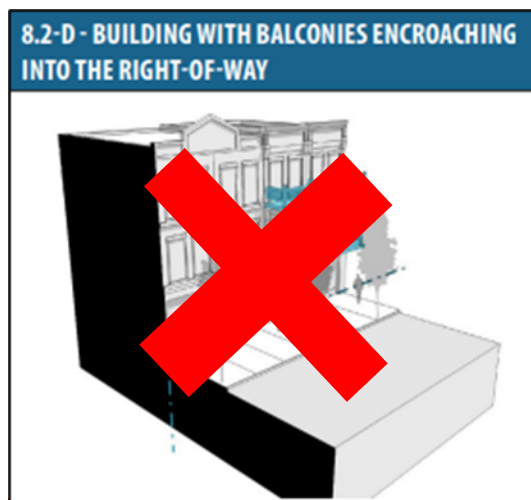
- ~~1. Forecourts. Forecourts may be used to provide entry yards or for outdoor dining, display of merchandise, and/or entries to individual tenants or units.~~
- ~~Building Stairs.~~



- ~~2. Colonnades/Arcades. Where provided, colonnades/arcades may encroach over the public Sidewalk with a Right-of-Way encroachment agreement but must maintain a minimum horizontal Sidewalk clearance of 8 feet for pedestrian circulation. A minimum of 10 feet of vertical clearance must be maintained from the Sidewalk grade.~~

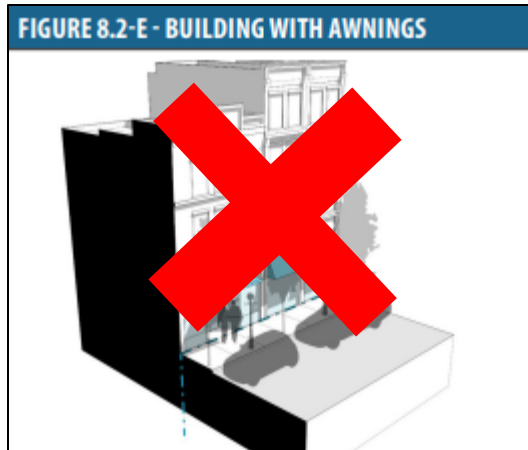


3. ~~Balconies. Upper level balconies may encroach into the required Setback or Right-of-Way, with an encroachment agreement, by up to 3 feet. A minimum of 10 feet of vertical clearance must be maintained from the Sidewalk grade. Balconies may have roofs but cannot be screened or glassed.~~



4. ~~Laterally-Supported Extensions (eaves, cornices, bay windows, roof overhangs). Extensions may encroach up to 3 feet into any required Setback.~~

5. ~~Awnings, Canopies, and Marquees. Where provided, Awnings (without signage), Canopies, and Marquees may extend into the Right-of-Way up to the back of the curb, subject to an encroachment agreement, up to a maximum of 8 feet from the Building. A minimum of 8 feet of vertical clearance must be maintained from a Walkway. A minimum of 15 feet of vertical clearance must be provided over a Driveway, interior Access Drive, or alley. Awnings may be made of fabric, but high-gloss and plasticized fabrics are prohibited.~~



~~6. Building stairs may encroach up to 5 feet into any Setback, or more if needed to meet Building code requirements, but may not encroach into the Right-of-Way.~~

~~7. Bollards. Traffic bollards may encroach into the Right-of-Way, but must be painted either black or to match the color scheme of the building.~~

Part 27: Chapter 11 Administration & Decision-Making Bodies, Development Plans, Section 11.10.E., Review Criteria.

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to update Public Park Space to Land for consistency with Chapter 4 amendments, as follows:

E. Review Criteria. For Type 5 - Quasi-judicial Actions, the decision-making body shall consider the following review criteria in determining whether to approve, approve with conditions, or deny a Development Plan. These criteria shall be used to evaluate whether the proposal will cause significant adverse impacts on adjacent properties.

1. Criterion 1: The land Uses and development intensity of the proposed Project will not have significant adverse impacts on adjacent properties and are consistent with the character of the Zoning District and the land Uses authorized therein.
2. Criterion 2: The proposed Project provides for the preservation, improvement, and/or enhancement of Open Spaces and provides sufficient land dedicated for public parks ~~space~~ or an equivalent fee-in-lieu.
3. Criterion 3: The proposed layout of Streets, Lots, utilities, water metering, and public improvements, and their relation to the topography of the land, reflect a design which can be economically served by the Town with public services and facilitates the use and future development of adjacent properties.
4. Criterion 4: The proposed Building or site design enhances the public realm, maximizes natural surveillance and visibility, facilitates pedestrian access and circulation, and reinforces the Town's character.

5. Criterion 5: The design of the Project furthers the goals and policies of the Comprehensive Plan.

Part 28: Chapter 11 Administration & Decision-Making Bodies, Development Plans, Section 11.11.D., Review Criteria.

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to update Public Park Space to Land for consistency with Chapter 4 amendments, as follows:

E. Review Criteria. For Type 5 - Quasi-judicial Actions, the decision-making body shall consider the following review criteria in determining whether to approve, approve with conditions, or deny a Major Subdivision. These criteria shall be used to evaluate whether the proposal will cause significant adverse impacts on adjacent properties.

1. Criterion 1: The land Uses and development intensity of the proposed Project will not have significant adverse impacts on adjacent properties and are consistent with the character of the Zoning District and the land Uses authorized therein.

2. Criterion 2: The proposed Project provides for the preservation, improvement, and/or enhancement of Open Spaces and provides sufficient land dedicated for public parks ~~space~~ or an equivalent fee-in-lieu.

3. Criterion 3: The proposed layout of Streets, Lots, utilities, water metering, and public improvements, and their relation to the topography of the land, reflect a design which can be economically served by the Town with public services and facilitates the use and future development of adjacent properties.

4. Criterion 4: The proposed Building or site design enhances the public realm, maximizes natural surveillance and visibility, facilitates pedestrian access and circulation, and reinforces the Town's character.

5. Criterion 5: The design of the Project furthers the goals and policies of the Comprehensive Plan.

Part 29: Chapter 13 Definitions

Add text as indicated in **bold** and remove text as indicated in ~~strikethrough~~ to modify definitions to correspond with other ordinance changes made within this amendment, as follows:

Building Line, Rear. A line parallel to any Rear Lot Line which passes through the nearest point of any Building or Structure and terminates at the point of contact with any Side ~~Lot~~ **Building** Line.

Building Line, Side-~~Interior~~. A line parallel to any Side-~~Interior~~ Lot Line which passes through the nearest point of any Building or Structure and terminates at the point of contact with any Front ~~Lot~~ **Building** Line or Rear Lot Line.

Building Line, Side-Corner. A line parallel to any Side-Corner Lot Line which passes through the nearest point of any Building or Structure and terminates at the point of contact with any Front or Rear Lot Line.

~~Lot, Interior. A Lot which is not a Corner Lot or a Double Frontage Lot.~~

Lot Line, Front. The Lot Line separating a Lot from any abutting Street. **In the case of a Corner Lot, the Administrator shall determine the Front Lot Line based on the highest abutting Street classification. If both Streets are the same classification, then the Front Lot Line is the shortest of the 2 Lot Lines.**

Lot Line, Side - Corner. The Lot Line separating a Lot from any abutting Street that is not a Front Lot Line.

Lot Line, Side - **Interior**. Any Lot Line not designated as a Front Lot Line, **Side-Corner Lot Line**, or Rear Lot Line.

~~Lot, Interior. A Lot which is not a Corner Lot or a Double Frontage Lot.~~

~~Lot Width. The full width of a Lot measured from the midpoint of the Front Lot Line to the midpoint of the Minimum Front Yard and Minimum Building Front Setback Line required by this UDO.~~ **The horizontal distance from one Side (-Corner or -Interior) Lot Line to the parallel or opposite Side (-Corner or -Interior) Lot Line measured along the Front Setback line.**

Public Park Land. Land dedicated to the Town of Holly Springs for the purpose of developing public recreation, park, or Open Space sites.

Setback, Minimum Front. The minimum distance required by this UDO from ~~a~~ **the** Front Lot Line to the closest point of the Building, Structure, Sign Structure, Parking Area, Loading Area, storage area, or any other permanent improvement. Said distance shall be measured perpendicularly from the Front Lot Line.

Setback, **Minimum** Side-Corner. ~~The Side Setback applied to that side of a Lot that has a Side Yard facing a Private or Public Street or Access corridor that serves more than 1 lot. Front door or address shall not be located on the side-corner facing Street.~~ **The minimum distance required by this UDO from a Side-Corner Lot Line to the closest point of the Building, Structure, Sign Structure, Parking Area, Loading Area, storage area, or any other permanent improvement. Said distance shall be measured perpendicularly from the Side-Corner Lot Line.**

Setback, Minimum Side-**Interior**. The minimum distance required by this UDO from a Side-**Interior** Lot Line to the closest point of the Building, Structure, Sign Structure, Parking Area, Loading Area, storage area, or any other permanent improvement. Said distance shall be measured perpendicularly from the Side-**Interior** Lot Line.

~~Setback, Side – Interior. A Side Setback on that portion of a Lot that is not adjacent to a Private or Public Street. It extends from the rear line of the required Front Yard, or the front property line of the site where no Front Yard is required, to the front line of the required Rear Yard, or the rear property line of the site where no Rear Yard is required, the width of which is the horizontal distance between the side property line and a line parallel thereto on the site, except that the side-corner Yard shall extend to the Rear Lot Line~~

Yard. An Open Space, unobstructed to the sky, extending fully across the Lot while situated between the Front Lot Line, Side-Corner or -Interior Lot Line, or Rear Lot Line and the established Front Building Line, Side-Corner or -Interior Building Line, or Rear Building Line.

Yard, Front. An Open Space unobstructed to the sky, extending fully across the Lot while situated between the Front Lot Line and the established Front Building Line. ~~In the case of a corner or double frontage lot, the front shall be the side where the front door of the building faces.~~

Yard, Rear. An Open Space, unobstructed to the sky, extending fully across the Lot while situated between the Rear Lot Line and the established Rear Building Line.

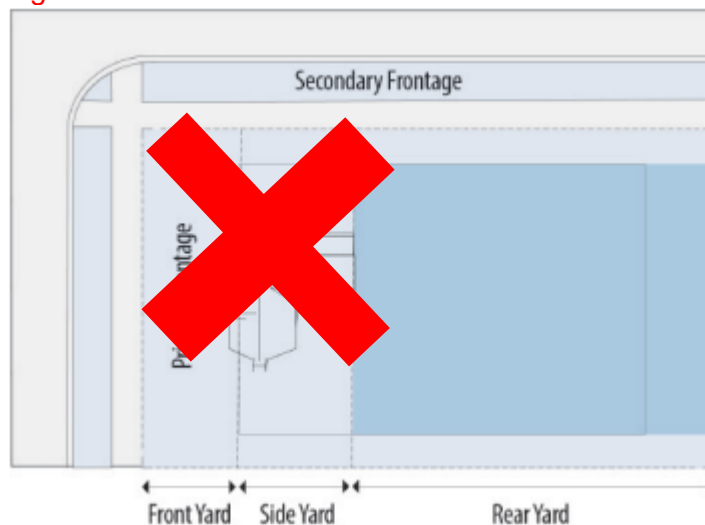
~~Yard, Side. An Open Space, unobstructed to the sky, extending fully across the Lot while situated between a Side Lot Line and the established Side Building Line.~~

Yard, ~~Corner~~ Side - Corner. An Open Space, unobstructed to the sky, situated between the Side-Corner Lot Line and the established Side-Corner Building line. Any area of a Side-Corner Yard that intersects with a Front Yard shall be considered part of the Front Yard.

Yard, Side - Interior. An Open Space, unobstructed to the sky, situated between the Side-Interior Lot Line and the established Side-Interior Building line.

~~Yard, Interior. An Open Space, unobstructed to the sky, extending out from the wall of a Attached multifamily Dwelling.~~

~~Figure 13.1~~



Part 30: **REPEAL OF CONFLICTING ORDINANCES**

All ordinances or parts of the UDO of the Town of Holly Springs conflicting or inconsistent with the provisions of this Ordinance are hereby repealed.

Part 31: SEVERABILITY

If any section, part of a section, paragraph, sentence, clause, phrase, or word of this Ordinance is for any reason held or declared to be unconstitutional, inoperative or void, such holdings shall not affect the remaining portion of this Ordinance and it shall be construed to have been the legislative intent to pass the Ordinance without such unconstitutional, invalid or inoperative part therein, and the remainder of this Ordinance after the exclusion of such part or parts shall be deemed to be held valid as if such part or parts had not been included therein, or if this Ordinance or any of the provisions thereof shall be held inapplicable to any person, group of persons, property, kind of property, circumstances, or set of circumstances, such holdings shall not affect the applicability thereof to any other person, property or circumstances.

Part 32: INCLUSION IN CODE

It is the intention of the Town Council entered as hereby ordained, that the provisions of this Ordinance shall become and be made part of the Unified Development Ordinance of the Town of Holly Springs, North Carolina; that the Section(s) of this Ordinance may be renumbered or relettered to accomplish such intention, and that the word "Ordinance" may be changed to "Section, or "Article" or other word.

Part 33: EFFECTIVE DATE

The provisions of this ordinance shall become effective April 15, 2025 in accordance with the laws of the State of North Carolina.

Adopted this, the ____ day of _____ 2025.

Town of Holly Springs by

Sean Mayefskie, Mayor

ATTEST:

Linda McKinney, Town Clerk





Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 20.

New Business

Title: Fiscal Year 2024-2025 Nonprofit Grants

Strategic Priority Area: Growth Management & Economic Vitality

Organizational Excellence

Community Safety

Vibrant Community

Staff Resource: MPT Dan Berry, CM Annie Drees

Action(s):

Award grants to nonprofits in the following amounts recommended by Town Council's Grant Committee:

- Holly Springs Community Band \$2,500
- Holly Springs High School Band Boosters \$500
- InterAct \$2,000
- For Girls Like Quanisha \$1,000
- Holly Springs Civitan \$500
- Holly Springs Interfaith Alliance \$500
- YMCA Camp GRACE \$2,500
- BeShe Inc. \$500
- Christian Community in Action (WWCM) \$2,500
- Holly Springs High School PTSA \$1,000
- Center for Volunteer Caregiving \$1,000
- Hawktimus Prime \$1,000
- Holly Springs Youth Orchestra \$1,000
- Military Missions in Action \$1,000
- Nepal Center of NC \$1,000
- Holly Grove Middle PTSA \$1,500

Explanation:

- The two-member Council Grant Committee met this month to evaluate the applications for the Civic Nonprofit Grants for Fiscal Year 2024-25 and determine funding recommendations for the full Council.
- The Council considers nonprofit civic grants for activities that support Council's strategic priorities, augment existing Town services, and activities that promote community well-being.

Background:

- The 2024-2025 Budget includes \$20,000 in grant money for allocation to local civic

Town Council Business Meeting
April 15, 2025

nonprofit organizations. In January, the applications were posted to the Town website and distributed to all groups who requested an application.

- Twenty eligible organizations applied, requesting a total of \$40,149.

Funding Source(s):

Operating Budget - General Fund Grants

Attachment(s):

1. 2025 Grants worksheet
2. Combined Applications

Name	Program or Use	Grant	Amount
		Committee Recommended Amount	Requested
2025			
Holly Springs Community Band	Grant funds will continue to help the band with rehearsals & performances, sheet music for the concerts, equipment, operating costs, and transportation when needed.	\$2,500	\$2,500
Holly Springs High School Band Boosters	Band concerned about impact of new school on membership and what that means for funding. This years funds will be used to purchase materials to upfit a second trailer that was acquired to transport equipment, instruments, props, uniforms and supplies to competitions and practices.	\$500	\$2,500
InterAct	Crisis intervention services and client assistance fund to assist victims and family memebtrs with life-saving crisis counseling and support for those seeking physical safety. Also financial assitance for those in crisis for food, shelter, and transportation. Funds used to support victims from Holly Springs	\$2,000	\$2,500

For Girls Like Quaneisha	Organization with a mission of helping girls age 8-14 in Holly Springs, FV, and Garner to strengthen, encourage, inspire, and empower young girls to be their authentic selves. Funding will be used to expand reach through girl talk program in local schools and community. Will also launch financial literacy and entrepreneurship program.	\$1,000	\$2,500
Holly Springs Civitan	Civitan has applied for funding in support of their annual Steppin Out Dance program. The group puts on the dance and a Trunk or Treat event as well as a resource fair each year. The group is a member of Civitan Intl whose mission is to advocate for people with developmental and intellectual disabilities.	\$500	\$500
Holly Springs Interfaith Alliance	HSIA is comprised of different faith communities withing Holly Springs and with a mission to work together toward unity, love, and acceptance for the betterment of people in the community. Funding requested to support program costs for events, supplies, technology and outreach.	\$500	\$500

YMCA Camp GRACE	YMCA operates Camp GRACE which is a developmentally appropriate summer camp for children with autism and Pervasive Developmental Disorder. More costly and staff intensive to run and open to both Y members and non members. Requesting funds to subsidize the camp cutting the cost to serve one camper in half. Combination of town funds and other philanthropic grants.	\$2,500	\$2,500
Holly Springs High School Boys to Men Mentorship Program	Boys 2 Men Mentoring program strives to enhance the personal productivity of males by affecting their self image, personal expectations and self awareness thereby positively impacting their social interaction and academic performance. Program aims to keep young men in school and develop aspirations for the later stages of life.	\$0	\$2,500
BeShe Inc	Non profit with the objective of supporting Domestic Violence victims in our community. Funding used to continue training staff and raising awareness in the community by using social media and educational materials.	\$500	\$1,000

Western Wake Crisis Ministry	Dedicated to providing emergency assistance to individuals and families facing crises. Most impactful programs are through food and financial aid, as well as case management help. Grant funding will support Holly Springs residents in crisis by assisting them with overdue rent and utility payments. Goal is to ensure stability of basic needs like shelter, water, and electric. Funding fully distributed to Holly Springs residents.	\$2,500	\$2,500
Holly Springs High School PTSA	HSHS PTSA Teacher Grant program provides funds to HSHS staff to be used for instruction-related materials and activities, ultimately benefitting the 2,000+ students at HSHS everyday. Sometimes grants are matched by the PTSA with other funds	\$1,000	\$2,500
Benjamin Balsley Eagle Project	Funds to be used to revitalize Robinson family graves on food cupboard property as part of an Eagle Scout project. Funds for materials for walking path and perimeter fence.	\$0	\$1,000
Center for Volunteer Caregiving	Center that operates programs for older adults and adults with disabilities living independently in Wake County. Funds will be used to cover costs for the transportation program that provides door to door rides for those in need.	\$1,000	\$2,500

Hawktimus Prime	High school club to design and build a robot tailored for outreach events. This would be a demo robot for events such as HollyFest and other town engagements to keep wear and tear off the competition robot. Group aims to foster a STEM learning environment that promotes innovation and community impact.	\$1,000	\$2,500
Holly Springs Youth Orchestra	Non profit that operates exclusively for educational and charitable purposes to cultivate the artistics development of students through high quality and affordable music education and performances. Funding will be used for investmetns in conductor stand, concert music, and instructional materials, supplies, repair costs and the instrument loaner program.	\$1,000	\$2,500
Holly Springs Masonic Lodge	Historic building in Holly Springs. Masons no longer allow use of fundrasing dollars for buildings, all fund must go to charity programs. Group asking for funds to maintain the historic building in town.	\$0	\$2,500

Military Missions in Action	Military focused charity. Main program is Homes for Healing program to provide new and used household furnishings and goods to assist veterans , active duty members, and families in need of housing assistance. Program helped over 250 individuals last year. Funds from this grant will be used to hire part time help for the furniture bank program. Funding would allow for one role to pick up donated furniture items all year.	\$1,000	\$2,500
Nepal Center of NC	Nepali cultural work. 40 participants from HS. Funds to be used for venue rental, supplies, and enhancing curriculum	\$1,000	\$2,499
Tillers in Christ	ABC for teens social emotional learning program. Program offers safe space for teens to express themselves. Not sure how this involves HS residents	\$0	\$500
Holly Grove Middle	Holly Grove PTSA. Funds to be used for landscaping materials to beautify outside area that already has picnic tables and is used by students, parents, and public who utilize school sports fields.	\$1,500	\$1,650
Totals		\$20,000	\$40,149
			\$20,000

DID NOT APPLY IN 2025

Kiwanis Club

Kiwanis Club efforts focus on community service and programs for children. Group has struggled with membership in recent years. This year requesting funds to support the yearly Dictionary Project which raises and invests funds to distribute dictionaries to 3rd grade students in area Wake County Schools.

Holly Springs MLK Jr Committee

MLK Jr Committee provides scholarships to graduating seniors and conducts several service events headlined by the Unity Weekend celebrating Dr. King's Birthday. Grant funding will assist the committee with planning and accomplishing their events and fundraisers for this year.

People's Power Lab- Raleigh

Holly Springs Inclusive Kids Book Club started in 2023 and goal was to enable kids to read a book with stories about diverse life experiences. Attended by elementary aged kids 8 and above. Funding will be used to expand the program by offering cash prizes for book reviews, paid subscription to Kahoot to make the trivia games more fun, and support rental costs for space to house the program. HS Kids Book Clubd is program sponsored by People's Power Lab org.

The Sword Conservatory

501c3 group with active year round board and daily management dedicated to Parafencing (aka wheelchair fencing) enables walking challenged people to participate in the sport of fencing. Requesting funds to help build 2 specialized wheelchair setups used for the fencing programs and to hold a workshop at the Hunt Center to introduce swordfighting to walking/standing challenged people in the community. Currently collect revenues through offering classes on contract basis with HSPR

2024 Received New or Returning



\$2,500 Returning

\$1,000 Returning

did not spend last year- so reducing the grant this year

\$2,000 Returning after
hiatus last year

\$1,000 Returning

\$500 Returning

\$500 Returning

\$2,500 Returning

\$1,000 Returning

\$500 Returning

Incomplete application

\$3,500 Returning

\$2,000 Returning

New

New

Returning but
first year since
2022

New

send note to John

New

New

New

New

Wait and see if they have event at hunt center and apply next year

\$17,000

\$0 check

\$1,500 Returning

\$500 Returning- but no
grant received
since 2021

\$500 New

\$500 New

Civic Nonprofit Grants

Name	Amount Awarded	Amount Requested
2024		
Holly Springs Community Band	\$2,500	\$2,500
Holly Springs Food Cupboard		\$2,500
Holly Springs High School Band Boosters	\$1,000	\$2,500
InterAct	\$2,000	\$2,500
For Girls Like Quaneisha	\$1,000	\$2,500
Holly Springs Civitan	\$500	\$500
Holly Springs Interfaith Alliance	\$500	\$500
YMCA Camp GRACE	\$2,500	\$2,500
Holly Springs High School Boys to Men	\$1,000	\$2,500
Kiwanis Club	\$1,500	\$2,500
BeShe Inc	\$500	\$500
Western Wake Crisis Ministry	\$3,500	\$2,500
Holly Springs MLK Jr Committee	\$500	\$500
Holly Springs High School PTSA	\$2,000	\$2,500
People's Power Lab- Raleigh	\$500	\$500
The Sword Conservatory	\$500	\$500

2023		
Holly Springs Community Band	\$2,000	\$2,000
Holly Springs Food Cupboard	\$2,500	\$2,500
Holly Springs High School Band Boosters	\$2,000	\$2,500
LaunchHOLLYSPRINGS	\$1,000	\$1,000
South Wake Conservationists	\$2,000	\$2,000
Fuquay Varina Emergency Food Pantry	\$500	\$250
InterAct	\$2,000	\$2,500
For Girls Like Quaneisha	\$1,000	\$2,500
Holly Springs Civitan	\$500	\$500
Holly Springs Interfaith Alliance	\$500	\$500
YMCA Camp Excel and Camp GRACE	\$2,500	\$2,500
Holly Springs High School Boys to Men	\$1,000	\$2,500
Mentorship Program		
Kiwanis Club	\$1,500	\$2,500
BeShe Inc	\$500	\$1,000
FACTS for Youth	\$500	\$500

2022		
Holly Springs Community Band	\$2,000	\$2,000
Holly Springs Food Cupboard	\$2,500	\$2,500
Holly Springs High School Band	\$2,000	\$2,500
Holly Springs High School PTSA	\$1,500	\$1,500
LaunchHOLLYSPRINGS	\$1,000	\$1,000
South Wake Conservationists	\$2,000	\$2,000
Love Is A Parable	\$0	\$2,500

For Girls Like Quaneisha	\$500	\$500
Holly Springs Civitan	\$500	\$500
YMCA Camp High Hopes	\$2,500	\$2,500
Hawktimus Prime and HGES Kids Duty	\$1,250	\$0
Boyz 2 Men (HSHS Boys Mentorship)	\$1,000	\$0
Western Wake	\$5,000	\$2,500

2021

Holly Springs Community Band	\$2,000	\$2,000
Holly Springs Food Cupboard	\$2,500	\$0
Holly Springs High School Band	\$2,500	\$2,500
Holly Springs High School PTSA	\$2,500	\$2,500
InterAct	\$2,000	\$1,000
LaunchHOLLYSPRINGS	\$1,000	\$1,000
South Wake Conservationists	\$1,000	\$1,000
Love Is A Parable	\$500	\$2,500
Holly Springs MLK	\$500	\$500
Oak City Sound	\$500	\$500
FV Food Shelf	\$2,500	\$0
Kirk of Cary Food	\$2,500	\$0
Western Wake	\$5,000	\$0

2020

Fuquay Varina Food Shelf	\$1,000	\$5,000
Holly Springs Civitan	\$500	\$500
Holly Springs Community Band	\$2,000	\$2,000
Holly Springs Food Cupboard	\$2,500	\$2,500
Holly Springs High School Band	\$2,000	\$2,500
Holly Springs High School PTSA	\$1,500	\$2,500
InterAct	\$1,000	\$1,000
Holly Springs Kiwanis Club	\$1,500	\$2,500
Kraft YMCA	\$0	\$2,500
LaunchHOLLYSPRINGS	\$1,000	\$750
South Wake Conservationists	\$1,000	\$1,500
Western Wake Crisis Ministry	\$1,000	\$2,500

2019

Hawktimus Prime	\$500	\$500
Holly Grove Middle PTSA	\$500	\$1,500
Holly Springs Community Band	\$2,000	\$2,000
Holly Springs Food Cupboard	\$2,500	\$2,500
Holly Springs High School Band	\$2,000	\$2,500
Holly Springs MLK Committee	\$500	\$500
Holly Springs High School PTSA	\$1,500	\$2,000
InterAct	\$1,000	\$2,500

Holly Springs Kiwanis Club	\$1,500	\$2,500
LaunchHOLLYSPRINGS	\$500	\$1,000
Sense of Play	\$500	\$6,223
South Wake Conservationists	\$500	\$500
SW Wake Lions	\$1,500	\$2,500

2018

Holly Grove Middle PTSA	\$500	\$500
Holly Springs Civitan	\$500	\$500
Holly Springs Food Cupboard	\$2,500	\$2,500
Holly Springs Community Band	\$2,000	\$2,000
Holly Springs High School Band	\$2,000	\$2,500
Holly Springs High School PTSA	\$1,500	\$2,000
InterAct	\$1,000	\$2,000
Holly Springs MLK Committee	\$500	\$500
Sense of Play	\$500	\$500
Holly Springs Lions	\$2,000	\$2,500
Kiwanis	\$1,500	\$2,500
Rotary	\$500	\$1,500

2017

Holly Springs MLK Committee	\$500	\$500
Holly Springs Food Cupboard	\$2,500	\$2,500
Holly Springs High School PTSA	\$2,000	\$2,000
InterAct	\$500	\$2,500
Holly Springs Community Band	\$2,000	\$2,000
Holly Springs Civitan	\$500	\$500
Holly Springs High School Band	\$2,000	\$2,500



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Benjamin Balsley

Mailing address: 6012 Fauvette Lane

Current Presiding Officer: Mark Kepke, Troop Leader, Troop 356

Mailing address: 6613 Humboldt Fuquay-Varina

Telephone: 9197778169 Fax: _____ E-Mail: ben.d.balsley@gmail.com

(Check one)

Legal Status: ☒ Private non-profit corporation ☐ Unincorporated civic group ☐ Other (Please describe below)

Date Organization Formed or Chartered: 1996

Agency 501 C-3 Number: 56-0529984 Or, Federal Tax ID Number: 872873305

Amount and Type of Town funds requested: \$ 1000.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☐ Operating Costs

☒ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. **(Please limit your response using only the space provided below)**

The goal of this project is to revitalize the Robinson family gravesite located on the property of the Holly Springs food cupboard in Holly Springs North Carolina. The Robinson family was once a free African American family in Holly Springs, and their graves hold historical significance. The site contains four graves, and the revitalization plan includes the addition of a walkway up to the graves, a fence for the perimeter of the site, and filling the graves that have caved in creating a more welcoming and respectful environment. This project aims to honor the Robinson family's legacy while preserving and enhancing the historical value of the site for future generations.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

I would use it to purchase the materials for the walking path and the perimeter fence. Material would include fence posts, fence pickets, nails, and various hand tools. This would completely fund the project plus leave additional funds to cover lunch and beverages for volunteers. The town of Holly Springs would benefit from this project because it would gain a historical site and would improve the Holly Springs Food Cupboard property. The completion of this initiative will pave the way for additional Eagle Scout Projects

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

These funds would allow me to complete my Eagle Scout project in full. Reduced funds would require a change in scope. With the scope be limited, additions like the walkway or fence might have to be severely reduced or removed from the project.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

- | | | | |
|--|----------|--------|--------------------------|
| ☐ Town of Holly Springs | \$ _____ | Amount | _____ % of Annual Budget |
| ☐ United Way | \$ _____ | Amount | _____ % of Annual Budget |
| ☐ Wake County | \$ _____ | Amount | _____ % of Annual Budget |
| ☐ Foundations | \$ _____ | Amount | _____ % of Annual Budget |
| ☐ Federal | \$ _____ | Amount | _____ % of Annual Budget |
| ☐ Grants | \$ _____ | Amount | _____ % of Annual Budget |
| ☐ State of N.C. | \$ _____ | Amount | _____ % of Annual Budget |
| ☐ Other Private Funding | \$ _____ | Amount | _____ % of Annual Budget |
| ☐ Fundraisers | \$ _____ | Amount | _____ % of Annual Budget |

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. **CERTIFICATION**

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.

Signature of Executive or Applicant

Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

- ☐ **Completed application**
- ☐ **Attachment 1** - Copy of current year budget, if applying for more than \$500
- ☐ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)
- ☐ **Attachment 3** - Excel spreadsheet financial statement for your organization.

Scout Name:	Ben Balsley			
Scout Project:	Robinson Family Cemetary			
Budget:	\$1,200.00			
Item	Quantity	Category	Price (\$)	Cost (\$)
Treated 4x4 posts x 8FT	10	Fence	\$10.58	\$105.80
Treated 4ft pickets Pre built	14	Fence	\$39.99	\$559.86
Quick Dry concrete (50 lbs)	10	Fence	\$4.00	\$40.00
Mulch (1.5 cu yrd.)	1	walking path	\$200.00	\$200.00
Landscape trim	2	walking path	\$41.98	\$83.96
Soil	9	Grave restoration	\$9.00	\$81.00
Nails	2	Fence	\$25.00	\$50.00
Water	2	Hydration	\$6.00	\$12.00
			Subtotoal :	\$1,132.62
			Tax:	4.75%
			Total Estimated Project Cost	\$1,186.42



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: BeSHE Inc

Mailing address: 711 Verdoucq Drive Holly Springs NC

Current Presiding Officer: Shonquella Terrell

Mailing address: 711 Verdoucq Drive Holly Springs NC

Telephone: (919) 862-7358 Fax: none E-Mail: besheinc@gmail.com

(Check one)

Legal Status: ☒ Private non-profit corporation ☐ Unincorporated civic group ☐ Other (Please describe below)

Date Organization Formed or Chartered: 2021

Agency 501 C-3 Number: 87-1480935 Or, Federal Tax ID Number: _____

Amount and Type of Town funds requested: \$ 1000.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☒ Operating Costs

☐ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. **(Please limit your response using only the space provided below)**

BeSHE is applying to the Town of Holly Springs Local Civic Grant Program to request financial support that will allow the organization to aid victims of domestic violence in the community. BeSHE, a 501(c)(3) nonprofit organization, has been actively involved in aiding domestic violence victims, such as securing discounted rate rooms at a local hotel to serve as a safe haven for those in need and providing counseling services to victims and family members.

Through the efforts of BeSHE, individuals experiencing domestic violence have been provided with a supportive environment to start rebuilding their lives. This assistance has been made possible through various fundraising initiatives conducted by BeSHE throughout the year.

Therefore, the purpose of seeking grant funding from the Town of Holly Springs is to obtain the designated training necessary to enhance BeSHE's ability to support domestic violence victims effectively and to enhance community awareness efforts by using social media and other educational materials. This training will further empower BeSHE to setup in emergency situations, provide comprehensive assistance, and contributed to the overall safety and well-being of the Holly Springs community.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

BeSHE seeks to use the grant funds to obtain essential training for its members, particularly focusing on domestic violence response and support techniques. This training will enhance the organization's capacity to effectively assist domestic violence victims in the community. Additional, BeSHE intends to allocate a portion of the grant funds to enhance its website, social media presence and education materials. A more robust and user-friendly website will serve as a central hub for information, resources, and outreach efforts related to domestic violence awareness and support services. This enhanced online presence will help BeSHE reach a broader audience within the town of Holly Springs, raising awareness about domestic violence issues and providing a platform for individuals to seek help and support.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

BeSHE needs the funds to continuing training to enhance its expertise in handing domestic violence situations. Additionally, funds are requested to support enhancing the website, educational materials, and social media presences. If funds are reduced or not provided BeSHE's ability to stay current with training standards/guidelines and community outreach efforts will be impacted. Awareness and education are key to preventing domestic violence.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☒ Town of Holly Springs	\$ <u>1000.00</u>	Amount	_____ % of Annual Budget
☐ United Way	\$ _____	Amount	_____ % of Annual Budget
☐ Wake County	\$ _____	Amount	_____ % of Annual Budget
☐ Foundations	\$ _____	Amount	_____ % of Annual Budget
☐ Federal	\$ _____	Amount	_____ % of Annual Budget
☐ Grants	\$ _____	Amount	_____ % of Annual Budget
☐ State of N.C.	\$ _____	Amount	_____ % of Annual Budget
☒ Other Private Funding	\$ <u>2500</u>	Amount	_____ % of Annual Budget
☒ Fundraisers	\$ <u>2500</u>	Amount	_____ % of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

BeSHE used the funding to invest in training and professional development opportunities for its staff and volunteers. This could involve attending conferences, workshops and seminars related to domestic violence prevention, intervention, and victim support. Additionally, funds were allocated for certifications and specialized training programs to enhance the organization's expertise in serving survivors.

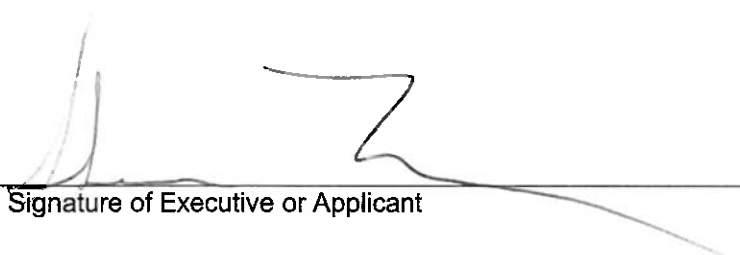
Community Outreach and Education: Funding has been directed towards community outreach initiatives aimed at raising awareness about domestic violence and promoting prevention strategies. This may include distributing informational materials, conducting awareness campaigns, and collaborating with local schools, businesses, and community groups to reach a wider audience. Overall, the funding received from the Town of Holly Springs last year have been used strategically to support BeSHE's mission and advance its efforts to combat domestic violence in the community.

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. CERTIFICATION

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.


Signature of Executive or Applicant

3/7/25

Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

- ☒ **Completed application**
- ☒ **Attachment 1** - Copy of current year budget, if applying for more than \$500
- ☐ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)
- ☒ **Attachment 3** - Excel spreadsheet financial statement for your organization.

BeShe Proposed Annual Budget 2025	
Business Expense	Amount
Operating Business Ins	\$ 700.00
Training	\$ 1,500.00
Gas	\$ 650.00
Website Fee	\$ 230.00
Accountant	\$ 1,800.00
Hotel/SafeStay	\$ 3,500.00
Storage Unit	\$ 400.00
Membership Fees (various organizations)	\$ 520.00
WBON Membership	\$ 99.00
Total	\$ 9,399.00



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Boys 2 Men of Wake County, Inc.

Mailing address: 6032 Adcock Rd, Holly Springs, NC 27540

Current Presiding Officer: William Hill

Mailing address: 6032 Adcock rd, Hollysprings nc 27540

Telephone: 9197450432 Fax: _____ E-Mail: whill959@gmail.com

(Check one)

Legal Status: ☒ Private non-profit corporation ☐ Unincorporated civic group ☐ Other (Please describe below)

Date Organization Formed or Chartered: 2/1/2013

Agency 501 C-3 Number: 88-3179478 Or, Federal Tax ID Number: _____

Amount and Type of Town funds requested: \$ 2500.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☒ Operating Costs

☐ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. (Please limit your response using only the space provided below)

The mission of Boys 2 Men Mentoring Program is to enhance the personal productivity of males by affecting their self image, personal expectations and self awareness thereby positively impacting their social interaction, contribution, communication skill set and academic performance.

B2M promotes the improvement of academic success, retention, and graduation of students through mentoring activities and support programs that encourage academic excellence, self-esteem, and personal growth of participating students.

Partial application received 2/15; emailed applicant on 2/17 and 3/7 asking for completed application



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: The Center for Volunteer Caregiving

Mailing address: 1150 SE Maynard Rd, Suite 210, Cary, NC 27511

Current Presiding Officer: Elaine Whitford, Executive Director

Mailing address: 1150 SE Maynard Rd, Suite 210, Cary, NC 27511

Telephone: 919-460-0567 Fax: none E-Mail: ewhitford@ctrvolcare.org

(Check one)

Legal Status: ☒ Private non-profit corporation ☐ Unincorporated civic group ☐ Other (Please describe below)

Date Organization Formed or Chartered: 6/15/1992

Agency 501 C-3 Number: _____ Or, Federal Tax ID Number: 58-2067482

Amount and Type of Town funds requested: \$ 2500.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☒ Operating Costs

☐ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. (Please limit your response using only the space provided below)

For 33 years, The Center for Volunteer Caregiving has operated volunteer programs to support older adults and adults with disabilities living independently in Wake County. All direct services are provided by volunteers at no charge. One of our programs is an Escorted Door-through-Door Volunteer Driver Transportation Program. In this program, our trained and vetted volunteer drivers use their private vehicles to provide escorted door-to-door transportation for medical rides and to a grocery store or pharmacy. In most cases, the volunteer acts as an escort, providing stand-by assistance. An added benefit of the one-on-one service is reduction in social isolation and a measure of emotional support for the client being served. The Center actively promotes the use of other transportation services offered by governmental and public agencies when appropriate, reserving available drivers for those with the greatest need.

In FY2024, our volunteer drivers drove 20,245 miles to give 985 roundtrip rides to 140 older adults and adults with disabilities (reporting 2,296 hours of volunteer service for these rides).

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

The Center will use funding from the Town of Holly Springs to cover a portion of the salary and operating expenses for its Transportation program. Federal transportation funding currently received via Section 5310 requires a 50% local match. While The Center uses volunteers exclusively to provide rides to older adults and adults with disabilities, it is critical that we have staff to manage the programs. Not only do staff recruit, train, and support the volunteers providing the services, but they support the people receiving our services and manage the online database that allows us to run our programs as efficiently and effectively as possible. Eligibility assessments for our transportation services are conducted by staff over the phone (average about 50 per month), but we continue to see a tremendous increase in demand for our free transportation services.

We currently are serving 9 residents of Holly Springs in the Transportation Program. So far this fiscal year (2025), they have requested 63 roundtrip rides from The Center. We limit our clients to one ride a week to enable us to serve as many people as possible.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

Funding from the Town of Holly Springs will provide general operating support for the Volunteer Driver Transportation Program operated by The Center for Volunteer Caregiving to help older adults and adults with disabilities access healthcare and basic needs. As a nonprofit organization, The Center's budget is pieced together from many revenue sources of varying sizes. The Center is financially healthy with enough reserves to operate for several months in the event of a catastrophic loss of funding. While not receiving funding from the Town of Holly Springs next year will not result in the closure of any of our programs or fewer services being offered to residents of Holly Springs, the loss of multiple revenue sources may endanger our ability to run all of our programs in future years.

About 47% of The Center's annual funding comes from federal funds. The future security of that funding appears uncertain right now. Support from the Town of Holly Springs will help The Center get through any loss of federal funding.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☐ Town of Holly Springs	\$ <u>0</u> Amount	<u>0</u> % of Annual Budget
☐ United Way	\$ <u>0</u> Amount	<u>0</u> % of Annual Budget
☐ Wake County	\$ <u>0</u> Amount	<u>0</u> % of Annual Budget
☐ Foundations	\$ <u>60000</u> Amount	<u>13.4</u> % of Annual Budget
☐ Federal	\$ <u>210869</u> Amount	<u>47</u> % of Annual Budget
☐ Grants	\$ <u>79000</u> Amount	<u>17.6</u> % of Annual Budget
☐ State of N.C.	\$ <u>4500</u> Amount	<u>1</u> % of Annual Budget
☐ Other Private Funding	\$ <u>92494</u> Amount	<u>21</u> % of Annual Budget
☐ Fundraisers	\$ <u>1500</u> Amount	<u>0</u> % of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

N/A - We have never received funding from the Town of Holly Springs.

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. CERTIFICATION

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.



Signature of Executive or Applicant

3/6/2025

Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

- ☒ **Completed application**
- ☒ **Attachment 1** - Copy of current year budget, if applying for more than \$500
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(If you do not have an independent audit, please write "n/a" in the space to the left.)
- ☐ **Attachment 3** - Excel spreadsheet financial statement for your organization.

The Center for Volunteer Caregiving

2024-25 Budget

(approved by Board on 5/29/24)

July 2024 - June 2025

	Budget 2024-25
Income	
Donation - Individuals	39,000
Donations-Churches	12,500
Donations-Corporate	15,500
Donations-Organizations	6,000
Fundraisers	1,500
Event	5,000
Grant	53,000
Grant - CAMPO	73,000
Grant - Enact	10,000
Grant - Searstone	50,000
Grants-Town of Cary	26,000
Misc Income	1,200
Service Contract - ARPA	21,000
Service Contract - FCSP	116,869
Service Contract - DHHS	4,500
Volunteer Admin Fee	1,280
Interest Income	12,014
Total Income	448,363
Expenses	
Accounting - Audit Fees	8,500
Accounting Fees	8,400
Background Checks	1,600
Bank Service Charges	1,400
Consulting Fees	
Computer Consulting	1,000
Depreciation Expense	0
Employee Recognition	1,600
Employee Training & Dev't	1,400
Fundraising Expense	1,000
Insurance	
Dental	2,650
Health	32,900
Insurance- Crime	3,600
Insurance-D&O	855
Insurance-Worker's Comp	3,600
Licenses	206
Membership Dues	1,500
Mileage	3,800
Office Furniture & Equipment	1,500

Office Supplies	1,800
Payroll Fees	2,800
Payroll Tax Expense	21,496
Postage and Delivery	1,900
Printing	500
Program Expense	3,000
Public Relations	0
Recruiting	125
Rent	38,331
Retirement Plan Match	11,000
Salaries	281,000
Technology Expense	4,000
Telephone	3,900
Transportation - Vol mileage reimburse	600
Travel	800
Volunteer Recognition	1,600
Total Expenses	448,363
Net Income	0



SHARPE
PATELCPA

THE CENTER FOR VOLUNTEER CAREGIVING

FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

THE CENTER FOR VOLUNTEER CAREGIVING
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SHARPE
PATEL CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Center for Volunteer Caregiving
Cary, North Carolina

Opinion

We have audited the accompanying financial statements of The Center for Volunteer Caregiving (a nonprofit organization), which comprises the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Center for Volunteer Caregiving as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Center for Volunteer Caregiving and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 raise substantial doubt about The Center for Volunteer Caregiving's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards will always detect a 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, including omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain 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 Center for Volunteer Caregiving'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 Center for Volunteer Caregiving'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.

Sharpe Patel PLLC

Raleigh, North Carolina
August 23, 2024

THE CENTER FOR VOLUNTEER CAREGIVING
Statements of Financial Position
June 30, 2023 and 2022

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 171,816	\$ 191,507
Certificates of deposit	212,115	152,522
Grants receivable	52,523	38,960
Accounts receivable	304	1,447
Bequest receivable	25,000	-
Prepaid expenses	3,459	7,967
Total current assets	<u>465,217</u>	<u>392,403</u>
Non-current assets:		
Right to use asset, net	<u>43,899</u>	<u>75,601</u>
Total non-current assets	<u>43,899</u>	<u>75,601</u>
Total assets	<u><u>\$ 509,116</u></u>	<u><u>\$ 468,004</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 5,028	\$ 3,208
Accrued payroll and payroll taxes	3,930	4,995
Accrued vacation	7,953	6,087
Current portion of lease liability	<u>33,470</u>	<u>29,792</u>
Total current liabilities	<u>50,381</u>	<u>44,082</u>
Long-term lease liability	<u>11,467</u>	<u>46,736</u>
Total liabilities	<u>61,848</u>	<u>90,818</u>
Net assets:		
With donor restriction	-	-
Without donor restrictions	<u>447,268</u>	<u>377,186</u>
Total net assets	<u>447,268</u>	<u>377,186</u>
Total liabilities and net assets	<u><u>\$ 509,116</u></u>	<u><u>\$ 468,004</u></u>

The accompanying notes to financial statements are an integral part of these statements.

THE CENTER FOR VOLUNTEER CAREGIVING

Statement of Activities

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public support:			
Contributions	\$ 131,676	\$ -	\$131,676
Grants and Contracts:			
Family Caregiver Support Program	116,889	-	116,889
Capital Area Metropolitan Planning Organization	79,793	-	79,793
Searstone	48,000	-	48,000
American Rescue Plan Act	61,294	-	61,294
Town of Cary	26,000	-	26,000
Goodwill	12,500	-	12,500
Duke University	5,000	-	5,000
Enact Foundation	20,000	-	20,000
United Way	1,584	-	1,584
Department of Health and Human Services	10,231	-	10,231
Other Grants	1,750	-	1,750
Total public support	514,717	-	514,717
Revenue:			
Interest Income	13,309	-	13,309
Miscellaneous	4,295	-	4,295
Total revenue	17,604	-	17,604
Net assets released from restriction	-	-	-
Total public support and revenue	532,321	-	532,321
EXPENSES:			
Program services	399,297	-	399,297
Supporting services:			
Management and general	33,259	-	33,259
Fundraising	29,683	-	29,683
Total supporting services	62,942	-	62,942
Total expenses	462,239	-	462,239
Change in net assets	70,082	-	70,082
Net assets at beginning of year	377,186	-	377,186
Net assets at end of year	\$ 447,268	\$ -	\$447,268

The accompanying notes to financial statements are an integral part of these statements.

