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

November 13, 2023
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=YzFjTlBDZWQweU9NVWR0QjFxRVVqQT09

Meeting ID: 834 8187 7476
Passcode: 212521

Or join by phone:
301.715.8592
305.224.1968

B. AGENDA ADOPTION

C. INVOCATION

D. PLEDGE OF ALLEGIANCE

E. SPECIAL PRESENTATIONS

1. Audit Presentation - Fiscal Year 2023

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 9, 2023 Town Council Meeting

B. Consider the minutes of the October 9, 2023 Closed Session

C. Consideration of the YMCA's Wastewater Allocation

D. Consideration to Grant an Access Easement on Town Parcel 5507198897

E. Consideration of Purchase Contract with Capital Chevrolet for a Fire Vehicle Replacement

3. COMMUNICATIONS

A. TOWN MANAGER REPORT

B. FINANCE REPORT

C. LAW ENFORCEMENT REPORT

D. FIRE DEPARTMENT REPORT

E. MAYOR'S COMMENTS

F. COUNCIL COMMENTS

4. PUBLIC HEARINGS

A. H-2023-03-TA: UDO text amendment expanding the separation requirement for Tobacco Stores, Vapor Shops, the retail sale of CBD and Hemp-based Products and Electronic Gaming Establishments.

B. Public Hearing to Consider the Town's Water Shortage Response Plan Update

5. OLD BUSINESS

6. NEW BUSINESS

7. ACTION ITEMS

8. CLOSED SESSION

A. Closed Session to discuss legal matters.

9. ADJOURNMENT

Vision Statement
Harrisburg will be a distinctive, family-focused community where memories are made.

Mission Statement
Together, we enhance our quality of life by collaborating, planning, and investing to create our community of choice.

BASIC FINANCIAL STATEMENTS & ACCOMPANYING INFORMATION

FOR FISCAL YEAR ENDED JUNE 30, 2023

TOWN COUNCIL MEMBERS

JENNIFER TEAGUE, MAYOR
MAURICE PRICE JR., MAYOR PRO TEM
ALTYN COTELL
RODNEY DELLINGER
IAN PATRICK
RICK RUSSO
RON SMITH
MIKE THEVENIN

ADMINISTRATION & FINANCIAL STAFF

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

FISCAL YEAR
2023

HarrisburgNC
CELEBRATING 50 YEARS
1973-2023

Town of Harrisburg, North Carolina

Table of Contents
For Fiscal Year June 30, 2023

	Exhibit	Page(s)
FINANCIAL SECTION		
Independent Auditor's Report		1-3
Management's Discussion and Analysis		4-13
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	A	14
Statement of Activities	B	15-16
Fund Financial Statements:		
Balance Sheet – Governmental Funds	C	17
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	C	18
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	D	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds to the Statement of Activities	D	20
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	E	21
Statements of Net Position – Proprietary Funds	F	22
Statements of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	G	23
Statements of Cash Flows – Proprietary Funds	H	24
Notes to the Basic Financial Statements		25-63
Required Supplementary Financial Data:		
Schedule of the Proportionate Share of the Net Pension Liability-Local Governmental Employees' Retirement System	A-1	64
Schedule of Contributions – Local Governmental Employees' Retirement System	A-2	65

Town of Harrisburg, North Carolina

Table of Contents
For Fiscal Year June 30, 2023

	Schedule	Page(s)
FINANCIAL SECTION (CONTINUED)		
Combining and Individual Fund Financial Statements and Schedules:		
General Fund:		
Comparative Balance Sheets	1	66
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2022)	2	67-72
Capital Reserve Fund – General Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - For the Fiscal Year Ended June 30, 2023	3	73
Grant Project Fund – ARPA:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – For the Fiscal Year Ended June 30, 2023	4	74
Combining Balance Sheets – Nonmajor Governmental Funds	5	75-76
Combining Statements of Revenues, Expenditures, and Changes in Fund Balance Nonmajor Governmental Funds - For the Fiscal Year Ended June 30, 2023	6	77-78
Special Revenue Fund – Hwy 49 Corridor:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – For the Fiscal Year Ended June 30, 2023	7	79
Capital Projects Fund - Streets:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - From Inception and for the Fiscal Year Ended June 30, 2023	8	80
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, 2023	9	81
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, 2023	10	82
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, 2023	11	83
Capital Reserve Fund – Economic Development:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - For the Fiscal Year Ended June 30, 2023	12	84

Town of Harrisburg, North Carolina

Table of Contents
For Fiscal Year June 30, 2023

	Schedule	Page(s)
FINANCIAL SECTION (CONTINUED)		
Enterprise Funds:		
Water and Sewer Fund:		
Comparative Statements of Net Position	13	85
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022)	14	86-87
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, 2023	15	88-89
Capital Reserve Fund – Water and Sewer:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – For the Fiscal Year Ended June 30, 2023	16	90
Capital Reserve Fund – Water and Sewer - Expansion:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – For the Fiscal Year Ended June 30, 2023	17	91
Storm Water Fund:		
Comparative Statements of Net Position	18	92
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022)	19	93
Capital Projects Fund – Storm Water:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – From Inception and for the Fiscal Year Ended June 30, 2023	20	94
Capital Reserve Fund – Storm Water:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – For the Fiscal Year Ended June 30, 2023	21	95
Other Schedules:		
Schedule of Ad Valorem Taxes Receivable	22	96
Analysis of Current Tax Levy	23	97

Town of Harrisburg, North Carolina

Table of Contents
For Fiscal Year June 30, 2023

	Schedule	Page(s)
COMPLIANCE SECTION		
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*		98-99
Independent Auditor's 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		100-102
Schedule of Findings and Questioned Costs		103
Summary Schedule of Prior Year's Audit Findings		104
Schedule of Expenditures of Federal and State Awards		105

FINANCIAL SECTION

TOWN OF HARRISBURG, NORTH CAROLINA

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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, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, 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, 2023, 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 the Harrisburg Community and Youth Association, Inc. and Harrisburg Business Alliance, Inc. were not audited in accordance with *Government Auditing Standards*.

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.

730 13th Avenue Drive SE ♦ Hickory, NC 28602 ♦ 828-327-2727 ♦ Fax 828-328-2324
13 South Center Street ♦ Taylorsville, NC 28681 ♦ 828-632-9025 ♦ Fax 828-632-9085
800-948-0585 ♦ **www.martinstarnes.com**

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 6, 2023 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 6, 2023

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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, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

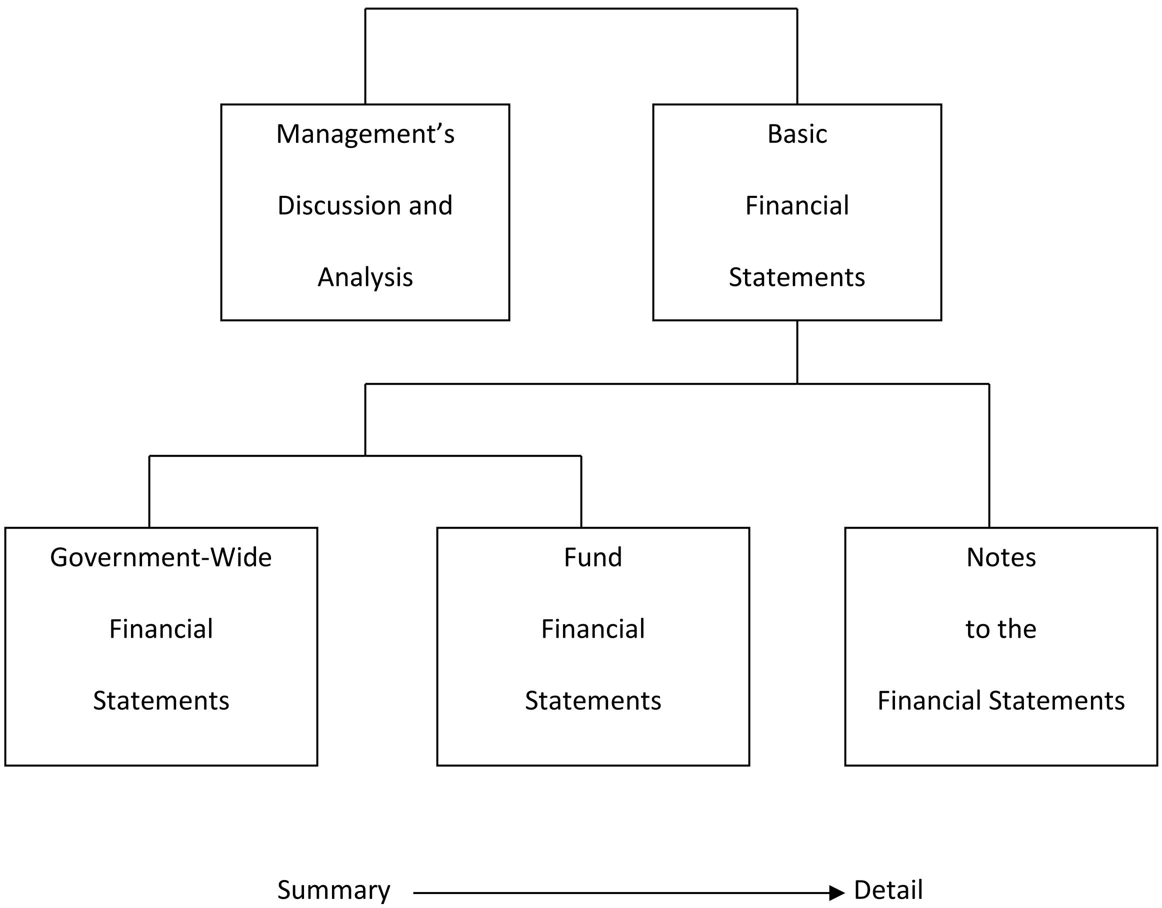
Financial Highlights

- The assets and deferred outflows of resources of the Town of Harrisburg exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $106,339,222 (*net position*). Of this amount, $33,622,583 *(unrestricted net position)* may be used to meet the Town's needs.
- The Town's total net position increased by $20,049,296, 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 $25,066,287, with a net increase of $6,725,152 in fund balance. Approximately 74.50% of this total amount, or $18,674,719, is non-spendable, restricted, committed or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $6,402,144, or 39.21%, of total General Fund expenditures for the fiscal year.
- The Town of Harrisburg's total long-term outstanding liabilities increased by $1,881,651 (6.04%) during the current fiscal year. The key factors in this change were the issuance of $1.35M for the purchase of a Fire Department ladder truck, an increase in the Town's proportional share of the net pension obligation (LGERS) and principal payments on installment contracts, bonds, leases, and subscriptions.

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.

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 for major governmental funds; 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.

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.

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 25-63 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 64 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 30,893,719	$ 21,088,911	$ 14,977,960	$ 15,134,833	$ 45,871,679	$ 36,223,744
Capital assets	55,705,727	46,868,163	44,668,574	41,305,671	100,374,301	88,173,834
Deferred outflows of resources	2,563,403	1,599,581	854,049	532,774	3,417,452	2,132,355
Total assets and deferred outflows of resources	89,162,849	69,556,655	60,500,583	56,973,278	149,663,432	126,529,933
Long-term liabilities outstanding	20,267,127	17,267,138	11,649,919	12,388,134	31,917,046	29,655,272
Other liabilities	7,409,389	4,534,797	2,457,447	2,450,121	9,866,836	6,984,918
Total liabilities	27,676,516	21,801,935	14,107,366	14,838,255	41,783,882	36,640,190
Deferred inflows of resources	332,323	1,776,713	1,208,005	1,823,104	1,540,328	3,599,817
Net position:						
Net investment in capital assets	38,417,171	30,246,021	31,791,786	27,632,188	70,208,957	57,878,209
Restricted	2,506,749	1,931,378	933	933	2,507,682	1,932,311
Unrestricted	20,230,090	13,800,608	13,392,493	12,678,798	33,622,583	26,479,406
Total net position	$ 61,154,010	$ 45,978,007	$ 45,185,212	$ 40,311,919	$106,339,222	$ 86,289,926

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 $106,339,222 as of June 30, 2023. The Town's net position increased by $20,049,296 for the fiscal year ended June 30, 2023. However, the largest portion (66.02%) 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, $2,507,682, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $33,622,583, 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 99.46%.
- 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	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues						
Charges for services	$ 1,853,245	$ 1,442,454	$ 12,782,590	$ 11,516,693	$ 14,635,835	$ 12,959,147
Operating grants and contributions	2,385,940	2,743,486	-	-	2,385,940	2,743,486
Capital grants and contributions	8,294,474	6,297,411	2,845,790	1,952,247	11,140,264	8,249,658
General revenues:						
Property taxes	13,407,340	10,382,959	-	-	13,407,340	10,382,959
Grants and contributions not restricted to specific programs	5,333,514	4,849,472	-	-	5,333,514	4,849,472
Other	904,265	174,006	593,250	150,504	1,497,515	324,510
Total revenues	32,178,778	25,889,788	16,221,630	13,619,444	48,400,408	39,509,232
Expenses:						
General government	1,704,415	1,828,709	-	-	1,704,415	1,828,709
Planning and zoning	537,023	404,459	-	-	537,023	404,459
Public safety	6,936,420	6,472,120	-	-	6,936,420	6,472,120
Transportation	1,734,640	1,275,422	-	-	1,734,640	1,275,422
Environmental protection	1,952,114	2,036,260	-	-	1,952,114	2,036,260
Cultural and recreational	3,622,260	2,587,030	-	-	3,622,260	2,587,030
Water and sewer	-	-	10,800,857	9,184,636	10,800,857	9,184,636
Storm water	-	-	547,480	547,202	547,480	547,202
Interest	515,903	525,316	-	-	515,903	525,316
Total expenses	17,002,775	15,129,316	11,348,337	9,731,838	28,351,112	24,861,154
Increase in net position	15,176,003	10,760,472	4,873,293	3,887,606	20,049,296	14,648,078
Net position, beginning	45,978,007	35,217,535	40,311,919	36,424,313	86,289,926	71,641,848
Net position, ending	$ 61,154,010	$ 45,978,007	$ 45,185,212	$ 40,311,919	$106,339,222	$ 86,289,926

Government-Wide Financial Analysis (continued)

Governmental Activities. Governmental activities increased the Town of Harrisburg's net position by $15,176,003 thereby accounting for 75.69% of the total growth in the net position of the Town. Key elements of this increase are as follows:

- Property tax revenues increased approximately 29.13%, or $3,025,000.
- Intergovernmental revenues consisting of mostly sales and franchise taxes increased by 9.98%, or $484,000.
- Contributions of infrastructure from developers amounted to approximately $8,294,000

Business-Type Activities. Business-type activities increased the Town of Harrisburg's net position by $4,873,293 accounting for 24.31% 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 11.56%, or $1,250,000.
- Contributions of infrastructure from developers amounted to approximately $2,845,000

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 $6,402,144, while total fund balance reached $9,231,897. 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 39.21% of total General Fund expenditures, while total fund balance represents 56.54% of the same amount.

