



**TOWN OF HARRISBURG, NORTH CAROLINA
HARRISBURG TOWN HALL
TOWN COUNCIL MEETING**

**November 14, 2022
6:00 PM**

AGENDA

1. CALL TO ORDER

- A. The Town Hall Council Chambers will be open at our normal capacity. The meeting may also be accessed via the Zoom platform at the following link:

<https://us02web.zoom.us/j/83481877476?pwd=YzFjTlBDZWQweU9NVWR0QjFhRVVqQT09>

Meeting ID: 834 8187 7476

Passcode: 212521

Or join by phone:

301.715.8592

312.626.6799

- B. AGENDA ADOPTION
- C. INVOCATION
- D. PLEDGE OF ALLEGIANCE
- E. SPECIAL PRESENTATIONS
1. Presentation by Centralina of Council Retreat
 2. Audit Presentation - Fiscal Year 2022
- F. PUBLIC COMMENT - Anyone wishing to address the Town Council may do so during the Public Comment section. Please state your name and address for the record, be courteous and do not repeat what has already been said. Please keep your comments about the subject and not personal in nature.

2. CONSENT AGENDA

- A. Consider the minutes of the October 11, 2022 Town Council Meeting
- B. Consideration of Acceptance of Asphalt and Storm Drainage Systems for the Farmington Development and Related Value
- C. Consideration of Acceptance of Asphalt and Storm Drainage Systems in Founders Reserve Subdivision

- D. Consideration of Approval of the Fall 2022 Street Resurfacing Contract and related FY2023 Budget Ordinance Amendment
- E. Consideration of Remaining Fire Department Salary Adjustments and Expanded Communications Services and FY2023 Budget Ordinance Amendments
- F. To set a public hearing for December 12, 2022 to consider the annexation of property located at 3087 Stallings Road.

3. COMMUNICATIONS

- A. TOWN MANAGER/FINANCE MONTHLY REPORT
- B. LAW ENFORCEMENT UPDATE
- C. FIRE DEPARTMENT UPDATE
- D. MAYOR'S COMMENTS
- E. COUNCIL COMMENTS

4. PUBLIC HEARINGS

- A. H-2022-10-R Request to rezone approximately 46.65 acres located off Wonderwood Lane from RE (Rural Estate) to AG (Agricultural)

5. OLD BUSINESS

6. NEW BUSINESS

- A. Consideration of Approval of Resolution for request of Transportation Alternatives Program Funding in Coordination with the Cabarrus-Rowan Metropolitan Planning Organization (CRMPO)

7. ACTION ITEMS

8. CLOSED SESSION

9. ADJOURNMENT

Town of Harrisburg's Vision Statement

Harrisburg will be the best small town in North Carolina based on low density housing, excellent economic opportunities, a safe living environment, and efficient and effective municipal services. Amenities such as excellent recreational programs, adequate open space, attractive shopping opportunities, a diversity of restaurants, and a connected system of roadways, sidewalks, greenways, and bicycle lanes will continue to enhance the quality of life of the Town. These services and amenities will be provided while retaining reasonable tax rates and debt levels.



FISCAL YEAR 2022

BASIC FINANCIAL STATEMENTS & ACCOMPANYING INFORMATION

FOR FISCAL YEAR ENDED JUNE 30, 2022

TOWN COUNCIL MEMBERS

JENNIFER TEAGUE, MAYOR
MAURICE PRICE JR., MAYOR PRO TEM
ALTYN COTELL
RODNEY DELLINGER
IAN PATRICK
RICK RUSSO
RON SMITH
DIAMOND STATON-WILLIAMS

ADMINISTRATION & FINANCIAL STAFF

ROB DONHAM, TOWN MANAGER
LEE CONNOR, DEPUTY TOWN MANAGER
BRIAN LEE, FINANCE DIRECTOR

Town of Harrisburg, North Carolina

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FINANCIAL SECTION

TOWN OF HARRISBURG, NORTH CAROLINA

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Harrisburg, North Carolina for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Harrisburg, North Carolina, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Harrisburg Community and Youth Association, Inc. and Harrisburg Business Alliance, Inc. were not audited in accordance with *Government Auditing Standards*.

Change in Accounting Principle

As discussed in Note VIII to the financial statements, in 2022 the Town adopted new accounting guidance, GASB Statement No. 87, *Leases*. 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 Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *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 GAAS 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 Town'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 a substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Local Governmental Employees' Retirement System's Schedules of the

Proportionate Share of the Net Pension Liability (Asset) and Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Harrisburg's basic financial statements. The combining and individual fund financial statements, budget to actual schedules, ad valorem tax schedules, and the Schedule of Expenditures of Federal and State 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* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget to actual schedules, ad valorem tax schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2022 on our consideration of the Town of Harrisburg's internal control over financial reporting and 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 Town of Harrisburg'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 Town of Harrisburg's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 17, 2022

TOWN OF HARRISBURG, NORTH CAROLINA

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Town of Harrisburg, North Carolina

Management's Discussion and Analysis

As management of the Town of Harrisburg (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Harrisburg for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Harrisburg exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$86,289,926 (*net position*). Of this amount, \$26,479,406 (*unrestricted net position*) may be used to meet the Town's needs.
- The Town's total net position increased by \$14,648,078, due to increases in both the governmental and business-type activities net position.
- As of the close of the current fiscal year, the Town of Harrisburg's governmental funds reported combined ending fund balances of \$18,341,135, with a net increase of \$1,338,785 in fund balance. Approximately 67.93% of this total amount, or \$12,458,468, is non-spendable, restricted, committed or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,891,413, or 34.48%, of total General Fund expenditures for the fiscal year.
- The Town of Harrisburg's total long-term outstanding liabilities decreased by \$4,943,093 (12.96%) during the current fiscal year. The key factors in this change were the decrease in the Town's proportional share of the net pension obligation (LERS) and principal payments on installment contracts, bonds, and leases.

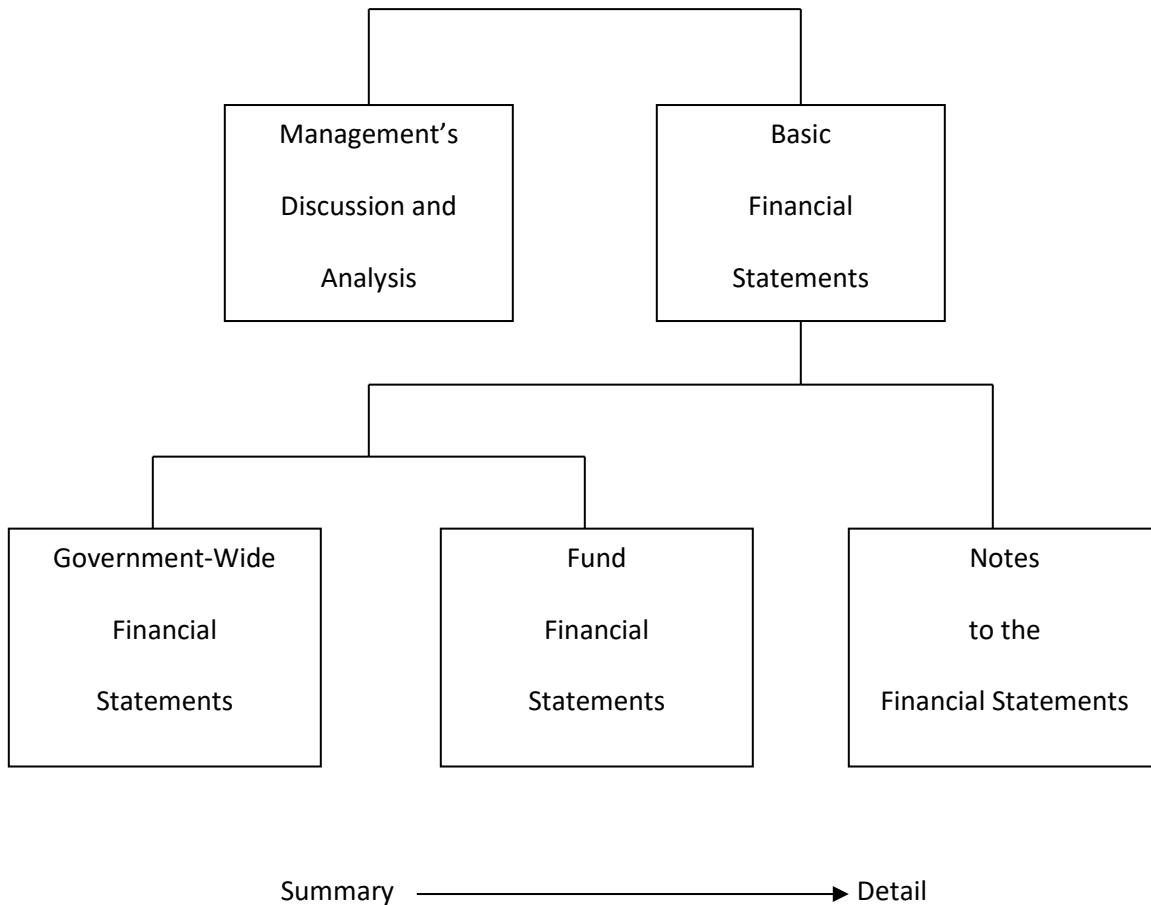
Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Harrisburg's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Harrisburg.

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

The first two statements (Exhibits A and B) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits C through H) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the fund financial statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **Supplemental Information** is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the Town's basic services, such as general government, planning and zoning, public safety, transportation, environmental protection, and cultural and recreational. Property taxes and State-collected local taxes and utility franchise taxes finance most of these activities. The business-type activities are those that the Town charges customers to provide. This includes the water and sewer and storm water services offered by the Town of Harrisburg.

The government-wide financial statements are Exhibits A and B of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Harrisburg, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Harrisburg can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Harrisburg adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Town Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Town Council; 2) the final budget as amended by the Town Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Fund Financial Statements (continued)

Proprietary Funds – The Town of Harrisburg has only one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Harrisburg uses enterprise funds to account for its water and sewer activity, along with its storm water activity. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 25-64 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Harrisburg's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 65 of this report.

Interdependence with Other Entities – The Town depends on the financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis

**The Town of Harrisburg's Net Position
Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 21,088,911	\$ 18,426,035	\$ 15,134,833	\$ 14,400,194	\$ 36,223,744	\$ 32,826,229
Capital assets	46,868,163	38,818,656	41,305,671	39,221,263	88,173,834	78,039,919
Deferred outflows of resources	1,599,581	1,333,383	532,774	444,041	2,132,355	1,777,424
Total assets and deferred outflows of resources	69,556,655	58,578,074	56,973,278	54,065,498	126,529,933	112,643,572
Long-term liabilities outstanding	17,267,138	21,676,527	12,388,134	16,477,634	29,655,272	38,154,161
Other liabilities	4,534,797	1,530,216	2,450,121	1,100,109	6,984,918	2,630,325
Total liabilities	21,801,935	23,206,743	14,838,255	17,577,743	36,640,190	40,784,486
Deferred inflows of resources	1,776,713	153,796	1,823,104	63,442	3,599,817	217,238
Net position:						
Net investment in capital assets	30,246,021	21,149,372	27,632,188	26,383,856	57,878,209	47,533,228
Restricted	1,931,378	2,343,621	933	933	1,932,311	2,344,554
Unrestricted	13,800,608	11,724,542	12,678,798	10,039,524	26,479,406	21,764,066
Total net position	\$ 45,978,007	\$ 35,217,535	\$ 40,311,919	\$ 36,424,313	\$ 86,289,926	\$ 71,641,848

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Government-Wide Financial Analysis (continued)

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Town of Harrisburg exceeded liabilities and deferred inflows of resources by \$86,289,926 as of June 30, 2022. The Town's net position increased by \$14,648,078 for the fiscal year ended June 30, 2022. However, the largest portion (67.07%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Harrisburg uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Harrisburg's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position, \$1,932,311, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$26,479,406, may be used to meet the Town's ongoing obligations to citizens and creditors.

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

- Continued diligence in the collection of property taxes by maintaining a current levy collection percentage of 99.67%.
- Growth in the tax base, particularly in new residential growth combined with strong collection rates helped strengthen the Town's financial position.
- New residential and commercial growth positively impacted water and sewer receipts.

The Town of Harrisburg Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues						
Charges for services	\$ 1,442,454	\$ 811,381	\$ 11,516,693	\$ 11,075,622	\$ 12,959,147	\$ 11,887,003
Operating grants and contributions	2,743,486	2,314,923	-	-	2,743,486	2,314,923
Capital grants and contributions	6,297,411	321,994	1,952,247	108,102	8,249,658	430,096
General revenues:						
Property taxes	10,382,959	9,974,708	-	-	10,382,959	9,974,708
Grants and contributions not restricted to specific programs	4,849,472	4,106,247	-	-	4,849,472	4,106,247
Other	174,006	658,945	150,504	38,357	324,510	697,302
Total revenues	25,889,788	18,188,198	13,619,444	11,222,081	39,509,232	29,410,279
Expenses:						
General government	1,828,709	1,645,562	-	-	1,828,709	1,645,562
Planning and zoning	404,459	632,164	-	-	404,459	632,164
Public safety	6,472,120	6,544,748	-	-	6,472,120	6,544,748
Transportation	1,275,422	1,788,246	-	-	1,275,422	1,788,246
Environmental protection	2,036,260	1,741,108	-	-	2,036,260	1,741,108
Cultural and recreational	2,587,030	1,887,712	-	-	2,587,030	1,887,712
Water and sewer	-	-	9,184,636	9,028,804	9,184,636	9,028,804
Storm water	-	-	547,202	404,217	547,202	404,217
Interest	525,316	530,377	-	-	525,316	530,377
Total expenses	15,129,316	14,769,917	9,731,838	9,433,021	24,861,154	24,202,938
Increase in net position	10,760,472	3,418,281	3,887,606	1,789,060	14,648,078	5,207,341
Net position, beginning	35,217,535	31,799,254	36,424,313	34,635,253	71,641,848	66,434,507
Net position, ending	\$ 45,978,007	\$ 35,217,535	\$ 40,311,919	\$ 36,424,313	\$ 86,289,926	\$ 71,641,848

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Government-Wide Financial Analysis (continued)

Governmental Activities. Governmental activities increased the Town of Harrisburg's net position by \$10,760,472 thereby accounting for 73.46% of the total growth in the net position of the Town. Key elements of this increase are as follows:

- Tax revenues increased approximately 4.23%, or \$422,000.
- Intergovernmental revenues consisting of mostly sales and franchise taxes increased by 21%, or \$1,325,000.
- Contributions of infrastructure from developers amounted to approximately \$6,297,000

Business-Type Activities. Business-type activities increased the Town of Harrisburg's net position by \$3,887,606 accounting for 26.54% of the total growth in the Town's net position. A key element of this increase is as follows:

- Water and Sewer charges for services increased by 9%, or \$827,000.
- Contributions of infrastructure from developers amounted to approximately \$1,952,000

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of Harrisburg's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Harrisburg's financing requirements. Specifically, unassigned (available) fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town of Harrisburg. At the end of the current fiscal year, available fund balance in the General Fund was \$6,107,128, while total fund balance reached \$8,029,530. The Town Council of the Town of Harrisburg has determined that the Town should maintain an available fund balance of 40% of General Fund operating and debt service expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 40% per the fund balance policy and 34.47% of total General Fund expenditures, while total fund balance represents 46.99% of the same amount.

At June 30, 2022, the governmental funds of the Town of Harrisburg reported a combined fund balance of \$18,341,135, an 7.87% increase from last year.

General Fund Budgetary Highlights. During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services and to prevent budget overruns.

Revenues were more than the budgeted amounts primarily because both property and sales taxes were collected at higher levels than were budgeted. While there were some variations of budgeted to actual expenditures at the line-item level, the Town was able to comply with its budgetary requirements based on an approved budget ordinance at the department level.

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Financial Analysis of the Town's Funds (continued)

Proprietary Funds. The Town of Harrisburg's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$10,613,813, and those for the Storm Water Fund amounted to \$2,064,985. The total change in net position for both funds was an increase of \$1,771,707 and \$2,115,899, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town of Harrisburg's business-type activities.

Capital Asset and Debt Administration

Capital Assets. The Town of Harrisburg's investment in capital assets and right to use assets for its governmental and business-type activities as of June 30, 2022, totals \$88,173,834 (net of accumulated depreciation and amortization). These assets include buildings, land, machinery and equipment, park facilities, water and sewer facilities, and vehicles.

Major capital asset transactions during the year include the following additions and disposals:

- Purchase of vehicles and equipment
- Purchase land for Public Safety complex
- Construction of Harrisburg Park Redevelopment – Phase I
- Construction of sidewalks
- Construction of 6-inch water lines throughout neighborhoods
- Construction of gravity-fed sewer lines and removal of pump stations
- Contributions of capital including streets and storm water infrastructure

The Town of Harrisburg's Capital Assets and Right to Use Assets (net of depreciation and amortization)

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Construction in progress	\$ 2,410,586	\$ 11,904,498	\$ 639,323	\$ 3,554,360	\$ 3,049,909	\$ 15,458,858
Land	2,370,824	2,370,824	858,549	858,549	3,229,373	3,229,373
Buildings and systems	13,401,027	10,828,190	6,694,133	6,838,346	20,095,160	17,666,536
Improvements other than buildings	10,375,215	3,165,597	-	-	10,375,215	3,165,597
Water lines	-	-	19,687,904	16,295,820	19,687,904	16,295,820
Machinery and equipment	3,226,494	1,235,225	1,094,245	1,108,048	4,320,739	2,343,273
Vehicles	1,551,586	1,684,295	596,062	611,858	2,147,648	2,296,153
Interceptors	-	-	25,577	49,724	25,577	49,724
Collection system	-	-	7,738,473	7,788,830	7,738,473	7,788,830
Infrastructure	13,532,431	7,630,027	3,971,405	2,115,728	17,503,836	9,745,755
	<u>\$ 46,868,163</u>	<u>\$ 38,818,656</u>	<u>\$ 41,305,671</u>	<u>\$ 39,221,263</u>	<u>\$ 88,173,834</u>	<u>\$ 78,039,919</u>

Additional information on the Town's capital assets and right to use assets can be found in note II.A on pages 39-42 of this report.

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Capital Asset and Debt Administration (continued)

Long-Term Debt. As of June 30, 2022, the Town of Harrisburg had total debt outstanding of \$31,161,041. Of this debt, \$13,742,991 is secured by the assets of the water and sewer system. However, in the event water and sewer revenues are insufficient to repay the debt, the total outstanding debt, including the remainder of the debt (\$17,418,050), is backed by the full faith and credit of the Town.

Long-Term Obligations Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Direct placement						
installment purchase	\$ 15,793,187	\$ 16,985,057	\$ 11,661,835	\$ 13,357,497	\$ 27,455,022	\$ 30,342,554
Lease liabilities	57,363	-	1,156	-	58,519	-
General obligation bonds	1,567,500	1,650,000	-	-	1,567,500	1,650,000
Revenue bonds	-	-	2,080,000	2,170,000	2,080,000	2,170,000
Total	<u>\$ 17,418,050</u>	<u>\$ 18,635,057</u>	<u>\$ 13,742,991</u>	<u>\$ 15,527,497</u>	<u>\$ 31,161,041</u>	<u>\$ 34,162,554</u>

The Town of Harrisburg's Outstanding Debt

The Town of Harrisburg's total long-term outstanding debt decreased by \$3,001,513 (8.79%) during the past fiscal year due to regularly scheduled debt service payments on existing debt.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Harrisburg is \$230,084,714.

Additional information regarding the Town of Harrisburg's long-term debt can be found in note II.B on pages 51-61 of this report.

Economic Factors and Next Year's Budgets and Rates

The following key economic factors reflect the growth and general prosperity of the Town:

- **New Residential Growth.** The Town continues to experience increases in residential growth as a result of previously approved development projects. Interest in living in Harrisburg continues to soar which has created a strong desire from some of the region's best developers. The Town is ranked thirty-sixth in North Carolina in growth for municipalities overall and seventh for municipalities over a population of 10,000. With several residential subdivisions currently under construction and several proposed plans being considered, the Town is in a great position to grow and strengthen its residential market with low-density, high-quality homes. Economic activity continues to thrive in Cabarrus County as evidenced by strong State-shared revenue distributions to the Town.

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Economic Factors and Next Year's Budgets and Rates (continued)

- **Non-Residential Growth.** The construction of the Farmington mixed-use development along Rocky River Road and I-485 began in FY2020. The southern portion of Town needs more commercial growth to support the continued residential growth in the area. The Harris Square Shopping Center on Highway 49 continues to help generate several new businesses, with outparcels building out around the development. Individual parcels along Highway 49 are rapidly being developed with new businesses and multiple projects underway. The Town's economic development initiative in the Morehead West area will also help to jump-start development in this currently underutilized section of Town. The Town is also committed to diversification of its tax base and revenue streams and is pursuing a 1.5 million square foot manufacturing and warehouse facility on the east side of Town to enhance our already expanding tax base. Other significant private developments being discussed include Town Center redevelopment, expansion of Pruitt Health with private residency suites, and construction of a new hospital by Atrium Health.
- **Governmental Projects.** The Town's largest park redevelopment project, Harrisburg Park, has been completed. Harrisburg Park has been transformed with the addition of an amphitheater, splash-pad, multipurpose fields, shelters, bike trails, and other active amenities within the park. The Town has placed a focus on transportation improvement projects that will be taking place over the next few years with increased amounts of pavement resurfacing, new sidewalks and multipurpose paths, and various intersection improvements. A partnership with NCDOT and NC Railroad will result in the construction of a passenger-rail train station that is accompanied by approximately 2,400 sq. ft. of Town-owned office and/or community space. The Town also continues to invest in our aging utility infrastructure by replacing or up-sizing existing water and sewer lines in the older portions of our community and addressing storm water deficiencies in the Town's System A Storm Water area. The Town has many projects in the works to enhance the facilities and services provided to residents. These include ongoing discussions on a new library, a new senior center, and a new YMCA. The Town is also pursuing federal funding to extend Caldwell Road from NC 49 to NC 29, NC 49 corridor improvements, and Hickory Ridge Road pedestrian trail. These three projects will constitute the largest single investment in transportation infrastructure in the Town's history.

Budget Highlights for the Fiscal Year Ending June 30, 2023

The approved FY2023 General Operating Budget is a balanced budget totaling \$37,120,000 for the General Fund and the two enterprise funds, the Water and Sewer and Storm Water Funds. This compares to \$38,573,000 in FY2022, a decrease of approximately \$1,453,000. The General Fund, which comprises the core services provided by the Town, accounts for \$23,755,000 of the total budget. The remainder of the budget consists of the Water and Sewer Fund, \$12,516,000, and the Storm Water Fund, \$849,000. The budget addresses current departmental needs and anticipates future needs as the Town continues to experience growth.

Overview:

The Town continues to focus on providing the highest quality services and facilities to its residents as possible. Town Council and management have invested in professional personnel, state-of-the-art equipment, and attractive Town amenities and facilities and increased property taxes by \$0.08 for FY2024 to invest in public safety expansion and transportation upgrades to work toward this goal. The highest standards in home and commercial building, streets, storm water, and all other infrastructure is required for projects currently taking place in Harrisburg. The commitment to our ten-year financial models and capital improvement plans outlines the needs and priorities of the Town moving forward in a financially responsible way. The Town has either completed or is in the process of completing a number of major guiding documents, such as the Transportation Plan, ADA Plan, Highway 49 Corridor Plan, UDO update, Law Enforcement feasibility study, Water and Sewer Master Plan, and a Sanitary Sewer Model and Land Use Plan. Each of these interact together and help the Town implement a cohesive vision. Significant efforts are being made to ensure community engagement, education, and participation remain a priority of the Town's as it grows, develops, and sets a path forward. Making smart growth decisions, becoming more transparent, promoting and strengthening our local businesses, generating new economic development buzz within our Town, and being proactive in our decision making ensures that what we do today will prepare and protect the Town into the future.

Town of Harrisburg, North Carolina

Management's Discussion and Analysis (continued)

Budget Highlights for the Fiscal Year Ending June 30, 2023 (continued)

We want to operate the Town with the sophistication, efficiencies and effectiveness of a larger city while maintaining the small-town feel Harrisburg is known for. Financial stability and security are paramount to the future success and stability of the Town. The budget represents a commitment to not only maintain, but to further improve what the Town offers its residents, businesses, and visitors. High-quality, efficient, and customer-service oriented operations are Harrisburg's most important objectives, and the budget reflects those efforts by providing the resources necessary to make Harrisburg a safe and prosperous community.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Brian Lee, Town of Harrisburg, 4100 Main Street, Suite 101, Harrisburg, North Carolina 28075.

BASIC FINANCIAL STATEMENTS

TOWN OF HARRISBURG, NORTH CAROLINA

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Town of Harrisburg, North Carolina

Statement of Net Position
June 30, 2022

	Primary Government			Harrisburg Community and Youth Association, Inc.	Harrisburg Business Alliance, Inc.
	Governmental Activities	Business-Type Activities	Total		
Assets					
Current assets:					
Cash and cash equivalents	\$ 16,172,829	\$ 11,796,886	\$ 27,969,715	\$ 58,743	\$ 8,298
Taxes receivables (net)	52,613	-	52,613	-	-
Accrued interest receivable on taxes	10,135	-	10,135	-	-
Accrued Interest receivable on leases	43	630	673	-	-
Accounts receivable (net)	3,401	1,698,893	1,702,294	-	-
Due from other governments	1,444,933	-	1,444,933	-	-
Lease receivable	53,910	81,400	135,310	-	-
Inventory	36,846	-	36,846	-	-
Prepaid expenses	183,103	-	183,103	-	-
Restricted cash and cash equivalents	3,131,098	383,901	3,514,999	-	-
Total current assets	21,088,911	13,961,710	35,050,621	58,743	8,298
Noncurrent assets:					
Lease receivable - non-current	-	1,173,123	1,173,123	-	-
Right to use leased asset, net of amortization	56,595	1,057	57,652	-	-
Capital assets:					
Non-depreciable	4,781,410	1,497,872	6,279,282	-	-
Depreciable, net of accumulated depreciation	42,030,158	39,806,742	81,836,900	-	-
Total noncurrent assets	46,868,163	42,478,794	89,346,957	-	-
Total assets	67,957,074	56,440,504	124,397,578	58,743	8,298
Deferred outflows of resources					
Pension deferrals	1,599,581	532,774	2,132,355	-	-
Total deferred outflows of resources	1,599,581	532,774	2,132,355	-	-
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	401,635	317,590	719,225	-	84
Advance from grantor	2,052,461	-	2,052,461	-	-
Accrued interest payable	177,854	-	177,854	-	-
Prepaid fees	43,950	-	43,950	-	-
Payables from restricted assets:					
Accounts payable and accrued liabilities	57,985	-	57,985	-	-
Performance bond deposits	64,185	-	64,185	-	-
Customer deposits	-	313,460	313,460	-	-
Long-term liabilities-due within one year	1,736,727	1,819,071	3,555,798	-	-
Total current liabilities	4,534,797	2,450,121	6,984,918	-	84
Long-term liabilities:					
Net pension liability	1,090,065	363,172	1,453,237	-	-
Long-term liabilities-due in more than one year	16,177,073	12,024,962	28,202,035	-	-
Total long-term liabilities	17,267,138	12,388,134	29,655,272	-	-
Total liabilities	21,801,935	14,838,255	36,640,190	-	84
Deferred inflows of resources					
Prepaid Taxes	11,105	-	11,105	-	-
Leases	53,664	1,238,929	1,292,593	-	-
Pension deferrals	1,711,944	584,175	2,296,119	-	-
Total deferred inflows of resources	1,776,713	1,823,104	3,599,817	-	-
Net position					
Net investment in capital assets	30,246,021	27,632,188	57,878,209	-	-
Restricted for:					
Stabilization by State statute	1,715,663	-	1,715,663	-	-
Streets	72,427	-	72,427	-	-
Public safety	143,288	-	143,288	-	-
Storm Water	-	933	933	-	-
Unrestricted	13,800,608	12,678,798	26,479,406	58,743	8,214
Total net position	\$ 45,978,007	\$ 40,311,919	\$ 86,289,926	\$ 58,743	\$ 8,214

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

Town of Harrisburg, North Carolina

Statement of Activities For the Fiscal Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 1,828,709	\$ 265,508	\$ 599,253	\$ -
Planning and zoning	404,459	334,235	104,150	-
Public safety	6,472,120	48,135	1,491,498	-
Transportation	1,275,422	-	534,189	6,297,411
Environmental protection	2,036,260	-	14,396	-
Cultural and recreational	2,587,030	794,576	-	-
Interest on long-term debt	525,316	-	-	-
Total governmental activities	<u>15,129,316</u>	<u>1,442,454</u>	<u>2,743,486</u>	<u>6,297,411</u>
Business-type activities				
Water and sewer	9,184,636	10,810,922	-	-
Storm water	547,202	705,771	-	1,952,247
Total business-type activities	<u>9,731,838</u>	<u>11,516,693</u>	<u>-</u>	<u>1,952,247</u>
Total primary government	<u>\$ 24,861,154</u>	<u>\$ 12,959,147</u>	<u>\$ 2,743,486</u>	<u>\$ 8,249,658</u>
Component units				
Harrisburg Community and Youth Association, Inc.	\$ 15,478	\$ -	\$ 18,775	\$ -
Harrisburg Business Alliance, Inc.	7,519	-	10,000	-
Total component units	<u>\$ 22,997</u>	<u>\$ -</u>	<u>\$ 28,775</u>	<u>\$ -</u>

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

Town of Harrisburg, North Carolina

Statement of Activities For the Fiscal Year Ended June 30, 2022

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Harrisburg Community and Youth Association, Inc.	Harrisburg Business Alliance, Inc.
	Governmental Activities	Business-Type Activities	Total		
Primary government					
Governmental activities					
General government	\$ (963,948)	\$ -	\$ (963,948)	\$ -	\$ -
Planning and zoning	33,926	-	33,926	-	-
Public safety	(4,932,487)	-	(4,932,487)	-	-
Transportation	5,556,178	-	5,556,178	-	-
Environmental protection	(2,021,864)	-	(2,021,864)	-	-
Cultural and recreational	(1,792,454)	-	(1,792,454)	-	-
Interest on long-term debt	(525,316)	-	(525,316)	-	-
Total governmental activities	(4,645,965)	-	(4,645,965)	-	-
Business-type activities					
Water and sewer	-	1,626,286	1,626,286	-	-
Storm water	-	2,110,816	2,110,816	-	-
Total business-type activities	-	3,737,102	3,737,102	-	-
Total primary government	(4,645,965)	3,737,102	(908,863)	-	-
Component units					
Harrisburg Community and Youth Association, Inc.	-	-	-	3,297	-
Harrisburg Business Alliance, Inc.	-	-	-	-	2,481
Total component units	-	-	-	3,297	2,481
General revenues					
Taxes:					
Property taxes, levied for general purpose	10,382,959	-	10,382,959	-	-
Unrestricted intergovernmental	4,849,472	-	4,849,472	-	-
Gain on disposal of capital assets	48,516	19,959	68,475	-	-
Investment earnings	35,890	44,556	80,446	-	-
Miscellaneous	89,600	85,989	175,589	-	-
Total general revenues	15,406,437	150,504	15,556,941	-	-
Change in net position	10,760,472	3,887,606	14,648,078	3,297	2,481
Net position, beginning	35,217,535	36,424,313	71,641,848	55,446	5,733
Net position, ending	\$ 45,978,007	\$ 40,311,919	\$ 86,289,926	\$ 58,743	\$ 8,214

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

Town of Harrisburg, North Carolina

Balance Sheet
Governmental Funds
June 30, 2022

	General	Capital Reserve Fund - General Fund	Grant Project Fund - ARPA	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 6,612,850	\$ 6,731,297	\$ 4,770	\$ 2,823,912	\$ 16,172,829
Restricted cash and cash equivalents	279,900	-	2,055,290	795,908	3,131,098
Receivables, net:					
Property taxes	52,613	-	-	-	52,613
Other	3,401	-	-	-	3,401
Due from other funds	2,582	-	-	-	2,582
Due from other governments	1,431,477	-	2,076	11,380	1,444,933
Lease receivable	53,910	-	-	-	53,910
Inventory	36,846	-	-	-	36,846
Prepaid items	183,103	-	-	-	183,103
Total assets	<u>\$ 8,656,682</u>	<u>\$ 6,731,297</u>	<u>\$ 2,062,136</u>	<u>\$ 3,631,200</u>	<u>\$ 21,081,315</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 401,635	\$ -	\$ -	\$ -	\$ 401,635
July 4th Celebration unearned revenue	43,950	-	-	-	43,950
Advance from grantor	-	-	2,052,461	-	2,052,461
Payable from restricted assets:					
Accounts payable and accrued liabilities	-	-	4,905	53,080	57,985
Performance bonds on deposit	64,185	-	-	-	64,185
Due to other funds	-	-	-	2,582	2,582
Total liabilities	<u>509,770</u>	<u>-</u>	<u>2,057,366</u>	<u>55,662</u>	<u>2,622,798</u>
Deferred inflows of resources					
Property taxes receivable	52,613	-	-	-	52,613
Prepaid taxes	11,105	-	-	-	11,105
Leases	53,664	-	-	-	53,664
Total deferred inflows of resources	<u>117,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,382</u>
Fund balances					
Non-spendable					
Inventory	36,846	-	-	-	36,846
Prepays	183,103	-	-	-	183,103
Leases	246	-	-	-	246
Restricted					
Stabilization by State statute	1,702,207	-	2,076	11,380	1,715,663
Streets	72,427	-	-	485,075	557,502
Public safety	143,288	-	-	263,917	407,205
Committed	-	6,731,297	2,694	2,823,912	9,557,903
Unassigned	5,891,413	-	-	(8,746)	5,882,667
Total fund balances	<u>8,029,530</u>	<u>6,731,297</u>	<u>4,770</u>	<u>3,575,538</u>	<u>18,341,135</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,656,682</u>	<u>\$ 6,731,297</u>	<u>\$ 2,062,136</u>	<u>\$ 3,631,200</u>	<u>\$ 21,081,315</u>

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

Town of Harrisburg, North Carolina

Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position June 30, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:

Ending fund balance - governmental funds	\$ 18,341,135
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	46,811,568
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds	56,595
Deferred outflows of resources related to pensions are not reported in the funds.	1,599,581
Other long-term assets are not available to pay for current-period expenditures and, therefore, are inflows of resources in the funds:	
Accrued interest on taxes receivable	10,135
Accrued interest on leases receivable	43
Earned revenues considered deferred inflows of resources in fund statements	52,613
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued interest payable	(177,854)
Compensated absences	(495,750)
Direct placement installment purchase contracts and General Obligation Bonds	(17,360,687)
Lease liabilities	(57,363)
Net pension liability	(1,090,065)
Deferred inflows of resources related to pensions are not reported in the funds.	(1,711,944)
Net position of governmental activities	<u>\$ 45,978,007</u>

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

Town of Harrisburg, North Carolina

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General	Capital Reserve Fund - General Fund	Grant Project Fund - ARPA	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Ad valorem taxes	\$ 10,397,027	\$ -	\$ -	\$ -	\$ 10,397,027
Unrestricted intergovernmental	4,849,472	-	-	-	4,849,472
Restricted intergovernmental	2,050,433	-	588,903	-	2,639,336
Permits and fees	461,513	-	-	-	461,513
Sales and services	638,335	-	-	-	638,335
Investment earnings	15,988	8,620	4,770	6,469	35,847
Other general revenues	499,251	-	-	104,150	603,401
Total revenues	18,912,019	8,620	593,673	110,619	19,624,931
Expenditures					
Current:					
General government	1,063,371	-	505,705	-	1,569,076
Planning and economic development	425,679	-	-	350	426,029
Engineering	233,130	-	-	-	233,130
Public safety	7,747,304	-	83,198	251,478	8,081,980
Transportation	1,000,180	-	-	261,215	1,261,395
Environmental protection	1,978,431	-	-	-	1,978,431
Cultural and recreational	2,815,934	-	-	168,306	2,984,240
Debt service:					
Principal retirement	1,289,980	-	-	-	1,289,980
Interest	534,858	-	-	-	534,858
Total expenditures	17,088,867	-	588,903	681,349	18,359,119
Excess (deficiency) of revenues over expenditures	1,823,152	8,620	4,770	(570,730)	1,265,812
Other financing sources (uses)					
Transfers from other funds	2,321,682	3,950,000	-	231,356	6,503,038
Transfers to other funds	(4,013,050)	(2,489,287)	-	(701)	(6,503,038)
Lease liabilities issued	72,973	-	-	-	72,973
Total other financing sources (uses)	(1,618,395)	1,460,713	-	230,655	72,973
Net change in fund balances	204,757	1,469,333	4,770	(340,075)	1,338,785
Fund balances, beginning	7,824,773	5,261,964	-	3,915,613	17,002,350
Fund balances, ending	\$ 8,029,530	\$ 6,731,297	\$ 4,770	\$ 3,575,538	\$ 18,341,135

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

Town of Harrisburg, North Carolina

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2022

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

Net changes in fund balances - total governmental funds	\$	1,338,785
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures	3,101,883	
Depreciation expense	<u>(1,387,853)</u>	
		1,714,030

Right to use leased asset capital outlay expenditures which were capitalized	72,973	
Amortization expense for intangible assets	<u>(16,378)</u>	
		56,595
Disposal of capital assets		(18,529)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Amount of donated assets	6,297,411	
Increase in accrued interest receivable - leases	43	
Other	(1,743)	
Change in unavailable revenue for tax revenues	<u>(12,325)</u>	
		6,283,386

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of those differences in the treatment of long-term debt and related items.