THE CENTER FOR VOLUNTEER CAREGIVING

Statement of Activities

For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public support:			
Contributions	\$ 66,549	\$ -	\$ 66,549
Grants and Contracts:			
Family Caregiver Support Program--CARES Act	116,891	-	116,891
Capital Area Metropolitan Planning Organization	56,978	-	56,978
GSK Impact Award	50,000	-	50,000
Searstone	40,000	-	40,000
American Rescue Plan Act	32,194	-	32,194
Town of Cary	25,000	-	25,000
Doggett Endowment Fund	20,000	-	20,000
ARCH Innovative and Exemplary Respite Evaluation	10,964	-	10,964
Duke University	10,000	-	10,000
Enact Foundation	10,000	-	10,000
United Way	7,067	-	7,067
Department of Health and Human Services	2,619	-	2,619
Other Grants	1,500	-	1,500
Total public support	449,762	-	449,762
Revenue:			
Interest Income	4,006	-	4,006
Miscellaneous	2,205	-	2,205
Total revenue	6,211	-	6,211
Net assets released from restriction	-	-	-
Total public support and revenue	455,973	-	455,973
EXPENSES:			
Program services	344,604	-	344,604
Supporting services:			
Management and general	38,453	-	38,453
Fundraising	12,800	-	12,800
Total supporting services	51,253	-	51,253
Total expenses	395,857	-	395,857
Change in net assets	60,116	-	60,116
Net assets at beginning of year	317,070	-	317,070
Net assets at end of year	\$ 377,186	\$ -	\$377,186

The accompanying notes to financial statements are an integral part of these statements.

THE CENTER FOR VOLUNTEER CAREGIVING
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Service	Supporting Services			Total Expenses
		Management and General	Fundraising	Total Supporting	
Expenses:					
Salaries	\$ 250,656	\$ 11,140	\$ 16,710	\$ 27,850	\$ 278,506
Employee benefits	31,909	1,418	2,127	3,545	35,454
Payroll processing fees	3,547	158	236	394	3,941
Payroll taxes	19,566	870	1,304	2,174	21,740
Program expense	12,916	-	-	-	12,916
Professional services	5,000	13,932	4,750	18,682	23,682
Insurance	7,503	1,187	500	1,687	9,190
Telephone	3,438	153	229	382	3,820
Auto and travel	11,162	400	-	400	11,562
Technology	5,600	249	373	622	6,222
Rent	7,348	327	490	817	8,165
Education and training	3,920	74	111	185	4,105
Postage and delivery	1,552	69	103	172	1,724
Office supplies	1,838	82	123	205	2,043
Dues and subscriptions	1,156	300	400	700	1,856
Printing	113	5	8	13	126
Miscellaneous	1,828	1,551	203	1,754	3,582
Amortization	28,532	1,268	1,902	3,170	31,702
Interest	1,713	76	114	190	1,903
Total expenses	<u>\$ 399,297</u>	<u>\$ 33,259</u>	<u>\$ 29,683</u>	<u>\$ 62,942</u>	<u>\$ 462,239</u>

The accompanying notes are an integral part of these financial statements

THE CENTER FOR VOLUNTEER CAREGIVING
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Service	Supporting Services			Total Expenses
		Management and General	Fundraising	Total Supporting	
Expenses:					
Salaries	\$ 195,985	\$ 12,543	\$ 8,365	\$ 20,908	\$ 216,893
Employee benefits	25,737	1,647	1,099	2,746	28,483
Payroll processing fees	3,124	200	133	333	3,457
Payroll taxes	16,026	1,026	684	1,710	17,736
Program expense	14,274	-	-	-	14,274
Professional services	27,105	15,200	-	15,200	42,305
Insurance	6,333	1,259	270	1,529	7,862
Telephone	3,454	221	147	368	3,822
Auto and travel	4,098	41	175	216	4,314
Technology	3,797	243	162	405	4,202
Rent	3,375	216	144	360	3,735
Education and training	3,143	83	55	138	3,281
Postage and delivery	2,199	141	94	235	2,434
Office supplies	3,884	249	166	415	4,299
Dues and subscriptions	-	1,667	-	1,667	1,667
Printing	244	16	10	26	270
Miscellaneous	1,461	1,757	-	1,757	3,218
Depreciation	-	-	-	-	-
Amortization	27,758	1,777	1,185	2,962	30,720
Interest	2,607	167	111	278	2,885
Total expenses	<u>\$ 344,604</u>	<u>\$ 38,453</u>	<u>\$ 12,800</u>	<u>\$ 51,253</u>	<u>\$ 395,857</u>

The accompanying notes are an integral part of these financial statements

THE CENTER FOR VOLUNTEER CAREGIVING

Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 70,082	\$ 60,116
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Amortization of the right of use asset	31,702	30,720
Changes in assets and liabilities that provided (used) cash:		
Grants receivable	(13,563)	23,300
Accounts receivable	1,143	(1,203)
Bequest receivable	(25,000)	-
Prepaid expenses	4,508	(922)
Accounts payable	1,820	1,899
Accrued payroll and payroll taxes	(1,065)	(5,555)
Accrued vacation	1,866	(980)
Net cash provided (used) by operating activities	<u>71,493</u>	<u>107,375</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of certificates of deposit	(59,593)	(152,522)
Right of use assets obtained through leases	-	(106,321)
Net cash provided (used) by investing activities	<u>(59,593)</u>	<u>(258,843)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of principal portion of lease liability	(31,591)	(29,793)
Obligations incurred on operating lease liability	-	106,321
Net cash provided (used) by financing activities	<u>(31,591)</u>	<u>76,528</u>
Net increase (decrease) in cash and cash equivalents	(19,691)	(74,940)
Cash and cash equivalents, beginning of year	191,507	266,447
Cash and cash equivalents, end of year	<u>\$ 171,816</u>	<u>\$ 191,507</u>

The accompanying notes are an integral part of these financial statements

THE CENTER FOR VOLUNTEER CAREGIVING
Notes to Financial Statements
June 30, 2024 and 2023

1. NATURE OF THE ORGANIZATION

Nature of the Organization

The Center for Volunteer Caregiving (the “Organization”) was incorporated on June 15, 1992. The Organization’s mission is to provide volunteer support to elderly and disabled adults of Wake County, North Carolina to help maintain independence, dignity, and quality of life. The Organization recruits, trains, and support volunteers from the faith community and the community at large and matches them with elderly or disabled adults who need assistance. Services are offered at no cost and include transportation to medical appointments or basic needs shopping, visiting, telephone reassurance calls, light help around the house, grocery shopping services, and family caregiver respite visits. The Organization is supported through donor contributions and grants from state and local agencies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses recognized when incurred. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization has adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without restrictions” and “net assets with restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and charges therein, are classified and reported as follows:

Net assets without restrictions – Consists of amounts that are available for use in carrying out the supporting activities of the Organization and not subject to donor-imposed stipulations. Net assets without restrictions totaled \$447,268 and \$377,186 as of June 30, 2024 and 2023, respectively.

Net assets with restrictions – Net assets that are contributions subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the actions of the Organization and/or the passage of time. As of June 30, 2024 and 2023, the Organization has no net assets with restrictions.

THE CENTER FOR VOLUNTEER CAREGIVING
Notes to Financial Statements
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers cash in the bank, all cash held on hand, and highly liquid investments to be cash and cash equivalents with an original maturity date of three months or less.

Certificates of Deposit

The Organization's investments in certificates of deposit, with original maturities greater than three months, are valued at cost. These investments do not qualify as securities as defined in FASB ASC 320, *Investments – Debt and Equity Securities*, thus fair value disclosures required by ASC 820, *Fair Value Measurements and Disclosures*, for the certificates of deposit are not provided. Certificates of deposit with values totaling \$212,115 and \$152,522 were held by the Organization at June 30, 2024 and 2023, respectively. These certificates have remaining terms of 4 to 9 months and interest rates of 5.42% and 5.21%.

Bequest Receivable

Bequests receivable are recorded at estimated fair value in the period in which the gift becomes irrevocable and the amount to be received is known or an estimate has been provided by the executor of the estate.

Bequests receivable are recorded as net assets with donor restrictions until such time as the funds are received and are utilized in accordance with the donor's wishes, if stated in the donor's will.

Property and Equipment

Property and equipment are recorded at cost if purchased and fair market value if donated. It is the Organization's policy to capitalize expenditures for these items with a cost or fair market value in excess of \$1,500. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Donated Items and Services (Gifts in Kind)

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* effective for the year ended June 30, 2023. Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Organization reports the donations as support without restriction, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

THE CENTER FOR VOLUNTEER CAREGIVING
Notes to Financial Statements
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Items and Services (Gifts in Kind) (Continued)

Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services, the value of which is not recorded in the accompanying financial statements.

Contributions and Grants

Contributions and grants received are recorded as support with or without restrictions depending on the existence and/or nature of any donor/grantor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due more than one year in the future are reported at the present value of their net realizable value using a risk adjusted discount rate. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Restrictions that are met in the same period as receipt are reported as support without restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with restrictions, depending on the nature of the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Organization providing those services.

Program services – Comprise activities that contribute to the Organization's mission and consist of the following three categories:

- 1) Caregiver support – Makes sure caregivers know they are not alone, and that help is available. Help comes from respite volunteers and from learning about resources in the community. Volunteers provide companionship to care receivers who should not be left alone so caregivers can get needed time off.
- 2) In-home connections – Volunteers visit seniors and adults with disabilities in their home and on the phone, offering support and friendship. They make the difference in staying independent and connected to the community.
- 3) Transportation – Volunteers help to provide rides to doctor appointments or for essential errands.

Supporting services – Includes activities such as management and general services required to ensure an adequate working environment, provide administrative support and manage the Organization's financial and budgetary functions. Fundraising expenses are the cost of the Organization to solicit and obtain contributions and funding.

THE CENTER FOR VOLUNTEER CAREGIVING
Notes to Financial Statements
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(a) or the Internal Revenue Code and is classified under Section 501(c)(3) as a public charity. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions provided in Section 170(b)(1)(A)(vi). The Organization files information returns in the U.S. federal jurisdiction. The Organization is not aware of any unrelated business income for the years ended June 30, 2024 and 2023.

The Organization evaluates any uncertain tax positions. Accordingly, the Organization's policy is to record a liability for any tax position taken that is beneficial to the Organization, including any related interest and penalties, when it is more likely than not the position of management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2024 and 2023.

The Organization files its Form 990 series tax returns in the U.S. Federal jurisdiction. The returns are subject to examination by the Internal Revenue Service for a period of three years after the respective filing deadlines.

Advertising Expense

Advertising costs are expensed when incurred and are insignificant for the years ended June 30, 2024 and 2023.

3. CONCENTRATION OF CREDIT RISK

The Organization occasionally maintains deposits in excess of federally insured limits. The Organization maintains its cash balances in reputable financial institutions in the United States of American and accounts at each institution are insured by the Federal Deposit Insurance Corporations up to \$250,000 at each financial institution. At June 30, 2024 and 2023, the Organization's cash deposits were fully insured.

The Organization receives a major portion of its support and revenue from local government grants and local contributions. A reduction in the level of this support could possibly have a significant effect on the Organization's programs and activities. At June 30, 2024 and 2023, approximately 48% and 49%, respectively, of total revenues, was received from three grants.

4. GRANTS RECEIVABLE

Grants receivable consists of the following at June 30, 2024 and 2023:

	2024	2023
Family Caregiver Support Program	\$ 25,184	\$ 14,097
Capital Area Metropolitan Planning Organization	17,033	13,419
American Rescue Plan Act	10,306	11,013
Department of Health and Human Services	-	431
	<u>\$ 52,523</u>	<u>\$ 38,960</u>

THE CENTER FOR VOLUNTEER CAREGIVING
Notes to Financial Statements
June 30, 2024 and 2023

5. BEQUEST RECEIVABLE

During the year ended June 30, 2024, the Organization was named a beneficiary of an estate and received a bequest for ten percent of the estate's underlying assets which included cash and a home. The Organization recorded support and a bequest receivable of \$25,000 in fiscal year 2024 based on the estimated fair value of the cash and sale of property. The bequest receivable is expected to be received during fiscal year 2025 once the property is sold and the estate is closed.

6. LEASE COMMITMENTS

Under ASC 842, if a contract provides the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

Lease liabilities are initially and subsequently recognized based on the present value of their future lease payments. ROU assets for operating leases are subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of the lease incentives received, and any impairment recognized.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

During the years ended June 30, 2024 and 2023, the Organization is a lessee in an agreement with TKAB Investments, LLC for an office space in Cary, North Carolina. The lease began on September 19, 2012 and has been amended three times to extend the term of the lease. The most recent lease amendment went into effect on October 1, 2020 and extended the lease until September 2025. For the years ended June 30, 2024 and 2023, the Organization was required to pay monthly rent of \$2,740 from July to September and \$2,808 from October to June, escalating each year after that.

The lease liability is measured at a discount rate of 3.25%, based on the short-term lending rate as of the start of the most recent amendment. As a result of the lease, the Organization has recorded a right to use asset with an original value of \$106,320 and a net book value of \$43,899 and \$75,601 as of June 30, 2024 and 2023, respectively.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024 were as follows:

Year Ending	Principal	Interest	Total
2024	\$ 33,470	\$ 861	\$ 34,331
2025	11,467	46	11,513
Total	<u>\$ 44,937</u>	<u>\$ 907</u>	<u>\$ 45,844</u>

THE CENTER FOR VOLUNTEER CAREGIVING
Notes to Financial Statements
June 30, 2024 and 2023

7. RETIREMENT PLAN

The Organization provides a 401(k) plan for all full-time employees who are at least 21 and have given one month of service to the Organization. The plan began on September 1, 2022. The employer makes flexible discretionary matches to the plan for eligible employees with one full year of service as determined by the Organization. The Organization contributed \$7,411 and \$4,889 to the 401(k) plan for the years ended June 30, 2024 and 2023, respectively.

8. LIQUIDITY AND AVAILABILITY OF FUNDS

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

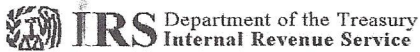
	2024	2023
Cash	\$ 171,816	\$ 191,507
Certificates of deposit	212,115	152,522
Grants receivable	52,523	38,960
Accounts receivable	304	1,447
Less: accounts payable	(5,028)	(3,208)
Less: accrued payroll	(3,930)	(4,995)
Total financial assets available to meet general expenditures and liabilities within the next 12 months	<u>\$ 427,800</u>	<u>\$ 376,233</u>

At June 30, 2024 and 2023, all net assets without restrictions are available to meet cash needs for general expenditures of the Organization with one year.

9. SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through August 23, 2024, which is the date the financial statements were available to be issued.

During July 2024, the property included in the estate for which the Center for Volunteer Caregiving receives 10% was sold. The Organization received a check for \$28,000 and deposited into their bank account on July 25, 2024. The Organization may receive a small additional amount once the tax returns for the estate are filed.



Department of the Treasury
Internal Revenue Service
P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248145604
June 21, 2013 LTR 4168C 0
58-2067482 000000 00
00027435
BODC: TE

THE CENTER FOR VOLUNTEER CAREGIVING
1150 SE MAYNARD ROAD
CARY NC 27511



019455

Employer Identification Number: 58-2067482
Person to Contact: MR. CORDELL
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your June 11, 2013, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in December, 1993.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

0248145604
June 21, 2013 LTR 4168C 0
58-2067482 000000 00
00027436

THE CENTER FOR VOLUNTEER CAREGIVING
1150 SE MAYNARD ROAD
CARY NC 27511

If you have any questions, please call us at the telephone number
shown in the heading of this letter.

Sincerely yours,

Richard McKee

Richard McKee, Department Manager
Accounts Management Operations

Internal Revenue Service

Department of the Treasury

**P. O. Box 2508
Cincinnati, OH 45201**

Date: May 3, 2000

The Center for Volunteer Caregiving
975 Walnut Street, Suite 311
Cary, NC 27511-4216

Person to Contact:
Shirley Rudolph 31-03949
Customer Service Representative
Toll Free Telephone Number:
8:00 a.m. to 9:30 p.m. EST
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
58-2067482

Dear Sir or Madam:

This letter is in response to your request for a name change for your organization. We have updated our records to reflect that change. The name changed from Wake Interfaith Volunteer Caregivers to The Center for Volunteer Caregiving.

Our records indicate that a determination letter issued in December 1993, granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) & 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

The Center for Volunteer Caregiving
58-2067482

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

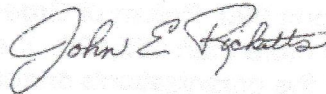
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



John E. Ricketts
Director, TE/GE CAS



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Christian Community in Action DBA Western Wake Crisis Ministry

Mailing address: 1600 Olive Chapel Rd #408, Apex NC 27502

Current Presiding Officer: Dr. Atoya Hodges Executive Director

Mailing address: 1600 Olive Chapel Rd #408, Apex NC 27502

Telephone: 919-362-0657

Fax: _____

E-Mail: atoya.hodges@wwcm.org

(Check one)

Legal Status: ☒ Private non-profit corporation

☐ Unincorporated civic group

☐ Other (Please describe below)

Date Organization Formed or Chartered: 1971

Agency 501 C-3 Number: _____

Or, Federal Tax ID Number: 56-0953873

Amount and Type of Town funds requested: \$ 2500.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☒ Operating Costs

☐ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. (Please limit your response using only the space provided below)

Western Wake Crisis Ministry (WWCM) is dedicated to fostering a healthy, hunger-free, and housing-stable community by providing essential financial assistance and food support to residents in crisis. We are applying for funding from the Town of Holly Springs Local Civic Organization Grant Program to expand our capacity to serve Holly Springs residents facing financial hardship and food insecurity.

In 2024, WWCM provided \$372,726.65 in financial aid, with 22.6% of these funds directly assisting Holly Springs residents in maintaining stable housing and utility services. Additionally, our food pantry serves an average of 75 or more Holly Springs households monthly, ensuring families have access to nutritious food during difficult times. Despite these efforts, the demand for assistance continues to rise as the cost of living increases. With funding from this grant, WWCM will enhance its ability to provide emergency financial assistance for rent and utilities, preventing evictions and utility disconnections for low-income households. It will also support the expansion of our food assistance program, ensuring that families, seniors, and individuals in need can access healthy, fresh, and non-perishable food items. These services are critical in helping Holly Springs residents navigate financial challenges, stabilize their lives, and work toward long-term self-sufficiency.

WWCM operates with a holistic approach, offering not only direct assistance but also compassionate conversations, coaching, and resource connections to empower individuals beyond immediate relief. This grant will enable us to strengthen our impact, ensuring that every Holly Springs resident facing hardship has access to the support they need to thrive.

We appreciate the opportunity to partner with the Town of Holly Springs in serving our community and look forward to continuing to provide vital resources to those in need.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

With the requested funds, we aim to prevent evictions and utility disconnections by increasing financial assistance for rent and utilities. Additionally, we will expand food access to ensure families, seniors, and individuals receive nutritious meals. These efforts align with WWCM's mission to create a hunger-free, housing-stable community while fostering long-term financial stability for residents.

By investing in this program, the Town of Holly Springs will directly support its most vulnerable residents, reducing homelessness, strengthening family stability, and promoting a healthier, more resilient community.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

If funding is reduced or not provided, Western Wake Crisis Ministry (WWCM) will face challenges in meeting the growing needs of Holly Springs residents. Without these funds, we may have to limit the amount of emergency financial assistance available, increasing the risk of evictions and utility disconnections for families already struggling to make ends meet. Additionally, we may be unable to provide sufficient food support, leaving many households without reliable access to nutritious meals.

A reduction in funding would directly impact our ability to serve the 75+ Holly Springs households we currently assist each month, forcing difficult decisions about resource allocation. This would not only place a heavier burden on struggling residents but also strain other local support systems.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☐ Town of Holly Springs	\$ 3500	Amount	.005	% of Annual Budget
☐ United Way	\$ 1923.79	Amount	.003	% of Annual Budget
☐ Wake County	\$ 20000	Amount	3	% of Annual Budget
☐ Foundations	\$ 14759.79	Amount	2	% of Annual Budget
☐ Federal	\$	Amount		% of Annual Budget
☐ Grants	\$ 144007.31	Amount	20	% of Annual Budget
☐ State of N.C.	\$	Amount		% of Annual Budget
☐ Other Private Funding	\$	Amount		% of Annual Budget
☐ Fundraisers	\$ 525246.93	Amount	74	% of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

Last year, Western Wake Crisis Ministry (WWCM) received funding from the Town of Holly Springs, which was used to provide direct financial assistance and food support to Holly Springs residents in need. Specifically, these funds helped prevent evictions and utility disconnections by covering rent and utility payments for families facing financial hardship. Additionally, the funding supported our food pantry, ensuring that 75+ Holly Springs households per month had access to nutritious meals.

With the Town's support, we were able to serve more residents, stabilize households, and reduce the risk of homelessness. Every dollar received was directly allocated to critical services that aligned with our mission to create a hunger-free, housing-stable community. We appreciate the Town of Holly Springs' investment in its residents and look forward to continuing this partnership to support those in crisis.

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. **CERTIFICATION**

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.


Signature of Executive or Applicant

2/27/25
Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

- ☐ **Completed application**
- ☐ **Attachment 1** - Copy of current year budget, if applying for more than \$500
- ☐ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)
- ☐ **Attachment 3** - Excel spreadsheet financial statement for your organization.

Christian Community in Action
Combined Dorcas & Western Wake Crisis Ministries

2025 Budget Development
COMBINED SUMMARY

	Western Wake	Dorcas Ministries	Combined
	2025	2025	2025
	First Half Budget	First Half Proposed	First Half Proposed
Receipts			
Dorcas Shop Revenue		\$ 2,179,922	\$ 2,179,922
Client Services Donations and Grants	\$ 360,298	379,750	740,049
Capital Facilities Donations & Grants		-	-
Other Gifts (inc. UCAP)	10,000	75,000	85,000
Total Philanthropy	370,298	454,750	825,049
Interest & Dividends	18,750	22,997	41,747
Oasis Reimbursement		12,500	12,500
Gift Cards (net change)		(1,000)	(1,000)
Dorcas Plaza	-	288,363	288,363
Total Financial Receipts	\$ 389,048	\$ 2,957,532	\$ 3,346,580
Donations In Kind			
Food	387,117		387,117
Facilities	28,587		28,587
Other Goods	937		937
Professional Services	-		-
Total Donations In-Kind	416,641		416,641
Total Receipts	\$ 805,689	\$ 2,957,532	\$ 3,763,221
Expenditures			
Client Services (incl. direct expenses)	\$ 370,666	\$ 1,358,029	\$ 1,728,695
Dorcas Shop Expenses		1,022,613	1,022,613
Philanthropy	-	91,945	91,945
Marketing	1,900	62,305	64,205
Volunteerism	2,250	39,929	42,179
Administration	13,518	526,584	540,102
IT Infrastructure		48,329	48,329
Facility Projects		27,000	27,000
Dorcas Plaza	-	155,942	155,942
Total Financial Expenditures	\$ 388,333	\$ 3,332,676	\$ 3,721,010
Client Support-Donated Food	380,763		380,763
Occupancy-Donated Rent	28,587		28,587
Total Expenditures	\$ 797,683	\$ 3,332,676	\$ 4,130,360
Net Change (inc. in-kind)	\$ 8,006	\$ (375,144)	\$ (367,138)

J.D. COX & ASSOCIATES COMPANY, INC.

*Tel (919) 753-7713
jim1950cox@gmail.com*

*P.O. Box 492
Fuquay Varina, NC 27526*

October 5, 2024

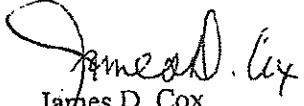
To the Board of Directors
Christian Community in Action, Inc.
and its Wholly Owned Affiliate,
CCA Cary Plaza, LLC
Cary, NC 27511

Ladies and Gentlemen:

I have audited the accompanying statement of financial position of Christian Community in Action, Inc. and its Wholly Owned Affiliate, CCA Cary Plaza, LLC, as of December 31, 2023, and the related statement of activities and statement of cash flow for the ended, in accordance with standards established by the American Institute of Certified Public Accountants. These financial statements are the responsibility of management. My responsibility is to express an opinion on these financial statements based upon my audit.

I conducted my audit in accordance with generally accepted accounting standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Community in Action, Inc., and its Wholly Owned Affiliate, CCA Cary Plaza, LLC, at December 31, 2023, and the results of its operations, changes in net assets and changes in its cash flows for the year then ended, in conformity with generally accepted accounting principles.


James D. Cox
Fuquay Varina, North Carolina

*Christian Community in Action, Inc.
and its Wholly Owned Affiliate, CCA Cary Plaza, LLC*

Statements of Financial Position

December 31, 2023 and 2022

December 31,	Christian Community in Action, Inc - 2023	CCA Cary Plaza, LLC - 2023	Consolidated - 2023	Consolidated - 2022
Assets				
Current Assets	\$ 2,351,783	\$ 657,428	\$ 3,009,211	\$ 3,677,703
Cash	74,464	1,702	76,166	75,942
Accounts Receivable	16,236	6,928	23,164	13,527
Prepaid Insurance	2,442,483	666,058	3,108,541	3,767,172
Total Current Assets				
Fixed Assets	-	2,241,726	2,241,726	2,241,726
Buildings	563,734	459,554	1,023,288	602,474
Equipment	368,931		368,931	259,273
Furniture	366,976	1,640,000	2,006,976	2,006,976
Land	79,562		79,562	79,562
Truck and Van	-	520,377	520,377	426,535
Tenant Upfit	2,445,288	640,759	3,086,047	2,908,707
Leasehold Improvements	3,824,491	5,502,416	9,326,907	8,525,253
Total Fixed Assets	(1,890,410)	(2,100,580)	(3,990,990)	(3,208,710)
Less: Accumulated Depreciation	1,934,081	3,401,836	5,335,917	5,316,543
Fixed Assets, Net	31,095		31,095	15,098
Investments				
TOTAL ASSETS	\$ 4,407,659	\$ 4,067,894	\$ 8,475,553	\$ 9,098,813
Liabilities and Net Assets				
Current Liabilities	\$ 35,565	\$ 7,238	\$ 42,803	\$ 24,895
Accounts Payable	41,220	27,743	68,963	73,441
Other Payable including Taxes	76,785	34,981	111,766	98,336
Total Current Liabilities				
Long Term Liabilities				
Net Assets	4,238,087	4,032,913	8,271,000	8,927,275
Without Donor Restrictions	92,787		92,787	73,202
With Donor Restrictions	4,330,874	4,032,913	8,363,787	9,000,477
Total Net Assets				
TOTAL LIABILITIES AND NET ASSETS	\$ 4,407,659	\$ 4,067,894	\$ 8,475,553	\$ 9,098,813

See accompanying notes to financial statements.

*Christian Community in Action, Inc.
and its Wholly Owned Affiliate, CCA Cary Plaza, LLC*

Statements of Activities and Changes in Net Assets

Year ended December 31, 2023 (With summarized information for year ended December 31, 2022)

	2023				2022	
	Without Donor Restrictions	With Donor Restrictions	Christian Community in Action, Inc.- Total 2023	CCA Cary Plaza, LLC 2023	Consolidated- 2023	Consolidated - 2022
REVENUE:						
Public Support					\$ 3,820,279	\$ 3,107,241
Dorcas Shop Sales and Other Income	\$ 3,800,767	\$ 19,512	\$ 3,820,279		-	-
Refunds and reimbursements	-	-	-		-	-
Capital Campaign Donations			807,644		807,644	949,746
Donations and grants	807,644					
Total Public Support	4,608,411	19,512	4,627,923	-	4,627,923	4,056,987
Investment Income						
Rental Income	523		523	538,252	538,775	519,148
Interest Income	36,703	73	36,776	13,418	50,194	6,111
Other Investment Income	1,277		1,277		1,277	1,251
Total Investment Income	38,503	73	38,576	551,670	590,246	526,510
Net Assets Released From Restrictions						
Satisfaction of program restrictions			-		-	-
Expiration of time restrictions			-		-	-
Total Assets Released	-	-	-	-	-	-
TOTAL REVENUE:	\$ 4,646,914	\$ 19,585	\$ 4,666,498	\$ 551,670	\$ 5,218,169	\$ 4,583,497
EXPENSES:						
Program Services	2,945,288		2,945,288		2,945,288	2,557,090
General and administrative	232,208		232,208		232,208	180,487
Donated Services				658,988	658,988	350,118
Investment					106,485	68,407
Fundraising	106,485		106,485			
Grants	1,910,997		1,910,997		1,910,997	1,487,304
TOTAL EXPENSES:	5,194,978	-	5,194,978	658,988	5,853,966	4,643,406
Change in nets Assets	(548,064)	19,585	(528,480)	(107,318)	(635,797)	(59,909)
Transfer of Assets to Subsidiary					(893)	(94,975)
Prior Period Adjustment	(893)		(893)		(893)	(2)
Net Assets, beginning of year	4,787,044	73,202	4,860,246	4,140,231	9,000,477	9,155,363
Net Assets, end of year	\$ 4,238,087	\$ 92,787	\$ 4,330,874	\$ 4,032,913	\$ 8,362,894	\$ 9,000,477

See accompanying notes to financial statements.

***Christian Community in Action, Inc.
and its Wholly Owned Affiliate, CCA Cary Plaza, LLC***

Statements of Functional Expenses

Year ended December 31, 2023 (With summarized information for year ended December 31, 2022)

	PROGRAM SERVICES				SUPPORTING SERVICES				CCA Cary Plaza, LLC	
	Outreach: Crisis Ministry		Outreach: Margaret Keller Assistance		General & Admin		Fundraising		2023	2022
	Ministry				Total	Total	Total	Total	Total	Total
Salaries		\$	1,824,717	\$	1,824,717	\$	103,817	\$	1,928,534	\$ 1,589,894
Rent			212,035		212,035		-		212,035	246,227
Depreciation			244,392		244,392		-		244,392	267,834
Insurance			86,707		86,707		17,809		104,516	102,187
Telephone			78,306		78,306		1,731		80,037	57,759
Professional fees			41,848		41,848		9,491		51,339	15,614
Utilities			30,039		30,039		6,153		36,192	45,801
Payroll and other taxes			135,975		135,975		9,234		145,209	119,798
Supplies			49,624		49,624		4,604		54,228	49,957
Repair and Maintenance			177,088		177,088		-		177,088	135,294
Interest expense			-		-		-		-	-
Property taxes			-		-		-		-	-
Property management			-		-		-		-	-
Business expenses			54,057		54,057		68,794		122,851	87,778
Promotion and Advertising			-		-		12,696		12,696	2,203
Assistance related expenses	1,910,997		-		1,910,997		-		1,910,997	1,487,304
Fundraising expenses			-		-		92,058		92,058	64,955
Travel			-		-		7,250		7,250	2,130
Office Expenses			-		-		5,056		5,056	3,106
Other expenses			10,500		10,500		-		10,500	15,447
Total expenses	\$ 1,910,997	\$	2,945,288	\$	4,856,285	\$	232,208	\$	5,194,978	\$ 4,293,288
										\$ 658,988
										\$ 350,118

See accompanying notes to financial statements.

Christian Community in Action, Inc.
and its Wholly Owned Affiliate, CCA Cary Plaza, LLC

Statements of Cash Flows

December 31, 2023

December 31,	Christian Community in Action, Inc - 2023	CCA Cary Plaza, LLC - 2023	Consolidated - 2023
Cash flow from operating activities:			
Change in net assets	(545,150)	(107,318)	(652,469)
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation	244,392	537,888	782,280
Changes in operating assets and liabilities:			
Accounts receivable	1,478	(1,702)	(224)
Prepaid insurance	(10,289)	652	(9,637)
Accounts payable	15,446	2,462	17,908
Other payables, including taxes	(7,529)	3,051	(4,478)
Net cash flow from operating activities:	(301,652)	435,033	133,380
Cash flow from investing activities:			
Change in stock investments	(219)		(219)
Change in fixed assets	(251,299)	(550,355)	(801,654)
Net cash flow from investing activities:	(251,518)	(550,355)	(801,873)
Cash flow from financing activities:			
Change in long term liabilities		-	-
Net cash flow from financing activities:		-	-
Net (decrease) in cash	(553,170)	(115,322)	(668,492)
Cash and equivalents, beginning of year	2,904,953	772,750	3,677,703
Cash and equivalents, end of year	\$ 2,351,783	\$ 657,428	\$ 3,009,211

See accompanying notes to financial statements.

Western Wake Crisis Ministry

Budget Overview: Budget_FY25_P&L - FY25 P&L

July 2024 - June 2025

	Total
Revenue	
6100 In Kind Contribution	0.00
6101 Food Donations	830,000.00
6102 Gifts in Kind-Goods	19,500.00
6103 Facility Donations	57,035.35
6104 Professional Fees Donations	1,000.00
Total 6100 In Kind Contribution	\$ 907,535.35
6200 Grants	0.00
6201 Foundation, Corp, Private Grants	6,000.00
6202 Government Grants	79,500.00
Total 6200 Grants	\$ 85,500.00
6300 Contributions	0.00
6301 Civic Group/Club	31,746.75
6302 Church/Faith Community	114,288.29
6303 Corporate Contributions	78,731.94
6307 Indirect Support	16,508.31
6308 Individual	361,912.93
6309 Contributions-Stock/Securities	16,500.00
Total 6300 Contributions	\$ 619,688.22
6400 Investments & Other	0.00
6401 Interest Income	37,500.00
Total 6400 Investments & Other	\$ 37,500.00
6700 UCAP	20,000.00
Total Revenue	\$ 1,670,223.57
Gross Profit	\$ 1,670,223.57
Expenditures	
8100 Client Assistance	0.00
8101 Client Assistance-Bagged Food	830,000.00
8102 Client Assistance - Mobile Pantry	5,960.00
8103 Food Purchases	14,000.00
8105 Client Assistance-Prescriptions	1,000.00
8106 Client Assistance-Housing Assistance	162,500.00
8107 Client Assistance-Utilities	162,500.00
8108 Client Assistance-Other	1,000.00
8109 Client Assist-Transportation	2,500.00
Total 8100 Client Assistance	\$ 1,179,460.00
8200 Business Expenses	0.00
8202 Business Registration Fees	200.00
Total 8200 Business Expenses	\$ 200.00

8300 Contract Services	0.00
8301 Accounting Fees	10,500.00
8302 Contract Services	80,060.00
8303 Legal Fees	200.00
8304 Tech Support	1,200.00
8305 Fundraising	11,500.00
Total 8300 Contract Services	\$ 103,460.00
8400 Facilities and Equipment	0.00
8402 Equip Rental and Maintenance	2,000.00
8404 Janitorial Services	4,440.00
8406 Pest Control	500.00
8407 WWCM-Rent	78,454.23
8408 WWCM-Utilities	9,500.00
8409 Waste Disposal	1,500.00
8410 WWCM-Security	3,914.22
Total 8400 Facilities and Equipment	\$ 100,308.45
8500 Operations	0.00
8501 Advertising Expenses	1,800.00
8502 Bank/Credit card charges	6,000.00
8503 Subscription Services	5,650.00
8504 Insurance-Liability D & O, W/C,	5,500.00
8507 Marketing & Promotions	2,000.00
8508 Meeting/Event Expense	13,000.00
8509 Memberships	1,000.00
8510 Postage, Mailing Service	2,000.00
8511 Printing and Copying	8,000.00
8512 Volunteer Development	4,500.00
8513 Supplies	4,500.00
8514 Telephone, Telecommunication	4,500.00
8515 Event Prizes	7,000.00
8518 Board Development	1,500.00
8519 Staff Development	1,500.00
Total 8500 Operations	\$ 68,450.00
8600 Payroll Expenses	0.00
8601 Staff Salaries	186,007.59
8602 Payroll Taxes-Employer	17,727.30
8603 Employee Benefits	7,530.00
8604 SIMPLE Employer Match	5,580.23
Total 8600 Payroll Expenses	\$ 216,845.12
8700 Travel and Meetings	0.00
8702 Travel	1,500.00
Total 8700 Travel and Meetings	\$ 1,500.00
Total Expenditures	\$ 1,670,223.57
Net Operating Revenue	\$ 0.00
Net Revenue	\$ 0.00



NORTH CAROLINA

Department of the Secretary of State

To all whom these presents shall come, Greetings:

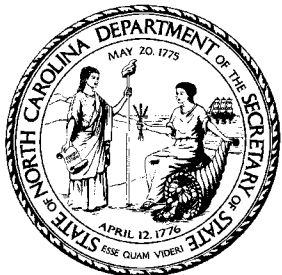
I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF MERGER

OF

CHRISTIAN COMMUNITY IN ACTION, INC.

the original of which was filed in this office on the 17th day of December, 2024.



Scan to verify online.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 17th day of December, 2024.

Elaine F. Marshall

Secretary of State

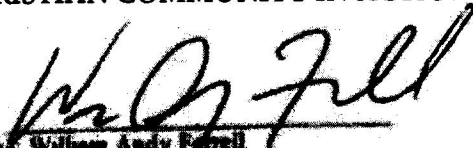
**ARTICLES OF MERGER
OF
WESTERN WAKE CRISIS MINISTRY, INC.
(a North Carolina nonprofit corporation)
WITH AND INTO
CHRISTIAN COMMUNITY IN ACTION, INC.
D/B/A DORCAS MINISTRIES
(a North Carolina nonprofit corporation)**

Pursuant to North Carolina General Statutes Sections 55-11-05(a), 55-11-12, 55A-11-09(d), 55A-11-04, 57D-9-42, 59-73.32(a) and 59-1072(a), as applicable, the undersigned entity does hereby submit the following Articles of Merger as the surviving business entity in a merger between two or more business entities.

1. The name of the surviving entity is CHRISTIAN COMMUNITY IN ACTION, INC.
2. The address of the surviving entity is 187 HIGH HOUSE ROAD, CARY, NC 27511.
3. The name of the merged entity is WESTERN WAKE CRISIS MINISTRY, INC.
4. The address of the merged entity is 1600 OLIVE CHAPEL ROAD, SUITE 408, APEX, NC 27502.
6. There are no amendments to the Articles of Incorporation.
6. A Plan of Merger attached as Exhibit A has been duly approved in the manner required by law by each of the business entities participating in the merger.
7. WESTERN WAKE CRISIS MINISTRY, INC., the merging entity, certifies that its participation in the merger was duly authorized as required by the law of North Carolina.
8. These Articles of Merger will become effective as of 12:00:00 a.m., Eastern Standard Time, on January 1, 2025.

This the 16th day of December, 2024.

CHRISTIAN COMMUNITY IN ACTION, INC.

By: 

Name: William Andy Farrell

Title: Chairman of the Board of Directors

WESTERN WAKECROSS MINISTRY, INC.

By: 

Name: Thomas Corbin, Jr.

Title: President of the Board of Directors

Exhibit A
PLAN OF MERGER
OF
WESTERN WAKE CRISIS MINISTRY, INC.
(a North Carolina nonprofit corporation)
WITH AND INTO
CHRISTIAN COMMUNITY IN ACTION, INC.
D/B/A DORCAS MINISTRIES
(a North Carolina nonprofit corporation)

- A. Parties to the Merger. **WESTERN WAKE CRISIS MINISTRY, INC.** (the “**Merging Company**”), will merge with and into **CHRISTIAN COMMUNITY IN ACTION, INC.**, a North Carolina nonprofit corporation (the “**Surviving Company**”).
- B. Merger. Subject to the provisions of this Plan of Merger, the Merging Company shall be merged with and into the Surviving Company (the “**Merger**”). The Merger of the Merging Company into the Surviving Company will be effected pursuant to the terms and conditions in this Plan of Merger. The Merger will have the effects set forth in Section 55A-11-05 of the North Carolina Nonprofit Corporation Act (the “**Act**”) such that upon the Merger becoming effective, the corporate existence of the Merging Company will cease, the corporate existence of the Surviving Company will continue, title to all property of the Merging Company will vest in the Surviving Company, and the Surviving Company will succeed and assume all of the liabilities and obligations of the Merging Company.
- C. Effects of Merger. The Merger will have the effects set forth in Section 55A-11-05 of the North Carolina Nonprofit Corporation Act, such that upon the Merger becoming effective, the corporate existence of the Surviving Company will continue, title to all property of the Merging Company will vest in the Surviving Company, and the Surviving Company will succeed to and assume all of the liabilities and obligations of the Merging Company.
- D. Articles of Incorporation and Bylaws. The articles of incorporation and the bylaws of the Surviving Company are not amended by this Plan of Merger. The articles of incorporation of the Surviving Company in effect immediately prior to the Effective Time (as defined below) shall be the articles of incorporation of the Surviving Company until further amended in accordance with the Act and such articles of incorporation. The bylaws of the Surviving Company in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Company until further amended in accordance with the Act, the articles of incorporation of the Surviving Company, and such bylaws.
- E. No Members. Neither the Merging Company nor the Surviving Company have members, and after the merger, the Surviving Company will not have members.

- F. Effective Time. The Merger shall become effective on the date noted on the Articles of Merger to be filed with the North Carolina Secretary of State (the “**Effective Time**”).
- G. Further Assurances. If at any time after the Effective Time, the Surviving Company considers or is advised that any further deeds, assignments, assurances or any other acts are necessary, desirable or proper to vest, perfect or confirm, of record or otherwise, in the Surviving Company, the title to any property or right of the Merging Company acquired or to be acquired by reason, or as a result, of the Merger, the Merging Company agrees that the Surviving Company and its officers, Board of Directors and/or its attorney-in-fact are authorized to execute and deliver all such deeds, assignments and assurances and do all acts necessary, desirable or proper to vest, perfect or confirm title to such property or right in the Surviving Company, and the officers, Board of Directors and/or the attorney-in-fact of the Surviving Company are fully authorized in the name of the Merging Company or otherwise to take any and all such action.



SHARPE
PATELCPA

Western Wake Crisis Ministry, Inc.

FINANCIAL STATEMENTS

Year Ended June 30, 2023

WESTERN WAKE CRISIS MINISTRY, INC.
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Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Western Wake Crisis Ministry, Inc.
Apex, North Carolina

Opinion

We have audited the accompanying financial statements of Western Wake Crisis Ministry, Inc., a nonprofit organization (The Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Western Wake Crisis Ministry, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Western Wake Crisis Ministry, Inc. 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 raise substantial doubt about Western Wake Crisis Ministry, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards will always detect a 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain 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 Western Wake Crisis Ministry, Inc.'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 Western Wake Crisis Ministry, Inc.'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.

Sharpe Patel PLLC

Raleigh, North Carolina
April 1, 2024

WESTERN WAKE CRISIS MINISTRY, INC.
Statement of Financial Position
June 30, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$ 358,149
Investments	723,787
Prepaid expenses	-
Food inventory	48,713
Other current assets	16,401
Total current assets	<u>1,147,050</u>

Non-current assets:

Property and equipment, net	59,339
Right of use lease asset, net of amortization	134,379
Total non-current assets	<u>193,718</u>

Total assets	<u><u>\$ 1,340,768</u></u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 2,647
Accrued expenses	7,242
Deferred revenue	9,500
Current portion of lease liability	3,932
Total current liabilities	<u>23,321</u>

Non-current liabilities:

Long-term portion of lease liability	157,343
Total non-current liabilities	<u>157,343</u>

Total liabilities	<u>180,664</u>
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Net assets

With donor restriction	-
Without donor restrictions	1,160,104
Total net assets	<u>1,160,104</u>

Total liabilities and net assets	<u><u>\$ 1,340,768</u></u>
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The accompanying notes to financial statements are an integral part of these statements.

WESTERN WAKE CRISIS MINISTRY, INC.**Statement of Activities
For the Year Ended June 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Grants	\$ 90,798	\$ -	\$ 90,798
Contributions	492,517	-	492,517
Gifts in kind	693,839	-	693,839
Investment income, net	6,007	-	6,007
Other income	28,367	-	28,367
Total public support	1,311,528	-	1,311,528
Net assets released from restriction	-	-	-
Total public support and revenue	1,311,528	-	1,311,528
EXPENSES:			
Program services	1,264,329	-	1,264,329
Management and general	145,141	-	145,141
Fundraising expenses	80,983	-	80,983
Total expenses	1,490,453	-	1,490,453
Change in net assets	(178,925)	-	(178,925)
Net assets at beginning of year	1,339,029	-	1,339,029
Net assets at end of year	\$ 1,160,104	\$ -	\$ 1,160,104

The accompanying notes to financial statements are an integral part of these statements.

WESTERN WAKE CRISIS MINISTRY, INC.**Statement of Functional Expenses****For the Year Ended June 30, 2023**

	Program Services	Management and General	Fundraising Expenses	Total Expenses
Salaries and wages	\$ 154,878	\$ 53,728	\$ 22,225	\$ 230,831
Employee benefits	3,947	3,968	450	8,365
Payroll taxes	13,687	4,253	2,001	19,941
Contracted services	16,531	21,059	9,299	46,889
Transportation and travel	992	74	-	1,066
Operations	10,594	12,029	33,812	56,435
Facilities and equipment	84,147	49,510	786	134,443
Client assistance	979,553	320	12,410	992,283
Business expenses	-	200	-	200
Total expenses	<u>\$ 1,264,329</u>	<u>\$ 145,141</u>	<u>\$ 80,983</u>	<u>\$ 1,490,453</u>

The accompanying notes are an integral part of these financial statements

WESTERN WAKE CRISIS MINISTRY, INC.

**Statement of Cash Flows
For the Year Ended June 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (178,925)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:	
Depreciation	16,500
Amortization of the right of use asset	30,425
Realized and unrealized (gain) loss on investments	(6,746)
Changes in assets and liabilities that provided (used) cash:	
Prepaid expenses	3,585
Food inventory	28,928
Other assets	(3,733)
Accounts payable	69
Accrued expenses	6,466
Deferred revenue	(4,320)
Net cash provided (used) by operating activities	(107,751)

CASH FLOWS FROM INVESTING ACTIVITIES:

Net purchases of investments	91,925
Right of use assets obtained through leases	(164,804)
Net cash provided (used) by investing activities	(72,879)

CASH FLOWS FROM FINANCING ACTIVITIES:

Payments of principal portion of lease liability	(3,529)
Obligations incurred on operating lease liability	164,804
Net cash provided (used) by financing activities	161,275
Net increase (decrease) in cash and cash equivalents	(19,355)
Cash and cash equivalents, beginning of year	377,504
Cash and cash equivalents, end of year	\$ 358,149

The accompanying notes are an integral part of these financial statements

WESTERN WAKE CRISIS MINISTRY, INC.
Notes to Financial Statements
June 30, 2023

1. NATURE OF THE ORGANIZATION

Nature of the Organization

Western Wake Crisis Ministry, Inc. (the Organization) is a not-for-profit entity organized to partner with those in crisis, helping them gain stability through basic support for food, financial and housing assistance, education and opportunity. The Organization's support consists mostly of donations and grants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses recognized when incurred. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization has adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without restrictions" and "net assets with restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash in bank in interest bearing accounts and cash investment accounts with an original maturity date of three months or less to be cash equivalents.