At June 30, 2023, the governmental funds of the Town of Harrisburg reported a combined fund balance of $25,066,287, an 36.67% 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.

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 $10,949,307, and those for the Storm Water Fund amounted to $2,443,186. The total change in net position for both funds was an increase of $1,772,625 and $3,100,668, 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, 2023, totals $99,263,895 (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
- Construction of Public Safety Training Grounds
- Purchase of 107' ladder truck
- 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	
	2023	2022	2023	2022	2023	2022
Construction in progress	$ 767,774	$ 2,410,586	$ 1,246,536	$ 639,323	$ 2,014,310	$ 3,049,909
Land	3,742,892	2,370,824	858,549	858,549	4,601,441	3,229,373
Buildings and systems	13,537,338	13,353,366	6,537,888	6,694,133	20,075,226	20,047,499
Improvements other than buildings	10,157,987	10,375,215	-	-	10,157,987	10,375,215
Water lines	-	-	19,256,794	19,687,904	19,256,794	19,687,904
Machinery and equipment	2,915,889	3,217,560	1,029,219	1,093,188	3,945,108	4,310,748
Vehicles	3,267,344	1,551,586	453,168	596,062	3,720,512	2,147,648
Right-to-use leased assets	44,356	56,595	3,595	1,057	47,951	57,652
Right-to-use subscription assets	1,728	-	-	-	1,728	-
Interceptors	-	-	15,500	25,577	15,500	25,577
Collection system	-	-	7,527,640	7,738,473	7,527,640	7,738,473
Infrastructure	21,270,419	13,532,431	6,629,279	3,971,405	27,899,698	17,503,836
	$ 55,705,727	$ 46,868,163	$ 43,558,168	$ 41,305,671	$ 99,263,895	$ 88,173,834

Additional information on the Town's capital assets and right to use assets can be found in note II.A on pages 40-42 of this report.

Capital Asset and Debt Administration
(continued)

Long-Term Debt. As of June 30, 2023, the Town of Harrisburg had total debt outstanding of $29,279,390. Of this debt, $11,780,835 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 ($17,498,555), is backed by the full faith and credit of the Town.

Long-Term Obligations
Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Direct placement installment purchase	$ 15,966,755	$ 15,793,187	$ 9,782,240	$ 11,661,835	$ 25,748,995	$ 27,455,022
Lease liabilities	45,992	57,363	3,595	1,156	49,587	58,519
IT subscription liabilities	808	-	-	-	808	-
General obligation bonds	1,485,000	1,567,500	-	-	1,485,000	1,567,500
Revenue bonds	-	-	1,995,000	2,080,000	1,995,000	2,080,000
Total	$ 17,498,555	$ 17,418,050	$ 11,780,835	$ 13,742,991	$ 29,279,390	$ 31,161,041

The Town of Harrisburg's Outstanding Debt

The Town of Harrisburg's total long-term outstanding debt decreased by $1,881,651 (6.04%) 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 $216,688,817.

Additional information regarding the Town of Harrisburg's long-term debt can be found in note II.B on pages 49-60 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. The natural growth rate of single-family homes over the past two years and throughout the beginning of FY2024 exceeded the annual target, by as much as 70 percent in a given year. 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 twenty-seventh in North Carolina in growth for municipalities overall and sixth for municipalities over a population of 15,000. 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. This has been coupled with a growing proportion of County-wide distributions as Harrisburg outpaces our neighboring communities in the County.

- **Non-Residential Growth.** The construction of the Farmington mixed-use development along Rocky River Road and I-485 began in FY2020 and we have welcomed several restaurants, medical facilities, and retail storefronts to the development. 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 to include restaurants and a daycare facility. 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. The Town is undergoing a Strategic Economic Development Plan and is actively pursuing opportunities for high-tech jobs in biotech, pharmaceutical manufacturing or warehouse facilities 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, apartment complexes, and construction of a new hospital by Atrium Health.

- **Governmental Projects.** The Town continues to invest in its infrastructure and facilities by leveraging local funds along with federal and State funding to accomplish impactful projects. 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, traffic congestion mitigation projects, and various intersection improvements. Improvements to the aesthetics and functionality of the Town's most voluminous intersections, including those along Highway 49, and the construction of a new boulevard into the Town's undeveloped Morehead West Area, will be made with an historic federal grant received through the Metropolitan Planning Organization of over $15M. 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. Land was purchased for a future Public Safety complex, a state-of-the-art live burn facility and training tower were constructed, and a new 107' Smart Reach ladder truck was purchased during the year for the Fire Department. 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 and in other areas based on need. A parcel of land was provided to the YMCA to help facilitate the construction of the Harrisburg YMCA which will include an indoor pool, basketball gyms, workout facilities, and much more located in the Town's signature park – Harrisburg Park. 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, additional park locations, and economic development-focused initiatives. The Town continues to pursue both federal and State funding for major transportation and Water and Sewer improvements and played a significant role in attaining State funding for a large portion of the cost of the YMCA.

Budget Highlights for the Fiscal Year Ending June 30, 2024

The approved FY2024 General Operating Budget is a balanced budget totaling $41,130,000 for the General Fund and the two enterprise funds, the Water and Sewer and Storm Water Funds. This compares to $40,576,000 in FY2023, an increase of approximately $554,000. The General Fund, which comprises the core services provided by the Town, accounts for $25,687,000 of the total budget. The remainder of the budget consists of the Water and Sewer Fund, $14,190,000, and the Storm Water Fund, $1,253,000. 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 and staff-retention efforts, state-of-the-art equipment, and attractive Town amenities and facilities. The highest standards in home and commercial buildings, 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 completed a number of major guiding documents, such as the Community Transportation Plan, an ADA Improvements 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. The Town is in the process of completing a Strategic Economic Development Plan that will prescribe immediate initiatives and actions for the Town to take to jump-start further commercial investment in Town, a Parks and Recreation Master Plan, a Town Center Development Overlay Plan, Water Source modeling, and a comprehensive Strategic Plan for the next twenty years for the Town. Each of these interact together and help the Town implement a cohesive vision that fits under the Council's newly established mission and goals. 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.

We want to operate the Town with the sophistication, efficiency 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

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Town of Harrisburg, North Carolina

Statement of Net Position
June 30, 2023

	Primary Government				
	Governmental Activities	Business-Type Activities	Total	Harrisburg Community and Youth Association, Inc.	Harrisburg Business Alliance, Inc.
Assets					
Current assets:					
Cash and cash equivalents	$ 23,597,880	$ 12,839,458	$ 36,437,338	$ 50,143	$ -
Receivables (net of allowance for uncollectibles)	148,846	1,700,380	1,849,226	-	-
Due from other governments	1,559,985	-	1,559,985	-	-
Lease receivable	224,257	73,723	297,980	-	-
Inventory	33,173	-	33,173	-	-
Prepaid expenses	372,012	22,071	394,083	-	-
Restricted cash and cash equivalents	4,957,566	342,328	5,299,894	-	-
Total current assets	30,893,719	14,977,960	45,871,679	50,143	-
Noncurrent assets:					
Lease receivable - non-current	-	1,110,406	1,110,406	-	-
Capital assets not being depreciated/amortized	4,510,666	2,105,085	6,615,751	-	-
Capital assets , net of accumulated depreciation/ amortization	51,195,061	41,453,083	92,648,144	-	-
Total noncurrent assets	55,705,727	44,668,574	100,374,301	-	-
Total assets	86,599,446	59,646,534	146,245,980	50,143	-
Deferred outflows of resources					
Pension deferrals	2,563,403	854,049	3,417,452	-	-
Total deferred outflows of resources	2,563,403	854,049	3,417,452	-	-
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	747,883	467,515	1,215,398	-	-
Advance from grantor	4,582,947	-	4,582,947	-	-
Accrued interest payable	193,269	73,033	266,302	-	-
Prepaid fees	36,238	-	36,238	-	-
Payables from restricted assets:					
Accounts payable and accrued liabilities	50,125	-	50,125	-	-
Performance bond deposits	53,687	-	53,687	-	-
Customer deposits	-	326,942	326,942	-	-
Long-term liabilities-due within one year	1,745,240	1,589,957	3,335,197	-	-
Total current liabilities	7,409,389	2,457,447	9,866,836	-	-
Long-term liabilities:					
Net pension liability	4,053,503	1,350,985	5,404,488	-	-
Long-term liabilities-due in more than one year	16,213,624	10,298,934	26,512,558	-	-
Total long-term liabilities	20,267,127	11,649,919	31,917,046	-	-
Total liabilities	27,676,516	14,107,366	41,783,882	-	-
Deferred inflows of resources					
Prepaid Taxes	12,327	-	12,327	-	-
Leases	195,379	1,152,939	1,348,318	-	-
Pension deferrals	124,617	55,066	179,683	-	-
Total deferred inflows of resources	332,323	1,208,005	1,540,328	-	-
Net position					
Net investment in capital assets	38,417,171	31,791,786	70,208,957	-	-
Restricted for:					
Stabilization by State statute	2,300,957	-	2,300,957	-	-
Streets	85,490	-	85,490	-	-
Public safety	120,302	-	120,302	-	-
Storm Water	-	933	933	-	-
Unrestricted	20,230,090	13,392,493	33,622,583	50,143	-
Total net position	$ 61,154,010	$ 45,185,212	$ 106,339,222	$ 50,143	$ -

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, 2023

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government				
Governmental activities				
General government	$ 1,704,415	$ 342,798	$ 110,878	$ -
Planning and zoning	537,023	489,514	25,000	-
Public safety	6,936,420	95,390	1,619,566	-
Transportation	1,734,640	-	556,235	8,294,474
Environmental protection	1,952,114	-	16,166	-
Cultural and recreational	3,622,260	925,543	58,095	-
Interest on long-term debt	515,903	-	-	-
Total governmental activities	17,002,775	1,853,245	2,385,940	8,294,474
Business-type activities				
Water and sewer	10,800,857	12,060,916	-	-
Storm water	547,480	721,674	-	2,845,790
Total business-type activities	11,348,337	12,782,590	-	2,845,790
Total primary government	$ 28,351,112	$ 14,635,835	$ 2,385,940	$ 11,140,264
Component units				
Harrisburg Community and Youth Association, Inc.	$ 28,933	$ -	$ 20,333	$ -
Harrisburg Business Alliance, Inc.	18,964	-	10,750	-
Total component units	$ 47,897	$ -	$ 31,083	$ -

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, 2023

	Net (Expense) Revenue and Changes in Net Position				
	Primary Government				
Functions/Programs	Governmental Activities	Business-Type Activities	Total	Harrisburg Community and Youth Association, Inc.	Harrisburg Business Alliance, Inc.
Primary government					
Governmental activities					
General government	$ (1,250,739)	$ -	$ (1,250,739)	$ -	$ -
Planning and zoning	(22,509)	-	(22,509)	-	-
Public safety	(5,221,464)	-	(5,221,464)	-	-
Transportation	7,116,069	-	7,116,069	-	-
Environmental protection	(1,935,948)	-	(1,935,948)	-	-
Cultural and recreational	(2,638,622)	-	(2,638,622)	-	-
Interest on long-term debt	(515,903)	-	(515,903)	-	-
Total governmental activities	(4,469,116)	-	(4,469,116)	-	-
Business-type activities					
Water and sewer	-	1,260,059	1,260,059	-	-
Storm water	-	3,019,984	3,019,984	-	-
Total business-type activities	-	4,280,043	4,280,043	-	-
Total primary government	(4,469,116)	4,280,043	(189,073)	-	-
Component units					
Harrisburg Community and Youth Association, Inc.	-	-	-	(8,600)	-
Harrisburg Business Alliance, Inc.	-	-	-	-	(8,214)
Total component units	-	-	-	(8,600)	(8,214)
General revenues					
Taxes:					
Property taxes, levied for general purpose	13,407,340	-	13,407,340	-	-
Unrestricted intergovernmental	5,333,514	-	5,333,514	-	-
Gain on disposal of capital assets	5,803	20,137	25,940	-	-
Investment earnings	752,531	484,579	1,237,110	-	-
Miscellaneous	145,931	88,534	234,465	-	-
Total general revenues	19,645,119	593,250	20,238,369	-	-
Change in net position	15,176,003	4,873,293	20,049,296	(8,600)	(8,214)
Net position, beginning	45,978,007	40,311,919	86,289,926	58,743	8,214
Net position, ending	$ 61,154,010	$ 45,185,212	$ 106,339,222	$ 50,143	$ -