Debt service payments	1,289,980	
Long-term debt issuance (lease)	(72,973)	
Increase in accrued interest payable - leases	(52)	
Pension revenue (expense)	173,552	
Compensated absences	<u>(13,896)</u>	
		1,376,611

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest payable		<u>9,594</u>
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Changes in net position of governmental activities	\$	<u><u>10,760,472</u></u>
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The notes to the financial statements are an integral part of this statement.

Town of Harrisburg, North Carolina

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive / (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 10,044,000	\$ 10,044,000	\$ 10,397,027	\$ 353,027
Unrestricted intergovernmental	4,062,000	4,062,000	4,849,472	787,472
Restricted intergovernmental	1,853,000	1,953,000	2,050,433	97,433
Permits and fees	686,500	686,500	461,513	(224,987)
Sales and services	535,000	535,000	638,335	103,335
Investment earnings	10,500	10,500	15,988	5,488
Other general revenues	442,300	446,500	499,251	52,751
Total revenues	<u>17,633,300</u>	<u>17,737,500</u>	<u>18,912,019</u>	<u>1,174,519</u>
Expenditures				
Current:				
General government	1,399,425	1,521,204	1,063,371	457,833
Planning and economic development	521,780	578,234	425,679	152,555
Engineering	250,375	305,835	233,130	72,705
Public safety	7,956,945	8,301,511	7,747,304	554,207
Transportation	2,113,500	2,245,000	1,000,180	1,244,820
Environmental protection	1,872,875	2,024,975	1,978,431	46,544
Cultural and recreational	3,097,400	3,165,376	2,815,934	349,442
Debt service:				
Principal retirement	1,300,620	1,300,620	1,289,980	10,640
Interest	537,510	537,510	534,858	2,652
Contingency	311,280	212,390	-	212,390
Total expenditures	<u>19,361,710</u>	<u>20,192,655</u>	<u>17,088,867</u>	<u>3,103,788</u>
Revenues over (under) expenditures	<u>(1,728,410)</u>	<u>(2,455,155)</u>	<u>1,823,152</u>	<u>4,278,307</u>
Other financing sources (uses)				
Transfers from other funds	3,428,700	3,649,900	2,321,682	(1,328,218)
Transfers to other funds	(1,700,290)	(4,050,290)	(4,013,050)	37,240
Lease liabilities issued	-	-	72,973	72,973
Appropriated fund balance	-	2,855,545	-	(2,855,545)
Total other financing sources (uses)	<u>1,728,410</u>	<u>2,455,155</u>	<u>(1,618,395)</u>	<u>(4,073,550)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>204,757</u>	<u>\$ 204,757</u>
Fund balance, beginning			<u>7,824,773</u>	
Fund balance, ending (Exhibit D)			<u>\$ 8,029,530</u>	

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

Town of Harrisburg, North Carolina

Statements of Net Position Proprietary Funds June 30, 2022

	Major Enterprise Funds		
	Water and Sewer Fund	Storm Water Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 9,773,565	\$ 2,023,321	\$ 11,796,886
Accounts receivable (net) - customers	1,523,176	94,081	1,617,257
Accounts receivable - other	80,911	725	81,636
Lease receivable	81,400	-	81,400
Accrued interest receivable	630	-	630
Restricted cash and cash equivalents	382,968	933	383,901
Total current assets	11,842,650	2,119,060	13,961,710
Non-current assets:			
Lease receivable - non-current	1,173,123	-	1,173,123
Right to use leased assets, net of amortization	1,057	-	1,057
Capital assets:			
Non-depreciable	1,480,372	17,500	1,497,872
Depreciable, net of accumulated depreciation	35,812,515	3,994,227	39,806,742
Total non-current assets	38,467,067	4,011,727	42,478,794
Total assets	50,309,717	6,130,787	56,440,504
Deferred outflows of resources			
Pension deferrals	532,774	-	532,774
Total deferred outflows of resources	532,774	-	532,774
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	264,448	53,142	317,590
Long-term debt, current portion	1,718,029	-	1,718,029
Compensated absences, current portion	101,042	-	101,042
Payable from restricted assets:			
Customer deposits	313,460	-	313,460
Total current liabilities	2,396,979	53,142	2,450,121
Non-current liabilities:			
Long-term debt, non-current portion	12,024,962	-	12,024,962
Net pension liability	363,172	-	363,172
Total noncurrent liabilities	12,388,134	-	12,388,134
Total liabilities	14,785,113	53,142	14,838,255
Deferred inflows of resources			
Leases	1,238,929	-	1,238,929
Pension deferrals	584,175	-	584,175
Total deferred inflows of resources	1,823,104	-	1,823,104
Net position			
Net investment in capital assets	23,620,461	4,011,727	27,632,188
Restricted	-	933	933
Unrestricted	10,613,813	2,064,985	12,678,798
Total net position	\$ 34,234,274	\$ 6,077,645	\$ 40,311,919

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

Town of Harrisburg, North Carolina

Statements of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds For the Fiscal Year Ended June 30, 2022

	Major Enterprise Funds		
	Water and Sewer Fund	Storm Water Fund	Total
Operating revenues			
Charges for services	\$ 8,992,620	\$ 705,771	\$ 9,698,391
Water and sewer development charges	1,436,945	-	1,436,945
Permits and fees	186,547	-	186,547
Service connection fees	124,925	-	124,925
Other operating revenues	69,885	-	69,885
Total operating revenues	10,810,922	705,771	11,516,693
Operating expenses			
Water administration and distribution	7,070,401	-	7,070,401
Storm water operations	-	415,189	415,189
Depreciation and amortization	1,850,455	132,013	1,982,468
Total operating expenses	8,920,856	547,202	9,468,058
Operating income	1,890,066	158,569	2,048,635
Non-operating revenues (expenses)			
Investment earnings	39,473	5,083	44,556
Interest and other charges	(263,780)	-	(263,780)
Cell tower revenue	85,989	-	85,989
Gain on sale of capital assets	19,959	-	19,959
Total non-operating revenues (expenses)	(118,359)	5,083	(113,276)
Income before contributions	1,771,707	163,652	1,935,359
Contributions of infrastructure	-	1,952,247	1,952,247
Change in net position	1,771,707	2,115,899	3,887,606
Total net position, beginning	32,462,567	3,961,746	36,424,313
Total net position, ending	\$ 34,234,274	\$ 6,077,645	\$ 40,311,919

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

Town of Harrisburg, North Carolina

Statements of Cash Flows Proprietary Funds For the Fiscal Year Ended June 30, 2022

	Major Enterprise Funds		
	Water and Sewer Fund	Storm Water Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 10,576,605	\$ 715,451	\$ 11,292,056
Cash paid for goods and services	(5,510,880)	(281,756)	(5,792,636)
Cash paid to or on behalf of employees for services	(2,012,882)	(210,381)	(2,223,263)
Customer deposits received and returned, net	9,561	-	9,561
Net cash provided by operating activities	<u>3,062,404</u>	<u>223,314</u>	<u>3,285,718</u>
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	55,473	-	55,473
Proceeds from cell tower leases	85,989	-	85,989
Acquisition and construction of capital assets	(2,137,807)	(9,900)	(2,147,707)
Principal paid on long-term debt	(1,786,942)	-	(1,786,942)
Interest paid on long-term debt	(266,014)	-	(266,014)
Net cash used by capital and related financing activities	<u>(4,049,301)</u>	<u>(9,900)</u>	<u>(4,059,201)</u>
Cash flows from investing activities			
Interest on investments	<u>38,843</u>	<u>5,083</u>	<u>43,926</u>
Net increase (decrease) in cash and cash equivalents	(948,054)	218,497	(729,557)
Balances, beginning	<u>11,104,587</u>	<u>1,805,757</u>	<u>12,910,344</u>
Balances, ending	<u>\$ 10,156,533</u>	<u>\$ 2,024,254</u>	<u>\$ 12,180,787</u>
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income	\$ 1,890,066	\$ 158,569	\$ 2,048,635
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	1,850,455	132,013	1,982,468
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable - customers	(218,374)	(5,898)	(224,272)
(Increase) decrease in accounts receivable - other	(349)	15,578	15,229
(Increase) decrease in lease receivable	(15,594)	-	(15,594)
Increase (decrease) in accounts payable and accrued liabilities	(399,438)	(76,948)	(476,386)
Increase (decrease) in compensated absences	3,923	-	3,923
(Increase) decrease in deferred outflows of resources for pensions	(88,733)	-	(88,733)
Increase (decrease) in deferred inflows of resources for pensions	520,733	-	520,733
Increase (decrease) in net pension liability	(489,846)	-	(489,846)
Increase (decrease) in customer deposits	9,561	-	9,561
Total adjustments	<u>1,172,338</u>	<u>64,745</u>	<u>1,237,083</u>
Net cash provided by operating activities	<u>\$ 3,062,404</u>	<u>\$ 223,314</u>	<u>\$ 3,285,718</u>

Noncash investing, capital, and financing activities:

The Town received noncash capital contributions in the Storm Water Fund in the amount of \$1,952,247 representing donated assets.
The Town received noncash assets in exchange for lease liabilities in the amount of \$2,436 in the Water and Sewer Fund.

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

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Harrisburg (the "Town") and its discretely presented component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town is a municipal corporation, which is governed by an elected Mayor and a seven-member Council. As required by generally accepted accounting principles, these financial statements present the Town and its component units, legally separate entities for which the Town is financially accountable. The discretely presented component units presented below are reported in separate columns in the Town's financial statements in order to emphasize that they are legally separate from the Town.

Harrisburg Community and Youth Association, Inc.

The members of the Harrisburg Community and Youth Association, Inc.'s (HCYA) governing board are designated within HCYA's bylaws to include specified current employees of the Town. HCYA is presented discretely in the government-wide statements. Complete financial statements for HCYA may be obtained from the organization's administrative offices at the Town of Harrisburg, 4100 Main Street, Suite 101, Harrisburg, NC 28075.

Harrisburg Business Alliance, Inc.

The members of the Harrisburg Business Alliance, Inc.'s (HBA) governing board are designated within HBA's bylaws to include one Town Council member and a specified current employee of the Town. HBA is presented discretely in the government-wide statements. Complete financial statements for HBA may be obtained from the Town of Harrisburg, 4100 Main Street, Suite 101, Harrisburg, NC 28075.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The Town has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in other funds. The primary revenue sources are ad valorem taxes, State and federal grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, sanitation services, parks and recreation, administration, and other general government services.

Capital Reserve Fund – General Fund – This fund is established to accumulate funds to be used for future capital expenditures for the General Fund.

Grant Project Fund – ARPA – This special revenue fund is used to account for the American Rescue Plan Act (ARPA) grant revenues and expenditures.

The Town reports the following non-major governmental funds:

Special Revenue Fund – Highway 49 Corridor – This fund is used to accumulate funds paid in lieu of installing underground utilities along the Hwy 49 Corridor during development.

Special Revenue Fund – CARES Act – This fund is used to account for CARES Act Coronavirus Relief Fund revenues.

Capital Projects Fund – Streets – This fund is used to account for the construction of streets and sidewalks with the 2017 Transportation Bonds.

Capital Projects Fund – Public Safety – This fund is used to account for the construction of Fire Station #2 and the purchase of Fire Engine #3.

Capital Projects Fund – Parks and Recreation – This fund is used to account for the construction of Harrisburg Park Redevelopment – Phase I.

Capital Projects Fund – Economic Development – This fund was established for the construction of the Harrisburg Train Station.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Capital Reserve Fund – Parks and Recreation – This fund is established to accumulate development-related funds to be used for parks and recreation per Town ordinance.

Capital Reserve Fund – Economic Development – This fund is established to accumulate funds to be used for future capital expenditures for economic development/economic incentives.

The Town reports the following major enterprise funds:

Water and Sewer Fund – This fund is used to account for the Town's water and sewer operations. A Capital Projects Fund - Water and Sewer, a Capital Reserve Fund - Water and Sewer, and a Capital Reserve Fund – Water and Sewer – Expansion have been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparisons for the Capital Projects Fund - Water and Sewer, the Capital Reserve Fund – Water and Sewer, and the Capital Reserve Fund – Water and Sewer – Expansion have been included in the supplemental information.

Storm Water Fund – This fund is used to account for the Town's Storm Water operations. A Capital Projects Fund – Storm Water and a Capital Reserve Fund – Storm Water have been consolidated into the Storm Water Fund for financial reporting purposes. The budgetary comparison for the Capital Projects Fund – Storm Water and the Capital Reserve Fund – Storm Water have been included in the supplemental information.

C. Measurement Focus and Basis of Accounting

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

Government-Wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide, and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of development fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Harrisburg because the tax is levied by Cabarrus County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Capital Reserve Funds, Special Revenue Fund – Highway 49 Corridor, Special Revenue Fund – CARES Act, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Grant Ordinance Fund – ARPA, Capital Projects Fund – Streets, Capital Projects Fund – Public Safety, Capital Projects Fund – Parks and Recreation, and the Enterprise Funds Capital Projects Funds. The enterprise funds' projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change departmental appropriations. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (continued)

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

Deposits and Investments

All deposits of the Town, HCYA, and HBA are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town, HCYA, and HBA may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town, HCYA, and HBA may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)(8)] authorizes the Town, HCYA, and HBA to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The Town's, HCYA's, and HBA's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

Restricted Assets

The North Carolina Firemen's Relief Fund funds are classified as restricted cash and cash equivalents because it can be expended only for the purposes of financially assisting firefighters that have been injured or killed while performing fire department duties, educational benefits, supplemental retirement, purchase other insurance, and pension protection per G.S. 58-84-1 through 58-84-60. Customer deposits and performance bond deposits held by the Town before any services are supplied or completed are restricted to the service for which the deposit was collected.

The unexpended debt proceeds of the General Fund and Water and Sewer Fund are classified as restricted assets because their use is completely restricted to the purpose for which the debt was originally issued. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4. Money in the Grant Project Fund – ARPA is classified as restricted assets because its use is restricted by the provisions of the grant award. The Storm Water contribution – fee in lieu of are also classified as restricted assets because their use is completely restricted to the purpose for which the fee in lieu of was originally assessed for.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (continued)

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

Restricted Assets (continued)

Town of Harrisburg Restricted Cash

	General Fund	ARPA	Public Safety	Transportation	Total
Governmental Activities					
Public safety - Firemen's Relief	\$ 143,288	\$ -	\$ -	\$ -	\$ 143,288
Streets - Powell Bill	72,427	-	-	-	72,427
Performance bonds	64,185	-	-	-	64,185
Unspent grant funds	-	2,055,290	-	-	2,055,290
Unspent debt proceeds	-	-	263,917	531,991	795,908
Total governmental activities	<u>\$ 279,900</u>	<u>\$ 2,055,290</u>	<u>\$ 263,917</u>	<u>\$ 531,991</u>	<u>3,131,098</u>
Business-type Activities					
Water and Sewer Fund					
Customer deposits					313,460
Unspent debt proceeds					69,508
Storm Water Fund					
Contribution - fee in lieu of					933
Total business-type activities					<u>383,901</u>
Total restricted cash					<u>\$ 3,514,999</u>

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2021. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

Utility Service Revenues – Unbilled Usage

An estimated amount has been recorded for utility services provided, but not billed, as of the end of the year, and is included in accounts receivable, net of uncollectible amounts.

Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (continued)

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

Inventory

The inventories of the Town are valued at cost (first-in, first-out), which approximates market. The Town's General Fund inventory consists of expendable supplies, regular unleaded and diesel fuel, that are recorded as expenditures as used rather than when purchased.

Lease Receivable

The Town's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

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

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and are defined by the Town as assets with an initial individual cost of more than a certain amount and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$15,000; infrastructure, \$20,000; furniture and equipment, \$5,000; and vehicles, \$10,000. Donated capital assets received prior to June 30, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015, are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Improvements	25 years
Equipment and vehicles	3-10 years
Infrastructure, distribution and collection systems	30-40 years

Right to Use Assets

The Town has recorded right to use leased assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (continued)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, pension deferrals for the 2022 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criteria for this category – property taxes receivable, prepaid property taxes, leases, and pension deferrals.

Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Issuance costs, whether withheld from the actual debt proceeds received or not, are reported as debt service expenditures.

Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty days of earned vacation leave to full-time employees based upon the number of years of service, with such leave being fully vested when earned. Years of service are determined, and vacation time is earned based on each employee's hire date. An employee accrues but may not use any paid vacation days until he/she completes their six months' probationary period with the Town. An employee can carry vacation time over into the following year. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of accumulated compensated time. Since accrued vacation time may be carried over no more than one year, the entire liability has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (continued)

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

Compensated Absences (continued)

The Town's compensatory time policy provides for up to 240 hours of accumulated compensatory time for non-exempt employees and up to an unlimited number of hours for exempt employees. Compensatory leave only vests with non-exempt employees, for which accumulated time may be paid upon separation. Exempt employees' compensatory time does not vest and any accumulated time at separation is forfeited. Since non-exempt employees' accrued compensatory time is payable upon separation, the entire liability has been designated as a current liability in the government-wide financial statements. As the Town has no obligation for exempt employees' accrued compensatory time until it is actually taken, no accrual for this time has been made.

Net Position/Fund Balances

Net Position

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

Net Investment in Capital Assets

Net investment in capital assets at June 30, 2022, is computed as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of accumulated depreciation	\$ 46,811,568	\$ 41,304,614
Right to use assets, net of accumulated amortization	56,595	1,057
Long-term debt	(17,418,050)	(13,742,991)
Unspent debt proceeds	795,908	69,508
Net investment in capital assets	<u>\$ 30,246,021</u>	<u>\$ 27,632,188</u>

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Non-spendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in the spendable form or (b) legally or contractually required to be maintained intact.

Prepaids – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenditures, which are not spendable resources.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (continued)

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

Net Position/Fund Balances (continued)

Fund Balances (continued)

Inventory – portion of fund balance that is not an available resource because it represents the year-end balance of inventory, which are not spendable resources.

Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in a fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories, prepaids and leases as they are classified as non-spendable. Outstanding Encumbrances are included with RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Streets – Powell Bill portion of fund balance totaling \$72,427 that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill Funds.

Restricted for Streets – portion of fund balance totaling \$485,075 that represents proceeds for debt issuance that has not been spent for the designated project.

Restricted for Public Safety – portion of fund balance totaling \$143,288 that is restricted by revenue source for certain Firemen's Relief Fund expenditures.

Restricted for Public Safety – portion of fund balance totaling \$263,917 that represents proceeds for debt issuance that has not been spent for the designated project.

The total restricted fund balance of the Governmental Funds presented on Exhibit C totaling \$2,680,370 differ from restricted net position presented on Exhibit A totaling \$1,931,378 due to unspent debt proceeds in the amount of \$748,992.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (continued)

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

Net Position/Fund Balances (continued)

Fund Balances (continued)

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town’s governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for Capital Outlay – portion of fund balance totaling \$9,555,209 that is committed, per the fund balance policy, to fund future capital outlay.

Committed for grant expenditures – portion of fund balance totaling \$2,694 that is committed to fund ARPA-authorized expenditures.

Assigned Fund Balance – portion of fund balance that the Town intends to use for specific purposes. The Town Council has the authority to assign fund balance.

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

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-Town funds, Town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

The Town has also adopted a minimum fund balance policy for the General Fund, the Water and Sewer Fund and the Storm Water Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 40% for the General Fund and 30% for both the Water and Sewer and Storm Water funds, of operating and debt service expenditures. The Town will adjust this minimum as appropriate based upon recommendation from the LGC and the current financial outlook. Once the respective 40% or 30% goal is realized, all revenues in excess of expenditures realized at the end of any given fiscal year will be credited as capital reserves. Should the available fund balance fall below the respective threshold, a plan shall be created, with Town Council approval, to restore the reserves within two (2) years. If the restoration cannot be accomplished within such time period without severe hardship to the Town, then the Council will establish a different but appropriate time period.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (continued)

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

Net Position/Fund Balances (continued)

Fund Balances (continued)

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

Total fund balance - General Fund	\$ 8,029,530
Less:	
Prepays	183,103
Inventory	36,846
Leases	246
Stabilization by State statute	1,702,207
Streets	72,427
Public safety - Firemen's Relief Fund	143,288
Fund balance policy	5,871,185
Remaining fund balance	<u>\$ 20,228</u>

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. The outstanding encumbrances for the General Fund were \$264,747.

Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LERS) and additions to/deductions from LERS' fiduciary net position have been determined on the same basis as they are reported by LERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Harrisburg's employer contributions are recognized when due and the Town of Harrisburg has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LERS. Investments are reported at fair value.

F. Management Estimates

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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds

A. Assets

Deposits

All the deposits of the Town, HCYA, and HBA are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's, HCYA's, or HBA's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, HCYA, and HBA, these deposits are considered to be held by the Town's, HCYA's, or HBA's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, HCYA, or HBA or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town, HCYA, and HBA under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State

Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. HCYA and HBA have no formal policy regarding custodial credit risk for deposits.

At June 30, 2022, the Town's deposits had a carrying amount of \$9,163,571 and a bank balance of \$9,615,139. Of the bank balance, \$500,000 was covered by federal depository insurance, and the remainder was covered by collateral held under the Pooling Method. The carrying amounts of deposits for HCYA and HBA were \$58,473, and \$8,298, respectively, and the bank balances were \$58,473 and \$8,298, respectively, all of which was covered by federal depository insurance. At June 30, 2022, the Town's petty cash totaled \$625.

Investments

At June 30, 2022, the Town had \$22,320,518 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's and AAAMf by Moody's Investor Service. The Town has no policy regarding credit risk.

Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2022, are net of the following allowances for doubtful accounts:

General Fund:		
Taxes receivable	\$	3,007
Water and Sewer Fund:		
Accounts receivable		10,000
Total	\$	<u>13,007</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

A. Assets (continued)

Lease Receivable

Governmental Activities

The Town has several lease arrangements for the monthly rental of Town property. Under the first lease, a vendor pays the Town \$18,000 per month for sixty months for the rental of the 2nd floor of Town Hall. The current lease expires September 30, 2022. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1%.

The value of the deferred inflow of resources as of June 30, 2022 was \$53,664. The Town recognized lease revenue of \$196,768 and interest revenue of \$1,521 during the fiscal year. At June 30, 2022 the value of the lease receivable is \$53,910.

Business-Type Activities

Under the remaining three leases, a vendor pays the Town \$2,460, \$2,175, and \$2,250, respectively, per month in exchange for cell-tower antennas placed on top of the Town's elevated water storage tanks. The leases expire in December 2024, June 2038, and May 2047. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of approximately 1%.

The value of the deferred inflow of resources as of June 30, 2022 was \$1,238,929. The Town recognized lease revenue of \$85,989 and interest revenue of \$12,852 during the fiscal year. At June 30, 2022 the value of the lease receivable is \$1,254,523 (\$81,400 current and \$1,173,123 non-current).

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

A. Assets (continued)

Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2022, was as follows:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2022</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 2,370,824	\$ -	\$ -	\$ -	\$ 2,370,824
Construction in progress	11,904,498	2,168,296	-	(11,662,208)	2,410,586
Total capital assets not being depreciated	14,275,322	2,168,296	-	(11,662,208)	4,781,410
Capital assets being depreciated:					
Buildings	12,578,777	60,724	-	2,716,095	15,355,596
Other improvements	4,453,542	499,174	-	6,901,066	11,853,782
Equipment	2,314,082	241,415	194,464	1,996,484	4,357,517
Vehicles	4,855,433	147,903	250,000	48,563	4,801,899
Infrastructure	9,021,357	6,281,782	-	-	15,303,139
Total capital assets being depreciated	33,223,191	7,230,998	444,464	11,662,208	51,671,933
Less accumulated depreciation for:					
Buildings	1,750,587	251,643	-	-	2,002,230
Other improvements	1,287,945	190,622	-	-	1,478,567
Equipment	1,078,857	237,035	175,935	-	1,139,957
Vehicles	3,171,138	329,175	250,000	-	3,250,313
Infrastructure	1,391,330	379,378	-	-	1,770,708
Total accumulated depreciation	8,679,857	\$ 1,387,853	\$ 425,935	\$ -	9,641,775
Total capital assets being depreciated, net	24,543,334				42,030,158
Governmental activity capital assets, net	<u>\$ 38,818,656</u>				<u>\$ 46,811,568</u>

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

General government	\$ 99,781
Public safety	542,906
Transportation	373,190
Environmental protection	92,397
Cultural and recreational	279,579
Total	<u>\$ 1,387,853</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

A. Assets (continued)

Capital Assets (continued)

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2022</u>
Business-type activities:					
Water and Sewer Fund:					
Capital assets not being depreciated:					
Land and rights-of-way	\$ 858,549	\$ -	\$ -	\$ -	\$ 858,549
Construction in progress	3,536,860	361,801	-	(3,276,838)	621,823
Total capital assets not being depreciated	<u>4,395,409</u>	<u>361,801</u>	<u>-</u>	<u>(3,276,838)</u>	<u>1,480,372</u>
Capital assets being depreciated:					
Buildings	7,540,422	12,000	-	-	7,552,422
Water lines	24,619,172	993,986	-	3,274,159	28,887,317
Equipment	2,112,508	238,851	179,988	2,164	2,173,535
Vehicles	1,299,297	160,310	-	515	1,460,122
Interceptors	724,436	-	-	-	724,436
Collection system	12,561,167	370,859	-	-	12,932,026
Total capital assets being depreciated	<u>48,857,002</u>	<u>1,776,006</u>	<u>179,988</u>	<u>3,276,838</u>	<u>53,729,858</u>
Less accumulated depreciation for:					
Buildings	702,076	156,213	-	-	858,289
Water lines	8,323,352	876,061	-	-	9,199,413
Equipment	1,052,825	194,818	144,474	-	1,103,169
Vehicles	687,439	176,621	-	-	864,060
Interceptors	674,712	24,147	-	-	698,859
Collection system	4,772,337	421,216	-	-	5,193,553
Total accumulated depreciation	<u>16,212,741</u>	<u>\$ 1,849,076</u>	<u>\$ 144,474</u>	<u>\$ -</u>	<u>17,917,343</u>
Total capital assets being depreciated, net	<u>32,644,261</u>				<u>35,812,515</u>
Water and sewer fund capital assets, net	<u>\$ 37,039,670</u>				<u>\$ 37,292,887</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

A. Assets (continued)

Capital Assets (continued)

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2022</u>
Business-type activities:					
Storm Water Fund:					
Capital assets not being depreciated:					
Construction in progress	\$ 17,500	\$ -	\$ -	\$ -	\$ 17,500
Total capital assets not being depreciated	<u>17,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,500</u>
Capital assets being depreciated:					
Equipment	233,021	-	-	-	233,021
Infrastructure	2,294,081	1,962,147	-	-	4,256,228
Total capital assets being depreciated	<u>2,527,102</u>	<u>1,962,147</u>	<u>-</u>	<u>-</u>	<u>4,489,249</u>
Less accumulated depreciation for:					
Equipment	184,656	25,543	-	-	210,199
Infrastructure	178,353	106,470	-	-	284,823
Total accumulated depreciation	<u>363,009</u>	<u>\$ 132,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>495,022</u>
Total capital assets being depreciated, net	<u>2,164,093</u>				<u>3,994,227</u>
Storm water fund capital assets, net	<u>\$ 2,181,593</u>				<u>\$ 4,011,727</u>
Business-type activities capital assets, net	<u>\$ 39,221,263</u>				<u>\$ 41,304,614</u>

Construction Commitments

The Town has active construction projects as of June 30, 2022. At year-end, the Town's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Summer Street Resurfacing Project	\$ 125,232	\$ 183,159
FY21/22 Waterline Replacements	-	708,176
FY21 Sanitary Sewer Rehab	-	480,750
Total	<u>\$ 125,232</u>	<u>\$ 1,372,085</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

A. Assets (continued)

Right to Use Leased Assets

The Town has recorded two right to use leased assets. The assets are right to use assets for leased equipment and leased office building space. The related leases are discussed in the Leases subsection of the Liabilities section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2022</u>
Governmental activities:				
Right to use assets:				
Leased equipment	\$ -	\$ 16,234	\$ -	\$ 16,234
Leased building	-	56,739	-	56,739
Total right to use assets	-	72,973	-	72,973
Less accumulated amortization for:				
Leased equipment	-	7,300	-	7,300
Leased building	-	9,078	-	9,078
Total accumulated amortization	-	\$ 16,378	\$ -	16,378
Right to use assets, net	<u>\$ -</u>			<u>\$ 56,595</u>
Business-type activities:				
Right to use assets:				
Leased equipment	\$ -	\$ 2,436	\$ -	\$ 2,436
Total right to use assets	-	2,436	-	2,436
Less accumulated amortization for:				
Leased equipment	-	1,379	-	1,379
Total accumulated amortization	-	\$ 1,379	\$ -	1,379
Right to use assets, net	<u>\$ -</u>			<u>\$ 1,057</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities

Accounts Payable and Accrued Items

Payables at the government-wide level at June 30, 2022 were as follows:

	<u>Vendors</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental activities			
General Fund	\$ 401,635	\$ 177,854	\$ 579,489
Grant Project Fund - ARPA	4,905	-	4,905
Capital Projects Fund - Streets	46,916	-	46,916
Capital Projects Fund - Public Safety	6,164	-	6,164
Total governmental activities	<u>\$ 459,620</u>	<u>\$ 177,854</u>	<u>\$ 637,474</u>
Business-type activities			
Water and Sewer Fund	\$ 184,824	\$ 79,624	\$ 264,448
Storm Water Fund	53,142	-	53,142
Total business-type activities	<u>\$ 237,966</u>	<u>\$ 79,624</u>	<u>\$ 317,590</u>

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The Town of Harrisburg is a participating employer in the State-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer, defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOS) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1140 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Pension Plan Obligations (continued)

Local Governmental Employees' Retirement System (continued)

benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Harrisburg employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Harrisburg's contractually required contribution rate for the year ended June 30, 2022, was 11.35% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Harrisburg were \$757,023 for the year ended June 30, 2022.

Refunds of Contributions – Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By State law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by LGERS.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Pension Plan Obligations (continued)

Local Governmental Employees' Retirement System (continued)

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

At June 30, 2022, the Town reported a liability of \$1,453,237 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021, utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021 (measurement date), the Town's proportion was 0.09476%, which was a decrease of 0.00074% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Town recognized pension expense of \$525,639. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 462,326	\$ -
Changes of assumptions	913,006	-
Net difference between projected and actual earnings on pension plan investments	-	2,076,239
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	219,880
Town contributions subsequent to the measurement date	757,023	-
Total	<u>\$ 2,132,355</u>	<u>\$ 2,296,119</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Pension Plan Obligations (continued)

Local Governmental Employees' Retirement System (continued)

\$757,023 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	
2023	\$ 28,170
2024	(127,611)
2025	(186,006)
2026	(635,340)
2027	-
Thereafter	-
	<u>\$ (920,787)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Pension Plan Obligations (continued)

Local Governmental Employees' Retirement System (continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Opportunistic Fixed Income	7.0%	6.0%
Inflation Sensitive	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary as part of a study conducted in 2016, and is part of the asset, liability and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Pension Plan Obligations (continued)

Local Governmental Employees' Retirement System (continued)

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	<u>1%</u> <u>Decrease</u> <u>(5.50%)</u>	<u>Discount</u> <u>Rate</u> <u>(6.50%)</u>	<u>1%</u> <u>Increase</u> <u>(7.50%)</u>
Town's proportionate share of the net pension liability (asset)	\$ 5,641,339	\$ 1,453,237	\$ (1,993,331)

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

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Pension Plan Obligations (continued)

Local Governmental Employees' Retirement System (continued)

Deferred Outflows and Inflows of Resources

The Town has several deferred outflows of resources. Deferred outflows of resources are comprised of the following:

<u>Source</u>	<u>Amount</u>
Contributions to pension plan in current fiscal year	\$ 757,023
Differences between expected and actual experience	462,326
Changes of assumptions	913,006
Total	<u>\$ 2,132,355</u>

Deferred inflows of resources at year-end are comprised of the following:

	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Taxes receivable, less penalties (General Fund)	\$ -	\$ 52,613
Prepaid taxes (General Fund)	11,105	11,105
Lease (General Fund)	53,664	53,664
Lease (Water and Sewer Fund)	1,238,929	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	219,880	-
Net difference between projected and actual earnings on pension plan investments	2,076,239	-
Total	<u>\$ 3,599,817</u>	<u>\$ 117,382</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability coverage of \$3 million per occurrence, auto liability coverage of \$1 million per occurrence, public officials liability coverage of \$1 million each claim and, annual property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, boiler and machinery coverage of \$5 million comprehensive coverage, and employee health coverage up to a \$1 million lifetime limit. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Medical stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries flood insurance through the Interlocal Risk Financing Fund of North Carolina in the amount of \$5 million for a single occurrence.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The Finance Officer and Tax Collector are each individually bonded for \$50,000 and \$10,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Long-Term Obligations

Leases

The Town has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement was executed May 24, 2022, to lease office equipment and requires 12 monthly payments of approximately \$636. There are no variable components of the lease. The lease liability is measured at a discount rate of 1.4%, which is the internal rate of return for this lease agreement. As a result of the lease, the Town has recorded a right to use asset with a net book value of \$7,423 at June 30, 2022. The right to use asset is discussed in more detail in the Right to use leased asset section (II.A) of this note.

The second agreement was executed on March 30, 2020, to lease office equipment and requires four quarterly payments of \$237. There are no variable components of the lease. The lease liability is measured at a discount rate of 0.8%, which is the internal rate of return for this lease agreement. As a result of the lease, the Town has recorded a right to use asset with a net book value of \$2,568 at June 30, 2022. The right to use asset is discussed in more detail in the Right to use leased asset section (II.A) of this note.

The third agreement was executed on March 11, 2022, to lease an office building and requires 12 monthly payments of \$2,223. There are no variable components of the lease. The lease liability is measured at a discount rate of 1.8%, which is the internal rate of return for this lease agreement. As a result of the lease, the Town has recorded a right to use asset with a net book value of \$47,661 at June 30, 2022. The right to use asset is discussed in more detail in the Right to use leased asset section (II.A) of this note.

The fourth agreement was executed March 1, 2022, to lease equipment and requires one annual payment of \$225. There are no variable components of the lease. The lease liability is measured at a discount rate of 0.8%, which is the internal rate of return for this lease agreement. As a result of the lease, the Town has recorded a right to use asset with a net book value of \$-0- at June 30, 2022. The right to use asset is discussed in more detail in the Right to use leased asset section (II.A) of this note.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2023	\$ 34,824	\$ 720	\$ 35,544
2024	22,987	190	23,177
2025	708	3	711
	<u>\$ 58,519</u>	<u>\$ 913</u>	<u>\$ 59,432</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Long-Term Obligations (continued)

Installment Purchases

The Town's installment purchase debt financings are through direct borrowing. The Town's outstanding notes from direct placements related to governmental activities of \$15,793,187 and \$11,661,835 for business-type activities are by a security in the underlying capital asset(s). Upon the failure to pay or make timely payments, the outstanding principal is due immediately. Upon default, the lender can enforce its security interest in the property, including foreclosure proceedings.

Serviced by General Fund:

In January 2017, the Town borrowed \$582,000 from a local financial institution to purchase a new fire engine. The terms of the loan state that the interest will accrue at the rate of 1.97% per annum. Principal and interest payments are payable monthly beginning in February 2017 and ending in January 2024. The debt is secured by the property.