Certificates of Deposit

Certificates of deposit held for investment that are not debt securities are considered investments, and are measured at fair value.

Investments

Investments are carried at fair market value.

WESTERN WAKE CRISIS MINISTRY, INC.
Notes to Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Food inventory consists of donated food items and is valued based on a rate per pound obtained from a third party (\$1.92 per pound at June 30, 2023).

Property and Equipment

The cost of property and equipment in excess of \$1,000 is recorded at cost when purchased and fair value when donated. Major additions or betterments are charged to the property accounts while replacements, maintenance and repairs are generally charged to expense when incurred. Depreciation is provided using the straight-line method. Estimated useful lives of assets are as follows:

Equipment	5-10 years
Furniture	10 years
Leasehold improvements	10 years

The Organization's policy regarding donated assets is to capitalize and depreciate them using the straight-line cost recovery system. Accordingly, donated assets are initially recorded as contribution revenue with a corresponding entry to the fixed asset on the statement of financial position.

Net Assets

Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and charges therein, are classified and reported as follows:

Net assets without restrictions – net assets without donor restrictions include resources, which are available for the support of the Organization's operating activities.

Net assets with restrictions – net assets that are contributions subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the actions of the Organization and/or the passage of time.

Donated Items and Services (Gifts in Kind)

Effective January 1, 2014, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2013-06, *Services Received from Personnel of an Affiliate*, which resulted in the recognition of in-kind goods and services.

In addition, effective the year ended June 30, 2022, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Organization reports the donations as support without restriction, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

WESTERN WAKE CRISIS MINISTRY, INC.
Notes to Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Items and Services (Gifts in Kind) (continued)

Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fundraising campaigns, the value of which is not recorded in the accompanying financial statements.

Contributions

Contributions and grants received are recorded as support with or without restrictions depending on the existence and/or nature of any donor/grantor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due more than one year in the future are reported at the present value of their net realizable value using a risk adjusted discount rate. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Restrictions that are met in the same period as receipt are reported as support without restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Organization providing those services.

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3) on its exempt function income and is classified by the IRS as a publicly supported organization. The Organization is not aware of any unrelated business income for the year ended June 30, 2023.

The Organization evaluates any uncertain tax positions. Accordingly, the Organization's policy is to record a liability for any tax position taken that is beneficial to the Organization, including any related interest and penalties, when it is more likely than not the position of management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2023.

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. ASU 2016-02 was subsequently amended by ASU's 2018-01, 2018-10, 2018-11, 2018-20, 2019-01, 2019-10, 2020-05, and 2021-05. Together these new standards establish a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of activities. The Organization adopted this standard effective July 1, 2022.

WESTERN WAKE CRISIS MINISTRY, INC.
Notes to Financial Statements
June 30, 2023

3. CONCENTRATION OF CREDIT RISK

The Organization occasionally maintains deposits in excess of federally insured limits. The Organization maintains its cash balances in reputable financial institutions in the United States of American and accounts at each institution are insured by the Federal Deposit Insurance Corporations up to \$250,000 at each financial institution. At June 30, 2023, the Organization's cash balances were fully insured.

The Organization's investments are held by one investment firm and consists of certificates of deposits. The certificates of deposit were purchased from multiple financial institutions and all certificates of deposit are below the FDIC insured limits.

4. INVESTMENTS

The portfolio of investments is carried at their fair market value. Market values and unrealized gains and losses pertaining to the investment portfolio as of June 30, 2023 are as follows:

	Cost	Fair Market Value
Certificates of deposit	\$ 205,000	\$ 214,621
Fixed income securities	517,000	509,166
Total	<u>\$ 722,000</u>	<u>723,787</u>
Unrealized gain (loss)		<u>\$ (1,787)</u>

The Security Investor Protection Company (SIPC) protects investments held by the broker up to \$500,000.

Investment returns, net of fees, is comprised of the following for the year ended June 30, 2023:

Category	2023
Interest and dividends	\$ 12,753
Unrealized gain (loss)	(6,746)
Investment income, net	<u>\$ 6,007</u>

Although, the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

5. FAIR VALUE MEASUREMENTS

The Organization values its investments in accordance with a hierarchy that prioritizes the inputs to valuation techniques, giving the highest priority to readily available unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement) when market prices are not readily available or reliable.

WESTERN WAKE CRISIS MINISTRY, INC.
Notes to Financial Statements
June 30, 2023

5. FAIR VALUE MEASUREMENTS (Continued)

The three levels of the hierarchy under fair value measurements are described below:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs, which are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, credit risk, and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used.

Unobservable inputs reflect the Organization's own assumptions and would be based on the best information available.

Changes in valuation techniques could result in transfers in or out of an assigned level within the hierarchy. Interest income, including unrealized appreciation/depreciation earned on investments, is recognized as revenue without restrictions unless specifically restricted for use by the donor.

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value on a recurring basis, as of June 30, 2023:

Category	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 214,621	\$ -	\$ 214,621
Fixed income securities	-	509,166	-	509,166
Total	<u>\$ -</u>	<u>\$ 723,787</u>	<u>\$ -</u>	<u>\$ 723,787</u>

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2023:

	2023
Leasehold improvements	\$ 135,975
Equipment/furniture	29,541
Total property and equipment	165,516
Less: accumulated depreciation	(106,177)
Total property and equipment, net	<u>\$ 59,339</u>

Depreciation expense was \$16,500 for the year ended June 30, 2023, respectively.

WESTERN WAKE CRISIS MINISTRY, INC.
Notes to Financial Statements
June 30, 2023

7. LEASE COMMITMENTS

Under ASC 842, if a contract provides the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

Lease liabilities are initially and subsequently recognized based on the present value of their future lease payments. ROU assets for operating leases are subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

During the year ended June 30, 2023, the Organization is a lessee in a noncancelable operating lease agreement for office space. Rent is due in monthly installments starting at \$640 (beginning September 2016) and escalating 3% each year thereafter. The lease liability is measured at a discount rate of 3.5%, based on the short-term lending rate as of the start of lease.

As a result of the leases, the Organization has recorded a right to use asset with original value of \$164,804 and net book value of \$134,379 as of June 30, 2023.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023 were as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,932	\$ 5,468	\$ 9,400
2025	4,357	5,325	9,682
2026	4,805	5,167	9,972
2027	5,278	4,993	10,271
2028	5,776	4,803	10,579
2029-2033	37,346	20,506	57,852
2034-2038	54,403	12,663	67,066
2039-2042	45,378	2,488	47,866
	<u>\$ 161,275</u>	<u>\$ 61,413</u>	<u>\$ 222,688</u>

WESTERN WAKE CRISIS MINISTRY, INC.
Notes to Financial Statements
June 30, 2023

8. LIQUIDITY AND AVAILABILITY OF FUNDS

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization invests cash in excess of daily requirements in an investment account.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

Cash	\$ 358,149
Investments	723,787
Less: accounts payable	(2,647)
Less: accrued expenses	<u>(7,242)</u>
Total financial assets available to meet general expenditures and liabilities within the next 12 months	<u><u>\$ 1,072,047</u></u>

At June 30, 2023, all net assets without restrictions are available to meet cash needs for general expenditures of the Organization with one year. Excess funds are available in the Organization's investment account consisting of certificates of deposit, if needed. Early redemption of the certificates of deposit may result in the Organization incurring nominal monetary penalties. In addition, the Organization has access to the line of credit mentioned in Note 10 to meet general expenditure obligations.

9. IN-KIND DONATED SERVICES AND ASSETS

During the year ended June 30, 2023, the Organization received in-kind donations as follows:

Food donations	\$ 619,637
Goods	19,489
Use of facilities	53,713
Services	<u>1,000</u>
	<u><u>\$ 693,839</u></u>

10. SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through April 1, 2024, which is the date the financial statements were available to be issued.

Western Wake Crisis Ministry			
Budget vs. Actuals: Budget_FY25_P&L - FY25 P&L			
January 2025			
		Total	
	Actual	Budget	over Budget
Revenue			
6100 In Kind Contribution			-
6101 Food Donations	74,223.94	51,355.22	22,868.72
6102 Gifts in Kind-Goods	450.00	123.94	326.06
6103 Facility Donations	4,737.45	4,764.51	(27.06)
Total 6100 In Kind Contribution	79,411.39	56,243.67	23,167.72
6300 Contributions			-
6301 Civic Group/Club	2,382.00	80.09	2,301.91
6302 Church/Faith Community	3,075.01	42,915.26	(39,840.25)
6303 Corporate Contributions	1,398.00	11,763.44	(10,365.44)
6307 Indirect Support	50.86	3,504.94	(3,454.08)
6308 Individual	27,127.24	31,415.47	(4,288.23)
Total 6300 Contributions	34,033.11	89,679.20	(55,646.09)
6400 Investments & Other			-
6401 Interest Income	3,495.45	3,125.00	370.45
Total 6400 Investments & Other	3,495.45	3,125.00	370.45
6700 UCAP	1,683.71	1,666.67	17.04
Total Revenue	118,623.66	150,714.54	(32,090.88)
Gross Profit	118,623.66	150,714.54	(32,090.88)
Expenditures			
8100 Client Assistance			-
8101 Client Assistance-Bagged Food	74,223.94	52,092.03	22,131.91
8102 Client Assistance - Mobile Pantry	15.10	496.67	(481.57)
8103 Food Purchases	265.30	1,166.67	(901.37)
8105 Client Assistance-Prescriptions		83.33	(83.33)
8106 Client Assistance-Housing Assistance	13,570.00	20,556.39	(6,986.39)

8107 Client Assistance-Utilities	19,265.52	16,059.07	3,206.45
8108 Client Assistance-Other	20.00	83.33	(63.33)
8109 Client Assist-Transportation	75.00	208.33	(133.33)
Total 8100 Client Assistance	107,434.86	90,745.82	16,689.04
8300 Contract Services			-
8301 Accounting Fees	82.00	86.11	(4.11)
8302 Contract Services		6,671.67	(6,671.67)
8303 Legal Fees	800.00	16.67	783.33
8304 Tech Support		100.00	(100.00)
8305 Fundraising	109.89	-	109.89
Total 8300 Contract Services	991.89	6,874.45	(5,882.56)
8400 Facilities and Equipment			-
8402 Equip Rental and Maintenance		166.67	(166.67)
8404 Janitorial Services	555.00	370.00	185.00
8406 Pest Control		41.67	(41.67)
8407 WWCM-Rent	6,498.20	6,553.76	(55.56)
8408 WWCM-Utilities	524.89	791.67	(266.78)
8409 Waste Disposal	49.99	125.00	(75.01)
8410 WWCM-Security	152.98	326.19	(173.21)
Total 8400 Facilities and Equipment	7,781.06	8,374.96	(593.90)
8500 Operations			-
8501 Advertising Expenses		150.00	(150.00)
8502 Bank/Credit card charges	607.65	500.00	107.65
8503 Subscription Services	944.80	470.83	473.97
8504 Insurance-Liability D & O, W/C,	442.59	-	442.59
8507 Marketing & Promotions		166.67	(166.67)
8508 Meeting/Event Expense	150.00	-	150.00
8510 Postage, Mailing Service	73.00	166.67	(93.67)
8511 Printing and Copying		666.67	(666.67)
8512 Volunteer Development	893.43	375.00	518.43
8513 Supplies	2,991.44	375.00	2,616.44
8514 Telephone, Telecommunication	423.67	375.00	48.67

8515 Event Prizes		583.33	(583.33)
8518 Board Development		125.00	(125.00)
8519 Staff Development	198.77	125.00	73.77
Total 8500 Operations	6,725.35	4,079.17	2,646.18
8600 Payroll Expenses			-
8601 Staff Salaries		15,500.63	(15,500.63)
8602 Payroll Taxes-Employer		1,477.28	(1,477.28)
8603 Employee Benefits	36.00	627.50	(591.50)
8604 SIMPLE Employer Match		465.02	(465.02)
Total 8600 Payroll Expenses	36.00	18,070.43	(18,034.43)
8700 Travel and Meetings			-
8701 Conference, Convention, Meeting	200.00		200.00
8702 Travel		125.00	(125.00)
Total 8700 Travel and Meetings	200.00	125.00	75.00
Total Expenditures	123,169.16	128,269.83	(5,100.67)
Net Operating Revenue	(4,545.50)	22,444.71	(26,990.21)
Net Revenue	(4,545.50)	22,444.71	(26,990.21)
Sunday, Feb 23, 2025 05:59:53 AM GMT-8 - Accrual Basis			



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: For Girls Like Quaneisha Mentoring Program

Mailing address: P.O. Box 1464 131 N JUDD PKWY NE FUQUAY VARINA, NC 27526-9998

Current Presiding Officer: Quaneisha Smith

Mailing address: 160 Riverwood Drive Fuquay Varina, NC 27526

Telephone: 919-721-0727

Fax: n/a

E-Mail: forgirlslikequaneisha@gmail.com

(Check one)

Legal Status: ☒ Private non-profit corporation

☐ Unincorporated civic group

☐ Other (Please describe below)

Date Organization Formed or Chartered: November 22, 2019

Agency 501 C-3 Number: 84-4069869

Or, Federal Tax ID Number: _____

Amount and Type of Town funds requested: \$ 2,500.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☒ Operating Costs

☒ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. (Please limit your response using only the space provided below)

For Girls Like Quaneisha Mentoring Program seeks funding to expand its reach through Girl Talk Live events in local schools and the community and empowering 30 girls through mentorship sessions hosted 2 Saturdays per month by the end of 2025. We will also launch a financial literacy and entrepreneurship program in partnership with Youth Education Savings Program and Young Mogul, equipping participants with essential money management and business skills. Additionally, we will host our first fundraising gala to support the sustainability and growth of our initiatives.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

With the requested funds, For Girls Like Quaneisha Mentoring Program will expand Girl Talk Live events, mentor 30 girls by the end of 2025, and launch a financial literacy and entrepreneurship program in partnership with Youth Education Savings Program and Young Mogul. These initiatives will equip girls with critical life skills, fostering confidence, leadership, and economic empowerment. Additionally, funds will support our first fundraising gala to ensure program sustainability. By investing in young girls, the Town of Holly Springs benefits from a stronger, more engaged, and empowered future generation of leaders and entrepreneurs.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

Without sufficient funding, our ability to serve and empower at-risk girls would be significantly impacted:
 Limited Resources: Reduced funding would restrict access to essential materials, supplies, and enrichment activities, lowering program quality.
 Smaller Program Capacity: Fewer girls would have access to mentorship, academic support, and personal development opportunities.
 Decreased Community Impact: Key initiatives like our STEM program, EntreprenHER series, and literacy workshops could be scaled back or postponed.
 Addressing Barriers: Support for transportation, food insecurity, and financial hardships would be limited, affecting participation.
 Fewer Enrichment Opportunities: Field trips, special events, and career exposure experiences could be cut.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☒ Town of Holly Springs	\$ <u>2,500.00</u> Amount	<u>12.3</u> % of Annual Budget
☐ United Way	\$ _____ Amount	_____ % of Annual Budget
☐ Wake County	\$ _____ Amount	_____ % of Annual Budget
☐ Foundations	\$ _____ Amount	_____ % of Annual Budget
☐ Federal	\$ _____ Amount	_____ % of Annual Budget
☒ Grants	\$ <u>9,800</u> Amount	<u>48.2</u> % of Annual Budget
☐ State of N.C.	\$ _____ Amount	_____ % of Annual Budget
☒ Other Private Funding	\$ <u>6,000</u> Amount	<u>29.5</u> % of Annual Budget
☒ Fundraisers	\$ <u>2,030</u> Amount	<u>10</u> % of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

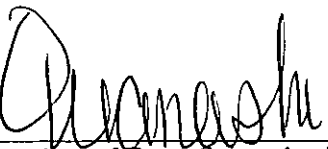
Last year, For Girls Like Quaneisha Mentoring Program received \$1,000 in funding from the Town of Holly Springs, which was instrumental in strengthening our programming and expanding opportunities for the girls we serve. These funds were allocated as follows:
Leadership & Mentorship Programming - \$300 - Used for supplies, materials, and resources to support leadership development sessions, group discussions, and hands-on activities designed to build confidence, decision-making skills, and self-awareness among our mentees.
Western Wake Children's Business Fair - \$200 - Helped mentees cover participation costs, allowing them to develop business ideas, create products, and gain real-world experience in financial literacy and entrepreneurship.
STEM Education & Enrichment - \$150 - Contributed to our 1st Annual STEM Event, providing hands-on learning experiences that exposed our girls to science, technology, engineering, and math fields, helping bridge the gap for minority girls in STEM.
Etiquette Event - \$100 - Covered materials and guest speaker expenses for an event focused on social skills, professionalism, and personal development.
Black History Event - \$100 - Funded educational materials and activities that allowed our girls to engage in cultural education, storytelling, and celebrations of Black leaders and changemakers.
Mommy & Me Menstruation Program - \$150 - Partnered with the Poe Health Center for Education to provide workshops and resources on menstrual health and hygiene, offering a safe space for girls and their mothers to have open discussions.

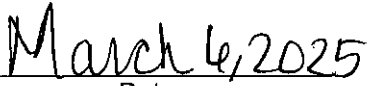
- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. CERTIFICATION

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.


Signature of Executive or Applicant


Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

- ☒ **Completed application**
- ☒ **Attachment 1** - Copy of current year budget, if applying for more than \$500
- ☐ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)
- ☒ **Attachment 3** - Excel spreadsheet financial statement for your organization.

For Girls Like Quaneisha Mentoring Program
Fiscal Year 2025 Organizational Operating Budge
January 1, 2025--December 31, 2025

[illegible][illegible]

For Girls Like Quaneisha Mentoring Program

Statement of Activity

January - December 2024

	TOTAL
Revenue	
Contributed income	
Donations directed by individuals	6,006.88
Total Contributed Income	6,006.88
Total Revenue	\$6,006.88
GROSS PROFIT	\$6,006.88
Expenditures	
Advertising & marketing	1,846.97
Website ads	788.76
Total Advertising & marketing	2,635.73
Occupancy	
Rent	1,400.00
Total Occupancy	1,400.00
Office expenses	
Office supplies	17.45
Printing & photocopying	43.06
Software & apps	287.00
Total Office expenses	347.51
Total Expenditures	\$4,383.24
NET OPERATING REVENUE	\$1,623.64
NET REVENUE	\$1,623.64

For Girls Like Quaneisha Mentoring Program

Statement of Cash Flows

January - December 2024

	TOTAL
OPERATING ACTIVITIES	
Net Revenue	1,623.64
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Net cash provided by operating activities	\$1,623.64
NET CASH INCREASE FOR PERIOD	\$1,623.64
Cash at beginning of period	18,707.57
CASH AT END OF PERIOD	\$20,331.21

For Girls Like Quaneisha Mentoring Program

Statement of Financial Position

As of December 31, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Basic Business Checking (7009) - 1	3,162.44
Book for Lessons	118.02
Christmas Cards for Donors	19.29
Christmas Gifts for the girls	118.25
Consulting	864.00
Donation	226.00
Fundraiser Prizes	75.00
Gift bags	325.73
Gift Cards for prizes	215.00
Gift Cards/Prizes	45.00
Giveaway Prizes	45.00
Lunch for the girls	1,802.00
Lunch with Volunteer Staff	60.68
Mailings and PO Box	381.85
Mother's Day Giveaway	200.00
Occupancy-Rent	685.00
Pink carpet- Prop	28.84
Program supplies	4,161.72
Programming	4,567.09
Snacks	633.27
Snacks and Props	62.10
Staff Development	120.00
STEM Grant	1,790.72
T-Shirts	624.21
Total Bank Accounts	\$20,331.21
Total Current Assets	\$20,331.21
TOTAL ASSETS	\$20,331.21
LIABILITIES AND EQUITY	
Liabilities	
Total Liabilities	
Equity	
Opening balance equity	482.15
Retained Earnings	18,225.42
Net Revenue	1,623.64
Total Equity	\$20,331.21
TOTAL LIABILITIES AND EQUITY	\$20,331.21



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Hawktimus Prime Robotics

Mailing address: _____

112 Gryffindor Ln Holly Springs NC 27540 (This is the grant coordinator's address. Hawktimus Prime meets at Holly Springs High School but cannot receive mail at this location)

Current Presiding Officer: Student Presidents: Cam Rasey and Kalyn Oltrogge; Coaches: Steve Rasey, Neal Haggard, Cory Oltrogge

Mailing address: Kris Oltrogge (grant coordinator) 112 Gryffindor Lane Holly Springs NC 27540

Telephone: 641-629-1473

Fax: _____

E-Mail: HawktimusPrime3229@gmail.com

(Check one)

Legal Status: ☒ Private non-profit corporation

☐ Unincorporated civic group

☐ Other (Please describe below)

Date Organization Formed or Chartered: 2009

Agency 501 C-3 Number: _____

Or, Federal Tax ID Number: _____

81-0774703

Amount and Type of Town funds requested: \$ 2500.00 for (check below all that apply)

☒ Capital Costs (construction, large specific purchase)

☐ Operating Costs

☐ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. (Please limit your response using only the space provided below)

Hawktimus Prime's vision is to design and build a robot specifically tailored for outreach events. This robot will be portable, interactive, and safe for youth engagement, enabling us to expand our reach and impact in the community.

Currently, our team relies on our competition robot for demonstrations at local and statewide events. However, the competition robot poses several challenges: it is difficult to transport, unsuitable for small spaces, and requires frequent repairs during the off-season due to wear and tear from competitions. Additionally, modifications must be made each time the competition robot is used for outreach to ensure safety compliance.

Hawktimus Prime is committed to community engagement. We participate annually in events such as HollyFest and elementary school family engagement nights and have recently provided a demonstration at a STEMblazers event at the Middle Creek Community Center. While we frequently attend Winterfest and the Holly Days Parade, our increased involvement in regional events this year limited our participation in those specific events. We are also proud partners of Wakaboomee, a statewide organization based at NC State University, that promotes STEM initiatives across North Carolina.

If the Town of Holly Springs sponsors our outreach robot, we will prominently display the town's logo on the robot. This will highlight Holly Springs' commitment to developing tomorrow's leaders and bring local and regional attention to the town's support of STEM education. In addition, the town's logo will be featured on our website, team T-shirts, and in a dedicated social media post. The logo will also be visible in outreach-related posts and events where the robot is showcased.

Furthermore, we are eager to explore new opportunities to participate in a wider variety of community events, strengthening our connection with the citizens of Holly Springs and beyond.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

Hawktimus Prime's mission is to foster an engaging STEM learning environment that promotes innovation and community impact. We equip students with technical and leadership skills to build future leaders. This initiative will expand community engagement by enabling interactive robot demonstrations in smaller spaces, increasing student interest. Our goal is to provide diverse youth with STEM opportunities, broadening participation in the field. Holly Springs' commitment to STEM education will attract businesses and families, strengthening our community.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

Our team has envisioned a dedicated outreach robot for the past 3 seasons; however, we have not had the funding to make this vision a reality. Our team's budget for the 2024-25 season is \$33,500. The outreach robot is an 'extra' and not included in our operating budget. Because of the high operational costs inherent with operating a successful robotics team, it is difficult to raise additional funds for outreach purposes. We have started the robot using recycled parts from prior competition robots. The estimated cost of the total project is \$4,000. If the Town of Holly Springs donates \$2500, we could complete the project in time for summer 2025 outreach events. We would appreciate any amount provided; however, if the town provides less than \$2500, the project will be postponed until we can raise funds through other sources.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☐ Town of Holly Springs	\$ _____	Amount	_____ % of Annual Budget
☐ United Way	\$ _____	Amount	_____ % of Annual Budget
☐ Wake County	\$ _____	Amount	_____ % of Annual Budget
☒ Foundations	\$ <u>4250</u>	Amount	<u>12.6</u> % of Annual Budget
☐ Federal	\$ _____	Amount	_____ % of Annual Budget
☒ Grants	\$ <u>6250</u>	Amount	<u>18.6</u> % of Annual Budget
☐ State of N.C.	\$ _____	Amount	_____ % of Annual Budget
☒ Other Private Funding	\$ <u>13750</u>	Amount	<u>41%</u> % of Annual Budget
☒ Fundraisers	\$ <u>8200</u>	Amount	<u>24%</u> % of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

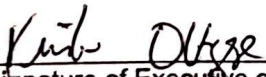
Hawktimus Prime Robotics did not request funds from the Town of Holly Springs last year.

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. **CERTIFICATION**

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.



Signature of Executive or Applicant

2/18/2025

Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

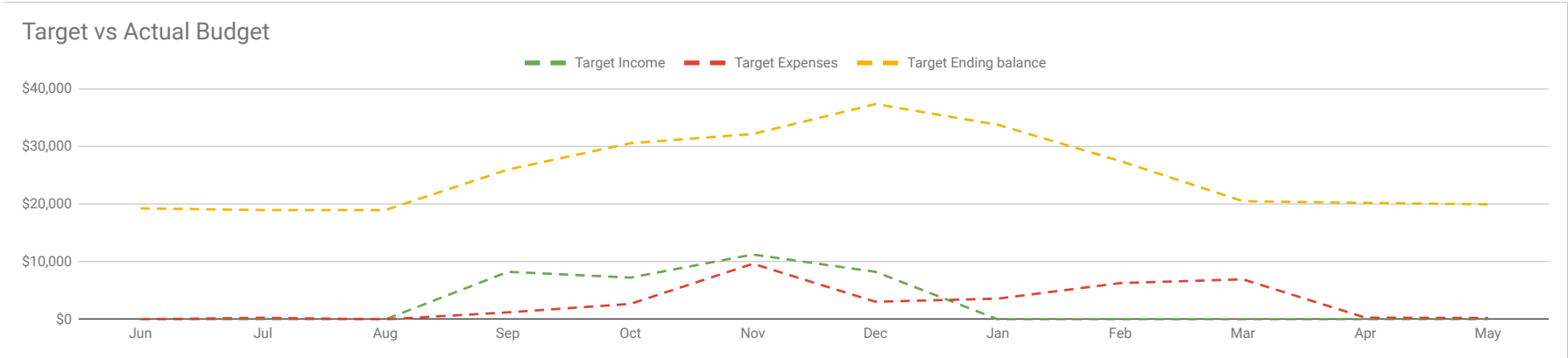
Applicant Checklist:

☒ Completed application

☒ Attachment 1 - Copy of current year budget, if applying for more than \$500

N/A ☐ Attachment 2 - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)

☒ Attachment 3 - Excel spreadsheet financial statement for your organization.



Target Summary

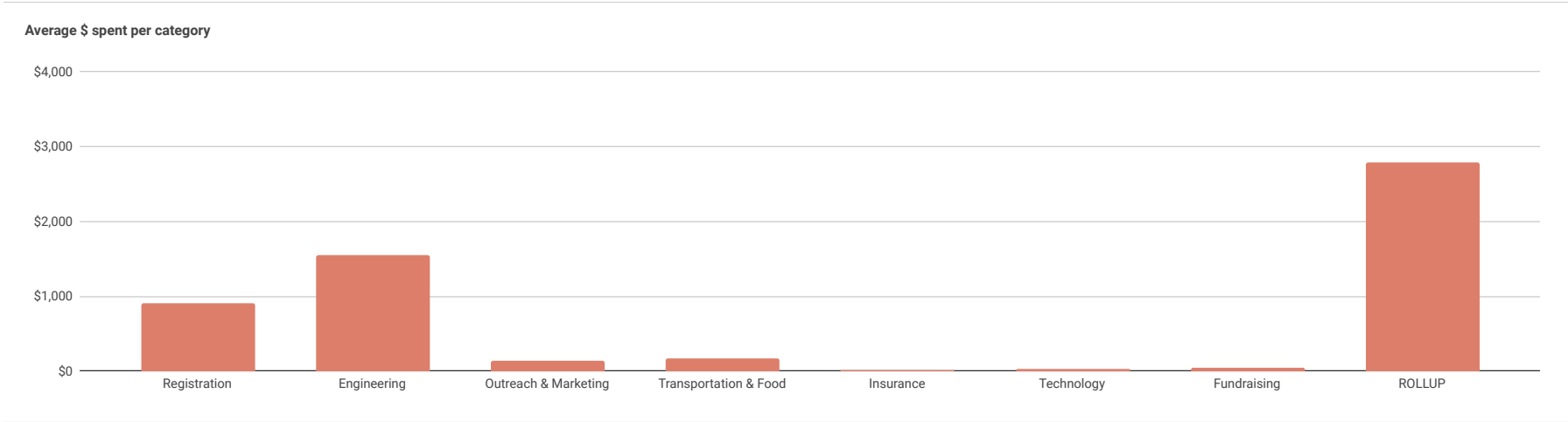
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Total	Average
Target Income	\$0	\$0	\$0	\$8,251	\$7,250	\$11,250	\$8,250	\$0	\$0	\$0	\$0	\$0	\$35,001	\$8,750
Target Expenses	\$0	\$288	\$0	\$1,221	\$2,685	\$9,650	\$3,055	\$3,600	\$6,300	\$6,950	\$300	\$250	\$34,299	\$3,430
Net savings [1]	\$0	-\$288	\$0	\$7,030	\$4,565	\$1,600	\$5,195	-\$3,600	-\$6,300	-\$6,950	-\$300	-\$250	\$702	\$4,598
Target Ending balance [2]	\$19,252	\$18,964	\$18,964	\$25,994	\$30,559	\$32,159	\$37,354	\$33,754	\$27,454	\$20,504	\$20,204	\$19,954		\$25,426

Income

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Total	Average
Dues	\$0	\$0	\$0	\$6,250	\$6,250	\$6,250	\$6,250	\$0	\$0	\$0	\$0	\$0	\$25,000	\$2,083
Fundraisers	\$0	\$0	\$0	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$0
Grants	\$0	\$0	\$0	\$0	\$0	\$5,000	\$2,000	\$0	\$0	\$0	\$0	\$0	\$7,000	\$583
Donations & Sponsors	\$0	\$0	\$0	\$2,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$250
ROLLUP	\$0	\$0	\$0	\$8,251	\$7,250	\$11,250	\$8,250	\$0	\$0	\$0	\$0	\$0	\$35,001	\$2,917

Expenses

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Total	Average
Registration	\$0	\$0	\$0	\$0	\$0	\$6,000	\$0	\$0	\$0	\$5,000	\$0	\$0	\$11,000	\$917
Engineering	\$0	\$288	\$0	\$1,073	\$2,235	\$2,000	\$2,300	\$3,300	\$6,000	\$1,500	\$0	\$0	\$18,696	\$1,558
Outreach & Marketing	\$0	\$0	\$0	\$0	\$450	\$550	\$625	\$0	\$0	\$0	\$0	\$0	\$1,625	\$135
Transportation & Food	\$0	\$0	\$0	\$0	\$0	\$350	\$130	\$300	\$300	\$450	\$300	\$250	\$2,080	\$173
Insurance	\$0	\$0	\$0	\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100	\$8
Technology	\$0	\$0	\$0	\$48	\$0	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$298	\$25
Fundraising	\$0	\$0	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$42
ROLLUP	\$0	\$288	\$0	\$1,221	\$2,685	\$9,100	\$2,975	\$3,500	\$6,300	\$6,800	\$300	\$250	\$33,419	\$2,785



Hawktimus Prime Booster Club FY 2023

Income and Expense Compared to Annual Budget

07/01/2023 - 06/30/2024

Starting balance as of 07/01/2023							\$22,551.07
Membership	Actual Income	Budgeted Income	Actual Expenses	Budgeted Expenses	Actual Net	Budget Net	More/- Less
Membership Dues	\$4,482.00	\$6,250.00	-	-	\$4,482.00	\$6,250.00	-\$1,768.00
Membership Totals	\$4,482.00	\$6,250.00	-	-	\$4,482.00	\$6,250.00	-\$1,768.00
Fundraisers	Actual Income	Budgeted Income	Actual Expenses	Budgeted Expenses	Actual Net	Budget Net	More/- Less
Merchandise Sales	\$5,226.28	\$1,500.00	-	-	\$5,226.28	\$1,500.00	\$3,726.28
Company Sponsorships	\$9,783.58	\$30,000.00	-	-	\$9,783.58	\$30,000.00	-\$20,216.42
Individual Sponsorships	\$3,901.96	\$1.00	-\$1,520.86	-	\$2,381.10	\$1.00	\$2,380.10
Amazon Smile	-	\$175.00	-	-	-	\$175.00	-\$175.00
Paypal	-	-	-	-	-	-	-
WORLDS Special Fundraiser	-	-	-	-	-	-	-
Fundraisers Totals	\$18,911.82	\$31,676.00	-\$1,520.86	-	\$17,390.96	\$31,676.00	-\$14,285.04
Business Operating Costs	Actual Income	Budgeted Income	Actual Expenses	Budgeted Expenses	Actual Net	Budget Net	More/- Less
Team Buttons	-	-	-	-\$250.00	-	-\$250.00	\$250.00
Team Bands	-	-	-\$511.65	-\$250.00	-\$511.65	-\$250.00	-\$261.65
Team Posters	-	-	-	-\$100.00	-	-\$100.00	\$100.00
Marketing	-	-	-\$17.15	-\$2,500.00	-\$17.15	-\$2,500.00	\$2,482.85
Merchandise Ordering	-	-	-\$3,264.96	-\$4,000.00	-\$3,264.96	-\$4,000.00	\$735.04
State Champ T-shirts	Actual Income	Budgeted Income	Actual Expenses	Budgeted Expenses	Actual Net	Budget Net	More/- Less
State Champ T-shirts Totals	-	-	-	-	-	-	-
Business Operating Costs Totals	-	-	-\$3,793.76	-\$7,100.00	-\$3,793.76	-\$7,100.00	\$3,306.24
Engineering Operating Costs	Actual Income	Budgeted Income	Actual Expenses	Budgeted Expenses	Actual Net	Budget Net	More/- Less
Robot Parts	-	-	-\$6,925.65	-\$10,000.00	-\$6,925.65	-\$10,000.00	\$3,074.35
Tools	-	-	-	-\$6,600.00	-	-\$6,600.00	\$6,600.00
Storage	-	-	-	-\$200.00	-	-\$200.00	\$200.00
Testing Field	-	-	-\$129.64	-\$1,000.00	-\$129.64	-\$1,000.00	\$870.36
Post Season	-	-	-\$80.00	-	-\$80.00	-	-\$80.00
General Import - Pending Info	-	-	-	-	-	-	-
Engineering Operating Costs Totals	-	-	-\$7,135.29	-\$17,800.00	-\$7,135.29	-\$17,800.00	\$10,664.71
Events	Actual Income	Budgeted Income	Actual Expenses	Budgeted Expenses	Actual Net	Budget Net	More/- Less
Fall Event	-	-	-	-\$100.00	-	-\$100.00	\$100.00
Team End-of-Year Picnic	-	-	-	-\$250.00	-	-\$250.00	\$250.00
Competition Supplies	-	-	-\$51.36	-\$100.00	-\$51.36	-\$100.00	\$48.64

Events	Actual Income	Budgeted Income	Actual Expenses	Budgeted Expenses	Actual Net	Budget Net	More/- Less
Meals for Team	-	-	-\$1,552.28	-\$500.00	-\$1,552.28	-\$500.00	-\$1,052.28
WORLDS Expenditures	-	-	-	-	-	-	-
Events Totals	-	-	-\$1,603.64	-\$950.00	-\$1,603.64	-\$950.00	-\$653.64
Administration	Actual Income	Budgeted Income	Actual Expenses	Budgeted Expenses	Actual Net	Budget Net	More/- Less
MoneyMinder (Treasury Tool)	-	-	-	-\$250.00	-	-\$250.00	\$250.00
Office Supplies	-	-	-	-\$100.00	-	-\$100.00	\$100.00
Trailer Registration	-	-	-	-\$80.00	-	-\$80.00	\$80.00
FIRST Team Registration Fee	-	-	-	-\$7,000.00	-	-\$7,000.00	\$7,000.00
FIRST THOR Registration Fee	-	-	-	-\$525.00	-	-\$525.00	\$525.00
FIRST States Fee	-	-	-\$5,000.00	-\$4,000.00	-\$5,000.00	-\$4,000.00	-\$1,000.00
Bank Fees (new checks)	-	-	-\$6,000.00	-\$55.00	-\$6,000.00	-\$55.00	-\$5,945.00
WORLDS Registration Fee	-	-	-	-	-	-	-
Refunds/Adjustments	\$110.07	-	-	-	\$110.07	-	\$110.07
CheddarUp	-	-	-\$238.59	-	-\$238.59	-	-\$238.59
WORLDS Scholarship	-	-	-\$500.00	-	-\$500.00	-	-\$500.00
Tolls	-	-	-\$10.56	-	-\$10.56	-	-\$10.56
Administration Totals	\$110.07	-	-\$11,749.15	-\$12,010.00	-\$11,639.08	-\$12,010.00	\$370.92
Taxes	Actual Income	Budgeted Income	Actual Expenses	Budgeted Expenses	Actual Net	Budget Net	More/- Less
Taxes Totals	-	-	-	-	-	-	-
Outreach	Actual Income	Budgeted Income	Actual Expenses	Budgeted Expenses	Actual Net	Budget Net	More/- Less
Hollyfest	-	-	-	-\$50.00	-	-\$50.00	\$50.00
Outreach Totals	-	-	-	-\$50.00	-	-\$50.00	\$50.00
Grand Totals							
	\$23,503.89	\$37,926.00	-\$25,802.70	-\$37,910.00	-\$2,298.81	\$16.00	-\$2,314.81
Decrease in funds							-\$2,298.81
Funds available as of 06/30/2024							\$20,252.26



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Holly Grove Middle School PTSA
Mailing address: 1401 Avent Ferry Road, Holly Springs, NC 27540
Current Presiding Officer: Jana Dux, 2024-2025 HGMS PTSA President
Mailing address: 1401 Avent Ferry Road, Holly Springs, NC 27540
Telephone: 4 02-310-6385 Fax: _____ E-Mail: president@hgmspts.org

(Check one)

Legal Status: ☐ Private non-profit corporation ☐ Unincorporated civic group ☒ Other (Please describe below)

Date Organization Formed or Chartered: October 2010

Agency 501 C-3 Number: _____ Or, Federal Tax ID Number: #27-2667169
Amount and Type of Town funds requested: _____

\$ 1650.00 for (check below all that apply)

- ☒ Capital Costs (construction, large specific purchase)
☐ Operating Costs
☒ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. **(Please limit your response using only the space provided below)**

Our Holly Grove Middle School currently has four picnic tables in an outside nook of our building - near our bus loop, in a fairly high traffic area for students, staff, and all Holly Springs residents who use the building for various athletics, etc. The picnic tables are in good shape and are a place where students gather, where teachers can offer to have lunches with small groups of students, etc. The area around the picnic tables is in rough shape, however. It's this area, a place of gathering and these picnic tables, we would like to improve.

We would look at putting down landscape fabric, bringing in river rock, some pavers to set within the river rock near two of the tables to make them more handicap accessible, and two small camillia bushes, red, our school color.

This work would be carried out by our HGMS PTSA volunteers and we would invite any of our HGMS NJHS students to join us if they would like to volunteer.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

As a PTSA, our reason for existence is to support education and educational opportunities for our students, and support our teachers and staff. Our budget is created being mindful of the variety of ways we might help support a wide variety of things during each school year.
We currently have a line item for beautification and landscaping, and this year, we are using most of that budget for our EC Garden area so that our EC Classrooms and students are able to do hands-on lessons outside. With this grant, we would be able to care for one more area, commonly used by our students, teachers, and likely any Holly Springs residents who are on campus for town events.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

If we are not granted the funds for this picnic area, it will still remain a project that's on our HGMS PTSA radar, but will involve more fundraising and likely will take a longer time to carry out the project. We also might need to work at having this project completed in parts, vs. being done together and completely.
I would also add, 2025 is the 15th anniversary of Holly Grove Middle School being a part of the Holly Springs community - and improving this common area gathering place is well-timed for a school that continues to be an important part of our community as a whole .

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☐ Town of Holly Springs	\$ _____	Amount	_____ % of Annual Budget
☐ United Way	\$ _____	Amount	_____ % of Annual Budget
☐ Wake County	\$ _____	Amount	_____ % of Annual Budget
☐ Foundations	\$ _____	Amount	_____ % of Annual Budget
☐ Federal	\$ _____	Amount	_____ % of Annual Budget
☐ Grants	\$ _____	Amount	_____ % of Annual Budget
☐ State of N.C.	\$ _____	Amount	_____ % of Annual Budget
☐ Other Private Funding	\$ _____	Amount	_____ % of Annual Budget
☒ Fundraisers	\$ 42.000	Amount	100% of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

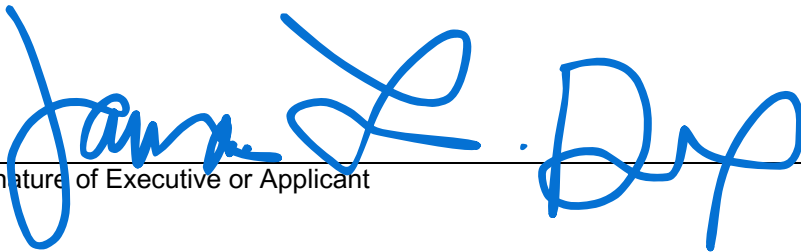
We didn't receive funding last year, but were excited to learn about the grant this year and excited for the opportunity to apply.

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. CERTIFICATION

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.



Signature of Executive or Applicant

2-22-25

Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

- ☐ **Completed application**
- ☐ **Attachment 1-** Copy of current year budget, if applying for more than \$500
- ☐ **Attachment 2-** Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)
- ☐ **Attachment 3-** Excel spreadsheet financial statement for your organization.
- ☐

Holly Grove Middle PTA FY 2024

Budget Report

Funds available at beginning of financial year (07/01/2024)			\$48,006.90
2024-2025 Budget	Budgeted Income	Budgeted Expenses	Budget Net
Admin			
Board Misc Expense	-	-\$1,200.00	-\$1,200.00
Insurance (AIM)	-	-\$410.00	-\$410.00
Google domain reg	-	-\$12.00	-\$12.00
Money Minder	-	-\$210.00	-\$210.00
Accounting Services	-	-\$360.00	-\$360.00
Wake County Dues (Reflections)	-	-\$100.00	-\$100.00
Carryover Excess from Prior Year	\$27,050.00	-\$5,000.00	\$22,050.00
Carryover Spend from Prior Year	-	-\$2,000.00	-\$2,000.00
AdminTotals	\$27,050.00	-\$9,292.00	\$17,758.00
Fundraising			
Book Fair	\$4,300.00	-\$4,300.00	-
Fundraiser	\$47,000.00	-\$19,000.00	\$28,000.00
Membership Dues	\$2,000.00	-\$1,100.00	\$900.00
Passive Fundraising	\$3,200.00	-	\$3,200.00
Spirit Wear	\$6,000.00	-\$500.00	\$5,500.00
School Dances	\$7,500.00	-\$5,300.00	\$2,200.00
8th Grade Lawn Signs	\$2,400.00	-\$1,300.00	\$1,100.00
FundraisingTotals	\$72,400.00	-\$31,500.00	\$40,900.00
Programs			
Reading Challenge	-	-\$1,000.00	-\$1,000.00
8th Grade Celebration	-	-\$6,000.00	-\$6,000.00
Honor Roll	-	-\$1,300.00	-\$1,300.00
PBIS	-	-\$4,200.00	-\$4,200.00
Science Olympiads	-	-\$300.00	-\$300.00
Spelling Bee	-	-\$300.00	-\$300.00
Campus / School Beautification	-	-\$1,500.00	-\$1,500.00
Author Visit	-	-\$500.00	-\$500.00
ProgramsTotals	-	-\$15,100.00	-\$15,100.00
Student Support			
General Student and Family Support	-	-\$6,500.00	-\$6,500.00
Club Sponsorship	-	-\$500.00	-\$500.00
Theater Support	-	-\$300.00	-\$300.00
6th Grade Field Trip	-	-\$300.00	-\$300.00
7th Grade Field Trip	-	-\$500.00	-\$500.00
8th Grade Field Trip	-	-\$2,000.00	-\$2,000.00
Student SupportTotals	-	-\$10,100.00	-\$10,100.00

2024-2025 Budget	Budgeted Income	Budgeted Expenses	Budget Net
Staff Support			
Hospitality	\$1,000.00	-\$5,000.00	-\$4,000.00
Staff Subsidy	-	-\$8,000.00	-\$8,000.00
Staff Grants	-	-\$4,000.00	-\$4,000.00
Teacher and TA of the Year	-	-\$325.00	-\$325.00
Teacher PLT support	-	-\$4,400.00	-\$4,400.00
Admin Discretionary Spending	-	-\$1,500.00	-\$1,500.00
Staff Appreciation Week (May)	\$3,000.00	-\$6,700.00	-\$3,700.00
Other Staff Appreciation Days	-	-\$1,000.00	-\$1,000.00
Staff SupportTotals	\$4,000.00	-\$30,925.00	-\$26,925.00
2024-2025 Budget Totals	\$103,450.00	-\$96,917.00	\$6,533.00
Grand Totals			
	\$103,450.00	-\$96,917.00	\$6,533.00
Projected bank balance if on budget			\$54,539.90

HGMS PTSA Picnic Table Area Improvement Project - 2025

Material Needed	Cost Estimate as of 2/25	Place to Purchase
River Rock - 13 cubic yards	\$1,350 plus tax (\$100 per cubic yd + delivery)	Daniel's Supply in Fuquay-Varina
Landscaping Fabric - 1 roll of 300 ft x 3 ft	\$45-50 plus tax	Lowe's Home Improvement in Holly Springs
Pavers - for an 8 ft. x 8 ft. area - Pavers are 12"x12"	\$120 plus tax (\$1.88 each, x 64 pavers)	Lowe's Home Improvement in Holly Springs
Small Decorative Bushes - 2 Camillias, red blooms	\$112 plus tax (\$56 each)	Lowe's Home Improvement in Holly Springs
	\$1,632 Total Estimate	

Audit Findings Letter

Name of Organization: **Holly Grove Middle School PTSA**
Name of Treasurer: **Colleen Moody**
Period Audit Covers: **July 2023-June 2024**

Date: **September 10, 2024**

Re: Financial Review

PROCEDURAL STANDARDS:

- All checks were double signed
- Google forms created for submission of staff grant reimbursement requests and all PTSA reimbursement requests
- Receipts are attached to the register in Moneyminder
- Monthly Moneyminder reconciliations completed for 12 months
- Details sent to school bookkeeper for all donations (monetary or items) to be submitted to WCPSS

BUDGET CONSIDERATIONS:

- Field Trips was added back
- Reduced budget line item Bonding and Liability Insurance due to decreased premium and increase Accounting Service due to increase in fee.
- Known overage in budget spend due to excess in bank.
 - Included budget line items for prior year spend and prior year carry-over of income
- Book Fair needs to be updated to show the same for income and expenses since the PTSA does not get any income
- Need to consider if the Student Gift item should continue

FINANCIAL ITEMS:

- Givebacks ACH is for online payment for dues so no receipts. All detailed reports about each payment is available in Givebacks
- No receipts for the dance DJs or SROs or any checks to WCPSS or HGMS.
 - There are details in Moneyminder about what these checks are for and they are noted in the correct budget items
- Benevity deposits are matching gift from family employers / direct donations through employers, and details are not provided when the check is received
- For Cash Withdrawals, update the Details to the purpose of the Cash

July Expenses

- 2 checks voided from prior school year (2761, 2794)
- All prior year checks that cleared do not have receipts but that is because the prior year Treasurer didn't load receipts into Moneyfinder
- Missing receipts for checks 2881

August Expenses

- Missing receipts for checks 2892

October Expenses

- Missing receipts for checks 2905

November Expenses

- Missing receipts for checks 2916

December Expenses

- Missing receipt 12/18 Vieni debit

January Expenses

- Missing receipts for 1/12 Harris Teeter

February Expenses

- No receipt for 2930. This was a direct donation to Ligan Middle School from the remaining spelling bee budget as the request of the Spelling Bee contact.