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

Town of Harrisburg, North Carolina

Balance Sheet
Governmental Funds
June 30, 2023

	General	Capital Reserve Fund - General Fund	Grant Project Fund - ARPA	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 7,928,988	$ 8,388,698	$ 101,098	$ 2,170,693	$ 18,589,477
Restricted cash and cash equivalents	259,479	-	4,488,088	209,999	4,957,566
Investments	-	4,271,627	-	736,776	5,008,403
Receivables, net:					
Property taxes	84,419	-	-	-	84,419
Due from other funds	8,142	-	-	-	8,142
Due from other governments	1,547,816	-	1,593	10,576	1,559,985
Lease receivable	224,257	-	-	-	224,257
Inventory	33,173	-	-	-	33,173
Prepaid items	273,122	-	98,890	-	372,012
Total assets	$ 10,359,396	$ 12,660,325	$ 4,689,669	$ 3,128,044	$ 30,837,434
Liabilities					
Accounts payable and accrued liabilities	$ 745,449	$ -	$ -	$ 2,434	$ 747,883
July 4th Celebration unearned revenue	36,238	-	-	-	36,238
Advance from grantor	-	-	4,582,947	-	4,582,947
Payable from restricted assets:					
Accounts payable and accrued liabilities	-	-	5,624	44,501	50,125
Performance bonds on deposit	53,687	-	-	-	53,687
Due to other funds	-	-	-	8,142	8,142
Total liabilities	835,374	-	4,588,571	55,077	5,479,022
Deferred inflows of resources					
Property taxes receivable	84,419	-	-	-	84,419
Prepaid taxes	12,327	-	-	-	12,327
Leases	195,379	-	-	-	195,379
Total deferred inflows of resources	292,125	-	-	-	292,125
Fund balances					
Non-spendable					
Inventory	33,173	-	-	-	33,173
Prepaids	273,122	-	-	-	273,122
Leases	28,878	-	-	-	28,878
Restricted					
Stabilization by State statute	2,288,788	-	1,593	10,576	2,300,957
Streets	85,490	-	-	165,498	250,988
Public safety	120,302	-	-	-	120,302
Committed	-	12,660,325	99,505	2,907,469	15,667,299
Unassigned	6,402,144	-	-	(10,576)	6,391,568
Total fund balances	9,231,897	12,660,325	101,098	3,072,967	25,066,287
Total liabilities, deferred inflows of resources, and fund balances	$ 10,359,396	$ 12,660,325	$ 4,689,669	$ 3,128,044	$ 30,837,434

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, 2023

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

Ending fund balance - governmental funds	$ 25,066,287
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	55,659,643
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds	44,356
Right to use subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,728
Deferred outflows of resources related to pensions are not reported in the funds.	2,563,403
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	9,971
Accrued interest on leases receivable	1,671
Accrued interest on investments	52,785
Earned revenues considered deferred inflows of resources in fund statements	84,419
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued interest payable	(193,269)
Compensated absences	(460,309)
Direct placement installment purchase contracts and General Obligation Bonds	(17,451,755)
Lease liabilities	(45,992)
Subscription liabilities	(808)
Net pension liability	(4,053,503)
Deferred inflows of resources related to pensions are not reported in the funds.	(124,617)
Net position of governmental activities	$ 61,154,010

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, 2023

	General	Capital Reserve Fund - General Fund	Grant Project Fund - ARPA	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Ad valorem taxes	$ 13,375,534	$ -	$ -	$ -	$ 13,375,534
Unrestricted intergovernmental	5,333,514	-	-	-	5,333,514
Restricted intergovernmental	2,191,967	-	110,878	-	2,302,845
Permits and fees	685,068	-	-	-	685,068
Sales and services	739,617	-	-	-	739,617
Investment earnings	271,976	189,185	96,328	140,793	698,282
Other general revenues	638,389	-	-	25,000	663,389
Total revenues	23,236,065	189,185	207,206	165,793	23,798,249
Expenditures					
Current:					
General government	1,243,837	-	64,400	-	1,308,237
Planning and economic development	513,596	-	-	-	513,596
Engineering	213,055	-	-	-	213,055
Public safety	6,382,116	-	25,665	1,676,271	8,084,052
Transportation	1,255,833	-	-	333,717	1,589,550
Environmental protection	2,056,885	-	-	-	2,056,885
Cultural and recreational	2,866,926	-	20,813	-	2,887,739
Debt service:					
Principal retirement	1,293,951	-	-	-	1,293,951
Interest	500,488	-	-	-	500,488
Total expenditures	16,326,687	-	110,878	2,009,988	18,447,553
Excess (deficiency) of revenues over expenditures	6,909,378	189,185	96,328	(1,844,195)	5,350,696
Other financing sources (uses)					
Transfers from other funds	768,533	6,500,000	-	13,718	7,282,251
Transfers to other funds	(6,500,000)	(760,157)	-	(22,094)	(7,282,251)
Lease liabilities issued	22,296	-	-	-	22,296
IT subscription agreement	2,160	-	-	-	2,160
Notes payable issued	-	-	-	1,350,000	1,350,000
Total other financing sources (uses)	(5,707,011)	5,739,843	-	1,341,624	1,374,456
Net change in fund balances	1,202,367	5,929,028	96,328	(502,571)	6,725,152
Fund balances, beginning	8,029,530	6,731,297	4,770	3,575,538	18,341,135
Fund balances, ending	$ 9,231,897	$ 12,660,325	$ 101,098	$ 3,072,967	$ 25,066,287

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, 2023

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net changes in fund balances - total governmental funds		$ 6,725,152
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	2,751,028	
Depreciation expense	(2,197,427)	
		553,601
Right to use leased asset capital outlay expenditures which were capitalized	22,296	
Amortization expense for right to use leased assets	(34,535)	
Right to use subscription asset expenditures which were capitalized	2,160	
Amortization expense for right to use subscription assets	(432)	
		(10,511)
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	8,294,474	
Decrease in accrued interest receivable - taxes	(164)	
Increase in accrued interest receivable - investments	52,785	
Increase in accrued interest receivable - leases	1,628	
Change in unavailable revenue for tax revenues	31,806	
		8,380,529
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	1,293,951	
Long-term debt issuance (note payable)	(1,350,000)	
Long-term debt issuance (lease)	(22,296)	
Long-term debt issuance (subscriptions)	(2,160)	
Pension revenue (expense)	(412,289)	
Compensated absences	35,441	
		(457,353)
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		(15,415)
Changes in net position of governmental activities		$ 15,176,003

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, 2023

	Budgeted Amounts			Variance with Final Budget - Positive / (Negative)
	Original	Final	Actual Amounts	
Revenues				
Ad valorem taxes	$ 13,195,000	$ 13,195,000	$ 13,375,534	$ 180,534
Unrestricted intergovernmental	4,683,000	4,683,000	5,333,514	650,514
Restricted intergovernmental	2,129,750	2,149,750	2,191,967	42,217
Permits and fees	549,750	549,750	685,068	135,318
Sales and services	610,650	630,650	739,617	108,967
Investment earnings	10,250	10,250	271,976	261,726
Other general revenues	479,300	587,100	638,389	51,289
Total revenues	21,657,700	21,805,500	23,236,065	1,430,565
Expenditures				
Current:				
General government	2,002,455	1,766,620	1,243,837	522,783
Planning and economic development	537,280	625,780	514,948	110,832
Engineering	373,700	382,700	213,055	169,645
Public safety	7,302,360	7,846,822	6,382,116	1,464,706
Transportation	1,411,500	1,527,127	1,255,833	271,294
Environmental protection	2,289,200	2,323,700	2,056,885	266,815
Cultural and recreational	3,457,950	3,645,213	2,866,926	778,287
Debt service:				
Principal retirement	1,374,500	1,374,500	1,292,599	81,901
Interest	534,450	534,450	500,488	33,962
Contingency	316,000	193,000	-	193,000
Total expenditures	19,599,395	20,219,912	16,326,687	3,893,225
Revenues over (under) expenditures	2,058,305	1,585,588	6,909,378	5,323,790
Other financing sources (uses)				
Transfers from other funds	1,638,500	1,846,900	768,533	(1,078,367)
Transfers to other funds	(3,696,805)	(6,546,805)	(6,500,000)	46,805
Lease liabilities issued	-	-	22,296	22,296
IT subscription agreement	-	-	2,160	2,160
Appropriated fund balance	-	3,114,317	-	(3,114,317)
Total other financing sources (uses)	(2,058,305)	(1,585,588)	(5,707,011)	(4,121,423)
Net change in fund balance	$ -	$ -	1,202,367	$ 1,202,367
Fund balance, beginning			8,029,530	
Fund balance, ending (Exhibit D)			$ 9,231,897	

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, 2023

	Major Enterprise Funds		
	Water and Sewer Fund	Storm Water Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 2,136,882	$ 388,654	$ 2,525,536
Investments	8,306,137	2,007,785	10,313,922
Accounts receivable (net) - customers	1,398,922	92,946	1,491,868
Accounts receivable - other	98,714	496	99,210
Prepaid expenses	22,071	-	22,071
Lease receivable	73,723	-	73,723
Accrued interest receivable	88,141	21,161	109,302
Restricted cash and cash equivalents	341,395	933	342,328
Total current assets	12,465,985	2,511,975	14,977,960
Non-current assets:			
Lease receivable - non-current	1,110,406	-	1,110,406
Capital assets:			
Non-depreciable	2,004,094	100,991	2,105,085
Depreciable, net of accumulated depreciation	34,816,285	6,633,203	41,449,488
Right to use leased assets, net of amortization	3,595	-	3,595
Capital assets, including the right to use assets	36,823,974	6,734,194	43,558,168
Total non-current assets	37,934,380	6,734,194	44,668,574
Total assets	50,400,365	9,246,169	59,646,534
Deferred ouflows of resources			
Pension deferrals	854,049	-	854,049
Total deferred outflows of resources	854,049	-	854,049
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	399,659	67,856	467,515
Accrued interest payable	73,033	-	73,033
Long-term debt, current portion	1,481,901	-	1,481,901
Compensated absences, current portion	108,056	-	108,056
Payable from restricted assets:			
Customer deposits	326,942	-	326,942
Total current liabilities	2,389,591	67,856	2,457,447
Non-current liabilities:			
Long-term debt, non-current portion	10,298,934	-	10,298,934
Net pension liability	1,350,985	-	1,350,985
Total noncurrent liabilities	11,649,919	-	11,649,919
Total liabilities	14,039,510	67,856	14,107,366
Deferred inflows of resources			
Leases	1,152,939	-	1,152,939
Pension deferrals	55,066	-	55,066
Total deferred inflows of resources	1,208,005	-	1,208,005
Net position			
Net investment in capital assets	25,057,592	6,734,194	31,791,786
Restricted	-	933	933
Unrestricted	10,949,307	2,443,186	13,392,493
Total net position	$ 36,006,899	$ 9,178,313	$ 45,185,212

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, 2023

	Major Enterprise Funds		
	Water and Sewer Fund	Storm Water Fund	Total
Operating revenues			
Charges for services	$ 9,434,677	$ 721,674	$ 10,156,351
Water and sewer development charges	2,094,980	-	2,094,980
Permits and fees	221,628	-	221,628
Service connection fees	236,090	-	236,090
Other operating revenues	73,541	-	73,541
Total operating revenues	12,060,916	721,674	12,782,590
Operating expenses			
Water administration and distribution	8,676,918	-	8,676,918
Storm water operations	-	340,666	340,666
Depreciation and amortization	1,882,775	206,814	2,089,589
Total operating expenses	10,559,693	547,480	11,107,173
Operating income	1,501,223	174,194	1,675,417
Non-operating revenues (expenses)			
Investment earnings	403,895	80,684	484,579
Interest and other charges	(241,164)	-	(241,164)
Lease revenue	88,534	-	88,534
Gain on sale of capital assets	20,137	-	20,137
Total non-operating revenues (expenses)	271,402	80,684	352,086
Income before contributions	1,772,625	254,878	2,027,503
Contributions of infrastructure	-	2,845,790	2,845,790
Change in net position	1,772,625	3,100,668	4,873,293
Total net position, beginning	34,234,274	6,077,645	40,311,919
Total net position, ending	$ 36,006,899	$ 9,178,313	$ 45,185,212

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, 2023

	Major Enterprise Funds		
	Water and Sewer Fund	Storm Water Fund	Total
Cash flows from operating activities			
Cash received from customers	$ 12,151,771	$ 723,038	$ 12,874,809
Cash paid for goods and services	(5,783,317)	(83,052)	(5,866,369)
Cash paid to or on behalf of employees for services	(2,556,395)	(242,900)	(2,799,295)
Customer deposits received and returned, net	13,482	-	13,482
Net cash provided by operating activities	3,825,541	397,086	4,222,627
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	21,337	-	21,337
Proceeds from cell tower leases	88,534	-	88,534
Acquisition and construction of capital assets	(1,410,410)	(83,491)	(1,493,901)
Principal paid on long-term debt	(1,965,751)	-	(1,965,751)
Interest paid on long-term debt	(247,754)	-	(247,754)
Net cash used by capital and related financing activities	(3,514,044)	(83,491)	(3,597,535)
Cash flows from investing activities			
Interest on investments	316,384	59,523	375,907
Net increase in cash and cash equivalents	627,881	373,118	1,000,999
Balances, beginning	10,156,533	2,024,254	12,180,787
Balances, ending	$ 10,784,414	$ 2,397,372	$ 13,181,786
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income	$ 1,501,223	$ 174,194	$ 1,675,417
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	1,882,775	206,814	2,089,589
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable - customers	124,254	1,135	125,389
(Increase) decrease in accounts receivable - other	(17,803)	229	(17,574)
(Increase) decrease in lease receivable	(15,596)	-	(15,596)
Increase (decrease) in accounts payable and accrued liabilities	214,834	14,714	229,548
Increase (decrease) in compensated absences	7,014	-	7,014
(Increase) decrease in deferred outflows of resources for pensions	(321,275)	-	(321,275)
Increase (decrease) in deferred inflows of resources for pensions	(529,109)	-	(529,109)
Increase (decrease) in net pension liability	987,813	-	987,813
Increase (decrease) in customer deposits	13,482	-	13,482
Total adjustments	2,324,318	222,892	2,547,210
Net cash provided by operating activities	$ 3,825,541	$ 397,086	$ 4,222,627

Noncash investing, capital, and financing activities:
The Town received noncash capital contributions in the Storm Water Fund in the amount of $2,845,790 representing donated assets.
The Town received noncash assets in exchange for lease liabilities in the amount of $3,595 in the Water and Sewer Fund.