The future minimum payments of the installment purchase as of June 30, 2022, are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 87,209	\$ 1,949
2024	51,620	339
	<u>\$ 138,829</u>	<u>\$ 2,288</u>

In May 2017, the Town borrowed \$2,000,000 from a local financial institution to purchase the remaining portion of the building that houses Town Hall. The terms of the loan state that the interest will accrue at the rate of 2.96% per annum. Principal and interest payments are payable monthly beginning in May 2017 and ending in May 2032. The debt is secured by the property. The debt is serviced equally by the General Fund and the Water and Sewer Fund.

The General Fund's portion of the future minimum payments of the installment purchase as of June 30, 2022 is as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 66,667	\$ 18,664
2024	66,667	16,691
2025	66,667	14,718
2026	66,667	12,744
2027	66,667	10,771
2028-2032	327,780	24,255
	<u>\$ 661,115</u>	<u>\$ 97,843</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Long-Term Obligations (continued)

Installment Purchases (continued)

Serviced by General Fund (continued):

In April 2018, the Town borrowed \$5,500,000 from a financial institution to construct Fire Station #2. The terms of the loan state that the interest will accrue at the rate of 3.90% per annum. Principal and interest payments are payable semi-annually beginning in September 2018 and ending in March 2038. The debt is secured by the property.

The future minimum payments of the installment purchase as of June 30, 2022 are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 276,000	\$ 168,792
2024	276,000	158,028
2025	276,000	147,264
2026	276,000	136,500
2027	276,000	125,736
2028-2032	1,373,000	467,630
2033-2037	1,370,000	200,363
2038	274,000	8,015
	<u>\$ 4,397,000</u>	<u>\$ 1,412,328</u>

In September 2019, the Town borrowed \$10,000,000 from a financial institution to construct Harrisburg Park Phase I. The terms of the loan state that the interest will accrue at the rate of 2.85% per annum. Principal and interest payments are payable semi-annually beginning in February 2020 and ending in August 2039. The debt is secured by the property.

The future minimum payments of the installment purchase as of June 30, 2022 are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 500,565	\$ 249,356
2024	500,565	235,090
2025	500,565	220,824
2026	500,565	206,558
2027	499,812	192,302
2028-2032	2,499,058	747,843
2033-2037	2,499,058	391,727
2038-2040	1,499,434	64,101
	<u>\$ 8,999,622</u>	<u>\$ 2,307,801</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Long-Term Obligations (continued)

Installment Purchases (continued)

Serviced by General Fund (continued):

In August 2020, the Town borrowed \$615,000 from a financial institution to purchase a new fire engine. The terms of the loan state that the interest will accrue at the rate of 1.74% per annum. Principal and interest payments are payable semi-annually beginning in March 2022 and ending in September 2030. The debt is secured by the property.

The future minimum payments of the installment purchase as of June 30, 2022, are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 62,000	\$ 8,813
2024	62,000	7,734
2025	62,000	6,656
2026	62,000	5,577
2027	62,000	4,498
2028-2031	212,000	7,334
	<u>\$ 522,000</u>	<u>\$ 40,612</u>

In January 2021, the Town refunded \$1,206,000 of an installment purchase obligation for Fire Station #3 with a financial institution. The terms of the loan state that the interest will accrue at the rate of 1.19% per annum. Principal and interest payments are payable semi-annually beginning in July 2021 and ending in January 2033. The debt is secured by the property.

The future minimum payments of the installment purchase as of June 30, 2022, are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 132,368	\$ 12,396
2024	133,498	10,815
2025	134,628	9,224
2026	128,553	7,641
2027	116,263	6,146
2028-2032	410,806	12,885
2033	18,505	166
	<u>\$ 1,074,621</u>	<u>\$ 59,273</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Long-Term Obligations (continued)

Installment Purchases (continued)

Serviced by the Water and Sewer Fund:

In January 2012, the Town entered into a water asset purchase agreement with the City of Charlotte, North Carolina, in the amount of \$5,945,341 for water and sewer infrastructure located within Cabarrus County, NC. The agreement obligates the Town to pay \$247,722 semi-annually, through January 31, 2024. The agreement states that no interest shall accrue for each payment except that each payment that is past due shall bear interest at the current Charlotte water and sewer revenue bond rate for the period the installment is delinquent.

The future minimum payments of the installment purchase as of June 30, 2022, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 495,444	\$ -
2024	495,444	-
	<u>\$ 990,888</u>	<u>\$ -</u>

In October 2012, the Town borrowed \$1,500,000 from a local financial institution to finance the extension and replacement of water lines in town. The terms of the loan state that interest will accrue at the rate of 3.15% per annum. Principal payments in the amount of \$8,475 plus applicable interest payments are payable monthly, through December 31, 2027. The debt is secured by certain property and improvements.

The future minimum payments of the installment purchase as of June 30, 2022, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 101,695	\$ 15,506
2024	101,695	12,309
2025	101,695	9,106
2026	101,695	5,903
2027	101,695	2,699
2028	30,605	188
	<u>\$ 539,080</u>	<u>\$ 45,711</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Long-Term Obligations (continued)

Installment Purchases (continued)

Serviced by the Water and Sewer Fund (continued):

In May 2017, the Town borrowed \$2,000,000 from a local financial institution to purchase the remaining portion of the building that houses Town Hall. The terms of the loan state that the interest will accrue at the rate of 2.96% per annum. Principal and interest payments are payable monthly beginning in May 2017 and ending in May 2032. The debt is secured by the property. The debt is serviced equally by the General Fund and the Water and Sewer Fund.

The Water and Sewer Fund's portion of the future minimum payments of the installment purchase as of June 30, 2022, is as follows:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2023	\$ 66,667	\$ 18,664
2024	66,667	16,691
2025	66,667	14,718
2026	66,667	12,744
2027	66,667	10,771
2028-2032	327,776	24,255
	<u>\$ 661,111</u>	<u>\$ 97,843</u>

In September 2019, the Town borrowed \$3,265,000 from a financial institution to construct an Elevated Water Storage Tank. The terms of the loan state that the interest will accrue at the rate of 2.85% per annum. Principal and interest payments are payable semi-annually beginning in February 2020 and ending in August 2039. The debt is secured by the property.

The future minimum payments of the installment purchase as of June 30, 2022 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2023	\$ 163,435	\$ 81,415
2024	163,435	76,757
2025	163,435	72,099
2026	163,435	67,441
2027	163,188	62,787
2028-2032	815,942	244,171
2033-2037	815,942	127,899
2038-2040	489,565	20,929
	<u>\$ 2,938,377</u>	<u>\$ 753,498</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Long-Term Obligations (continued)

Installment Purchases (continued)

Serviced by the Water and Sewer Fund (continued):

In January 2021, the Town refunded \$7,331,000 of various installment purchase obligations for the Public Works Facility, water wells, and waterlines with a financial institution. The terms of the loan state that the interest will accrue at the rate of 1.19% per annum. Principal and interest payments are payable semi-annually beginning in July 2021 and ending in January 2033. The debt is secured by the property.

The future minimum payments of the installment purchase as of June 30, 2022, are as follows:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2023	\$ 804,632	\$ 75,352
2024	811,502	65,743
2025	818,372	56,071
2026	781,447	46,445
2027	706,737	37,360
2028-2032	2,497,194	78,323
2033	112,495	1,007
	<u>\$ 6,532,379</u>	<u>\$ 360,301</u>

Annual debt service requirements to maturity for long-term installment purchase obligations as of June 30, 2022 are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 1,124,809	\$ 459,970	\$ 1,631,873	\$ 190,937
2024	1,090,350	428,697	1,638,743	171,500
2025	1,039,860	398,686	1,150,169	151,995
2026	1,033,785	369,020	1,113,244	132,533
2027	1,020,742	339,453	1,038,287	113,617
2028-2032	4,822,644	1,259,947	3,671,517	346,937
2033-2037	3,887,563	592,256	928,437	128,906
2038-2041	1,773,434	72,116	489,565	20,929
	<u>\$ 15,793,187</u>	<u>\$ 3,920,145</u>	<u>\$ 11,661,835</u>	<u>\$ 1,257,354</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Long-Term Obligations (continued)

General Obligation Indebtedness

The Town's general obligation bonds serviced by the governmental funds were issued for street improvements. Those general obligation bonds were issued to finance the construction of sidewalks, pedestrian crossings, street resurfacing and intersection improvements. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due.

Bonds payable at June 30, 2022, are comprised of the following:

General Obligation Bond

Serviced by the General Fund:

\$1,650,000, 2021 Transportation serial bonds. Principal installments are due annually on May 1 with semiannual interest payments due on November 1 and May 1, at an annual interest rate of 1.50%.

\$1,567,500

Annual Debt Service requirements to maturity for long-term obligations are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 82,500	\$ 41,225
2024	82,500	39,056
2025	82,500	36,886
2026	82,500	34,716
2027	82,500	32,546
2028-2032	412,500	130,185
2033-2037	412,500	75,941
2038-2041	330,000	21,698
	<u>\$ 1,567,500</u>	<u>\$ 412,253</u>

At June 30, 2022, the Town has bonds authorized but unissued of \$2,350,000 and a legal debt margin of \$230,084,714.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Long-Term Obligations (continued)

Revenue Bond

\$2,170,000 Water and Sewer Revenue Bonds, Series 2021, issued for water and sewer system improvements. Principal installments are due annually on May 1 with semiannual interest payments due on November 1 and May 1, at an annual interest rate of 2.75%. \$2,080,000

Annual Debt Service requirements to maturity for long-term obligations are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2023	\$ 85,000	\$ 56,576
2024	90,000	54,264
2025	90,000	51,816
2026	90,000	49,368
2027	95,000	46,920
2028-2032	515,000	194,616
2033-2037	585,000	120,768
2038-2041	530,000	36,720
	<u>\$ 2,080,000</u>	<u>\$ 611,048</u>

Bond Covenants

The General Trust Indenture for the Town's Enterprise Systems Revenue Bonds are subject to two rate covenant calculations. The first requires that Water and Sewer net revenues available for debt service, together with 20% of the balance of the surplus fund at the end of the preceding fiscal year, must at least equal 120% of (1.20 times) the principal and interest requirements on the Bonds to become due during the fiscal year and the principal and interest requirements on Subordinate Indebtedness to become due in the fiscal year. The second covenant requires that Water and Sewer net revenues available for debt service must at least equal 100% of (1.00 times) the principal and interest requirements on the Bonds to become due during the fiscal year and the principal and interest requirements on Subordinate Indebtedness to become due in the fiscal year. The Town is in compliance with the covenants as to rates, fees, rentals, and charges in the General Trust Indenture and the Series 2021 bonds.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Long-Term Obligations (continued)

Bond Covenants (continued)

The debt service parity coverage ratio calculation for the year ending June 30, 2022 is as follows:

Test 1

FY2022 revenues	\$ 11,220,117
FY2022 expenditures *	<u>(7,126,760)</u>
Operating Income	4,093,357
20% of surplus fund at June 30, 2021	<u>1,472,819</u>
Net revenues and surplus available for debt service	<u>\$ 5,566,176 (A)</u>
Debt service on parity indebtedness	\$ 142,794 (B)
Debt service on subordinate indebtedness	<u>1,910,162</u>
Total debt service	<u>\$ 2,052,956 (C)</u>

Debt service coverage ratio on parity indebtedness (A) / (B)	38.98
Debt service coverage ratio on total debt (A) / (C)	2.71

Minimum required debt service coverage ratio	1.20
--	------

Test 2

FY2022 revenues	\$ 11,220,117
FY2022 expenditures *	<u>(7,126,760)</u>
Net revenues available for debt service	<u>\$ 4,093,357 (A)</u>
Debt service on parity indebtedness	\$ 142,794 (B)
Debt service on subordinate indebtedness	<u>1,910,162</u>
Total debt service	<u>\$ 2,052,956 (C)</u>

Debt service coverage ratio on parity indebtedness (A) / (B)	28.67
Debt service coverage ratio on total debt (A) / (C)	1.99

Minimum required debt service coverage ratio	1.00
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* Excludes debt service and transfers out

The Town has pledged future water and sewer customer revenues to repay \$2,080,000 in water and sewer system revenue bonds issued in 2021. Proceeds from the bonds provided financing for water and sewer extensions and decommissioning of pump stations. The bonds are payable solely from water and sewer customer net revenues and are payable through 2041. The taxing power of the Town is not pledged for payment of the principal or interest on the revenue bonds and no owner had the right to compel the exercise of the taxing power of the Town or the forfeiture of any of its property in connection with any default under the bond order.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Liabilities (continued)

Long-Term Obligations (continued)

Annual debt service requirements to maturity for long-term General Obligation Bond and Revenue Bond obligations are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 82,500	\$ 41,225	\$ 85,000	\$ 56,576
2024	82,500	39,056	90,000	54,264
2025	82,500	36,886	90,000	51,816
2026	82,500	34,716	90,000	49,368
2027	82,500	32,546	95,000	46,920
2028-2032	412,500	130,185	515,000	194,616
2033-2037	412,500	75,941	585,000	120,768
2038-2041	330,000	21,698	530,000	36,720
	<u>\$ 1,567,500</u>	<u>\$ 412,253</u>	<u>\$ 2,080,000</u>	<u>\$ 611,048</u>

Changes in Long-Term Liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Direct placement installment purchase	\$ 16,985,057	\$ -	\$ 1,191,870	\$ 15,793,187	\$ 1,124,809
General obligation bonds	1,650,000	-	82,500	1,567,500	82,500
Lease liabilities	-	72,973	15,610	57,363	33,668
Compensated absences	481,854	462,484	448,588	495,750	495,750
Net pension obligation (LGERS)	2,559,618	-	1,469,553	1,090,065	-
Total	<u>21,676,529</u>	<u>535,457</u>	<u>3,208,121</u>	<u>19,003,865</u>	<u>1,736,727</u>
Business-type activities:					
<u>Water and Sewer Fund</u>					
Direct placement installment purchase	13,357,497	-	1,695,662	11,661,835	1,631,873
Revenue bonds	2,170,000	-	90,000	2,080,000	85,000
Lease liabilities	-	2,436	1,280	1,156	1,156
Compensated absences	97,119	89,959	86,036	101,042	101,042
Net pension obligation (LGERS)	853,018	-	489,846	363,172	-
Total	<u>16,477,634</u>	<u>92,395</u>	<u>2,362,824</u>	<u>14,207,205</u>	<u>1,819,071</u>
Total	<u>\$ 38,154,163</u>	<u>\$ 627,852</u>	<u>\$ 5,570,945</u>	<u>\$ 33,211,070</u>	<u>\$ 3,555,798</u>

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Interfund Balances and Activity

Transfers to/from other funds during the year ended June 30, 2022, consist of the following:

From the General Fund to the Capital Reserve Fund - General Fund to fund the Capital Reserve Fund	\$ 3,950,000
From the General Fund to the Capital Reserve Fund - Economic Development to fund the Capital Reserve Fund used for future capital expenditures and economic incentives	60,000
From the General Fund to the Capital Reserve Fund - Parks and Recreation to fund future greenway easements	3,050
From the Capital Reserve Fund - General Fund to the General Fund to fund actual capital outlay expenditures	2,320,981
From the Capital Reserve Fund - General Fund to the Capital Projects Fund - Parks and Recreation to fund Harrisburg Park Renovation capital outlay expenditures	168,306
From the Special Revenue Fund - CARES Act to the General Fund to fund COVID-19 related expenditures	701
From the Water and Sewer Fund to the Capital Reserve Fund - Water and Sewer to fund the Capital Reserve Fund	1,850,000
From the Capital Reserve Fund - Water and Sewer to the Water and Sewer Fund to fund Water and Sewer Capital Projects	432,537
From the Capital Reserve Fund - Water and Sewer to the Capital Projects Fund - Water and Sewer to fund Water and Sewer Capital Projects	642,165
From the Capital Reserve Fund - Water and Sewer - Expansion to the Water and Sewer Fund to fund expansion-related debt service	1,688,945
From the Storm Water Fund to the Capital Reserve Fund - Storm Water to fund the Capital Reserve Fund	<u>350,000</u>
	<u>\$ 11,466,685</u>

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

II. Detail Notes On All Funds (continued)

C. Interfund Balances and Activity (continued)

Balances due to/from other funds at June 30, 2022 consist of the following:

Due from Capital Projects Fund – Parks and Recreation to the General Fund	\$ <u>2,582</u>
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III. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Reimbursement for Pandemic-Related Expenditures

In FY 2020-2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The Town was allocated \$5,282,729 of fiscal recovery funds to be paid in two equal installments. The first installment of \$2,641,364 was received in July 2021. The second installment was received subsequent to year-end. Town staff and the Town Council have elected to use \$645,000 in employee retention and sign-on bonuses and \$125,000 for expanded offices for the Town's law enforcement personnel. The Town Council has not appropriated the remaining funds as of June 30, 2022.

IV. Significant Dependence

The Town is dependent upon other government entities for water purchases and sewer transportation services in the Water and Sewer Fund. The Town purchases the majority of its water from the City of Concord and all of its sewer transportation services from WSACC.

V. Jointly Governed Organizations

The Town, Cabarrus County, and three other municipalities established the Water and Sewer Authority of Cabarrus County (WSACC). WSACC was established to provide water and sewer services to the citizens of Cabarrus County. The Town appoints one member to the nine-member Board. In the year ended June 30, 2022, the Town purchased sewer treatment services amounting to \$1,122,058 from WSACC. At June 30, 2022, there was \$94,377 due to WSACC, which is reflected in accounts payable of the Water and Sewer Fund.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2022

VI. Joint Ventures

The Town and the members of the Town's fire department each appoint two members to the five-member local Board of Trustees for the Firemen's Relief Fund. The State Insurance Commissioner appoints one additional member to the local Board of Trustees. The Firemen's Relief Fund is funded by a portion of the fire and lightning insurance premiums that insurers remit to the State. The State passes these monies to the local Board of the Firemen's Relief Fund. The funds are used to assist firefighters in various ways. The Town obtains an ongoing financial benefit from the Fund for the on-behalf of payments for salaries and fringe benefits made to members of the Town's fire department by the Board of Trustees. During the fiscal year ended June 30, 2022, the Town made one payment through the Firemen's Relief Fund and reported \$15,222 in revenues and \$500 in expenditures. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2022. The Firemen's Relief Fund does not issue separate audited financial statements. Instead, the local Board of Trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

VII. Claims, Judgments and Contingent Liabilities

At June 30, 2022, the Town was involved in various lawsuits involving damages and potential claims. It is the opinion of the Attorney and Town management that none of these lawsuits would have any adverse financial impact upon the Town or its financial position.

VIII. Change in Accounting Principle

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

TOWN OF HARRISBURG, NORTH CAROLINA

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REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information required by accounting principles generally accepted in the United States of America.

- Schedule of Proportionate Share of Net Pension Liability for Local Governmental Employees' Retirement System
- Schedule of Contributions to Local Governmental Employees' Retirement System

Town of Harrisburg, North Carolina

Town of Harrisburg's Proportionate Share of Net Pension Liability (Asset) Required Supplementary Information Last Nine Fiscal Years*

Local Governmental Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Harrisburg's proportion of the net pension liability (asset) (%)	0.094760%	0.095500%	0.098020%	0.094680%	0.095140%	0.073800%	0.080200%	0.077430%	0.077000%
Harrisburg's proportion of the net pension liability (asset) (\$)	\$ 1,453,237	\$ 3,412,636	\$ 2,676,864	\$ 2,246,147	\$ 1,453,490	\$ 1,566,297	\$ 359,920	\$ (456,640)	\$ 928,146
Harrisburg's covered payroll	\$ 5,916,537	\$ 5,528,638	\$ 5,045,075	\$ 4,679,408	\$ 4,623,537	\$ 3,786,002	\$ 3,533,569	\$ 3,329,996	\$ 2,897,960
Harrisburg's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	24.56%	61.73%	53.06%	48.00%	31.44%	41.37%	10.19%	-13.71%	32.03%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Town of Harrisburg, North Carolina

**Town of Harrisburg's Contributions
Required Supplementary Information
Last Nine Fiscal Years**

Local Governmental Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 757,023	\$ 600,529	\$ 494,814	\$ 390,994	\$ 350,956	\$ 316,231	\$ 252,632	\$ 232,442	\$ 222,421
Contributions in relation to the contractually required contribution	<u>757,023</u>	<u>600,529</u>	<u>494,814</u>	<u>390,994</u>	<u>350,956</u>	<u>316,231</u>	<u>252,632</u>	<u>232,442</u>	<u>222,421</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Harrisburg's covered payroll	\$ 6,669,814	\$ 5,916,537	\$ 5,528,638	\$ 5,045,075	\$ 4,679,408	\$ 4,623,537	\$ 3,786,002	\$ 3,533,569	\$ 3,329,996
Contributions as a percentage of covered payroll	11.35%	10.15%	8.95%	7.75%	7.50%	6.84%	6.67%	6.58%	6.68%

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF HARRISBURG, NORTH CAROLINA

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INDIVIDUAL
FUND FINANCIAL STATEMENTS AND SCHEDULES

TOWN OF HARRISBURG, NORTH CAROLINA

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Town of Harrisburg, North Carolina

General Fund
Comparative Balance Sheets
June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 6,612,850	\$ 6,686,759
Restricted cash and cash equivalents	279,900	433,221
Receivables - net:		
Property taxes	52,613	64,937
Other	3,401	5,335
Due from other funds	2,582	-
Due from government agencies	1,431,477	1,188,546
Lease receivable	53,910	-
Inventory	36,846	22,304
Prepaid items	183,103	104,235
	<u>8,656,682</u>	<u>8,505,337</u>
Total assets	<u>\$ 8,656,682</u>	<u>\$ 8,505,337</u>
Liabilities, deferred inflows of resources and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	\$ 401,635	\$ 391,325
July 4th celebration revenue	43,950	3,985
Payable from restricted assets:		
Performance bonds on deposit	64,185	216,265
Total liabilities	<u>509,770</u>	<u>611,575</u>
Deferred inflows of resources:		
Property taxes receivable	52,613	64,937
Prepaid taxes	11,105	4,052
Leases	53,664	-
Total deferred inflows of resources	<u>117,382</u>	<u>68,989</u>
Fund balance:		
Non-spendable:		
Inventory	36,846	22,304
Prepays	183,103	104,235
Leases	246	-
Restricted:		
Stabilization by State statute	1,702,207	1,534,926
Streets	72,427	88,410
Public safety	143,288	128,546
Unassigned	5,891,413	5,946,352
Total fund balance	<u>8,029,530</u>	<u>7,824,773</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 8,656,682</u>	<u>\$ 8,505,337</u>

Town of Harrisburg, North Carolina

General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Variance Positive Over/(Under)	Actual
Revenues				
Ad valorem taxes				
Current year	\$ 10,000,000	\$ 10,318,808	\$ 318,808	\$ 9,903,350
Prior years	30,000	57,181	27,181	50,418
Penalties and interest	14,000	21,038	7,038	20,935
Total	10,044,000	10,397,027	353,027	9,974,703
Unrestricted intergovernmental				
Local option sales tax	3,100,000	3,778,084	678,084	3,123,894
Utility franchise tax	890,000	995,608	105,608	906,870
Beer and wine tax	72,000	75,780	3,780	75,483
Total	4,062,000	4,849,472	787,472	4,106,247
Restricted intergovernmental				
Powell Bill allocation	534,500	534,189	(311)	433,885
Grants - other	-	10,350	10,350	1,000
Fire taxes	1,405,000	1,491,498	86,498	1,459,876
Solid waste disposal	13,500	14,396	896	13,527
Total	1,953,000	2,050,433	97,433	1,908,288
Permits and fees				
Compliance permits	85,000	129,560	44,560	98,763
Passport acceptance fees	15,000	2,240	(12,760)	1,120
Traffic review fees	80,000	40,500	(39,500)	137,250
Plan review fees	215,000	164,175	(50,825)	132,040
Grading permits	143,750	66,500	(77,250)	92,900
Inspection fees and fines	140,250	48,135	(92,115)	133,749
Credit card convenience fees	7,500	10,403	2,903	4,849
Total	686,500	461,513	(224,987)	600,671
Sales and services				
Parks and recreation athletics	485,000	553,611	68,611	182,108
Concessions, Splashpad and merchandise	50,000	84,724	34,724	28,602
Total	535,000	638,335	103,335	210,710
Investment earnings	10,500	15,988	5,488	7,738

Town of Harrisburg, North Carolina

General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Variance Positive Over/(Under)	Actual
Revenues (continued)				
Other general revenues				
Rental Income:				
Facilities	12,500	50,751	38,251	21,909
Town Hall	216,000	196,768	(19,232)	216,000
Reimbursement - Fire Station #3 - EMS	10,800	10,932	132	10,853
Parks and recreation - special events	20,000	23,320	3,320	21,353
July 4th celebration	85,000	71,767	(13,233)	-
Donations	51,000	25,678	(25,322)	22,840
Insurance proceeds	4,200	9,383	5,183	31,489
Sale of surplus property	25,000	67,045	42,045	523,183
Miscellaneous	22,000	43,607	21,607	31,044
Total	446,500	499,251	52,751	878,671
Total revenues	17,737,500	18,912,019	1,174,519	17,687,028
Expenditures				
General government				
Mayor and Council:				
Personal services	76,540	63,052	13,488	62,720
Employee relations and education	11,600	5,092	6,508	2,501
Supplies and materials	222,500	39,606	182,894	153,250
Current obligations and services	60,820	54,538	6,282	35,105
Fixed charges and other services	26,280	19,759	6,521	10,786
Administrative cost allocations	(47,050)	(51,100)	4,050	(26,850)
Total	350,690	130,947	219,743	237,512
Town Clerk:				
Personal services	69,000	66,952	2,048	66,308
Employee relations and education	1,625	32	1,593	424
Supplies and materials	7,150	7,321	(171)	2,236
Current obligations and services	4,660	2,484	2,176	2,608
Fixed charges and other services	2,250	1,960	290	1,735
Administrative cost allocations	(7,065)	(4,720)	(2,345)	(2,800)
Total	77,620	74,029	3,591	70,511

Town of Harrisburg, North Carolina

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2022 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Variance Positive Over/(Under)	Actual
Expenditures (continued)				
General government (continued)				
Town Manager's Office:				
Personal services	175,600	108,850	66,750	179,847
Employee relations and education	10,250	2,668	7,582	3,039
Supplies and materials	23,960	19,327	4,633	10,936
Current obligations and services	98,320	81,521	16,799	83,153
Fixed charges and other services	98,780	91,133	7,647	158,785
Administrative cost allocations	(128,040)	(107,305)	(20,735)	(104,500)
Capital outlay	32,500	10,222	22,278	-
Debt service - leases				
Principal	5,220	4,105	1,115	-
Interest	100	88	12	-
Debt service				
Principal	136,850	136,467	383	101,666
Interest	23,700	23,330	370	27,102
Total	477,240	370,406	106,834	460,028
Finance:				
Personal services	272,300	261,208	11,092	230,175
Employee relations and education	11,775	10,871	904	3,386
Supplies and materials	8,850	6,013	2,837	16,256
Current obligations and services	18,975	15,309	3,666	3,768
Fixed charges and other services	49,830	49,043	787	44,262
Administrative cost allocations	(18,460)	(18,148)	(312)	(15,028)
Total	343,270	324,296	18,974	282,819
Human Resources:				
Personal services	75,450	75,507	(57)	57,069
Employee relations and education	81,700	46,010	35,690	37,902
Supplies and materials	3,200	741	2,459	3,900
Current obligations and services	2,750	2,063	687	2,454
Fixed charges and other services	47,780	34,432	13,348	7,365
Administrative cost allocations	(47,450)	(41,600)	(5,850)	(25,800)
Total	163,430	117,153	46,277	82,890
Information Technology:				
Personal services	96,800	88,613	8,187	90,064
Employee relations and education	5,500	4,331	1,169	91
Supplies and materials	5,600	2,972	2,628	3,803
Current obligations and services	3,720	2,340	1,380	2,209
Fixed charges and other services	95,660	57,250	38,410	47,029
Administrative cost allocations	(36,750)	(33,450)	(3,300)	(26,550)
Capital outlay	16,439	14,305	2,134	4,472
Total	186,969	136,361	50,608	121,118

Town of Harrisburg, North Carolina

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2022 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Variance Positive Over\ (Under)	Actual
Expenditures (continued)				
General government (continued)				
Communications:				
Personal services	41,300	34,225	7,075	39,665
Employee relations and education	3,550	4,452	(902)	77
Supplies and materials	13,525	22,236	(8,711)	8,287
Current obligations and services	27,720	17,833	9,887	9,560
Fixed charges and other services	35,810	31,373	4,437	31,023
Administrative cost allocations	(34,050)	(35,950)	1,900	(22,600)
Total	87,855	74,169	13,686	66,012
Total general government	1,687,074	1,227,361	459,713	1,320,890
Planning and Economic Development				
Personal services	291,900	290,799	1,101	271,614
Employee relations and education	17,250	13,914	3,336	1,221
Supplies and materials	5,600	3,123	2,477	2,484
Current obligations and services	26,700	16,454	10,246	24,392
Fixed charges and other services	236,784	101,389	135,395	308,344
Total	578,234	425,679	152,555	608,055
Engineering				
Personal services	138,400	115,203	23,197	115,904
Employee relations and education	12,450	9,062	3,388	5,513
Supplies and materials	6,150	4,319	1,831	4,577
Current obligations and services	12,515	11,697	818	9,667
Fixed charges and other services	93,820	51,360	42,460	132,477
Capital outlay	42,500	41,489	1,011	-
Total	305,835	233,130	72,705	268,138
Public Safety				
Police:				
Employee relations and education	4,500	4,467	33	3,471
Supplies and materials	8,650	9,177	(527)	10,043
Current obligations and services	86,400	98,208	(11,808)	58,676
Fixed charges and other services	1,492,100	1,199,382	292,718	1,509,832
Capital outlay	-	56,739	(56,739)	63,928
Debt service - leases				
Principal	16,000	8,659	7,341	-
Interest	800	233	567	-
Total	1,608,450	1,376,865	231,585	1,645,950

Town of Harrisburg, North Carolina

General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

	2022		2021
	Budget	Actual	Variance Positive Over\ (Under) Actual
Expenditures (continued)			
Public safety (continued)			
Fire:			
Personal services	4,015,150	3,895,298	119,852
Employee relations and education	95,144	72,082	23,062
Supplies and materials	282,852	264,927	17,925
Current obligations and services	376,785	346,876	29,909
Fixed charges and other services	122,225	109,206	13,019
Capital outlay	1,817,705	1,690,942	126,763
Debt service - leases			
Principal	1,700	1,297	403
Interest	100	26	74
Debt service			
Principal	555,500	554,838	662
Interest	208,250	207,147	1,103
Total	7,475,411	7,142,639	332,772
Total public safety	9,083,861	8,519,504	564,357
Transportation			
Supplies and materials	19,750	6,245	13,505
Current obligations and services	470,000	305,427	164,573
Fixed charges and other services	104,750	39,474	65,276
Resurfacing	550,500	550,492	8
Capital outlay	1,100,000	98,542	1,001,458
Debt service			
Principal	82,500	82,500	-
Interest	40,500	40,381	119
Total	2,368,000	1,123,061	1,244,939
Environmental Protection			
Personal services	693,600	677,678	15,922
Employee relations and education	3,650	533	3,117
Supplies and materials	4,850	4,298	552
Current obligations and services	53,350	51,374	1,976
Fixed charges and other services	1,223,525	1,229,146	(5,621)
Capital outlay	46,000	15,402	30,598
Total	2,024,975	1,978,431	46,544
Parks and Recreation			
Personal services	1,219,100	1,130,934	88,166
Employee relations and education	9,800	7,672	2,128
Supplies and materials	105,197	105,057	140
Current obligations and services	1,041,430	1,025,569	15,861
Fixed charges and other services	65,420	63,438	1,982

Town of Harrisburg, North Carolina

General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Variance Positive Over\ (Under)	Actual
Expenditures (continued)				
Parks and Recreation (continued)				
Capital outlay	724,429	483,264	241,165	353,218
Debt service - leases				
Principal	2,100	1,549	551	-
Interest	60	31	29	-
Debt service				
Principal	500,750	500,565	185	499,812
Interest	264,000	263,622	378	277,878
Total	3,932,286	3,581,701	350,585	2,705,821
Contingency	212,390	-	212,390	-
Total expenditures	20,192,655	17,088,867	3,103,788	15,743,590
Revenues over (under) expenditures	(2,455,155)	1,823,152	4,278,307	1,943,438
Other financing sources (uses)				
Transfers from other funds:				
Special Revenue Fund - CARES Act	1,000	701	(299)	147,500
Capital Reserve Fund - General Fund	3,623,900	2,320,981	(1,302,919)	914,187
Capital Reserve Fund - Economic Development	5,000	-	(5,000)	-
Capital Reserve Fund - Parks and Recreation	20,000	-	(20,000)	-
Transfers to other funds:				
Capital Reserve Fund - General Fund	(3,970,290)	(3,950,000)	20,290	(3,100,000)
Capital Reserve Fund - Parks and Recreation	(20,000)	(3,050)	16,950	(148,110)
Capital Reserve Fund - Economic Development	(60,000)	(60,000)	-	(60,000)
Lease liabilities issued	-	72,973	72,973	-
Proceeds from note	-	-	-	1,206,000
Total other financing sources (uses)	(400,390)	(1,618,395)	(1,218,005)	(1,040,423)
Revenues and other financing sources over (under) expenditures and other financing uses	(2,855,545)	204,757	3,060,302	903,015
Appropriated fund balance	2,855,545	-	(2,855,545)	-
Net change in fund balance	\$ -	204,757	\$ 204,757	903,015
Fund balance				
Fund balance - beginning		7,824,773		6,921,758
Fund balance - ending		\$ 8,029,530		\$ 7,824,773

Town of Harrisburg, North Carolina

Capital Reserve Fund - General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive Over/(Under)</u>
Revenues			
Non-operating revenues			
Interest income	\$ 5,000	\$ 8,620	\$ 3,620
Total non-operating revenues	<u>5,000</u>	<u>8,620</u>	<u>3,620</u>
Other financing sources (uses)			
Transfers from other funds:			
Transfer from General Fund	3,970,290	3,950,000	(20,290)
Transfers to other funds:			
Transfer to General Fund	(3,873,900)	(2,320,981)	1,552,919
Transfer to Capital Projects Fund - Parks and Recreation	<u>(170,000)</u>	<u>(168,306)</u>	<u>1,694</u>
Total other financing sources (uses)	<u>(73,610)</u>	<u>1,460,713</u>	<u>1,534,323</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(68,610)</u>	<u>1,469,333</u>	<u>1,537,943</u>
Appropriated fund balance	<u>68,610</u>	<u>-</u>	<u>(68,610)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,469,333</u>	<u>\$ 1,469,333</u>
Fund balance			
Fund balance - beginning		<u>5,261,964</u>	
Fund balance - ending		<u>\$ 6,731,297</u>	

Town of Harrisburg, North Carolina

Grant Project Fund - ARPA
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2022

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over / (Under)
Revenues					
Investment earnings	\$ -	\$ -	\$ 4,770	\$ 4,770	\$ 4,770
Restricted intergovernmental	5,282,729	-	588,903	588,903	(4,693,826)
Total	5,282,729	-	593,673	593,673	(4,689,056)
Expenditures					
<u>Employee Retention</u>					
Personal services	640,500	-	504,250	504,250	136,250
Professional services	4,500	-	1,455	1,455	3,045
Total expenditures	645,000	-	505,705	505,705	139,295
<u>Deputy Office Expansion</u>					
Construction	125,000	-	83,198	83,198	41,802
Total expenditures	125,000	-	83,198	83,198	41,802
<u>CSLRF Projects</u>					
Construction	4,512,729	-	-	-	4,512,729
Total expenditures	4,512,729	-	-	-	4,512,729
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	4,770	<u>\$ 4,770</u>	<u>\$ 4,770</u>
Fund balance					
Fund balance - beginning			-		
Fund balance - ending			<u>\$ 4,770</u>		

Town of Harrisburg, North Carolina

Combining Balance Sheets
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Fund - Hwy 49 Corridor	Special Revenue Fund - CARES Act	Capital Projects Fund - Streets	Capital Projects Fund - Public Safety
Assets				
Cash and cash equivalents	\$ 364,775	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	531,991	263,917
Due from other governments	-	-	-	8,798
Total assets	<u>\$ 364,775</u>	<u>\$ -</u>	<u>\$ 531,991</u>	<u>\$ 272,715</u>
Liabilities				
Payable from restricted assets:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 46,916	\$ 6,164
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>46,916</u>	<u>6,164</u>
Fund balance				
Restricted	-	-	485,075	272,715
Committed	364,775	-	-	-
Unassigned	-	-	-	(6,164)
Total fund balances	<u>364,775</u>	<u>-</u>	<u>485,075</u>	<u>266,551</u>
Total liabilities and fund balance	<u>\$ 364,775</u>	<u>\$ -</u>	<u>\$ 531,991</u>	<u>\$ 272,715</u>