April Expenses

- Missing receipts for 4/11 Canva
- No receipts for 2952 to HGMS (\$5000). This is the proceeds from the fundraiser. A letter was received from WCPSS.

May Expenses

- Missing receipts for checks 2961 and 5/23 and 5/24 Walmart and 5/31 Michaelangelos

June Expenses

- Missing receipts for check 2994 and 3004



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Holly Springs Inter-faith Alliance (HSIA)

Mailing address: _____

Current Presiding Officer: Mark Savoldi

Mailing address: 3134 Holly Green Lane, Holly Springs NC 27540

Telephone: 919-656-7342 Fax: _____ E-Mail: marksavoldi@gmail.com

(Check one)

Legal Status: ☒ Private non-profit corporation ☐ Unincorporated civic group ☐ Other (Please describe below)

Date Organization Formed or Chartered: 11/18/20

Agency 501 C-3 Number: 85-3954525 Or, Federal Tax ID Number: _____

Amount and Type of Town funds requested: \$ 500 .00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☒ Operating Costs

☒ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. (Please limit your response using only the space provided below)

The mission of the HSIA, which is comprised of the different faith communities within Holly Springs, NC, is to work together towards unity, love, and acceptance for the betterment of all people in the community by providing a platform rooted in service, leadership, education, and sharing. Using each of our unique faiths to promote a united understanding, appreciation, and love amongst the community's diverse population that recognizes the divine worth of all people. We recognize and affirm our differences.

Providing opportunities for community members to serve together towards common goals, such as:

- Standing firm against discrimination, racism, and division within the community
- Working closely with Local Government and Community Organizations to ensure the safety and livelihood of community members
- Leading programs to foster service in the community
- Committing to eliminate poverty, hunger, and homelessness
- Honoring each other's religious festivities, whenever possible, and sharing together in an effort to learn and build relationships

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

HSIA is specifically seeking grant funds to aid in multiple opportunities throughout the year. Funding will help with: * Printing of educational information to hand out at events (ex: Holly Fest) * Supplies for some events that include Town service opportunities (ex: Road Cleanup, Greenway cleanup) * Social Media assistance to help us become more known for greater impact * Block Party supplies for serving in-need neighborhoods (ex: Block Party at Maple Ridge Apartments) (* Continued projects that represent HSIA and it's purpose including displays (ex: world map display @ Town events) * Continued projects that encourage engagement with community. * Administrative needs (ex: office supplies)* Resources to support Prayer in the Park

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

Not receiving the grant will adversely impact HSIA in a way that limits and stifles our community engagement. While HSIA will always attempt to be present when we see fit, offering tangible resources and educational information will always be the goal. Without the additional funding, we will be limited in regards to quality speakers, service opportunities (cases of water, groceries, clothing and other resources for in-need families), printing and creation of educational resources...all of these reduces our impact of connecting to and unifying our community. We believe that with your support, we can move forward with making this happen.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☒ Town of Holly Springs	\$ 500	Amount	83 % of Annual Budget
☐ United Way	\$	Amount	% of Annual Budget
☐ Wake County	\$	Amount	% of Annual Budget
☐ Foundations	\$	Amount	% of Annual Budget
☐ Federal	\$	Amount	% of Annual Budget
☐ Grants	\$	Amount	% of Annual Budget
☐ State of N.C.	\$	Amount	% of Annual Budget
☒ Other Private Funding	\$ 100.00	Amount	17 % of Annual Budget
☐ Fundraisers	\$	Amount	% of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

The generous blessing that the Town of Holly Springs awarded us last year went towards our expenses for educational signage (\$232.57), basic functions for a website (\$88.87) and materials for our float at the Christmas Parade (\$87.72). HSIA is trying to steward the funds well by saving as much as possible to allow us to participate in larger events, including Compassion Day and other projects coming up in 2024. We would also like to expand our website functions to help with better communication options (event calendar) and email capabilities.

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. CERTIFICATION

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.

Signature of Executive or Applicant



Date

2/18/25

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

☒ **Completed application**

☐ **Attachment 1** - Copy of current year budget, if applying for more than \$500

☐ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)

☐ **Attachment 3** - Excel spreadsheet financial statement for your organization.



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Holly Strings Youth Orchestra

Mailing address: 5300 Lake Edge Drive, Holly Springs, NC 27540

Current Presiding Officer: Erin Pare

Mailing address: 5300 Lake Edge Drive, Holly Springs, NC 27540

Telephone: 919-605-7444

Fax: n/a

E-Mail: hsyouthorchestra@gmail.com; info@hsyouthorchestra.org

(Check one)

Legal Status: ☒ Private non-profit corporation

☐ Unincorporated civic group

☐ Other (Please describe below)

Date Organization Formed or Chartered: June 1, 2018

Agency 501 C-3 Number: _____ Or, Federal Tax ID Number: 82-4972670

Amount and Type of Town funds requested: \$ 2500.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☒ Operating Costs

☐ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. **(Please limit your response using only the space provided below)**

The Holly Strings Youth Orchestra is a non-profit corporation and operates exclusively for educational and charitable purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code.

The HSYO mission is to cultivate the artistic development of students through high quality and affordable music education and performance. To create the opportunity for area youth to develop a lifelong love of music-making. To challenge every musician to pursue musical excellence.

The HSYO provides string instrument instruction (violin, viola, cello, and bass) to youth ages 20 years old and younger, as an individual and as part of an ensemble. Our vision is to make string music education and performance available to youth for whom string instrument instruction and ensemble performance opportunities are either unavailable or unaffordable. The HSYO exists in part because string music is not available in area public schools.

Our programs include instrument instruction workshops, performance ensembles based on skill level, and concerts and public performances. We offer tuition free opportunities for those who are unable to afford enrollment fees. We work with area music groups and artists to enhance the musical growth experience for HSYO participants.

At times and per the discretion of the 100% volunteer board of directors, we will provide internships and volunteer opportunities to increase community involvement in the arts.

The name Holly Strings Youth Orchestra is inspired by where it was created and has operated within since its inception, the Town of Holly Springs.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

The HSYO is applying for the funds in order to continue to grow the organization to meet the growing demand for participation. Enrollment fees cover professional staff pay. We are asking for help with investments in a conductor stand (platform that the conductor uses to stand on during performances and during rehearsals); to purchase concert music and instructional materials; supplies, and repair costs for instruments in our instrument loaner program. We have a place for every individual who would like to learn to play a string instrument. As the costs of an instrument and lessons can be cost prohibitive for some families, these funds will also be spent on youth who apply for our enrollment fee waiver program, which the family would have to apply for through our board of directors and be able to give evidence of free and reduced lunch status for that child. As enrollment in the program goes up, these costs also rise.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

If funds are not provided, we will have to offer fewer programs and reduce the instrument loaner and enrollment fee waiver program for families that cannot afford it. We will seek funds from other grant organizations, but will need to put-off purchasing needed supplies and equipment that we need to continue to operate at the level we are operating. We would probably cancel classes instead of offering more to different age groups where there is a demand, and reuse older music already performed instead of being more selective about pieces that fit the ability levels of the groups.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☐ Town of Holly Springs	\$ _____	Amount	_____ % of Annual Budget
☐ United Way	\$ _____	Amount	_____ % of Annual Budget
☐ Wake County	\$ _____	Amount	_____ % of Annual Budget
☐ Foundations	\$ _____	Amount	_____ % of Annual Budget
☐ Federal	\$ _____	Amount	_____ % of Annual Budget
☐ Grants	\$ _____	Amount	_____ % of Annual Budget
☐ State of N.C.	\$ _____	Amount	_____ % of Annual Budget
☐ Other Private Funding	\$ 30,000.00	Amount	_____ % of Annual Budget
☐ Fundraisers	\$ 2500.00	Amount	_____ % of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

Not applicable

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. **CERTIFICATION**

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.



Signature of Executive or Applicant

3/7/25

Date

Holly Strings Youth Orchestra 2024-2025 Budget PROPOSED - Board App 7/30/24

			PROPOSED	ACTUAL
1	<u>7/1/2024 Opening Balance</u>		\$ 4,720.73	\$ 4,720.73
2	INCOME			
3	Enrollment + concert tickets	#130	\$ 22,750.00	
4	Bank Interest		\$ -	
5	Donations		\$ 2,500.00	
6	Grants and fundraising		\$ 15,000.00	
7	TOTAL INCOME		\$ 40,250.00	
8	Total Cash On Hand + Proposed Income		\$ 44,970.73	
9	EXPENSES			
10	Facility Rental		\$ 12,000.00	
11	Bank Fees, checks		\$ 50.00	
12	Tuition waivers		\$ 1,000.00	
13	Staff wages, gifts		\$ 22,750.00	
14	Website, domain name registration	3 yr. renew (5/2025)	\$ 850.00	
15	Marketing		\$ 1,000.00	
16	Music/Program materials		\$ 750.00	
17	T-shirts		\$ -	
18	Supplies: instruction books, binders, pencils, stickers, copies, etc.		\$ 500.00	
19	Trophies		\$ 600.00	
20	Concert décor, concert programs		\$ 200.00	
21	Liability Insurance		\$ 300.00	
22	Legal		\$ 1,000.00	
23	Accounting Fees		\$ 1,000.00	
24	Equipment		\$ 350.00	
25	Miscellaneous		\$ 200.00	
26	TOTAL EXPENSES		\$ 42,550.00	\$ -
27	TOTAL INCOME minus EXPENSES		\$ 2,420.72	
28	Carry Over to 2025-2026 Budget		\$ 2,420.73	



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Holly Springs Civitan Club

Mailing address: 108 Wallsburg Court, Cary, NC 27518

Current Presiding Officer: Kelly O'Hara

Mailing address: 2624 Avent Ferry Road, Holly Springs, NC 27540

Telephone: (919) 971-7628

Fax: _____

E-Mail: kohara2@wcpss.net

(Check one)

Legal Status: ☐ Private non-profit corporation

☐ Unincorporated civic group

☒ Other (Please describe below)

Date Organization Formed or Chartered: _____

Agency 501 C-3 Number: _____

Or, Federal Tax ID Number: 26-1434085

Amount and Type of Town funds requested: \$ 500.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☐ Operating Costs

☒ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. **(Please limit your response using only the space provided below)**

The Holly Springs Civitan Club is a member of Civitan International which advocates for people with developmental and intellectual disabilities. The Holly Springs Civitan Club fulfills this mission by: 1) sponsoring educational forums (such as the annual Resource Fair which brings organizations together to provide resources for parents/guardians of special needs children/adults) and 2) hosting events that bring the community together in an uplifting fashion to help make Holly Springs an even better place to live. The two biggest events are: 1) the annual Trunk or Treat held in October at the United Methodist Sunrise Church, and 2) the annual Holly Springs Steppin Out Dance held in the Spring for the past eleven years (excluding two years due to Covid). The Dance is a prom that celebrates the lives of residents who have special needs and has had more than 300 dancers and volunteers gather at the Sunrise Church. It is a magical and moving event for all participants. The next dance is in a couple days on Friday, March 7, 2025.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

We seek to bring together residents of all abilities and races where everyone is equally cherished and loved. We seek to help strengthen the community and to show others why Holly Springs is such an outstanding place to live. The 2 years we weren't able to have the Dance due to Covid makes us appreciate this amazing event even more. 2025 is the third year we'll have this event after that Covid break and we are so excited and looking forward to this.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

The grant is critical to the operation and planning for the Dance. The church provides space for free and the Civitan provides all the funding for things such as the DJ, decorations, and supplies. The Dance typically costs approximately \$1,000 to put on, and in addition to the \$600 the Civitan funds for the annual Trunk or Treat event and Resource Fair. Holly Springs Civitan is a very small volunteer organization that relies on community grants and donations from local businesses to support our events. The Town of Holly Springs has been very supportive in the past with \$500 grants including a \$500 grant we received last year.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☒ Town of Holly Springs	\$ <u>500</u> Amount	<u>42</u> % of Annual Budget
☐ United Way	\$ _____ Amount	_____ % of Annual Budget
☐ Wake County	\$ _____ Amount	_____ % of Annual Budget
☐ Foundations	\$ _____ Amount	_____ % of Annual Budget
☐ Federal	\$ _____ Amount	_____ % of Annual Budget
☐ Grants	\$ _____ Amount	_____ % of Annual Budget
☐ State of N.C.	\$ _____ Amount	_____ % of Annual Budget
☒ Other Private Funding	\$ <u>400</u> Amount	<u>33</u> % of Annual Budget
☒ Fundraisers	\$ <u>300</u> Amount	<u>25</u> % of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

\$500 funding last received in 2024. As stated above, all funding is used for 3 primary purposes - 1) the annual Steppin Out Dance, 2) the annual Trunk or Treat event, and 3) the annual Resource Fair to educate parents/guardians of locally available provider agencies for special needs resources.

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. **CERTIFICATION**

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.

Dail Krouse

Signature of Executive or Applicant

3/4/2025

Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

- ☒ **Completed application**
- ☐ **Attachment 1** - Copy of current year budget, if applying for more than \$500
- ☐ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)
- ☐ **Attachment 3** - Excel spreadsheet financial statement for your organization.



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Holly Springs Community Band

Mailing address: PO Box 1164, Holly Springs, NC 27540

Current Presiding Officer: Debbie Dunn-Smoot

Mailing address: 4200 Banks Stone Drive, Raleigh, NC 27603

Telephone: 984-242-4549

Fax: _____

E-Mail: dunnsmoot@aol.com

(Check one)

Legal Status: ☐ Private non-profit corporation

☐ Unincorporated civic group

☒ Other (Please describe below)

A public charity 170(b)(1)(A)(vi)

Date Organization Formed or Chartered: 12.19.2006

Agency 501 C-3 Number: _____

Or, Federal Tax ID Number: 20-5486357

Amount and Type of Town funds requested: \$ 2500.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☒ Operating Costs

☒ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. **(Please limit your response using only the space provided below)**

In 2024, the Holly Springs Community Band performed three concerts at the Cultural Center and participated in five community events—the Triangle Community Band Festival in Durham, a concert at the Holly Springs Farmers Market, two Salamanders games at Ting Park, and the Veterans Day observance at the Kraft Family YMCA in Apex.

In addition to providing adult musicians in the community with an opportunity to play and perform music written and arranged for concert band, our music programs bring together community members of all ages to celebrate live music. Both the residents of Holly Springs and our band members look forward to these enriching experiences. In 2025, we have four concerts scheduled so far and plan to use grant funds to purchase music, cover operating costs, expand our advertising to reach a broader audience, and meet other essential needs.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

With our new publicity coordinator, Nancy Knight, we are focusing on enhancing community outreach. Working closely with our marketing team, Nancy is leading the creation of both print and digital promotional materials to increase community awareness and improve attendance at our performances. As Holly Springs continues to grow, the demand for effective promotion increases. However, the high cost of advertising has been an ongoing challenge.

To address these challenges, we have initiated a revamp of our website and are actively enhancing our digital presence on social media through engaging posts and careful Google Analytics monitoring. Additionally, we have expanded our print media efforts with sandwich boards, rack cards, and posters. Our marketing coordinator is also improving communications with local media outlets and organizations such as the Chamber of Commerce, curating event calendars, and developing an email list of "friends and donors" to further engage our community.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

Since the band does not receive any income from our concerts, we are limited to where and when we can perform. The sale of tickets for our concerts is managed by the Cultural Center, and in return, we are given rehearsal space and storage space for our percussion instruments.

In the current climate, soliciting donations has become increasingly challenging, making the Town of Holly Springs' grant our primary source of financial support. This grant is crucial for sustaining our operations and ensuring that our performances continue. It underscores our reliance on community generosity to meet our essential needs.

Without the support of the Holly Springs Grant, our ability to maintain our current performance schedule would be severely compromised. We would be forced to scale back our engagements, which would not only diminish the band's visibility and cultural contributions but also reduce opportunities for the community to experience the enriching impact of live music. Simply put, the grant is vital to preserving the vibrancy and continuity of the Holly Springs Community Band, and we remain deeply grateful for the town's ongoing support.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☒ Town of Holly Springs	\$ 2600	Amount	_____ % of Annual Budget
☐ United Way	\$ _____	Amount	_____ % of Annual Budget
☐ Wake County	\$ _____	Amount	_____ % of Annual Budget
☐ Foundations	\$ _____	Amount	_____ % of Annual Budget
☐ Federal	\$ _____	Amount	_____ % of Annual Budget
☐ Grants	\$ _____	Amount	_____ % of Annual Budget
☐ State of N.C.	\$ _____	Amount	_____ % of Annual Budget
☒ Other Private Funding	\$ 1488	Amount	_____ % of Annual Budget
☐ Fundraisers	\$ _____	Amount	_____ % of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

The Holly Springs Community Band used its grant funds to support routine operations and essential expenses, including music purchases, advertising, band uniform shirt purchases (partially reimbursed by members who received a shirt), and general supplies. The band also provided a stipend/honorarium to an associate conductor who ran rehearsals and directed three of our concerts when our primary conductor was sidelined by health issues. Also, grant funds were used for membership dues paid to the Association of Concert Bands. The yearly dues include payment for a blanket performance license that enables public performances of the copyrighted music that we play.

We were blessed last year to have a single large member donation that enabled us to meet our annual expenses, plus a partial in-kind donation of orchestra bells that were needed for our percussion section. We were also fortunate that a member of the band was able to transport our percussion equipment to the three off-site performances last year. It is unknown at this time if we can count on not having to incur the considerable expense of renting a truck to transport the percussion instruments in 2025.

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. CERTIFICATION

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.

Signature of Executive or Applicant

Date

Note: This was digitally signed, but I was unable to combine the files and save the digital signature.

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

- ☐ **Completed application**
- ☐ **Attachment 1** - Copy of current year budget, if applying for more than \$500
- ☐ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)
- ☐ **Attachment 3** - Excel spreadsheet financial statement for your organization.

Holly Springs Community Band
Profit & Loss
January through December 2024

	Jan - Dec 24
Ordinary Income/Expense	
Income	
Income-Direct	
Corporate Contributions	2,600.00
Donation Box	48.06
Donations - Members	1,200.00
Donations - Non-Members	240.00
Total Income-Direct	4,088.06
Income - Indirect	
Amazon, Benevity, Other	48.55
Donations - In Kind	709.23
Shirt Purchases-Members	190.00
Total Income - Indirect	947.78
Total Income	5,035.84
Gross Profit	5,035.84
Expense	
Bank Charges	31.07
Concert Fee - Stipends	200.00
Dues & Licenses	456.00
Equipment - Purchase	1,409.23
Gifts, Donations & Awards	53.61
Marketing, Printing, PR	591.06
Music Purchases	472.66
Supplies	133.45
Total Expense	3,347.08
Net Ordinary Income	1,688.76
Net Income	1,688.76

Holly Springs Community Band
Actual 2024 vs Budget 2024
as of 12.31.24

					Treasurer Report as of 12/31/2024		Budget 2024		Proosed Budget 2025						
					Ordinary Income/Expense										
				Income											
				Income-Direct											
				Corporate Contributions	\$ 2,600.00		\$ 2,500.00		\$ 2,500.00						
				Donation Box	\$ 48.06										
				Donations - Members	\$ 1,200.00		\$ 500.00		\$ 300.00	\$1000 donation-anonymous					
				Donations - Non-Members	\$ 240.00		\$ 100.00		\$ 300.00						
				Total Income-Direct	\$ 4,088.06		\$ 3,100.00		\$ 3,100.00						
				Income - Indirect											
				Amazon, Benevity, Other	\$ 48.55		\$ -		\$ 30.00						
				Donation In Kind	\$ 709.23				\$ -	Donation-Bells					
				Shirt Purchases-Members	\$ 190.00		\$ 20.00		\$ 60.00						
				Total Income - Indirect	\$ 947.78		\$ 20.00		\$ 90.00						
				Total Income	\$ 5,035.84		\$ 3,120.00		\$ 3,190.00						
				Gross Profit	\$ 5,035.84		\$ 3,120.00		\$ 3,190.00						
				Expense											
				Bank Charges	\$ 31.07		\$ 20.00		\$ 40.00						
				Concert Fees, Stipends	\$ 200.00				\$ 200.00	Sub Conductor					
				Dues & Licenses	\$ 456.00		\$ 500.00		\$ 500.00						
				Equipment - Mainenance			\$ 100.00		\$ 100.00						
				Equipment - Purchase	\$ 1,409.23		\$ 700.00		\$ 500.00	Percussion					
				Equipment - Transportation	\$ -		\$ 500.00		\$ 100.00						
				Gift, Donations & Awards	\$ 53.61		\$ 200.00		\$ 100.00						
				Marketing, Printing, PR	\$ 591.06		\$ 250.00		\$ 600.00	3 Concerts = \$200 per concert Print & Online Publicity					
				Music Purchases	\$ 472.66		\$ 400.00		\$ 450.00						
				Other Costs					\$ 100.00						
				Shirt Purchase	\$ -		\$ 50.00		\$ 100.00						
				Supplies	\$ 133.45		\$ 100.00		\$ 100.00						
				Travel and Meetings	\$ -		\$ 100.00		\$ 100.00						
				Website & Internet			\$ 200.00		\$ 200.00						
				Total Expense	\$ 3,347.08		\$ 3,120.00		\$ 3,190.00						

Actual 2024 vs Budget 2024

as of 12.31.24[illegible]



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Holly Springs High School Band Boosters

Mailing address: 5329 Cass Holt Rd., Holly Springs, NC 27540

Current Presiding Officer: Jaimie Russell and Paul Alvarez, co-Presidents

Mailing address: 5329 Cass Holt Rd., Holly Springs, NC 27540

Telephone: (304)906-9519 Fax: NA E-Mail: goldenhawksbandhshs@gmail.com

(Check one)

Legal Status: ☒ Private non-profit corporation ☐ Unincorporated civic group ☐ Other (Please describe below)

Date Organization Formed or Chartered: 2006

Agency 501 C-3 Number: NA Or, Federal Tax ID Number: 11-3787117

Amount and Type of Town funds requested: \$ 2500.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☐ Operating Costs

☒ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. **(Please limit your response using only the space provided below)**

The Band Boosters organization was formed to support our ensembles because the band program relies mostly on funds raised by parent volunteers, student led campaigns, and participant fair share dues. Band funding covers all aspects of the program such as: music rights, production sets, instruments, staff for educational enrichment, transportation to community functions/performances, and scholarships for students who cannot afford dues.

Through the program students have opportunities to flourish as musicians, performers, and people as the band program encompasses the following facets: Golden Hawks Regiment (marching band), two concert groups, jazz and chamber ensembles, indoor percussion, and an expansive guard program (including elementary and middle school participation).

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

As the only high school currently serving Holly Springs, we have seen tremendous growth in our band program. Last year, the program was able to purchase an additional (used) trailer to help transport equipment, instruments, props, uniforms, and supplies to and from competitions and performances. This year, the grant would provide funding for the materials required to outfit, organize and secure items inside the trailer while towing, as well as materials to ensure safety and security on the outside of the trailer (lighting, upgraded jack, awnings, etc.). We have parent volunteers and student maintenance crew members who will execute installation and outfitting of the trailer.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

With the opening of Felton Grove High School in the next school year, the arts programs will likely be significantly impacted as part of the town's student population will feed into the new school and reduce the number of students in our programs. If we need to carve out funds from the operating budget to purchase supplies for this project, we will likely have to increase fair share payments for our students next year, which will likely already be increased due to the reduced number of students in the program.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☒ Town of Holly Springs	\$ <u>2500</u>	Amount	_____ % of Annual Budget
☐ United Way	\$ _____	Amount	_____ % of Annual Budget
☐ Wake County	\$ _____	Amount	_____ % of Annual Budget
☐ Foundations	\$ _____	Amount	_____ % of Annual Budget
☐ Federal	\$ _____	Amount	_____ % of Annual Budget
☐ Grants	\$ _____	Amount	_____ % of Annual Budget
☐ State of N.C.	\$ _____	Amount	_____ % of Annual Budget
☐ Other Private Funding	\$ _____	Amount	_____ % of Annual Budget
☐ Fundraisers	\$ _____	Amount	_____ % of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

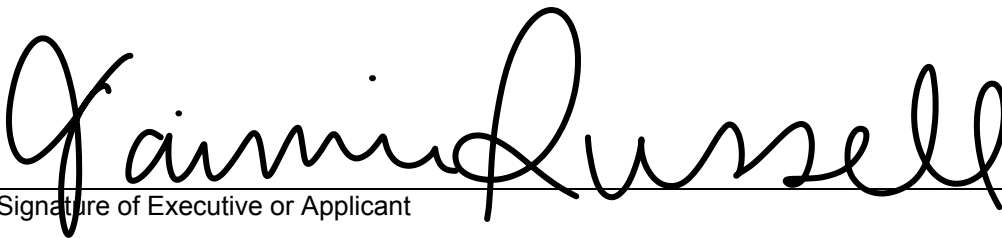
Last year we gratefully received \$1000 from the Town to build an additional storage shed to house equipment and our utility vehicle for our award-winning marching band to use at home football games, as well as for marching competitions and performances. We are in the process of securing a location for the shed on school grounds and materials will be purchased to build the shed once secured.

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. CERTIFICATION

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.



Signature of Executive or Applicant

23Feb2025

Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

☒ **Completed application**

☒ **Attachment 1** - Copy of current year budget, if applying for more than \$500

☐ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
N/A (If you do not have an independent audit, please write "n/a" in the space to the left.)

☒ **Attachment 3** - Excel spreadsheet financial statement for your organization.

HSHS Band Boosters Financials Tax Year 2024

ASSETS	Value		LIABILITIES AND NET WORTH	Loan Balance
Deposits in banks and other financial institutions	\$134,805		Balance of loans on vehicles and equipment	N/A
Value of marketable stocks and bonds	N/A		Balance of loans on real estate	N/A
Value of vehicles & equipment	N/A		Balance of other loans	N/A
Value of real estate	N/A		Cost of other liabilities (itemize)	N/A
Value of other assets	\$13,979		(Deferred Revenue)	\$1,603
			TOTAL LIABILITIES	\$1,603
TOTAL ASSETS	\$148,784		NET WORTH	\$147,181

Proposed Budget				
For School Year 2024-2025				
		<u>2024-2025</u>		
Income	<u>Description</u>	<u>Proposed</u>		
	Grants	\$1,000.00		
	Corporate Sponsor	\$5,000.00		
	Music Sponsorship	\$200.00		
	Donations	\$0.00		
	Fundraiser: HT VIC Card	\$200.00		
	Fundraiser: Car Wash	\$300.00		
	Fundraiser: Spirit Night	\$300.00		
	Fundraiser: PNC/Walnut Creek	\$7,000.00		
	Fundraiser: Ornaments	\$100.00		
	Fundraiser: Friends and Family	\$2,000.00		
	Fundraiser: Winter Showcase	\$14,000.00		
	Fundraiser: Poinsettias	\$500.00		
	Fundraiser: Bandtober	\$5,000.00		
	Total Income/Fundraising	\$35,600.00		
Expenses			<u>Marching</u>	<u>Classroom</u>
	Student Awards and Gifts		\$750.00	\$750.00
	Student Leadership Camp and Registration		\$775.00	
	General Expenses		\$1,080.00	\$1,080.00
	Clinicians		\$40,000.00	\$1,000.00
	Directors Expense		\$200.00	\$400.00

	Concert Expense			\$500.00
	All District/All State			\$600.00
	Music/Show/Drill-Marching		\$10,000.00	
	Music/Class/Concert/Instrument Expenses			\$1,600.00
	Meals: Band Banquet/Luncheons		\$1,400.00	\$1,400.00
	Meals: Football Games		\$3,400.00	
	Meals: Band Camp		\$7,000.00	
	Theme T Shirts		\$1,500.00	
	Visual Package		\$20,000.00	
	Equipment Expense		\$500.00	
	Field Maintenance and Lights		\$550.00	
	Truck and Workmen Expenses		\$1,200.00	
	Travel: Truck Rental and gas		\$1,100.00	
	Travel: Bus Driver Charges		\$3,000.00	\$700.00
	Contest and Competition Fees		\$1,200.00	\$350.00
	Overnight Competition (1-night; 2 day)		\$16,410.00	
	Overnight Competitions (2-night; 3 day)		\$27,900.00	
	Virtual/Online Broadcasting			\$900.00
	Expense Totals		\$137,965.00	\$9,280.00
	Calculations for Fair Share using Estimated Year End Amounts			
			<u>Marching</u>	<u>Classroom</u>
	Expense Totals		\$137,965.00	\$9,280.00
	Calculations for Fair Share			
	Marchers	90	\$1,532.94	
	Classroom Students	90		\$103.11



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Holly Springs High School PTSA

Mailing address: 5329 Cass Holt Road, Holly Springs NC 27540

Current Presiding Officer: Melissa Katafiasz (Treasurer)

Mailing address: _____

Telephone: 919-868-2018

Fax: _____

E-Mail: melisllew@gmail.com

(Check one)

Legal Status: ☒ Private non-profit corporation

☐ Unincorporated civic group

☐ Other (Please describe below)

Date Organization Formed or Chartered: 2006

Agency 501 C-3 Number: _____ Or, Federal Tax ID Number: 20-5068089

Amount and Type of Town funds requested: \$ 2500.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☐ Operating Costs

☒ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. (Please limit your response using only the space provided below)

The HSHS PTSA Teacher Grant Program provides funds to the HSHS staff, to be used for instruction-related materials and activities, ultimately benefiting the +2000 students who attend. Grants purchase educational materials that enhance curriculum and provide enhanced technology and resources to broaden the learning experience of the students. Funds are NOT used for salaries, special training or registrations of any kind. Everything purchased is the property of Holly Springs High and is maintained by HSHS and all materials/technologies are accessible to the entire HSHS community. Grants are submitted in September and staff submit a detailed application that provides the benefits of the prospective grant and a cost breakdown. Requests are reviewed by HSHS Administration, submitted to the Grant Committee and chose as many grants as the PTSA budget allows. Grants are awarded in October allowing the recipients to obtain their awards early in the year so the resources may be used all year.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

Holly Springs High is the only high school in Holly Springs, so as a result, the PTSA directly/indirectly impacts many if not most of the community. The PTSA is the only organization at HSHS that benefits ALL students, with no academic, artistic or athletic requirements. Students are able to participate in such activities the Wake County Reflections Arts program, College Fair, study programs and Senior Scholarship opportunities. All of our parent programs are open to the entire Holly Springs community, and the PTSA welcomes their involvement and support! The PTSA continues to be a strong supporter and advocate for HSHS staff, with this Grant Program, as well as Hospitality events throughout the year, and Teacher Appreciation Week in May.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

Funding for many educational materials and programs continues to erode each year. As a result, many schools rely heavily on PTSA and other organizations to fill in the gaps, and Holly Springs High is no different! There are many programs and educational opportunities that might not come to fruition if the Grant funding program is reduced or eliminated. The main goal of our PTSA is to support HSHS so that all students receive the best learning opportunities possible. It is our wish that all students become responsible and productive members of the Holly Springs community, which benefits us all! The support from our town that we receive through the Grant Program allows the PTSA to continue this very important work.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☒ Town of Holly Springs	\$ 2000	Amount	10	% of Annual Budget
☐ United Way	\$	Amount		% of Annual Budget
☐ Wake County	\$	Amount		% of Annual Budget
☐ Foundations	\$	Amount		% of Annual Budget
☐ Federal	\$	Amount		% of Annual Budget
☐ Grants	\$	Amount		% of Annual Budget
☐ State of N.C.	\$	Amount		% of Annual Budget
☒ Other Private Funding	\$ 1300	Amount	7	% of Annual Budget
☒ Fundraisers	\$ 16195	Amount	83	% of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

\$412.00- Raised beds, soil, and herbs for nutrition class. Students learn how to grow herbs and use them for meal preparation to learn about ingredients they have not been exposed to before. \$650.00 -Students learn to plant and harvest vegetables. They then donate them to the Holly Springs Food Cupboard. Students in all grades work on this to learn and help the Holly Springs community. \$763.80- The OCS program has school-based enterprises as a core curriculum for their special ed students to learn social, entrepreneurial, and work skills for the future. This grant provided materials and resources for that program. Remainder- This grant was to the library to focus on increasing reading. It was awarded for \$1000 but only \$175 was used from Town of Holly Springs grant funds. This provides books, incentives, and program material to encourage students to be caught reading at school. It has been very successful.

As a PTA, we awarded \$3500 in PTA grants. We appreciate the Town of Holly Springs assistance to make this happen.

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. CERTIFICATION

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.


Signature of Executive or Applicant

2/14/2025

Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

- ☒ **Completed application**
- ☒ **Attachment 1** - Copy of current year budget, if applying for more than \$500
- ☒ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.) *Ma*
- ☒ **Attachment 3** - Excel spreadsheet financial statement for your organization.

INCOME		Approved BUDGET	2023-2024 Actual
Fundraising			
Senior Signs		\$6,000.00	\$5,215.00
Spirit Wear		\$7,500.00	\$6,577.44
No Frills (grocery cards, Target, Spirit Night, etc.)		\$1,000.00	\$2,515.28
Donations & Sponsorships		\$1,000.00	\$1,300.88
Town of Holly Springs Grant		\$1,500.00	\$2,000.00
Tax Refund		\$0.00	
		\$17,000.00	\$17,608.60
Membership			
Dues for 200 members		\$2,000.00	\$1,886.87
	Income	\$19,000.00	\$19,495.47
		\$10,555.06	Carryover from 24/25(June balance)
		\$29,555.06	
EXPENSES			
Fundraising			
Senior Signs		\$3,900.00	\$4,231.00
Spiritwear		\$2,500.00	\$2,003.75
Misc.		\$500.00	
		\$6,900.00	\$6,234.75
Hospitality			
Staff Breakfasts & Lunches		\$5,000.00	\$4,305.00
Career Expo Snack Express		\$100.00	
Golden Hawks Learning Events		\$100.00	
Graduation Hospitality		\$500.00	
Senior Gift		\$2,500.00	\$2,320.13
		\$8,200.00	\$6,625.13
Programs			
College Fair		\$200.00	
Reflections & Mural Contest		\$200.00	\$74.47
HSHS Business Alliance (CDC)		\$100.00	
Advocacy		\$500.00	
Unified Sports Day (for 24/25)		\$300.00	
		\$1,300.00	\$74.47
Scholarships/Grants			
Senior Scholarships 2023-2024		\$2,000.00	\$2,000.00
Teacher Grants (\$1.5k PTA & \$2k HS Grant)		\$3,500.00	\$2,995.31
		\$5,500.00	\$4,995.31
PTSA Operations			
Administration & Communication		\$500.00	
BAC Meeting		\$500.00	
Donations & Sponsorships		\$500.00	
Leadership Development Training		\$100.00	
AIG Insurance		\$315.00	\$315.00
Wake County Dues & Reflections Dues		\$75.00	\$75.00
NCPTA/National PTA Membership Dues		\$1,250.00	\$964.25
		\$3,240.00	\$1,354.25
Staff Appreciation			
Teacher Appreciation Week		\$1,750.00	\$1,607.98
On-Going Appreciation		\$600.00	
WCPSS Teacher/IA of the Year		\$500.00	\$410.00
		\$2,850.00	\$2,017.98
Miscellaneous			
Contingency		\$1,000.00	
	Expenses	\$27,990.00	\$21,301.89

Compliance**Compliance Submissions**[View](#)

Enter your compliance submissions like Form 990s and Financial reviews.

School Year

2024 - 2025

Financial Review Confirmations

Submitted: 08/06/2024 at 6:40 pm

Audit completed

Awaiting Review

Form 990 Confirmations

Submitted: 10/01/2024 at 1:10 pm

✓

Approved: 12/11/2024

Officers & Committee Chairs[View](#)

Town of Holly Springs Grant Program Basic Financial Statement Information

ASSETS	Value		LIABILITIES AND NET WORTH	Loan Balance
Deposits in banks and other financial institutions	\$10,150		Balance of loans on vehicles and equipment	\$0
Value of marketable stocks and bonds	\$0		Balance of loans on real estate	\$0
Value of vehicles & equipment	\$0		Balance of other loans	\$0
Value of real estate	\$0		Cost of other liabilities (itemize)	\$0
Value of other assets	0			
			TOTAL LIABILITIES	\$0
TOTAL ASSETS	\$10,150		NET WORTH	\$10,150

1/31/2025



Harold Dixon, President
3501 Glenwood Avenue, Raleigh, NC 27612
(919) 787-0534, (800) 255-0417 (NC)
Fax: (919) 787-0569, www.ncpta.org
E-mail: office@ncpta.org

November 19, 2020

President

Holly Springs High School PTSA
5329 Cass Holt Road
Holly Springs, NC 27540

EIN: 20-5068089

Dear President:

We are pleased to inform you that your PTA is included in the PTA North Carolina Congress of Parents and Teachers, Inc. group income tax exemption. North Carolina PTA's Group Exemption Number (GEN) is 8535. Contributions to your organization may be treated as charitable contributions when donors calculate their federal income taxes. In addition, your organization is exempt from federal income taxes on its receipts.

The Internal Revenue Service states that organizations exempt from income taxes under Section 501(c)(3) of the Internal Revenue code need not complete Form 990 if annual gross receipts are not normally in excess of \$50,000. "Gross receipts" is defined as "the total income received from all sources during the annual accounting period, without subtracting any costs or expenses". An organization with gross receipts that are normally \$50,000 or less may file Form 990-N, (e-Postcard) instead of filing Form 990 or Form 990-EZ.

Gross receipts are considered to be \$50,000 or less if the organization is:

- (a) Up to a year old and has received \$75,000 or less during its first year either in donations or pledges;
- (b) Between 1 and 3 years old and averaged \$60,000 or less in gross receipts during each of its first 2 tax years; or
- (c) 3 years old or more and averaged \$50,000 or less in gross receipts for the immediately preceding 3 tax years (including the year for which the return would be filed).

If you are not required to file Form 990, but receive the IRS form, you must check the box showing "income less than \$50,000", sign and date the form, and return it to the IRS. If you are required to file Form 990, you must complete and attach Schedules A and B. Schedules A and B (Form 990) are integral parts of Form 990 for Section 501(c)(3) organizations required to file this form. Therefore, any organization that does not submit completed Schedules A and B with its Form 990 does not satisfy its filing requirements. **Form 990 or the 990-N e-postcard must be filed by the 15th day of the fifth month after the end of your annual accounting period.** If the return is filed late, a penalty of \$20 a day may be charged. The penalty is not to exceed the lesser of \$10,000 or 5 percent of the organization's gross receipts for the year. Also, a penalty may be charged if the return is filed incorrectly or incompletely.

Local units failing to pay membership dues annually are deleted from our roster and are not eligible for inclusion in the group income tax exemption. The Internal Revenue Service is notified when a PTA dissolves its affiliation with State and National PTA.

As with all official documentation, please file this letter with your PTA's permanent records in a safe location.

Sincerely,

Harold Dixon
President



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: The Family Violence Prevention Center, Inc., DBA, InterAct

Mailing address: 1012 Oberlin Road, Suite 100 Raleigh, NC 27605

Current Presiding Officer: Rhonda Raney, Executive Director

Mailing address: 1012 Oberlin Road, Suite 100, Raleigh, NC 27605

Telephone: (919) 235-0614 Fax: 919-828-8304 E-Mail: grantsmanager@interactofwakek.org

(Check one)

Legal Status: ☒ Private non-profit corporation ☐ Unincorporated civic group ☐ Other (Please describe below)

Date Organization Formed or Chartered: 02/24/2978

Agency 501 C-3 Number: _____ Or, Federal Tax ID Number: 58-1320613

Amount and Type of Town funds requested: \$ 2,500.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☒ Operating Costs

☐ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. (Please limit your response using only the space provided below)

InterAct is Wake County, North Carolina's only provider of comprehensive services and support for people experiencing domestic and/or sexual violence and their families and sole Emergency Shelter Program for people fleeing abuse. InterAct is open 24 hours a day every day of the year. There is never a charge.

If awarded this \$2,500 grant, the funding would help support InterAct's trauma-informed, wraparound services which address the intersecting issues of domestic violence, physical and mental health, housing insecurity, income, and employment as they are uniquely experienced by survivors. People can access 24/7 crisis lines, court advocacy and legal services, group and individual counseling, case-managed housing services, and NC's first community-based sexual assault forensic examination center (InterAct's Solace Center) in a single location.

InterAct's programs are designed to remove population-specific barriers to accessing support. We offer technology support to clients who are Deaf/hearing impaired. InterAct's building is accessible and ADA compliant, and our sexual assault clinic's exam room is accessible to all body types and mobilities.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

InterAct operates a 24/7/365 crisis line for people experiencing domestic and sexual violence. These services are the primary access point to InterAct's wraparound support for survivors in Wake County. Our specifically trained crisis counselors provide life-saving guidance to support people making critical decisions and navigating dangerous situations, like fleeing an unsafe home— when abusers are 75% more likely to inflict serious harm or fatal injury. Through personalized safety planning, supportive counseling, and referrals to additional InterAct programs and partner agencies, our crisis counselors provide a safe environment for survivors to determine the next steps toward healing. InterAct's Crisis Intervention Services are vital to our mission of saving lives, rebuilding lives, and securing safer futures for survivors and their families. Funds from Town of Holly Springs will support InterAct's work with people in immediate crisis to make informed decisions about their situations and offer resources so they can reach their goals. This will empower individuals to achieve safety and self-sufficiency and reduce their likelihood of returning to abusive homes, helping end the cycle of domestic and sexual violence in our community. Awarding this funding to InterAct is a strategic investment by the Town of Holly Springs. Additionally, this funding will enable Holly Springs to efficiently leverage the resources and expertise that already exists at InterAct and directly support healthy outcomes for survivors of domestic and sexual violence while strengthening community safety.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

A loss of funds from the Town of Holly Springs would create a substantial and immediate hole in InterAct's budget that would put us behind our annual fundraising efforts to support our important work which makes the community a better and safer place for everyone. We would be challenged to fill the gap at the same time we are trying to gain ground. The current uncertainty of future federal funding already awarded to InterAct but not yet received for the coming year has created a significant level of anxiety as these sources fund our Emergency Shelter Program and operate our other important programs.

Now more than ever, InterAct needs the strong support of local governments, businesses and the broader community to stand with survivors as we continue our efforts to diversify funding streams. The people InterAct serve are often escaping for their lives; with only the clothes they are wearing and children in tow. InterAct is a critical thread of the fabric of the community. Without our services, the lives of countless people in our community could quickly unravel. By awarding this grant to InterAct, Town of Holly Springs would help ensure InterAct can weather uncertain times and continue to be the steady presence for survivors and the community that we have been for 47 years.

InterAct's doors remain open because of the generous support of community partners like the Town of Holly Springs.

4. **FINANCIAL INFORMATION**

- A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☒ Town of Holly Springs	\$ 2,000.00	Amount	0.03 % of Annual Budget
☒ United Way	\$ 92,500.00	Amount	1.52 % of Annual Budget
☒ Wake County	\$ 377,777.15	Amount	6.22 % of Annual Budget
☒ Foundations	\$ 440,000.00	Amount	7.25 % of Annual Budget
☒ Federal	\$ 2,042,928.64	Amount	33.64 % of Annual Budget
☒ Grants	\$ 728,682.93	Amount	12.00 % of Annual Budget
☒ State of N.C.	\$ 257,320	Amount	4.24 % of Annual Budget
☒ Other Private Funding	\$ 2,141,156.55	Amount	35.10 % of Annual Budget
☐ Fundraisers	\$ 0	Amount	0 % of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

InterAct is truly grateful to the Town of Holly Springs for providing \$2,000 support in 2024. By making this investment in InterAct, The Town supported people experiencing domestic and sexual violence and their children, including residents of Holly Springs, by helping InterAct sustain our crisis intervention services and provide financial assistance to help clients with emergency transportation, lodging, and basic needs (food, clothing). This funding helped ensure that people fleeing violence could achieve the safety and stability needed to become self-sufficient. In FY 2023-2024 InterAct provided direct services to 6,937 clients and answered 5,314 crisis line calls.

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as ATTACHMENT 1.
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as ATTACHMENT 2.

5. **CERTIFICATION**

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.

Julie Cox, Applicant
Signature of Executive or Applicant

3/6/2025
Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

☒ **Completed application**

☒ **Attachment 1** - Copy of current year budget, if applying for more than \$500

☒ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)

☒ **Attachment 3** - Excel spreadsheet financial statement for your organization.