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

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. The Organization ended its operations and dissolved effective June 30, 2023.

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.

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.

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

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

Capital Reserve Fund – Economic Development – This fund was 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/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as 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, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Grant Project Fund – ARPA, Capital Projects Fund – Streets, Capital Projects Fund – Public Safety, Capital Projects Fund – Economic Development, Capital Projects Fund – Parks and Recreation, and the Enterprise Funds Capital Projects Funds. The enterprise funds' projects are consolidated with their respective operating funds 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.

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] 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 Capital Projects Fund - Transportation 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 is also classified as restricted assets because its 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, 2023

Town of Harrisburg Restricted Cash

	General Fund	ARPA	Transportation	Total
Governmental Activities				
Public safety - Firemen's Relief	$ 120,302	$ -	$ -	$ 120,302
Streets - Powell Bill	85,490	-	-	85,490
Performance bonds	53,687	-	-	53,687
Unspent grant funds	-	4,488,088	-	4,488,088
Unspent debt proceeds	-	-	209,999	209,999
Total governmental activities	$ 259,479	$ 4,488,088	$ 209,999	4,957,566
Business-type Activities				
Water and Sewer Fund				
Customer deposits				326,942
Unspent debt proceeds				14,453
Storm Water Fund				
Contribution - fee in lieu of				933
Total business-type activities				342,328
Total restricted cash				$ 5,299,894

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, 2022. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

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.

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 when purchased. If significant, the amount of inventory on hand at year end is reported on the balance sheet in the governmental funds. However, in the Government-wide Statement of Activities, the cost of these inventories is expensed as the items are used.

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.

The Town's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the Town reports a lease (only applies when the Town is the lessee) or agreements where the Town reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 net 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, unavailable revenues (reported only on the Balance Sheet of the Governmental Funds), 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 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.

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, 2023, is computed as follows:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation	$ 55,659,643	$ 43,554,573
Right to use leased assets, net of accumulated amortization	44,356	3,595
Right to use subscription assets, net of accumulated amortization	1,728	-
Long-term debt	(17,498,555)	(11,780,835)
Unspent debt proceeds	209,999	14,453
Net investment in capital assets	$ 38,417,171	$ 31,791,786

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.

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.

Lease – portion of fund balance that is not an available resource because it represents the year-end balance of lease receivable in excess of the deferred inflow of resources for the lease receivable, which is a non-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 $85,490 that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill Funds.

Restricted for Public Safety – portion of fund balance totaling $120,302 that is restricted by revenue source for certain Firemen's Relief Fund expenditures.

Restricted for Streets – portion of fund balance totaling $165,498 that represents proceeds for debt issuance, net of related payables, that has not been spent for the designated project.

The total restricted fund balance of the Governmental Funds presented on Exhibit C totaling $2,672,247 differs from restricted net position presented on Exhibit A totaling $2,506,749 due to unspent debt proceeds in the amount of $165,498.

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 $12,660,325 that is committed, per the fund balance policy, to fund future capital outlay.

Committed for grant expenditures – portion of fund balance totaling $99,505 that is committed to fund ARPA-authorized expenditures.

Committed for Capital Outlay – portion of non-major governmental funds' fund balance totaling $2,907,469 for future capital outlay. Of this balance, $378,663 is committed for underground utilities in the Highway 49 corridor, $1,792,030 is committed for the Harrisburg Train Station, $344,843 is committed for greenway right-of-way and construction, and $391,933 is committed for economic-development-related projects.

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.

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	$ 9,231,897
Less:	
Prepaids	273,122
Inventory	33,173
Leases	28,878
Stabilization by State statute	2,288,788
Streets	85,490
Public safety - Firemen's Relief Fund	120,302
Fund balance policy	6,213,479
Remaining fund balance	$ 188,665

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 $732,830.

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

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, 2023, the Town's deposits had a carrying amount of $3,642,818 and a bank balance of $3,826,025. 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 $50,143, and $-0-, respectively, and the bank balances were $50,143 and $-0-, respectively, all of which was covered by federal depository insurance. At June 30, 2023, the Town's petty cash totaled $700.

Investments

At June 30, 2023, the Town had the following investments and maturities:

Investment Type	Valuation Measurement Method	Book Value at 6/30/2023	Less Than 6 Months	6-12 Months
U.S. Government Agencies	Fair Value - Level 2	$ 5,201,681	$ 1,952,846	$ 3,248,835
NC Capital Management Trust - Government Portfolio	Amortized cost	22,771,389	22,771,389	-
Commercial Paper	Fair Value - Level 2	10,120,644	7,227,185	2,893,459
Total		$ 38,093,714	$ 31,951,420	$ 6,142,294

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Town has no policy regarding interest rate risk.

Credit Risk

State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2023, the Town's investments in commercial paper were rated P-1 by Standard and Poor's and A-1 by Moody's Investment Service. The Town's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard and Poor's and AAAmf by Moody's Investor Services as of June 30, 2023. The Town's investment in U.S. government agencies (Federal Home Loan Mortgage Company) and (Federal National Mortgage Agency) were rated AAAm by Standard and Poor's and Aaa by Moody's Investment Service as of June 30, 2023.

Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2023, are net of the following allowances for doubtful accounts:

General Fund:	
Taxes receivable	$ 4,586
Water and Sewer Fund:	
Accounts receivable	10,000
Total	$ 14,586

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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 $18,500 per month for 12 months for the rental of the 2nd floor of Town Hall and $19,000 per month for the next 12 months. The current lease expires September 30, 2024. 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, 2023 was $195,379. The Town recognized lease revenue of $220,410 and interest revenue of $90 during the fiscal year. At June 30, 2023 the value of the lease receivable is $224,257.

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, 2023 was $1,152,939. The Town recognized lease revenue of $88,534 and interest revenue of $12,223 during the fiscal year. At June 30, 2023 the value of the lease receivable is $1,184,129 ($73,723 current and $1,110,406 non-current).

Capital Assets

Primary Government

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

	July 1, 2022	Additions	Retirements	Transfers	June 30, 2023
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 2,370,824	$ 15,835	$ -	$ 1,356,233	$ 3,742,892
Construction in progress	2,410,586	302,038	-	(1,944,850)	767,774
Total capital assets not being depreciated	4,781,410	317,873	-	(588,617)	4,510,666
Capital assets being depreciated:					
Buildings	15,355,596	297,147	-	198,473	15,851,216
Other improvements	11,853,782	258,266	-	-	12,112,048
Equipment	4,357,517	149,787	38,268	-	4,469,036
Vehicles	4,801,899	1,727,955	-	326,423	6,856,277
Right-to-use leased assets	72,973	22,296	12,733	-	82,536
Right-to-use subscription assets	-	2,160	-	-	2,160
Infrastructure	15,303,139	8,294,474	-	63,721	23,661,334
Total capital assets being depreciated	51,744,906	10,752,085	51,001	588,617	63,034,607
Less accumulated depreciation for:					
Buildings	2,002,230	311,648	-	-	2,313,878
Other improvements	1,478,567	475,494	-	-	1,954,061
Equipment	1,139,957	451,458	38,268	-	1,553,147
Vehicles	3,250,313	338,620	-	-	3,588,933
Right-to-use leased assets	16,378	34,535	12,733	-	38,180
Right-to-use subscription assets	-	432	-	-	432
Infrastructure	1,770,708	620,207	-	-	2,390,915
Total accumulated depreciation	9,658,153	$ 2,232,394	$ 51,001	$ -	11,839,546
Total capital assets being depreciated, net	42,086,753				51,195,061
Governmental activity capital assets, net	$ 46,868,163				$ 55,705,727

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

General government	$ 104,593
Public safety	604,314
Transportation	617,894
Environmental protection	83,217
Cultural and recreational	822,376
Total	$ 2,232,394

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

	July 1, 2022	Additions	Retirements	Transfers	June 30, 2023
Business-type activities:					
Water and Sewer Fund:					
Capital assets not being depreciated:					
Land and rights-of-way	$ 858,549	$ -	$ -	$ -	$ 858,549
Construction in progress	621,823	566,071	-	(42,349)	1,145,545
Total capital assets not being depreciated	1,480,372	566,071	-	(42,349)	2,004,094
Capital assets being depreciated:					
Buildings	7,552,422	-	-	-	7,552,422
Water lines	28,887,317	486,527	-	42,349	29,416,193
Equipment	2,173,535	157,593	48,170	-	2,282,958
Vehicles	1,460,122	28,821	-	-	1,488,943
Right-to-use leased assets	2,436	3,595	2,436	-	3,595
Interceptors	724,436	-	-	-	724,436
Collection system	12,932,026	171,398	-	-	13,103,424
Total capital assets being depreciated	53,732,294	847,934	50,606	42,349	54,571,971
Less accumulated depreciation for:					
Buildings	858,289	156,245	-	-	1,014,534
Water lines	9,199,413	959,986	-	-	10,159,399
Equipment	1,103,169	201,464	46,970	-	1,257,663
Vehicles	864,060	171,715	-	-	1,035,775
Right-to-use leased assets	1,379	1,057	2,436	-	-
Interceptors	698,859	10,077	-	-	708,936
Collection system	5,193,553	382,231	-	-	5,575,784
Total accumulated depreciation	17,918,722	$ 1,882,775	$ 49,406	$ -	19,752,091
Total capital assets being depreciated, net	35,813,572				34,819,880
Water and sewer fund capital assets, net	$ 37,293,944				$ 36,823,974

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

	July 1, 2022	Additions	Retirements	Transfers	June 30, 2023
Business-type activities:					
Storm Water Fund:					
Capital assets not being depreciated:					
Construction in progress	$ 17,500	$ 83,491	$ -	$ -	$ 100,991
Total capital assets not being depreciated	17,500	83,491	-	-	100,991
Capital assets being depreciated:					
Equipment	233,021	-	-	-	233,021
Infrastructure	4,256,228	2,845,790	-	-	7,102,018
Total capital assets being depreciated	4,489,249	2,845,790	-	-	7,335,039
Less accumulated depreciation for:					
Equipment	210,199	18,898	-	-	229,097
Infrastructure	284,823	187,916	-	-	472,739
Total accumulated depreciation	495,022	$ 206,814	$ -	$ -	701,836
Total capital assets being depreciated, net	3,994,227				6,633,203
Storm water fund capital assets, net	$ 4,011,727				$ 6,734,194
Business-type activities capital assets, net	$ 41,305,671				$ 43,558,168

Construction Commitments

The Town has active construction projects as of June 30, 2023. At year-end, the Town's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
FY21/22 Waterline Replacements	$ 530,564	$ 177,612
Storm Water Upgrade - Hillcrest	83,491	4,095
Total	$ 614,055	$ 181,707

B. Liabilities

Accounts Payable and Accrued Items

Payables at the government-wide level at June 30, 2023 were as follows:

	Vendors	Accrued Interest	Total
Governmental activities			
General Fund	$ 745,449	$ 193,269	$ 938,718
Grant Project Fund - ARPA	5,624	-	5,624
Capital Projects Fund - Streets	44,501	-	44,501
Capital Projects Fund - Public Safety	2,434	-	2,434
Total governmental activities	$ 798,008	$ 193,269	$ 991,277
Business-type activities			
Water and Sewer Fund	$ 399,659	$ 73,033	$ 472,692
Storm Water Fund	67,856	-	67,856
Total business-type activities	$ 467,515	$ 73,033	$ 540,548

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 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, 2023, was 12.10% 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 $859,091 for the year ended June 30, 2023.

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

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

At June 30, 2023, the Town reported a liability of $5,404,488 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022, utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023, the Town's proportion was 0.09580% (measured as of June 30, 2022), which was an increase of 0.00104% from its proportion as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the Town recognized pension expense of $1,408,810. At June 30, 2023, 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	$ 232,874	$ 22,832
Changes of assumptions	539,247	-
Net difference between projected and actual earnings on pension plan investments	1,786,240	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	156,851
Town contributions subsequent to the measurement date	859,091	-
Total	$ 3,417,452	$ 179,683

$859,091 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, 2024. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2024	$ 700,516
2025	640,871
2026	186,293
2027	850,998
2028	-
Thereafter	-
	$ 2,378,678

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

Inflation	2.5 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 actuary currently uses mortality tables that vary by age, gender, employee group (i.e., general and 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. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions and methods used in the December 31, 2021 actuarial valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

Future ad hoc cost of living adjustment amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	6.0%	2.7%
Total	100%	

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, 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 2.25%. 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%. This discount rate is in line with the long-term nominal return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension 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:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	$ 9,754,405	$ 5,404,488	$ 1,819,904

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 (ACFR) for the State of North Carolina.