Town of Harrisburg, North Carolina

Combining Balance Sheets
Nonmajor Governmental Funds
June 30, 2022

	Capital Projects Fund - Parks and Recreation	Capital Projects Fund - Economic Development	Capital Reserve Fund - Parks and Recreation	Capital Reserve Fund - Economic Development	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	\$ -	\$ 1,752,323	\$ 328,900	\$ 377,914	\$ 2,823,912
Restricted cash and cash equivalents	-	-	-	-	795,908
Due from other governments	2,582	-	-	-	11,380
Total assets	<u>\$ 2,582</u>	<u>\$ 1,752,323</u>	<u>\$ 328,900</u>	<u>\$ 377,914</u>	<u>\$ 3,631,200</u>
Liabilities					
Payable from restricted assets:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 53,080
Due to other funds	2,582	-	-	-	2,582
Total liabilities	<u>2,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,662</u>
Fund balance					
Restricted	2,582	-	-	-	760,372
Committed	-	1,752,323	328,900	377,914	2,823,912
Unassigned	(2,582)	-	-	-	(8,746)
Total fund balances	<u>-</u>	<u>1,752,323</u>	<u>328,900</u>	<u>377,914</u>	<u>3,575,538</u>
Total liabilities and fund balance	<u>\$ 2,582</u>	<u>\$ 1,752,323</u>	<u>\$ 328,900</u>	<u>\$ 377,914</u>	<u>\$ 3,631,200</u>

Town of Harrisburg, North Carolina

Combining Statements of Revenues, Expenditures, and Changes in Fund Balance Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2022

	Special Revenue Fund - Hwy 49 Corridor	Special Revenue Fund - CARES Act	Capital Projects Fund - Streets	Capital Projects Fund - Public Safety
Revenues				
Investment earnings	\$ 1,074	\$ 1	\$ 1,243	\$ 559
Contribution - fee in lieu of	104,150	-	-	-
Total revenues	105,224	1	1,243	559
Expenditures				
Planning and Economic Development	-	-	-	-
Public safety	-	-	-	251,478
Transportation	-	-	261,215	-
Cultural and recreational	-	-	-	-
Total expenditures	-	-	261,215	251,478
Revenues over (under) expenditures	105,224	1	(259,972)	(250,919)
Other financing sources (uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	(701)	-	-
Total other financing sources	-	(701)	-	-
Net change in fund balance	105,224	(700)	(259,972)	(250,919)
Fund balance				
Beginning of year - July 1	259,551	700	745,047	517,470
End of year - June 30	\$ 364,775	\$ -	\$ 485,075	\$ 266,551

Town of Harrisburg, North Carolina

Combining Statements of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022

	Capital Projects Fund - Parks and Recreation	Capital Projects Fund - Economic Development	Capital Reserve Fund - Parks and Recreation	Capital Reserve Fund - Economic Development	Total Nonmajor Governmental Funds
Revenues					
Investment earnings	\$ -	\$ 2,502	\$ 580	\$ 510	\$ 6,469
Contribution - fee in lieu of	-	-	-	-	104,150
Total revenues	-	2,502	580	510	110,619
Expenditures					
Planning and Economic Development	-	350	-	-	350
Public safety	-	-	-	-	251,478
Transportation	-	-	-	-	261,215
Cultural and recreational	168,306	-	-	-	168,306
Total expenditures	168,306	350	-	-	681,349
Revenues over (under) expenditures	(168,306)	2,152	580	510	(570,730)
Other financing sources (uses)					
Transfers from other funds	168,306	-	3,050	60,000	231,356
Transfers to other funds	-	-	-	-	(701)
Total other financing sources	168,306	-	3,050	60,000	230,655
Net change in fund balance	-	2,152	3,630	60,510	(340,075)
Fund balance					
Beginning of year - July 1	-	1,750,171	325,270	317,404	3,915,613
End of year - June 30	\$ -	\$ 1,752,323	\$ 328,900	\$ 377,914	\$ 3,575,538

Town of Harrisburg, North Carolina

Special Revenue Fund - Highway 49 Corridor Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Revenues			
Operating revenues:			
Contribution - fee in lieu of	\$ 500,000	\$ 104,150	\$ (395,850)
Total operating revenues	<u>500,000</u>	<u>104,150</u>	<u>(395,850)</u>
Non operating revenues:			
Interest income	-	1,074	1,074
Total non-operating revenues	<u>-</u>	<u>1,074</u>	<u>1,074</u>
Total revenues	<u>500,000</u>	<u>105,224</u>	<u>(394,776)</u>
Expenditures			
Capital outlay	500,000	-	500,000
Total expenditures	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Net change in fund balance	<u>\$ -</u>	105,224	<u>\$ 105,224</u>
Fund balance			
Fund balance - beginning		<u>259,551</u>	
Fund balance - ending		<u>\$ 364,775</u>	

Town of Harrisburg, North Carolina

Special Revenue Fund - CARES Act
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Revenues			
Interest income	\$ -	\$ 1	\$ 1
Total non-operating revenues	<u>-</u>	<u>1</u>	<u>1</u>
Other financing sources (uses)			
Transfers to other funds:			
General Fund	<u>(1,000)</u>	<u>(701)</u>	<u>299</u>
Total other financing sources (uses)	<u>(1,000)</u>	<u>(701)</u>	<u>299</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,000)</u>	<u>(700)</u>	<u>300</u>
Appropriated fund balance	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>(700)</u>	<u><u>\$ (700)</u></u>
Fund balance			
Fund balance - beginning		<u>700</u>	
Fund balance - ending		<u><u>\$ -</u></u>	

Town of Harrisburg, North Carolina

Capital Projects Funds - Streets
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2022

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Over / (Under)
Revenues					
Investment earnings	\$ -	\$ 3,925	\$ 1,243	\$ 5,168	\$ 5,168
Expenditures					
<u>Sidewalk Projects</u>					
Engineering	220,000	85,125	20,650	105,775	114,225
Construction	1,179,000	37,785	225,281	263,066	915,934
Total expenditures	1,399,000	122,910	245,931	368,841	1,030,159
<u>Street Resurfacing</u>					
Construction	1,050,000	996,247	594	996,841	53,159
Total expenditures	1,050,000	996,247	594	996,841	53,159
<u>Hwy 49 Phase 1</u>					
Engineering	100,000	63,721	14,690	78,411	21,589
Construction	400,000	-	-	-	400,000
Total expenditures	500,000	63,721	14,690	78,411	421,589
<u>Hwy 49 Traffic Congestion Mitigation</u>					
Engineering	125,000	-	-	-	125,000
Construction	675,000	-	-	-	675,000
Total expenditures	800,000	-	-	-	800,000
<u>Greenways</u>					
Engineering	75,000	-	-	-	75,000
Construction	450,000	-	-	-	450,000
Total expenditures	525,000	-	-	-	525,000
Revenues over (under) expenditures	<u>(4,274,000)</u>	<u>(1,178,953)</u>	<u>(259,972)</u>	<u>(1,438,925)</u>	<u>2,835,075</u>
Other financing sources					
Installment financing	4,000,000	1,650,000	-	1,650,000	(2,350,000)
Transfers from other funds:					
Capital Reserve Fund - General Fund	274,000	274,000	-	274,000	-
Total other financing sources	4,274,000	1,924,000	-	1,924,000	(2,350,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ 745,047</u>	<u>(259,972)</u>	<u>\$ 485,075</u>	<u>\$ 485,075</u>
Fund balance					
Fund balance - beginning			745,047		
Fund balance - ending			<u>\$ 485,075</u>		

Town of Harrisburg, North Carolina

Capital Projects Fund - Public Safety Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual From Inception and for the Fiscal Year Ended June 30, 2022

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Over / (Under)
Revenues					
Investment earnings	\$ -	\$ 100,412	\$ 559	\$ 100,971	\$ 100,971
Other general revenues	-	23,592	-	23,592	23,592
Total	-	124,004	559	124,563	124,563
Expenditures					
Fire Station #2 Training Facility					
Engineering	31,711	-	-	-	31,711
Construction	361,662	-	115,275	115,275	246,387
Total expenditures	393,373	-	115,275	115,275	278,098
Smeal 105' Ladder Truck					
Construction	1,600,000	-	136,203	136,203	1,463,797
Total expenditures	1,600,000	-	136,203	136,203	1,463,797
Revenues over / (under) expenditures	(1,993,373)	124,004	(250,919)	(126,915)	1,866,458
Other financing sources					
Debt issued	1,993,373	393,466	-	393,466	(1,599,907)
Total other financing sources	1,993,373	393,466	-	393,466	(1,599,907)
Net change in fund balance	\$ -	\$ 517,470	(250,919)	\$ 266,551	\$ 266,551
Fund balance					
Fund balance - beginning			517,470		
Fund balance - ending			\$ 266,551		

Town of Harrisburg, North Carolina

Capital Projects Fund - Parks and Recreation Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual From Inception and for the Fiscal Year Ended June 30, 2022

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Over / (Under)
Revenues					
Investment earnings	\$ -	\$ 105,006	\$ -	\$ 105,006	\$ 105,006
Restricted intergovernmental	350,000	350,000	-	350,000	-
Total	350,000	455,006	-	455,006	105,006
Expenditures					
<u>Harrisburg Park Redevelopment - Phase I</u>					
Engineering	540,000	523,936	150	524,086	15,914
Construction	11,033,000	10,831,245	168,156	10,999,401	33,599
Total expenditures	11,573,000	11,355,181	168,306	11,523,487	49,513
Revenues over (under) expenditures	(11,223,000)	(10,900,175)	(168,306)	(11,068,481)	154,519
Other financing sources					
Installment financing	10,000,000	10,000,000	-	10,000,000	-
Transfers from other funds:					
General Fund	300,000	242,557	-	242,557	(57,443)
Capital Reserve Fund - General Fund	923,000	657,618	168,306	825,924	(97,076)
Total other financing sources	11,223,000	10,900,175	168,306	11,068,481	(154,519)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance					
Fund balance - beginning			-		
Fund balance - ending			\$ -		

Town of Harrisburg, North Carolina

Capital Projects Fund - Economic Development Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual From Inception and for the Fiscal Year Ended June 30, 2022

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Over / (Under)
Revenues					
Investment earnings	\$ -	\$ 271	\$ 2,502	\$ 2,773	\$ 2,773
Total	-	271	2,502	2,773	2,773
Expenditures					
<u>Harrisburg Train Station</u>					
Construction	\$ 1,750,000	\$ 100	\$ 350	\$ 450	\$ 1,749,550
Total expenditures	1,750,000	100	350	450	1,749,550
Other financing sources					
Transfers from other funds:					
Capital Reserve Fund - General Fund	1,750,000	1,750,000	-	1,750,000	-
Total other financing sources	1,750,000	1,750,000	-	1,750,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,750,171</u>	2,152	<u>\$ 1,752,323</u>	<u>\$ 1,752,323</u>
Fund balance					
Fund balance - beginning			1,750,171		
Fund balance - ending			<u>\$ 1,752,323</u>		

Town of Harrisburg, North Carolina

Capital Reserve Fund - Parks and Recreation Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2022

	Budget	Actual	Variance Positive Over/(Under)
Non-operating revenues			
Interest income	\$ -	\$ 580	\$ 580
Total non-operating revenues	-	580	580
Other financing sources (uses)			
Transfers from other funds:			
General Fund	20,000	3,050	(16,950)
Transfers to other funds:			
General Fund	(20,000)	-	20,000
Total other financing sources (uses)	-	3,050	3,050
Net change in fund balance	\$ -	3,630	\$ 3,630
Fund balance - beginning		325,270	
Fund balance - ending		\$ 328,900	

Town of Harrisburg, North Carolina

Capital Reserve Fund - Economic Development Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive Over/(Under)</u>
Non-operating revenues			
Interest income	\$ 500	\$ 510	\$ 10
Other financing sources (uses)			
Transfers from other funds:			
General Fund	60,000	60,000	-
Transfers to other funds:			
General Fund	(60,500)	-	60,500
Total other financing sources (uses)	<u>(500)</u>	<u>60,000</u>	<u>60,500</u>
Net change in fund balance	<u>\$ -</u>	60,510	<u>\$ 60,510</u>
Fund balance - beginning		<u>317,404</u>	
Fund balance - ending		<u>\$ 377,914</u>	

TOWN OF HARRISBURG, NORTH CAROLINA

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Town of Harrisburg, North Carolina

Water and Sewer Fund Comparative Statements of Net Position June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,773,565	\$ 8,110,598
Accounts receivable (net) - customers	1,523,176	1,304,802
Accounts receivable - other	80,911	80,562
Lease receivable	81,400	-
Accrued interest receivable	630	-
Restricted cash and cash equivalents	382,968	2,993,989
Total current assets	<u>11,842,650</u>	<u>12,489,951</u>
Non-current assets:		
Lease receivable - non-current	1,173,123	-
Right to use leased assets, net of amortization	1,057	-
Capital assets, net of depreciation	37,292,887	37,039,670
Total non-current assets	<u>38,467,067</u>	<u>37,039,670</u>
Total assets	<u>50,309,717</u>	<u>49,529,621</u>
Deferred outflows of resources		
Pension deferrals	532,774	444,041
Total deferred outflows of resources	<u>532,774</u>	<u>444,041</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	264,448	666,120
Long-term debt, current portion	1,718,029	1,785,662
Compensated absences	101,042	97,119
Payables due from restricted assets:		
Customer deposits	313,460	303,899
Total current liabilities	<u>2,396,979</u>	<u>2,852,800</u>
Non-current liabilities:		
Long-term debt, non-current portion	12,024,962	13,741,835
Net pension liability	363,172	853,018
Total noncurrent liabilities	<u>12,388,134</u>	<u>14,594,853</u>
Total liabilities	<u>14,785,113</u>	<u>17,447,653</u>
Deferred inflows of resources		
Leases	1,238,929	-
Pension deferrals	584,175	63,442
	<u>1,823,104</u>	<u>63,442</u>
Net position		
Net investment in capital assets	23,620,461	24,202,263
Unrestricted	10,613,813	8,260,304
Total net position	<u>\$ 34,234,274</u>	<u>\$ 32,462,567</u>

Town of Harrisburg, North Carolina

Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

	2022			2021
			Variance	
	Budget	Actual	Over/(Under)	Actual
Revenues				
Operating revenues				
Water sales	\$ 4,794,000	\$ 4,876,012	\$ 82,012	\$ 4,415,607
Sewer charges	4,161,000	4,116,608	(44,392)	3,789,574
Permits and fees	195,425	186,547	(8,878)	99,374
Service connection fees	316,250	124,925	(191,325)	159,595
Credit card fees	39,000	59,722	20,722	8
Miscellaneous revenues	7,000	10,163	3,163	1,707
Total operating revenues	<u>9,512,675</u>	<u>9,373,977</u>	<u>(138,698)</u>	<u>8,465,865</u>
Non-operating revenues				
Interest income	5,000	15,733	10,733	1,036
Cell tower rental	84,000	85,989	1,989	86,080
Proceeds from sale of capital assets	35,000	55,473	20,473	13,300
Total non-operating revenues	<u>124,000</u>	<u>157,195</u>	<u>33,195</u>	<u>100,416</u>
Total revenues	<u>9,636,675</u>	<u>9,531,172</u>	<u>(105,503)</u>	<u>8,566,281</u>
Expenditures				
Administration and distribution				
Personal services	2,464,900	2,016,805	448,095	2,102,399
Employee relations and education	21,550	21,134	416	11,929
Supplies and materials	360,895	301,661	59,234	304,744
Current obligations and services	5,072,960	4,373,480	699,480	4,007,381
Fixed charges and other services	260,226	147,271	112,955	298,678
Administrative cost allocations	288,135	263,973	24,162	202,653
Contingency	252,456	-	252,456	-
Total administration and distribution	<u>8,721,122</u>	<u>7,124,324</u>	<u>1,596,798</u>	<u>6,927,784</u>
Debt service				
Principal retirement - leases	1,300	1,280	20	-
Interest - leases	80	23	57	-
Principal retirement	1,917,850	1,785,662	132,188	8,849,229
Interest	274,700	265,991	8,709	301,783
Total debt service	<u>2,193,930</u>	<u>2,052,956</u>	<u>140,974</u>	<u>9,151,012</u>
Capital outlay				
Equipment	602,799	434,973	167,826	245,993
Total capital outlay	<u>602,799</u>	<u>434,973</u>	<u>167,826</u>	<u>245,993</u>
Total expenditures	<u>11,517,851</u>	<u>9,612,253</u>	<u>1,905,598</u>	<u>16,324,789</u>
Revenues over (under) expenditures	<u>(1,881,176)</u>	<u>(81,081)</u>	<u>1,800,095</u>	<u>(7,758,508)</u>

Town of Harrisburg, North Carolina

Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP) (continued)
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Variance Positive Over/(Under)	Actual
Other financing sources (uses)				
Lease liabilities issued	-	2,436	2,436	-
Transfers from other funds:				
Capital Reserve Fund - Water and Sewer	459,000	432,537	(26,463)	245,993
Capital Reserve Fund - Water and Sewer - Expansion	1,700,000	1,688,945	(11,055)	1,850,000
Transfers to other funds:				
Capital Reserve Fund - Water and Sewer	(1,859,464)	(1,850,000)	9,464	(1,450,000)
Proceeds from note	-	-	-	7,331,000
Total other financing sources (uses)	<u>299,536</u>	<u>273,918</u>	<u>(25,618)</u>	<u>7,976,993</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,581,640)</u>	<u>192,837</u>	<u>1,774,477</u>	<u>218,485</u>
Appropriated fund balance	<u>1,581,640</u>	<u>-</u>	<u>(1,581,640)</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>192,837</u>	<u>\$ 192,837</u>	<u>218,485</u>
Reconciliation of modified accrual basis with accrual basis:				
Reconciling items:				
Payment of debt principal		1,786,942		8,849,229
Issuance of note payable		-		(7,331,000)
Capital outlay		432,537		245,993
(Increase) decrease in accrued vacation pay		(3,923)		24,744
(Increase) decrease in interest expense accrual		2,234		(36,735)
Depreciation and amortization		(1,850,455)		(1,665,329)
Retirements of assets		(35,514)		-
Increase (decrease) in deferred outflows of resources - pensions		88,733		74,803
(Increase) decrease in net pension liability		489,846		(183,943)
(Increase) decrease in deferred inflows of resources - pensions		(520,733)		(12,777)
System Development Charges collected in Capital Reserve Fund - Water and Sewer - Expansion		1,436,945		1,857,685
Transfer from:				
Capital Reserve Fund - Water and Sewer		(432,537)		(245,993)
Capital Reserve Fund - Water and Sewer - Expansion		(1,688,945)		(1,850,000)
Transfer to:				
Capital Reserve Fund - Water and Sewer		1,850,000		1,450,000
Interest earned in:				
Capital Reserve Fund - Water and Sewer		15,580		3,908
Capital Projects Fund - Water and Sewer		6,064		17,524
Capital Reserve Fund - Water and Sewer - Expansion		2,096		1,185
		<u>1,578,870</u>		<u>1,199,294</u>
Change in net position (Exhibit G)		<u>\$ 1,771,707</u>		<u>\$ 1,417,779</u>

Town of Harrisburg, North Carolina

Capital Projects Fund - Water and Sewer
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2022

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Over / (Under)
Revenues					
Investment earnings	\$ -	\$ 52,810	\$ 6,064	\$ 58,874	\$ 58,874
Other	-	2,360	-	2,360	2,360
Total	-	55,170	6,064	61,234	61,234
Expenditures					
2020-21 Waterline Replacements					
Engineering	144,000	132,304	3,600	135,904	8,096
Construction	1,096,000	207,569	684,893	892,462	203,538
Total expenditures	1,240,000	339,873	688,493	1,028,366	211,634
Elevated Water Storage Tank					
Engineering	655,000	489,817	42,805	532,622	122,378
Construction	2,910,000	2,444,470	241,312	2,685,782	224,218
Total expenditures	3,565,000	2,934,287	284,117	3,218,404	346,596
Morehead West Sewer - Phase 1					
Engineering	490,000	260,021	2,095	262,116	227,884
Construction	2,115,000	-	-	-	2,115,000
Total expenditures	2,605,000	260,021	2,095	262,116	2,342,884
2021-22 Waterline Replacements					
Engineering	150,000	-	117,975	117,975	32,025
Construction	1,016,000	-	33,094	33,094	982,906
Total expenditures	1,166,000	-	151,069	151,069	1,014,931
2021 Annual Sanitary Sewer Rehab					
Engineering	70,000	-	-	-	70,000
Construction	680,000	-	370,859	370,859	309,141
Total expenditures	750,000	-	370,859	370,859	379,141

Town of Harrisburg, North Carolina

Capital Projects Fund - Water and Sewer
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP) (continued)
From Inception and for the Fiscal Year Ended June 30, 2022

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Over / (Under)
Expenditures (continued)					
Cabarrus Woods Waterline Replacement					
Engineering	150,000	-	74,150	74,150	75,850
Construction	1,130,000	-	-	-	1,130,000
Total expenditures	1,280,000	-	74,150	74,150	1,205,850
Sequoia Hills Pharr Mill Waterline Loop					
Engineering	75,000	-	42,349	42,349	32,651
Construction	500,000	-	-	-	500,000
Total expenditures	575,000	-	42,349	42,349	532,651
Millbrook Pump Station Decommissioning					
Engineering	120,000	-	92,138	92,138	27,862
Construction	730,000	-	-	-	730,000
Total expenditures	850,000	-	92,138	92,138	757,862
Orchard Park Pump Station Decommissioning					
Engineering	50,000	-	-	-	50,000
Construction	150,000	-	-	-	150,000
Total expenditures	200,000	-	-	-	200,000
Revenues over (under) expenditures	(12,231,000)	(3,479,011)	(1,699,206)	(5,178,217)	7,052,783
Other financing sources					
Installment financing	9,436,000	4,165,000	-	4,165,000	(5,271,000)
Transfers from other funds:					
Capital Reserve Fund - Water and Sewer	2,795,000	1,009,796	642,165	1,651,961	(1,143,039)
Total other financing sources	12,231,000	5,174,796	642,165	5,816,961	(6,414,039)
Revenues and other financing					
sources over (under) expenditures					
and other financing uses	\$ -	\$ 1,695,785	\$ (1,057,041)	\$ 638,744	\$ 638,744

Town of Harrisburg, North Carolina

Capital Reserve Fund - Water and Sewer Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Revenues			
Non-operating revenues			
Interest income	<u>\$ 5,000</u>	<u>\$ 15,580</u>	<u>\$ 10,580</u>
Other financing sources (uses)			
Transfers from other funds:			
Water and Sewer Fund	1,850,000	1,850,000	-
Transfers to other funds:			
Water and Sewer Fund	(1,309,000)	(432,537)	876,463
Capital Projects Fund - Water and Sewer	<u>(645,000)</u>	<u>(642,165)</u>	<u>2,835</u>
Total other financing sources (uses)	<u>(104,000)</u>	<u>775,298</u>	<u>879,298</u>
Revenues and other financing sources over (under)			
expenditures and other financing uses	<u>(99,000)</u>	<u>790,878</u>	<u>889,878</u>
Appropriated fund balance	<u>99,000</u>	<u>-</u>	<u>(99,000)</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>790,878</u>	<u><u>\$ 790,878</u></u>
Fund Balance - beginning		<u>7,364,095</u>	
Fund Balance - ending		<u><u>\$ 8,154,973</u></u>	

Town of Harrisburg, North Carolina

Capital Reserve Fund - Water and Sewer - Expansion Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Revenues			
Operating revenues			
Fees - water system development charges	\$ 1,020,250	\$ 885,335	\$ (134,915)
Fees - sewer system development charges	706,750	551,610	(155,140)
Total operating revenues	<u>1,727,000</u>	<u>1,436,945</u>	<u>(290,055)</u>
Non-operating revenues			
Interest income	<u>2,000</u>	<u>2,096</u>	<u>96</u>
Total revenues	<u>1,729,000</u>	<u>1,439,041</u>	<u>(289,959)</u>
Other financing sources (uses)			
Transfers to other funds:			
Water and Sewer Fund	<u>(1,729,000)</u>	<u>(1,688,945)</u>	<u>40,055</u>
Total other financing sources (uses)	<u>(1,729,000)</u>	<u>(1,688,945)</u>	<u>40,055</u>
Net change in fund balance	<u>\$ -</u>	<u>(249,904)</u>	<u>\$ (249,904)</u>
Fund Balance - beginning		<u>397,515</u>	
Fund Balance - ending		<u>\$ 147,611</u>	

Town of Harrisburg, North Carolina

Storm Water Fund Comparative Statements of Net Position June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,023,321	\$ 1,804,824
Accounts receivable (net) - customers	94,081	88,183
Accounts receivable - other	725	16,303
Restricted cash and cash equivalents	933	933
Total current assets	<u>2,119,060</u>	<u>1,910,243</u>
Non-current assets:		
Capital assets, net of depreciation	<u>4,011,727</u>	<u>2,181,593</u>
Total assets	<u>6,130,787</u>	<u>4,091,836</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	<u>53,142</u>	<u>130,090</u>
Total liabilities	<u>53,142</u>	<u>130,090</u>
Net position		
Net investment in capital assets	4,011,727	2,181,593
Restricted	933	933
Unrestricted	<u>2,064,985</u>	<u>1,779,220</u>
Total net position	<u>\$ 6,077,645</u>	<u>\$ 3,961,746</u>

Town of Harrisburg, North Carolina

Storm Water Fund Schedule of Revenues and Expenditures Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2022

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Variance Positive Over/(Under)	Actual
Revenues				
Operating revenues				
Storm water services	\$ 691,000	\$ 705,771	\$ 14,771	\$ 665,742
Storm water plan review fees	10,000	-	(10,000)	250
Street sweeping	2,000	-	(2,000)	-
Total operating revenues	703,000	705,771	2,771	665,992
Non-operating revenues				
Interest income	1,000	1,505	505	1,155
Total revenues	704,000	707,276	3,276	667,147
Expenditures				
Administration				
Personal services	245,100	210,381	34,719	196,089
Employee relations and education	4,600	224	4,376	600
Supplies and materials	6,400	3,267	3,133	849
Current obligations and services	80,900	68,324	12,576	22,446
Fixed charges and other services	219,583	104,693	114,890	92,414
Administrative cost allocations	30,730	28,300	2,430	21,475
Contingency	16,387	-	16,387	-
Total administration	603,700	415,189	188,511	333,873
Revenues over expenditures	100,300	292,087	191,787	333,274
Other financing sources (uses)				
Transfers to other funds:				
Capital Reserve Fund - Storm Water	(351,283)	(350,000)	1,283	(1,500,000)
Total other financing sources (uses)	(351,283)	(350,000)	1,283	(1,500,000)
Revenues and other financing sources over (under) expenditures and other financing uses	(250,983)	(57,913)	193,070	(1,166,726)
Appropriated fund balance	250,983	-	(250,983)	-
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>(57,913)</u>	<u>\$ (57,913)</u>	<u>(1,166,726)</u>
Reconciling items:				
Transfer to Capital Reserve Fund - Storm Water		350,000		1,500,000
Contributed Storm Water infrastructure		1,952,247		108,102
Interest earned in Capital Reserve Fund - Storm Water		2,451		-
Interest earned in Capital Projects Fund - Storm Water		1,127		249
Depreciation and amortization		(132,013)		(70,344)
		2,173,812		1,538,007
Change in net position (Exhibit G)		<u>\$ 2,115,899</u>		<u>\$ 371,281</u>

Town of Harrisburg, North Carolina

Storm Water Capital Projects Fund Schedule of Revenues and Expenditures Budget and Actual (Non-GAAP) From Inception and for the Fiscal Year Ended June 30, 2022

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over / (Under)
Revenues					
Investment earnings	\$ -	\$ 14,326	\$ 1,127	\$ 15,453	\$ 15,453
Expenditures					
<u>System A - Phase II</u>					
Engineering	70,000	68,303	400	68,703	1,297
Construction	880,000	829,900	9,500	839,400	40,600
Total expenditures	950,000	898,203	9,900	908,103	41,897
<u>Regional Detention Pond</u>					
Engineering	50,000	17,500	-	17,500	32,500
Construction	250,000	-	-	-	250,000
Total expenditures	300,000	17,500	-	17,500	282,500
Revenues over (under) expenditures	(1,250,000)	(901,377)	(8,773)	(910,150)	339,850
Other financing sources					
Transfers from other funds:					
Storm Water Fund	1,250,000	967,500	-	967,500	(282,500)
Total other financing sources	1,250,000	967,500	-	967,500	(282,500)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 66,123	\$ (8,773)	\$ 57,350	\$ 57,350

Town of Harrisburg, North Carolina

Capital Reserve Fund - Storm Water Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Revenues			
Non-operating revenues			
Interest income	<u>\$ 2,500</u>	<u>\$ 2,451</u>	<u>\$ (49)</u>
Other financing sources (uses)			
Transfers from other funds:			
Storm Water Fund	248,071	350,000	101,929
Transfers to other funds:			
Capital Projects Fund - Storm Water	<u>(250,571)</u>	<u>-</u>	<u>250,571</u>
Total other financing sources (uses)	<u>(2,500)</u>	<u>350,000</u>	<u>352,500</u>
Net change in fund balance	<u>\$ -</u>	352,451	<u>\$ 352,451</u>
Fund Balance - beginning		<u>1,500,000</u>	
Fund Balance - ending		<u>\$ 1,852,451</u>	

Town of Harrisburg, North Carolina

Schedule of Ad Valorem Taxes Receivable June 30, 2022

Fiscal Year	Uncollected Balance June 30, 2021	Additions	Collections and Credits	Uncollected Balance June 30, 2022
2011-2012	\$ 1,772	\$ -	\$ 1,772	\$ -
2012-2013	1,817	-	61	1,756
2013-2014	1,007	-	2	1,005
2014-2015	1,689	-	33	1,656
2015-2016	1,350	-	60	1,290
2016-2017	941	-	151	790
2017-2018	1,193	-	151	1,042
2018-2019	4,469	-	745	3,724
2019-2020	17,408	-	12,904	4,504
2020-2021	36,991	-	31,390	5,601
2021-2022	-	10,371,867	10,337,615	34,252
Total	\$ 68,637	\$ 10,371,867	\$ 10,384,884	55,620
Less allowance for uncollectible ad valorem taxes receivable				(3,007)
Ad valorem taxes receivable - net				<u>\$ 52,613</u>
Reconciliation with revenues				
Taxes - ad valorem - General Fund (Exhibit D)				\$ 10,397,027
Less penalties and interest collected				(21,038)
Net releases and discounts allowed				7,123
Taxes written off and refunded				<u>1,772</u>
Total collections and credits				<u>\$ 10,384,884</u>

Town of Harrisburg, North Carolina

Analysis of Current Tax Levy Town-Wide Levy June 30, 2022

	Town-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	\$ 2,914,720,282	\$ 0.355	\$ 10,347,257	\$ 9,424,074	\$ 923,183
Discoveries - current and prior years	11,147,324		39,573	39,573	-
Releases	(4,214,930)		(14,963)	(14,963)	-
Total property valuation	<u>\$ 2,921,652,676</u>				
Net levy			10,371,867	9,448,684	923,183
Unpaid (by taxpayer) taxes at June 30, 2022			(34,252)	(34,252)	-
Current year's taxes collected			<u>\$ 10,337,615</u>	<u>\$ 9,414,432</u>	<u>\$ 923,183</u>
Current levy collection percentage			<u>99.67%</u>	<u>99.64%</u>	<u>100.00%</u>

TOWN OF HARRISBURG, NORTH CAROLINA

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COMPLIANCE SECTION

TOWN OF HARRISBURG, NORTH CAROLINA

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

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

We have audited, 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, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Harrisburg, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Harrisburg's basic financial statements, and have issued our report thereon dated October 17, 2022. The financial statements of Harrisburg Community and Youth Association, Inc. and Harrisburg Business Alliance, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Harrisburg Community and Youth Association, Inc. or Harrisburg Business Alliance, Inc.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Harrisburg's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Harrisburg's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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 Town of Harrisburg's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance 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 Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 17, 2022

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Town of Harrisburg, North Carolina's, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town of Harrisburg's major state programs for the year ended June 30, 2022. The Town of Harrisburg's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Town of Harrisburg complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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) and the State Single Audit Implementation Act. 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 Town of Harrisburg 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 reasonable basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Town of Harrisburg'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 Town of Harrisburg's state programs.

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 Town of Harrisburg'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 GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance 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. Non-compliance 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 Town of Harrisburg's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, 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 Town of Harrisburg'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 Town of Harrisburg'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 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Town of Harrisburg'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, non-compliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a state 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 state 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 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.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.

Hickory, North Carolina

October 17, 2022

TOWN OF HARRISBURG, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2022

1. Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?

No

- Significant deficiency(s) identified?

None reported

Non-compliance material to financial statements noted?

No

State Awards

Internal control over major state programs:

- Material weakness(es) identified?

No

- Significant deficiency(s) identified?

None reported

Type of auditor's report issued on compliance for major state programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?

No

Identification of major state programs:

Program Name

Powell Bill

2. Findings Related to the Audit of the Basic Financial Statements

None reported.

3. Findings and Questioned Costs Related to the Audit of State Awards

None reported.

TOWN OF HARRISBURG, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

None reported.

Town of Harrisburg, North Carolina

Schedule of Expenditures of Federal and State Awards Year Ended June 30, 2022

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State/ Pass-through Grantor's No.</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>
Federal Grants:					
Cash Programs:					
<u>U.S. Dept. of Treasury</u>					
Coronavirus State and Local Fiscal Recovery Fund	21.027		\$ 588,903	\$ -	\$ -
Total assistance - federal programs			<u>588,903</u>	<u>-</u>	<u>-</u>
State Grants:					
Cash Assistance:					
<u>N.C. Dept. of Transportation:</u>					
Powell Bill		38570	-	550,492	-
Total assistance - State programs			<u>-</u>	<u>550,492</u>	<u>-</u>
Total assistance			<u>\$ 588,903</u>	<u>\$ 550,492</u>	<u>\$ -</u>

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Town of Harrisburg under the programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Town of Harrisburg, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Harrisburg.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified 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 Cost Rate

The Town of Harrisburg has elected not to use the 10-percent de minimis indirect cost rate as allowed under The Uniform Guidance.



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consider the minutes of the October 11, 2022 Town Council Meeting

Presenting Personnel:

Suggested Motion or Action:

Motion to approve the minutes of the October 11, 2022 Town Council meeting.

Description/Background:

Minutes of the October 11, 2022 Town Council Meeting.

Recommendation:

Staff recommends approval.

Fiscal Impact:

N/A

Attachments:

1. October 11 Minutes

**TOWN OF HARRISBURG, NORTH CAROLINA
TOWN COUNCIL MEETING
TUESDAY, October 11, 2022
6:00 PM**

MINUTES

This meeting was held in person as well as virtually via the Zoom platform.

Mayor Jennifer Teague called the meeting to order.

PRESENT: Mayor Jennifer Teague; Mayor Pro-Tem Maurice Price Jr., Councilmembers Ian Patrick, Rodney Dellinger, Altyn Cotell, Ron Smith, Diamond Staton-Williams (arrived 6:30 pm)

ABSENT: Councilmember Rick Russo

1A.

ZOOM NOTIFICATION

The Zoom meeting link and details were published and advertised before the meeting took place and were shown on the agenda.

1B.

AGENDA ADOPTION

MOTION:

Councilmember Smith made a motion to approve the agenda as proposed. Second was made by Mayor Pro-Tem Price. **The motion passed 5-0.**

1C.

INVOCATION

Ian Montalto, Youth Leader at Factory Church and YCI Leader at Hickory Ridge Middle School, conducted the invocation.

1D.

PLEDGE OF ALLEGIANCE

1E.

SPECIAL PRESENTATIONS

- **Presentation of discussion regarding direction to the Harrisburg Sustainability Advisory Board for operational priorities.** Councilmember Dellinger presented information from the Sustainability Board. They want to be more involved and have a seat at the table for decisions. Need some direction from the Council as a whole for direction for this Board. Councilmember Smith stated that there are a lot of ideas for sustainability, but we currently do not have enough staff to accomplish many of them. We have placed air quality monitors and EV charging stations, but maybe we could put more sustainability education on our website. Town Manager Donham stated that we really don't have a good idea of this Board's mission and goals. We do not have a Sustainability Coordinator on staff for them to advise and work with at this time so if there are a couple of short-term projects they would like to bring to the Town, bring those to management by December 1st. Staff will work to see if they can fit those into the new budget. Beyond that they could be working on public outreach and education on sustainability practices. Councilmember Patrick suggested that ideas and plans be made well in advance, so things are not brought to Council at the last minutes without being fully vetted.
- **Presentation of updates to Highway 49 and Roberta Road traffic improvement projects.** Public Works Director Mallory Hodgson, presented the updates (presentation slides included for details).