The Family Violence Prevention Center, Inc. dba InterAct
FY 2024-2025 Operating Budget

Support and Revenue

Individual & Individual Foundations	\$	1,250,000
Private Foundations	\$	440,000
Corporate & Corporate Foundations	\$	550,000
Community Groups/Events	\$	65,000
Government Grants & Contracts	\$	2,793,026
United Way of the Greater Triangle-Allocation	\$	85,000
United Way-Designated	\$	7,500
Collaborative Partners Leases	\$	234,540
In Kind Revenue	\$	178,500
Thrift Store Sales	\$	247,000
Other Revenue	\$	221,800
Total Support and Revenue	\$	6,072,366

Expenses

Salaries	\$	2,924,266
Payroll Taxes	\$	214,630
Employee Benefits	\$	406,198
Employee Travel	\$	17,000
Professional Fees	\$	492,000
Business Related Insurance	\$	50,996
Conferences, Meeting & Trainings	\$	8,000
Occupancy Expenses	\$	463,200
IT	\$	175,670
Agency Vehicle Expenses	\$	4,150
Equipment Expenses	\$	11,200
Supplies	\$	27,000
Printing	\$	6,000
Staff, Volunteer & Donor Appreciation	\$	7,000
Postage	\$	2,000
Publications and Subscriptions	\$	500
Event, Advertising And Promotion Expense	\$	44,020
Client Assistance	\$	601,306
Interest	\$	57,750
Non-Operating Expenses	\$	51,000
In Kind Expenses	\$	48,000
Depreciation & Amortization Expenses	\$	446,050
Total Expenses	\$	6,057,937

Increase(Decrease) in Net Assets	\$	14,429
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**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

FINANCIAL STATEMENTS

for the year ended June 30, 2024

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Family Violence Prevention Center, Inc. dba Interact

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of The Family Violence Prevention Center, Inc. dba Interact (the “Agency”), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Agency as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with 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. 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 Agency 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 opinion.

Change in Accounting Principle

As described in Note 1 to the financial statements, the Agency adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 raise substantial doubt about the Agency’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

223 Highway 70, East Pointe, Suite 100, Garner, NC 27529

P: 919-662-1001 | F: 919-662-1002 | www.langdoncpa.com

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 from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain 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 Agency'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 Agency'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.

Supplementary Information

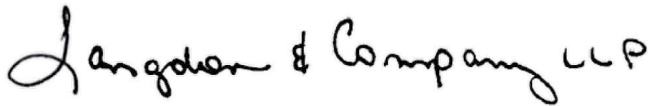
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the 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 3, 2024, on our consideration of the Agency'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 solely 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 the Agency'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 the Agency's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Agency's 2023 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 5, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Jangdon & Company LLP". The signature is written in a cursive, flowing style.

Garner, North Carolina
December 3, 2024

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

STATEMENT OF FINANCIAL POSITION

June 30, 2024
with comparative totals as of June 30, 2023

ASSETS	2024	2023	LIABILITIES AND NET ASSETS	2024	2023
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 1,428,929	\$ 1,602,424	Accounts payable and accrued liabilities	\$ 324,658	\$ 259,175
Investments	1,022,636	971,081	Security deposits	12,668	12,668
Grants and contracts receivable (less allowance for doubtful accounts of \$0 and \$79,838 at June 30, 2024 and 2023, respectively)	929,456	1,012,135	Deferred revenue	-	11,739
Contributions receivable (less allowance for doubtful accounts of \$16,131 and \$94,843 at June 30, 2024 and 2023, respectively)	299,282	286,958	Current maturities of obligation under financing lease	27,130	24,191
Inventory	27,021	28,145	Current maturities of obligation under operating lease	40,001	-
Prepaid and other assets	17,055	20,174	Current maturities of long-term debt	265,002	278,743
Total current assets	<u>3,724,379</u>	<u>3,920,917</u>	Refundable advance - NCHTC	-	37,092
			Total current liabilities	<u>669,459</u>	<u>623,608</u>
Property and equipment:			Long-term liabilities:		
Land	1,741,736	1,741,736	Obligation under financing lease, less current maturities	113,296	140,426
Building and building improvements	7,674,379	7,674,379	Obligation under operating lease, less current maturities	84,263	-
Furniture and equipment	1,536,275	1,366,033	Long-term debt, less current maturities and unamortized debt issuance costs	2,032,830	2,262,618
Software	128,437	128,437	Total long-term liabilities	<u>2,230,389</u>	<u>2,403,044</u>
Vehicles	79,162	79,162			
Construction in progress	192,528	-	Total liabilities	<u>2,899,848</u>	<u>3,026,652</u>
Contributed lease	79,134	-			
Less accumulated depreciation and amortization	<u>11,431,651</u>	<u>10,989,747</u>	Net assets:		
	4,419,051	3,997,601	Without donor restrictions:		
	<u>7,012,600</u>	<u>6,992,146</u>	Undesignated	5,261,032	5,113,293
			Designated by the board for operating reserve	2,000,000	2,000,000
Other assets:				<u>7,261,032</u>	<u>7,113,293</u>
Operating lease right-of-use asset	123,654	-	With donor restrictions:		
Contributions receivable in one to five years	359,391	207,144	Purpose restricted	534,408	310,048
Total other assets	<u>483,045</u>	<u>207,144</u>	Time restricted	524,736	670,214
				<u>1,059,144</u>	<u>980,262</u>
			Total net assets	<u>8,320,176</u>	<u>8,093,555</u>
Total assets	<u>\$ 11,220,024</u>	<u>\$ 11,120,207</u>	Total liabilities and net assets	<u>\$ 11,220,024</u>	<u>\$ 11,120,207</u>

The accompanying notes are an integral part of the financial statements.

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

STATEMENT OF ACTIVITIES

for the year ended June 30, 2024
with comparative totals for June 30, 2023

	2024			2023
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Public support and revenue:				
Public support:				
Grants	\$ 436,334	\$ 2,674,206	\$ 3,110,540	\$ 3,105,396
Contributions	960,929	412,500	1,373,429	1,192,691
In-kind contributions	179,844	86,328	266,172	124,802
Total public support	<u>1,577,107</u>	<u>3,173,034</u>	<u>4,750,141</u>	<u>4,422,889</u>
Revenue:				
Program services income	147,975	-	147,975	169,225
Pass It On	241,834	-	241,834	235,508
Rental income	205,849	-	205,849	198,451
Total revenue	<u>595,658</u>	<u>-</u>	<u>595,658</u>	<u>603,184</u>
Net assets released from restrictions	<u>3,094,152</u>	<u>(3,094,152)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>5,266,917</u>	<u>78,882</u>	<u>5,345,799</u>	<u>5,026,073</u>
Expenses:				
Program services:				
Shelter	1,039,506	-	1,039,506	1,220,074
Crisis intervention	868,656	-	868,656	875,955
Solace center	510,600	-	510,600	579,934
Community education	291,799	-	291,799	305,216
Personal and economic empowerment	1,672,732	-	1,672,732	1,294,069
Total program services	<u>4,383,293</u>	<u>-</u>	<u>4,383,293</u>	<u>4,275,248</u>
Supporting services:				
Collaborative partners	41,504	-	41,504	35,106
Development	332,847	-	332,847	258,011
Pass It On	13,662	-	13,662	12,809
Management and general	456,312	-	456,312	420,616
Total supporting services	<u>844,325</u>	<u>-</u>	<u>844,325</u>	<u>726,542</u>
Total expenses	<u>5,227,618</u>	<u>-</u>	<u>5,227,618</u>	<u>5,001,790</u>
Change in net assets from operations	<u>39,299</u>	<u>78,882</u>	<u>118,181</u>	<u>24,283</u>
Other changes in net assets:				
Investment earnings	108,440	-	108,440	33,752
Total other changes in net assets	<u>108,440</u>	<u>-</u>	<u>108,440</u>	<u>33,752</u>
Change in net assets	147,739	78,882	226,621	58,035
Net assets at the beginning of the year	<u>7,113,293</u>	<u>980,262</u>	<u>8,093,555</u>	<u>8,035,520</u>
Net assets at the end of the year	<u>\$ 7,261,032</u>	<u>\$ 1,059,144</u>	<u>\$ 8,320,176</u>	<u>\$ 8,093,555</u>

*The accompanying notes are an integral
part of the financial statements.*

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

STATEMENT OF FUNCTIONAL EXPENSES

for the year ended June 30, 2024
with comparative totals for 2023

	2024										2023									
	Program Services					Supporting Services					2023					2023				
	Personal & Economic					Collaborative Partners					Management and General					Grand Total				
	Shelter	Crisis Intervention	Solace Center	Community Education	Empowerment	Total	Partners	Development	Pass It On	Total	Management and General	Total	Grand Total	Grand Total	Grand Total	Grand Total	Grand Total	Grand Total	Grand Total	Grand Total
Salaries	\$ 540,829	\$ 411,665	\$190,489	\$ 147,932	\$ 926,017	\$2,216,932	\$ -	\$ 128,946	\$ 7,622	\$ 327,258	\$ 190,690	\$ 327,258	\$2,544,190	\$2,544,190	\$2,271,665	\$2,544,190	\$2,271,665	\$2,544,190	\$2,271,665	\$2,544,190
Employee benefits	71,087	79,981	9,886	8,985	91,307	261,246	-	40,387	862	101,800	60,551	101,800	363,046	363,046	335,899	363,046	335,899	363,046	335,899	363,046
Payroll taxes	37,105	28,589	11,276	7,952	63,076	147,998	-	16,718	404	42,199	25,077	42,199	190,197	190,197	168,802	190,197	168,802	190,197	168,802	190,197
Professional fees	32,985	36,300	22,886	21,577	39,665	153,413	-	70,306	1,264	141,029	69,459	141,029	294,442	294,442	327,442	294,442	327,442	294,442	327,442	294,442
Contracted client services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,586	-	56,586	-	56,586	-
Supplies	27,765	2,951	3,313	1,533	5,581	41,143	563	1,439	57	4,218	2,159	4,218	45,361	45,361	39,158	45,361	39,158	45,361	39,158	45,361
Communications	9,908	49,883	4,301	3,253	16,074	83,419	928	3,852	165	10,722	5,777	10,722	94,141	94,141	78,816	94,141	78,816	94,141	78,816	94,141
Insurance	9,915	2,732	1,057	560	20,092	34,356	-	1,826	39	4,604	2,739	4,604	38,960	38,960	37,640	38,960	37,640	38,960	37,640	38,960
Occupancy	104,484	60,521	60,191	42,004	106,549	373,749	16,239	15,567	1,995	57,152	23,351	57,152	430,901	430,901	395,866	430,901	395,866	430,901	395,866	430,901
Maintenance, equipment rental, and minor equipment	23,782	15,182	6,106	3,414	43,687	92,171	210	9,893	209	25,151	14,839	25,151	117,322	117,322	127,480	117,322	127,480	117,322	127,480	117,322
Printing and publications	10,509	4,310	1,668	884	10,472	27,843	-	8,953	61	17,382	8,368	17,382	45,225	45,225	40,476	45,225	40,476	45,225	40,476	45,225
Travel	4,421	4,494	7	4	993	9,919	-	1,162	-	2,905	1,743	2,905	12,824	12,824	12,454	12,824	12,454	12,824	12,454	12,824
In-kind expense	14,351	8,076	3,257	1,828	23,641	51,153	-	5,252	156	14,149	8,741	14,149	65,302	65,302	59,070	65,302	59,070	65,302	59,070	65,302
Specific assistance to clients	52,292	80,381	136,912	1	185,737	455,323	-	185	-	462	277	462	455,785	455,785	405,222	455,785	405,222	455,785	405,222	455,785
Interest	13,062	10,658	6,560	5,345	20,212	55,837	2,208	4,467	94	13,469	6,700	13,469	69,306	69,306	68,926	69,306	68,926	69,306	68,926	69,306
Miscellaneous	7,476	4,268	2,556	1,887	7,762	23,949	-	3,697	307	9,550	5,546	9,550	33,499	33,499	159,581	33,499	159,581	33,499	159,581	33,499
Depreciation and amortization	79,535	68,665	50,135	44,640	111,867	354,842	21,356	20,197	427	72,275	30,295	72,275	427,117	427,117	416,707	427,117	416,707	427,117	416,707	427,117
Total expenses	\$1,039,506	\$ 868,656	\$510,600	\$ 291,799	\$ 1,672,732	\$4,383,293	\$ 41,504	\$ 332,847	\$ 13,662	\$ 844,325	\$ 456,312	\$ 844,325	\$5,227,618	\$5,227,618	\$5,001,790	\$5,227,618	\$5,001,790	\$5,227,618	\$5,001,790	\$5,227,618

The accompanying notes are an integral part of the financial statements.

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

STATEMENT OF CASH FLOWS

for the year ended June 30, 2024
with comparative totals for June 30, 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Cash received from grantors and contributors	\$ 4,367,516	\$ 4,329,551
Cash received from program services and other operations	582,518	568,646
Cash paid to suppliers and employees	(4,620,261)	(4,506,925)
Interest and dividends received	55,609	16,917
Interest paid	(56,165)	(55,913)
Net cash provided by operating activities	<u>329,217</u>	<u>352,276</u>
Cash flows from investing activities:		
Purchase of investments	(175,298)	(990,478)
Sale of investments	176,574	36,232
Purchase of property and equipment	(223,128)	(17,497)
Net cash used in investing activities	<u>(221,852)</u>	<u>(971,743)</u>
Cash flows from financing activities:		
Principal payments of financing lease obligation	(24,191)	(26,065)
Principal payments of long-term debt	(256,669)	(248,332)
Net cash used in financing activities	<u>(280,860)</u>	<u>(274,397)</u>
Net decrease in cash	(173,495)	(893,864)
Cash at beginning of year	1,602,424	2,496,288
Cash at end of year	<u><u>\$ 1,428,929</u></u>	<u><u>\$ 1,602,424</u></u>
Supplemental disclosure of noncash investing and financing activities:		
In-kind donations of property and equipment	\$ 208,058	\$ 62,646
Acquisition of equipment under financing lease	-	164,617
Forgiveness of capital lease obligation	-	62,646
	<u><u>\$ 208,058</u></u>	<u><u>\$ 289,909</u></u>

*The accompanying notes are an integral
part of the financial statements.*

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

NOTES TO FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Family Violence Prevention Center, Inc. dba Interact (the "Agency") is a charitable organization, incorporated in 1978, located in and serving Wake County, Raleigh, North Carolina. The Agency provides safety, support, and awareness to survivors, victims, and families of domestic violence and sexual assault/rape by providing services, including residential shelter, counseling, crisis responders, court advocacy, 24-hour crisis hot lines, youth education, and training. The Agency also operates two thrift shops, Pass It On and Pass It On Too, which generate income to support the Agency.

Basis of Presentation

The accompanying financial statements are presented in accordance with the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers cash in the bank, cash held on hand, and highly liquid short-term investments with an original maturity of three months or less to be cash and cash equivalents. The Agency maintains its cash accounts with various financial institutions, which at times, exceed federally insured limits. The Agency has not experienced any losses in such accounts.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Pledges, Contributions, and Grants Receivable

Pledges, contributions, and grants receivable consist of unconditional promises to give and are stated at their unpaid balances, less an allowance for doubtful accounts. The allowance is based on prior experience, donor history, and management's best estimate, which may affect the ability to collect. It is the Agency's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Receivables and Allowance for Credit Losses

In June 2016, the FASB issued guidance (*FASB ASC 326*) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Agency that are subject to the guidance in *FASB ASC 326* were contract receivables, which amounted to \$66,875 and \$64,350, respectively, at June 30, 2024 and 2023, and are included in grants and contracts receivable on the accompanying statement of financial position.

The Agency adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
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NOTES TO FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Allowance for Credit Losses (Continued)

Receivables are presented net of an allowance for credit losses resulting from the inability of contributors to make required payments. The allowance estimate is derived from a review of the Agency's historical losses based on the aging of receivables and adjusted for management's assessment of current conditions and reasonable and supportable forecasts regarding future economic conditions or events. The Agency believes historical loss information is a reasonable starting point in which to calculate expected losses as the Agency's major payer sources have remained consistent year over year.

Inventory

Inventory is valued at fair market value using the FIFO method. Inventory consists primarily of used clothing.

Property and Equipment

Purchased and donated property and equipment are stated at cost and estimated fair market value, respectively, and are depreciated on the straight-line basis over the estimated useful lives and/or lease term of the various assets. The estimated useful lives are summarized as follows:

Building and building improvements	10 to 40 years
Furniture and equipment	4 to 15 years
Vehicle	7 years
Software	3 years

Leases

The Agency determines if an arrangement is a lease at inception. Operating leases are included in Operating right-of-use (ROU) assets and Operating lease liabilities in the statement of financial position. Finance leases are included in property and equipment and financing lease liabilities in the statement of financial position.

Right-of-use assets represents the Agency's right to use an underlying asset for the lease term and lease liabilities represent the Agency's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Agency uses its incremental borrowing rate, which is based on the information available at the commencement date, in determining the present value of lease payments. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Agency will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Agency has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the statement of financial position. The Agency has elected not to separate non-lease components from lease components and instead accounts for each separate lease component and the non-lease component as a single lease component. See Note 5 for more information regarding the Agency's operating and financing leases.

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

NOTES TO FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. Within these assets and further described in Note 10, the Board has designated \$2,000,000 at June 30, 2024 and 2023 for the purpose of an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

Contributions and Grants

Contributions, grants, and Federal and State awards received by the Agency are recorded as support with donor restrictions or support without donor restrictions, depending on the existence and/or nature of any donor/grantor restrictions. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using a risk adjusted discount rate. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Agency received 25% and 24% of its funding through The North Carolina Department of Public Safety Governor's Crime Commission for the years ended June 30, 2024 and 2023, respectively, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Agency has incurred expenditures in compliance with specific contract and grant provisions. A significant reduction in the level of this support may have an adverse effect on the Agency's programs and activities. As of June 30, 2024 and 2023, the Agency's grant commitments that are conditional upon incurring allowable expenditures in the agreement are approximately \$1,400,052 and \$859,512, respectively.

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
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NOTES TO FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Donated Space, Assets, and Services

The Agency received the following donated space, assets and services for the years ending June 30:

	<u>2024</u>	<u>2023</u>
Contributed space	\$ 86,328	\$ -
Clothing, materials, and supplies	55,083	59,677
Property and equipment	121,730	62,646
	<u>\$ 266,172</u>	<u>\$ 124,802</u>

In accordance with FASB Codification Subtopic 958-605, *Not-for-Profit Entities – Revenue Recognition – Contributions*, a promise to give and related contribution equals to the fair value of the contributed lease asset was recorded upon lease execution. In-kind lease expense is being recognized in the amount of \$2,398 monthly over the lease term (36 months). The remaining receivable is included in fixed assets on the accompanying statement of financial position and amounts to \$79,134 at June 30, 2024.

Donations of clothing, materials, and supplies are either monetized or utilized by the Agency. Donated clothing, materials, and supplies, when utilized, are used in the Agency's programs and are valued by researching the price of similar items. Donated clothing, materials, and supplies utilized in the thrift store are valued using the historical sales of similar inventory.

Donated property and equipment are utilized by the Agency for their programs and are valued through appraisals or purchase cost.

The Agency recognizes the fair value of contributed labor and services received if such services a) create or enhance a nonfinancial asset or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Contributed labor is valued based on the average volunteer hourly rate in the state of NC and are utilized to assist with the Agency's programs. Contributed services are valued based on the current rates for similar services. Contributed services are used for the Agency's programs.

Donations of marketable securities are monetized promptly upon receipt.

The Agency receives services from a large number of volunteers who give significant amounts of their time to the Agency's programs, but which do not meet the criteria for financial statement recognition.

Revenue from Contracts with Customers

Revenue from contracts with customers is disaggregated by type on the statement of activities for the years ended June 30, 2024 and 2023.

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
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NOTES TO FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Program Services Income

The Agency recognizes program service income over time as performance obligations are met for related benefit. The performance obligations consist of providing nursing services for clients who have experienced rape or assault including the collection of forensic evidence that can be used to prosecute rape cases.

Pass It On

The Agency operates two thrift store locations. For performance obligations related to thrift store sales, control transfers to the customer at a point in time. Payment for these goods is due at the time the good is provided, and the Agency transfers control and records revenue at that time.

Because the majority of the Agency's performance obligations relate to contracts with a duration of less than one year, the Agency has elected to apply the optional exemption and is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as the end of the reporting period.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Functional Classification of Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Most expenses are directly coded to programs using specific identification. Allocated expenses include professional fees, insurance, occupancy, printing and publications, in-kind, and interest, which are based on time spent or relative benefit.

Income Taxes

The Agency is exempt from income taxes under Internal Revenue Code Section 501(c)(3) on its exempt function income and is classified by the IRS as a publicly supported organization. There was no related business income tax liability for the years ended June 30, 2024 and 2023.

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
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NOTES TO FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Agency evaluates any uncertain tax positions. Accordingly, the Agency's policy is to record a liability for any tax position taken that is beneficial to the Agency, including any related interest and penalties, when it is more likely than not the position of management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2024 or 2023.

Debt Issuance Costs

Deferred loan costs are amortized over the terms of the related financing using the effective interest method and are presented as a reduction of the carrying amount of the debt. Amortization of the debt issuance costs is reported in the statement of functional expenses as interest expense.

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Agency and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The Agency has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Comparative Totals

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Reclassifications

Certain amounts included in the 2023 consolidated financial statements have been reclassified to conform to the 2024 presentation. Change in net assets previously reported for 2023 was not affected by these reclassifications.

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
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NOTES TO FINANCIAL STATEMENTS

2. LIQUIDITY AND AVAILABILITY

The Agency's working capital and cash flows vary throughout the year due to timing of cash receipts for fees for services provided, contributions, and grants. The Agency is supported by significant restricted contributions and grants. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Agency must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Agency's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The board designates a portion of any operating surplus to its operating reserve, which was \$2,000,000 as of June 30, 2024 and 2023, respectively (see Note 10). This is a fund established by the governing board that may be drawn upon in the event of an immediate liquidity need.

The Agency manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. In addition, to help manage unanticipated liquidity needs and as discussed in more detail in Note 7, the Agency maintains a \$175,000 line of credit, of which \$175,000 remained available at June 30, 2024 and 2023.

The following reflects the Agency's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts with donor restrictions for time or purpose as well as the board designated operating reserve that could be drawn upon if the governing board approves that action.

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,428,929	\$ 1,602,424
Investments	1,022,636	971,081
Grants and contracts receivable	929,456	1,012,135
Contributions receivable	<u>299,282</u>	<u>286,958</u>
	<u>3,680,303</u>	<u>3,872,598</u>
Less amounts not available to be used within one year:		
Donor-restricted for time	(279,253)	(210,013)
Donor-restricted for purpose	(534,408)	(310,048)
Designated by the Board for the operating reserve	<u>(2,000,000)</u>	<u>(2,000,000)</u>
	<u>(2,813,661)</u>	<u>(2,520,061)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 866,642</u>	<u>\$ 1,352,537</u>

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

NOTES TO FINANCIAL STATEMENTS

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Level 2 inputs are those inputs that are observable, either directly or indirectly, for the assets or liabilities other than quoted market prices included in Level 1. Level 3 inputs are unobservable and apply only when there is little to no market activity for the asset or liability.

The Agency recognizes transfers of assets into and out of levels as of the date an event or change in circumstance causes the transfer. There were no transfers between levels in the year ended June 30, 2024.

Fair values for assets measured on a recurring basis at June 30, 2024 and 2023, are as follows:

Fair Value Measurements at Reporting Date Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<u>June 30, 2024</u>				
Fixed income	\$ 263,993	\$ 263,993	\$ -	\$ -
Equities	758,643	758,643	-	-
	<u>\$1,022,636</u>	<u>\$ 1,022,636</u>	<u>\$ -</u>	<u>\$ -</u>
<u>June 30, 2023</u>				
Fixed income	\$ 258,111	\$ 258,111	\$ -	\$ -
Equities	712,970	712,970	-	-
	<u>\$ 971,081</u>	<u>\$ 971,081</u>	<u>\$ -</u>	<u>\$ -</u>

Investment earnings consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Interest and dividends, net of fees	\$ 54,263	\$ 18,667
Net realized/unrealized gains	54,177	15,085
	<u>\$108,440</u>	<u>\$ 33,752</u>

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
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NOTES TO FINANCIAL STATEMENTS

4. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants, contracts, and contributions receivable at June 30, 2024 and 2023 are summarized as follows:

	<u>2024</u>	<u>2023</u>
Receivables in less than one year:		
Grants and contracts receivable in less than one year	\$ 929,456	\$1,012,135
Contributions receivable in less than one year	<u>299,282</u>	<u>286,958</u>
Total receivables in less than one year	<u><u>\$1,228,738</u></u>	<u><u>\$1,299,093</u></u>
Receivables in one to five years:		
Contributions receivable in greater than one year	\$ 387,803	\$ 210,013
Less discounts to net present value (average discount rate of 3.43% and 1.83% for the years ended June 30, 2024 and 2023, respectively)	<u>28,412</u>	<u>2,869</u>
Total receivables in one to five years	<u><u>\$ 359,391</u></u>	<u><u>\$ 207,144</u></u>

Approximately 32% and 46% of grant and contract receivables was due from two sources at June 30, 2024 and 2023, respectively.

5. LEASING TRANSACTIONS

As Lessee:

The Agency has operating and financing leases of buildings and office equipment that expire at various dates ranging through 2028. Operating leases are included in right-of-use assets and operating lease liabilities in the statement of financial position. Finance leases are included in property and equipment and finance lease liabilities in the statement of financial position.

The following summarizes the line items in the statement of financial position which include amounts for operating and finance leases as of June 30, 2024 and 2023:

Operating Leases	<u>2024</u>	<u>2023</u>
Operating lease right-of-use assets	<u>\$ 123,654</u>	<u>\$ -</u>
Operating lease liabilities, current	40,001	-
Operating lease liabilities, noncurrent	<u>84,263</u>	<u>-</u>
	<u><u>\$ 124,264</u></u>	<u><u>\$ -</u></u>
Finance Leases	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 164,617	\$ 164,617
Less accumulated amortization	<u>35,667</u>	<u>2,744</u>
	<u><u>\$ 128,950</u></u>	<u><u>\$ 161,873</u></u>
Finance lease liabilities, current	\$ 27,130	\$ 24,191
Finance lease liabilities, noncurrent	<u>113,296</u>	<u>140,426</u>
	<u><u>\$ 140,426</u></u>	<u><u>\$ 164,617</u></u>

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

NOTES TO FINANCIAL STATEMENTS

5. LEASING TRANSACTIONS (Continued)

The following summarizes the weighted average remaining lease term and discount rate under the operating and finance leases as of June 30, 2024 and 2023:

Weighted Average Remaining Lease Term	<u>2024</u>	<u>2023</u>
Finance lease	4.25 years	5.25 years
Operating lease	2.75 years	-
Weighted Average Discount Rate		
Finance lease	11.50%	11.50%
Operating lease	8.08%	-

Future minimum lease payments under the non-cancellable operating and finance leases are as follows:

<u>Year ending June 30,</u>	<u>Finance</u>	<u>Operating</u>
2025	\$ 41,871	\$ 48,600
2026	41,871	51,030
2027	41,871	39,690
2028	41,871	-
2029	10,657	-
Total minimum lease payments	178,141	139,320
Less amount representing interest	37,715	15,056
Present value of net minimum lease payments	140,426	124,264
Less current maturities	27,130	40,001
Obligation under leases less current maturities	<u>\$ 113,296</u>	<u>\$ 84,263</u>

The following summarizes the line items in the statement of activities which include the components of lease expense for the year ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating lease expense included in occupancy expense	\$ 12,610	\$ -
Finance lease costs:		
Amortization of lease assets included in depreciation and amortization expense	\$ 32,923	\$ 2,744
Interest on lease liabilities included in interest expense	17,680	11,945
	<u>\$ 50,603</u>	<u>\$ 14,689</u>

The following summarizes cash flow information related to leases for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 12,000	\$ -
Operating cash flows from finance leases	17,680	11,945
Financing cash flows from finance leases	24,191	-
Lease assets obtained in exchange for lease obligations:		
Operating leases	\$ 133,628	\$ -
Finance leases	\$ -	\$ 164,617

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

NOTES TO FINANCIAL STATEMENTS

5. LEASING TRANSACTIONS (Continued)

As Lessor:

The Agency leases space to collaborative partners. Terms of the lease agreement include base rental plus a proportionate share of certain other expenses, including utilities, taxes, and certain maintenance expenses.

At June 30, 2024, minimum future rentals to be received are as follows:

Year ending June 30,

2025	\$ 188,100
2026	180,000
2027	150,000
	<u>\$ 188,100</u>

The rental property assets, which are included in property and equipment in the accompanying statement of financial position, are summarized as follows:

	<u>2024</u>	<u>2023</u>
Land	\$ 1,741,736	\$ 1,741,736
Building and improvements	<u>7,925,291</u>	<u>7,925,291</u>
	9,667,027	9,667,027
Less accumulated depreciation	<u>3,355,135</u>	<u>3,115,260</u>
	<u>\$ 6,311,892</u>	<u>\$ 6,551,767</u>

6. DEFINED CONTRIBUTION PLAN

The Agency sponsors a defined contribution plan, covering all eligible employees. The Agency may choose to match a certain percentage, determined annually, of employee pre-tax contributions not to exceed four percent of compensation. The plan is available to all employees meeting minimum age and service requirements. The Agency made employer contributions of \$39,506 and \$23,056 for the years ended June 30, 2024 and 2023, respectively.

7. LINE OF CREDIT

The Agency has available a working capital line of credit in the amount of \$175,000. The line is secured by a deed of trust on land and real property, security agreement, and assignment of rents and leases. Interest is payable monthly at the 1-month CME Term Secured Overnight Financing Rate (SOFR) plus 2.75% (8.08% at June 30, 2024), with a floor of 3%. At June 30, 2023, interest was payable monthly on all outstanding balances at a rate of 1-Month Libor plus 2% with a floor of 3% (7.26% at June 30, 2023). Principal and accrued interest is due on January 21, 2025. There was no outstanding balance at June 30, 2024 and 2023, respectively.

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

NOTES TO FINANCIAL STATEMENTS

8. LONG-TERM DEBT

Long-term debt is summarized as follows:

	<u>2024</u>	<u>2023</u>
Noninterest bearing note payable with all unpaid principal due August 1, 2039; collateralized by a deed of trust on the shelter and land.		
Face amount	\$ 600,000	\$ 600,000
Less unamortized discount based on imputed interest rate of 1.50%	<u>(130,575)</u>	<u>(138,048)</u>
	469,425	461,952

On October 21, 2010, the Wake County Industrial Facilities and Pollution Control Financing Authority ("Authority") issued a tax-exempt Special Purpose Project Revenue Bond (Interact Project) Series 2010 (the Bond), in the aggregate principal of \$4,718,000. The Bond was issued pursuant to a Bond Purchase and Loan Agreement (Agreement), dated October 1, 2010, between the Authority, the Purchaser of the bond, and the Agency. The proceeds thereof were simultaneously loaned under a promissory note to the Agency to refinance existing long-term debt.

The Promissory Note is pledged and assigned to the Purchaser as security for the bond. The Promissory Note bore interest at 8.08% of The Secured Overnight Lending Rate (SOFR), which replaced the LIBOR rate in 2023 and is the benchmark for interest rates on loans. The Note is payable in varying monthly installments of interest and principal through October 2030.

The Bond may be redeemed in whole with 180 day written notice occurring on or after October 21, 2020, on which date the Bond and promissory note shall be due and payable in full. On September 14, 2020, the Agency entered into an amended Guarantee and Loan Agreement, the term was extended with a final payment of all unpaid amounts due October 21, 2030.

Should the bond be redeemed and the Agency does not provide sufficient funds to redeem the Bond in full, the holder of the bond is required to lend the Agency an amount equal to the outstanding principal amount under a Reimbursement Note. The Reimbursement Note will bear interest of Prime, plus 2%, with a minimum rate of 6% and will be due on demand. All obligations payable under the Promissory Note and Reimbursement Note are secured by a deed of trust on land and real property, security agreement and assignment of rents and leases.

	<u>1,863,819</u>	<u>2,120,487</u>
Total maturities	2,333,244	2,582,439
Less current maturities	265,002	278,743
Less unamortized debt issuance costs	<u>35,412</u>	<u>41,078</u>
	<u>\$2,032,830</u>	<u>\$2,262,618</u>

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

NOTES TO FINANCIAL STATEMENTS

8. LONG-TERM DEBT (Continued)

Future maturities of long-term debt at June 30, 2024 are summarized as follows:

<u>Year ending June 30,</u>	
2025	\$ 265,002
2026	274,165
2027	283,332
2028	291,252
2029	296,664
Thereafter	922,829
	<u>\$ 2,333,244</u>

There are numerous restrictive covenants related to the obligations. Among other covenants, there are requirements regarding Cash Flow Coverage Ratio and Indebtedness to Tangible Net Worth Ratio. Also, certain financial information must be supplied to the Authority and the Purchaser of the bond on a timely basis.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2024 and 2023 are available for the following purposes or the following periods:

	<u>2024</u>	<u>2023</u>
Restricted for time	\$ 524,736	\$ 670,214
Restricted for purpose:		
Building Improvements	115,700	-
Contributed lease	79,134	-
Direct services	209,000	147,000
Shelter	-	25,000
NCHFA Supporting Housing Program	130,574	138,048
	<u>534,408</u>	<u>310,048</u>
	<u>\$1,059,144</u>	<u>\$ 980,262</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Subject to the passage of time	\$ 457,978	\$ 336,100
Subject to expenditure for specified purpose:		
Building Improvements	46,392	-
Shelter Expansion	190,048	-
Contributed lease	7,194	-
Direct services	2,360,066	2,733,784
Shelter	25,000	-
NCHFA Supporting Housing Program	7,474	7,347
	<u>2,636,174</u>	<u>2,741,131</u>
	<u>\$3,094,152</u>	<u>\$3,077,231</u>

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

NOTES TO FINANCIAL STATEMENTS

10. GOVERNING BOARD DESIGNATIONS

The Agency's governing board has designated, from net assets without donor restrictions, \$2,000,000 for an operating reserve as of June 30, 2024 and 2023, respectively.

11. CONTINGENCIES

The Agency receives grant funds from federal and nonfederal agencies. Such funds are subject to final approval by the grantor agencies and deficiencies, if any, are the responsibility of the Agency.

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 3, 2024, the date which the financial statements are available for issue.

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

for the year ended June 30, 2024

<u>Federal/State Grantor/Pass Through Grantor/Program</u>	<u>Assistance Listing Number</u>	<u>Pass Through Grantor's Identifying Number</u>	<u>Expenditures</u>
Federal Awards:			
<u>U.S. Department of Justice</u>			
Crime Victim Assistance			
Passed through N.C. Department of Public Safety			
Governor's Crime Commission - Solace Center and SANE	16.575	PROJ015625	\$ 77,749
Governor's Crime Commission - Basic Services	16.575	PROJ014878	142,761
Governor's Crime Commission - Basic Services	16.575	2000071055	331,568
Governor's Crime Commission - Legal	16.575	2000071066	202,877
			<u>754,956</u>
<u>U.S. Department of Homeland Security</u>			
Emergency Food and Shelter National Board Program	97.024	N/A	<u>14,568</u>
<u>U.S. Department of Agriculture</u>			
Emergency Food Assistance Program (Food Commodities)			
Passed through N.C. Department of Agriculture and Consumer Services	10.569	FVPSA	<u>3,449</u>
<u>U.S. Department of Housing and Urban Development (HUD)</u>			
Continuum of Care Program			
Passed through N.C. Department of Health and Human Services			
Housing and Urban Development	14.267	NC0479D4F072100	141,122
Housing and Urban Development	14.267	NC0479D4F072201	369,187
			<u>510,309</u>
Emergency Solutions Grant Program - COVID	14.231	#00046848	<u>49,053</u>
			<u>49,053</u>
<u>U.S. Department of the Treasury</u>			
Passed through Wake County of North Carolina			
Coronavirus State and Local Fiscal Recovery Funds			
Bridge to Home	21.027	EC00000000010076	319,787
Emergency Solutions Grant	21.027	#00046959	15,548
N.C. Human Trafficking Commission - Facility Improvement	21.027	N/A	37,092
N.C. Human Trafficking Commission - Domestic Violence	21.027	N/A	15,244
			<u>387,671</u>
TOTAL FEDERAL AWARDS			<u>\$ 1,720,005</u>

*The accompanying notes are an integral
part of the financial statements.*



**INDEPENDENT AUDITOR'S 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**

To the Board of Directors of
The Family Violence Prevention Center, Inc. dba Interact

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 Family Violence Prevention Center, Inc. dba Interact (the "Agency"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

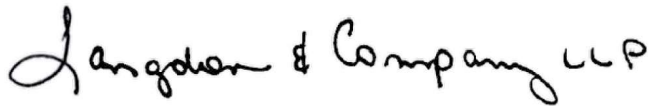
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Langston & Company LLP". The signature is written in a cursive, flowing style.

Garner, North Carolina
December 3, 2024



Langdon & Company LLP
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
The Family Violence Prevention Center, Inc. dba Interact

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited The Family Violence Prevention Center, Inc. dba Interact's (the "Agency") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Agency's major federal program for the year ended June 30, 2024. The Agency's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Agency's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

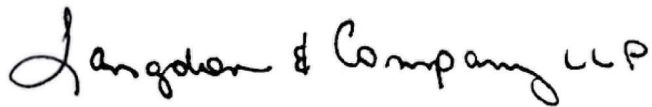
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Langston & Company LLP". The signature is written in a cursive, flowing style.

Garner, North Carolina
December 3, 2024

THE FAMILY VIOLENCE PREVENTION CENTER, INC
dba INTERACT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the year ended June 30, 2024

A. SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report expresses an unmodified opinion on whether the financial statements of the Family Violence Prevention Center, Inc. dba Interact (the “Agency”) were prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).
2. No significant deficiencies disclosed during the audit of the financial statements are reported in the Independent Auditor’s 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*.
3. No instances of noncompliance material to the financial statements of the Agency, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the Independent Auditor’s Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor’s report on compliance for the major federal award program expresses an unmodified opinion on the major federal program.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The program tested as the major program is:

U.S. Department of Justice – Victims of Crime – Crime Victims Assistance Listing
#16.575
8. The threshold used for distinguishing Type A and B programs was \$750,000.
9. The Agency qualified as a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

None

Town of Holly Springs Grant Program
Basic Financial Statement Information

ASSETS	Value		LIABILITIES AND NET WORTH	Loan Balance
Deposits in banks and other financial institutions	\$2,939,572		Balance of loans on vehicles and equipment	\$140,426
Value of marketable stocks and bonds	\$1,097,185		Balance of loans on real estate	\$2,333,244
Value of vehicles & equipment	\$583,409		Balance of other loans	\$0
Value of real estate	\$6,474,888		Cost of other liabilities (itemize)	\$462,766
Value of other assets	\$161,250		(Deferred Revenue)	\$11,739
			TOTAL LIABILITIES	\$2,936,436
TOTAL ASSETS	\$11,256,304		NET WORTH	\$8,319,868



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Holly Springs Masonic Lodge # 115

Mailing address: PO Box # 91 Holly Springs, NC 27540

Current Presiding Officer: Dennis Smith Secretary

Mailing address: PO Box 91 Holly Springs NC 27540

Telephone: 828-234-8410 Fax: _____ E-Mail: HS115sec@outlook.com

(Check one)

Legal Status: ☒ Private non-profit corporation ☐ Unincorporated civic group ☐ Other (Please describe below)

Date Organization Formed or Chartered: 1847

Agency 501 C-3 Number: under the Grand Lodge of NC Or, Federal Tax ID Number: _____

Amount and Type of Town funds requested: \$ 2,500.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☐ Operating Costs

☒ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. **(Please limit your response using only the space provided below)**

Holly Springs Masonic Lodge #115 was constructed in 1847 (178 years old). This Lodge building requires constant upkeep and repairs. The lodge has spent in excess of \$67,000 over the last 3 years on a new roof, exterior painting, foundation repairs, and new bathroom in addition to normal repairs and upkeep.

As of 2023, North Carolina Lodges are no longer permitted to use fundraising for Building maintenance which has created concerns. Fundraising can only be used to supports our Charities.

The Lodge's projects for this year is chimney, fireplace repairs and front stairs, brick work repairs. It is estimated and budgeted at \$4,000.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

The repair of the front steps and brick work will remove safety concerns. The repairs of the chimney will keep birds, squirrels and rain from entering.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

These necessary repairs will not be accomplished until fund are available either through this grant or private donations.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☐ Town of Holly Springs	\$ _____	Amount	_____ % of Annual Budget
☐ United Way	\$ _____	Amount	_____ % of Annual Budget
☐ Wake County	\$ _____	Amount	_____ % of Annual Budget
☐ Foundations	\$ _____	Amount	_____ % of Annual Budget
☐ Federal	\$ _____	Amount	_____ % of Annual Budget
☐ Grants	\$ _____	Amount	_____ % of Annual Budget
☐ State of N.C.	\$ _____	Amount	_____ % of Annual Budget
☒ Other Private Funding	\$ <u>\$16,500.</u>	Amount	<u>100</u> % of Annual Budget
☐ Fundraisers	\$ _____	Amount	_____ % of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

N/A

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. **CERTIFICATION**

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.

Dennis Smith

02/17/2025

Signature of Executive or Applicant

Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

- ☐ **Completed application**
- ☐ **Attachment 1** - Copy of current year budget, if applying for more than \$500
- ☐ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)
- ☐ **Attachment 3** - Excel spreadsheet financial statement for your organization.

Holly Springs Lodge 115 - 2025 Budget Handout

2024 Operations

INCOME

	2024 Actuals	
Dues @ \$296	\$ 13,616.00	
Endowment	\$ 827.40	
Non Commercial Rental	\$ 900.00	
Contributions to Lodge	\$ 8,821.94	
Commercial Rental Income	\$ 150.00	
Initiation Fees	\$ 640.00	
Credit Card Fees	\$ -	
Interest	\$ -	
Other Income (for '24 is grant monies recieved for paint project)	\$ 6,567.00	
Sale of Assets	\$ -	
Special Events and Activities, meals, etc	\$ 1,857.21	This number includes all fundraiser income recorded and charity contributions for '24
TOTAL INCOME	\$ 33,379.55	Secretary and Treasurer match

EXPENSES

Buiding Repair and Maintenance	\$ 15,192.61	
Bank Interest and fees	\$ -	
Meals	\$ 140.64	
Insurance	\$ 1,713.00	
Janitorial and Yard Maintenance	\$ 1,505.00	Incudes pest control
Paid to Grand Lodge	\$ 1,830.00	
Postage and Shipping	\$ 222.80	
Printing	\$ 35.56	
Special Events and Activities, meals, etc	\$ 854.40	
Supplies		
Travel	\$ 564.01	
Wilkerson college		\$1000 in budget annually for education
Utilities (Power, water, sewer	\$ 1,979.48	
Pest control		
Misc expense	\$ 742.00	
Charity and relief '24	\$ 7,042.16	
TOTAL EXPENSES	\$ 31,821.66	Secretary and Treasurer match

NET INCOME

\$ 1,557.89

Edward Jones Account

		1 year return	5 year return
Starting balance 1/1/24	\$ 20,662.03		
Eding Balance 12/31/2024	\$ 24,989.73	20.95%	10.27%

Audit

Starting Checkbook balance 1/1/2024	\$ 18,726.08
Ending Checkbok balance 12/31/2024	\$ 14,996.31
Review of all debits and credits balance back to these totals as shown on the bank statements and vouchers	

Holly Springs Lodge 115 - 2025 Budget Handout

2024 Operations Dispersements

Scope	Disburse/Receipt Batch #	Category	Comments	Date	Amount
Charity Account					
Disbursement	Bill #30104	800-01 Charity and Relief	Bobby Price: Invoice for Containers for Brunswick Stew 2024	2024-12-11	-\$90.20
Disbursement	Bill #28940	800-01 Charity and Relief	George Boyles: Brunswick Stew expense, approved 11/12/24 Stated Communication	2024-12-06	-\$135.97
Disbursement	Bill #28941	800-01 Charity and Relief	Tim Merritt: Expense Brunswick Stew 2024	2024-12-06	-\$422.22
Disbursement	Bill #28316	800-01 Charity and Relief	Guilford Masonic Lodge: Donation for Christmas wreaths, approved in Oct.8th Stated Communication	2024-11-15	-\$50.00
Disbursement	Bill #5299	800-01 Charity and Relief	Nathan Williams Fund: Monies collected at 7/25 Stated Communication for Nathan Williams Fund	2024-02-01	-\$50.00
Disbursement	Bill #14710	800-01 Charity and Relief	Nathan Williams Fund: Charity awards 2023 30%	2024-02-01	-\$1,418.00
Disbursement	Bill #14715	800-01 Charity and Relief	MLK Committee: Charity awards 2023 10%	2024-02-01	-\$463.00
Disbursement	Bill #14716	800-01 Charity and Relief	HS Food Cupboard: Charity awards 2023 10%	2024-02-01	-\$498.00
Disbursement	Bill #14714	800-01 Charity and Relief	HS Rotary Club: Charity Awards 2023 10%	2024-02-01	-\$464.00
Disbursement	Bill #14713	800-01 Charity and Relief	Meg Smiles: Charity Awards 2023 10%	2024-02-01	-\$463.00
Disbursement	Bill #14712	800-01 Charity and Relief	Whitestone: Charity awards 2023 15%	2024-02-01	-\$710.71
Disbursement	Bill #14711	800-01 Charity and Relief	Oxford: Charity award 2023 15%	2024-02-01	-\$710.71
Fundraiser Income Account					
Disbursement	Bill #27680	800-01 Charity and Relief	Tim Merritt: Expense for ingredients of Brunswick Stew	2024-11-15	-\$440.60
Disbursement	Bill #26636	800-01 Charity and Relief	Tim Merritt: Expense for ingredients of Brunswick Stew	2024-10-04	-\$125.75
Oxford Williams cottage Christmas fund Account					
Disbursement	Bill #30245	800-01 Charity and Relief	Rob Martin: Christmas gifts for the children at Oxford Children's Home.	2024-12-11	-\$1,000.00
					-\$7,042.16

Holly Springs Lodge 115 - 2025 Budget Handout

2025 Proposed Budget

Operations Income		2025
Dues 42 @ \$296	\$	12,432.00
Endowment	\$	1,100.00
Non Commercial Rental	\$	750.00
Contributions to Lodge	\$	500.00
Commercial Rental Income	\$	-
Initiation Fees	\$	600.00
Credit Card Fees	\$	-
Interest	\$	-
Other Income (for '24 is grant monies received for paint project)	\$	-
Sale of Assets	\$	-
Special Events and Activities, meals, etc	\$	1,200.00
TOTAL INCOME		\$ 16,582.00

2024 amount represents monies taken in from suggested donation of \$10 for meals at the first stated of every month, to be used to reimburse brothers for meal prep expenses.