Deferred Outflows and Inflows of Resources

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

Source		Amount
Contributions to pension plan in current fiscal year	$	859,091
Differences between expected and actual experience		232,874
Changes of assumptions		539,247
Net difference between projected and actual earnings on pension plan investments		1,786,240
Total	$	3,417,452

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

		Statement of Net Position		General Fund Balance Sheet
Taxes receivable, less penalties (General Fund)	$	-	$	84,419
Prepaid taxes (General Fund)		12,327		12,327
Differences between expected and actual experience		22,832		-
Lease (General Fund)		195,379		195,379
Lease (Water and Sewer Fund)		1,152,939		-
Changes in proportion and differences between Town contributions and proportionate share of contributions		156,851		-
Total	$	1,540,328	$	292,125

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. For the year ended June 30, 2023, the Finance Officer was individually bonded for $50,000. Effective with the bond renewal on July 1, 2023, the Town increased the individual bonding for the Finance Officer to $1,000,000 in order to comply with S.L. 2022-53, Section 9(a). The remaining employees that have access to funds are bonded under a blanket bond for $10,000.

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 June 23, 2022, to lease office equipment and requires 12 monthly payments of approximately $558. 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 $25,891 at June 30, 2023. 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 $1,634 at June 30, 2023. 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 $20,426 at June 30, 2023. 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, 2023, were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2024	$ 29,325	$ 553	$ 29,878
2025	7,136	276	7,412
2026	6,518	183	6,701
2027	6,608	93	6,701
	$ 49,587	$ 1,105	$ 50,692

Subscriptions

For the year ended June 30, 2023 the Town implemented the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (Subscriptions). The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

During the current year the Town entered into a new Subscription for a web-based EV Station maintenance. The term of the agreement is five years. The Subscription does not have a stated interest rate. Accordingly, the Town's estimated incremental borrowing rate of 1.00% was used to discount the subscription payments. The initial liability for the subscription was $1,062. The liability balance remaining at June 30, 2023 was $808.

The future minimum subscription obligations and the net present value of the minimum subscription payments as of June 30, 2023, are as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2024	$ 256	$ 8	$ 264
2025	258	6	264
2026	261	3	264
2027	33	1	34
	$ 808	$ 18	$ 826

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 $15,966,755 and $9,782,240 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 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, 2023, is as follows:

Year Ending	Governmental Activities	
June 30	Principal	Interest
2024	$ 66,667	$ 16,691
2025	66,667	14,718
2026	66,667	12,744
2027	66,667	10,771
2028	66,667	8,798
2029-2032	261,109	15,458
	$ 594,444	$ 79,180

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, 2023, are as follows:

Year Ending	Governmental Activities	
June 30	Principal	Interest
2024	$ 276,000	$ 158,028
2025	276,000	147,264
2026	276,000	136,500
2027	276,000	125,736
2028	276,000	114,972
2029-2033	1,371,000	414,102
2034-2038	1,370,000	146,933
	$ 4,121,000	$ 1,243,535

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, 2023, are as follows:

Year Ending June 30	Government-type Activities Principal	Government-type Activities Interest
2024	$ 500,565	$ 235,090
2025	500,565	220,824
2026	500,565	206,558
2027	499,812	192,302
2028	499,812	178,058
2029-2033	2,499,058	676,620
2034-2038	2,499,058	320,504
2039-2040	999,622	28,489
	$ 8,499,057	$ 2,058,445

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, 2023, are as follows:

Year Ending June 30	Governmental Activities Principal	Governmental Activities Interest
2024	$ 62,000	$ 7,734
2025	62,000	6,656
2026	62,000	5,577
2027	62,000	4,498
2028	62,000	3,419
2029-2031	150,000	3,915
	$ 460,000	$ 31,799

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, 2023, are as follows:

Year Ending	Government-type Activities			
June 30		Principal		Interest
2024	$	133,498	$	10,839
2025		134,628		9,224
2026		128,553		7,641
2027		116,263		6,146
2028		116,969		4,761
2029-2033		312,343		8,289
	$	942,254	$	46,900

In September 2022, the Town borrowed $1,350,000 from a financial institution to purchase a 107' Smart Reach ladder truck for Fire operations. The terms of the loan state that the interest will accrue at the rate of 2.8675% per annum. Principal and interest payments are payable annually beginning in August 2023 and ending in August 2032. The debt is secured by the property.

The future minimum payments of the installment purchase as of June 30, 2023, are as follows:

Year Ending	Government-type Activities			
June 30		Principal		Interest
2024	$	135,000	$	29,679
2025		135,000		34,840
2026		135,000		30,969
2027		135,000		27,098
2028		135,000		23,227
2029-2033		675,000		58,067
	$	1,350,000	$	203,880

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, 2023, are as follows:

Year Ending	Business-type Activities	
June 30	Principal	Interest
2024	$ 247,722	$ -
	$ 247,722	$ -

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, 2023, are as follows:

Year Ending	Business-type Activities	
June 30	Principal	Interest
2024	$ 101,695	$ 12,331
2025	101,695	9,106
2026	101,695	5,903
2027	101,695	5,699
2028	30,605	188
	$ 437,385	$ 33,227

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, 2023, is as follows:

Year Ending	Business-Type Activities	
June 30	Principal	Interest
2024	$ 66,667	$ 16,691
2025	66,667	14,718
2026	66,667	12,744
2027	66,667	10,771
2028	66,667	8,798
2029-2032	261,109	15,458
	$ 594,444	$ 79,180

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, 2023, are as follows:

Year Ending	Business-type Activities	
June 30	Principal	Interest
2024	$ 163,435	$ 76,757
2025	163,435	72,099
2026	163,435	67,441
2027	163,188	62,787
2028	163,188	58,136
2029-2033	815,942	220,916
2034-2038	815,942	104,645
2039-2040	326,377	9,302
	$ 2,774,942	$ 672,083

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, 2023, are as follows:

Year Ending	Business-Type Activities			
June 30	Principal		Interest	
2024	$	811,502	$	65,890
2025		818,372		56,071
2026		781,447		46,445
2027		706,737		37,360
2028		711,031		28,940
2029-2033		1,898,658		50,389
	$	5,727,747	$	285,095

Annual debt service requirements to maturity for long-term installment purchase obligations as of June 30, 2023 are as follows:

Year Ending	Governmental Activities				Business-type Activities			
June 30	Principal		Interest		Principal		Interest	
2024	$	1,173,730	$	458,061	$	1,391,021	$	171,669
2025		1,174,860		433,526		1,150,169		151,994
2026		1,168,785		399,989		1,113,244		132,534
2027		1,155,742		366,551		1,038,287		116,617
2028		1,156,448		333,235		971,491		96,062
2029-2033		5,268,510		1,176,451		2,975,709		286,763
2034-2038		3,869,058		467,437		815,942		104,645
2039-2041		999,622		28,489		326,377		9,302
	$	15,966,755	$	3,663,739	$	9,782,240	$	1,069,586

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, 2023, 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%.	$1,485,000

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

Year Ending	Government-type Activities	
June 30	Principal	Interest
2024	$ 82,500	$ 39,056
2025	82,500	36,886
2026	82,500	34,716
2027	82,500	32,546
2028	82,500	30,377
2029-2033	412,500	119,336
2034-2038	412,500	65,093
2039-2041	247,500	13,019
	$ 1,485,000	$ 371,029

At June 30, 2023, the Town has bonds authorized but unissued of $2,350,000 and a legal debt margin of $216,688,817.

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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%. $1,995,000

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

Year Ending	Business-type Activities	
June 30	Principal	Interest
2024	$ 90,000	$ 54,264
2025	90,000	51,816
2026	90,000	49,368
2027	95,000	46,920
2028	95,000	44,336
2029-2033	530,000	180,608
2034-2038	600,000	104,856
2039-2041	405,000	22,304
	$ 1,995,000	$ 554,472

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.

The debt service parity coverage ratio calculation for the year ending June 30, 2023 is as follows:

Test 1		
FY2023 Revenues	$ 11,805,763	
FY2023 expenditures *	(8,812,363)	
Operating Income	2,993,400	
20% of surplus fund at June 30, 2023	1,630,995	
Net revenues and surplus available for debt service	$ 4,624,395	(A)
Debt service on parity indebtedness	$ 141,576	(B)
Debt service on subordinate indebtedness	2,070,764	
Total debt service	$ 2,212,340	(C)
Debt service coverage ratio on parity indebtedness (A) / (B)	32.66	
Debt service coverage ratio on total debt (A) / (C)	2.09	
Minumum required debt service coverage ratio	1.20	
Test 2		
FY2023 Revenues	$ 11,805,763	
FY2023 expenditures *	(8,812,363)	
Net revenues available for debt service	$ 2,993,400	(A)
Debt service on parity indebtedness	$ 141,576	(B)
Debt service on subordinate indebtedness	2,070,764	
Total debt service	$ 2,212,340	(C)
Debt service coverage ratio on parity indebtedness (A) / (B)	21.14	
Debt service coverage ratio on total debt (A) / (C)	1.35	
Minumum required debt service coverage ratio	1.00	

* 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.

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

Year Ending	Governmental Activities		Business-type Activities	
June 30	Principal	Interest	Principal	Interest
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	82,500	30,377	95,000	44,336
2029-2033	412,500	119,336	530,000	180,608
2034-2038	412,500	65,093	600,000	104,856
2039-2041	247,500	13,019	405,000	22,304
	$ 1,485,000	$ 371,029	$ 1,995,000	$ 554,472

Changes in Long-Term Liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Direct Placement Installment Purchase	$ 15,793,187	$ 1,350,000	$ 1,176,432	$ 15,966,755	$ 1,173,730
General obligation bonds	1,567,500	-	82,500	1,485,000	82,500
Leases	57,363	22,296	33,667	45,992	28,445
Subscriptions	-	2,160	1,352	808	256
Compensated absences	495,750	202,875	238,316	460,309	460,309
Net pension obligation (LGERS)	1,090,065	2,963,438	-	4,053,503	-
Total	19,003,865	4,540,769	1,532,267	22,012,367	1,745,240
Business-type activities:					
Water and Sewer Fund					
Direct Placement Installment Purchase	11,661,835	-	1,879,595	9,782,240	1,391,021
Revenue bonds	2,080,000	-	85,000	1,995,000	90,000
Leases	1,156	3,595	1,156	3,595	880
Compensated absences	101,042	58,921	51,907	108,056	108,056
Net pension obligation (LGERS)	363,172	987,813	-	1,350,985	-
Total	14,207,205	1,050,329	2,017,658	13,239,876	1,589,957
Total	$ 33,211,070	$ 5,591,098	$ 3,549,925	$ 35,252,243	$ 3,335,197

Town of Harrisburg, North Carolina

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

C. <u>Interfund Balances and Activity</u>

Transfers to/from other funds during the year ended June 30, 2023, consist of the following:

From the General Fund to the Capital Reserve Fund - General Fund to fund the Capital Reserve Fund	$ 6,500,000
From the Capital Reserve Fund - General Fund to the General Fund to fund actual capital outlay expenditures	746,439
From the Capital Reserve Fund - Parks and Recreation to the General Fund to fund actual Greenway capital expenditures	22,094
From the Capital Reserve Fund - General Fund to the Capital Projects Fund - Public Safety to fund actual capital outlay expenditures	13,718
From the Water and Sewer Fund to the Capital Reserve Fund - Water and Sewer to fund the Capital Reserve Fund	600,000
From the Capital Reserve Fund - Water and Sewer to the Water and Sewer Fund to fund Water and Sewer Capital Projects	275,128
From the Capital Reserve Fund - Water and Sewer to the Capital Projects Fund - Water and Sewer to fund Water and Sewer Capital Projects	1,094,561
From the Capital Reserve Fund - Water and Sewer - Expansion to the Water and Sewer Fund to fund expansion-related debt service	1,650,750
From the Storm Water Fund to the Capital Reserve Fund - Storm Water to fund the Capital Reserve Fund	192,245
From the Capital Reserve Fund - Storm Water to the Storm Water Fund to fund actual capital outlay expenditures	83,491
	$ 11,178,426

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.

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

Due from Capital Projects Fund – Public Safety to the General Fund	$ 8,142

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 and the second installment of $2,641,365 was received in July 2022. Of this award, $699,781 has been spent to date, with $110,878 expended in FY2023 and $588,903 in FY2022. Town staff and the Town Council have elected to use $645,000 in employee retention and sign-on bonuses, $109,000 for expanded offices for the Town's law enforcement personnel, $600,000 for the Town's 50th anniversary events, and $3,173,000 in a partnership to construct a new YMCA facility within Harrisburg Park. The Town Council has not appropriated the remaining funds as of June 30, 2023.

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, 2023, the Town purchased sewer treatment services amounting to $1,540,063 from WSACC. At June 30, 2023, there was 134,913 due to WSACC, which is reflected in accounts payable of the Water and Sewer Fund.

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, 2023, the Town made various payments through the Firemen's Relief Fund and reported $19,462 in revenues and $43,748 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, 2023. 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, 2023, 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.