1F.

PUBLIC COMMENT

- Kelly Lambert, 6018 Vanderhorst Drive, Concord, NC – Carolina Christmas Angels is an organization that provides families with gift packages of clothing, shoes and toys each year. Ms. Lambert invited Council to their annual Christmas party, December 10 4-6:30 pm at Harrisburg Methodist Church.

2.

CONSENT AGENDA

- A. Consider the minutes of the September 12, 2022, Town Council Meeting
- B. Consider the minutes of the September 12, 2022, Closed Session
- C. Consider approval of a water meter purchase contract with Fortline Waterworks
- D. Consider FY2023 Budget Ordinance amendments for insurance proceeds and Capital Outlay authorization for damaged deputy vehicles

MOTION:

Councilmember Smith made a motion to approve the Consent Agenda. Second was made by Mayor Pro-Tem Price.

The motion passed 6-0.

3A.

COMMUNICATIONS

TOWN MANAGER/FINANCE REPORT

Manager Report:

- Announced the hiring of a new Planning Director, Zac Gordon. He has been our Interim Planning Director for a few months and has proven he is able to engage with the community and he really cares about the residents. We went through an exhaustive search and did an assessment process, and Zac did a stellar job. We are really excited to have him on our team.
- Website update – draft was received Friday, so we are going through that with the Communications Director and Deputy Town Manager. It should be ready for internal testing soon.
- We had the burn training with the Fire Department on October 3rd and 4th, run jointly with Concord Fire and opportunity for our staff to get some live training, and it was certainly impressive.
- Our Halloween event will be on October 28th beginning at 4:30 pm. Registration begins this Friday.
- Fall paving bids should be back this week. That will include about two and a half miles of resurfacing this year, so watch for the list of projects and we ask the community to be patient while we are doing those projects.
- Shout out to Fire, Public Works and Parks Maintenance for all the prep work they did for tropical storm Ian. Turned out to be a non-incident, but we were very well prepared.
- The Town recently received grants from the Cabarrus Rowan Metropolitan Planning Organization. They awarded the Town a Surface Transportation Block Grant. Two projects were funded – Caldwell Road Extension, first phase is a \$6.1 million project and we received \$4.9 million in grant funding; and the second project is the Highway 49 Corridor Improvement, phase two is approximately from Pepsi Way past Morehead, and is about \$9.2 million. We received \$7.4 million in grant funding for this one. Total of the projects is \$15.3 million, and we received \$12.3 million in grant funding. We will be giving a full presentation on this at a later Council meeting, but wanted to give credit to our staff. Mallory, Clay and Patrick in the Engineering Department put together these packages. Mallory and Rob had to present. Council had to be available at the CRMPO, and this has really been a five-year process to get these substantial grants on behalf of the Town. That came with community support in hiring an engineering staff and adding to that staff each year and training so that we are capable of managing multi-million dollar federal aid projects. Also, the community supporting the Transportation Bonds as well as Council support to fund studies and understand the importance of having shovel-ready projects. The recent tax increase was mostly to expand our law enforcement coverage, but \$0.02 of that increase was dedicated to infrastructure investment, and that generates about \$3 million over the five-year life of our model. The difference in what these projects cost and the grant funding we received is \$3 million.
- We also have another \$2 million grant pending for the Hickory Ridge Road Pedestrian Trail Project. We feel very positive about the probability on that one.
- Recap on the past six months of the big things that we have been working on and have been able to accomplish. Caldwell Road Extension, 49 Corridor Improvement, largest investment in public safety in the

history of the Town, investing in our employees in the recent pay study, \$400,000 grant a few months ago to do asset inventory on our sewer, Atrium investing an additional \$85 million into our community with a new hospital, new library and senior center in partnership with the County, partnering with the YMCA on a nearly \$20 million new YMCA located inside Harrisburg Park. Zac is starting on our Economic Development plans, and his strength is in long-range strategic planning, which is something we are looking to do. We are also working with Google Fiber to bring high-quality, high-speed internet to every resident in Harrisburg. Lots of great things happening and we could not do it all without the great team we have as well as support from the community and from Council. Want to thank Council, staff and the community.

Finance Report:

Finance Director Brian Lee presented the Finance report.

Fire Department Report:

Fire Chief Bryan Dunn presented the Fire Department report.

Law Enforcement Report:

Lt. Nash presented the Law Enforcement report.

3B.

COMMUNICATIONS

MAYOR'S COMMENTS

- This past Saturday was the Art Walk and the last Rockin the Burg concert of the year. Thanked the Parks and Recreation Department for all the great work in organizing these events all year.
- This coming Saturday, October 15th is the 11th annual Bags in the Burg here at Town Center. Proceeds from that event will go to the YMCA capital campaign fund for their new facility. You can still register online, and you can also register same day at the event. The event is from noon to 6pm.
- Shout out to the Harrisburg Cowboys. They had a great experience and were able to team up with the Carolina Panthers a couple of weeks ago to play a game. It was the 11U team that played at the Memorial Stadium in Charlotte. The Mayor and Councilmembers Dellinger and Smith were able to attend, and those kids had quite an experience there.

3C.

COUNCIL'S COMMENTS

Councilmember Smith

- From the MPO perspective – this year we saw the largest amount of money available in discretionary funds, which was somewhere around \$22 million. When you look at all the different municipalities that were asking for money, besides us, it was Salisbury asking for a small downtown project, and the other was the City of Concord getting overage money because of the variety of projects NCDOT had put in that was about \$9 million over budget. We were head and shoulders above the rest. Our staff was well represented with Rob and Mallory. Councilmember Patrick has reminded us over and over that we need to have shovel-ready projects because you never know what is going to happen and this was the perfect opportunity for us to capitalize on that. This was a home run for the department, the citizens and for Council, so thank you.

Councilmember Dellinger

- Great job everyone on getting these grants. This would have been over the five years a \$0.41 tax savings as Rob said. This is a tremendous accomplishment to help keep the traffic moving in Harrisburg. Kudos to everyone.
- Kelly Lambert who was here earlier and talked about Carolina Christmas Angels, that is what he mentioned to Council a couple of months ago, so this was her coming to give us that personal invitation.
- Thanks again for the stop bars. Someone in his neighborhood emailed him to ask about getting them put back. He emailed it to Rob, Lee and Mallory and yesterday they were done.
- Appreciate the update on the website. Had a request to add the Council terms and rotation under our names so they know when our terms are up. Would also like to see that for all the Advisory Board members as well.
- Harrisburg Lions Club has two new yellow blessing bins. They are on the property, and they have books on one and food in the other. So you come and take whatever book you want or you put in whatever book you want and the same with the food bin. Also, as a reminder, on the first Friday of each month they have a fish fry

and it's all you can eat shrimp, chicken and fish, baked potato, hush puppies, French fries, coleslaw, and it's really good. Please check it out.

**4A.
PUBLIC HEARING**

None

**5A.
OLD BUSINESS**

Consider Preliminary Plat approval for H2022-04-S Iley Meadows. The applicant, DRB Group, has submitted a Preliminary Plat application for a 71-lot single family subdivision on property located at the northeastern corner of the Robinson Church Road and Peach Orchard Road intersection. The property, consisting of 53.21 acres (PINs 5505-97-1603, 5505-98-4167, and 5515-08-5085), was rezoned by the Town Council on June 13, 2022, to Conditional Zoning-Residential Medium Density (CZ-RM-1). Annexation of this property was approved by the Town Council in conjunction with the rezoning.

Staff has reviewed the preliminary plat submitted by the applicant and found it to be consistent with the intent and conditions of the conditional zoning site plan approved by the Town Council and the standards of the UDO for a preliminary plat. The Planning and Zoning Board reviewed and recommended Town Council approval of this preliminary plat at their August 16, 2022, meeting. Council was presented this information at the September 12th meeting with action being taken this meeting. A proposed fee-in-lieu payment for required public open space was presented to the Parks and Recreation Advisory Board on April 25, 2022, which voted to approve this fee-in-lieu payment.

A staff report, along with supporting documentation, has been provided for additional information.

Zac Gordon, Interim Planning Director, presented the background information.

After some discussion, the following action was taken:

MOTION:

Councilmember Dellinger made a motion to approve the preliminary plat for Iley Meadows subdivision (H2022-04-S). Second was made by Councilmember Smith. **The motion passed 6-0.**

**5B.
OLD BUSINESS**

Consider Preliminary Plat approval or H2022-01-S Blume Corner. The applicant, True Summit Capital, has submitted a Preliminary Plat application for a mixed-use development consisting of five (5) commercial buildings and 55 townhomes on property located at the southeast corner of the intersection of Rocky River Road and Hickory Ridge Road (PIN 5516-47-8347). The property, consisting of 14.28 acres, was rezoned by the Town Council on November 8, 2021 (H2021-05-R) to Conditional Neighborhood Commercial/Office (CZ-B1). As the property is located within the Town limits, no annexation is required. Staff has reviewed the preliminary plat submitted by the applicant and found it to be consistent with the intent and conditions of the conditional zoning site plan approved by Town Council and the standards of the UDO for a Preliminary Plat. The Planning and Zoning Board reviewed and recommended Town Council approval of this preliminary plat at their August 16, 2022 meeting. Council was presented the preliminary plat detail at the September 12th meeting with action to be taken at this meeting.

A staff report, along with supporting documentation, has been provided for additional information.

Zac Gordon, Interim Planning Director, presented the background information.

MOTION:

Councilmember Patrick made a motion to approve the preliminary plat for Blume Corner (H2022-01-S). Second was made by Mayor Pro-Tem Price. **The motion passed 6-0.**

6A.

NEW BUSINESS

Consider resolution financing the 2022 Smeal 107' Smart Reach Ladder Fire Engine. The Fire Department's new 107' ladder fire engine is currently being built and is expected to be delivered to the Fire Department in November 2022.

The total cost to be financed for the ladder truck, including legal and financing costs, is set at \$1,350,000, equal to the cost of the truck (\$1,295,071) plus estimated issuance costs.

The total project authorization is currently set at \$1,600,000. This total authorization less the loan proceeds result in up to \$250,000 for equipment which is added to the truck. The financing of vehicles does not require an application to and approval from the LGC as is required to finance the purchase of any other type of asset purchase or construction. The equipment added to the vehicle would require an application to the LGC, thus, staff recommends funding the equipment portion of the purchase with funds from the Capital Reserve Fund. Much of the equipment to outfit the truck has already been purchased and cash-flowed by the Town during the year it has taken to manufacture the truck, so it is also not desirable to incur financing charges on these costs over the next 10 years as they have already been absorbed.

Davenport Public Finance has assisted with the issuance of this debt, as it has for the past few debt issuances, including sending a request for proposals out to over 50 national and regional lenders. The Davenport team reviewed the ten responses received with Town staff and together recommend selecting Banc of America Public Capital Corp (BAPCC) as the lender for the 2022 Smeal 107' RM Smart Reach Ladder Fire Engine.

Some of the key financing terms are as follows:

- \$1,350,000 total loan value
- 10-year repayment schedule with annual level-principal plus interest payments
- Interest rate of 2.8675%
- Non-Bank Qualified

MOTION:

Councilmember Smith made a motion to approve the Resolution to finance the purchase of a Smeal 107' Ladder Fire Engine and to select Banc of America Public Corp as the financing institution, with terms to include a 10-year repayment period at an interest rate of 2.8675% and the related FY2023 Budget Ordinance Amendment and Project Ordinance Amendment. Second was made by Councilmember Cotell. **The motion passed 6-0.**

6B.

NEW BUSINESS

Consider appointments to Planning and Zoning Board. The Town Council had previously extended the terms of Rodney Garner and Kevin Schaffner through October 31st, having previously extended their terms from July 1st to August 31st. At its August 16th meeting, the Planning and Zoning Board appointed a subcommittee of Andy Rathke, Thelma Thorne-Chapman and Kevin Hutchins to review applications for the Board. In addition, Council members Ian Patrick and Rodney Dellinger took part in interviews with candidates on September 21st and 28th. At the conclusion of the interviews, the subcommittee members unanimously recommended the re-appointment of Kevin Schaffner and the appointment of Monica Long to the Planning and Zoning Board.

MOTION:

Councilmember Dellinger made a motion to appoint Kevin Schaffner and Monica Long to the Planning and Zoning Board for three-year terms, expiring June 30, 2025. Second was made by Councilmember Patrick. **The motion passed 6-0.**

7.

ACTION ITEMS

- Check on page for SAB on Town's website
- Discuss SAB input for UDO updates
- Add terms of Council and Advisory Board members to website

8.

ADJOURNMENT:

MOTION:

There being no further business, Mayor Pro-Tem Price made a motion to adjourn the meeting. Second was made by Councilmember Cotell. **The motion passed 6-0.**

ATTEST:

Jennifer Teague, Mayor

Janet Rackley, Town Clerk



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of Acceptance of Asphalt and Storm Drainage Systems for the Farmington Development and Related Value

Presenting Personnel:

Mallory Hodgson, Public Works Director

Suggested Motion or Action:

Motion to approve the attached resolution accepting the Farmington Development into the Town's Street and Stormwater Maintenance System and the values identified within this agenda item.

Description/Background:

The Farmington Development is well underway and staff has closely inspected the installation of the key infrastructure needed to complete the project. The main boulevard of the site, Farmington Ridge Parkway, extends the existing section of Farmington Ridge Parkway which is located approximately on the county line between Mecklenburg and Cabarrus Counties. The road connects Caldwell Road and Rocky River Road and will become a key North-South connector road for the Town. The other roadways included in this acceptance will serve as the main entrances to two large subdivisions and several outparcels.

With the completion of the Farmington Development infrastructure and the upgrades to the existing section, the Town is eager to formally accept the new road extension so that it can be used for public traffic. The developer has completed the remaining offsite improvements for full access to the site.

The values being contributed by the developer to the Town are as follows:

- Storm Water Infrastructure - \$1,581,165
- Roads and Sidewalks - \$3,448,016

Recommendation:

Staff recommends approval of the attached resolution to accept the Farmington Development and the associated road and stormwater infrastructure into the Town's maintenance system and the associated values.

Fiscal Impact:

There is no direct fiscal impact to the Town for taking over this street aside from the future maintenance costs of the streets and storm drainage system and the monthly costs for street lights in the Farmington Development. These costs are already anticipated in the FY2023 street lights budget.

The cost to construct the roads was incurred by the Developer for the Farmington Development. The Town will continue to uphold a maintenance bond for the new infrastructure and should there be any damage from construction traffic, it will be the responsibility of the developer to repair. Following expiration of the maintenance bond, the Town will be solely responsible for maintenance of the new roads.

Revenue recognized by the Town for the contributed infrastructure are as follows:

- Storm Water Infrastructure - \$1,581,165
- Roads and Sidewalks - \$3,448,016

This development is under an agreement with the Town called a TIF, or Tax Incremental Financing, whereby the developer pays for and installs infrastructure for the Town (ie, Farmington Ridge Parkway road infrastructure) and, upon meeting certain criteria, is refunded a portion of the increase in tax base for the Town that has resulted from the development.

Attachments:

1. Farmington - Engineer Estimate 8-12-2022
2. Farmington - Council Resolution for Acceptance

Farmington Development Road and Stormwater Estimate
 Prepared by Town of Harrisburg Engineering Staff

Description	Quantity	Unit	Unit Price Estimate	Total
15"	2622	LF	\$ 52.00	\$ 136,344.00
18"	1327	LF	\$ 58.00	\$ 76,966.00
24"	659	LF	\$ 70.00	\$ 46,130.00
30"	1020	LF	\$ 95.00	\$ 96,900.00
36"	448	LF	\$ 118.00	\$ 52,864.00
42"	301	LF	\$ 145.00	\$ 43,645.00
54"	242	LF	\$ 188.00	\$ 45,496.00
60"	362	LF	\$ 210.00	\$ 76,020.00
78"	560	LF	\$ 275.00	\$ 154,000.00
54" Headwall	2	EA	\$ 45,000.00	\$ 90,000.00
Fuda Creek Culvert Crossing Headwall	2	EA	\$ 300,000.00	\$ 600,000.00
Curb Inlet	74	EA	\$ 2,200.00	\$ 162,800.00
	Stormwater Subtotal			\$ 1,581,165.00
Clear Creek Lane (1,160' at 22' Width)	2836	SY	\$ 51.00	\$ 144,613.33
Dutch Creek Drive (702' at 26' Width)	2028	SY	\$ 51.00	\$ 103,428.00
Farmington Ridge Parkway (4,292' at Variable Width)	19628	SY	\$ 51.00	\$ 1,001,028.00
Misty Hill Lane (1,166 at 22' Width)	2850	SY	\$ 51.00	\$ 145,361.33
Sullivan Vale Lane (540' at 22' Width)	1320	SY	\$ 51.00	\$ 67,320.00
Twin Creek Lane (417' at 22' Width)	1019	SY	\$ 51.00	\$ 51,986.00
10' Asphalt Multi-Use Path	10048	LF	\$ 75.00	\$ 753,600.00
Concrete Sidewalk	4282	SY	\$ 122.00	\$ 522,404.00
ADA Ramps	102	EA	\$ 900.00	\$ 91,800.00
Curb and Gutter	22659	LF	\$ 25.00	\$ 566,475.00
	Pavement/Sidewalk Subtotal			\$ 3,448,015.67
Grand Total Engineer's Estimates for Road and Stormwater Improvements				\$ 5,029,180.67

This estimate is for the installed road and storm drainage improvements for the Farmington Development. Town Staff utilized 2021 construction contract invoices and bond estimates to determine rates, which include labor to construct.

STATE OF NORTH CAROLINA
COUNTY OF CABARRUS

BOOK 85 PAGE 101, 102, 103, 104, & 105
REQUEST FOR TOWN OF
HARRISBURG TO ACCEPT
ASPHALT & STORM DRAINAGE SYSTEMS
CLEAR CREEK LANE, DUTCH CREEK DRIVE, FARMINGTON RIDGE PARKWAY,
MISTY HILL LANE, SULLIVAN VALE LANE, AND TWIN CREEK LANE
FARMINGTON DEVELOPMENT

Whereas, this is to certify that the previous developer and original owner installed asphalt and storm drainage systems in the Farmington Development, including Clear Creek Lane, Dutch Creek Drive, Farmington Ridge Parkway, Misty Hill Lane, Sullivan Vale Lane, and Twin Creek Lane; recorded in Book 85 Page 101, 102, 103, 104, & 105; dated October 13, 2020, and labeled as 67', 63', variable, 59', 55', and 67' Public Right-of-Way respectively; and labeled as Clear Creek Lane, Dutch Creek Drive, Farmington Ridge Parkway, Misty Hill Lane, Sullivan Vale Lane, and Twin Creek Lane; and is located in the Town of Harrisburg,

Whereas, existing right of way is measured from road center,

Whereas, asphalt, curb, gutter, and sidewalk (\$3,448,016) and storm drainage systems (\$1,581,165) have been installed on these streets in the Farmington Development to the standards and specifications of the Town of Harrisburg Engineering Department,

Whereas, the Town of Harrisburg desires to accept the asphalt and storm drainage system from the developer, to be owned and maintained as part of the Town's public roadway and storm drainage systems.

The Town of Harrisburg seeks to accept the above mentioned asphalt, curb, gutter and sidewalk and storm drainage systems for the Farmington Development into the Town's systems, to be owned and maintained as a part of the Town's public roadway and drainage systems.

Adopted this 14th day of November, 2022

Jennifer Teague, Mayor

Attest:

Janet Rackley, Town Clerk



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of Acceptance of Asphalt and Storm Drainage Systems in Founders Reserve Subdivision

Presenting Personnel:

Mallory Hodgson, Public Works Director

Suggested Motion or Action:

To approve the resolution accepting Founders Reserve Subdivision into the Town's street and stormwater maintenance system including Founders Way, Fazio Court, and Starnes Drive, with a value of \$784,629 in asphalt, curb, gutter, and sidewalk, \$122,025 in greenway, and \$151,604 in stormwater infrastructure.

Description/Background:

Founders Reserve is an existing subdivision in the Town of Harrisburg. The Town has reviewed and inspected all of the infrastructure and improvements associated with this subdivision and recommends acceptance of the streets and storm drainage network into the Town's maintenance system.

Along with acceptance of the roads and stormwater infrastructure, the Town must also accept a value of those assets to properly account for them in the Town's financial records. Based on the attached engineer's cost estimate, the value has been determined to be \$784,629 in asphalt, curb, gutter, and sidewalk, \$122,025 in greenway, and \$151,604 in stormwater infrastructure.

Recommendation:

Staff recommends approval of the attached resolution to accept Founders Reserve Subdivision and the associated streets and stormwater infrastructure into the Town's maintenance system.

Fiscal Impact:

There is no direct fiscal impact to the Town for taking over these streets aside from the lighting operation and maintenance costs and the future maintenance costs of the streets, Greenway, and storm drainage system. The engineer's estimate for the improvements is \$784,629 in asphalt, curb, gutter, and sidewalk, \$122,025 in Greenway, and \$151,604 in stormwater infrastructure, totaling \$1,058,258 in improvements in Founders Reserve.

In the next fiscal year, the Town will begin to collect Powell Bill funds for the street miles associated with this acceptance.

Attachments:

1. Founders Reserve - Council Resolution for Acceptance
2. Founders Reserve - Engineer Estimate 10-17-2022
3. Founders Reserve - Highlighted Street Map

STATE OF NORTH CAROLINA
COUNTY OF CABARRUS

BOOK 69 PG 83-84
BOOK 69 PG 88
REQUEST FOR TOWN OF
HARRISBURG TO ACCEPT
ASPHALT & STORM DRAINAGE SYSTEMS
FOUNDERS WAY, FAZIO COURT, AND STARNES DRIVE
FOUNDERS RESERVE SUBDIVISION PHASES 1-2

Whereas, this is to certify that the previous developer and original owner installed asphalt and storm drainage systems in the Founders Reserve Subdivision, including Founders Way, Fazio Court, and Starnes Drive, which are recorded in Book 69 Pages 83-84, dated November 23, 2015; and Book 69 Page 88, dated December 2, 2015, and labeled as 60', 50', and 50' Public Right-of-Way respectfully, within the Town of Harrisburg, North Carolina.

Whereas, existing right of way is measured 60 feet and 50 feet wide from road center,

Whereas, asphalt, curb, gutter, and sidewalk (\$784,629) and greenway (\$122,025) and storm drainage systems (\$151,604) have been installed on these streets in Founders Reserve Subdivision to the standards and specifications of the Town of Harrisburg Engineering Department,

Whereas, the Town of Harrisburg desires to accept the asphalt and storm drainage system from the developer, to be owned and maintained as part of the Town's public roadway and storm drainage systems.

The Town of Harrisburg seeks to accept the above mentioned asphalt, greenway, curb, gutter, and sidewalk and storm drainage systems for the Founders Reserve Subdivision into the Town's systems, to be owned and maintained as a part of the Town's public roadway and drainage systems.

Adopted this 14th day of November, 2022

Jennifer Teague, Mayor

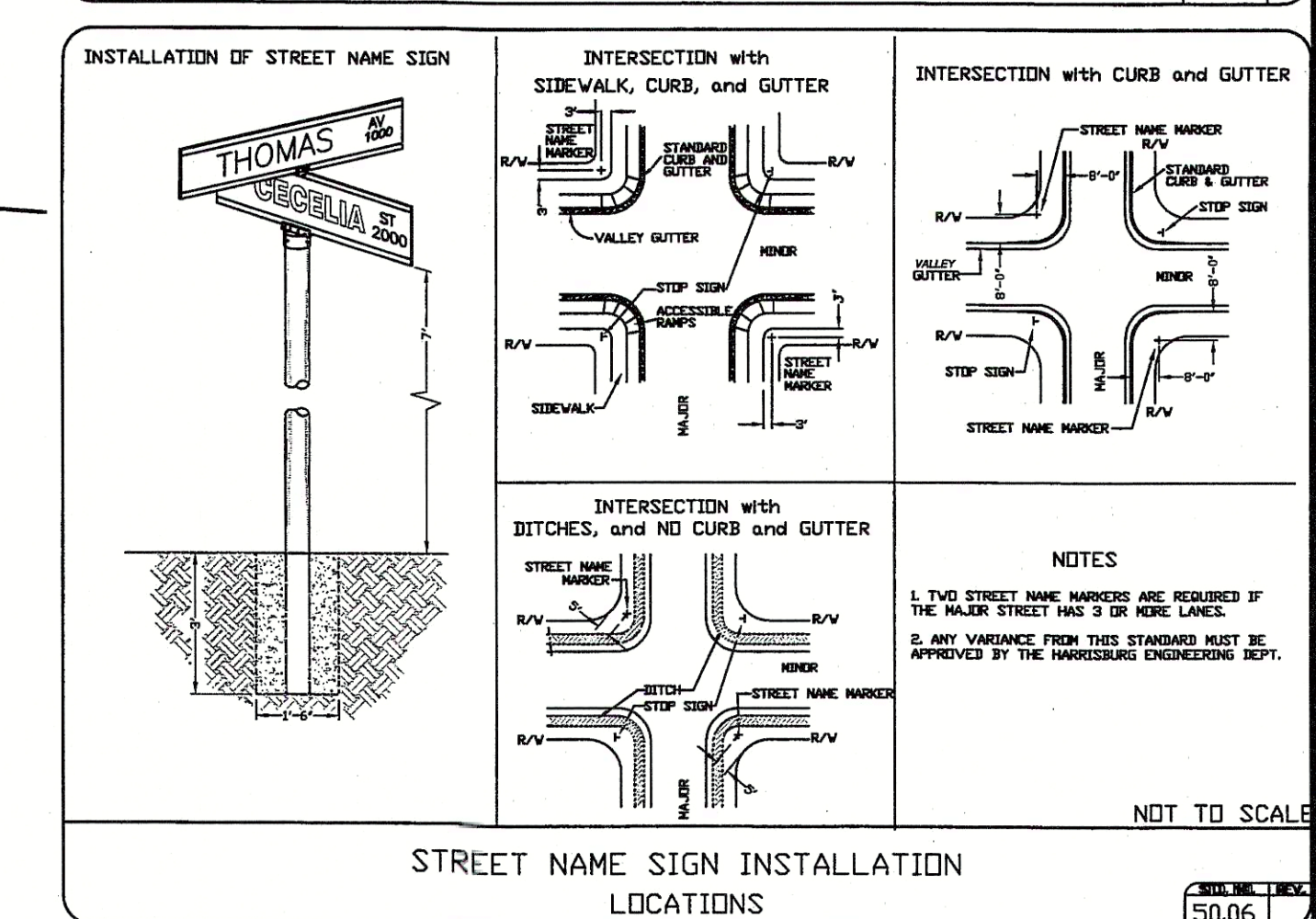
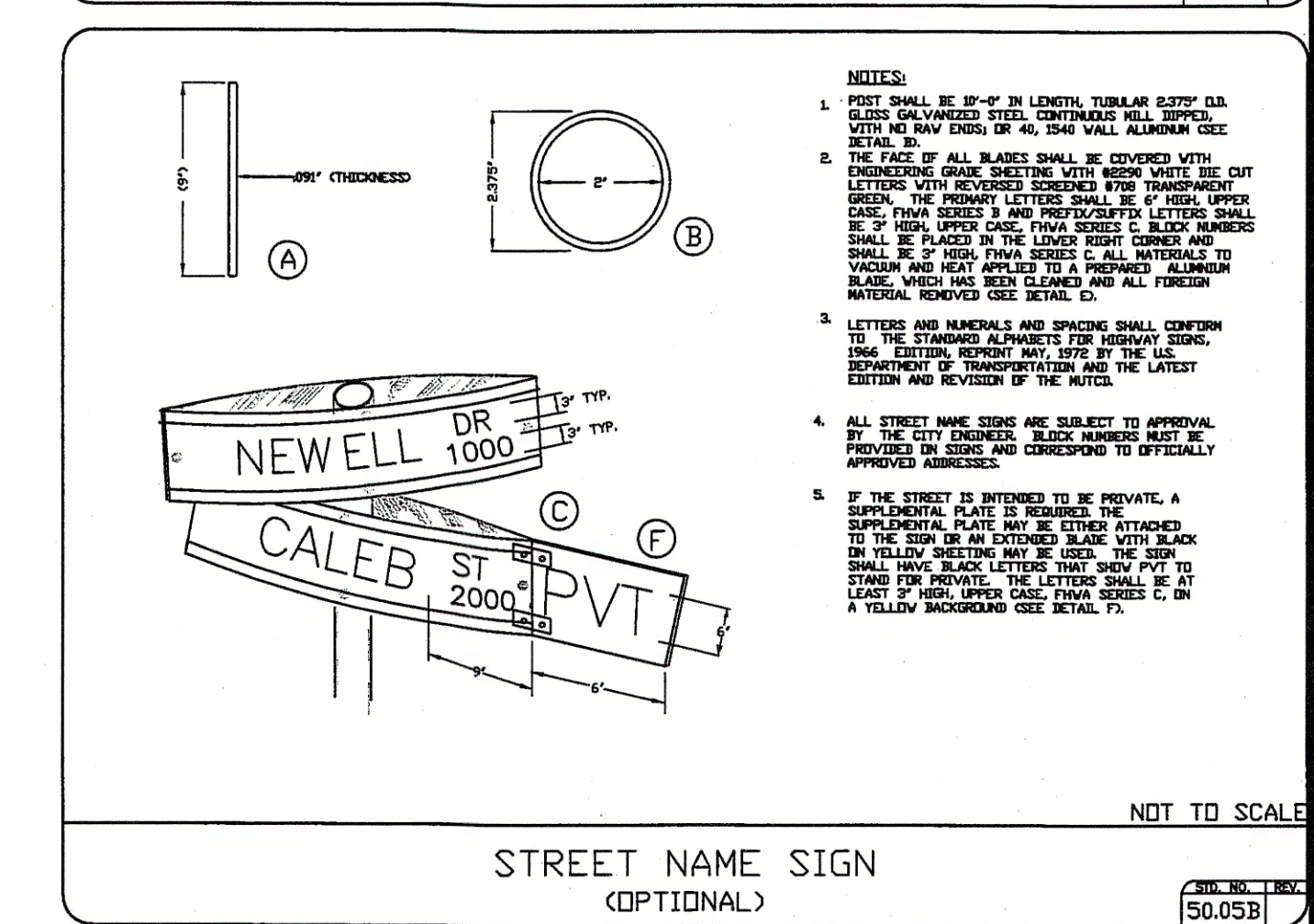
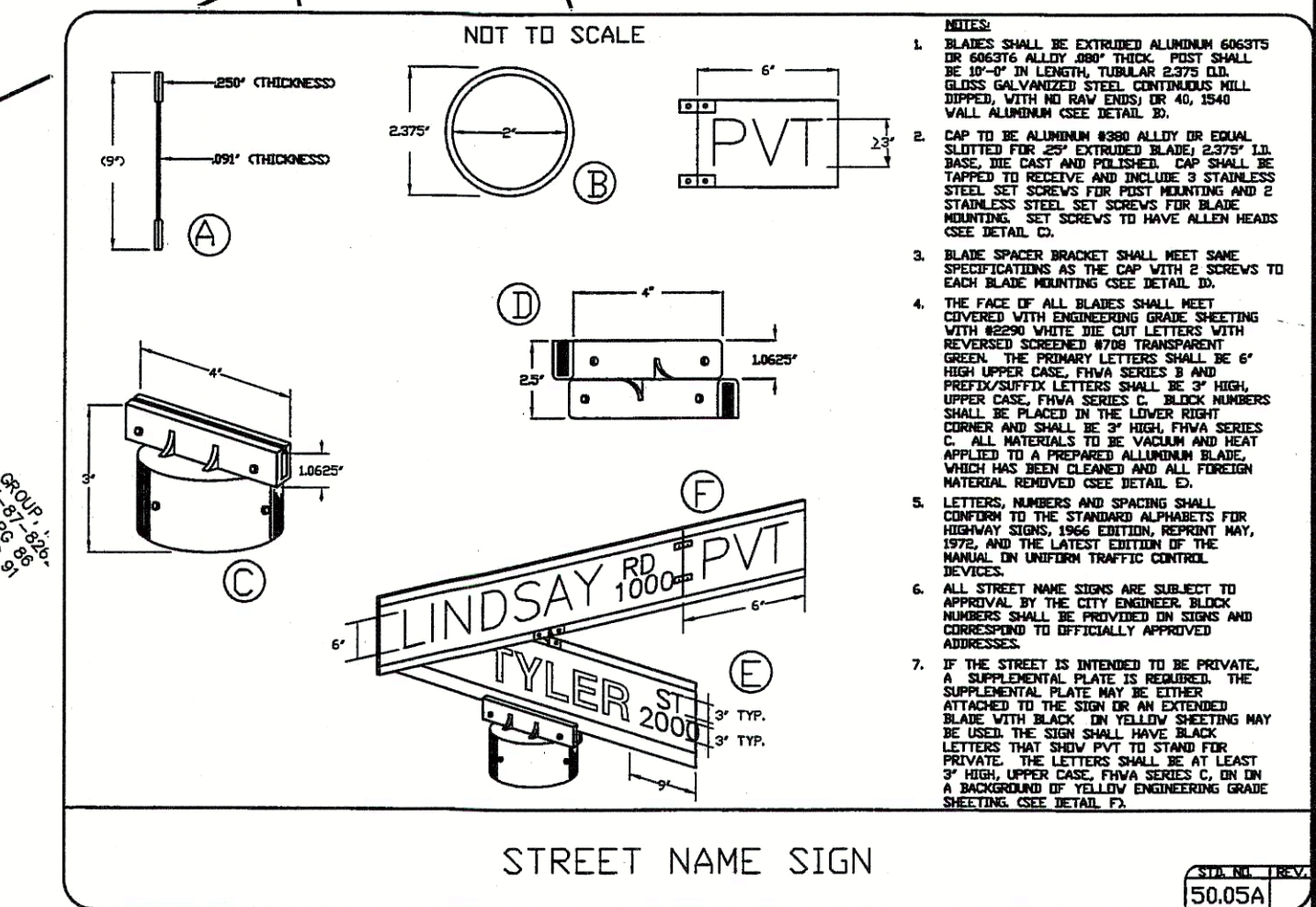
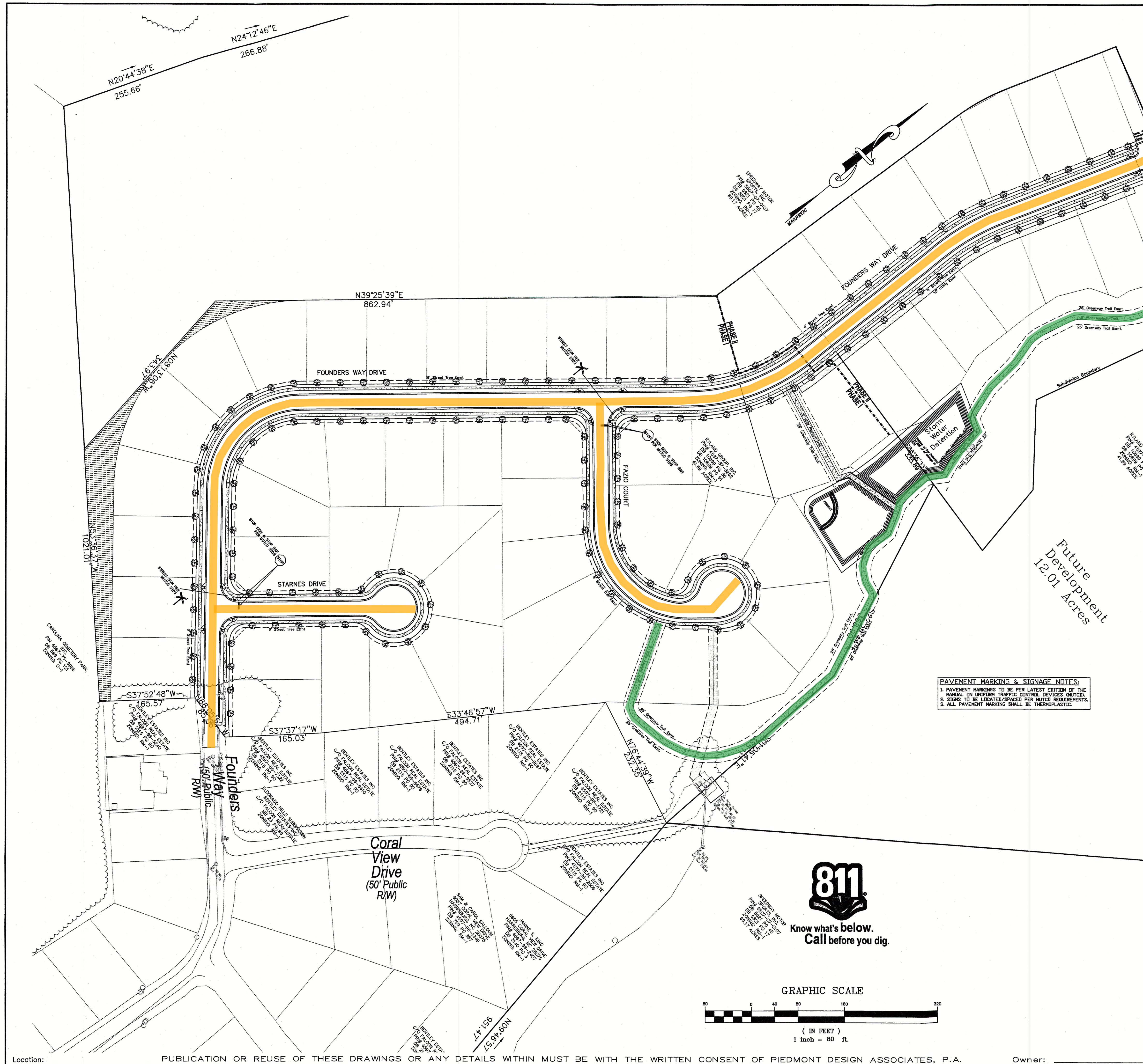
Attest:

Janet Rackley, Town Clerk

Founders Reserve Subdivision Road and Stormwater Estimate
 Prepared by Town of Harrisburg Engineering Staff

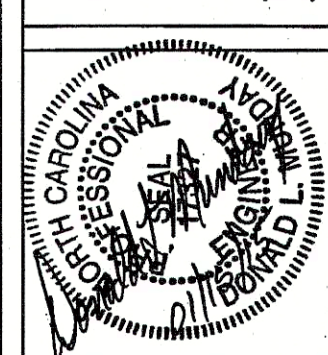
Description	Quantity	Unit	Unit Price Estimate	Total
15"	1099	LF	\$ 52.00	\$ 57,148
18"	382	LF	\$ 58.00	\$ 22,156
24"	90	LF	\$ 70.00	\$ 6,300
Curb Inlet	30	EA	\$ 2,200.00	\$ 66,000
	Stormwater Subtotal			\$ 151,604
Portion of Founders Way (2260' at 24' Width)	6027	SY	\$ 51.00	\$ 307,360
Starnes Drive (337' at 24' Width)	899	SY	\$ 51.00	\$ 45,832
Fazio Court (541' at 24' Width)	1443	SY	\$ 51.00	\$ 73,576
5' Concrete Sidewalk	3426	SY	\$ 55.00	\$ 188,436
ADA Ramps	13	EA	\$ 900.00	\$ 11,700
Curb and Gutter	6309	LF	\$ 25.00	\$ 157,725
	Pavement/Sidewalk Subtotal			\$ 784,629
Greenway	1627	LF	\$ 75.00	\$ 122,025
	Greenway Subtotal			\$ 122,025
Grand Total Engineer's Estimates for Road and Stormwater Improvements				\$ 1,058,258

This estimate is for the installed road and storm drainage improvements in the Founders Reserve Subdivision. Town Staff utilized 2021 construction contract invoices and bond estimates to determine rates, which include labor to construct.