EXPENSES

Buiding Repair and Maintenance	\$	4,000.00
Bank Interest and fees	\$	20.00
Meals	\$	500.00
Insurance	\$	1,700.00
Janitorial and Yard Maintenance	\$	1,700.00
Paid to Grand Lodge	\$	2,000.00
Postage and Shipping	\$	200.00
Printing	\$	-
Special Events and Activities, meals, etc	\$	1,200.00
Supplies	\$	150.00
Travel	\$	850.00
Wilkerson college	\$	1,000.00
Utilities (Power, water, sewer	\$	2,200.00
Pest control	\$	500.00
Misc expense	\$	500.00
Charity and relief '23	\$	-
TOTAL EXPENSES	\$	16,520.00
NET INCOME	\$	62.00 *

Holly Springs Lodge 115 - 2025 Budget Handout

Charity Income

2025 Budget

Communications donations (Basket Collections)	\$ 3,600	Avg of \$150 collection per meeting @24 meetings
Contributions for Charity from others	\$ -	
Fundraising (All)	\$ -	The Fundraising committee will hold fundraisers according to the will of the lodge during the year to add to the charity account. There is no limit to the number allowed.
Total charity income to distribute to the various charities *	\$ 3,600	This amount can be much greater or much less, depending on the will of the lodge to hold fundraisers and the willingness of brothers/donors to donate

Worthy Brother Fund	\$ 600	Current balance in the account is \$XXX collected as donated by the brothers
Adopted Whitestone resident	\$ 250	Collected as donated by the brothers
Donations for adopted cottage Christmas presents	\$ -	These monies are donated by individual brothers and others outside the lodge, and will be deposited into this line item and paid out to Bro Rob Martin to acquire the gifts when needed.

Charity Distribution *

Local Charities (including scholarships)	40.00%	The Lodge will vote to determine the local charities to be distributed to, IF ANY. If not, then this 40% is proposed to be split between the NW Fund, MHCO and Whitestone equally
NW Charity Fund **	30.00%	This is the account set up by several brothers in the name of the Lodge, and will payout yearly, 5% of the balance of this account in perpetuity. The current Chosen charities are MHCO, WhiteStone, and the Holly Springs Food Cupboard. On Oct 22nd, 2024's Stated we elected to not do a distribution for 2024 in order to have the fund accrue further.
Masonic Home for Children	15%	
Whitestone	15%	
Grand Total	100.00%	

2024 Charity Payouts to be Paid Out in '25

Holly Springs Food Cupboard	\$ 1,342
WhiteStone	\$ 1,342
Masonic Home for Children	\$ 1,342
NW Fund	\$ 1,342
Total	\$ 5,369

2023 Charity Payouts to be Paid Out in '24

Holly Springs Food Cupboard	\$ 498
MLK Committee	\$ 463
Holly Springs Rotary	\$ 464
Megs Smile	\$ 463
WhiteStone	\$ 711
Masonic Home for Children	\$ 711
NW Fund	\$ 1,418
Total	\$ 4,727

Paid Out From the NW Fund '24

Holly Springs Food Cupboard	\$ -
Masonic Home for Children	\$ -
Whitestone	\$ -
Total	\$ -

Grand Total \$ 5,369

* The Finance committee proposes that the total of all monies collected for charity during the year go to the above charity distribution in the percentages noted.

** The fund in 2024 yielded 10.689% and is invested in a balanced manner focusing on long term perpetual viability rather than maximum short term gains. The current balance is \$26,269.37 Invested in 55% Stock/45% Income

The Finance Committee reminds brothers that we as Masons are not required to give any specific dollar amount to any charitable cause, but we are charged to be charitable within the length of our cable tow.



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Military Missions In Action

Mailing address: 411 N Judd Pkwy, NE Fuquay-Varina, NC 27526

Current Presiding Officer: Greg Gebhardt

Mailing address: 411 N Judd Pkwy, NE Fuquay-Varina, NC 27526

Telephone: 919-552-1603 Fax: _____ E-Mail: office@militarymissionsinaction.org

(Check one)

Legal Status: ☒ Private non-profit corporation ☐ Unincorporated civic group ☐ Other (Please describe below)

Date Organization Formed or Chartered: 4/11/08

Agency 501 C-3 Number: 26-1379308 Or, Federal Tax ID Number: _____

Amount and Type of Town funds requested: \$ 2500.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☒ Operating Costs

☐ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. **(Please limit your response using only the space provided below)**

Our "Homes For Healing" program provides new and gently used household furnishings and goods to assist veterans, active-duty servicemembers, and families in need of establishing housing stability. Homes for Healing assisted over 250 individuals in 2024 all across the State of North Carolina. The purpose of this project is to keep folks living independently in their homes, which aids in keeping Veterans well, both physically and mentally. Many of those assisted through this program are referred to our organization from the US Department of Veteran Affairs and are being taken off the streets and put into permanent housing; however, they have no household goods or bed in which to sleep. Our home furnishing program takes gently used household goods and delivers everything from a brand new mattress to a shower curtain to flatware to pots and pans and everything else one needs to set up their apartment all across the state to veterans and their families in need. Last year alone, we did 101 pick-ups of gently used household goods in the great Holly Springs community, which diverted more than 45,000 pounds of waste from the landfill in southern Wake County. Over the past 16+ years, Military Missions In Action has delivered hope to 1,080 veterans and their families across the state through this program.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

If Military Missions In Action is fortunate enough to receive these funds, they will be used to hire part-time help with our furniture bank program: Homes For Healing. We only have two full-time employees at MMIA, which means we rely heavily on our volunteers, of which we have many. However, the overwhelming majority of our volunteers are not physically able to lift and move furniture, which requires us to rely on paid, part-time employees. A grant of \$2,500 would allow us to employ one part-time employee for all of 2025 to pick up furniture in the greater Holly Springs community. Having this part-time employee will not only allow us to pick up more donations; it will also allow us to subsequently deliver more furniture as well.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

Unfortunately, should we not be selected for this grant opportunity, our furniture pick-up and delivery operations would be negatively impacted. Our current lead time for veterans and their families receiving furniture is just under 90 days from the time their application is approved. Without this grant, we would not be able to hire the part-time staff necessary to keep wait times under 90 days, which, as you can imagine, is a long time if you're waiting on home essentials.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☐ Town of Holly Springs	\$ _____	Amount	_____ % of Annual Budget
☐ United Way	\$ _____	Amount	_____ % of Annual Budget
☐ Wake County	\$ _____	Amount	_____ % of Annual Budget
☒ Foundations	\$ <u>15,000</u>	Amount	<u>2</u> % of Annual Budget
☐ Federal	\$ _____	Amount	_____ % of Annual Budget
☒ Grants	\$ <u>35,000</u>	Amount	<u>5</u> % of Annual Budget
☐ State of N.C.	\$ _____	Amount	_____ % of Annual Budget
☒ Other Private Funding	\$ <u>297,500</u>	Amount	<u>41</u> % of Annual Budget
☒ Fundraisers	\$ <u>370,000</u>	Amount	<u>52</u> % of Annual Budget

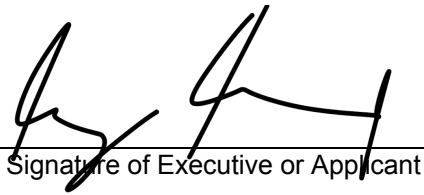
- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. **CERTIFICATION**

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.


Signature of Executive or Applicant

3/3/25

Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

- ☐ **Completed application**
- ☐ **Attachment 1** - Copy of current year budget, if applying for more than \$500
- ☐ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)
- ☐ **Attachment 3** - Excel spreadsheet financial statement for your organization.

Military Missions In Action

Statement of Financial Position

As of January 31, 2025

	TOTAL	
	AS OF JAN 31, 2025	AS OF JAN 31, 2024 (PY)
ASSETS		
Current Assets		
Bank Accounts		
10000 UCBI 4201 - Checking	25,117.09	385,316.89
10010 Fidelity 3502 - Checking	25,606.04	70,402.29
10025 UCBI 0685 - Reserves	100,036.33	464,162.95
10067 Woodforest National Bank	478.59	478.59
10075 Paypal Account	2,152.27	1,052.57
13532 Fidelity 3532 - Money Market	25,056.53	25,030.81
41027760 First Bank Checking	36,608.11	
Total Bank Accounts	\$215,054.96	\$946,444.10
Accounts Receivable		
11000 Accounts Receivable	0.00	0.00
Total Accounts Receivable	\$0.00	\$0.00
Other Current Assets		
12000 Undeposited Funds	0.00	0.00
12100 Inventory Asset	134,023.73	134,023.73
12300 Academy St. Renovation Costs	289,425.30	107,537.41
Uncategorized Asset	0.00	0.00
Total Other Current Assets	\$423,449.03	\$241,561.14
Total Current Assets	\$638,503.99	\$1,188,005.24
Fixed Assets		
15000 Furniture and Equipment	5,423.10	5,423.10
15050 Accumulated Depreciation	-5,423.00	-5,423.00
16000 Vehicles & Trailers	80,220.00	80,220.00
16050 Accum Depr - Vehicles	-133,460.01	-133,460.01
16070 Land & Home	198,500.00	198,500.00
16075 2021 Chevy Silverado VIN #1GCUYDE0MZ415852	50,000.68	50,000.68
16080 2010 Ford Box Truck - VIN #1FDXE4FL4ADA92714	52,383.76	52,383.76
16081 2023 Chev Box Truck - VIN #54DCW1D4PS204266	79,997.92	
16082 2024 Dodge Ram Van - VIN#3C6MRVJG4RE115616	58,920.57	
16083 2023 Chrysler Van - VIN#2C4RC1BG6PR572155	80,000.00	
16084 2023 Dodge Ram Truck VIN #2CRC1BG6PR572155	50,000.00	
Total Fixed Assets	\$516,563.02	\$247,644.53
Other Assets		
13000 Other Assets	0.00	0.00
14000 Prepaid Expenses	0.00	0.00
Total Other Assets	\$0.00	\$0.00
TOTAL ASSETS	\$1,155,067.01	\$1,435,649.77

Military Missions In Action

Statement of Financial Position

As of January 31, 2025

	TOTAL	
	AS OF JAN 31, 2025	AS OF JAN 31, 2024 (PY)
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 Accounts Payable	0.00	0.00
Total Accounts Payable	\$0.00	\$0.00
Credit Cards		
20010 AMEX1009	0.00	0.00
20015 AmEx 31008	0.00	0.00
20500 UCB Mastercard Combined	3,372.49	4,366.17
20510 WEX	0.00	614.10
Total Credit Cards	\$3,372.49	\$4,980.27
Other Current Liabilities		
21000 Tax Withholding		
21001 Social Security Taxes Payable	158.10	158.10
21002 Medicare Tax Payable	36.98	36.98
21003 NC State Tax Payable	23.00	23.00
21004 Federal Tax Payable	1.67	1.67
21005 Tax Garnishment	109.12	109.12
Total 21000 Tax Withholding	328.87	328.87
24000 Payroll Liabilities	0.02	
24020 Dept of Treasury Garnishment	2,172.33	1,162.80
24025 Federal Taxes (941/944)	-1,415.28	-1,415.28
24035 NC Income Tax	-227.00	-227.00
24040 NC Unemployment Tax	136.54	136.57
24045 NCDOR Garnishment	525.83	525.83
25000 Rent in Kind	0.00	0.00
Total 24000 Payroll Liabilities	1,192.44	182.92
25500 Direct Deposit Payable	0.00	0.00
26000 PPP Loan	0.00	0.00
Total Other Current Liabilities	\$1,521.31	\$511.79
Total Current Liabilities	\$4,893.80	\$5,492.06
Long-Term Liabilities		
22050 Notes Payable - UCBI - Acad St	98,327.11	106,206.85
Total Long-Term Liabilities	\$98,327.11	\$106,206.85
Total Liabilities	\$103,220.91	\$111,698.91
Equity		
30000 Opening Balance Equity	0.00	0.00
32000 Unrestricted Net Assets	1,098,360.54	965,644.35

Military Missions In Action

Statement of Financial Position

As of January 31, 2025

	TOTAL	
	AS OF JAN 31, 2025	AS OF JAN 31, 2024 (PY)
Net Revenue	-46,514.44	358,306.51
Total Equity	\$1,051,846.10	\$1,323,950.86
TOTAL LIABILITIES AND EQUITY	\$1,155,067.01	\$1,435,649.77

Military Missions In Action	
Board Approved Budget	
January 1 - December 31, 2025	
Revenue	
40000 Public Support	
40030 Business Contributions	\$ 75,000
40040 Civic & Community Groups	\$ 7,500
40050 Churches	\$ 15,000
40060 Foundation	\$ 15,000
40070 Individual Contributions	\$ 175,000
40071 Individual Contributions- SP	\$ 25,000
Total 40070 Individual Contributions	\$ 312,500
42400 Events-Special	
42401 VEMA	
42402 Special Events	\$ 50,000
Total 42400 Events-Special	\$ 50,000
45000 Fundraisers	
45020 TOFT	\$ 165,000
45025 Vet Jam	\$ 20,000
45030 Black Tie Gala	\$ 135,000
45035 Minute Man Muster	
Total 45000 Fundraisers	\$ 320,000
47000 Grants	
47010 Direct Public Grants	\$ 25,000
State Grant	
47060 Local Grants	\$ 10,000
Total 47000 Grants	\$ 35,000
Total 40000 Public Support	\$ 717,500
48000 Other Types of Income	\$ 0
46000 Interest- Income	\$ 750
Total 48000 Other Types of Income	\$ 750
Total Revenue	\$ 718,250
Total Reserves	\$ 0
Gross Profit	\$ 718,250
Expenditures	
61100 Operation Building Hope	\$ 125,000
61200 Homes for Healing	\$ 180,000
61400 Fill The Footlocker	\$ 125,000
61700 Veteran Support	\$ 12,500
Transportation	\$ 50,000
62000 Events	\$ 5,000

63000 Fundraising Expenses	\$ 70,000
65000 Operations	\$ 150,000
Reserves	\$ 0
Total Expenditures	\$ 717,500
Net Operating Revenue	\$ 750
Net Revenue	\$ 750

MILITARY MISSIONS
IN ACTION, INC.

Financial Statements

December 31, 2023 and 2022

(See Accompanying Review Report of
Batchelor, Tillery & Roberts, LLP)

BATCHELOR, TILLERY & ROBERTS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 18068
RALEIGH, NORTH CAROLINA 27619

RONALD A. BATCHELOR
WM. JAMES BLACK, JR.
SCOTT E. CABANISS
MICHELLE W. LEMANSKI
JARED L. PILAND
DAVID C. CORN, JR.

3605 GLENWOOD AVENUE, SUITE 350
RALEIGH, NORTH CAROLINA 27612
TELEPHONE (919) 787-8212
FACSIMILE (919) 783-6724

Independent Accountants' Review Report

The Board of Trustees
Military Missions in Action, Inc.:

We have reviewed the accompanying financial statements of Military Missions in Action, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for 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; this includes 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Military Missions in Action, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Batchelor, Tillery & Roberts, LLP

August 15, 2024

MILITARY MISSIONS IN ACTION, INC.

Statements of Financial Position

December 31, 2023 and 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 603,861	938,707
Inventories	134,024	101,834
Other assets	<u>-</u>	<u>560</u>
Total current assets	737,885	1,041,101
Property and equipment, net	<u>353,846</u>	<u>280,441</u>
Total assets	\$ <u>1,091,731</u>	<u>1,321,542</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	18,388	16,128
Long-term debt, current portion	<u>7,282</u>	<u>114,245</u>
Total current liabilities	25,670	130,373
Long-term debt, less current portion	<u>100,416</u>	<u>-</u>
Total liabilities	126,086	130,373
Net assets without donor restrictions	<u>965,645</u>	<u>1,191,169</u>
Total liabilities and net assets	\$ <u>1,091,731</u>	<u>1,321,542</u>

See accompanying notes to financial statements.

MILITARY MISSIONS IN ACTION, INC.

Statements of Activities

Years ended December 31, 2023, and 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

	<u>2023</u>	<u>2022</u>
Revenue and support:		
Direct public support	\$ 263,963	220,440
Direct public support - in-kind	369,066	227,439
Special events and services	219,013	144,368
Grants	14,088	107,835
Life insurance proceeds	-	501,902
Interest	<u>733</u>	<u>487</u>
Total revenue and support	<u>866,863</u>	<u>1,202,471</u>
Expenses:		
Program services	842,471	820,171
Management and general	152,936	108,606
Fundraising	<u>96,980</u>	<u>100,953</u>
Total expenses	<u>1,092,387</u>	<u>1,029,730</u>
Change in net assets	(225,524)	172,741
Net assets without donor restrictions, beginning of year	<u>1,191,169</u>	<u>1,018,428</u>
Net assets without donor restrictions, end of year	\$ <u>965,645</u>	<u>1,191,169</u>

See accompanying notes to financial statements.

MILITARY MISSIONS IN ACTION, INC.

Statement of Functional Expenses

Year ended December 31, 2023, with comparative totals for 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

		Program Services				Management and General	Fundraising	Total	2022
	Operation Building	Homes for Healing	Fill the Footlocker	Veteran Support	Other	Total Program			
Advertising and promotion	\$ 10,415	11,686	11,686	-	-	33,787	19,494	56,203	15,504
Depreciation	10,932	10,932	10,932	-	-	32,796	-	32,796	31,903
Direct assistance and awards	-	-	-	8,511	100	8,611	7,363	15,974	26,098
Insurance	6,958	-	-	-	12,264	19,222	-	25,800	30,308
Interest	-	-	-	-	-	-	-	8,902	6,009
Materials and supplies	15,521	156,445	129,822	-	-	301,788	46,360	352,910	414,115
Meals and lodging	4,304	4,990	3,164	362	-	12,820	14,301	27,226	35,114
Miscellaneous	-	-	-	-	354	354	4,920	14,876	4,759
Outside services	16,084	-	-	-	-	16,084	-	16,084	20,891
Postage and printing	269	-	31,836	-	698	32,803	2,811	43,473	35,204
Professional fees	121	121	121	-	-	363	-	25,154	35,618
Rent and utilities	53,033	59,033	53,033	-	1,741	166,840	-	179,620	150,800
Repairs	31,228	-	-	-	-	31,228	-	31,538	-
Salaries	43,661	53,197	43,457	-	-	140,315	-	209,804	164,901
Taxes	-	-	-	-	-	278	-	3,319	3,420
Telephone	1,630	1,292	1,630	-	93	4,645	1,631	7,907	9,832
Travel	3,688	7,282	3,729	-	-	14,699	100	14,799	14,778
Vehicle and equipment	2,657	3,509	5,746	10,181	3,745	25,838	-	26,002	30,476
	\$ 200,501	308,487	295,156	19,054	19,273	842,471	96,980	1,092,387	1,029,730

See accompanying notes to financial statements.

MILITARY MISSIONS IN ACTION, INC.

Statement of Functional Expenses, Continued

Year ended December 31, 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

		Program Services					Management and General	Fundraising	Total
		Operation Building Hope	Homes for Healing	Fill the Footlocker	Veteran Support	Other	Total Program		
Advertising and promotion	\$	-	-	-	-	-	-	15,005	15,504
Depreciation		6,072	17,009	6,072	-	-	29,153	2,738	31,903
Direct assistance and awards		-	2,052	492	15,849	-	18,393	7,696	26,098
Insurance		7,104	-	-	-	22,178	29,282	-	30,308
Interest		182	182	-	-	-	364	-	6,009
Materials and supplies		180,771	48,259	132,488	-	-	361,518	46,190	414,115
Meals and lodging		2,529	4,827	2,272	732	-	10,360	23,743	35,114
Miscellaneous		-	-	-	-	-	-	-	4,759
Outside services		19,586	-	-	-	-	19,586	-	20,891
Postage and printing		152	-	30,470	-	321	30,943	1,634	35,204
Professional fees		2,855	2,855	2,854	2,854	-	11,418	-	35,618
Rent and utilities		42,418	43,431	32,627	717	2,710	121,903	1,416	150,800
Salaries		26,419	70,743	40,822	-	-	137,984	-	164,901
Taxes		-	-	-	-	588	588	-	3,420
Telephone		2,027	1,607	2,027	-	115	5,776	2,028	9,832
Travel		2,831	6,956	4,184	-	-	13,971	503	14,778
Vehicle and equipment		4,147	3,215	7,889	9,612	4,069	28,932	-	30,476
	\$	297,093	201,136	262,197	29,764	29,981	820,171	100,953	1,029,730

See accompanying notes to financial statements.

MILITARY MISSIONS IN ACTION, INC.

Statements of Cash Flows

Years ended December 31, 2023 and 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ (225,524)	172,741
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	32,796	31,903
Changes in operating assets and liabilities:		
Inventories	(32,190)	143,166
Other assets	560	4,065
Accounts payable and accrued expenses	<u>2,260</u>	<u>5,094</u>
Net cash (used in) provided by operating activities	<u>(222,098)</u>	<u>356,969</u>
Cash flows used in investing activities-		
purchases of property and equipment	<u>(106,201)</u>	<u>(102,384)</u>
Cash flows used in financing activities-		
payments on long-term debt	<u>(6,547)</u>	<u>(8,421)</u>
Net (decrease) increase in cash and cash equivalents	(334,846)	246,164
Cash and cash equivalents, beginning of year	<u>938,707</u>	<u>692,543</u>
Cash and cash equivalents, end of year	\$ <u>603,861</u>	<u>938,707</u>
Supplement disclosure of cash flow information:		
Cash paid for interest	\$ <u>8,902</u>	<u>6,009</u>

See accompanying notes to financial statements.

MILITARY MISSIONS IN ACTION, INC.

Notes to Financial Statements

December 31, 2023 and 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

(1) Organization and Summary of Significant Accounting Policies

(a) Organization and Purpose

Military Missions in Action, Inc. (the “Organization”) is a non-profit organization. Its purpose is to provide vital programs and services to disabled veterans along with supporting active servicemen and women. The mission of the Organization is dedicated to assisting veterans with disabilities, members of the Armed Forces, and their families. The Organization’s programs include the following: Operation Building Hope, Homes for Healing, Fill the Footlocker, and Veteran Support. The Organization’s vision is to set the standard of support for veterans with disabilities and members of the Armed Services by engaging neighbors, businesses, and other organizations. Contributions are received primarily through individual donations and special events.

(b) Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

(c) Net Assets

Net assets and revenue and support are classified based on the existence or absence of donor-imposed restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is received. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. All net assets are without donor restrictions as of December 31, 2023 and 2022.

(d) Cash and Cash Equivalents

The Organization considers all cash accounts which are not subject to withdrawal restrictions or penalties, all treasury bills, certificates of deposit, and money market funds purchased with an original maturity of three months or less, to be cash equivalents.

MILITARY MISSIONS IN ACTION, INC.

Notes to Financial Statements, Continued

December 31, 2023 and 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

(1) Organization and Summary of Significant Accounting Policies, Continued

(e) Inventories

The Organization accepts contributions of a variety of items such as building materials, household items, food and clothing. These contributed materials are recorded at their estimated fair value at the date of receipt and are reflected as inventories in the statements of financial position. Such inventories are then utilized in the program activities of the Organization.

(f) Property and Equipment

All acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are stated at cost and depreciation is computed using the straight-line method over the estimated useful lives of the assets. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Estimated useful lives of assets are as follows:

Building	30 years
Furniture and equipment	5 years
Vehicles and trailers	5-15 years

(g) Donated Services

The Organization receives donated volunteers' time. As these services did not require specialized skills or create nor enhance a nonfinancial asset, the contributions are not reflected in the accompanying financial statements. The Organization does record donated services requiring specific expertise.

(h) Revenue Recognition

Contributions and grants received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using a risk adjusted discount rate.

MILITARY MISSIONS IN ACTION, INC.

Notes to Financial Statements, Continued

December 31, 2023 and 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

(1) Organization and Summary of Significant Accounting Policies, Continued

(h) Revenue Recognition, Continued

The Organization recognizes revenue from contracts and special events as the related performance obligations are satisfied, which is when the contract conditions have been met or the event has occurred.

(i) Advertising

The Organization expenses advertising costs as incurred.

(j) Income Taxes

The Organization is exempt from payment of income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and applicable state statutes, except for any unrelated business income. Since there was no unrelated business net income in 2023 and 2022, no provision for income taxes has been made.

(k) Functional Classification of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expense by function. The financial statements report certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

(l) Fair Value Measurements

For determining fair value measurements, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Management follows an established framework for measuring fair value. That framework provides a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs are unobservable and have the lowest priority.

Amounts of donated inventory are recorded at their estimated fair value using Level 3 inputs, primarily consisting of estimated thrift shop values.

MILITARY MISSIONS IN ACTION, INC.

Notes to Financial Statements, Continued

December 31, 2023 and 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

(2) Liquidity and Availability of Resources

The Organization considers all expenditures related to its ongoing activities to support the mission to be general expenditures. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 603,861	938,707
Other assets	<u>-</u>	<u>560</u>
Financial assets available to meet general expenditures within one year	\$ <u>603,861</u>	<u>939,267</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue, primarily through contributions and fundraising events, to cover general expenses.

(3) Property and Equipment

Property and equipment are summarized by major classifications as follows:

	<u>2023</u>	<u>2022</u>
Land and home - not in service	\$ 198,500	198,500
Home renovations - not in service	106,201	-
Vehicles and trailers	182,605	182,605
Furniture and equipment	<u>5,423</u>	<u>5,423</u>
	492,729	386,528
Less accumulated depreciation	<u>(138,883)</u>	<u>(106,087)</u>
	\$ <u>353,846</u>	<u>280,441</u>

MILITARY MISSIONS IN ACTION, INC.

Notes to Financial Statements, Continued

December 31, 2023 and 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

(4) Non-Cash Donations

During 2023 and 2022, the Organization received the following non-cash donations of inventories, materials and supplies, other items, and services, with a corresponding expense as they are used, that have been reflected in the financial statements of the Organization at their estimated fair value:

	<u>2023</u>	<u>2022</u>
Inventories (material and supplies):		
Homes for Healing	\$ 151,690	20,735
Fill the Footlocker	110,944	112,944
Events	<u>23,550</u>	<u>21,160</u>
	286,184	154,839
Rent - office space	74,882	50,400
Food and beverage	5,000	5,000
Advertising signage	3,000	9,000
Professional fees	<u>-</u>	<u>8,200</u>
	\$ <u>369,066</u>	<u>227,439</u>

(5) Long-Term Debt

The Organization had a note payable to a financial institution with monthly payments of \$1,172, including interest at 4.75%, with a final payment due in April 2023. In April 2023, the loan was refinanced and now has a monthly payment of \$1,492, including interest at 10.00%, with a final balloon payment due in April 2028. The loan is secured by property of the Organization.

The following is a schedule of principal payments due on long-term debt:

<u>Year ending December 31,</u>	
2024	\$ 7,282
2025	8,088
2026	8,947
2027	9,897
2028	<u>73,484</u>
	\$ <u>107,698</u>

MILITARY MISSIONS IN ACTION, INC.

Notes to Financial Statements, Continued

December 31, 2023 and 2022

(See Accompanying Review Report
of Batchelor, Tillery & Roberts, LLP)

(6) Concentrations

Financial instruments that potentially expose the Organization to concentrations of credit risk consist primarily of cash and cash equivalents. As of December 31, 2023 and 2022, there was approximately \$258,000 and \$437,000, respectively, of cash and cash equivalents in excess of \$250,000 maintained with financial institutions and, therefore, not insured by the Federal Deposit Insurance Corporation.

(7) Life Insurance Proceeds

In March 2022, the Organization received proceeds from a life insurance policy in the amount of \$501,902, which was recorded as revenue in 2022.

(8) Subsequent Events

On January 10, 2024, the North Carolina General Assembly authorized the Organization to receive a grant allocation of \$750,000 to be used to assist veterans in need, members of all Armed Forces, and their families. The Organization received the first payment in February 2024 and the final payment in May of 2024.

The date to which events occurring after December 31, 2023, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is August 15, 2024, the date the financial statements were available to be issued.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **APR 11 2008**

MILITARY MISSIONS IN ACTION
C/O JILL Z GLENN
128 N ENNIS ST
FUQUAY VARINA, NC 27526

Employer Identification Number:
26-1379308
DLN:
17053059037008
Contact Person:
JOAN C KISER ID# 31217
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
November 6, 2007
Contribution Deductibility:
Yes
Advance Ruling Ending Date:
December 31, 2011
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

MILITARY MISSIONS IN ACTION

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Choi". The signature is stylized with a large, looped "R" and a cursive "Choi".

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Publication 4221-PC
Statute Extension

Internal Revenue Service

Date: December 30, 2003

Nepal Center of North Carolina, Inc.
% Anna Purna DEO
107 Foxcrest Ct.
Cary, NC 27513-1783

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:

Mrs. Swana Smith - 31-07418
Customer Service Specialist

Toll Free Telephone Number:

8:00 a.m. to 6:30 p.m. EST
877-829-5500

Fax Number:

513-263-3756

Federal Identification Number:

56-2179237

Dear Sir or Madam:

This is in response to your request of December 30, 2003, regarding your organization's tax-exempt status.

In November 2003 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Nepal Center of North Carolina, Inc.
56-2179237

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

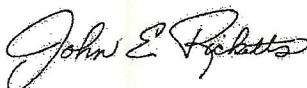
Section 6104 of the Internal Revenue Code requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. The law also requires organizations that received recognition of exemption on July 15, 1987, or later, to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. Organizations that received recognition of exemption before July 15, 1987, and had a copy of their exemption application on July 15, 1987, are also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. For additional information on disclosure requirements, please refer to Internal Revenue Bulletin 1999 - 17.

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



John E. Ricketts, Director, TE/GE
Customer Account Services

NCNC Budget Estimate for 2025	
1. Income:	Amount
Balance from 2024	\$30,014.93
Donations	\$4,000.00
Grants (<i>Submitting multiple grant applications, with expectations of being selected</i>)	\$25,000.00
Membership Fees	\$7,500.00
School registration fees	\$17,000.00
Fundraising Events (expected to be raised)	\$15,000.00
Other Income	\$4,500.00
Total Income	\$103,014.93
2. Expenses:	
School and events venue rent	\$18,000.00
School Books and supplies	\$3,500.00
Sangalo publication	\$9,500.00
Office supplies	\$2,500.00
Events expenses (e.g. Nepal Day, annual member appreciation, Teej, Holi, Dashain etc.,)	\$26,500.00
Sponsoring various events (Volleyball, Cricket tournaments etc.,)	\$3,500.00
Miscellaneous	\$1,000.00
Total Expenses	\$64,500.00
3. Net Income (Total Income - Total Expenses) - reserved in the account	\$38,514.93

NCNC Budget Estimate for 2025

1. Income:

- Balance from 2024: **\$30,014.93**
- Donations: \$4,000
- Grants: \$25,000 (Submitting multiple grant applications, with expectations of being selected)
- Membership Fees: \$7,500
- School registration fees: \$17,000
- Fundraising Events (expected to be raised): \$15,000
- Other Income: \$4,500

Total Income: \$103,014.93

2. Expenses:

- School and events venue rent: \$18,000
- School Books and supplies: \$3,500
- Sangalo publication: \$9,500
- Office supplies: \$2,500
- Events expenses (e.g. Nepal Day, annual member appreciation, Teej, Holi, Dashain etc.): \$ 26,500
- Sponsoring events (Volleyball, Cricket etc.): \$3,500
- Miscellaneous: \$1,000

Total Expenses: \$63,500

3. Net Income:

- Total Income - Total Expenses: \$103,014.93 – 63500 = **\$38,514.93 (reserved in the account)**



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Nepal Center of North Carolina (NCNC)

Mailing address: 116 Durban Meadow Dr. Holly Springs, NC 27540

Current Presiding Officer: Bikash Shakya

Mailing address: 116 Durban Meadow Dr. Holly Springs, NC 27540

Telephone: 765-464-9310 Fax: _____ E-Mail: president@ncnepal.org

(Check one)

Legal Status: ☒ Private non-profit corporation ☐ Unincorporated civic group ☐ Other (Please describe below)

Date Organization Formed or Chartered: 1999

Agency 501 C-3 Number: _____ Or, Federal Tax ID Number: 56-2179237

Amount and Type of Town funds requested: \$ 2,499.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☒ Operating Costs

☐ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. **(Please limit your response using only the space provided below)**

The Nepali Language School, run by NCNC, is dedicated to promoting cultural diversity & fostering inclusivity in our community. By teaching both Nepali & American cultural values, it preserves Nepali culture while enriching the cultural fabric of Holly Springs. This program provides an opportunity for younger generations to connect with older, non-English-speaking community members, passing on vital cultural knowledge. It helps children develop a multicultural identity, fostering a more inclusive society. The school operates weekly for 2h: the 1st hour is dedicated to language learning. The 2nd hour focuses on activities like teaching Nepali dance, yoga, art, & traditional Nepali instruments. This promotes both language skills & a deeper understanding of Nepali culture. The program also offers teens leadership opportunities through teaching & mentorship. It is open to the public & accessible to individuals with disabilities, creating a space where diverse community members can engage. Currently held at the HSNC campus in Morrisville & Hope Church in Apex, the school serves 190 students, 40 of whom are from Holly Springs.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

NCNC aims to support the Nepali School Program in its growth by using the grant towards venue rental, supplies and enhancing curriculum to support the program's mission. This investment will benefit the Town of Holly Springs by strengthening bonds with local communities and supporting cultural initiatives. The school directly impacts the community by promoting cultural diversity, supporting education, and fostering engagement. It aligns with the Town's priorities of diversity, equity, and inclusion. With your support, we can expand this program, enriching the lives of Holly Springs residents and ensuring a welcoming, multicultural environment.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

If funds are reduced or not provided, it would create a setback for the program by limiting our abilities to develop a structured curriculum and access essential tools. Basic materials, such as writing utensils, notebooks, and supplies for extracurricular activities, would become harder to obtain. This program plays a crucial role in tying our community together by teaching children about our culture, connecting parents through our events, and encouraging teens to stay engaged through volunteer works. Without sufficient funding, these opportunities for growth and community connection would be greatly impacted.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☐ Town of Holly Springs	\$ _____	Amount	_____ % of Annual Budget
☐ United Way	\$ _____	Amount	_____ % of Annual Budget
☐ Wake County	\$ _____	Amount	_____ % of Annual Budget
☐ Foundations	\$ _____	Amount	_____ % of Annual Budget
☐ Federal	\$ _____	Amount	_____ % of Annual Budget
☒ Grants	\$ <u>25000</u>	Amount	<u>38</u> % of Annual Budget
☐ State of N.C.	\$ _____	Amount	_____ % of Annual Budget
☒ Other Private Funding	\$ <u>20000</u>	Amount	<u>31</u> % of Annual Budget
☒ Fundraisers	\$ <u>20000</u>	Amount	<u>31</u> % of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

NA

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. CERTIFICATION

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.

03-01-2025

Signature of Executive or Applicant

Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

☒ **Completed application**

☒ **Attachment 1** - Copy of current year budget, if applying for more than \$500

 ☐ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)

☒ **Attachment 3** - Excel spreadsheet financial statement for your organization.



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: Tillers In Christ

Mailing address: PO Box 3960 Raeford, NC 28376

Current Presiding Officer: Dagmar Williams

Mailing address: 10301 Sweet Almond Dr Holly Springs NC 27540

Telephone: (910) 251-7728 Fax: _____ E-Mail: tillersinchrist@gmail.com

(Check one)

Legal Status: ☒ Private non-profit corporation ☐ Unincorporated civic group ☐ Other (Please describe below)

Date Organization Formed or Chartered: 3/20/2024

Agency 501 C-3 Number: 99-2043570 Or, Federal Tax ID Number: 99-2043570

Amount and Type of Town funds requested: \$500.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☒ Operating Costs

☒ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. (Please limit your response using only the space provided below)

ABC For Teens is a Social-Emotional Learning Program offered by Tillers In Christ. ABC For Teens is an alphabetical approach to issues teens face and challenges they encounter daily from A-Z. (ie. A-abuse, B-bullying, C-confidence...). The program offers the topics, causes, the solutions, a self-check, and resources in the form of books, movies and music. The program offers a safe place to express themselves through each topic via music, literary, spoken word, art, + performing arts. The members are rewarded a patch for each topic they complete. Each session is offered one day weekly for 1-1.5 hrs a session. The sessions are led by a Program coordinator and assistant. There is a standard curriculum: 1) icebreaker, 2) Introduction, 3) Discussion, 4) Personal Reflections, 5) Conclusion/Review. At the end of the 26 weeks, the community is invited to a grand of year celebration displaying the members expressive work and to congratulate them on their awards.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

The funds requested will assist in supplies needed for weekly sessions for Art and literary works. The funds would also contribute to the end of program celebration for the community.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

If funds are reduced or not provided the cut would be in the end of program community celebration experiences for the members and community.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☒ Town of Holly Springs	\$ <u>500</u> Amount	<u>8</u> % of Annual Budget
☐ United Way	\$ _____ Amount	_____ % of Annual Budget
☐ Wake County	\$ _____ Amount	_____ % of Annual Budget
☐ Foundations	\$ _____ Amount	_____ % of Annual Budget
☐ Federal	\$ _____ Amount	_____ % of Annual Budget
☐ Grants	\$ _____ Amount	_____ % of Annual Budget
☐ State of N.C.	\$ _____ Amount	_____ % of Annual Budget
☒ Other Private Funding	\$ <u>4,000</u> Amount	<u>62</u> % of Annual Budget
☒ Fundraisers	\$ <u>200</u> Amount	<u>30</u> % of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

N/A

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. **CERTIFICATION**

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.


Signature of Executive or Applicant

2/25/2025
Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

☒ **Completed application**

☐ **Attachment 1** - Copy of current year budget, if applying for more than \$500

☐ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)

☐ **Attachment 3** - Excel spreadsheet financial statement for your organization.



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
P.O. Box 2508
Cincinnati, OH 45201

TILLERS IN CHRIST
C/O TIC
PO BOX 396
RAEFORD, NC 28376

Date:
05/02/2024
Employer ID number:
99-2043570
Person to contact:
Name: Customer Service
ID number: 31954
Telephone: (877) 829-5500
Accounting period ending:
December 31
Public charity status:
170(b)(1)(A)(vi)
Form 990 / 990-EZ / 990-N required:
Yes
Effective date of exemption:
March 25, 2024
Contribution deductibility:
Yes
Addendum applies:
No
DLN:
26053520012634

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

T. I.C is Making a Difference

T.I.C is a 501(c) 3 Non-profit organization committed to improving the lives of those in need through community outreaches ranging from our youth to the elderly and from educational to healthcare. Discover how you can get involved and make a positive impact today.



Volunteers and Donations Welcome



PUBLIC SERVICES

- Police Department (acts of kindness)
- Fire Department (acts of kindness)
- Tuition Assistance
- Volunteers
- And Much More

COMMUNITY SERVICES

- working with recreations center
- Senior Centers
- Small Groups at Multiple Locations
- Volunteers
- And Much More



HEALTHCARE DEPARTMENT

- Providing Resources/Supplies
- Assisting with healthcare needs
- Sitting with the elderly
- PenPals with the Eldery
- And Much More

EDUCATIONAL DEPARTMENT

- ABC For Teens Programs
- School Supplies
- Hygiene Bags
- And Much More



FINANCIAL DEPARTMENT

- Home buyers
- Credit Repair Education
- Savings and Retirement
- financial Management Education
- And Much More

WWW.TILLERSINCHRIST.COM

P.O BOX 396 RAEFORD, NC

TILLERSINCHRIST@GMAIL.COM

(910) 257-7728

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TRIANGLE AREA, INC. AND
SER DEVELOPMENT I, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

As of and for the Years Ended December 31, 2023 and 2022

And Report of Independent Auditor

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.

OFFICERS

Amy Baker
Chief Volunteer Officer

Kari Stoltz
Immediate Past
Chief Volunteer Officer

Zach Ambrose
Vice President

Deana Labriola
Secretary

Trey Rabon
Treasurer

Chris Woody
Assistant Secretary

PROFESSIONAL ADMINISTRATIVE STAFF

Bruce Ham
President and Chief
Executive Officer

Tony Campione
Chief Operating Officer

Brian Keel
Chief Financial Officer

Lisa Humphreys
Chief Strategy Officer

Brad Davis
Chief Philanthropy Officer

Dr. Lisa Scott
Chief Diversity, Equity,
and Inclusion Officer

Rebecca New
Chief Human Resources
Officer

Terrell Benton
Chief Branch Officer

**THE YOUNG MEN’S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND
SER DEVELOPMENT I, INC.**
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Report of Independent Auditor

To the Board of Directors
The Young Men's Christian Association of the Triangle Area, Inc. and SER Development I, Inc.
Raleigh, North Carolina

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Young Men's Christian Association of the Triangle Area, Inc. (a North Carolina nonprofit organization) and SER Development I, Inc. (collectively, the "Association"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2023 and 2022, and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to consolidated 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 Consolidated Financial Statements* section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year of after the date the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Association'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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 audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated 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 June 27, 2024, on our consideration of the Association's internal control over financial reporting and on our test 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 the Association's internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina
June 27, 2024

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND
SER DEVELOPMENT I, INC.**
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 19,751,227	\$ 21,669,265
Accounts receivable, net	20,384,232	18,354,696
Pledges receivable, net (Note 2)	7,695,767	8,468,125
Notes receivable (Note 20)	14,713,500	14,713,500
Investments, at fair value (Note 3)	22,938,448	28,271,934
Prepaid expenses	1,606,080	2,029,761
Land, buildings, and equipment, net (Note 5)	177,893,127	168,887,019
Land held for resale	79,000	747,465
Operating lease right-of-use assets (Note 13)	6,437,706	7,281,606
Net investment in lease (Note 19)	16,860,944	17,231,514
Other assets	1,676,466	1,668,394
Interest rate swap contracts (Note 10)	2,039,578	2,514,702
Total Assets	\$ 292,076,075	\$ 291,837,981
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 7,474,369	\$ 7,894,380
Deferred revenue	33,656,043	31,716,536
Lease prepayments	16,860,944	17,231,514
Line of credit (Note 7)	-	3,455,313
Operating lease liabilities (Note 13)	7,763,786	8,811,576
Notes payable (Note 8)	26,880,438	27,404,123
Bonds payable (Note 8)	36,831,184	40,115,306
Total Liabilities	129,466,764	136,628,748
Net Assets:		
Without Donor Restrictions:		
Undesignated	109,185,286	103,301,457
Board designated	12,611,391	16,045,876
	121,796,677	119,347,333
With Donor Restrictions (Note 11)	40,812,634	35,861,900
Total Net Assets	162,609,311	155,209,233
Total Liabilities and Net Assets	\$ 292,076,075	\$ 291,837,981

The accompanying notes to the consolidated financial statements are an integral part of these statements.