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 Ten Fiscal Years

Local Governmental Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Harrisburg's proportion of the net pension liability (asset) (%)	0.095800%	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 liablity (asset) ($)	$ 5,404,488	$ 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	$ 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	$ 2,897,960
Harrisburg's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	81.03%	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**	84.14%	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.

Town of Harrisburg, North Carolina

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

Local Governmental Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 859,091	$ 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	859,091	757,023	600,529	494,814	390,994	350,956	316,231	252,632	232,442	222,421
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Harrisburg's covered payroll	$ 7,099,926	$ 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	12.10%	11.35%	10.15%	8.95%	7.75%	7.50%	6.84%	6.67%	6.58%	6.68%

TOWN OF HARRISBURG, NORTH CAROLINA

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INDIVIDUAL
FUND FINANCIAL STATEMENTS AND SCHEDULES

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Town of Harrisburg, North Carolina

General Fund
Comparative Balance Sheets
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 7,928,988	$ 6,612,850
Restricted cash and cash equivalents	259,479	279,900
Receivables - net:		
Property taxes	84,419	52,613
Other	-	3,401
Due from other funds	8,142	2,582
Due from government agencies	1,547,816	1,431,477
Lease receivable	224,257	53,910
Inventory	33,173	36,846
Prepaid items	273,122	183,103
Total assets	$ 10,359,396	$ 8,656,682
Liabilities, deferred inflows of resources and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$ 745,449	$ 401,635
July 4th celebration revenue	36,238	43,950
Payable from restricted assets:		
Performance bonds on deposit	53,687	64,185
Total liabilities	835,374	509,770
Deferred inflows of resources:		
Property taxes receivable	84,419	52,613
Prepaid taxes	12,327	11,105
Leases	195,379	53,664
Total deferred inflows of resources	292,125	117,382
Fund balance:		
Non-spendable:		
Inventory	33,173	36,846
Prepaids	273,122	183,103
Leases	28,878	246
Restricted:		
Stabilization by State statute	2,288,788	1,702,207
Streets	85,490	72,427
Public safety	120,302	143,288
Unassigned	6,402,144	5,891,413
Total fund balance	9,231,897	8,029,530
Total liabilities, deferred inflows of resources and fund balance	$ 10,359,396	$ 8,656,682

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, 2023
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive Over/(Under)	Actual
Revenues				
Ad valorem taxes				
Current year	$ 13,140,000	$ 13,305,480	$ 165,480	$ 10,318,808
Prior years	40,000	44,231	4,231	57,181
Penalties and interest	15,000	25,823	10,823	21,038
Total	13,195,000	13,375,534	180,534	10,397,027
Unrestricted intergovernmental				
Local option sales tax	3,675,000	4,197,761	522,761	3,778,084
Utility franchise tax	930,000	1,044,866	114,866	995,608
Beer and wine tax	78,000	90,887	12,887	75,780
Total	4,683,000	5,333,514	650,514	4,849,472
Restricted intergovernmental				
Powell Bill allocation	554,750	556,235	1,485	534,189
Grants - other	-	-	-	10,350
Fire taxes	1,580,500	1,619,566	39,066	1,491,498
Solid waste disposal	14,500	16,166	1,666	14,396
Total	2,149,750	2,191,967	42,217	2,050,433
Permits and fees				
Compliance permits	85,000	147,314	62,314	129,560
Grading permits	62,500	92,250	29,750	66,500
Plan review fees	216,500	249,000	32,500	164,175
Inspection fees and fines	90,500	84,172	(6,328)	48,135
Passport acceptance fees	5,250	1,505	(3,745)	2,240
Credit card convenience fees	10,000	17,627	7,627	10,403
Traffic review fees	80,000	93,200	13,200	40,500
Total	549,750	685,068	135,318	461,513
Sales and services				
Parks and recreation athletics	545,650	669,772	124,122	553,611
Concessions, Splashpad and merchandise	85,000	69,845	(15,155)	84,724
Total	630,650	739,617	108,967	638,335
Investment earnings	10,250	271,976	261,726	15,988

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, 2023
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive Over/(Under)	Actual
Revenues (continued)				
Other general revenues				
Rental Income:				
Facilities	53,500	33,990	(19,510)	50,751
Town Hall	222,000	249,043	27,043	196,768
Reimbursement - Fire Station #3 - EMS	10,800	11,218	418	10,932
Parks and recreation - special events	21,000	25,566	4,566	23,320
July 4th celebration	85,000	108,743	23,743	71,767
Donations	62,000	58,095	(3,905)	25,678
Insurance proceeds	85,800	89,046	3,246	9,383
Sale of surplus property	25,000	5,803	(19,197)	67,045
Miscellaneous	22,000	56,885	34,885	43,607
Total	587,100	638,389	51,289	499,251
Total revenues	21,805,500	23,236,065	1,430,565	18,912,019
Expenditures				
General Government				
Mayor and Council:				
Personal services	69,900	60,732	9,168	63,052
Employee relations and education	12,000	4,832	7,168	5,092
Supplies and materials	233,000	28,772	204,228	39,606
Current obligations and services	42,840	36,261	6,579	54,538
Fixed charges and other services	13,510	11,028	2,482	19,759
Administrative cost allocations	(40,700)	(34,850)	(5,850)	(51,100)
Total	330,550	106,775	223,775	130,947
Town Clerk:				
Personal services	74,000	69,905	4,095	66,952
Employee relations and education	1,625	127	1,498	32
Supplies and materials	6,070	4,170	1,900	7,321
Current obligations and services	4,660	1,674	2,986	2,484
Fixed charges and other services	2,300	1,899	401	1,960
Administrative cost allocations	(6,615)	(3,420)	(3,195)	(4,720)
Total	82,040	74,355	7,685	74,029

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, 2023
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive Over/(Under)	Actual
Expenditures (continued)				
General Government (continued)				
Town Manager's Office:				
Personal services	242,000	220,795	21,205	108,850
Employee relations and education	26,300	7,058	19,242	2,668
Supplies and materials	14,110	13,055	1,055	19,327
Current obligations and services	96,420	81,214	15,206	81,521
Fixed charges and other services	119,180	101,754	17,426	91,133
Administrative cost allocations	(107,305)	(82,005)	(25,300)	(107,305)
Capital outlay	32,500	11,834	20,666	10,222
Debt service - leases				
Principal	5,000	4,952	48	4,105
Interest	50	45	5	88
Debt service				
Principal	67,000	66,671	329	136,467
Interest	18,750	18,923	(173)	23,330
Total	514,005	444,296	69,709	370,406
Finance:				
Personal services	318,600	288,969	29,631	261,208
Employee relations and education	11,375	3,998	7,377	10,871
Supplies and materials	22,500	16,816	5,684	6,013
Current obligations and services	4,725	2,877	1,848	15,309
Fixed charges and other services	52,440	45,336	7,104	49,043
Administrative cost allocations	(21,505)	(10,615)	(10,890)	(18,148)
Total	388,135	347,381	40,754	324,296
Human Resources:				
Personal services	150,500	124,344	26,156	75,507
Employee relations and education	86,200	44,719	41,481	46,010
Supplies and materials	1,600	2,013	(413)	741
Current obligations and services	2,975	2,007	968	2,063
Fixed charges and other services	42,632	27,201	15,431	34,432
Administrative cost allocations	(62,000)	(37,850)	(24,150)	(41,600)
Total	221,907	162,434	59,473	117,153
Information Technology:				
Personal services	109,200	64,607	44,593	88,613
Employee relations and education	5,400	1,028	4,372	4,331
Supplies and materials	3,700	2,001	1,699	2,972
Current obligations and services	3,220	1,520	1,700	2,340
Fixed charges and other services	65,703	44,410	21,293	57,250
Administrative cost allocations	(38,200)	(23,700)	(14,500)	(33,450)
Capital outlay	-	-	-	14,305
Total	149,023	89,866	59,157	136,361

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, 2023
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive Over\(Under)	Actual
Expenditures (continued)				
General Government (continued)				
Communications:				
Personal services	74,000	52,275	21,725	34,225
Employee relations and education	3,550	921	2,629	4,452
Supplies and materials	15,400	17,428	(2,028)	22,236
Current obligations and services	44,280	24,316	19,964	17,833
Fixed charges and other services	62,480	50,031	12,449	31,373
Administrative cost allocations	(27,950)	(35,650)	7,700	(35,950)
Total	171,760	109,321	62,439	74,169
Total general government	1,857,420	1,334,428	522,992	1,227,361
Planning and Economic Development				
Personal services	336,500	292,752	43,748	290,799
Employee relations and education	11,250	6,467	4,783	13,914
Supplies and materials	6,100	2,749	3,351	3,123
Current obligations and services	48,100	22,089	26,011	16,454
Fixed charges and other services	220,180	187,379	32,801	101,389
Capital outlay	2,200	2,160	40	-
Debt service - subscriptions				
Principal	1,400	1,352	48	-
Interest	50	-	50	-
Total	625,780	514,948	110,832	425,679
Engineering				
Personal services	227,600	173,919	53,681	115,203
Employee relations and education	12,050	10,381	1,669	9,062
Supplies and materials	6,200	7,341	(1,141)	4,319
Current obligations and services	13,330	10,033	3,297	11,697
Fixed charges and other services	92,870	27,281	65,589	51,360
Administrative cost allocations	(19,350)	(15,900)	(3,450)	
Capital outlay	50,000	-	50,000	41,489
Total	382,700	213,055	169,645	233,130
Public Safety				
Police:				
Employee relations and education	2,000	1,730	270	4,467
Supplies and materials	11,650	11,500	150	9,177
Current obligations and services	100,300	84,339	15,961	98,208
Fixed charges and other services	1,530,100	1,174,799	355,301	1,199,382
Capital outlay	437,500	-	437,500	56,739
Debt service - leases				
Principal	26,500	26,031	469	8,659
Interest	1,000	644	356	233
Total	2,109,050	1,299,043	810,007	1,376,865

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, 2023
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive Over\(Under)	Actual
Expenditures (continued)				
Public Safety (continued)				
Fire:				
Personal services	4,669,600	4,122,614	546,986	3,895,298
Employee relations and education	80,030	63,501	16,529	72,082
Supplies and materials	163,490	153,883	9,607	264,927
Current obligations and services	386,246	412,922	(26,676)	346,876
Fixed charges and other services	161,290	147,243	14,047	109,206
Capital outlay	304,616	209,585	95,031	1,690,942
Debt service - leases				
Principal	1,150	1,128	22	1,297
Interest	50	10	40	26
Debt service				
Principal	690,000	609,196	80,804	554,838
Interest	223,300	190,271	33,029	207,147
Total	6,679,772	5,910,353	769,419	7,142,639
Total public safety	8,788,822	7,209,396	1,579,426	8,519,504
Transportation				
Supplies and materials	21,750	18,153	3,597	6,245
Current obligations and services	544,052	440,408	103,644	305,427
Fixed charges and other services	106,325	50,026	56,299	39,474
Resurfacing	555,000	555,000	-	550,492
Capital outlay	300,000	192,246	107,754	98,542
Debt service				
Principal	82,500	82,500	-	82,500
Interest	41,250	41,225	25	40,381
Total	1,650,877	1,379,558	271,319	1,123,061
Environmental Protection				
Personal services	721,600	617,660	103,940	677,678
Employee relations and education	3,900	2,024	1,876	533
Supplies and materials	5,350	3,979	1,371	4,298
Current obligations and services	66,750	71,760	(5,010)	51,374
Fixed charges and other services	1,165,100	1,132,965	32,135	1,229,146
Capital outlay	361,000	228,497	132,503	15,402
Total	2,323,700	2,056,885	266,815	1,978,431
Parks and Recreation				
Personal services	1,406,000	1,278,289	127,711	1,130,934
Employee relations and education	18,300	17,241	1,059	7,672
Supplies and materials	110,950	118,235	(7,285)	105,057
Current obligations and services	1,275,334	1,234,320	41,014	1,025,569
Fixed charges and other services	120,220	70,174	50,046	63,438

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, 2023
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive Over\(Under)	Actual
Expenditures (continued)				
Parks and Recreation (continued)				
Capital outlay	714,409	148,667	565,742	483,264
Debt service - leases				
Principal	1,600	1,556	44	1,549
Interest	50	14	36	31
Debt service				
Principal	500,750	500,565	185	500,565
Interest	250,000	249,356	644	263,622
Total	4,397,613	3,618,417	779,196	3,581,701
Contingency	193,000	-	193,000	-
Total expenditures	20,219,912	16,326,687	3,893,225	17,088,867
Revenues over (under) expenditures	1,585,588	6,909,378	5,323,790	1,823,152
Other financing sources (uses)				
Transfers from other funds:				
Special Revenue Fund - CARES Act	-	-	-	701
Capital Reserve Fund - General Fund	1,576,900	746,439	(830,461)	2,320,981
Capital Reserve Fund - Economic Development	20,000	-	(20,000)	-
Capital Reserve Fund - Parks and Recreation	250,000	22,094	(227,906)	-
Transfers to other funds:				
Capital Reserve Fund - General Fund	(6,546,805)	(6,500,000)	46,805	(3,950,000)
Capital Reserve Fund - Parks and Recreation	-	-	-	(3,050)
Capital Reserve Fund - Economic Development	-	-	-	(60,000)
Lease liabilities issued	-	22,296	22,296	72,973
IT subscription agreement	-	2,160	2,160	-
Total other financing sources (uses)	(4,699,905)	(5,707,011)	(1,007,106)	(1,618,395)
Revenues and other financing sources over (under) expenditures and other financing uses	(3,114,317)	1,202,367	4,316,684	204,757
Appropriated fund balance	3,114,317	-	(3,114,317)	-
Net change in fund balance	$ -	1,202,367	$ 1,202,367	204,757
Fund balance				
Fund balance - beginning		8,029,530		7,824,773
Fund balance - ending		$ 9,231,897		$ 8,029,530