PREPARED FOR:
RYLAND GROUP, INC. (CHARLOTTE DIV.)
 3600 ARCO CORPORATE DR STE 200
 CHARLOTTE, NC 28273
 704-258-9704

**PAVEMENT MARKING PLAN
FOUNDERS RESERVE SUBDIVISION
FOUNDERS WAY
HARRISBURG, CABARRUS COUNTY, NORTH CAROLINA**



REVISONS	BY

Date: 1/14/15
Scale: 1" = 80' Horizontal
Drawn: DMD
Checked: DLM
Project: 2014-02-08
Job: 2014-02-06

Sheet
PM-1
of 1 Sheet



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of Approval of the Fall 2022 Street Resurfacing Contract and related FY2023 Budget Ordinance Amendment

Presenting Personnel:

Mallory Hodgson, Public Works Director

Suggested Motion or Action:

If approved:

Motion to approve the attached contract with Ram Pavement Services, Inc. in the amount of \$614,384.35 for the Fall 2022 Street Resurfacing Project and the related Budget Ordinance Amendment.

Description/Background:

Town Staff is utilizing annually budgeted street maintenance funds and Powell Bill funding for the Fall 2022 Street Resurfacing Project. The proposed streets to be paved include a portion of Hudson Drive, Cedar Drive, a portion of Plaza Drive, a portion of Patricia Avenue, Hathaway Court, Rock Hampton Court, Sandown Court, Carl Palmer Drive, a portion of Kee Lane, Town Hall Place, a portion of Caldwell Road, Wellington Lane, a portion of Camelot Drive, a portion of Bedfordshire Avenue, and Excalibur Court. The contractor will also restripe all thermoplastic pavement markings on all roadways included in the project such as; center lines, parking stalls, stop bars, pedestrian crossings, pavement marking symbols, and electric vehicle parking spots.

The project was publicly bid and the Town received bids from six qualified contractors. Ram Pavement was the lowest responsive, responsible bidder. The Town is pleased to work with Ram Pavement on this project as they have a history of successful projects with the Town and are familiar with the Town's protocols for inspection and installation of asphalt.

Recommendation:

Staff recommends approval of the attached contract with Ram Pavement in the amount of \$614,384.35

Fiscal Impact:

The fiscal impact of this project is \$614,384.35. The original bids were slightly lower than anticipated, and staff was able to increase the project scope. The increase in quantities did not change the lowest responsive, responsible bidder. Staff is utilizing Powell Bill funding and Maintenance and Repair of Streets Budget for this project.

The Town is receiving approximately \$555,000 in this year's Powell Bill distribution. The Town will allocate \$59,384.35 from the Town's Maintenance and Repair of Streets Budget to cover the remainder.

The attached FY2023 Budget Ordinance Amendment recognizes the additional revenues received by the Town this year from the Powell Bill system and appropriates those funds for expenditure on this project.

Attachments:

1. Ram - Fall 2022 Paving - Contract
2. Fall 2022 Paving - Paving Map
3. Amendment - GF - Powell Bill Revenue Increase 11142022

4. Fall 2022 Paving - Bid Tabs w Adjusted Quantities

CONTRACT FOR 2022 FALL RESURFACING

This Contract is by and between Town of Harrisburg, NC (Owner) and
Ram Pavement Services, Inc. (Contractor).

Owner and Contractor hereby agree as follows:

ARTICLE 1 - THE WORK

1.01 Work

- A. Work includes all labor, materials, equipment, services, and documentation necessary to construct the Project defined herein.
- B. The Contractor shall complete all Work as specified or indicated in the Contract Documents. The Project is generally described as follows:
 - 1. This improvement project shall consist of milling approximately 2.87 miles of 2-lane road and parking stalls to a depth of 1.5" and resurfacing with 1.5" of surface course asphalt. The subject roads to be milled and paved are Hudson Dr, Cedar Dr, Plaza Dr, Patricia Ave, Hathaway Ct, Rock Hampton Ct, Sandown Ct, Carl Palmer Dr, Kee Ln, Town Hall Pl, Raging Ridge Rd, Caldwell Rd, Wellington Ln, Camelot Dr, Bedfordshire Ave, and Excalibur Ct. Project also consists of restriping approximately 0.92 miles of 4" thermoplastic pavement markings, 53 thermoplastic stop bars, 15 thermoplastic crosswalk keys, and 5 thermoplastic pavement marking symbols. Project also consists of repainting 2 electric vehicle parking spaces. Project also consists of 100 tons of incidental patching, to be identified by the Town of Harrisburg at the time of the project. Project also consists of reinstalling approximately 470 linear feet of inductive detection loops.

ARTICLE 2 - CONTRACT DOCUMENTS

2.01 Intent of Contract Documents

- A. It is the intent of the Contract Documents to describe a functionally complete project. The Contract Documents do not indicate or describe all of the Work required to complete the Project. Additional details required for the correct installation of selected products are to be provided by the Contractor and coordinated with the Owner. This Contract supersedes prior negotiations, representations, and agreements, whether written or oral. The Contract Documents are complementary; what is required by one part of the Contract Documents is as binding as if required by other parts of the Contract Documents.

ARTICLE 3 - CONTRACT TIMES

3.01 Contract Times

- A. The Work will be substantially completed on or before April 30, 2023, and completed and ready for final payment on or before April 30, 2023.

3.02 Liquidated Damages

- A. Contractor and Owner recognize that time is of the essence in the performance of the Contract, and that Owner will incur damages if Contractor does not complete the Work according to the requirements of Paragraph 3.01. Because such damages for delay would be difficult and costly to determine, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty) Contractor shall pay Owner \$200 for each day that expires after the Contract Time for substantial completion.

3.03 Delays in Contractor's Progress

- A. If Owner or anyone for whom Owner is responsible, delays, disrupts, or interferes with the performance or progress of the Work, then Contractor shall be entitled to an equitable adjustment in the Contract Times and Contract Price. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times.
- B. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times for delay, disruption, or interference caused by or within the control of Contractor or their subcontractors or suppliers.
- C. If Contractor's performance or progress is delayed, disrupted, or interfered with by unanticipated causes not the fault of and beyond the control of Owner, Contractor, and those for which they are responsible, then Contractor shall be entitled to an equitable adjustment in Contract Times.
- D. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times for any delay, disruption, or interference if such delay is concurrent with a delay, disruption, or interference caused by or within the control of Contractor or Contractor's subcontractors or suppliers.

ARTICLE 4 - CONTRACT PRICE

4.01 Payment

Owner shall pay Contractor in accordance with the Contract Documents at the following unit prices for each unit of Work completed:

Bid Item	Item Description	Est. Qty.	Unit	Total Unit Price	Total Price
1	Mobilization	1	LS	\$25,482.00	\$25,482.00
2	Traffic Control	1	LS	\$16,050.00	\$16,050.00
3	Milling of Existing Pavement - 1 - 1/2"	33,555	SY	\$3.15	\$105,698.25
4	Tack Coat	2,484	GAL	\$3.50	\$8,694.00
5	Asphalt Concrete Surface Course, S9.5C (1.5" depth)	41,407	SY	\$9.10	\$376,803.70
6	Thermoplastic Pavement Marking Line (4" width, 90 mils)	4,830	LF	\$1.50	\$7,245.00
7	Thermoplastic Pavement Marking Stop Bars (90 mils)	53	EA	\$190.00	\$10,070.00
8	Thermoplastic Pavement Marking Crosswalk Keys (90 mils)	15	EA	\$575.00	\$8,625.00
9	Pavement Marking Electric Parking Spots	2	EA	\$450.00	\$900.00
10	Thermoplastic White Pavement Marking Symbols (90 mils)	5	EA	\$450.00	\$2,250.00
11	Incidental Patching	100	TON	\$125.00	\$12,500.00
12	Reinstall Inductive Detection Loops	470	LF	\$23.00	\$10,810.00
Contract Price					\$585,127.95
5% Contingency					\$29,256.40
Total Bid Price					\$614,384.35

Payment will be made in an amount equal to the total of all extended prices for actual Work completed. The extended price is determined by multiplying the unit price times the actual quantity of that Work item completed. The total contract price will be an extension of the payment per unit price and shall not exceed **\$614,384.35**. The contractor may add or delete from the bid quantities.

ARTICLE 5 - INSURANCE

5.01 Insurance

- A. Before starting Work, Contractor shall furnish evidence of insurance from companies that are duly licensed or authorized in the jurisdiction in which the Project is located.

ARTICLE 6 - CONTRACTOR'S RESPONSIBILITIES

6.01 Supervision and Superintendence

- A. Contractor shall supervise and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the

Work in accordance with the Contract Documents. Contractor shall be solely responsible for the means, methods, techniques, sequences, safety, and procedures of construction.

- B. Contractor shall assign a competent resident superintendent who is to be present at all times during the execution of the Work.
- C. Contractor shall at all times maintain good discipline and order at the Site.
- D. Except as otherwise required for the safety or protection of persons or the Work or property at the Site or adjacent thereto, and except as otherwise stated in the Contract Documents, all Work at the Site shall be performed during regular working hours, Monday through Friday.

6.02 Other Work at the Site

- A. In addition to and apart from the Work of the Contractor, other work may occur at or adjacent to the Site. Contractor shall take reasonable and customary measures to avoid damaging, delaying, disrupting, or interfering with the work of Owner, any other contractor, or any utility owner performing other work at or adjacent to the Site.

6.03 Services, Materials, and Equipment

- A. Unless otherwise specified in the Contract Documents, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance, testing, start up, and completion of the Work, whether or not such items are specifically called for in the Contract Documents.
- B. All materials and equipment incorporated into the Work shall be new, of good quality and shall be stored, applied, installed, connected, erected, protected, used, cleaned, and conditioned in accordance with instructions of the applicable supplier, except as otherwise may be provided in the Contract Documents.

6.04 Subcontractors and Suppliers

- A. Contractor may retain subcontractors and suppliers for the performance of parts of the Work. Such subcontractors and suppliers must be acceptable to Owner.

6.05 Licenses, Fees and Permits

- A. Contractor shall pay all license fees and royalties and assume all costs incident to performing the Work or the incorporation in the Work of any invention, design, process, product, or device which is the subject of patent rights or copyrights held by others.
- B. Contractor shall obtain and pay for all construction permits and licenses unless otherwise provided in the Contract Documents.

6.06 Laws and Regulations; Taxes

- A. Contractor shall give all notices required by and shall comply with all local, state, and federal Laws and Regulations applicable to the performance of the Work. Except where otherwise expressly required by applicable Laws and Regulations, Owner shall not be responsible for monitoring Contractor's compliance with any Laws or Regulations.
- B. Contractor shall bear all resulting costs and losses, and shall indemnify and hold harmless Owner and the officers, directors, members, partners, employees, agents, consultants, and subcontractors from and against all claims, costs, losses, and damages if Contractor performs

any Work or takes any other action knowing or having reason to know that it is contrary to Laws or Regulations.

- C. Contractor shall pay all applicable sales, consumer, use, and other similar taxes Contractor is required to pay in accordance with Laws and Regulations.

6.07 Safety and Protection

- A. Contractor shall be solely responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work.
- B. Contractor shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury, or loss to:
 - 1. All persons on the Site or who may be affected by the Work;
 - 2. All the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site; and
 - 3. Other property at the Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, other work in progress, utilities, and underground facilities not designated for removal, relocation, or replacement in the course of construction.
- C. All damage, injury, or loss to any property caused, directly or indirectly, in whole or in part, by Contractor, or anyone for whose acts the Contractor may be liable, shall be remedied by Contractor at its expense.
- D. Contractor shall be responsible for coordinating any exchange of material safety data sheets or other hazard communication information required to be made available to or exchanged between or among employers at the Site in accordance with Laws or Regulations.

6.08 Warranties and Guarantees

- A. Contractor warrants and guarantees to Owner that all Work will be in accordance with the Contract Documents and will not be defective. Owner and its officers, directors, members, partners, employees, agents, consultants, and subcontractors shall be entitled to rely on Contractor's warranty and guarantee.

6.09 Correction Period

- A. If within one year after the date of substantial completion, any Work is found to be defective, or if the repair of any damages to the Site, adjacent areas that Contractor has arranged to use through construction easements or otherwise, and other adjacent areas used by Contractor as permitted by Laws and Regulations, is found to be defective, then Contractor shall promptly and without cost to Owner, correct such defective Work.

6.10 Indemnification

- A. To the fullest extent permitted by Laws and Regulations, and in addition to any other obligations of Contractor under the Contract or otherwise, Contractor shall indemnify and hold harmless Owner and any officers, directors, members, partners, employees, agents, consultants and subcontractors of the Owner from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to the performance of the Work, provided that any such claim, cost, loss,

or damage is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom but only to the extent caused by any negligent act or omission of Contractor, any subcontractor, any supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work or anyone for whose acts they may be liable.

ARTICLE 7 - OWNER'S RESPONSIBILITIES

7.01 Owner's Responsibilities

- A. Except as otherwise provided in the Contract Documents, Owner shall issue all communications to Contractor through Engineer.
- B. Owner shall make payments to Contractor as provided in this Contract.
- C. Owner shall provide Site and easements required to construct the Project.
- D. If Owner intends to contract with others for the performance of other work at or adjacent to the Site, unless stated elsewhere in the Contract Documents, Owner shall have sole authority and responsibility for such coordination.
- E. The Owner shall be responsible for performing inspections and tests required by applicable codes.
- F. The Owner shall not supervise, direct, or have control or authority over, nor be responsible for, Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Owner will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.
- G. While at the Site, Owner's employees and representatives shall comply with the specific applicable requirements of Contractor's safety programs of which Owner has been informed.

ARTICLE 8 - CHANGES IN THE WORK

8.01 Authority to Change the Work

- A. Without invalidating the Contract and without notice to any surety, Owner may, at any time or from time to time, order additions, deletions, or revisions in the Work.

8.02 Change Orders

- A. Owner and Contractor shall execute appropriate Change Orders covering:
 - 1. Changes in the Contract Price or Contract Times which are agreed to by the parties, including any undisputed sum or amount of time for Work actually performed in accordance with a Work Change Directive;
 - 2. Changes in the Work which are: (a) ordered by Owner or (b) agreed to by the parties.

ARTICLE 9 - TESTS AND INSPECTIONS; CORRECTION OF DEFECTIVE WORK

9.01 Tests and Inspections

- A. Owner will have access to the Site and the Work at reasonable times for their observation, inspection, and testing. Contractor shall provide them proper and safe conditions for such access.
- B. Contractor shall give Owner timely notice of readiness of the Work for all required inspections and tests, and shall cooperate with inspection and testing personnel to facilitate required inspections and tests.
- C. If any Work that is to be inspected, tested, or approved is covered by Contractor without written concurrence of Owner, Contractor shall, if requested by Owner, uncover such Work for observation. Such uncovering shall be at Contractor's expense.

9.02 Defective Work

- A. Contractor shall ensure that the Work is not defective.
- B. Owner has the authority to determine whether Work is defective, and to reject defective Work.
- C. Prompt notice of all defective Work of which Owner has actual knowledge will be given to Contractor.
- D. The Contractor shall promptly correct all such defective Work.
- E. If the Work is defective or Contractor fails to supply sufficient skilled workers or suitable materials or equipment, or fails to perform the Work in such a way that the completed Work will conform to the Contract Documents, then Owner may order Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated.

ARTICLE 10 - PAYMENTS TO CONTRACTOR

10.01 Applications for Payments:

- A. Contractor shall submit an application for payment in a form acceptable to the Owner, no more frequently than monthly, to Owner. Applications for payment will be prepared and signed by Contractor. Contractor shall provide supporting documentation required by the Contract Documents. Payment will be paid for Work completed as of the date of the application for payment.

10.02 Retainage

- A. The Owner shall retain 5% of each progress payment until the Work is substantially complete.

10.03 Review of Applications

- A. Within 10 days after receipt of each application for payment, the Owner will indicate in writing acceptance of application or return the application to Contractor indicating in writing Owner's reasons for refusing to recommend payment. The Contractor will make the necessary corrections and resubmit the application for payment.

10.04 Substantial Completion

- A. The Contractor shall notify Owner in writing that the Work is substantially complete and request the Owner issue a certificate of substantial completion when Contractor considers the Work ready for its intended use.

10.05 Final Inspection

- A. Upon written notice from Contractor that the entire Work is complete, Owner will promptly make a final inspection with Contractor and will notify Contractor in writing of all particulars in which this inspection reveals that the Work, or agreed portion thereof, is incomplete or defective. Contractor shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

10.06 Final Payment

- A. Contractor may make application for final payment after Contractor has satisfactorily completed all Work defined in the Contract.
- B. The Work is complete (subject to surviving obligations) when it is ready for final payment as established by the Owner's written recommendation of final payment.

10.07 Waiver of Claims

- A. The making of final payment will not constitute a waiver by Owner of claims or rights against Contractor.
- B. The acceptance of final payment by Contractor will constitute a waiver by Contractor of all claims and rights against Owner other than those pending matters that have been duly submitted.

ARTICLE 11 - CONTRACTOR'S REPRESENTATIONS

11.01 Contractor Representations

- A. Contractor makes the following representations when entering into this Contract:
 - 1. Contractor has examined and carefully studied the Contract Documents, and any data and reference items identified in the Contract Documents.
 - 2. Contractor has visited the Site, conducted a thorough visual examination of the Site and adjacent areas, and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 - 3. Contractor is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and performance of the Work.
 - 4. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on:
 - a. The cost, progress, and performance of the Work;
 - b. The means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and

- c. Contractor's safety precautions and programs.
5. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
 6. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
 7. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
 8. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that, without exception, all prices in the Contract are premised upon performing and furnishing the Work required by the Contract Documents.

IN WITNESS WHEREOF, Owner and Contractor have signed this Contract.

This Contract will be effective on _____ (which is the Effective Date of the Contract).

OWNER: Town of Harrisburg, NC

CONTRACTOR: Ram Pavement Services, Inc.

By: _____

By: _____

Title: _____

Title: _____

Attest: _____

Attest: _____

Title: _____

Title: _____

Address for giving notices:

Address for giving notices:

Attn: Mallory Hodgson

4100 Main Street, Suite 101

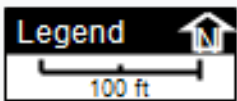
Harrisburg, NC 28075

License No.: _____
(where applicable)

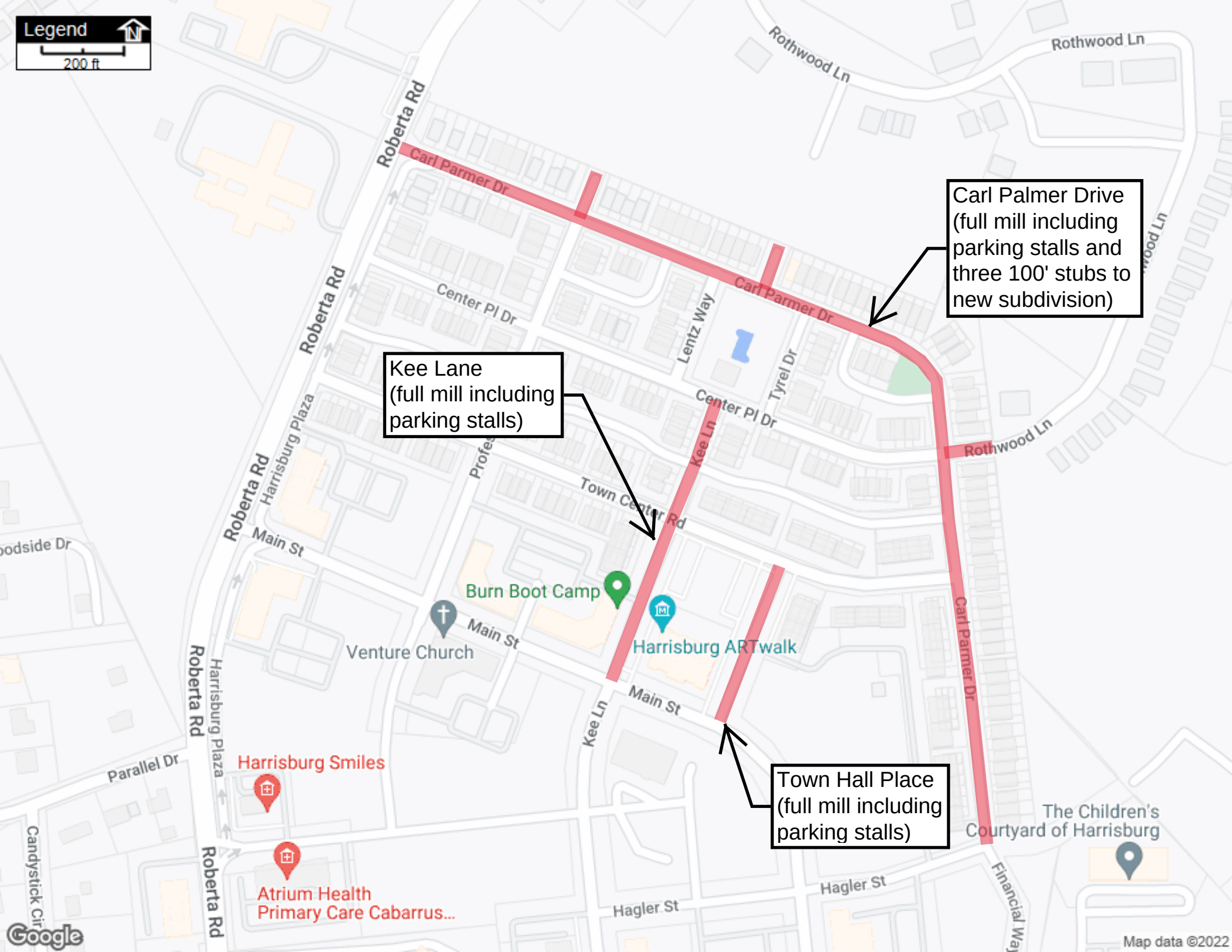
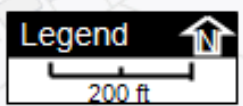
Legend

500 ft





Legend



Legend


100 ft

Raging Ridge Road
(mill speed humps
then 1.5" full mill then
1.5" pave)

Raging Ridge Rd

Raging Ridge Rd

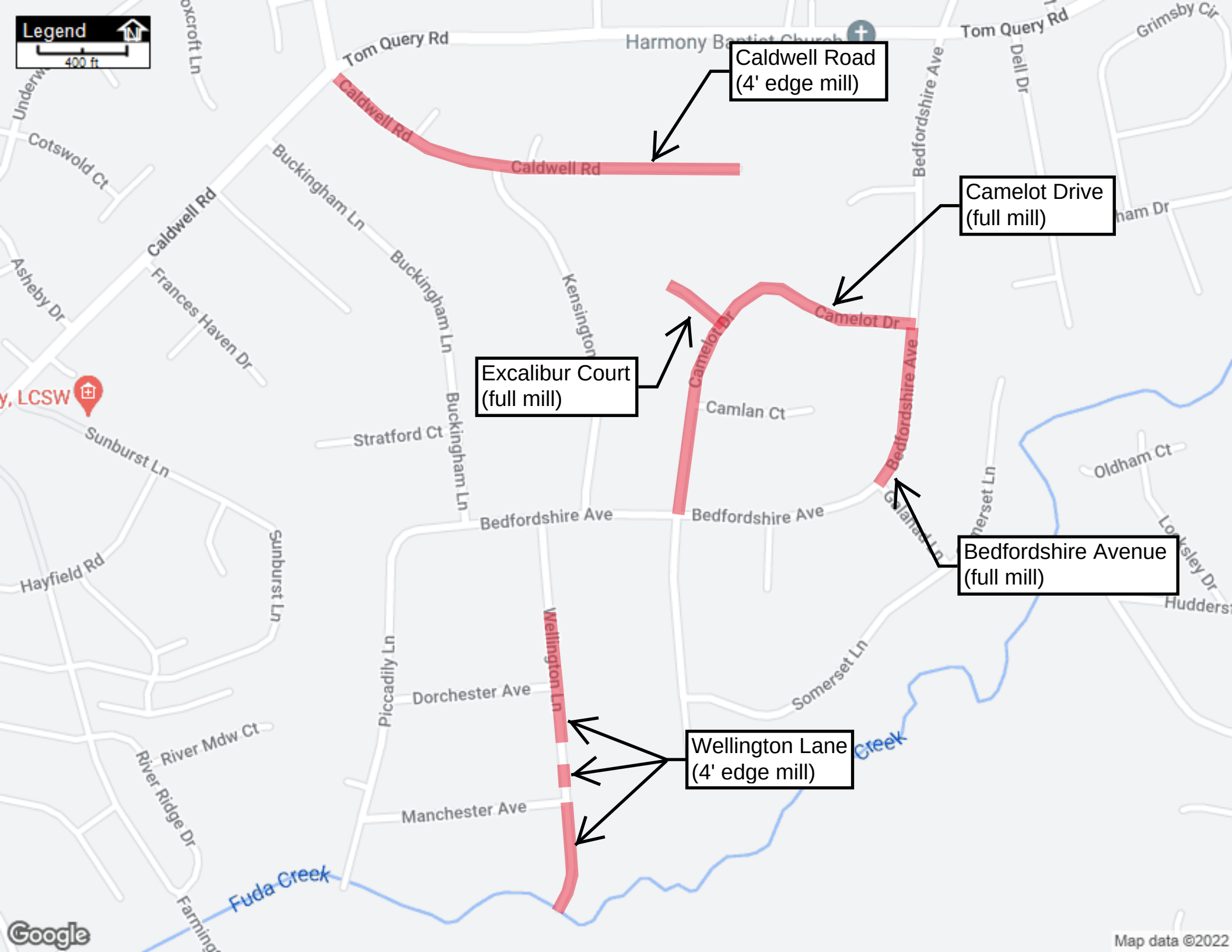
Raging Ridge Rd

Raging Ridge Rd

ing Ridge Rd

Legend

400 ft





AN ORDINANCE AMENDING THE 2022-2023 BUDGET ORDINANCE OF THE TOWN OF HARRISBURG, NORTH CAROLINA

Be it ordained by the Town Council of the Town of Harrisburg, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2023:

- Section 1.** Amend the General Fund to account for a larger annual Powel Bill distribution than anticipated in the original FY2023 Budget Ordinance and application of those funds to the Fall 2022 resurfacing project.
- Section 2.** To amend the General Fund, the appropriations are to be changed as follows:
- | | |
|-----------------------------------|-----------|
| Increase line item 101-3000-57103 | \$ 20,000 |
| Capital Outlay | |
- Section 3.** To amend the General Fund, the revenues are to be changed as follows:
- | | |
|------------------------------|-----------|
| Increase line item 101-43100 | \$ 20,000 |
| Distribution - DOT | |
- Section 4.** Copies of this budget amendment shall be furnished to the Clerk of the Town Council, and to the Budget Officer and the Finance Officer for their direction.
- Section 5.** That this ordinance shall be effective upon its passage. Adopted this 14th day of October, 2022.

Jennifer Teague, Mayor

ATTEST:

Janet Rackley, Town Clerk



Project 2022 Fall Resurfacing Project

				Blythe Construction Inc.		Reeves Construction Co.		Ram Pavement		J.T. Russell & Sons, Inc.		Blythe Brothers Asphalt Co., L.L.C.	
Bid Item	Item Description	Est. Qty.	Unit	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	Mobilization	1	LS	\$ 47,650.00	\$ 47,650.00	\$ 33,000.00	\$ 33,000.00	\$ 25,482.00	\$ 25,482.00	\$ 25,000.00	\$ 25,000.00	\$ 26,800.00	\$ 26,800.00
2	Traffic Control	1	LS	\$111,000.00	\$ 111,000.00	\$ 36,500.00	\$ 36,500.00	\$ 16,050.00	\$ 16,050.00	\$ 21,000.00	\$ 21,000.00	\$ 31,500.00	\$ 31,500.00
3	Milling of Existing Pavement - 1 - 1/2"	33,555	SY	\$ 5.70	\$ 191,263.50	\$ 4.00	\$ 134,220.00	\$ 3.15	\$ 105,698.25	\$ 2.35	\$ 78,854.25	\$ 4.00	\$ 134,220.00
4	Tack Coat	2,484	GAL	\$ 4.00	\$ 9,936.00	\$ 3.40	\$ 8,445.60	\$ 3.50	\$ 8,694.00	\$ 1.00	\$ 2,484.00	\$ 2.50	\$ 6,210.00
5	Asphalt Concrete Surface Course, S9.5C (1.5" depth)	41,407	SY	\$ 13.75	\$ 569,346.25	\$ 10.25	\$ 424,421.75	\$ 9.10	\$ 376,803.70	\$ 12.30	\$ 509,306.10	\$ 11.40	\$ 472,039.80
6	Thermoplastic Pavement Marking Line (4" width, 90 mils)	4,830	LF	\$ 2.50	\$ 12,075.00	\$ 2.60	\$ 12,558.00	\$ 1.50	\$ 7,245.00	\$ 2.75	\$ 13,282.50	\$ 2.50	\$ 12,075.00
7	Thermoplastic Pavement Marking Stop Bars (90 mils)	53	EA	\$ 145.00	\$ 7,685.00	\$ 150.00	\$ 7,950.00	\$ 190.00	\$ 10,070.00	\$ 165.00	\$ 8,745.00	\$ 145.00	\$ 7,685.00
8	Thermoplastic Pavement Marking Crosswalk Keys (90 mils)	15	EA	\$ 250.00	\$ 3,750.00	\$ 260.00	\$ 3,900.00	\$ 575.00	\$ 8,625.00	\$ 275.00	\$ 4,125.00	\$ 250.00	\$ 3,750.00
9	Pavement Marking Electric Parking Spots	2	EA	\$ 925.00	\$ 1,850.00	\$ 975.00	\$ 1,950.00	\$ 450.00	\$ 900.00	\$ 1,000.00	\$ 2,000.00	\$ 925.00	\$ 1,850.00
10	Thermoplastic White Pavement Marking Symbols (90 mils)	5	EA	\$ 685.00	\$ 3,425.00	\$ 725.00	\$ 3,625.00	\$ 450.00	\$ 2,250.00	\$ 750.00	\$ 3,750.00	\$ 685.00	\$ 3,425.00
11	Incidental Patching	100	TON	\$ 315.00	\$ 31,500.00	\$ 230.00	\$ 23,000.00	\$ 125.00	\$ 12,500.00	\$ 145.00	\$ 14,500.00	\$ 200.00	\$ 20,000.00
12	Reinstall Inductive Detection Loops	470	LF	\$ 15.00	\$ 7,050.00	\$ 18.00	\$ 8,460.00	\$ 23.00	\$ 10,810.00	\$ 20.00	\$ 9,400.00	\$ 17.00	\$ 7,990.00
Contract Price					\$ 996,530.75		\$ 698,030.35		\$ 585,127.95		\$ 692,446.85		\$ 727,544.80
5% Contingency					\$ 49,826.54		\$ 34,901.52		\$ 29,256.40		\$ 34,622.34		\$ 36,377.24
Total Contract Price					\$1,046,357.29		\$ 732,931.87		\$ 614,384.35		\$ 727,069.19		\$ 763,922.04



AN ORDINANCE AMENDING THE 2022-2023 BUDGET ORDINANCE OF THE TOWN OF HARRISBURG, NORTH CAROLINA

Be it ordained by the Town Council of the Town of Harrisburg, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2023:

Section 1. Amend the General Fund to account for implementation of the Salary Study for Fire employees.

Section 2. To amend the General Fund, the appropriations are to be changed as follows:

Increase line item 100-2100-51000 Salaries	\$ 95,000
Increase line item 100-2100-51001 Social Security	\$ 8,000
Increase line item 100-2100-51002 Retirement	\$ 12,000
Increase line item 100-2100-51004 401(k)-457(b)	\$ 5,000
Decrease line item 100-8750-59500 Contingency	\$ 120,000

Section 3. Copies of this budget amendment shall be furnished to the Clerk of the Town Council, and to the Budget Officer and the Finance Officer for their direction.

Section 4. That this ordinance shall be effective upon its passage. Adopted this 14th day of November, 2022.

Jennifer Teague, Mayor

ATTEST:

Janet Rackley, Town Clerk



AN ORDINANCE AMENDING THE 2022-2023 BUDGET ORDINANCE OF THE TOWN OF HARRISBURG, NORTH CAROLINA

Be it ordained by the Town Council of the Town of Harrisburg, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2023:

Section 1. Amend the General Fund to account for expansion of Communications Department services.

Section 2. To amend the General Fund, the appropriations are to be changed as follows:

Increase line item 100-1200-51000 Salaries	\$ 12,000
Increase line item 100-1200-51001 Social Security	\$ 1,000
Increase line item 100-1200-51002 Retirement	\$ 1,500
Increase line item 100-1200-51004 401(k)-457(b)	\$ 1,000
Increase line item 100-1200-56310 Professional Services	\$ 20,000
Decrease line item 100-8750-59500 Contingency	\$ 35,500

Section 3. Copies of this budget amendment shall be furnished to the Clerk of the Town Council, and to the Budget Officer and the Finance Officer for their direction.