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND
SER DEVELOPMENT I, INC.**

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue:			
Program and camping fees	\$ 53,298,283	\$ -	\$ 53,298,283
Membership dues and joining fees	34,343,505	-	34,343,505
In-kind contributions	2,630,800	-	2,630,800
Contributions, net	110,368	11,491,521	11,601,889
Grants	3,831,932	40,000	3,871,932
Gain on disposal of fixed assets	1,827,528	-	1,827,528
Investment return, net	2,621,535	2,999,399	5,620,934
Other income, net	2,773,380	5,800	2,779,180
	<u>101,437,331</u>	<u>14,536,720</u>	<u>115,974,051</u>
Net assets released from donor restrictions (Note 12)	<u>9,585,986</u>	<u>(9,585,986)</u>	<u>-</u>
Total Public Support and Revenue	<u>111,023,317</u>	<u>4,950,734</u>	<u>115,974,051</u>
Expenses:			
Program services	90,036,156	-	90,036,156
Administrative services	14,802,347	-	14,802,347
Fundraising	3,260,346	-	3,260,346
Total Expenses	<u>108,098,849</u>	<u>-</u>	<u>108,098,849</u>
Change in net assets before change in interest rate swap contracts	2,924,468	4,950,734	7,875,202
Change in market value of interest rate swap contracts (Note 10)	<u>(475,124)</u>	<u>-</u>	<u>(475,124)</u>
Change in net assets	2,449,344	4,950,734	7,400,078
Net assets, beginning of year	<u>119,347,333</u>	<u>35,861,900</u>	<u>155,209,233</u>
Net assets, end of year	<u>\$ 121,796,677</u>	<u>\$ 40,812,634</u>	<u>\$ 162,609,311</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND
SER DEVELOPMENT I, INC.**

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue:			
Program and camping fees	\$ 45,957,142	\$ -	\$ 45,957,142
Membership dues and joining fees	27,214,564	-	27,214,564
In-kind contributions	3,330,400	20,019	3,350,419
Contributions, net	197,791	13,791,435	13,989,226
Grants	3,246,637	3,700,000	6,946,637
Loss on disposal of fixed assets	(23,089)	-	(23,089)
Investment return, net	(1,308,536)	(1,451,032)	(2,759,568)
Gain on debt forgiveness (Note 9)	9,206,076	-	9,206,076
Other income, net	2,101,872	-	2,101,872
	<u>89,922,857</u>	<u>16,060,422</u>	<u>105,983,279</u>
Net assets released from donor restrictions (Note 11)	<u>12,739,813</u>	<u>(12,739,813)</u>	<u>-</u>
Total Public Support and Revenue	<u>102,662,670</u>	<u>3,320,609</u>	<u>105,983,279</u>
Expenses:			
Program services	79,901,030	-	79,901,030
Administrative services	15,258,717	-	15,258,717
Fundraising	3,163,360	-	3,163,360
Total Expenses	<u>98,323,107</u>	<u>-</u>	<u>98,323,107</u>
Change in net assets before change in interest rate swap contracts	4,339,563	3,320,609	7,660,172
Change in market value of interest rate swap contracts (Note 10)	<u>3,692,975</u>	<u>-</u>	<u>3,692,975</u>
Change in net assets	8,032,538	3,320,609	11,353,147
Net assets, beginning of year	<u>111,314,795</u>	<u>32,541,291</u>	<u>143,856,086</u>
Net assets, end of year	<u>\$ 119,347,333</u>	<u>\$ 35,861,900</u>	<u>\$ 155,209,233</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Program Services						
	Youth Programs	Adult Programs	Resident Camps	Total Programs	Administrative Services	Fundraising	Total
Salaries	\$ 24,486,172	\$ 11,650,594	\$ 5,761,351	\$ 41,898,117	\$ 4,783,526	\$ 1,679,500	\$ 48,361,143
Employee benefits	2,701,978	1,417,443	899,653	5,019,074	947,691	370,695	6,337,460
Payroll taxes	1,880,936	892,244	422,384	3,195,564	353,270	124,114	3,672,948
Total Payroll	29,069,086	13,960,281	7,083,388	50,112,755	6,084,487	2,174,309	58,371,551
Professional fees and contracts	1,340,749	384,482	1,348,357	3,073,588	2,859,633	445,405	6,378,626
Supplies	3,620,349	1,161,164	1,018,110	5,799,623	455,386	18,346	6,273,355
Telephone	516,870	287,761	143,483	948,114	184,799	34,218	1,167,131
Postage	15	8	4	27	63,795	3,187	67,009
Occupancy	8,635,423	3,919,313	1,841,590	14,396,326	129,352	29,194	14,554,872
Equipment lease and maintenance	150,605	104,205	443,304	698,114	117,768	3,439	819,321
Promotion and printing	1,213	4,373	-	5,586	538,523	376,609	920,718
Travel	647,000	32,958	273,785	953,743	90,239	16,638	1,060,620
Conferences and meetings	54,570	28,078	54,116	136,764	282,595	7,029	426,388
Food	461,508	558,647	2,402,836	3,422,991	190,990	65,027	3,679,008
Dues	3,632	3,778	10,252	17,662	644,651	15,137	677,450
Insurance	663,063	319,041	844,278	1,826,382	49,550	5,072	1,881,004
Financing costs	686,759	381,533	183,136	1,251,428	584,604	45,784	1,881,816
Miscellaneous	37,676	21,050	10,047	68,773	1,813,133	5,009	1,886,915
Total Other Expenses	16,819,432	7,206,391	8,573,298	32,599,121	8,005,018	1,070,094	41,674,233
Total expenses before depreciation	45,888,518	21,166,672	15,656,686	82,711,876	14,089,505	3,244,403	100,045,784
Depreciation	3,562,051	2,129,389	1,632,840	7,324,280	712,842	15,943	8,053,065
Total Expenses	<u>\$ 49,450,569</u>	<u>\$ 23,296,061</u>	<u>\$ 17,289,526</u>	<u>\$ 90,036,156</u>	<u>\$ 14,802,347</u>	<u>\$ 3,260,346</u>	<u>\$ 108,098,849</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	Program Services						
	Youth Programs	Adult Programs	Resident Camps	Total Programs	Administrative Services	Fundraising	Total
Salaries	\$ 21,527,791	\$ 10,307,078	\$ 5,381,219	\$ 37,216,088	\$ 3,968,027	\$ 1,664,177	\$ 42,848,292
Employee benefits	2,185,240	1,187,407	764,169	4,136,816	1,207,984	402,629	5,747,429
Payroll taxes	1,604,317	761,563	379,388	2,745,268	340,058	116,422	3,201,748
Total Payroll	25,317,348	12,256,048	6,524,776	44,098,172	5,516,069	2,183,228	51,797,469
Professional fees and contracts	1,089,414	114,558	1,160,891	2,364,863	2,363,676	216,987	4,945,526
Supplies	3,046,534	1,228,029	821,065	5,095,628	397,799	12,240	5,505,667
Telephone	509,482	283,005	141,279	933,766	171,313	33,903	1,138,982
Postage	-	-	-	-	58,562	3,672	62,234
Occupancy	7,937,269	3,461,468	1,843,296	13,242,033	228,485	17,990	13,488,508
Equipment lease and maintenance	160,924	142,526	417,189	720,639	132,453	8,431	861,523
Promotion and printing	1,512	7,784	-	9,296	606,683	516,844	1,132,823
Travel	496,324	31,642	231,210	759,176	65,875	13,213	838,264
Conferences and meetings	36,889	18,389	53,799	109,077	252,019	12,271	373,367
Food	466,040	392,350	1,892,872	2,751,262	116,461	56,388	2,924,111
Dues	43,542	27,786	18,248	89,576	661,770	26,787	778,133
Insurance	738,036	352,619	786,312	1,876,967	39,247	4,452	1,920,666
Interest	592,928	329,404	158,114	1,080,446	567,210	39,529	1,687,185
Miscellaneous	33,861	20,579	9,030	63,470	3,280,978	4,997	3,349,445
Total Other Expenses	15,152,755	6,410,139	7,533,305	29,096,199	8,942,531	967,704	39,006,434
Total expenses before depreciation	40,470,103	18,666,187	14,058,081	73,194,371	14,458,600	3,150,932	90,803,903
Depreciation	3,150,782	2,116,289	1,439,588	6,706,659	800,117	12,428	7,519,204
Total Expenses	<u>\$ 43,620,885</u>	<u>\$ 20,782,476</u>	<u>\$ 15,497,669</u>	<u>\$ 79,901,030</u>	<u>\$ 15,258,717</u>	<u>\$ 3,163,360</u>	<u>\$ 98,323,107</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND
SER DEVELOPMENT I, INC.**
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 7,400,078	\$ 11,353,147
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	8,053,065	7,519,204
Gain on debt forgiveness	-	(9,206,076)
Amortization of debt issuance costs included in interest expense	142,450	151,922
Bad debt expense	423,479	30,758
Noncash lease expense	(203,890)	(192,910)
Amortization of investment in lease	370,570	370,571
Unrealized (gain) loss on charitable trusts	(111,380)	20,074
Unrealized (gain) loss on investments	(2,939,822)	5,528,543
Gain on disposal of investments	(1,367,533)	(1,853,297)
(Gain) loss on sale of fixed assets	(1,827,528)	23,089
Change in interest rate swap contracts	475,124	(3,692,975)
Contributions received for capital campaign	(4,096,524)	(3,179,429)
Noncash land and building in-kind contributions	(2,652,628)	(3,350,419)
Net changes in operating assets and liabilities:		
Accounts receivable	(2,153,290)	(1,597,394)
Pledges receivable	472,633	(4,264,878)
Prepaid expenses	423,681	1,549,695
Other assets	103,308	425,405
Accounts payable and accrued expenses	(420,011)	824,319
Deferred revenue	1,939,507	912,965
Lease prepayments	(370,570)	(370,571)
Net cash flows from operating activities	<u>3,660,719</u>	<u>1,001,743</u>
Cash flows from investing activities:		
Additions to land, buildings, and equipment	(15,224,845)	(12,670,583)
Proceeds from sale of land held for sale	668,465	-
Proceeds from sale of Mission Support Properties	2,645,828	3,326,500
Purchase of investments	(25,324,996)	(25,179,268)
Proceeds from sale of investments	<u>34,965,837</u>	<u>26,563,329</u>
Net cash flows from investing activities	<u>(2,269,711)</u>	<u>(7,960,022)</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND
SER DEVELOPMENT I, INC.**
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from financing activities:		
Payments on line of credit	\$ (3,455,313)	\$ -
Borrowing on note payable	-	6,309,965
Principal payments on notes payable	(634,653)	(2,280,738)
Principal payments on bond loans payable	(3,315,604)	(4,658,806)
Payments of debt issuance costs	-	(5,548)
Contributions restricted for capital campaign	4,096,524	3,179,429
Net cash flows from financing activities	<u>(3,309,046)</u>	<u>2,544,302</u>
Net change in cash and cash equivalents	(1,918,038)	(4,413,977)
Cash and cash equivalents, beginning of year	21,669,265	26,083,242
Cash and cash equivalents, end of year	<u>\$ 19,751,227</u>	<u>\$ 21,669,265</u>
Supplemental cash flow information:		
Cash paid for interest	<u>\$ 1,366,552</u>	<u>\$ 1,429,048</u>
Noncash flow investing and financing activities:		
Donation of buildings	<u>\$ 2,645,828</u>	<u>\$ 3,326,500</u>
Donation of boats	<u>\$ 6,800</u>	<u>\$ 3,900</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1—Nature of activities and summary accounting policies

Mission and Nature of Activities – The Young Men's Christian Association of the Triangle Area, Inc. (the "YMCA") is an association of volunteers, members, and staff incorporated in 1911 for the purpose of putting Christian principles into practice through programs that build healthy spirit, mind, and body for all. The YMCA is comprised of 19 branches, three resident camps, and administrative offices. Members and participants primarily come from Wake, Durham, Orange, Johnston, Lee, Pamlico, Chatham, and surrounding counties.

SER Development I, Inc. (the "Organization") is an organization incorporated on February 16, 2018. It was formed for the exclusive purpose of holding the title to a parcel of real property located at 1436 Rock Quarry Road, Raleigh, North Carolina, collecting income therefrom, and turning over the entire amount thereof, less expenses to the YMCA.

Basis of Consolidation - The accompanying consolidated financial statements include the accounts of the YMCA and SER Development, Inc. (collectively referred to as the "Association") and are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany accounts and transactions are eliminated in the consolidated financial statements.

Basis of Accounting – The Association's consolidated financial statements are prepared on the U.S. GAAP basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions are not subject to donor-imposed stipulations. All net assets without donor restrictions, including board designated funds, may be used by the Association for general operations as determined by management or the Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Association or by the passage of time. Other donor's restrictions are perpetual in nature, whereby the donor has stipulated the funds to be maintained in perpetuity.

Estimates – The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax Exempt Status – The YMCA is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the IRC and qualifies for the 50% of adjusted gross income charitable contributions deduction for individual donors. The Financial Accounting Standards Board ("FASB") ASC 740, *Income Taxes*, requires the YMCA to estimate the likelihood that a potential income tax liability, including penalties and interest, exists for any income tax position taken on a return that has a more likely than not chance that the position would fail under a federal or state revenue audit. This estimated liability is known as an uncertain tax position. The YMCA has evaluated their income tax positions and has determined they have no uncertain tax positions that should be accounted for under ASC 740. The YMCA is not currently under examination by the Internal Revenue Service ("IRS") or the state of North Carolina.

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SER DEVELOPMENT I, INC.**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1—Nature of activities and summary accounting policies (continued)

The Organization is a not-for-profit organization exempt from federal income taxes under Section 501(c)(2) of the IRC. It has been classified as an organization that is organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt under IRC 501(a). The Organization has evaluated their income tax positions and has determined that they have no uncertain tax positions that should be accounted for under ASC 740. The Organization is not currently under examination by the IRS or the state of North Carolina.

Cash and Cash Equivalents – For purposes of the consolidated statements of cash flows, cash and cash equivalents represent cash in bank demand accounts and short-term highly liquid investments with original maturities of three months or less.

Accounts Receivable – Accounts receivable is generally uncollateralized client obligations net of allowance for credit losses. The allowance for credit losses is based on the Association's assessment of the collectability of customer accounts receivable. In accordance with ASC Topic 326, *Financial Instruments - Credit Losses*, the Association makes ongoing estimates relating to the collectability of accounts receivable and records an allowance for estimated losses expected from the inability of its customers to make required payments. The Association establishes expected credit losses by evaluating historical levels of credit losses, current economic conditions that may affect a customer's ability to pay, and creditworthiness of significant customers. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Accounts receivable are written off when there is no reasonable expectation of recovery. Write offs for the years ended December 31, 2023 and 2022 were \$123,754 and \$157,400, respectively. As of December 31, 2023 and 2022, the allowance for credit losses was \$148,140 and \$-0-, respectively.

Pledges Receivable – Pledges made to the Association are recorded as receivables in the year the pledge was made. Pledges to give are reported in the consolidated statements of financial position net of unamortized discounts and an allowance for uncollectible pledges. Pledges that are expected to be collected in future years are recorded at the present value of estimated, future cash flows using a discount rate based on management's assessment of many factors, including when the receivable is expected to be collected, past collection experience, and its policies concerning the enforcement of pledges. Amortization of the discount is recorded as an increase or decrease in contribution revenue. An allowance for uncollectible accounts is determined by management based on past collection history. During the years ended December 31, 2023 and 2022, the Association made recoveries of previously written off pledges of \$52,319 and \$126,642, respectively. As of December 31, 2023 and 2022, the allowance for uncollectible pledges was \$1,023,298 and \$1,079,211, respectively.

Investments – Investments in equity and debt securities are recorded at fair value based on closing market prices or bid quotations in accordance with professional standards. The resulting unrealized gain or loss is reported in investment return, net in the consolidated statements of activities and changes in net assets.

Prepaid Expenses – Prepaid expenses consist of routine business expenses paid in advance.

Land, Buildings, and Equipment – Land, buildings, and equipment that are purchased are valued at historical cost. Depreciation is computed using the straight-line method over the following estimated useful lives:

Land improvements	5 – 40 years
Buildings	1 – 40 years
Vehicles and boats	3 – 10 years
Furnishings and equipment	3 – 39 years

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND
SER DEVELOPMENT I, INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1—Nature of activities and summary accounting policies (continued)

Construction in Progress – Amounts represent the accumulated cost of a project that has not yet been placed into service. When the project is complete and placed into service, the cost is removed from this account and recorded as a long-term asset.

Impairment of Land, Buildings, and Equipment – The Association reviews land, buildings, and equipment for impairment whenever events or changes in circumstances indicate the carrying value of the property and equipment may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the asset. During the years ended December 31, 2023 and 2022, there were no events or changes in circumstances indicating an impairment analysis was needed.

Revenue Recognition from Exchange Transactions – The Association has multiple revenue streams that are accounted for as exchange transactions including membership dues and joining fees, program and camping and related services, and grant revenues.

The Association bills members in advance of camp and programs being held within the next year. These amounts represent services that have been invoiced to the member but not yet provided and are reported as deferred revenue on the consolidated balance sheet. As of January 1, 2022, the Association had deferred revenue of \$50,128,536. As of December 31, 2023 and 2022, the Association had \$33,656,043 and \$31,716,536, respectively, in deferred revenue.

Membership Dues and Joining Fees – A significant amount of the Association's revenue is generated from the use of the facilities by its members. The Association bills members on a monthly basis for use of the Association facilities. Revenue is recognized on a pro rata basis over the period covered by the billing which is typically a calendar month. Member dues and other charges billed or collected in advance are deferred and recorded as revenue in the period to which they relate. Joining fees are earned in the month billed to the customer because they are nonrefundable. Financial assistance is available to members.

Program and Camping Fees – The Association offers a variety of programs including family, childcare, day camp, overnight camp, teen, fitness, aquatics, health, and wellbeing. Fee-based programs are available to the general public. Program fees for short duration programs, such as aquatics classes, are typically paid in advance at the time of registration. Program fees for longer duration programs, such as fee-based childcare, are usually paid monthly in advance. Cancellation provisions vary by program, but most transactions are cancellable with 30 days' notice. Refunds may be available for services not provided. Financial assistance is available to camp and program participants.

Grant Revenue – The Association receives grants from corporations, foundations, and city, state, and federal agencies to provide a variety of program services to the public based on contract requirements, including eligibility, procurement, reimbursement, curriculum, staffing, and other requirements. These program services range from childcare after school programs, day camp, family programs, and health and welfare related programs. These grants from government agencies are recorded as revenue when earned, which is generally when the related allowable expenditures are incurred over the period the service is provided.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1—Nature of activities and summary accounting policies (continued)

Contribution Revenue – The Association receives contributions to support operating activities, endowments, and capital projects. These contributions can be from individuals, foundations, corporations, trusts, or government agencies. The Association records pledges receivable, net of allowances for estimated uncollectable amounts, when there is sufficient evidence in the form of verifiable documentation that an unconditional promise to give was received.

Donor-restricted pledges are reported as increases in net assets with donor restrictions. When a restriction has been satisfied, the net assets with donor restrictions are released to net assets without donor restrictions. If a donor imposes a restriction on a contribution and the restrictions are met in the same fiscal year, the Association may report all such contributions as net assets without donor restrictions.

In-Kind Contributions – Donations of property, equipment, supplies, space, or materials are recorded as support at their estimated fair value. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the YMCA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Donated Property and Equipment – The Association recognized contribution revenue from donated property of \$2,630,800 and \$3,350,419 for the years ended December 31, 2023 and 2022, respectively. Donated property in 2023 and 2022 of \$2,624,000 and \$3,326,500, respectively, was immediately sold on the open market, which is where the fair value was derived, and was used to support the Operating Fund. During the years ended December 31, 2023 and 2022, donated property of \$6,800 and \$3,900, respectively, related to boats donated for camp program use and was assigned a fair value based on information provided by third parties and independent agencies. This was used to support the Operating Fund. During the years ended December 31, 2023 and 2022, donated property of \$15,028 and \$20,019, respectively, related to land the Association is able to use through a donation rather than paying rent and was used to support the Maintenance Reserve Fund. This is assigned a fair value based on actual rental rates that would be paid for the space if not donated by the local Town that allows for space use. Of the donated in-kind contributions, \$15,028 and \$20,019, respectively, were restricted by the donor.

Consolidated Statements of Functional Expenses – The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Association allocates functional expenses based on program delivery and space utilized for the various programs. Program expenses directly incurred to support program delivery, as well as indirect costs allocated by applying program expense percentages, are allocated to the program. The Association captures administrative and fundraising costs through dedicated cost centers assigned to those functions, as well as indirectly by applying program expense percentages.

Concentrations – The Association places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation permanently increased coverage to \$250,000 for substantially all depository accounts. During the year, the Association from time to time may have had amounts on deposit in excess of the insured limits. At December 31, 2023 and 2022, the Association exceeded the federally insured limit by approximately \$16,312,000 and \$16,339,000, respectively.

As of December 31, 2023 and 2022, one pledge accounted for 35% and 31%, respectively, of the pledge receivable balance.

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND
SER DEVELOPMENT I, INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1—Nature of activities and summary accounting policies (continued)

Advertising – Advertising costs are expensed as incurred and totaled \$720,820 and \$960,171 for the years ended December 31, 2023 and 2022, respectively. The advertising costs are included in promotion and printing on the consolidated statements of functional expenses.

Current Pronouncements – In June 2016, FASB issued ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326, Measurement of Credit Losses on Financial Instruments)*, which requires certain financial assets to be measured at amortized cost net of an allowance for estimated credit losses, such that the net receivable represents the present value of expected cash collection. The new rules also require certain financial assets be measured at amortized cost reflecting an allowance for estimated credit losses that are expected to occur over the life of the assets. This estimate must be based on all relevant information, such as historical information, current conditions, and reasonable and supportable forecasts that could impact the collectability of the amounts. The standard is effective for the Association for the calendar year ending December 31, 2023. The Association adopted this accounting standard as of January 1, 2023, which did not have a material impact on the Association's consolidated financial statements.

Note 2—Pledges receivable, net

As of December 31, the present value of pledges receivable, net of allowance for uncollectible accounts are due as follows:

	2023	2022
Receivable in less than one year	\$ 7,021,888	\$ 6,389,706
Receivable in one to five years	1,837,761	3,470,678
Receivable in more than five years	182,655	223,366
	9,042,304	10,083,750
Less present value discount	(323,239)	(536,414)
	8,719,065	9,547,336
Less allowance for uncollectible accounts	(1,023,298)	(1,079,211)
Pledges receivable, net	<u>\$ 7,695,767</u>	<u>\$ 8,468,125</u>

To reflect the value of its long-term pledges in today's dollars, the Association used a discount rate of 5.37% for both the fiscal years ended December 31, 2023 and 2022, respectively. The pledges are made, predominately, for branch-specific scholarships and outreach programs, capital improvements, and an endowment for underprivileged children.

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 3—Investments

Investments reported at fair value consisted of the following as of December 31:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Equity funds	\$ 19,192,911	\$ 19,595,864	\$ 27,692,798	\$ 25,211,749
Bond funds	4,756,293	3,342,584	3,661,276	3,060,185
	<u>\$ 23,949,204</u>	<u>\$ 22,938,448</u>	<u>\$ 31,354,074</u>	<u>\$ 28,271,934</u>

Fair value is determined by market quotations at year-end. For the years ended December 31, 2023 and 2022 investment income includes realized gains on the sale of securities in the amount of \$1,367,533 and \$1,853,297, respectively. At December 31, 2023 and 2022, the Association's investment in partnerships decreased in value by \$-0- and \$17,108, respectively. At December 31, 2023 and 2022, the net reported basis value of all K-1s received is (\$2,637).

Note 4—Fair value measurements

The Association applies U.S. GAAP for fair value measurements of financial assets that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP also establishes a framework for measuring fair value and expands disclosures about fair value measurements. U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.

Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy, within which a fair measurement in its entirety falls, is based on the lowest level input that is significant to the fair value measurement in its entirety.

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 4—Fair value measurements (continued)

The following table presents assets and liabilities that are measured at fair value on a recurring basis at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Large cap	\$ 14,965,058	\$ -	\$ -	\$ 14,965,058
Mid cap	1,138,142	-	-	1,138,142
Small cap	16,391	-	-	16,391
International	3,478,910	-	-	3,478,910
Fixed income	3,342,584	-	-	3,342,584
Investment in partnerships	-	-	(2,637)	(2,637)
Total investments, at fair value	22,941,085	-	(2,637)	22,938,448
Interest rate swap contracts	-	2,039,578	-	2,039,578
	<u>\$ 22,941,085</u>	<u>\$ 2,039,578</u>	<u>\$ (2,637)</u>	<u>\$ 24,978,026</u>

The following table presents assets and liabilities that are measured at fair value on a recurring basis at December 31, 2022:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Large cap	\$ 17,848,553	\$ -	\$ -	\$ 17,848,553
Mid cap	2,036,449	-	-	2,036,449
Small cap	12,324	-	-	12,324
International	5,317,060	-	-	5,317,060
Fixed income	3,060,185	-	-	3,060,185
Investment in partnerships	-	-	(2,637)	(2,637)
Total investments, at fair value	28,274,571	-	(2,637)	28,271,934
Interest rate swap contracts	-	2,514,702	-	2,514,702
	<u>\$ 28,274,571</u>	<u>\$ 2,514,702</u>	<u>\$ (2,637)</u>	<u>\$ 30,786,636</u>

The following is a reconciliation of activity for Level 3 assets measured at December 31 at fair value based on significant unobservable (non-market) information:

	Investment in Partnerships
Balance, January 1, 2022	\$ 14,470
Realized loss	(17,107)
Balance, December 31, 2022	(2,637)
Balance, December 31, 2023	<u>\$ (2,637)</u>

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 5—Land, buildings, and equipment, net

Land, buildings, and equipment and related accumulated depreciation at December 31, 2023 and 2022, consisted of the following:

	2023	2022
Land and land improvements	\$ 52,143,957	\$ 50,581,638
Buildings	184,162,676	181,234,371
Vehicles and boats	5,960,629	5,761,032
Furnishings and equipment	25,214,793	22,805,790
Construction-in-progress	15,547,374	6,251,616
	<u>283,029,429</u>	<u>266,634,447</u>
Less accumulated depreciation	<u>(105,136,302)</u>	<u>(97,747,428)</u>
	<u><u>\$ 177,893,127</u></u>	<u><u>\$ 168,887,019</u></u>

Depreciation expense for the years ended December 31, 2023 and 2022 was \$8,053,065 and \$7,519,204, respectively.

Note 6—Defined contribution plan

The Association participates in The YMCA Retirement Fund Retirement Plan which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the IRC of 1986, as amended and The YMCA Retirement Fund Tax-Deferred Savings Plan which is a retirement income account plan as defined in Section 403(b)(9) of the code. Both Plans are sponsored by The Young Men's Christian Association Retirement Fund ("Fund"). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the state of New York (1922) and is organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As a defined contribution plan, the retirement plan and tax-deferred savings plan have no unfunded benefit obligations.

In accordance with the agreement, contributions for the YMCA Retirement Fund Retirement Plan are a percentage of the participating employees' salary. These amounts are paid by the Association. Contributions charged to retirement costs for fiscal years ended December 31, 2023 and 2022 totaled \$2,656,924 and \$2,568,341, respectively. Contributions to the YMCA Retirement Fund Tax-Deferred Savings Plan are withheld from employees' salaries and remitted to the Fund. There is no matching employer contribution in this plan.

Note 7—Line of credit

The Association previously entered into a secured line of credit with Truist Bank with available credit up to \$6,000,000 at an interest rate of index rate plus 1.25% per annum. The Association owed \$3,455,313 on the line of credit at December 31, 2022. The line of credit balance was fully repaid as of December 31, 2023.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 8—Debt obligations

Bonds Payable

On May 1, 2017, the Association entered into a Bond Purchase and Loan Agreement with the North Carolina Capital Facilities Finance Agency (the "Agency") in which the Agency committed to make loans to the Association from the proceeds of its Bonds in the principal amounts of \$7,410,000, \$12,725,000 and not to exceed \$22,000,000 for the Series 2017A, Series 2017B, and Series 2017C, respectively. The funds were provided from the proceeds of the Agency's issuance of \$7,410,000 Revenue Refunding Bond (YMCA of the Triangle) Series 2017A (the "2017A Bond"), \$12,725,000 Revenue Refunding Bonds (YMCA of the Triangle) Series 2017B (the "2017B Bond"), and not to exceed \$22,000,000 Revenue Bonds (YMCA of the Triangle) Series 2017C (the "2017C Bond") (collectively referred to as the "2017 Bonds" which were purchased by Truist Bank). The Association used the proceeds of the 2017A Bonds to prepay the 2002 Bonds, the 2017B Bonds to prepay the 2006 Bonds, and the 2017C Bonds to pay or reimburse itself for the costs of certain projects and pay certain expenses incurred in connection with the authorization and issuance of the 2017 Bonds. Management believes the Association was in compliance with all covenants at December 31, 2023 and 2022. The outstanding balance on the Series 2017A Bond was paid in full during the year ended December 31, 2022.

The term of the 2017 Bonds included that interest shall accrue on the outstanding principal amount of each series of the 2017 Bonds and shall initially be calculated at the Adjusted LIBOR applicable to each such series on the basis of actual days elapsed over a 360-day year and shall be payable as provided in the form of the 2017 Bonds. Interest on the outstanding principal amount of the 2017 Bonds shall be payable on the first business day of each month. The Association amended the agreement for the Series 2017B and Series 2017C bonds above in March 2023 to adjust for the termination of LIBOR to Term SOFR as the new underlying basis. Effective April 1, 2023, these two bond series accrued interest at a rate equal to the Adjusted Term SOFR plus 1.25% per annum.

On October 1, 2019, the Association entered into a Bond Purchase and Loan Agreement with the Public Finance Authority (the "Authority") in which the Authority committed to make a loan to the Association from the proceeds of its Bonds in the principal amount of \$19,125,000 for the Series 2019 Revenue Bond. The funds were provided from the Authority's issuance of \$19,125,000 Revenue Bond (YMCA of the Triangle – Northwest Cary Project), Series 2019 (the "Bond") which were purchased by Truist Bank. The Association used the proceeds of the Series 2019 Bond to purchase property at 6903 Carpenter Fire Station Road, Cary, North Carolina. Management believes the Association was in compliance with all covenants at December 31, 2023 and 2022.

The term of the 2019 Bond included that interest shall accrue on the outstanding principal amount of the Bond and shall initially be calculated at the Adjusted Federal Funds Rate on the basis of actual days elapsed over a 360-day year and shall be payable as provided in the form of the bond. Interest on the outstanding principal amount of the Bond shall be payable on the first business day of each month.

The Association and Truist Bank entered into a Continuing Covenant Agreement which contains the financial covenants applicable to the Association, including a requirement for unrestricted liquidity of not less than \$6,000,000 and a debt service coverage ratio of at least 1.2 to 1.0, both measured as of each December 31. As of December 31, 2023 and 2022, management calculated the Association's unrestricted liquidity as \$12,969,066 and \$18,870,403, respectively. As of December 31, 2023 and 2022, management calculated the Association's debt service coverage ratio as 2.23 to 1.0 and 2.22 to 1.0, respectively.

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 8—Debt obligations (continued)

Bonds payable consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Series 2017B - matures, subject to the right of prior redemption, on May 1, 2027. The fixed adjusted swap rate at December 31, 2023 was 2.80%.	\$ 5,825,000	\$ 7,115,000
Series 2017C - matures, subject to the right of prior redemption, on May 1, 2032. The fixed adjusted swap rate at December 31, 2023 was 3.54%.	14,560,758	15,965,967
Series 2019 (Northwest Cary Project) - matures, subject to the right of prior redemption on October 1, 2044. The fixed adjusted swap rate at December 31, 2023 was 2.30%.	16,649,513	17,265,721
	37,035,271	40,346,688
	(204,087)	(231,382)
Less bond issuance costs		
Total bonds payable	<u>\$ 36,831,184</u>	<u>\$ 40,115,306</u>

Notes Payable

On April 12, 2018, the Organization entered into various note payable agreements with CAHEC Sub-CDE XIV, LLC, a North Carolina limited liability Association and ST CDE XLVI, LLC, a Georgia limited liability Association (collectively referred to as the "Lenders"). The Lenders have funded the notes in the original aggregate principal amount of \$21,000,000 using the New Markets Tax Credit (the "NMTC") and the Organization has developed, constructed, equipped, and leased the development project for use as a YMCA facility, which includes a wellness center, parking lot, gymnasium, outdoor swimming pool, exercise studios, and other athletic and recreational amenities. The Organization constitutes as a "qualified active low-income community business" within the meaning of Section 45D of the Code and the Treasury Regulations and guidance thereunder.

The NMTC program was established under IRC Section 45D and is administered through the Community Development Financial Institutions ("CFDI") fund, which is a division of the U.S. Department of Treasury. The CFDI provides authority for Community Development Entities ("CDE") to sell the provided tax credits to qualified investors. The mission of CDEs is to provide capital to low-income communities for eligible projects such as for-profit retail, manufacturing plants, service businesses, and nonprofit businesses. Once the tax credits are received by the CDE, investors, such as local corporations, banks, or insurance companies, invest (equity) in the CDE, which in turn allows the CDE to invest in qualifying businesses. This investment made into the CDE is called a qualified equity investment ("QEI") and can be made either as an equity investment or a debt obligation. That investment is typically made with a combination of funds contributed by the investor and loaned by a lender, allowing the investor to take tax credits on the combined amount. The investor receives new market tax credits calculated on that aggregate amount equal to 39% of the QEI and is spread out over 7 years (5% in years 1 to 3 and 6% in years 4 to 7). The investment made by the CDE is typically structured as 7 years, below-market interest rate, interest-only debt obligations. These debt obligations are typically split into two debt obligations, one corresponding to the equity portion of the investment and the second corresponding to the debt obligation portion of the investment. At the end of the 7-year compliance period, there are mechanisms in place that would result in the portion of the debt obligation relating to the equity being forgiven, as the equity investor made its investment in return for the tax credits and is not looking for a return of its equity investment.

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Note 8—Debt obligations (continued)

Notes payable consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Construction loan with Truist Bank for the Southeast Raleigh YMCA branch and school; secured by a double negative pledge on all assets and assignment of rent under lease with the Wake County Board of Education. Interest is payable monthly at LIBOR plus .75%. First payment of up to \$18,530,000 due no later than December 31, 2020, with final payment of \$6,170,000 due at March 31, 2023. Interest rate at December 31, 2022 was 2.67%.	\$ -	\$ 353,823
Construction loan with Truist Bank for the purpose of implementing certain energy conservation measures designed to reduce energy consumption costs. The monthly repayment of principal and interest is amortized over 180 months at an interest rate of 4.16% continuing up to December 1, 2038.	6,026,361	6,309,965
Loan agreement with CAHEC SUB-CDE XIV, LLC and ST CDE XLVI, LLC for a principal amount of \$21,000,000 to be paid for under the terms of the NMTC.	21,000,000	21,000,000
	27,026,361	27,663,788
Less debt issuance costs	(145,923)	(259,665)
Total notes payable	<u>\$ 26,880,438</u>	<u>\$ 27,404,123</u>

The following are maturities of bonds and notes payable for each of the next five years and in the aggregate:

	<u>Notes Payable</u>	<u>Bonds Payable</u>	<u>Total</u>
2024	\$ 295,630	\$ 3,428,966	\$ 3,724,596
2025	308,165	3,550,403	3,858,568
2026	1,165,856	3,676,806	4,842,662
2027	1,184,904	3,805,026	4,989,930
2028	1,205,056	2,304,255	3,509,311
Thereafter	22,866,750	20,269,815	43,136,565
	27,026,361	37,035,271	64,061,632
Less unamortized debt issuance costs	(145,923)	(204,087)	(350,010)
	<u>\$ 26,880,438</u>	<u>\$ 36,831,184</u>	<u>\$ 63,711,622</u>

The Association paid \$5,900 related to the issuance of the notes payable for the year ended December 31, 2022, and these costs are being amortized over the life of bond. Unamortized debt issuance costs as of December 31, 2023 and 2022 totaled \$350,010 and \$491,047, respectively. Debt issuance costs are presented in the consolidated statements of financial position as a reduction to the related debt. Interest expense for notes and bonds payable was \$1,330,568 and \$1,292,699 for the years ended December 31, 2023 and 2022, respectively.

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Note 9—Paycheck Protection Program loan

In 2020, the World Health Organization declared the coronavirus "COVID-19" outbreak to be a pandemic. COVID-19 and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets globally, including the geographical areas in which the Association operates.

The Association received a loan under the Paycheck Protection Program ("PPP") for an amount of \$9,119,692, which was established under the Coronavirus Aid, Relief, and Economic Security Act and administered by the Small Business Administration ("SBA"). The application for the PPP loan requires the Association to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operation of the Association. The receipt of the funds from the PPP loans and the forgiveness of the PPP loans is dependent on the Association having initially qualified for the PPP loans and qualifying for the forgiveness of such PPP loans based on funds being used for certain expenditures such as payroll costs and rent, as required by the terms of the PPP loans.

Presently, the SBA and other government communications have indicated that all loans in excess of \$2 million will be subject to audit and that those audits could take up to seven years to complete. If the SBA determines the PPP loan was not properly obtained and/or expenditures supporting forgiveness were not appropriate, the Association would need to repay some or all of the PPP loan and record additional expense which could have a material, adverse effect on its business, financial condition and results of operations in a future period.

The Association received forgiveness of \$9,119,692 of principal and \$86,384 of interest in May 2022. The gain is included in gain on debt forgiveness on the consolidated statements of activities and changes in net assets for the year ended December 31, 2022.

Note 10—Interest rate swap contracts

Interest Rate Swaps – The Association entered into interest rate swap contracts to reduce the risk of changes in interest rates on its variable rate bonds.

On May 1, 2017, the Association entered into three interest rate swap contracts with a predecessor to Truist Bank having total beginning notional amounts of \$34,030,000. These agreements effectively change the Association's interest rate exposure on its \$7,410,000 (Series 2017A) floating rate note due 2022 to a fixed 1.92%, on its \$12,725,000 (Series 2017B) floating rate note due 2027 to a fixed 2.205%, and \$13,895,000 (Series 2017C) floating rate note due 2032 to a fixed 2.443%. The Series 2017A interest rate swap contract matured on May 1, 2022 contemporaneously with the maturity of that loan. The Series 2017B interest rate swap agreement will terminate by its own terms on May 1, 2027 and the Series 2017C interest rate swap contract will terminate on May 1, 2030. The Series 2017C interest rate swap is cancellable by the Association, without charge, with two business days' notice prior to the first calendar day of each month between May 1, 2027 and April 1, 2030.

On October 3, 2019, the Association entered into an interest rate swap contract, also with a predecessor to Truist Bank, having a beginning notional amount of \$19,125,000. This agreement effectively changed the Association's interest exposure on its \$19,125,000 (Series 2019) floating rate note due 2044 to a fixed 2.30%. The Series 2019 interest rate swap contract matures on October 3, 2034. In each interest rate swap contract the Association is exposed to credit loss in the event of nonperformance by the counterparty to the interest rate swap contracts; however, the Association does not anticipate nonperformance.

The Association amended the interest rate swap contracts associated with the Series 2017B and Series 2017C bonds in March 2023 to adjust for the termination of LIBOR to Term SOFR as the new underlying basis. Effective April 1, 2023, these contracts effectively change the Association's interest rate exposure on all of its \$7,115,000 (Series 2017B) floating rate note due 2027 to a fixed 2.80%, and \$15,965,967 (Series 2017C) floating rate note due 2032 to a fixed 3.54%.

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Note 11—Net assets with donor restrictions

Net assets with donor restrictions at December 31 are available for the following purposes or periods:

	2023	2022
Restricted accumulated earnings on endowment	\$ 4,938,275	\$ 2,779,104
Assets restricted in perpetuity	638,958	435,204
Capital fund assets subject to donor restrictions	14,596,269	12,639,476
Contributions for program services and scholarships	8,137,457	8,249,667
Endowments	12,501,675	11,758,449
	<u>\$ 40,812,634</u>	<u>\$ 35,861,900</u>

Included in net assets without donor restrictions are board-designated net assets representing funds set aside for endowment funds of \$1,447,591 and \$1,184,130 and maintenance and capital improvements at the various facilities of \$11,163,800 and \$14,861,846 as of December 31, 2023 and 2022, respectively.

Note 12—Net assets released from restrictions

Net assets released from restrictions for the years ended December 31 consist of:

	2023	2022
Purpose restrictions accomplished:		
Contributions for program services and scholarships	\$ 8,316,511	\$ 8,106,364
Construction of buildings and improvements	706,216	4,130,102
Endowment distribution	563,259	503,347
Net assets released from restrictions	<u>\$ 9,585,986</u>	<u>\$ 12,739,813</u>

Note 13—Leases

The Association leases certain facilities and equipment under operating leases expiring at various dates. In addition, the Association leases certain facilities on a month-to-month basis and on an as needed basis.

The Association determines whether a contract contains a lease at inception by determining if the contract conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. The Association has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on relative stand-alone prices.

Right-of-use ("ROU") assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses that are factored into the determination of the lease term if it is reasonably certain these options would be exercised by the Association. Lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. Certain of our lease agreements include variable payments. Variable lease payments not dependent on an index or rate primarily consist of common area maintenance charges and are not included in the calculation of the ROU asset and lease liability and are expensed as incurred. In order to determine the present value of lease payments, the Association uses the implicit rate when it is readily determinable. As most of the Association's leases do not provide an implicit rate, management uses the Association's risk-free discount rate based on the information available at lease commencement to determine the present value of lease payments.

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Note 13—Leases (continued)

The lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Association does not have leases where it is involved with the construction or design of an underlying asset. The Association has no material obligation for leases signed but not yet commenced as of December 31, 2023. The Association does not have any material sublease activities.

The Association elected the three transition practical expedients that permit an entity to: (a) not reassess whether expired or existing contracts contain leases, (b) not reassess lease classification for existing or expired leases, and (c) not consider whether previously capitalized initial direct costs would be appropriate under the new standard.

The Association has elected the practical expedient not to recognize leases with terms of 12 months or less on the consolidated statement of financial position and instead recognize the lease payments on a straight-line basis over the term of the lease and variable lease payments in the period in which the obligation for the payments is incurred. Therefore, the Association's short-term lease expense for the period does not reflect ongoing short-term lease commitments. Lease expense for such short-term leases was \$3,467,606 and \$2,776,814 for the years ended December 31, 2023 and 2022, respectively, and is included in occupancy expenses.

The Association has elected to utilize the risk-free discount rate to calculate lease assets and liabilities that aligns with the expected lease term.

At January 1, 2022, the Association recognized an operating lease ROU asset of \$12,058,423 and operating lease liability of \$13,781,302 which represents the present value of minimum lease payments discounted at the risk-free rate applicable for each lease, which ranged from 0.40% to 4.36% on implementation date. At December 31, 2023 and 2022, the Association recognized an operating lease ROU asset of \$6,437,706 and \$7,281,606, respectively, and an operating lease liability of \$7,763,786 and \$8,811,576, respectively. Operating lease expense was \$2,424,062 and \$2,444,142 for the years ended December 31, 2023 and 2022, respectively, which is included with occupancy expenses.

The weighted-average remaining noncancelable lease term for operating leases was 3.84 years and 4.73 years as of December 31, 2023 and 2022, respectively. As of the December 31, 2023 and 2022, the weighted-average discount rate used to determine lease liability was 1.59% and 1.43%, respectively.

The future minimum lease payments to be made under the operating lease liability are as follows:

Years Ending December 31,

2024	\$ 1,789,239
2025	1,815,040
2026	1,847,929
2027	1,682,164
2028	912,480
Total undiscounted cash flows	8,046,852
Less present value discount	(283,066)
Present value of lease liabilities	<u>\$ 7,763,786</u>

Cash paid for operating lease liabilities was \$2,604,973 and \$2,574,189 for the years ended December 31, 2023 and 2022, respectively.

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Note 13—Leases (continued)

ROU assets obtained in exchange for new operating lease liabilities as of December 31, 2023 and 2022 was \$550,011 and \$13,781,302, respectively.

Note 14—Related parties

The Association has many volunteers from the community, and it is common practice that various transactions take place between the Association and companies that may be related to board members, officers, and other volunteers. These transactions take place through the normal course of business. All decisions about investments, major purchases, and policy require the consensus of committees and the approval of the Board of Directors or the Executive Committee.

The Association leases office space from an entity whose former Chief Executive Officer is a former board member of the Association. The term of the lease was renewed for another 132 months on September 25, 2015 and expires on September 30, 2027. The lease calls for cumulative base rents of \$8,302,418 payable in monthly installments over the full term of the lease.

The Association leases approximately 76,000 square feet of interior space from an entity whose superintendent was a board member of the Association during the year ended December 31, 2022. The initial term of the lease is 20 years, with options to extend the term for three additional successive periods of 10 years each. The lease specifies that the tenant pay Tenant Improvement Costs based on the tenant's share of the actual cost of the building and its allocated share of the cost of development of the property. As of December 31, 2023, this person was no longer a board member of the Association.

The Organization had a pledge receivable from the YMCA in the amount of \$173,926 as of December 31, 2022, and other receivables which consisted of \$270,030, at December 31, 2022. There were no receivables as of December 31, 2023. The Organization had \$1,491,980 and \$1,507,895, in a prepaid lease related to a contribution received from the YMCA for land which the Organization leases from the YMCA at December 31, 2023 and 2022, respectively. The respective assets, liabilities, revenue, and expenses between the YMCA and Organization have been eliminated on the consolidated financial statements.

Note 15—Contingencies

Legal Issues – The Association has received various civil summonses under separate incidents where program participants and members have allegedly sustained injuries while using the Association's facilities and/or participating in program activities. These are being handled by counsel designated by the Association's insurance companies. The Association does not anticipate any financial exposure beyond its insurance coverage.

Federal Program Awards – The Association received significant financial assistance from federal program awards for the years ended December 31, 2023 and 2022. These contracts and grants normally provide for the recovery of direct and indirect costs. Entitlement to the recovery of the applicable direct and indirect costs is generally conditioned upon compliance with the terms and conditions of the grant agreements and applicable federal or state regulations, including the expenditure of the resources for eligible purposes. Substantially all grants and the Association's costs are subject to financial and compliance reviews and audits by grantors or government agencies. In management's opinion, the likelihood of an adverse, material outcome upon its financial position from those reviews and audits is remote.

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DECEMBER 31, 2023 AND 2022

Note 16—Endowment

The Association's endowment consists of individual funds established for various purposes in accordance with explicit donor restrictions. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law – On March 19, 2009, North Carolina enacted its version of the Uniform Prudent Management of Institutional Funds Act, which in the absence of explicit donor restrictions, allows spending of the corpus of certain donor-restricted and board-designated endowments, so long as it is necessary for the continuing operation of the entity and is managed in a responsible and prudent manner. However, it is the Association's policy to maintain any original corpus that was restricted by the donor and to recognize any other donor restrictions related to endowment gifts, such as restrictions on earnings. As a result, the Association classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment. The investment returns and any appreciation or depreciation of the endowment assets are classified as net assets with donor restrictions.

Endowment net asset composition by type of fund as of December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 17,439,950	\$ 17,439,950
Board-designated endowment funds	1,447,590	-	1,447,590
Total mutual funds	<u>\$ 1,447,590</u>	<u>\$ 17,439,950</u>	<u>\$ 18,887,540</u>

Endowment net asset composition by type of fund as of December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 14,537,553	\$ 14,537,553
Board-designated endowment funds	1,184,130	-	1,184,130
Total mutual funds	<u>\$ 1,184,130</u>	<u>\$ 14,537,553</u>	<u>\$ 15,721,683</u>

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DECEMBER 31, 2023 AND 2022

Note 16—Endowment (continued)

Changes in endowment net assets for the years ended December 31:

	Without Donor Restrictions Board- Designated	With Donor Restrictions	Total
Endowment net assets, January 1, 2022	\$ 748,633	\$ 14,811,767	\$ 15,560,400
Investment return:			
Investment income	7,693	230,484	238,177
Net depreciation	(76,977)	(1,643,792)	(1,720,769)
Total investment return	(69,284)	(1,413,308)	(1,482,592)
Contributions	-	1,654,718	1,654,718
Distributions	(26,567)	(515,624)	(542,191)
Other changes:			
Board-designated transfers	531,348	-	531,348
	504,781	1,139,094	1,643,875
Endowment net assets, December 31, 2022	1,184,130	14,537,553	15,721,683
Investment return:			
Investment income	24,982	286,102	311,084
Net appreciation	206,249	2,437,072	2,643,321
Total investment return	231,231	2,723,174	2,954,405
Contributions	57,500	742,484	799,984
Distributions	(25,271)	(563,261)	(588,532)
	32,229	179,223	211,452
Endowment net assets, December 31, 2023	\$ 1,447,590	\$ 17,439,950	\$ 18,887,540

Funds with Deficiencies – From time to time, the fair market value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Association to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2023 or 2022.

Return Objectives and Risk Parameters – The Association has adopted investment policies for the long-term endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the corpus of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment portfolio is invested with a target asset allocation of a maximum of 88% in equities and a minimum of 12% in bonds or cash equivalents. Because market timing has historically impaired the ability of portfolios to perform over a long period, the funds deemed long-term investments are invested within the guideline ranges at all times. The Association's goal is that these investments shall be able to achieve an average annual rate of return over a period of three years that meets or exceeds the weighted composite market indices comprised of 63% S&P 500 Index, 15% Russell 2500 Index, 10% Morgan Stanley Capital International Europe, Australasia, and the Far East Index, and 12% Bloomberg Barclays US Aggregate 1-3 year bond index as well as achieving the portfolio goal that ranks in the top 50% of similarly managed portfolios.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 16—Endowment (continued)

Strategies Employed for Achieving Objectives – The Association's strategy is to maximize the total return of the Endowment funds consistent with prudent levels of risk by preserving and protecting the purchasing power of the Endowment assets and earning a total return for each fund appropriate to each fund's duration, liquidity needs, and risk tolerance. The total return should exceed the inflation rate plus the spending rate.

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Association has a policy of appropriating for distribution each year at a maximum of 5% of its endowment funds as measured by a 12-quarter rolling average of the fair market value of the assets. Per board policy, the investment committee has the option to recommend adjustments due to unexpected market fluctuations.

Note 17—Split-interest agreements

The Association is a beneficiary of several charitable remainder unitrusts. The beneficial interests of these trusts have been initially recorded as donor-restricted contribution revenue in the year the trusts were established; measured using a valuation method which approximates the present value of the estimated expected future benefits to be received when the trust assets are distributed.

Adjustments to the value of the Association's beneficial interest are made annually and are recorded on the consolidated statements of activities and changes in net assets as a part of investment return under net assets with donor restrictions. The value of the Association's beneficial interest is recorded in the consolidated statement of financial position as part of other assets.

As of December 31, 2023 and 2022, the value of the Association's beneficial interest in the various charitable remainder unitrusts totaled \$315,436 and \$204,056. For the years ended December 31, 2023 and 2022, the change in value of the Association's beneficial interest in the various charitable remainder unitrusts resulted in a gain of \$110,380, and a loss of \$20,074, respectively.

The Association is a lifetime income beneficiary of a permanently restricted Triangle Community Foundation account. The Association is entitled to receive up to 5% of the income earned in these funds for the life of the Association.