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, 2023

	Budget	Actual	Variance Positive Over/(Under)
Revenues			
Non-operating revenues			
Interest income	$ 5,000	$ 189,185	$ 184,185
Total non-operating revenues	5,000	189,185	184,185
Other financing sources (uses)			
Transfers from other funds:			
Transfer from General Fund	3,696,805	6,500,000	2,803,195
Transfers to other funds:			
Transfer to General Fund	(1,576,900)	(746,439)	830,461
Transfer to Capital Projects Fund - Parks and Recreation	(2,300,000)	-	2,300,000
Transfer to Capital Projects Fund - Public Safety	(250,000)	(13,718)	236,282
Total other financing sources (uses)	(430,095)	5,739,843	6,169,938
Revenues and other financing sources over (under) expenditures and other financing uses	(425,095)	5,929,028	6,354,123
Appropriated fund balance	425,095	-	(425,095)
Net change in fund balance	$ -	5,929,028	$ 5,929,028
Fund balance			
Fund balance - beginning		6,731,297	
Fund balance - ending		$ 12,660,325	

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, 2023

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Over / (Under)
Revenues					
Investment earnings	$ -	$ 4,770	$ 96,328	$ 101,098	$ 101,098
Restricted intergovernmental	5,282,729	588,903	110,878	699,781	(4,582,948)
Total	5,282,729	593,673	207,206	800,879	(4,481,850)
Expenditures					
Employee Retention					
Personal services	640,500	504,250	63,783	568,033	72,467
Professional services	4,500	1,455	617	2,072	2,428
Total expenditures	645,000	505,705	64,400	570,105	74,895
Deputy Office Expansion					
Construction	109,000	83,198	25,665	108,863	137
Total expenditures	109,000	83,198	25,665	108,863	137
50th Anniversary Celebration					
Professional services	600,000	-	20,813	20,813	579,187
Total expenditures	600,000	-	20,813	20,813	579,187
CSLRF Projects					
Construction	3,928,729	-	-	-	3,928,729
Total expenditures	3,928,729	-	-	-	3,928,729
Net change in fund balance	$ -	$ 4,770	96,328	$ 101,098	$ 101,098
Fund balance					
Fund balance - beginning			4,770		
Fund balance - ending			$ 101,098		

Town of Harrisburg, North Carolina

Combining Balance Sheets
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Fund - Hwy 49 Corridor	Capital Projects Fund - Streets	Capital Projects Fund - Public Safety
Assets			
Cash and cash equivalents	$ 378,663	$ -	$ -
Restricted cash and cash equivalents	-	209,999	-
Investments	-	-	-
Due from other governments	-	-	10,576
Total assets	$ 378,663	$ 209,999	$ 10,576
Liabilities			
Accounts payable and accrued liabilities	$ -	$ -	$ 2,434
Payable from restricted assets:			
Accounts payable and accrued liabilities	-	44,501	-
Due to other funds	-	-	8,142
Total liabilities	-	44,501	10,576
Fund balance			
Restricted	-	165,498	10,576
Committed	378,663	-	-
Unassigned	-	-	(10,576)
Total fund balances	378,663	165,498	-
Total liabilities and fund balance	$ 378,663	$ 209,999	$ 10,576

Town of Harrisburg, North Carolina

Combining Balance Sheets
Nonmajor Governmental Funds
June 30, 2023

	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	$ 1,792,030	$ -	$ -	$ 2,170,693
Restricted cash and cash equivalents	-	-	-	209,999
Investments	-	344,843	391,933	736,776
Due from other governments	-	-	-	10,576
Total assets	$ 1,792,030	$ 344,843	$ 391,933	$ 3,128,044
Liabilities				
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ 2,434
Payable from restricted assets:				
Accounts payable and accrued liabilities	-	-	-	44,501
Due to other funds	-	-	-	8,142
Total liabilities	-	-	-	55,077
Fund balance				
Restricted	-	-	-	176,074
Committed	1,792,030	344,843	391,933	2,907,469
Unassigned	-	-	-	(10,576)
Total fund balances	1,792,030	344,843	391,933	3,072,967
Total liabilities and fund balance	$ 1,792,030	$ 344,843	$ 391,933	$ 3,128,044

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, 2023

	Special Revenue Fund - Hwy 49 Corridor	Capital Projects Fund - Streets	Capital Projects Fund - Public Safety
Revenues			
Investment earnings	$ 13,888	$ 14,140	$ 46,002
Contribution - fee in lieu of	-	-	-
Total revenues	13,888	14,140	46,002
Expenditures			
Public safety	-	-	1,676,271
Transportation	-	333,717	-
Total expenditures	-	333,717	1,676,271
Revenues over (under) expenditures	13,888	(319,577)	(1,630,269)
Other financing sources (uses)			
Transfers from other funds	-	-	13,718
Transfers to other funds	-	-	-
Debt issued	-	-	1,350,000
Total other financing sources	-	-	1,363,718
Net change in fund balance	13,888	(319,577)	(266,551)
Fund balance			
Beginning of year - July 1	364,775	485,075	266,551
End of year - June 30	$ 378,663	$ 165,498	$ -

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, 2023

	Capital Projects Fund - Economic Development	Capital Reserve Fund - Parks and Recreation	Capital Reserve Fund - Economic Development	Total Nonmajor Governmental Funds
Revenues				
Investment earnings	$ 39,707	$ 13,037	$ 14,019	$ 140,793
Contribution - fee in lieu of	-	25,000	-	25,000
Total revenues	39,707	38,037	14,019	165,793
Expenditures				
Public safety	-	-	-	1,676,271
Transportation	-	-	-	333,717
Total expenditures	-	-	-	2,009,988
Revenues over (under) expenditures	39,707	38,037	14,019	(1,844,195)
Other financing sources (uses)				
Transfers from other funds	-	-	-	13,718
Transfers to other funds	-	(22,094)	-	(22,094)
Debt issued	-	-	-	1,350,000
Total other financing sources	-	(22,094)	-	1,341,624
Net change in fund balance	39,707	15,943	14,019	(502,571)
Fund balance				
Beginning of year - July 1	1,752,323	328,900	377,914	3,575,538
End of year - June 30	$ 1,792,030	$ 344,843	$ 391,933	$ 3,072,967

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, 2023

	Budget	Actual	Variance Over/(Under)
Revenues			
Operating revenues:			
Contribution - fee in lieu of	$ 500,000	$ -	$ (500,000)
Total operating revenues	500,000	-	(500,000)
Non operating revenues:			
Interest income	-	13,888	13,888
Total non-operating revenues	-	13,888	13,888
Total revenues	500,000	13,888	(486,112)
Expenditures			
Capital outlay	500,000	-	500,000
Total expenditures	500,000	-	500,000
Net change in fund balance	$ -	13,888	$ 13,888
Fund balance			
Fund balance - beginning		364,775	
Fund balance - ending		$ 378,663	

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, 2023

	Project Authorization	Actual - Prior Years	Actual - Current Year	Actual - Total to Date	Variance Over / (Under)
Revenues					
Investment earnings	$ -	$ 5,168	$ 14,140	$ 19,308	$ 19,308
Expenditures					
Sidewalk Projects					
Engineering	292,500	105,775	115,695	221,470	71,030
Construction	999,000	263,066	-	263,066	735,934
Total expenditures	1,291,500	368,841	115,695	484,536	806,964
Street Resurfacing					
Construction	1,050,500	996,841	53,159	1,050,000	500
Total expenditures	1,050,500	996,841	53,159	1,050,000	500
Hwy 49 Phase 1					
Engineering	139,000	78,411	23,650	102,061	36,939
Construction	400,000	-	-	-	400,000
Total expenditures	539,000	78,411	23,650	102,061	436,939
Hwy 49 Traffic Congestion Mitigation					
Engineering	175,000	-	122,776	122,776	52,224
Construction	689,000	-	4,200	4,200	684,800
Total expenditures	864,000	-	126,976	126,976	737,024
Greenways					
Engineering	79,000	-	14,237	14,237	64,763
Construction	450,000	-	-	-	450,000
Total expenditures	529,000	-	14,237	14,237	514,763
Revenues over (under) expenditures	(4,274,000)	(1,438,925)	(319,577)	(1,758,502)	2,515,498
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	$ -	$ 485,075	(319,577)	$ 165,498	$ 165,498
Fund balance					
Fund balance - beginning			485,075		
Fund balance - ending			$ 165,498		

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, 2023

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Over / (Under)
Revenues					
Investment earnings	$ -	$ 100,971	$ 46,002	$ 146,973	$ 146,973
Other general revenues	-	23,592	-	23,592	23,592
Total	-	124,563	46,002	170,565	170,565
Expenditures					
Fire Station #2 Training Facility					
Engineering	31,711	-	7,750	7,750	23,961
Construction	361,662	115,275	226,364	341,639	20,023
Total expenditures	393,373	115,275	234,114	349,389	43,984
Smeal 105' Ladder Truck					
Construction	1,600,000	136,203	1,442,157	1,578,360	21,640
Total expenditures	1,600,000	136,203	1,442,157	1,578,360	21,640
Revenues over / (under) expenditures	(1,993,373)	(126,915)	(1,630,269)	(1,757,184)	236,189
Other financing sources					
Debt issued	1,743,373	393,466	1,350,000	1,743,466	93
Transfers from other funds:					
Capital Reserve Fund - General Fund	250,000	-	13,718	13,718	(236,282)
Total other financing sources	1,993,373	393,466	1,363,718	1,757,184	(236,189)
Net change in fund balance	$ -	$ 266,551	(266,551)	$ -	$ -
Fund balance					
Fund balance - beginning			266,551		
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, 2023

	Project Authorization	Actual: Prior Years	Actual: Current Year	Actual: Total to Date	Variance Over / (Under)
Revenues					
Investment earnings	$ -	$ 2,773	$ 39,707	$ 42,480	$ 42,480
Total	-	2,773	39,707	42,480	42,480
Expenditures					
Harrisburg Train Station					
Construction	1,750,000	450	-	450	1,749,550
Total expenditures	1,750,000	450	-	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	$ -	$ 1,752,323	39,707	$ 1,792,030	$ 1,792,030
Fund balance					
Fund balance - beginning			1,752,323		
Fund balance - ending			$ 1,792,030		

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, 2023

	Budget	Actual	Variance Positive Over/(Under)
Non-operating revenues			
Interest income	$ -	$ 13,037	$ 13,037
Contributions - fee in lieu of	-	25,000	25,000
Total non-operating revenues	-	38,037	38,037
Other financing sources (uses)			
Transfers from other funds:			
General Fund	250,000	-	(250,000)
Transfers to other funds:			
General Fund	(250,000)	(22,094)	227,906
Total other financing sources (uses)	-	(22,094)	(22,094)
Net change in fund balance	$ -	15,943	$ 15,943
Fund balance - beginning		328,900	
Fund balance - ending		$ 344,843	

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, 2023

	Budget	Actual	Variance Positive Over/(Under)
Non-operating revenues			
Interest income	$ 500	$ 14,019	$ 13,519
Other financing sources (uses)			
Transfers from other funds:			
General Fund	19,500	-	(19,500)
Transfers to other funds:			
General Fund	(20,000)	-	20,000
Total other financing sources (uses)	(500)	-	500
Net change in fund balance	$ -	14,019	$ 14,019
Fund balance - beginning		377,914	
Fund balance - ending		$ 391,933	

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, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	$ 2,136,882	$ 9,773,565
Investments	8,306,137	-
Accounts receivable (net) - customers	1,398,922	1,523,176
Accounts receivable - other	98,714	80,911
Lease receivable	73,723	81,400
Accrued interest receivable	88,141	630
Prepaid expenses	22,071	-
Restricted cash and cash equivalents	341,395	382,968
Total current assets	12,465,985	11,842,650
Non-current assets:		
Lease receivable - non-current	1,110,406	1,173,123
Capital assets:		
Capital assets, net of depreciation and amortization	36,820,379	37,292,887
Right to use leased assets, net of amortization	3,595	1,057
Capital assets, including the right to use assets	36,823,974	37,293,944
Total non-current assets	37,934,380	38,467,067
Total assets	50,400,365	50,309,717
Deferred ouflows of resources		
Pension deferrals	854,049	532,774
Total deferred outflows of resources	854,049	532,774
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	399,659	184,823
Accrued interest payable	73,033	79,625
Long-term debt, current portion	1,481,901	1,718,029
Compensated absences	108,056	101,042
Payables due from restricted assets:		
Customer deposits	326,942	313,460
Total current liabilities	2,389,591	2,396,979
Non-current liabilities:		
Long-term debt, non-current portion	10,298,934	12,024,962
Net pension liability	1,350,985	363,172
Total noncurrent liabilities	11,649,919	12,388,134
Total liabilities	14,039,510	14,785,113
Deferred inflows of resources		
Leases	1,152,939	1,238,929
Pension deferrals	55,066	584,175
	1,208,005	1,823,104
Net position		
Net investment in capital assets	25,057,592	23,620,461
Unrestricted	10,949,307	10,613,813
Total net position	$ 36,006,899	$ 34,234,274

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, 2023
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022)