Section 4. That this ordinance shall be effective upon its passage. Adopted this 14th day of November, 2022.

Jennifer Teague, Mayor

ATTEST:

Janet Rackley, Town Clerk



TOWN OF HARRISBURG

Agenda Item Details

Title:

To set a public hearing for December 12, 2022 to consider the annexation of property located at 3087 Stallings Road.

Presenting Personnel:

Suggested Motion or Action:

Motion to set a public hearing for December 12, 2022 to consider the annexation of 3087 Stallings Road.

Description/Background:

A Public Hearing is requested for December 12, 2022 to consider the annexation of property located at 3087 Stallings Rd (PIN 5517-41-4403). In conjunction with this annexation, the applicant is also requesting that the property be rezoned from a designation of Cabarrus County LDR (Low Density Residential) to Town of Harrisburg RE (Rural Estate). A public hearing on the rezoning will also be scheduled for December 12th.

Recommendation:

Staff recommends calling a public hearing to consider the annexation of property located at 3087 Stallings Road.

Fiscal Impact:

None

Attachments:

1. Annexation Application - 3087 Stallings Rd
2. OSCAR VELASQUEZ - FINAL-ANNEXATION PLAT
3. OSCAR VELASQUEZ - 5.00 ACRES-ANNEXATION AREA (LEGAL DESC)
4. OSCAR VELASQUEZ - REZONING-ANNEXATION APPLICATION-SIGNED
5. Certificate of Sufficiency
6. Resolution Fixing Date of Public Hearing - Velasquez

Annexation Application

1. Request for Annexation

- ☒ We the undersigned owners of real property respectfully request that the area described in paragraph 2 below be annexed to the Town of Harrisburg.

2. Property Information

- a. Property Location/Address: 3087 Stallage Rd Harrisburg, NC 28075
- b. Tax Map and Parcel Number (PIN): 15258 + PIN 5517-41-4403
- c. Current Zoning: Cabarrus County
- d. Current Land Use: Residential
- e. Area to be annexed is: ☒ Contiguous ☐ Non-Contiguous
- f. Boundaries of territory to be annexed (attach separate sheet or describe below).

See Attached

3. Contact Information

- a. Contact Person: Charles Linder
Company: _____
Address: 1416 Coakum Dr City, State, Zip: Charlotte NC 28278
Phone Number: 919-801-2975 Email Address: Charles.Linder@charlotte-brothers.com
- b. Applicant Name (if different than above): Oscur Velazquez Soria
Company: _____
Address: _____ City, State, Zip: _____
Phone Number: 704-833-3217 Email Address: Velazquezoscur484@gmail.com
- c. Owner Name: Oscur Velazquez Soria
Company: _____
Address: _____ City, State, Zip: _____
Phone Number: 704-833-3217 Email Address: Velazquezoscur484@gmail.com

4. Signature of Owner(s)

Owner Name: Oscar Velazquez Soto Address: 3057 Stillings Rd
Owner Signature: [Signature] Date: _____
Owner Name: _____ Address: _____
Owner Signature: _____ Date: _____
Owner Name: _____ Address: _____
Owner Signature: _____ Date: _____
Owner Name: _____ Address: _____
Owner Signature: _____ Date: _____
Owner Name: _____ Address: _____
Owner Signature: _____ Date: _____
Owner Name: _____ Address: _____
Owner Signature: _____ Date: _____
Owner Name: _____ Address: _____
Owner Signature: _____ Date: _____

5. Affidavit of Completeness and Accuracy (to be completed by the individual submitting the application)

STATEMENT OF COMPLETENESS AND ACCURACY:

I hereby certify all property owners have full knowledge the property they own is the subject of this application. I hereby certify the statements or information made in any paper or plans submitted herewith are true and correct to the best of my knowledge. I understand this application, related application material and all attachments become official records of the Planning and Zoning Department of Harrisburg, North Carolina, and will not be returned.

I understand that any knowingly false, inaccurate or incomplete information provided by me will result in the denial, revocation or administrative withdrawal of this application, request, approval or permit. I further acknowledge that additional information may be required to process this application. I further consent to the Town of Harrisburg to publish, copy or reproduce any copyrighted documents submitted as a part of this application for any third party. I further agree to all terms and conditions, which may be imposed as part of the approval of this application.

Applicant Name: Oscar Velazquez Soto Submittal Date: _____

Applicant Signature: [Signature]

7. Required Attachments

All Annexation Application submittals must be accompanied by:

- Applicable fee(s) (see Master Fee Schedule in Appendix B of the Development Guidebook);
- Sealed survey showing area proposed for annexation in relation to the primary corporate limits of the Town of Harrisburg.

6. Staff Use Only:

Record of Process

Date Received: _____

Application Number: _____

Is Application Complete?

☐

Yes

☐

No

Public Hearing Date(s): _____

Published Notice Date: _____

Mailed Notice Date: _____

Posted Notice Date: _____

Final Action Applicant Notification Mailed Date: _____

Town Staff Signature: _____

Record of Decision

Reviewed By: _____

Recommendation:

☐

Approve

☐

Deny

Final Action:

☐

Approve

☐

Deny

CERTIFICATE OF OWNERSHIP
WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT WE HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT, ESTABLISHED MINIMUM BUILDING LINES, AND DEDICATE ALL ROADS, ALLEYS, WALKS, PARKS, AND OTHER SITES TO THE PUBLIC USE EXCEPT AS NOTED. FURTHER, WE CERTIFY THE LAND AS SHOWN HEREON IS WITHIN THE PLATTING JURISDICTION OF CABARRUS COUNTY.

BY: _____ DATE _____
OWNER

PLAT REVIEW OFFICER CERTIFICATE

STATE OF NORTH CAROLINA
COUNTY OF CABARRUS

I, _____ REVIEW OFFICER OF
CABARRUS COUNTY, CERTIFY THAT THE MAP OR PLAT TO WHICH
THIS CERTIFICATION IS AFFIXED MEETS ALL STATUTORY
REQUIREMENTS FOR RECORDING.

REVIEW OFFICER

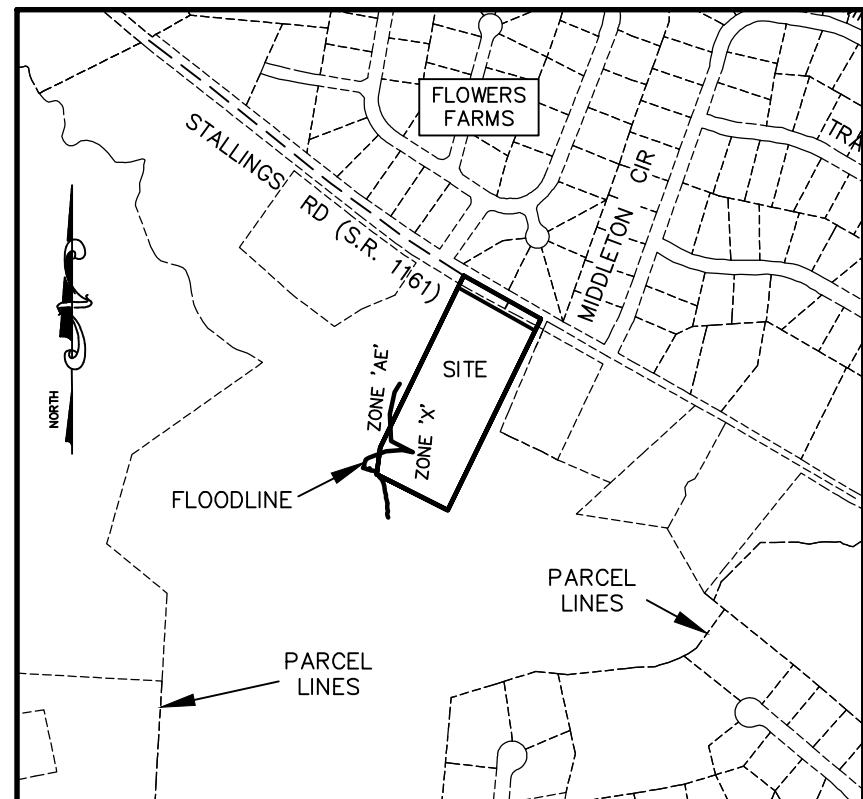
DATE

CERTIFICATE OF FINAL PLAT APPROVAL

IT IS HEREBY CERTIFIED THAT THIS PLAT IS IN COMPLIANCE WITH THE
SUBDIVISION REGULATIONS OF THE HARRISBURG TOWN COUNCIL, OR
THEIR DESIGNATED REVIEW COMMITTEE, SUBJECT TO ITS BEING RECORDED
WITH THE CABARRUS COUNTY REGISTER OF DEEDS WITHIN 30 DAYS OF
THE DATE BELOW.

DATE _____ DIRECTOR OF PLANNING

DATE _____ DIRECTOR OF ENGINEERING AND PUBLIC WORKS



AREA MAP:
NO SCALE

NOW OR FORMERLY
JOHN CHADWICK TURNER
and wife,
LUCY ELIZABETH TURNER
DB 12000, PG 356
MB 78 PG 79
(TRACT 2)
PIN: 5517-41-9364
REAL ID: 01-017-0008.13
3005 STALLINGS RD.
HARRISBURG, NC 28075
ZONED: LDR

NOW OR FORMERLY
WILLIAM PLEASANTS
and wife,
EMILY PLEASANTS
DB 12000, PG 356
PIN: 5517-41-7434
REAL ID: 01-017-0008.17
3015 STALLINGS RD.
HARRISBURG, NC 28075
ZONED: LDR

NOW OR FORMERLY
JAMES R. FLOWERS, Jr.
and wife,
VIRGINIA KALE FLOWERS
and
AMELIA F. TURNER
DB 12440, PG 257
(MB 78 PG 79)
PIN: 5517-41-0025
REAL ID: 01-017-0008.00
3005 STALLINGS RD.
HARRISBURG, NC 28075
ZONED: LDR

NOW OR FORMERLY
JAMES R. FLOWERS, Jr.
and wife,
VIRGINIA KALE FLOWERS
and
AMELIA F. TURNER
DB 12440, PG 257
(MB 78 PG 79)
PIN: 5517-41-0025
REAL ID: 01-017-0008.00
3005 STALLINGS RD.
HARRISBURG, NC 28075
ZONED: LDR

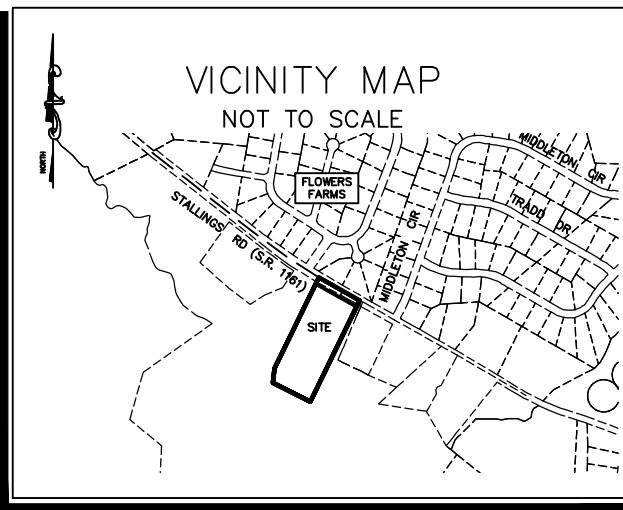
OSCAR VELASQUEZ SORTO
DB 15258, PG 50
TRACT ONE OF
MB 88 PG 62
PIN: 5517-41-4403
REAL ID: 01-017-0008.19
3087 STALLINGS RD.
HARRISBURG, NC 28075
CURRENTLY ZONED: LDR

TRACT ONE
(TOTAL ACREAGE)
Area: 5.00 Acres
or 217,764 Sq.Ft.

*5.00 ACRES INCLUDES
AREA BEING DEDICATED
AS PUBLIC R/W

PASTURED LAND
AT THE TIME OF
THIS SURVEY

NOW OR FORMERLY
JAMES R. FLOWERS, Jr.
and wife,
VIRGINIA KALE FLOWERS
and
AMELIA F. TURNER
DB 12440, PG 257
(MB 78 PG 79)
PIN: 5517-41-0025
REAL ID: 01-017-0008.00
3005 STALLINGS RD.
HARRISBURG, NC 28075
ZONED: LDR



LEGEND:

- R/W : RIGHT OF WAY
— EXISTING PROPERTY LINES
--- LINES NOT SURVEYED (OR AS NOTED)
— EXISTING RIGHT OF WAY LINE
— OE — EXISTING OVERHEAD UTILITY LINES
○ EXISTING IRON FOUND
● EXISTING PIPE FOUND
☆ COMPUTED POINT (NO POINT SET)
▲ NEW CORNER SET (AS SHOWN)

Line Table		
Line #	Direction	Length
L1	S25° 59' 32"W	30.00'
L2	S25° 59' 37"W	15.07'
L3	N25° 59' 32"E	15.07'
L4	N25° 59' 32"E	30.00'

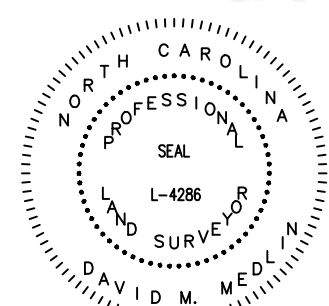
**MINIMUM ZONING
REQUIREMENTS (RE)**

MIN. FRONT SETBACK: 45 ft.
SIDE YARD: 20 ft.
REAR YARD: 30 ft.

I, DAVID M. MEDLIN A REGISTERED LAND SURVEYOR No. L-4286, CERTIFY
THAT THIS PLAT IS OF A SURVEY THAT CREATES A SUBDIVISION
OF LAND WITHIN A COUNTY OR MUNICIPALITY THAT HAS AN ORDINANCE
THAT REGULATES PARCELS OF LAND.

I, DAVID M. MEDLIN CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY SUPERVISION
FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION. LEGAL DESCRIPTION
RECORDED IN DEED BOOK AS SHOWN PAGE AS SHOWN; THAT THE BOUNDARIES
NOT SURVEYED ARE CLEARLY INDICATED AS FROM INFORMATION FOUND IN DEED
BOOK AS SHOWN PAGE AS SHOWN; THAT THE RATIO OF PRECISION AS CALCULATED
IS 1:10,000+; WITNESS MY ORIGINAL SIGNATURE, REGISTRATION NUMBER AND SEAL
THIS THE 6th DAY OF SEP., A.D., 2022.

David M. Medlin



GRAPHIC SCALE



(IN FEET)
1 inch = 80 ft.

NOTES:

- BOUNDARY SURVEY MADE USING:
DEED BOOK: PAGE:
15258 50
PLAT BOOK: PAGE:
88 62

AND OTHERS, AS SHOWN AND RECORDED IN CABARRUS CO. REGISTER OF DEEDS

- TAX PARCEL : 5517-41-0025; REAL ID: 01-017-008.00
- IRON PINS ESTABLISHED AT ALL CORNERS (UNLESS OTHERWISE NOTED)
- TITLE SEARCH NOT DONE BY MEDLIN SURVEYING CO.
PROPERTY SUBJECT TO ANY RECORDED EASEMENTS NOT SHOWN ON THIS SURVEY
- SUBJECT PROPERTY LIES WITHIN FEMA AREAS "X" AND "AE".
(FEMA MAP # 3710551700K - EFFECTIVE DATE 8/30/2016).
- AREA BY COORDINATE GEOMETRY METHOD
- SUBJECT PROPERTY IS CURRENTLY ZONED: LDR (CABARRUS COUNTY).
AS SHOWN: WITH PROPOSED ZONING OF "RE" (TOWN OF HARRISBURG).

NCGS MONUMENT
"ROCKY"
NC NAD 83 (2011)
GRID COORDS:
N: 570,427.41
E: 1,523,327.41
CSF: 0.99984859

COTTON
STREET

N81° 50' 25"W
8,700.90' (GROUND)
8699.58' (GRID)
(JOB CSF: 0.99984859)
(TIE LINE NOT TO SCALE)

IRON FOUND
GROUND COORDS
(NAD 83/2011)
N: 571,662.34'
E: 1,514,714.63'

N60° 43' 16"W
29.94'
(TIE LINE)

+/- 13,522 SQ.FT.
(0.31 ACRES)
OF TRACT ONE TO
BE DEDICATED AS
PUBLIC R/W

STALLINGS ROAD

S.R. #1161
VARIABLE WIDTH NCDOT
MAINTAINED PUBLIC R/W

VARIOUS UTILITIES
(UNDERGROUND AND OVERHEAD)
EXISTING WITHIN THE NCDOT
MAINTAINED R/W
NOT ALL ARE SHOWN OR
FIELD LOCATED.
(NO EASEMENTS FOUND)

EXCEPTION PLAT: ANNEXATION EXHIBIT

THE PROPERTY OWNED BY:

OSCAR VELASQUEZ SORTO

PIN: 5517-41-4403 REAL ID: 01-017-008.19

3151 STALLINGS ROAD, HARRISBURG, NC. 28075 No. 1 TOWNSHIP OF CABARRUS COUNTY

Scale: 1"=80'

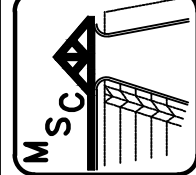
Date: MAY 10, 2021

Drawn By: DMM

Surveyed By: DMM

Job No.: OSCAR VELASQUEZ-FINAL(ANNEXATION PLAT).DWG

Revisions:



MEDLIN
SURVEYING CO.

2915 STALLINGS RD.
HARRISBURG, NC 28075

Cell: 704-201-4332
EMAIL: MEDLINSURVEY@YAHOO.COM

THE PROPERTY OF:

OSCAR VELASQUEZ SORTO

(Deed Book 15258, Page 50) (PIN: 5517-41-4403; REAL ID: 01-017-0008.19)

Lying and being in the No. 1 Township of Cabarrus County, North Carolina, being the 5.00 Acres, shown as TRACT ONE in Map Book 88 Page 62; the same being described in Deed Book 15258, Page 50 as recorded among the Cabarrus County Register of Deeds; and being more particularly described as follows:

ANNEXATION AREA

Commencing from an IRON FOUND on the west side of Stallings Road (S.R. 1161); said IRON FOUND being the northwest corner of the property of William and Emily Pleasants (now or formerly) Deed Book 12000 Page 356 (PIN: 5517-41-7434; REAL ID: 01-017-0008.17) and being further described as having NC (NAD 83/2011) Ground Coordinates of N: 571,662.34, E: 1,514,714.63' and being situated North 81°50'25" West 8,700.90 feet (ground) from NCGS Monument "ROCKY"; thence running a tie line from said IRON FOUND South 60°43'16" East 29.94 feet to an IRON FOUND ON LINE, on the eastern line of the aforesaid TRACT ONE of Map Book 88 Page 62; said IRON FOUND ON LINE being further described as being the POINT OF BEGINNING (POB) of the property to be described herein; thence leaving the POINT OF BEGINNING (POB) and running along said eastern line

1. South 25°59'37" West 15.07 feet to a new IRON SET ON LINE; thence continuing along said line eastern line
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3. North 63°11'29" West 269.93 feet to an existing IRON FOUND at the southwest corner of the said TRACT ONE; thence running along the western lines of said TRACT ONE
4. North 06°56'48" East 92.20 feet to an existing IRON FOUND; thence
5. North 25°59'32" East passing a new IRON SET ON LINE at 604.93 feet, and an existing IRON FOUND ON LINE at 620.00 feet, a total of 650.00 feet to a COMPUTED POINT near the centerline of Stallings Road (S.R. 1161); said COMPUTED POINT being further described as being the northwest corner of the aforesaid TRACT ONE; thence running along the northern line of said TRACT ONE (within Stallings Road)
6. South 60°43'16" East 300.49 feet to a COMPUTED POINT near the centerline of Stallings Road; said COMPUTED POINT being further described as being the northeast corner of said TRACT ONE; thence running along the eastern line of said TRACT ONE
7. North 25°59'32" East along said line, a distance of 30.00 feet; thence to the

Point of Beginning and containing 217,764 square feet or 5.00 acres of land,
more or less.

The above described ANNEXATION AREA is the same property shown on the
unrecorded survey performed by Medlin Surveying Company signed: Sept. 6, 2022, to
which reference is hereby made.

Legislative Approval Application

1. Application Type (select all that apply)

- ☐ UDO Text Amendment ☒ Zoning Map Amendment (rezoning) ☐ Conditional Zoning Approval
☐ Certificate of Appropriateness

2. Project Information

- a. Project Name: VELASQUEZ PROPERTY ANNEXATION
- b. Project Location/Address: 3087 STALLINGS RD. HARRISBURG, NC 28075
- c. Tax Map and Parcel Number (PIN): REAL ID: 01-017-0008.19 PIN: 5517-41-4403
- d. Zoning: Existing: LDR Proposed: RE
- e. Land Use: Existing: SINGLE FAM. - RESIDENTIAL Proposed: SINGLE FAMILY RESIDENTIAL
- g. Description of Request (attach separate sheet if needed):

ANNEX SUBJECT PROPERTY INTO THE TOWN OF HARRISBURG
AND REZONE TO "RE".

3. Contact Information

- a. Project Manager/Contact Person: DAVID MEDLIN
Company: MEDLIN SURVEYING CO.
Address: 2915 STALLINGS RD City, State, Zip: HARRISBURG, NC 28075
Phone Number: (704) 201-4332 Email Address: MEDLIN SURVEY @ YAHOO.COM
- b. Applicant Name (if different than above): OSCAR VELASQUEZ
Company: O+L CONCRETE, LLC
Address: 11641 NORRETT DR. City, State, Zip: CHARLOTTE, NC 28215
Phone Number: (704) 837-3217 Email Address: VELASQUEZ OSCAR 484 @ GMAIL.COM
- c. Owner Name: OSCAR VELASQUEZ
Company: _____
Address: 11641 NORRETT DR. City, State, Zip: CHARLOTTE NC 28215
Phone Number: (704) 837-3217 Email Address: VELASQUEZ OSCAR 484 @ GMAIL.COM

4. Owner's Consent

OSCAR VELASQUEZ ("Owner") certifies that it is the owner of the property located at 3087 STALLINGS RD. ("Subject Property") and expressly consents to the use of the Subject Property as described in this application and to all conditions that may be agreed to as a part of the approval of this application, which may be imposed by the decision making board.

Owner hereby authorizes, DAVID MEDLIN as agent, to file this application and represent Owner at any and all meetings and hearings required for the approval of this application.

Owner's Signature:

Oscar Velasquez

Date:

09.07.22

5. Affidavit of Completeness and Accuracy (to be completed by the individual submitting the application)

Project Name: VELASQUEZ PROPERTY ANNEXATION Submittal Date: SEPT. 7, 2022

STATEMENT OF COMPLETENESS AND ACCURACY:

I hereby certify all property owners have full knowledge the property they own is the subject of this application. I hereby certify the statements or information made in any paper or plans submitted herewith are true and correct to the best of my knowledge. I understand this application, related application material and all attachments become official records of the Planning and Zoning Department of Harrisburg, North Carolina, and will not be returned.

I understand that any knowingly false, inaccurate or incomplete information provided by me will result in the denial, revocation or administrative withdrawal of this application, request, approval or permit. I further acknowledge that additional information may be required to process this application. I further consent to the Town of Harrisburg to publish, copy or reproduce any copyrighted documents submitted as a part of this application for any third party. I further agree to all terms and conditions, which may be imposed as part of the approval of this application.

Applicant Name:

DAVID MEDLIN

Applicant Signature:

David M. Medlin

6. Staff Use Only:

Record of Process

Date Received: _____

Application Number: _____

Is Application Complete?

☐

Yes

☐

No

Public Hearing Date(s): _____

Published Notice Date: _____

Mailed Notice Date: _____

Posted Notice Date: _____

Final Action Applicant Notification Mailed Date: _____

Town Staff Signature: _____

Record of Decision

Reviewed By: _____

Recommendation:

☐

Approve

☐

Deny

Final Action:

☐

Approve

☐

Deny

7. Required Attachments

All development application submittals must be accompanied by:

- Applicable fee(s) (see Master Fee Schedule in Appendix B of the Development Guidebook);
- Attachments listed in under the pertinent application;
- Case numbers of other related development applications; and
- Any additional information or attachments required by the Town Attorney, Director or other Town staff, Historic Preservation Commission, Planning and Zoning Board, Board of Adjustment, or Town Council.

Consult staff during pre-application meeting for any required paper copies consult staff during pre-application meeting for any required paper copies.

Conditional Zoning Approval

1. List of all abutting property owners' name, mailing address, and PINs
2. Recent survey or legal description of property requested to be rezoned
3. Copies of the invitation letter, minutes, and sign-up sheet from required neighborhood meeting
4. If determined required at the pre-application meeting:
 - a. Copies of the Traffic Impact Analysis (TIA)
 - b. Proposed site plan
 - c. Landscape plan (with number, location, and type of proposed plantings)
 - d. Proposed building elevations
5. A digital (PDF) copy of a complete site-specific development plan
6. List of specific proposed permitted uses (chosen from permitted used of proposed district)
7. Any specific conditions willing to be imposed as part of application (e.g. no outside storage, increased buffer width, etc.)

Zoning Map Amendment (rezoning)

1. List of all abutting property owners' name, mailing address, and PINs
2. Recent survey or legal description of property requested to be rezoned
3. Copies of the invitation letter, minutes, and sign-up sheet from required neighborhood meeting.
4. If determined required at the pre-application meeting:
 - a. Copies of the Traffic Impact Analysis (TIA)
 - b. Proposed site plan
 - c. Landscape plan (with number, location, and type of proposed plantings)
 - d. Proposed building elevations

UDO Text Amendment

1. Proposed text of amendment ordinance
2. Written rationale for the change



CERTIFICATE OF SUFFICIENCY

To the Town Council of the Town of Harrisburg of Harrisburg North Carolina:

I, Janet Rackley, Clerk, do hereby certify that I have investigated the petitions attached hereto and have found as a fact that said petition is signed by all owners of real property lying in the area described therein, in accordance with G.S. 160A-31.

In witness whereof, I have hereunto set my hand and affixed the seal of the Town of Harrisburg of Harrisburg, North Carolina, this 2nd day of November, 2022.

(Seal)




Janet Rackley, Clerk



**RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION
OF ANNEXATION PURSUANT TO G.S. 160A-31**

WHEREAS, a petition requesting annexation of the area described herein has been received; and

WHEREAS, the Town Council has by resolution directed the Town of Harrisburg Clerk to investigate the sufficiency of the petition; and

WHEREAS, certification by the Town Clerk as to sufficiency of the petition has been made;

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

Section 1. A public hearing on the question of annexation of the area described herein will be held at Harrisburg Town Hall at 4100 Main Street, Harrisburg, North Carolina at 6:00 p.m. on December 12, 2022.

Section 2. The area proposed for annexation is described as follows:

THE PROPERTY OF:

OSCAR VELASQUEZ SORTO

(Deed Book 15258, Page 50) (PIN: 5517-41-4403; REAL ID: 01-017-0008.19)

Lying and being in the No. 1 Township of Cabarrus County, North Carolina, being the 5.00 Acres, shown as TRACT ONE in Map Book 88 Page 62; the same being described in Deed Book 15258, Page 50 as recorded among the Cabarrus County Register of Deeds; and being more particularly described as follows:

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7. North 25°59'32" East along said line, a distance of 30.00 feet; thence to the Point of Beginning and containing 217,764 square feet or 5.00 acres of land, more or less.

The above described ANNEXATION AREA is the same property shown on the unrecorded survey performed by Medlin Surveying Company signed: Sept. 6, 2022, to which reference is hereby made.

Section 3. Notice of the public hearing shall be published in the Independent Tribune, a newspaper having general circulation in the Town of Harrisburg, at least ten (10) days prior to the date of the public hearing.

Jennifer Teague, Mayor

ATTEST:

Janet Rackley, Town Clerk



TOWN OF HARRISBURG

Agenda Item Details

Title:

H-2022-10-R Request to rezone approximately 46.65 acres located off Wonderwood Lane from RE (Rural Estate) to AG (Agricultural)

Presenting Personnel:

Zac Gordon, Interim Planning & Economic Development Director

Suggested Motion or Action:

If deferred, the following motion is suggested:

Motion to continue the public hearing till December council meeting on the request for rezoning and a Zoning Map amendment for property off Wonderwood Lane (PIN 5516-96-2556): H-2022-10 (R)

For approval, the following motion is suggested:

Motion to approve the request for rezoning and a Zoning Map amendment for property off Wonderwood Lane (PIN 5516-96-2556): H-2022-10 (R)

Consistency Statement:

Based on the staff report and staff presentation, this rezoning request is consistent with the Harrisburg Area Land Use Plan (HALUP), and is reasonable and in the public interest.

If denied, the following motion is suggested:

Motion to deny the request for rezoning and a Zoning Map amendment for property off Wonderwood Lane (PIN 5516-96-2556): H-2022-10 (R)

Description/Background:

The property owner is requesting approval to rezone 46.5 acres off Wonderwood Lane from RE (Rural Estate) to AG - Agricultural. While this is not a conditional rezoning request, the applicant has indicated that this request is intended to facilitate use of the property for a family farm for growing crops and producing honey. Concerns have been raised about the possibility of commercial livestock farming of pigs or chickens that would negatively impact the surrounding homes if the property were to sell at a later date. This is not the intent of the applicant but is a possibility. The only method to avoid this is a conditional rezoning process. However, the applicant has asked to pursue a regular rezoning request at this time.

Recommendation:

Staff is recommending approval of the request for rezoning if there is no concern with possible commercial farming if the property changes hands, for example pig or chicken farming next to residential homes, or a deferral and recommendation for a conditional rezoning to narrowly define the family farm request if there is a concern of large scale commercial livestock farms in the future. This is based on consistency with the Harrisburg Area Land Use Plan (HALUP) and compliance with the UDO. The Planning Board has recommended approval.

Fiscal Impact:

None

Attachments:

1. H2022-10-R Staff Report TC
2. H2022-10-R Aerial Map
3. H2022-10-R Site Map
4. H2022-10-R Application
5. H2022-10-R Survey
6. Public Notice Letter - Wonderwood
7. Public Notice Ad



Town of Harrisburg
Department of Planning and Economic Development
Rezoning Staff Report

DATE: October 31, 2022

SUBJECT:

Request H-2022-10-(R): To rezone approximately 46.65 acres from RE (Rural Estate) to AG (Agriculture)

Location: The subject property is located off Wonderwood Lane (PIN 5516-96-2556)

Applicant: Michael Arnold

Staff Report Prepared by: Craig Thomas, Senior Planner

Neighborhood Meeting: N/A

Planning and Zoning Board Meeting: September 20, 2022

BACKGROUND:

Area: ±46.65 acres Total

Existing Land Use: Vacant/Single-Family Residential

Zoning within 500 feet: North - Countryside Residential (CR), Cabarrus County
South - Rural Estate (RE) and Countryside Residential (CR), Town of Harrisburg and Cabarrus County
East - Low Density Residential (LDR), Cabarrus County
West - Office and Institutional (O-I) and Rural Estate (RE), Town of Harrisburg

Land Uses within 500 feet: North - Single-family Residential
South - Vacant
East - Vacant
West - Single-family Residential

APPLICATION SUMMARY:

- The applicant proposes to rezone parcel PIN 5516-96-2556.
- The AG district has a maximum density of 0.30 dwelling unit per acre. The proposed density is 0.02 dwelling units per acre and the lot meets the AG dimensional requirements per the UDO.

APPROVAL CRITERIA:

1. The size of the tract in question;

The subject property is approximately 46.65 acres in size.

2. Whether the proposal conforms with and is in furtherance of the implementation of the goals and policies of the Comprehensive Plan, other adopted plans, and the goals, objectives, and policies of the Ordinance.

Per the Unified Development Ordinance, the intent of the proposed district:

***AG:** The AG district is established to provide areas for low-intensity agricultural operations, agri-business where appropriate, supportive rural business uses, protect and preserve valuable agricultural areas and pasturelands, and set very low residential densities.*

Per the Harrisburg Area Land Use Plan, the subject property is located in an area designated on the future land use map as **Low Density Residential**. The description of Low Density Residential is as follows:

“This area is characterized by low- to moderate-density residential development (1 to 2 dwelling units per acre). Single family detached homes are complemented by natural areas as well as formal and informal open space amenities. Conservation design, which includes more open space in exchange for small minimum lot sizes, may be recommended in locations with sensitive natural resources.”

Based on the description of the Low-Density Residential land use classification, the proposed density would meet the intent that has been set for this area in the Land Use Plan.

With regard to the overall goals of the Land Use Plan, **recommendation LU-4** states that the Town should recognize the value of agricultural operations. The low-density nature of the parcel will reduce conflicts between neighboring residents.

Recommendation LU-7 of the Plan recommends consistency between the Town’s zoning regulations and the adopted Future Land Use Map. A table included as part of this goal establishes the “appropriate” zoning districts to use when making zoning decisions based on the Future Land Use Map. The map, as previously stated, designates this area as Low Density Residential, and although the AG zoning designation is missing from the table, the proposed density is less than the standards set forth in the HALUP.

3. The benefits or detriments for the owner, neighbors and surrounding community.

The benefits to the owners of the properties would be that single-family residential zoning at the proposed density of 0.02 dwelling units per acre could be achieved under the proposed zoning.

The rezoning has no detrimental impact to the surrounding community.

4. Whether the proposed request is in compliance with the adequate public facilities criteria.

a. Utilities:

Utilities are available in this area and are sufficient to meet the needs of this property, subject to availability being allocated by the Town's Wastewater Allocation Committee. Water is available from the adjacent neighborhoods but not necessary for the agricultural operations. Any utility line extensions or upgrades necessary to serve this development will be the responsibility of the property owner.

b. Transportation:

A TIA was not required based on the lower amount of traffic generated by this rezoning, with only one (1) lot and one home involved. Driveway access will be reviewed and permitted by the Town during the permitting review.

c. Safety and Sanitation Services:

Adequate police, fire, and sanitation services are available for the proposed use.

d. Schools:

The proposed development would generate no new students across all levels. Cabarrus County School did not offer an impact statement for this rezoning and single-family development as the impact is so minimal.

5. The relationship of the uses envisioned under the new zoning and the uses currently present in adjacent tracts. The Commission shall consider the following:

- a.** Whether the proposed zoning is compatible with the surrounding area or whether there will be adverse impacts on the capacity or safety of the portion of street network influenced by the rezoning, parking problems, or environmental impacts that the new use will generate such as excessive storm water runoff, water, air or noise pollution, excessive nighttime lighting or other nuisances.

The proposed single-family development and density of the proposed development (0.02 dwelling units per acre) is compatible with surrounding land uses.

- b.** Any change of character in the area due to installation of public facilities, other zoning changes, new growth changes, deterioration, and development.

The proposed rezoning and resulting development of this land would preserve the rural character of the area.

c. The zoning districts and existing land uses of the surrounding properties.

The areas around this property are generally zoned for low to medium density residential use. Existing land use patterns in the area typically consist of low to medium density residential lots and vacant forested land.

d. Whether the subject property is suitable for the uses to which it has been restricted under the existing zoning classification.

The property is suitable for the uses which it has been restricted to under the existing zoning classification.

e. Whether the rezoning is compatible with the adjacent neighborhood, especially concerning neighborhood stability and character.

As previously mentioned, the specific use of the property, agricultural, is consistent with surrounding neighborhoods and aligns with Harrisburg Area Land Use Plan (HALUP).

f. The length of time the subject property has remained vacant as zoned (if applicable).

This property has been vacant.

g. Whether there is an adequate supply of land available in the subject area and the surrounding community to accommodate the zoning and community needs.

Land supply is not a direct issue in this area.