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Note 18—Liquidity and availability of resources

As of December 31, the following table shows the total financial assets held by the Association and the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures:

	2023	2022
Financial assets at December 31:		
Cash and cash equivalents	\$ 19,751,227	\$ 21,669,265
Accounts receivable	20,384,232	18,354,696
Pledges receivable - due within one year	7,021,888	6,389,706
Notes receivable	14,713,500	14,713,500
Investments	22,938,448	28,271,934
Other assets	1,420,335	1,128,164
Total financial assets	86,229,630	90,527,265
Less those unavailable for general expenditures within one year:		
Donor-restricted assets and board-designated endowment less appropriation for subsequent period	(23,122,960)	(26,794,937)
Notes receivable	(14,713,500)	(14,713,500)
Funds held for others	(181,124)	(289,865)
457 retirement plan funds	(997,486)	(846,504)
Project reserves	(800,000)	-
Debt service	-	(353,823)
Board-designated unrestricted reserves	(11,163,800)	(14,507,922)
Total financial assets available for general expenditure	<u>\$ 35,250,760</u>	<u>\$ 33,020,714</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Association considers all expenditures related to its ongoing activities of the Association as well as the services undertaken to support those activities to be general expenditures.

The Association regularly monitors the availability of resources required to meet its operating needs. Taking the seasonal nature of its cash flow into account, the Association structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Association may utilize any available portion of its line of credit for liquidity or other purposes. Funds in excess of daily operating requirements are invested in a daily liquidity investment account or managed investment accounts based on projected short, intermediate, and longer-term projected cash needs.

The Association maintains a line of credit with Truist Bank with a credit limit of \$6 million. As of December 31, 2023 and 2022, the unused line of credit amount was approximately \$6 million and \$2.5 million, respectively. The line of credit may be used to fund current operations and working capital requirements if needed.

The Board of Directors has designated a portion of assets without donor restrictions for capital expansion, facility maintenance, self-insurance, debt service, and contingency purposes. Although designated for specific purposes, these unrestricted funds are considered a part of the Association's liquidity reserve and may be utilized for liquidity purposes per the board's discretion through interfund borrowings and transfers. The Board of Directors has also designated a portion of its assets without donor restrictions as certain quasi-endowment funds. Those funds could be drawn upon for liquidity or other purposes with board approval.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Note 19—Net investment in lease

The Association entered into a lease agreement with the Wake County Board of Education (the tenant) on March 15, 2018. The property covered by the lease is approximately 76,000 square feet of interior space to be used as a school. The property adjoins the Southeast Raleigh YMCA building located at 1436 Rock Quarry Road in Raleigh, North Carolina.

The initial term of the lease is 20 years, with options to extend the term for three additional successive periods of 10 years each. The lease specifies that the tenant pay Tenant Improvement Costs based on the tenant's share of the actual cost of the building and its allocated share of the cost of development of the property.

Over the course of the construction period, the tenant made payments of \$18,781,776 to the Association. The tenant occupied the space in June 2019. The net investment in lease is amortized over the 50-year life of the lease. The amortization reduces the lease prepayments recorded as deferred revenue by the Association. Amortization to reduce the net investment in lease asset and lease prepayment liability for the years ended December 31, 2023 and 2022 totaled \$370,570.

Note 20—Notes receivable

On April 12, 2018, the Association entered into a note receivable agreement with YMCA Raleigh Investment Fund, LLC, totaling \$14,713,500 to finance the development of a new YMCA facility in connection with the NMTC funding. The loan bears an interest rate of 1.00% with a maturity date of April 12, 2042. The Association is due interest-only payments annually through December 31, 2024. After this period, the Association is due annual principal and interest payments of \$945,461 from December 15, 2025 to April 12, 2042. See Note 8 for additional information.

Note 21—Subsequent events

The Association has evaluated events and transactions through June 27, 2024, which is the date that the consolidated financial statements were available to be issued, for possible recognition or disclosure in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

DECEMBER 31, 2023

	YMCA Funds				Total YMCA	Organization	Total	Eliminating Entries	Consolidated
	Operating Fund	Endowment Fund	Maintenance Reserve	Program Fund					
ASSETS									
Cash and cash equivalents	\$ 13,677,348	\$ 811,698	\$ 1,535,645	\$ 3,445,412	\$ 19,470,103	\$ 281,124	\$ 19,751,227	\$ -	\$ 19,751,227
Accounts receivable, net	20,384,232	-	-	-	20,384,232	-	20,384,232	-	20,384,232
Pledges receivable, net	1,690,230	460,749	5,154,861	389,927	7,695,767	-	7,695,767	-	7,695,767
Notes receivable	14,713,500	-	-	-	14,713,500	-	14,713,500	-	14,713,500
Investments, at fair value	350,638	17,587,810	5,000,000	-	22,938,448	-	22,938,448	-	22,938,448
Prepaid expenses	1,603,495	-	-	-	1,603,495	1,493,666	3,097,161	(1,491,081)	1,606,080
Land, buildings, and equipment, net	157,618,615	-	3,011,763	-	160,630,378	17,262,749	177,893,127	-	177,893,127
Land held for resale	35,000	-	44,000	-	79,000	-	79,000	-	79,000
Operating lease right-to-use assets	8,098,401	-	-	-	8,098,401	-	8,098,401	(1,660,695)	6,437,706
Net investment in lease	16,860,944	-	-	-	16,860,944	-	16,860,944	-	16,860,944
Other assets	910,555	615,911	150,000	-	1,676,466	235,071	1,911,537	(235,071)	1,676,466
Interest rate swap contracts	2,039,578	-	-	-	2,039,578	-	2,039,578	-	2,039,578
Intracompany receivables	-	-	4,938,275	4,302,118	9,240,393	-	9,240,393	(9,240,393)	-
Total Assets	<u>\$ 237,982,536</u>	<u>\$ 19,476,168</u>	<u>\$ 19,834,544</u>	<u>\$ 8,137,457</u>	<u>\$ 285,430,705</u>	<u>\$ 19,272,610</u>	<u>\$ 304,703,315</u>	<u>\$ (12,627,240)</u>	<u>\$ 292,076,075</u>
LIABILITIES AND NET ASSETS									
Accounts payable and accrued expenses	\$ 7,461,255	\$ -	\$ -	\$ -	\$ 7,461,255	\$ 13,114	\$ 7,474,369	\$ -	\$ 7,474,369
Deferred revenue	34,848,023	-	300,000	-	35,148,023	-	35,148,023	(1,491,980)	33,656,043
Lease prepayments	16,860,944	-	-	-	16,860,944	-	16,860,944	-	16,860,944
Operating lease liabilities	9,659,552	-	-	-	9,659,552	-	9,659,552	(1,895,766)	7,763,786
Notes payable	6,020,997	-	-	-	6,020,997	20,859,441	26,880,438	-	26,880,438
Bond loans payable	36,831,184	-	-	-	36,831,184	-	36,831,184	-	36,831,184
Intracompany payables	2,828,726	6,335,537	-	-	9,164,263	75,231	9,239,494	(9,239,494)	-
Total Liabilities	<u>114,510,681</u>	<u>6,335,537</u>	<u>300,000</u>	<u>-</u>	<u>121,146,218</u>	<u>20,947,786</u>	<u>142,094,004</u>	<u>(12,627,240)</u>	<u>129,466,764</u>
Total Net Assets	<u>123,471,855</u>	<u>13,140,631</u>	<u>19,534,544</u>	<u>8,137,457</u>	<u>164,284,487</u>	<u>(1,675,176)</u>	<u>162,609,311</u>	<u>-</u>	<u>162,609,311</u>
Total Liabilities and Net Assets	<u>\$ 237,982,536</u>	<u>\$ 19,476,168</u>	<u>\$ 19,834,544</u>	<u>\$ 8,137,457</u>	<u>\$ 285,430,705</u>	<u>\$ 19,272,610</u>	<u>\$ 304,703,315</u>	<u>\$ (12,627,240)</u>	<u>\$ 292,076,075</u>

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

DECEMBER 31, 2022

	YMCA Funds				Total YMCA	Organization	Total	Eliminating Entries	Consolidated
	Operating Fund	Endowment Fund	Maintenance Reserve	Program Fund					
ASSETS									
Cash and cash equivalents	\$ 11,768,274	\$ 537,521	\$ 5,492,997	\$ 3,480,612	\$ 21,279,404	\$ 389,861	\$ 21,669,265	\$ -	\$ 21,669,265
Accounts receivable, net	18,354,696	-	-	-	18,354,696	-	18,354,696	-	18,354,696
Pledges receivable, net	1,715,463	261,473	6,491,189	-	8,468,125	173,926	8,642,051	(173,926)	8,468,125
Notes receivable	14,713,500	-	-	-	14,713,500	-	14,713,500	-	14,713,500
Investments, at fair value	14,298,636	13,973,298	-	-	28,271,934	-	28,271,934	-	28,271,934
Prepaid expenses	2,024,118	-	-	-	2,024,118	1,513,538	3,537,656	(1,507,895)	2,029,761
Land, buildings, and equipment, net	150,539,759	-	713,689	-	151,253,448	17,633,571	168,887,019	-	168,887,019
Land held for resale	703,465	-	44,000	-	747,465	-	747,465	-	747,465
Operating lease right-to-use assets	9,795,080	-	-	-	9,795,080	-	9,795,080	(2,513,474)	7,281,606
Net investment in lease	17,231,514	-	-	-	17,231,514	-	17,231,514	-	17,231,514
Other assets	773,019	557,417	57,118	-	1,387,554	280,840	1,668,394	-	1,668,394
Interest rate swap contracts	2,514,702	-	-	-	2,514,702	-	2,514,702	-	2,514,702
Intracompany receivables	-	-	2,779,104	4,609,537	7,388,641	-	7,388,641	(7,388,641)	-
Total Assets	\$ 244,432,226	\$ 15,329,709	\$ 15,578,097	\$ 8,090,149	\$ 283,430,181	\$ 19,991,736	\$ 303,421,917	\$ (11,583,936)	\$ 291,837,981
LIABILITIES AND NET ASSETS									
Accounts payable and accrued expenses	\$ 7,881,070	\$ -	\$ -	\$ -	\$ 7,881,070	\$ 13,310	\$ 7,894,380	\$ -	\$ 7,894,380
Deferred revenue	33,224,431	-	-	-	33,224,431	-	33,224,431	(1,507,895)	31,716,536
Lease prepayments	17,231,514	-	-	-	17,231,514	-	17,231,514	-	17,231,514
Line of credit	3,455,313	-	-	-	3,455,313	-	3,455,313	-	3,455,313
Operating lease liabilities	11,498,976	-	-	-	11,498,976	-	11,498,976	(2,687,400)	8,811,576
Notes payable	6,655,650	-	-	-	6,655,650	20,748,473	27,404,123	-	27,404,123
Bond loans payable	40,115,306	-	-	-	40,115,306	-	40,115,306	-	40,115,306
Intracompany payables	4,252,587	3,136,054	-	-	7,388,641	-	7,388,641	(7,388,641)	-
Total Liabilities	124,314,847	3,136,054	-	-	127,450,901	20,761,783	148,212,684	(11,583,936)	136,628,748
Total Net Assets	120,117,379	12,193,655	15,578,097	8,090,149	155,979,280	(770,047)	155,209,233	-	155,209,233
Total Liabilities and Net Assets	\$ 244,432,226	\$ 15,329,709	\$ 15,578,097	\$ 8,090,149	\$ 283,430,181	\$ 19,991,736	\$ 303,421,917	\$ (11,583,936)	\$ 291,837,981

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2023

	YMCA Funds				Total YMCA	Organization	Total	Eliminating Entries	Consolidated
	Operating Fund	Endowment Fund	Maintenance Reserve	Program Fund					
Public Support and Revenue:									
Program and camping fees	\$ 53,298,283	\$ -	\$ -	\$ -	\$ 53,298,283	\$ -	\$ 53,298,283	\$ -	\$ 53,298,283
Membership and joining dues	34,343,505	-	-	-	34,343,505	-	34,343,505	-	34,343,505
In-kind contributions	2,630,800	-	-	-	2,630,800	-	2,630,800	-	2,630,800
Contributions, net of bad debt expense	(54,294)	921,753	2,473,010	8,261,420	11,601,889	-	11,601,889	-	11,601,889
Grants	3,831,932	-	40,000	-	3,871,932	-	3,871,932	-	3,871,932
Gain on disposal of fixed assets	1,827,528	-	-	-	1,827,528	-	1,827,528	-	1,827,528
Investment return, net	2,786,917	25,223	2,808,794	-	5,620,934	-	5,620,934	-	5,620,934
Other income, net	3,518,533	-	6,517	-	3,525,050	881,176	4,406,226	(1,627,046)	2,779,180
	<u>102,183,204</u>	<u>946,976</u>	<u>5,328,321</u>	<u>8,261,420</u>	<u>116,719,921</u>	<u>881,176</u>	<u>117,601,097</u>	<u>(1,627,046)</u>	<u>115,974,051</u>
Net assets released from donor restrictions	9,585,986	-	(1,371,874)	(8,214,112)	-	-	-	-	-
Total Public Support and Revenue	<u>111,769,190</u>	<u>946,976</u>	<u>3,956,447</u>	<u>47,308</u>	<u>116,719,921</u>	<u>881,176</u>	<u>117,601,097</u>	<u>(1,627,046)</u>	<u>115,974,051</u>
Expenses:									
Program services	89,146,940	-	-	-	89,146,940	1,786,305	90,933,245	(897,089)	90,036,156
Administrative services	15,532,304	-	-	-	15,532,304	-	15,532,304	(729,957)	14,802,347
Fundraising	3,260,346	-	-	-	3,260,346	-	3,260,346	-	3,260,346
Total Expenses	<u>107,939,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,939,590</u>	<u>1,786,305</u>	<u>109,725,895</u>	<u>(1,627,046)</u>	<u>108,098,849</u>
Change in net assets before change in interest rate swap contracts	3,829,600	946,976	3,956,447	47,308	8,780,331	(905,129)	7,875,202	-	7,875,202
Change in market value of interest rate swap contracts	(475,124)	-	-	-	(475,124)	-	(475,124)	-	(475,124)
Change in net assets	3,354,476	946,976	3,956,447	47,308	8,305,207	(905,129)	7,400,078	-	7,400,078
Net assets, beginning of the year	120,117,379	12,193,655	15,578,097	8,090,149	155,979,280	(770,047)	155,209,233	-	155,209,233
Net assets, end of the year	<u>\$ 123,471,855</u>	<u>\$ 13,140,631</u>	<u>\$ 19,534,544</u>	<u>\$ 8,137,457</u>	<u>\$ 164,284,487</u>	<u>\$ (1,675,176)</u>	<u>\$ 162,609,311</u>	<u>\$ -</u>	<u>\$ 162,609,311</u>

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2022

	YMCA Funds				Total YMCA	Organization	Total	Eliminating Entries	Consolidated
	Operating Fund	Endowment Fund	Maintenance Reserve	Program Fund					
Public Support and Revenue:									
Program and camping fees	\$ 45,957,142	\$ -	\$ -	\$ -	\$ 45,957,142	\$ -	\$ 45,957,142	\$ -	\$ 45,957,142
Membership and joining dues	27,214,564	-	-	-	27,214,564	-	27,214,564	-	27,214,564
In-kind contributions	3,330,400	-	20,019	-	3,350,419	-	3,350,419	-	3,350,419
Contributions, net of bad debt expense	156,278	1,854,882	3,842,518	8,135,548	13,989,226	-	13,989,226	-	13,989,226
Grants	3,246,637	50,000	3,650,000	-	6,946,637	-	6,946,637	-	6,946,637
Loss on disposal of fixed assets	(23,089)	-	-	-	(23,089)	-	(23,089)	-	(23,089)
Investment return, net	(1,308,537)	(37,179)	(1,413,852)	-	(2,759,568)	-	(2,759,568)	-	(2,759,568)
Gain on debt forgiveness	9,206,076	-	-	-	9,206,076	-	9,206,076	-	9,206,076
Other income, net	2,845,034	-	-	-	2,845,034	881,175	3,726,209	(1,624,337)	2,101,872
	<u>90,624,505</u>	<u>1,867,703</u>	<u>6,098,685</u>	<u>8,135,548</u>	<u>106,726,441</u>	<u>881,175</u>	<u>107,607,616</u>	<u>(1,624,337)</u>	<u>105,983,279</u>
Net assets released from donor restrictions	12,739,812	-	(12,694,413)	(45,399)	-	-	-	-	-
Total Public Support and Revenue	<u>103,364,317</u>	<u>1,867,703</u>	<u>(6,595,728)</u>	<u>8,090,149</u>	<u>106,726,441</u>	<u>881,175</u>	<u>107,607,616</u>	<u>(1,624,337)</u>	<u>105,983,279</u>
Expenses:									
Program services	78,913,606	-	41,513	-	78,955,119	1,843,000	80,798,119	(897,089)	79,901,030
Administrative services	15,985,965	-	-	-	15,985,965	-	15,985,965	(727,248)	15,258,717
Fundraising	3,163,360	-	-	-	3,163,360	-	3,163,360	-	3,163,360
Total Expenses	<u>98,062,931</u>	<u>-</u>	<u>41,513</u>	<u>-</u>	<u>98,104,444</u>	<u>1,843,000</u>	<u>99,947,444</u>	<u>(1,624,337)</u>	<u>98,323,107</u>
Change in net assets before change in interest rate swap contracts	5,301,386	1,867,703	(6,637,241)	8,090,149	8,621,997	(961,825)	7,660,172	-	7,660,172
Change in market value of interest rate swap contracts	3,692,975	-	-	-	3,692,975	-	3,692,975	-	3,692,975
Change in net assets	8,994,361	1,867,703	(6,637,241)	8,090,149	12,314,972	(961,825)	11,353,147	-	11,353,147
Net assets, beginning of the year	111,123,018	10,325,952	22,215,338	-	143,664,308	191,778	143,856,086	-	143,856,086
Net assets, end of the year	<u>\$ 120,117,379</u>	<u>\$ 12,193,655</u>	<u>\$ 15,578,097</u>	<u>\$ 8,090,149</u>	<u>\$ 155,979,280</u>	<u>\$ (770,047)</u>	<u>\$ 155,209,233</u>	<u>\$ -</u>	<u>\$ 155,209,233</u>

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC.

COMPLIANCE REPORT

As of and for the Year Ended December 31, 2023

And Reports of Independent Auditor

THE YOUNG MEN’S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC.
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**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed Required by *Government Auditing Standards***

To the Board of Directors
The Young Men's Christian Association of the Triangle Area, Inc.
Raleigh, North Carolina

We have audited, as required by the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of The Young Men's Christian Association of the Triangle Area, Inc. (the "Association") (a nonprofit association) which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated June 27, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Association'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 opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 Association's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's consolidated 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 consolidated financial statements. 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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Cherry Bekaert LLP

Raleigh, North Carolina
June 27, 2024

Report of Independent Auditor on Compliance for the Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
The Young Men's Christian Association of the Triangle Area, Inc.
Raleigh, North Carolina

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited The Young Men's Christian Association of the Triangle Area, Inc.'s (the "Association") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Association's major federal program for the year ended December 31, 2023. The Association's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Association's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Association's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Association's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Association's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Association's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Association's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Association as of and for the year ended December 31, 2023, and have issued our report thereon dated June 27, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
June 27, 2024

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2023

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued as to whether the financial statements are presented in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported
- Noncompliance material to federal awards noted? _____ yes X no

Type of auditor's report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the OMB Uniform Guidance?

_____ yes X no

Identification of major federal programs:

Assistance Listing Number

21.027

Program Name

Coronavirus State and Local Fiscal Recovery Fund

THE YOUNG MEN’S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2023

Section I – Summary of Auditor’s Results (continued)

Dollar threshold used to distinguish between Type
A and Type B programs: \$ 750,000

Auditee qualified as low risk auditee? X yes no

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2023

None.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2023

Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	State/ Pass-Through Grantor's Number	Federal (Direct & Pass-through) Expenditure
U.S. Department of Agriculture			
Child and Adult Care Food Program	10.558	None	\$ 52,414
U.S. Department of Treasury			
<i>Passed through Departmental Offices</i>			
<i>Passed through Wake County:</i>			
COVID-19: Coronavirus State and Local Fiscal Recovery	21.027	None	244,250
<i>Passed through City of Raleigh:</i>			
COVID-19: Coronavirus State and Local Fiscal Recovery	21.027	None	25,000
<i>Passed through County of Durham, NC:</i>			
COVID-19: Coronavirus State and Local Fiscal Recovery	21.027	None	28,744
Total U.S. Department of Treasury			<u>297,994</u>
U.S. Department of Education			
<i>Passed through North Carolina Department of Public Instruction:</i>			
COVID-19: Elementary and Secondary School Emergency Relief Fund	84.425	None	320,699
COVID-19: Office of Elementary And Secondary Education	84.287	None	300,000
Total U.S. Department of Education			<u>620,699</u>
U.S. Department of Health and Human Services			
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	None	38,000
Total U.S. Department of Health and Human Services			<u>38,000</u>
U.S. Department of Housing & Urban Development			
Community Development Block Grant - Entitlement Grant Cluster:			
<i>Passed through City of Raleigh:</i>			
Community Development Block Grant Program	14.218	None	43,000
TOTAL FEDERAL AWARDS			<u>1,052,107</u>
TOTAL ASSISTANCE			<u>\$ 1,052,107</u>

See the accompanying notes to the Schedule of Expenditures of Federal Awards

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DECEMBER 31, 2023

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal activity of the Young Men's Christian Association of the Triangle Area, Inc. (the "Association") under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Association, it is not intended to, and does not, present the financial position, changes in net assets, functional expenses, or cash flows of the Association.

Note 2—Summary of significant accounting policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3—Indirect costs

During the year ended December 31, 2023, the Association has elected not to use the 10% de minimis cost rate for charging indirect costs to the grant.



IRS Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248367569
Mar. 19, 2013 LTR 4168C E0
56-0591307 000000 00

00016754
BODC: TE

THE YOUNG MENS CHRISTIAN
ASSOCIATION OF THE TRIANGLE AREA
% MARY FRAZIER
801 CORPORATE CTR DR STE 200
RALEIGH NC 27607-5243



004630

Employer Identification Number: 56-0591307
Person to Contact: MRS. BLACK
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Mar. 08, 2013, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in MAY 1956.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(2).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

0248367569
Mar. 19, 2013 LTR 4168C E0
56-0591307 000000 00
00016755

THE YOUNG MENS CHRISTIAN
ASSOCIATION OF THE TRIANGLE AREA
% MARY FRAZIER
801 CORPORATE CTR DR STE 200
RALEIGH NC 27607-5243

If you have any questions, please call us at the telephone number
shown in the heading of this letter.

Sincerely yours,



Richard McKee, Department Manager
Accounts Management Operations



TOWN OF HOLLY SPRINGS

Local civic organization grant application

Name of Agency OR Individual Seeking Funding: YMCA of the Triangle Area, Inc. (for the Kraft Family Y)

Mailing address: 801 Corporate Center Drive, Suite 200, Raleigh, NC 27607

Current Presiding Officer: Bruce Ham

Mailing address: 801 Corporate Center Drive, Suite 200, Raleigh, NC 27607

Telephone: 919-719-9622 Fax: 919-719-9634 E-Mail: grants@ymcatriangle.org

(Check one)

Legal Status: ☒ Private non-profit corporation

☐ Unincorporated civic group

☐ Other (Please describe below)

Date Organization Formed or Chartered: 1911

Agency 501 C-3 Number: _____ Or, Federal Tax ID Number: 56-0591307

Amount and Type of Town funds requested: \$2500.00 for (check below all that apply)

☐ Capital Costs (construction, large specific purchase)

☐ Operating Costs

☒ Project / Event Costs

1. Please give a brief description of the proposed program or project for which you are applying to the Town of Holly Springs Local Civic Organization Grant Program. **(Please limit your response using only the space provided below)**

Camp G.R.A.C.E., a developmentally appropriate summer day camp for children with autism and Pervasive Developmental Disorder, helps build social skills and provides much-needed respite and childcare for families. Camp G.R.A.C.E. (Growth, Recognition, Achievement, Character, and Encouragement) incorporates therapeutic ideals from many disciplines: therapeutic recreation, TEACCH, Applied Behavioral Analysis, Verbal Behavior, and Sensory Integration. Our goal is for our staff to understand these methods and to incorporate these ideals into daily activities. Camp G.R.A.C.E. offers unique program enhancements of field trips, music therapy as well as opportunities for inclusion with typically developing peers, including daily swim time with traditional Y day campers and Y members.

Children are grouped based on their needs. Social Skills camp is designed for children who do not require one-on-one assistance (1:3 staff to camper ratio) and focus on skill building, inclusive activities, and social situations. Making friends is often one of the hardest challenges for kids with Autism and PDD. At camp, kids build relationships and often, these special friendships beyond camp. The Building Blocks camp is designed with a smaller ratio (1:1 or 1:2 staff to camper ratio) to allow for more individual attention. The goal of Building Blocks is to break down camp activities and work on teaching basic skills.

Camp G.R.A.C.E. runs from 8:30 a.m.-2:30 p.m., Monday through Friday for 8 weeks of summer. Most campers attend more than one week of camp. The Kraft YMCA is the only provider of day camp for children with autism in the Holly Springs, Apex, and Fuquay-Varina area. This application requests \$2500 for Camp G.R.A.C.E. at the Kraft Y.

2. Identify specifically what you seek to accomplish with the requested funds, including how this will help achieve your organizational goals and how the Town of Holly Springs will benefit.
(Please limit your response using only the space provided below)

\$2500 will fund a portion of Camp G.R.A.C.E. at the Kraft Y, which serves the Holly Springs area. Camp G.R.A.C.E. is staff-intensive and, therefore, more costly to run than traditional summer day camp (staff to camper ratio of 1:2-3, versus 1:10 for traditional day camp). It costs \$414 to serve a child for one week in Camp G.R.A.C.E. Philanthropic support and grant funding, including funds from the Town of Holly Springs, allow us to subsidize the cost for all from \$414 to \$298 for members and \$373 for non-members and to offer additional need-based financial assistance. As these families already have extraordinary expenses to meet the needs of their children, this financial assistance is essential. In line with our Mission, the Y is committed to ensure the Y and its programs are available to all, improving quality of life for these children and their families. The Kraft YMCA is the only provider of day camp for children with autism in the Holly Springs, Apex, and Fuquay-Varina area. This application requests \$2500 for Camp G.R.A.C.E. at the Kraft Family Y.

3. Describe the impact on your program if funds are reduced or not provided.
(Please limit your response using only the space provided below)

Without philanthropic and grant support, the cost of camp would be out of reach for many families. Camp G.R.A.C.E. is the only summer day camp serving Holly Springs children with autism and pervasive developmental disorders. Camp G.R.A.C.E. families need the respite that this program provides and the campers need the structured, fun, enrichment that Camp G.R.A.C.E. provides. If our grant funding is reduced, we will not be able to serve as many kids or offer as much financial assistance. As a result, Camp G.R.A.C.E. will be out of reach for some families. In addition, other families will be left without programming for their camper or forced to drive long distances to find summer programming. It is essential that Camp G.R.A.C.E. serve as many campers as possible during summer months when kids are without the structured programming school provides. These funds ensure that Camp G.R.A.C.E. remains accessible to all Holly Springs youth who can benefit from Camp G.R.A.C.E.

4. **FINANCIAL INFORMATION**

A. List your agency's principal source(s) of funding and corresponding percentages of your budget from each:

☒ Town of Holly Springs	\$ <u>2500</u> Amount	<u><1</u> % of Annual Budget
☒ United Way	\$ <u>87,500</u> Amount	<u><1</u> % of Annual Budget
☐ Wake County	\$ _____ Amount	_____ % of Annual Budget
☐ Foundations	\$ _____ Amount	_____ % of Annual Budget
☐ Federal	\$ _____ Amount	_____ % of Annual Budget
☒ Grants	\$ <u>1,438,038</u> Amount	<u>1</u> % of Annual Budget
☐ State of N.C.	\$ _____ Amount	_____ % of Annual Budget
☒ Other Private Funding	\$ <u>16,688,833</u> Amount	<u>16</u> % of Annual Budget
☐ Fundraisers	\$ _____ Amount	_____ % of Annual Budget

- B. If your organization received funding from the Town of Holly Springs last year, please describe below how those funds were used, accounting specifically for the dollars received from the Town.

The YMCA received \$2500 from the Town of Holly Springs last year, which went to support Camp G.R.A.C.E., specifically for program expenses. Camp G.R.A.C.E. provided 160 sessions of camp over 8 weeks, serving 41 unique children.

- C. If applying for more than \$500, include a copy of your agency's budget for the current year as **ATTACHMENT 1.**
- D. If applying for more than \$500, include a copy of your agency's most recent independent audit report as **ATTACHMENT 2.**

5. **CERTIFICATION**

As the chief executive officer of this agency, or, as the individual applying for grant funding, I certify that the above information is true and complete to the best of my knowledge and belief.

I further agree that any funds received in response to this grant will be used for the purposes stated and that the recipient organization will comply with all state and local laws set forth for the expenditure of public funds. I/We understand that any donated funds not used for the specified purposes must be returned to the Town of Holly Springs.

Heather Warwick

Signature of Executive or Applicant

March 3, 2025

Date

Return completed application and all attachments by March 4, 2022 to:

Town of Holly Springs

ATTN: Town Clerk

P.O. Box 8

Holly Springs, NC 27540

E = Linda.McKinney@hollyspringsnc.gov

Applicant Checklist:

- ☐ **Completed application**
- ☐ **Attachment 1** - Copy of current year budget, if applying for more than \$500
- ☐ **Attachment 2** - Copy of most recent independent audit, if applying for more than \$500
(If you do not have an independent audit, please write "n/a" in the space to the left.)
- ☐ **Attachment 3** - Excel spreadsheet financial statement for your organization.

YMCA of the Triangle Association, Inc.
Kraft Branch Budget
FY25: 1/1/2025 - 12/31/2025

2025 Budget

Revenue

41018 Joining Fees	\$250,000
41058 Writeoffs - Joining Fees	(\$450)
41068 Discounts - Joining Fees	(\$140,000)
41088 Joining Fee Scholarships	(\$7,200)
41100 Temp Memberships/Passes	\$17,000
41200 Young Adult Membership	\$249,884
41250 Writeoffs - Young Adults	(\$382)
41260 Discounts - Young Adults	(\$3,220)
41280 Young Adult Scholarship	(\$4,484)
41300 Adult Individual Memberships	\$937,471
41350 Writeoffs - Adult Individuals	(\$211)
41360 Discounts - Adult Individual	(\$24,474)
41380 Adult Individual Scholarships	(\$10,168)
41500 Adult/Dep Memberships	\$2,971,768
41550 Writeoffs - Adult/Dependents	(\$108)
41560 Discounts - Adult/Dependents	(\$134,926)
41580 Adult-Dep Scholarships	(\$95,074)
41600 Senior Memberships	\$495,160
41660 Discounts - Seniors	(\$188,113)
41680 Senior Scholarships	(\$3,704)
41700 Corporate Memberships	\$158,620
41805 Locker revenue	\$500
42000 Program Rev	\$5,964,297
42040 Employee Discounts	(\$21,094)
42050 Writeoffs - Programs	(\$3,697)
42060 Customer Discounts	(\$26,364)
42080 Program Schol	(\$420,683)
45060 Store Sales-Customer Discount	(\$300)
46010 Vending Commissions	\$180
40030 Misc Contributions	\$428,880
40040 Grants	\$11,000
40050 Writeoffs - Pledges	\$3,000
40055 Uncollectible pledges-est	(\$11,964)
40950 Restricted for future use-Ann Cmpgn	(\$416,915)
40960 Release for Use	\$423,567
40990 Distrib - Endow	\$5,775

Total Revenue: \$10,403,569

Expense

51100 Program Wages	(\$2,259,560)
---------------------	---------------

51120 Admin Salaries	(\$1,431,885)
51121 Office Wages	(\$27,000)
52100 Payroll Taxes	(\$304,913)
52110 Worker-Comp Ins	(\$42,313)
52140 Medical Ins	(\$171,830)
52150 Life Ins/LTD	(\$8,635)
52160 Retirement	(\$175,276)
52621 Staff Train-int	(\$15,450)
52622 Staff Train-ext	(\$6,250)
52623 Branch Retreats	(\$7,000)
52630 Staff Clothing	(\$23,700)
52650 Misc Empl Exp	(\$23,850)
54000 Program Expenses	(\$306,916)
54100 Pool Supplies	(\$22,000)
54200 Food	(\$2,300)
57010 Rent	(\$595,299)
57020 Electricity	(\$147,692)
57030 Heat	(\$34,756)
57040 Water	(\$28,914)
58010 Maint Supplies	(\$93,000)
58020 Bldg Repair/Maint	(\$201,609)
58043 Grounds Maint	(\$75,000)
58050 Facility Service Contracts	(\$130,000)
58083 Program Equip Maint	(\$4,500)
58100 Equip Lease/Rental	(\$4,200)
56010 Promotions-Int	(\$6,000)
56050 Misc Promotions	(\$4,000)
53750 Contract Serv-Other	(\$12,870)
55010 Office Supplies	(\$10,750)
55051 Board Meeting & Expense	(\$6,250)
55060 Fundraise Event Exp	(\$28,000)
55070 Local Travel	(\$30,880)
55080 Food-Staff/Volunteers	(\$26,725)
55100 Dues and Subscript	(\$22,500)
55503 Property Insurance	(\$31,068)
55504 Liability Insurance	(\$93,534)
55800 Misc Expense	(\$2,500)
69900 ARC Services	(\$1,343,655)
69901 Shared Services	(\$646,945)
69910 Transportation Services	(\$121,082)
69912 Debt Service	(\$782,783)
69915 Cap Asset Mtnce Fund	(\$110,000)
69940 Contingency Fund	(\$47,000)
69950 Association Fnd	(\$284,431)
69960 Wellness Equipment Funds	(\$61,100)
Total Expense:	(\$9,815,921)

Total Gain/(Loss): \$587,649

YMCA of the Triangle Area

Accounts	CLASS	OBJECT_CODEDESC	2025 Budget Total	2024 Actual Total
1-REV	Total		\$143,633,097	\$131,864,746
	Contributed	Total	\$10,745,106	\$10,531,654
		40020 Scholarship Fund		\$2,700
		40030 Misc Contributions	\$8,011,886	\$7,914,917
		40040 Grants	\$1,923,105	\$1,907,084
		40050 Writeoffs - Pledges	\$18,200	\$65,594
		40055 Uncollectible pledges-est	(\$315,324)	(\$297,850)
		40060 Sp Fundraise Event	\$6,000	\$12,700
		40065 Sponsorship Revenue	\$9,500	\$34,650
		40950 Restricted for future use-Ann Cmpgn	(\$7,682,063)	(\$7,700,831)
		40960 Release for Use	\$7,957,288	\$7,865,019
		40990 Distrib - Endow	\$816,513	\$727,670
	Earned	Total	\$132,887,991	\$121,333,092
		41018 Joining Fees	\$3,626,828	\$3,308,643
		41058 Writeoffs - Joining Fees	(\$7,860)	(\$5,606)
		41068 Discounts - Joining Fees	(\$1,620,259)	(\$1,834,184)
		41088 Joining Fee Scholarships	(\$134,213)	(\$121,181)
		41100 Temp Memberships/Passes	\$139,825	\$133,213
		41150 Write-offs	(\$20)	(\$70)
		41160 Discounts - Temp Memberships	(\$620)	(\$183)
		41200 Young Adult Membership	\$3,735,451	\$3,484,006
		41250 Writeoffs - Young Adults	(\$7,192)	(\$27,057)
		41260 Discounts - Young Adults	(\$134,533)	(\$158,734)
		41280 Young Adult Scholarship	(\$111,863)	(\$112,020)
		41300 Adult Individual Memberships	\$11,927,510	\$10,997,311
		41311 Guest Passes		\$10
		41350 Writeoffs - Adult Individuals	(\$11,024)	(\$40,327)
		41360 Discounts - Adult Individual	(\$746,870)	(\$815,163)
		41380 Adult Individual Scholarships	(\$239,969)	(\$242,300)
		41500 Adult/Dep Memberships	\$25,796,167	\$22,443,176
		41540 Employee Discounts-Medical Mbr		(\$118)
		41550 Writeoffs - Adult/Dependents	(\$23,859)	(\$76,456)

YMCA of the Triangle Area

41560 Discounts - Adult/Dependents	(\$1,775,554)	(\$1,426,960)
41580 Adult-Dep Scholarships	(\$1,058,634)	(\$1,130,087)
41600 Senior Memberships	\$5,764,881	\$5,617,090
41650 Writeoffs - Seniors	(\$1,500)	(\$5,095)
41660 Discounts - Seniors	(\$2,366,984)	(\$2,577,711)
41680 Senior Scholarships	(\$65,423)	(\$61,494)
41700 Corporate Memberships	\$2,445,118	\$2,175,529
41805 Locker revenue	\$11,914	\$15,046
42000 Program Rev	\$61,734,033	\$61,897,728
42005 Starter Camp Fees	\$1,490,112	\$1,434,430
42010 Y Guide Outing Revenue	\$1,188,304	\$1,105,708
42013 Team Event Rev	\$326,382	\$342,019
42015 Mariners Revenue	\$4,204,583	\$1,400
42040 Employee Discounts	(\$516,263)	(\$552,158)
42045 Employee Discount-Starter Camp	(\$8,000)	(\$7,815)
42050 Writeoffs - Programs	(\$69,994)	(\$36,656)
42060 Customer Discounts	(\$387,404)	(\$643,922)
42061 Coupon Discount		(\$5,778)
42065 Customer Discounts-Starter Cmp	(\$22,000)	(\$18,788)
42070 Interbranch Transfer - Revenue	\$36,000	\$470
42080 Program Schol	(\$6,290,459)	(\$5,253,287)
42081 Outreach Scholarships	(\$13,984)	(\$961,526)
42085 Starter Camp Schol	(\$25,000)	(\$27,008)
42086 Grant Funded	(\$10,000)	
42300 Transportation Fees	\$80,000	\$63,403
45010 Clothing Sales	\$768,000	\$739,349
45040 Store Sales-Employee Discount	(\$500)	(\$471)
45050 Store Sales-Write-offs	(\$1,000)	
45060 Store Sales-Customer Discount	(\$300)	(\$235)
45400 Special Medical Fees	\$24,500	\$25,348
46010 Vending Commissions	\$1,580	\$1,383
46012 Regional Hub contract revenue	\$151,250	\$299,110
46050 Gain(Loss) Sale of Assets	\$20,000	\$143,052

YMCA of the Triangle Area

		46100 Facility Usage Fees	\$251,450	\$385,229
		46150 Misc Income	\$462,600	\$556,295
		46900 ARC Services Revenue	\$23,899,030	\$21,505,078
		48020 Interest Income	\$453,753	\$652,958
		48021 Interest - Leveraged Loan		\$147,135
		48220 Realized gains on stock	\$1,000	\$977
		48230 Realized losses on stock	(\$1,000)	\$387
2-EXP	Total		(\$108,855,568)	(\$100,241,319)
	Administrative	Total	(\$12,883,122)	(\$11,229,625)
		53110 Legal/Accounting Services	(\$188,700)	(\$187,843)
		53120 Other Prof Services	(\$789,600)	(\$510,094)
		53140 Merchant/Bank Fees	(\$1,692,600)	(\$1,725,569)
		53201 Food Service/Payroll	(\$1,211,831)	(\$1,138,393)
		53202 Food Service - Mgmt Fee	(\$160,507)	(\$152,669)
		53750 Contract Serv-Other	(\$2,721,905)	(\$1,892,568)
		55010 Office Supplies	(\$229,877)	(\$197,546)
		55020 Phone/Internet/Cable	(\$1,215,380)	(\$1,071,585)
		55030 Postage and Shipping	(\$110,843)	(\$45,046)
		55051 Board Meeting & Expense	(\$102,121)	(\$64,227)
		55052 Admin Meetings-Intern	(\$2,000)	(\$380)
		55060 Fundraise Event Exp	(\$217,030)	(\$247,404)
		55070 Local Travel	(\$350,092)	(\$335,492)
		55080 Food-Staff/Volunteers	(\$412,502)	(\$368,803)
		55100 Dues and Subscript	(\$199,736)	(\$231,463)
		55110 National Y Dues	(\$608,101)	(\$629,794)
		55501 Vehicle Insurance	(\$102,576)	(\$101,123)
		55502 Boat Insurance	(\$48,984)	(\$38,842)
		55503 Property Insurance	(\$869,783)	(\$756,390)
		55504 Liability Insurance	(\$1,432,056)	(\$1,234,721)
		55505 Other Misc Insurance	(\$150,295)	(\$180,115)
		55600 Alumni Develop Expenses	(\$5,000)	(\$158)
		55700 Donations to other nonprofits	(\$38,600)	(\$94,624)
		55800 Misc Expense	(\$23,002)	(\$24,776)

YMCA of the Triangle Area

COGS/Allocations	Total	(\$497,000)	(\$516,214)
	59010 COGS-Clothing	(\$90,000)	(\$83,262)
	59011 COGS	(\$370,000)	(\$304,937)
	59014 COGS-Medical	\$30,000	(\$55,657)
	59990 Interbranch Transfer - Expense	(\$67,000)	(\$72,359)
Marketing	Total	(\$934,125)	(\$608,488)
	56010 Promotions-Int	(\$320,442)	(\$252,875)
	56020 Video	(\$25,000)	(\$11,649)
	56030 Reunions	(\$37,000)	(\$24,290)
	56050 Misc Promotions	(\$551,683)	(\$319,674)
Occupancy	Total	(\$16,276,497)	(\$16,475,386)
	57010 Rent	(\$4,568,995)	(\$4,526,613)
	57020 Electricity	(\$1,598,221)	(\$1,518,999)
	57030 Heat	(\$374,009)	(\$334,497)
	57040 Water	(\$516,203)	(\$446,919)
	57050 Propane	(\$84,821)	(\$54,103)
	57100 Real Estate/Property Tax	(\$49,072)	(\$55,382)
	58010 Maint Supplies	(\$1,167,843)	(\$1,190,694)
	58020 Bldg Repair/Maint	(\$2,831,802)	(\$3,689,120)
	58043 Grounds Maint	(\$795,737)	(\$818,413)
	58044 Golf Course/Tennis Maint	(\$76,000)	(\$30,305)
	58050 Facility Service Contracts	(\$2,002,027)	(\$2,013,297)
	58060 Vehicle Repair and Maint	(\$404,636)	(\$709,968)
	58070 Small Equipment Purchased	(\$821,500)	(\$289,777)
	58081 Office Equip Maint	(\$174,200)	(\$40,277)
	58082 Kitchen Repair and Maint	(\$75,000)	(\$72,596)
	58083 Program Equip Maint	(\$381,408)	(\$354,194)
	58100 Equip Lease/Rental	(\$355,023)	(\$310,192)
	58200 Rental Property Expenses		(\$20,044)
Program	Total	(\$9,217,432)	(\$9,078,097)
	54000 Program Expenses	(\$3,878,021)	(\$3,903,178)
	54005 Starter Camp Expenses	(\$4,450)	(\$3,343)
	54010 Outing Expenses	(\$274,109)	(\$260,477)

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		54012 Y National Event Expenses	(\$50,000)	(\$50,285)
		54013 Swim Team Event Exp	(\$478,000)	(\$514,599)
		54020 Evening Program Expenses	(\$20,700)	(\$20,591)
		54030 Camper Services Supplies	(\$12,500)	(\$26,437)
		54040 Teen Programs	(\$50,000)	(\$30,383)
		54050 Sea Supplies	(\$99,000)	(\$76,494)
		54060 Land Supplies	(\$77,000)	(\$111,284)
		54100 Pool Supplies	(\$571,229)	(\$442,087)
		54150 Camper Laundry	(\$40,000)	(\$39,200)
		54200 Food	(\$2,951,324)	(\$2,876,054)
		54220 Non-food Supplies	(\$271,958)	(\$297,771)
		54300 Transportation Expenses	(\$60,000)	(\$39,982)
		54320 Gas and Oil	(\$314,640)	(\$316,566)
		54400 Health Center Supplies	(\$64,500)	(\$69,366)
	Staff	Total	(\$69,047,392)	(\$62,333,508)
		51100 Program Wages	(\$26,685,201)	(\$24,766,702)
		51120 Admin Salaries	(\$27,156,976)	(\$24,265,055)
		51121 Office Wages	(\$2,016,429)	(\$1,892,917)
		52100 Payroll Taxes	(\$4,580,987)	(\$3,823,998)
		52110 Worker-Comp Ins	(\$637,038)	(\$533,905)
		52140 Medical Ins	(\$3,157,471)	(\$2,802,606)
		52150 Life Ins/LTD	(\$152,494)	(\$167,568)
		52160 Retirement	(\$3,280,866)	(\$3,008,309)
		52610 Staff Recruit	(\$123,300)	(\$141,622)
		52621 Staff Train-int	(\$365,539)	(\$213,881)
		52622 Staff Train-ext	(\$334,650)	(\$256,564)
		52623 Branch Retreats	(\$37,050)	(\$28,608)
		52630 Staff Clothing	(\$229,135)	(\$223,172)
		52650 Misc Empl Exp	(\$290,255)	(\$208,603)
3-OTH	Total		(\$34,777,531)	(\$29,336,733)
	Intercompany	Total	(\$34,777,531)	(\$29,328,063)
		68130 Interest Expense-Bond B		(\$143,468)
		68140 Interest Expense-Bond C		(\$493,406)

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	68150 Interest Expense-Other		(\$11,453)
	68158 Interest Expense-Bond NWC		(\$405,889)
	68159 Financing Costs-NWC Bond		(\$4,916)
	68300 Interest-Line of Credit		\$0
	68400 Interest Expense-Energy Management		(\$245,102)
	68999 Interest Offset		\$1,312,904
	69900 ARC Services	(\$14,880,218)	(\$13,315,127)
	69901 Shared Services	(\$6,967,994)	(\$5,960,241)
	69910 Transportation Services	(\$2,050,818)	(\$1,929,709)
	69912 Debt Service	(\$3,633,916)	(\$3,349,171)
	69915 Cap Asset Mtnce Fund	(\$3,285,500)	(\$2,756,704)
	69920 Branch Fund	(\$25,000)	
	69940 Contingency Fund	(\$500,000)	
	69950 Association Fnd	(\$3,000,001)	(\$2,000,000)
	69960 Wellness Equipment Funds	(\$759,084)	(\$1,150,000)
	69970 Restrict Fund Trans	\$325,000	\$1,124,219
	Total		(\$8,670)
	68201 Interest Expense-FC Construction		(\$8,670)
Total		(\$2)	\$2,286,694

Applied filters:FUND is 01