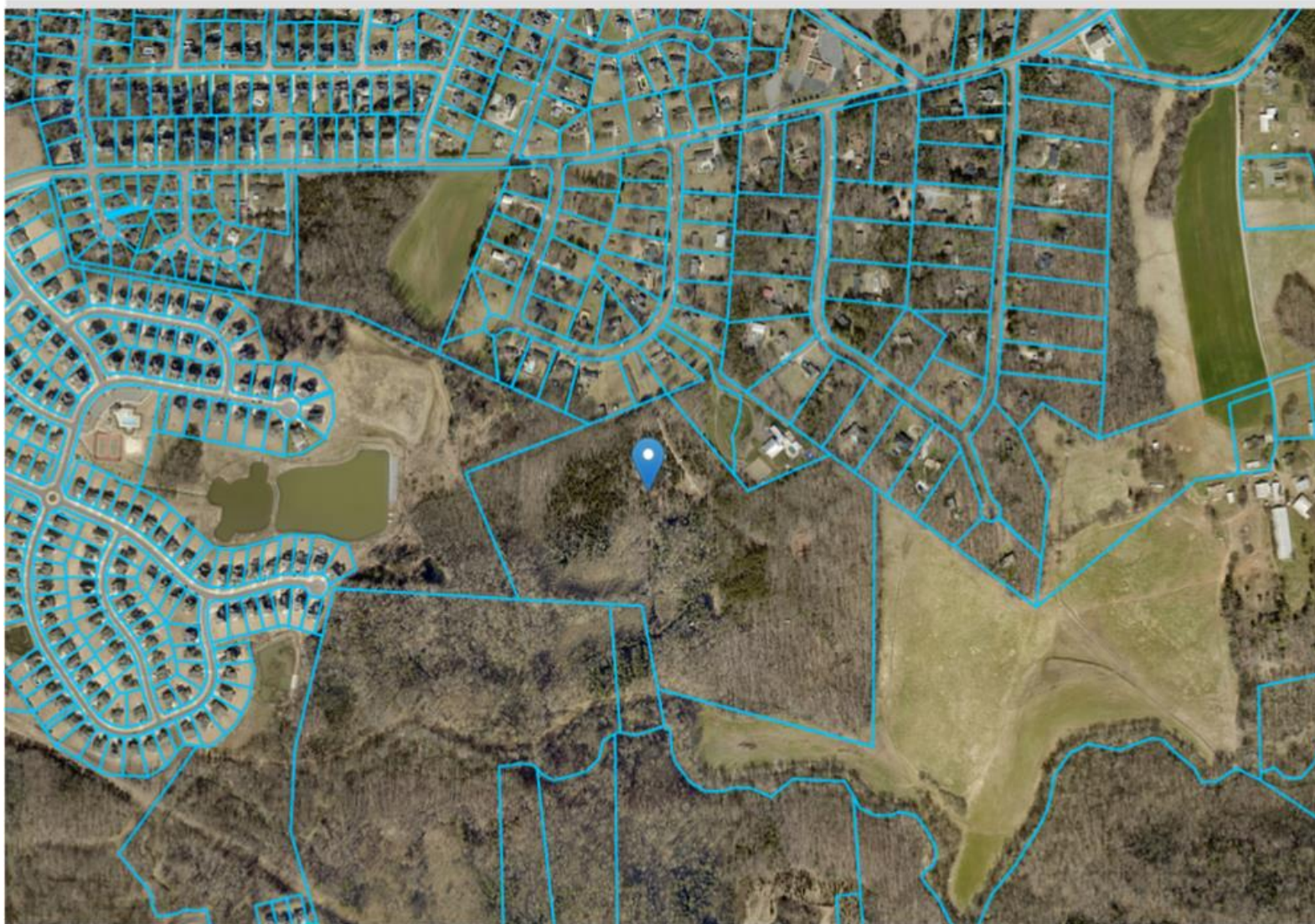
6. Whether the existing zoning was in error at the time of adoption.

The existing zoning was not in error at the time of adoption.

RECOMMENDATION:

The request to rezone PIN 5516-96-2556 from RE to AG is consistent with the Harrisburg Area Land Use Plan and requirements of the UDO. Therefore, Planning and Zoning Department staff recommends Town Council approval of this rezoning.

Wonderwood Lane



Applicant: Michael Arnold
Current Zoning: RE - Rural Estate
Requested Zoning: AG - Agricultural

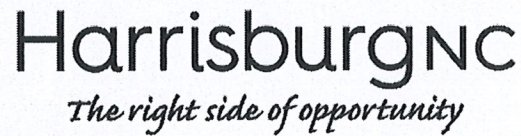
Wonderwood Lane (H-2022-10-R)



Rezoning Request

Parcel Identification Number:
(PIN 5516-96-2556)

Applicant: Michael Arnold
Current Zoning: RE - Rural Estate
Requested Zoning: AG - Agricultural



1. Street Address 8421 Wonderwood Ln (Property has no physical address)

2. PIN(s) (10 digit#) 55169625560000; -- --

3. Deed Reference Book Page

4. Township #

5. Size (square feet or acreage)	<u>46</u>
6. Street Frontage (feet)	<u>109</u>
7. Current Land Use	<u>RE move to AG</u>
8. Surrounding Land Use and Zoning Classification	

North:	Zoning	CR	Land Use	
South:	Zoning	CR	Land Use	AG
East:	Zoning	RE/RL	Land Use	RE/AG
West:	Zoning	CR	Land Use	

9. Request to Change Zoning From _____ to _____

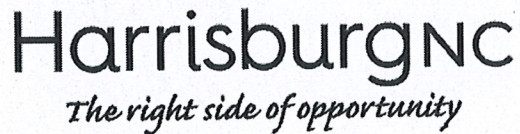
10. Is this a request for a Conditional Rezoning?

~~YES~~ NO

(If YES, you must also submit an application for a Conditional Rezoning)

11. Purpose for Request: _____

Family Farm is planned; currently use is Farming Crops and Honey products



It is understood by all parties hereto that while this application will be carefully considered and reviewed, the burden of providing its need and providing all required evidence rests with the below named petitioner.

12. Property Owner	Michael Arnold
Address	4138 French Fields Harrisburg NC
Phone	704-773-6250
Fax	
Email:	arnoldmichaelinc@gmail.com
Signature	

13. Agent (if any) _____
 Address _____
 Phone _____
 Fax _____
 Email _____
 Signature _____

14. Applicant (if any) _____

Address _____

Phone _____

Fax _____

Email _____

Signature _____

NOTE: If multiple parcels are involved in a request, property owners must sign an application identifying the individual parcel(s) represented. Each parcel included in the request must be accounted for in the application process for the application to be considered complete.

CABARRUS COUNTY, NC

4/25/2022 1:07:42 PM

ARNOLD MICHAEL T ARNOLD MELISSA S WF
GRADY HARRIS SR RD NC
42015

Return/Appeal Notes: Parcel: 5516 96 2556 0000
PLAT: 72/41 UNIQ ID 8792
ID NO: 01 022 0018.10 0000

Reval Year: 2020 Tax Year: 2022 COUNTY TAX (100), HARRISBURG CITY TAX (100)
Appraised by NH on 02/25/2019 15003 ROBINSON CHURCH RD SOUTH
TR 2 GRADY HARRIS SR RD

CARD NO. 1 of 1
46.6460 AC
TW-01 SRC= AT- LAST ACTION 20190225
CI-01 FR-00 EX-

Appraised by NH on 02/23/2019 15005 ROBINSON Church RD 03047

CONSTRUCTION DETAIL		MARKET VALUE						DEPRECIATION				CORRELATION OF VALUE			
TOTAL POINT VALUE		USE	MOD	Eff. Area	QUAL	BASE RATE	RCN	EYB	AYB	CREDENCE TO					
BUILDING ADJUSTMENTS		01	00							% GOOD					
TOTAL ADJUSTMENT		TYPE: SINGLE FAMILY RESIDENTIAL													
FACTOR		STYLE:													
TOTAL QUALITY INDEX															
										DEPR. BUILDING VALUE - CARD					
										DEPR. OB/XF VALUE - CARD					
										MARKET LAND VALUE - CARD					
										TOTAL MARKET VALUE - CARD					
										TOTAL APPRAISED VALUE - CARD					
										TOTAL APPRAISED VALUE - PARCEL					
										TOTAL PRESENT USE VALUE - PARCEL					
										TOTAL VALUE DEFERRED - PARCEL					
										TOTAL TAXABLE VALUE - PARCEL \$					
										PRIOR					
										BUILDING VALUE					
										OBXF VALUE					
										LAND VALUE					
										PRESENT USE VALUE					
										DEFERRED VALUE					
										TOTAL VALUE					
										PERMIT					
		CODE	DATE	NOTE	NUMBER	AMOUNT									
ROUT: WTRSHD:															
SALES DATA															
OFF. RECORD		DATE		DEED TYPE		Q/U/V/I		INDICATE SALES PRICE							
BOOK PAGE		MOYR		TYPE		Q/U/V/I		PRICE							
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12287 0258		12 2016		GW U V				100000							
HEATED AREA															
NOTES															

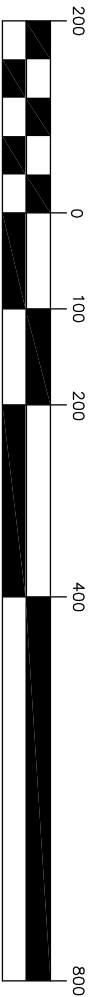
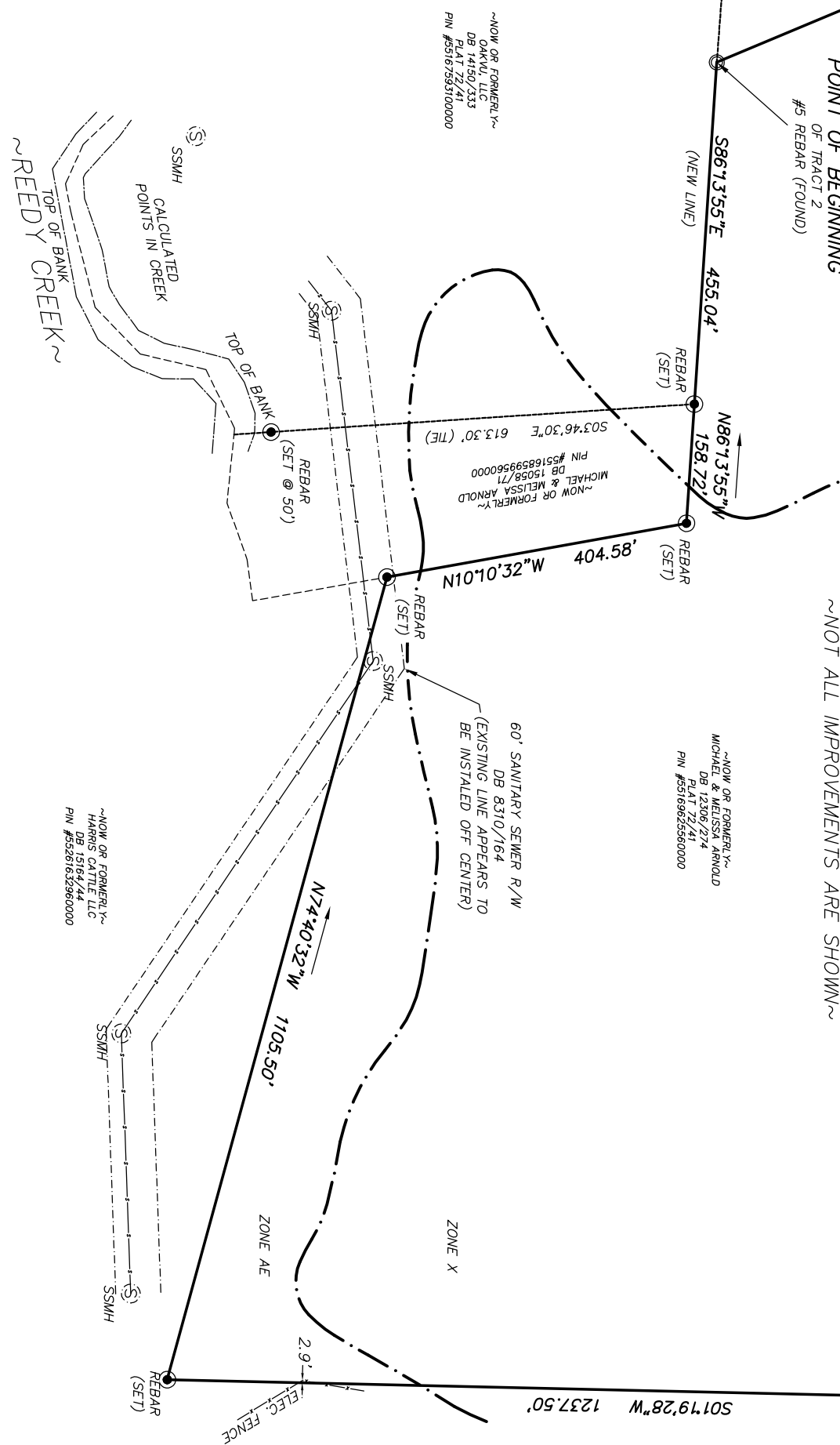
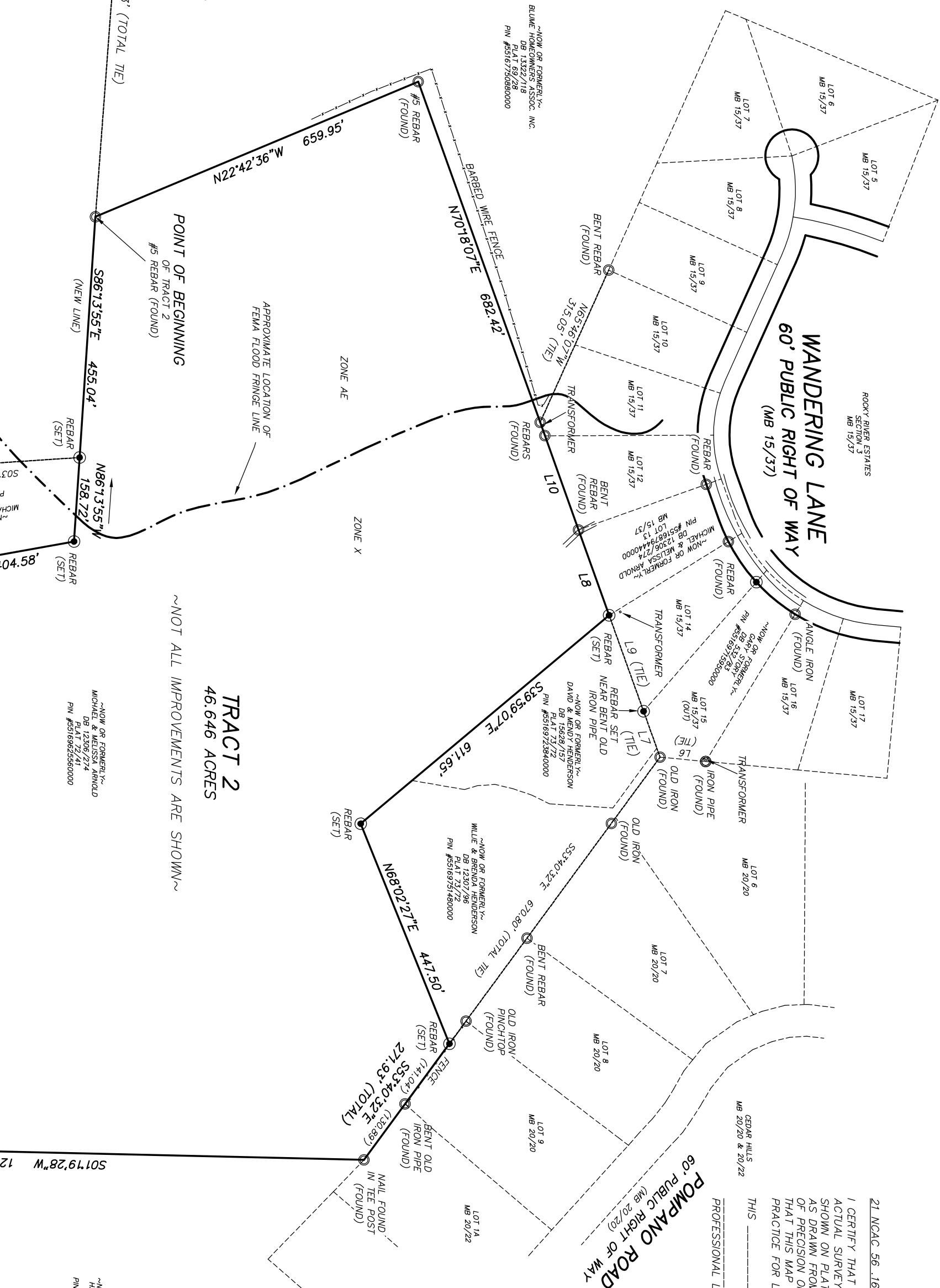
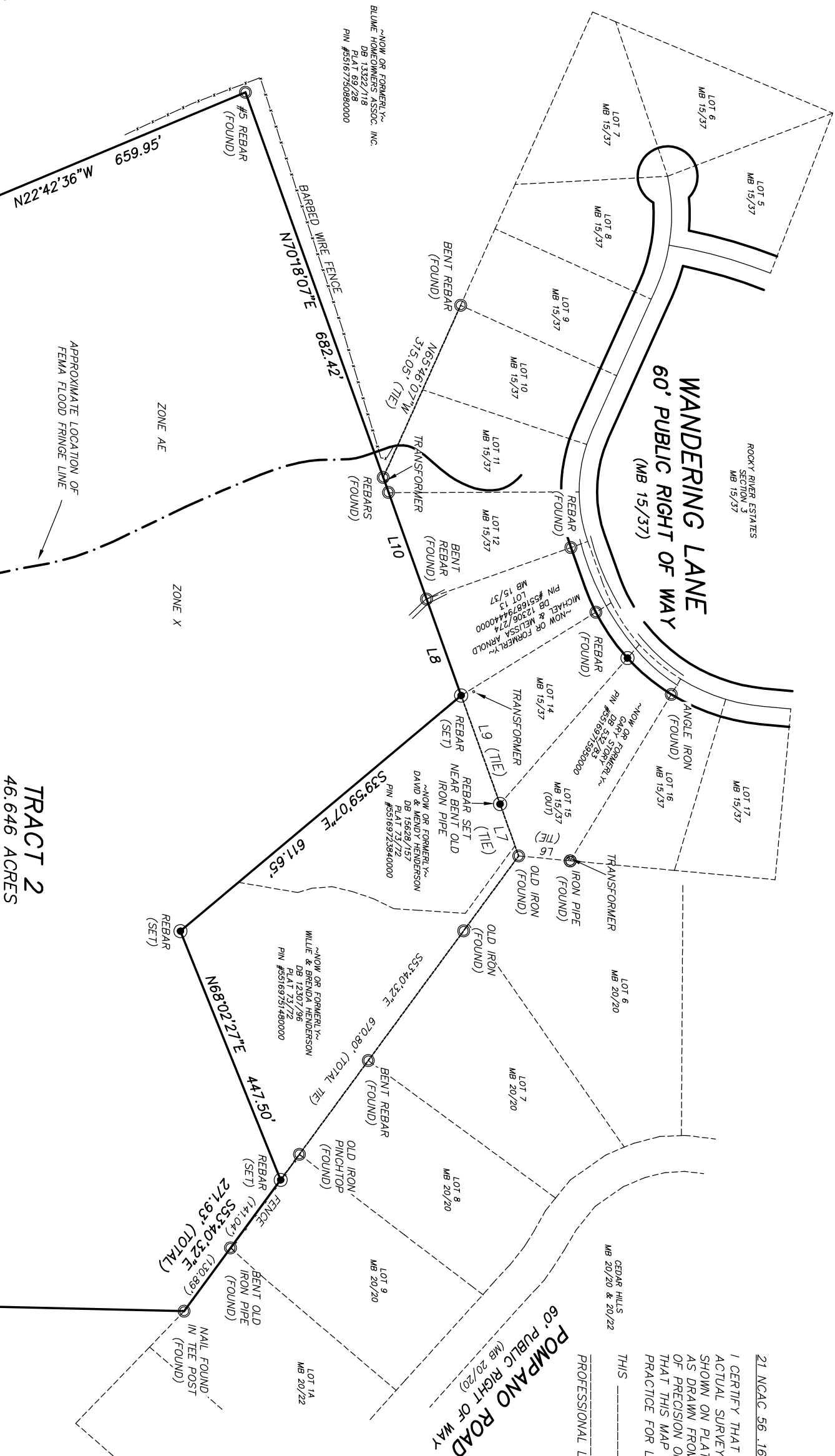
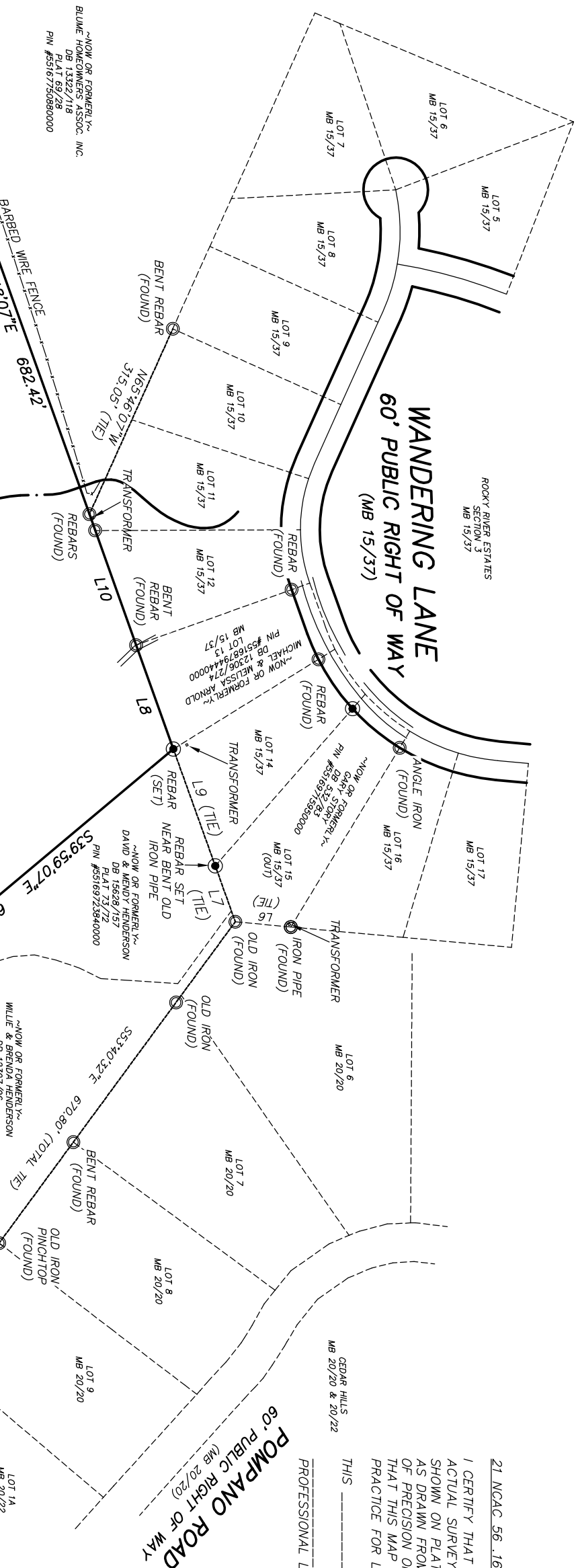
SUBAREA		GS AREA	%	RPL CS	CODE	DESCRIPTION	COUNT	LTH	WTH	UNITS	UNIT PRICE	ORIG % COND	BLDG#	AYB	EYB	ANN DEP RATE	OVR	% COND	OB/XF DEPR. VALUE
FIREPLACE					02	GARAGE FR		20	10	200	26.50	100.00		2017	2017	S3		91	6029
SUBAREA TOTALS																			6,029

TOTAL OB/XF VALUE																			
BUILDING DIMENSIONS																			

LAND INFORMATION															OTHER ADJUSTMENTS AND NOTES				
HIGHEST AND BEST USE	USE CODE	LOCAL ZONING	FRONTAGE	DEPTH	DEPTH / SIZE	LND MOD	COND FACT	RF	AC	LC	TO	OT	ROAD TYPE	LAND UNIT PRICE	TOTAL LAND UNITS	UNT TYP	TOTAL ADJST	ADJUSTED UNIT PRICE	LAND VALUE
SFR	0100	RE	15	0	0.9780	8	0.4700	+00	-53	+00	+00	+00	PD	35,000.00	36.646	AC	0.460	16,100.00	590001
FLOOD ZONE 100	9610		0	0	1.0000	0	1.0000							1,500.00	10.000	AC	1.000	1,500.00	15000
TOTAL MARKET LAND DATA															46.646				605,000

TOTAL PRESENT USE DATA																			
------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Permitting Fees
Plng \$630
Fire \$200
Engr \$200



LINE TABLE		
LINE	BEARING	LENGTH
L7	N70°15'37"E	92.00
L8	N70°15'37"E	171.00
L9	N70°15'37"E	192.34
L10	N70°23'14"E	215.37

- NOTES:
1. BOUNDARY LINES AND IMPROVEMENTS SHOWN ARE PER 2016 SURVEY AND HAVE NOT BEEN UPDATED AS PART OF THIS MAP. AT THAT TIME IRON PINS WERE SET AT ALL CORNERS UNLESS OTHERWISE NOTED.
2. PROPERTY ZONED: RE
1 DWELLING PER ACRE
FRONT YARD SETBACK: 45'
SIDE YARD SETBACK: 20'
REAR YARD SETBACK: 30'
(PER TABLE 4.7-1 OF THE TOWN OF HARRISBURG UNIFIED DEVELOPMENT ORDINANCE)
3. TAX PARCEL NUMBERS 55169625560000
4. DEED REFERENCES: 7159/30; 3850/281 & 532/83
5. BOUNDARY SURVEY ONLY THROUGH POINTS AS SHOWN.
6. A PORTION OF THIS PROPERTY IS LOCATED WITHIN AN AREA HAVING A ZONE DESIGNATION AS BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), ON FLOOD INSURANCE RATE MAP (FIRM) NO. 5710503600, WITH A DATE OF IDENTIFICATION OF 11/05/2008.
7. THIS PROPERTY MAY BE SUBJECT TO ADDITIONAL, RECORDED OR UNRECORDED EASEMENTS, RIGHTS-OF-WAY, OR RESTRICTIVE COVENANTS, OTHER THAN SHOWN.
8. AREA COMPUTED BY COORDINATED METHOD.
9. NO NCGS MONUMENT FOUND WITHIN 2000'.
10. UTILITY LOCATIONS SHOWN ARE LOCATED BASED ON SITE CONDITIONS AT THE TIME OF SURVEY. CONTRACTORS ARE TO HAVE ALL UTILITIES ACCURATELY MARKED PRIOR TO CONSTRUCTION.
11. ONLY THE OBSERVABLE EVIDENCE OF IMPROVEMENTS ALONG THE BOUNDARY LINES SURVEYED ARE SHOWN. OTHER IMPROVEMENTS MAY BE LOCATED ON THE PROPERTY AND NOT SHOWN HEREIN.

21 NCAC 56 .1604: MAP CERTIFICATION

I CERTIFY THIS MAP WAS DRAWN UNDER MY SUPERVISION (TITLE REFERENCES AS ACTUAL SURVEY MADE UNDER MY SUPERVISION) (TITLE REFERENCES AS SHOWN ON PLAT), THAT THE BOUNDARIES NOT SURVEYED ARE INDICATED AS DRAINED FROM TITLE REFERENCES AS SHOWN ON PLAT; THAT THE RATIO OF PRECISION OR POSITIONAL ACCURACY MEETS OR EXCEEDS 1:10,000; AND THAT THIS MAP MEETS THE REQUIREMENTS OF THE STANDARDS OF PRACTICE FOR LAND SURVEYING IN NORTH CAROLINA (21 NCAC 56. 1600).

THIS _____ DAY OF _____, 20_____

PROFESSIONAL LAND SURVEYOR

DATE	REVISIONS:	SCALE: 1" = 200'
7/1/22	MAPPING OF TRACT 2 NO NEW FIELDWORK	2016\BA\GRADY HARRIS
		2016\G\GRADY HARRIS
		PROJECT: 16-5008
		DRAWN BY: TW
		FIELD WORK: BG/MB
		NOVEMBER 14, 2016

A BOUNDARY SURVEY SHOWING
TRACT 2 of the
GRADY HARRIS ROAD SUBDIVISION
(NEAR WANDERING LANE)
SURVEYED FOR: MICHAEL ARNOLD
AREA: 46.646 ACRES
TOWN OF HARRISBURG, TOWNSHIP #1, CABARRUS COUNTY, NORTH CAROLINA

CAROLINA SURVEYORS, INC.
P.O. BOX 267 PINEVILLE, N.C. 28134 - 0267
THOMAS E. WHITE, NCPLS & SCPLS 704-889-7601
CERTIFICATE OF AUTHORIZATION NC-C-1242 SC-886



October 31, 2022

Public Hearing Notice

To Whom It May Concern:

Our records indicate that you are the owner of property located within 300' of property located off Wonderwood Lane, designated as Cabarrus County PIN 5516-96-2556 (see site location map on the reverse side of this letter). The owner of this property has submitted a request to rezone this property from RE (Rural Estate) to AG (Agricultural).

A public hearing on this request will be held on November 14, 2022, at 6:00 pm at Harrisburg Town Hall in the Town Council chambers. You are being notified of this public hearing in accordance with the requirements of Section 145.01.08.C of the Harrisburg Unified Development Ordinance (UDO) and are invited to attend the meeting (in person or virtually) and provide input or ask questions. Please see instructions below on how to access this meeting virtually.

Virtual Meeting Information:

Please click this URL to join.

<https://us02web.zoom.us/j/83481877476?pwd=YzFjTlBDZWQweU9NVWR0QjFhRVVqQT09>

Passcode: 212521

Or join by phone: (301) 715-8592

Dial: (301) 715-8592

Webinar ID: 834 8187 7476

Send comments or sign up to speak by emailing: planning@harrisburgnc.org

If you have any questions prior to the meeting, please feel free to call 704-455-5614.

H2022-10-R Arnold AG Rezoning

Date: Monday, November 14, 2022

Time: 6:00 PM

Location: Harrisburg Town Hall
4100 Main Street
Harrisburg, NC 28075

Sincerely,

Craig Thomas
Senior Planner
Town of Harrisburg

Site Location Map (Wonderwood Lane)





Order Confirmation

Order# 0000809706

PO Box 27283
Richmond, VA 23261-7283

Client: HARRISBURG, TOWN OF
Phone: 7044555614

Pavor : HARRISBURG, TOWN OF
Phone: 7044555614

Account: 3143516
Address: ATTN: ACCOUNTS PAYABLE
HARRISBURG NC 28075

Account: 3143516
Address: ATTN: ACCOUNTS PAYABLE
HARRISBURG NC 28075

Sales Rep **Accnt Rep** **Ordered By**
aboan bbarker Carly

Fax: 0000000000
EMail: lnash@harrisburgnc.org

Total Amount \$294.28

Payment Amount \$0.00

Amount Due \$294.28

Tax Amount: 0.00

Payment Meth: Invoice - Statement

Tear Sheets **Proofs** **Affidavits** **PO Number:**

0 0 1

<u>Ad Number</u>	<u>Ad Type</u>	<u>Ad Size</u>	<u>Color</u>
0000809706-01	CLS Legal	2 X 27 li	\$0.00

Production Method
AdBooker (liner)

Production Notes

<u>Product and Zone</u>	<u>Placement</u>	<u>Position</u>	<u># Inserts</u>
CON Independent Trib	C-Legal Ads	Legal Notices	2

Run Schedule Invoice Text: PUBLIC HEARING NOTICE Harrisburg Town Council

Run Dates 11/ 4/2022, 11/11/2022

<u>Product and Zone</u>	<u>Placement</u>	<u>Position</u>	<u># Inserts</u>
NCC Online	C-Legal Ads	Legal Notices	7

Run Schedule Invoice Text: PUBLIC HEARING NOTICE Harrisburg Town Council

Run Dates 11/ 4/2022, 11/ 5/2022, 11/ 6/2022, 11/ 7/2022, 11/ 8/2022, 11/ 9/2022, 11/10/2022

TagLine: PUBLICHEARINGNOTICEHARRISBURGTOWNCOUNCILONSITEVIRTUALMEETINGMONDAYNOVEMBER1
4TH600PMHARRISBURGTOWNHALLCOUNCILCHAMBERS4100MAINST



Order Confirmation

Order# 0000809706

PO Box 27283

Richmond, VA 23261-7283

Ad Content Proof

Note: Ad size does not reflect actual ad



PUBLIC HEARING NOTICE

Harrisburg Town Council **Onsite/Virtual Meeting**

Monday, November 14th @ 6:00 PM

Harrisburg Town Hall- Council Chambers

4100 Main Street

Harrisburg, NC 28075

H2022-10-(R) – Rezoning. Request to rezone approximately 46.65 acres located off Wonderwood Lane (PIN 5516-96-2556) from RE (Rural Estate) to AG (Agricultural).

**Virtual Meeting Information will be posted on the published agenda and can be accessed here <https://harrisburgnc.org/129/Agendas-Minutes>

Publication Dates: November 4th, 2022, and November 11th, 2022.



TOWN OF HARRISBURG

Agenda Item Details

Title:

Consideration of Approval of Resolution for request of Transportation Alternatives Program Funding in Coordination with the Cabarrus-Rowan Metropolitan Planning Organization (CRMPO)

Presenting Personnel:

Mallory Hodgson, Public Works Director

Suggested Motion or Action:

If approved; motion to approve the attached resolution, as presented.

Description/Background:

Staff is seeking Transportation Alternatives Program (TAP) funding through the Cabarrus-Rowan Metropolitan Planning Organization (CRMPO). Staff worked to identify an eligible project that would stand apart from others, while increasing the pedestrian infrastructure of the Town and promote public safety. The Town is requesting funding assistance via the TA Program for the design and construction of Hickory Ridge Road Sidewalk and a connection to the future Back Creek Greenway. The proposed project will connect existing sidewalk on Hickory Ridge Road to existing sidewalk on Stallings Road. The project will require a 20% match from the Town and up to 80% funding from the MPO. All projects will be required to follow federal procurement procedures. This resolution will formally adopt council support to seek the funding.

Recommendation:

Staff recommends approval of the attached resolution in support of seeking funding through the Cabarrus-Rowan MPO for the Transportation Alternatives Program.

Fiscal Impact:

There is no fiscal impact to the approval of the resolution.

If funding from the TAP is awarded, the project will require a minimum 20% match from the Town with 80% contributed with federal funds, providing a significant cost savings to the Town. After obligation, many project specific costs are eligible. Preliminary and final engineering work, including project development, environmental work, cost estimates, construction plans, and architectural work, are eligible after approval is received by the administering agency. Utility relocations, construction engineering, and construction costs would also be eligible. Right-of-way property rights that may be required for projects and the acquisition of this ROW will be an eligible expense. Contracts and final award amounts will be submitted to Town Council prior to any funds being encumbered, giving Council the option of accepting the financial commitment at that time.

Attachments:

1. Fall 2022 CRMPO Resolution for TAP Funding



Resolution by the Town Council

In Support of the Town of Harrisburg, NC to Apply for funding from the Transportation Alternatives Program through the Cabarrus-Rowan Metropolitan Planning Organization

- WHEREAS, The Transportation Alternatives (TA) Program was authorized by the most recent Federal Transportation Funding Act – the Moving Ahead for Progress in the 21st Century Act (MAP-21) that was signed into law on July 6, 2012 and expired on May 31, 2015. The Transportation Alternatives Program redefines the former Transportation Enhancements (TE) activities and consolidates these eligibilities with the Safe Routes to School and Recreational Trails Programs. The TE program was originally authorized in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and continued through two successive laws TEA-21 and SAFETEA-LU. The Transportation Alternatives Program builds upon the legacy of the TE program by expanding travel choices, strengthening the local economy, improving the quality of life, and protecting the environment.
- WHEREAS, The Town of Harrisburg, herein referred to as the “Town” has need for and intends to construct and design transportation projects which meet the eligibility requirements associated with the Transportation Alternatives Program.
- WHEREAS, The Town of Harrisburg intends to request State loan and/or grant assistance for the projects,

NOW THEREFORE BE IT RESOLVED, BY THE TOWN COUNCIL OF THE TOWN:

That the Town of Harrisburg Council supports Town Staff in the endeavor to seek funding through the Transportation Alternatives Program for projects consistent with adopted transportation and community plans.

That the Town will arrange financing for all remaining costs of the project, if approved for a loan and/or grant award.

That the Town will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the Town will provide for efficient operation and maintenance of the project on completion of construction thereof.

That Town Manager, Rob Donham, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the Town with the Cabarrus-Rowan Metropolitan Planning Organization for a loan and/or grant to aid in the study of or construction of the project described above.

That the Town Manager, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.



That the Town has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this 14th day of November, 2022 at Town Hall, Harrisburg, North Carolina.

(Signature of Authorized Representative)
Rob Donham

Town Manager, Town of Harrisburg, NC

(Title)

CERTIFICATION BY RECORDING OFFICER

The undersigned duly qualified and acting Town Clerk of the Town of Harrisburg does hereby certify:
That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the Town of Harrisburg duly held on the 14th day of November 2022; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of November, 2022

(Signature of Recording Officer)

(Title of Recording Officer)