	2023			2022
			Variance	
	Budget	Actual	Over/(Under)	Actual
Revenues				
Operating revenues				
Water sales	$ 5,340,000	$ 5,209,474	$ (130,526)	$ 4,876,012
Sewer charges	4,536,000	4,225,203	(310,797)	4,116,608
Permits and fees	155,000	221,628	66,628	186,547
Service connection fees	198,500	236,090	37,590	124,925
Credit card fees	48,000	73,541	25,541	59,722
Miscellaneous revenues	5,000	-	(5,000)	10,163
Total operating revenues	10,282,500	9,965,936	(316,564)	9,373,977
Non-operating revenues				
Interest income	5,000	79,206	74,206	15,733
Cell tower rental	84,000	88,534	4,534	85,989
Proceeds from sale of capital assets	10,000	21,337	11,337	55,473
Total non-operating revenues	99,000	189,077	90,077	157,195
Total revenues	10,381,500	10,155,013	(226,487)	9,531,172
Expenditures				
Administration and distribution				
Personal services	3,008,000	2,563,409	444,591	2,016,805
Employee relations and education	28,000	19,610	8,390	21,134
Supplies and materials	351,880	311,429	40,451	301,661
Current obligations and services	5,410,894	5,259,596	151,298	4,373,480
Fixed charges and other services	502,330	159,096	343,234	147,271
Administrative cost allocations	291,070	219,335	71,735	263,973
Contingency	305,200	-	305,200	-
Total administration and distribution	9,897,374	8,532,475	1,364,899	7,124,324
Debt service				
Principal retirement - leases	1,200	1,156	44	1,280
Interest - leases	50	9	41	23
Principal retirement	1,717,500	1,964,595	(247,095)	1,785,662
Interest	248,250	247,745	505	265,991
Total debt service	1,967,000	2,213,505	(246,505)	2,052,956
Capital outlay				
Equipment	450,500	278,723	171,777	434,973
Total capital outlay	450,500	278,723	171,777	434,973
Total expenditures	12,314,874	11,024,703	1,290,171	9,612,253
Revenues over (under) expenditures	(1,933,374)	(869,690)	1,063,684	(81,081)

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, 2023
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive Over/(Under)	Actual
Other financing sources (uses)				
Lease liabilities issued	-	3,595	3,595	2,436
Transfers from other funds:				
Capital Reserve Fund - Water and Sewer	345,000	275,128	(69,872)	432,537
Capital Reserve Fund - Water and Sewer - Expansion	1,650,750	1,650,750	-	1,688,945
Transfers to other funds:				
Capital Reserve Fund - Water and Sewer	(601,550)	(600,000)	1,550	(1,850,000)
Total other financing sources (uses)	1,394,200	1,329,473	(64,727)	273,918
Revenues and other financing sources over (under) expenditures and other financing uses	(539,174)	459,783	998,957	192,837
Appropriated fund balance	539,174	-	(539,174)	-
Revenues and other sources over expenditures and other uses	$ -	459,783	$ 459,783	192,837
Reconciliation of modified accrual basis with accrual basis:				
Reconciling items:				
Payment of debt principal		1,965,751		1,786,942
Capital outlay		275,128		432,537
(Increase) decrease in accrued vacation pay		(7,014)		(3,923)
(Increase) decrease in interest expense accrual		6,590		2,234
Depreciation and amortization		(1,882,775)		(1,850,455)
Retirements of assets		(1,200)		(35,514)
Increase (decrease) in deferred outflows of resources - pensions		321,275		88,733
(Increase) decrease in net pension liability		(987,813)		489,846
(Increase) decrease in deferred inflows of resources - leases				
(Increase) decrease in deferred inflows of resources - pensions		529,109		(520,733)
System Development Charges collected in Capital Reserve Fund - Water and Sewer - Expansion		2,094,980		1,436,945
Transfer from:				
Capital Reserve Fund - Water and Sewer		(275,128)		(432,537)
Capital Reserve Fund - Water and Sewer - Expansion		(1,650,750)		(1,688,945)
Transfer to:				
Capital Reserve Fund - Water and Sewer		600,000		1,850,000
Interest earned in:				
Capital Reserve Fund - Water and Sewer		272,766		15,580
Capital Projects Fund - Water and Sewer		1,521		6,064
Capital Reserve Fund - Water and Sewer - Expansion		50,402		2,096
		1,312,842		1,578,870
Change in net position (Exhibit G)		$ 1,772,625		$ 1,771,707

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, 2023

	Project Authorization	Actual			Variance Over / (Under)
		Prior Years	Current Year	Total to Date	
Revenues					
Investment earnings	$ -	$ 58,874	$ 1,521	$ 60,395	$ 60,395
Other	-	2,360	-	2,360	2,360
Total	-	61,234	1,521	62,755	62,755
Expenditures					
Morehead West Sewer - Phase 1					
Engineering	490,000	262,116	-	262,116	227,884
Construction	2,115,000	-	-	-	2,115,000
Total expenditures	2,605,000	262,116	-	262,116	2,342,884
2021-22 Waterline Replacements					
Engineering	150,000	117,975	-	117,975	32,025
Construction	1,016,000	33,094	515,637	548,731	467,269
Total expenditures	1,166,000	151,069	515,637	666,706	499,294
Cabarrus Woods Waterline Replacement					
Engineering	150,000	74,150	30,219	104,369	45,631
Construction	1,130,000	-	-	-	1,130,000
Total expenditures	1,280,000	74,150	30,219	104,369	1,175,631
Sequoia Hills Pharr Mill Waterline Loop					
Engineering	75,000	42,349	1,100	43,449	31,551
Construction	500,000	-	402,127	402,127	97,873
Total expenditures	575,000	42,349	403,227	445,576	129,424
Millbrook Pump Station Decommissioning					
Engineering	120,000	92,138	14,800	106,938	13,062
Construction	730,000	-	-	-	730,000
Total expenditures	850,000	92,138	14,800	106,938	743,062

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, 2023

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over / (Under)
Expenditures (continued)					
Orchard Park Pump Station Decommissioning					
Engineering	50,000	-	-	-	50,000
Construction	150,000	-	-	-	150,000
Total expenditures	200,000	-	-	-	200,000
Cabarrus Woods Waterline Replacements - Phase II					
Engineering	180,000	-	-	-	180,000
Construction	1,100,000	-	-	-	1,100,000
Total expenditures	1,280,000	-	-	-	1,280,000
Abbington Pump Station Decommissioning					
Engineering	150,000	-	-	-	150,000
Construction	650,000	-	-	-	650,000
Total expenditures	800,000	-	-	-	800,000
FY2023 Annual Sanitary Sewer Rehab					
Construction	250,000	-	171,398	171,398	78,602
Total expenditures	250,000	-	171,398	171,398	78,602
Revenues over (under) expenditures	(9,006,000)	(560,588)	(1,133,760)	(1,694,348)	7,311,652
Other financing sources					
Installment financing	5,021,000	-	-	-	(5,021,000)
Transfers from other funds:					
Capital Reserve Fund - Water and Sewer	3,985,000	1,199,332	1,094,561	2,293,893	(1,691,107)
Total other financing sources	9,006,000	1,199,332	1,094,561	2,293,893	(6,712,107)
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	$ 638,744	$ (39,199)	$ 599,545	$ 599,545

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, 2023

	Budget	Actual	Variance Over/(Under)
Revenues			
Non-operating revenues			
Interest income	$ 5,000	$ 272,766	$ 267,766
Other financing sources (uses)			
Transfers from other funds:			
Water and Sewer Fund	201,550	600,000	398,450
Transfers to other funds:			
Water and Sewer Fund	(345,000)	(275,128)	69,872
Capital Projects Fund - Water and Sewer	(2,380,000)	(1,094,561)	1,285,439
Total other financing sources (uses)	(2,523,450)	(769,689)	1,753,761
Revenues and other financing sources over (under) expenditures and other financing uses	(2,518,450)	(496,923)	2,021,527
Appropriated fund balance	2,518,450	-	(2,518,450)
Net change in fund balance	$ -	(496,923)	$ (496,923)
Fund Balance - beginning		8,154,973	
Fund Balance - ending		$ 7,658,050	

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, 2023

	Budget	Actual	Variance Over/(Under)
Revenues			
Operating revenues			
Fees - water system development charges	$ 973,750	$ 1,480,940	$ 507,190
Fees - sewer system development charges	675,000	614,040	(60,960)
Total operating revenues	1,648,750	2,094,980	446,230
Non-operating revenues			
Interest income	2,000	50,402	48,402
Total revenues	1,650,750	2,145,382	494,632
Other financing sources (uses)			
Transfers to other funds:			
Water and Sewer Fund	(1,650,750)	(1,650,750)	-
Total other financing sources (uses)	(1,650,750)	(1,650,750)	-
Net change in fund balance	$ -	494,632	$ 494,632
Fund Balance - beginning		147,611	
Fund Balance - ending		$ 642,243	

TOWN OF HARRISBURG, NORTH CAROLINA

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Town of Harrisburg, North Carolina

Storm Water Fund
Comparative Statements of Net Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	$ 388,654	$ 2,023,321
Investments	2,007,785	-
Accounts receivable (net) - customers	92,946	94,081
Accounts receivable - other	496	725
Accrued interest receivable	21,161	-
Restricted cash and cash equivalents	933	933
Total current assets	2,511,975	2,119,060
Non-current assets:		
Capital assets, net of depreciation	6,734,194	4,011,727
Total assets	9,246,169	6,130,787
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	67,856	53,142
Total liabilities	67,856	53,142
Net position		
Net investment in capital assets	6,734,194	4,011,727
Restricted	933	933
Unrestricted	2,443,186	2,064,985
Total net position	$ 9,178,313	$ 6,077,645

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, 2023
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Variance Positive Over/(Under)	Actual
Revenues				
Operating revenues				
Storm water services	$ 707,000	$ 721,674	$ 14,674	$ 705,771
Other	12,000	-	(12,000)	-
Total operating revenues	719,000	721,674	2,674	705,771
Non-operating revenues				
Interest income	1,000	10,988	9,988	1,505
Total revenues	720,000	732,662	12,662	707,276
Expenditures				
Administration				
Personal services	304,500	242,900	61,600	210,381
Employee relations and education	2,600	636	1,964	224
Supplies and materials	8,500	5,784	2,716	3,267
Current obligations and services	83,000	9,188	73,812	68,324
Fixed charges and other services	234,125	57,503	176,622	104,693
Administrative cost allocations	32,555	24,655	7,900	28,300
Contingency	18,000	-	18,000	-
Total administration	683,280	340,666	342,614	415,189
Capital outlay				
Equipment and infrastructure	100,000	83,491	16,509	-
Total capital outlay	100,000	83,491	16,509	-
Total expenditures	783,280	424,157	359,123	415,189
Revenues over (under) expenditures	(63,280)	308,505	371,785	292,087
Other financing sources (uses)				
Transfers from other funds:				
Capital Reserve Fund - Storm Water	100,000	83,491	(16,509)	-
Transfers to other funds:				
Capital Reserve Fund - Storm Water	(192,245)	(192,245)	-	(350,000)
Total other financing sources (uses)	(92,245)	(108,754)	(16,509)	(350,000)
Revenues and other financing sources over (under) expenditures and other financing uses	(155,525)	199,751	355,276	(57,913)
Appropriated fund balance	155,525	-	(155,525)	-
Revenues and other sources over (under) expenditures	$ -	199,751	$ 199,751	(57,913)
Reconciling items:				
Capital outlay		83,491		-
Contributed Storm Water infrastructure		2,845,790		1,952,247
Transfer To:				
Capital Reserve Fund - Storm Water		192,245		350,000
Transfers from:				
Capital Reserve Fund - Storm Water		(83,491)		-
Interest earned in Capital Reserve Fund - Storm Water		67,741		2,451
Interest earned in Capital Projects Fund - Storm Water		1,955		1,127
Depreciation and amortization		(206,814)		(132,013)
		2,900,917		2,173,812
Change in net position (Exhibit G)		$ 3,100,668		$ 2,115,899

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, 2023

	Project Authorization	Actual: Prior Years	Actual: Current Year	Actual: Total to Date	Variance Over / (Under)
Revenues					
Investment earnings	$ -	$ 15,453	$ 1,955	$ 17,408	$ 17,408
Expenditures					
System A - Phase III					
Engineering	70,000	-	-	-	70,000
Construction	650,000	-	-	-	650,000
Total expenditures	720,000	-	-	-	720,000
Regional Detention Pond					
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	(1,020,000)	(2,047)	1,955	(92)	1,019,908
Other financing sources					
Transfers from other funds:					
Storm Water Fund	1,020,000	59,397	-	59,397	(960,603)
Total other financing sources	1,020,000	59,397	-	59,397	(960,603)
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	$ 57,350	$ 1,955	$ 59,305	$ 59,305

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, 2023

	Budget	Actual	Variance Over/(Under)
Revenues			
Non-operating revenues			
Interest income	$ 2,500	$ 67,741	$ 65,241
Other financing sources (uses)			
Transfers from other funds:			
Storm Water Fund	93,245	192,245	99,000
Transfers to other funds:			
Storm Water Fund	(100,000)	(83,491)	16,509
Total other financing sources (uses)	(6,755)	108,754	115,509
Revenues and other financing sources over (under) expenditures and other financing uses	(4,255)	176,495	180,750
Appropriated fund balance	4,255	-	(4,255)
Net change in fund balance	$ -	176,495	$ 176,495
Fund Balance - beginning		1,852,451	
Fund Balance - ending		$ 2,028,946	

Town of Harrisburg, North Carolina

Schedule of Ad Valorem Taxes Receivable
June 30, 2023

Fiscal Year	Uncollected Balance June 30, 2022	Additions	Collections and Credits	Uncollected Balance June 30, 2023
2012-2013	$ 1,756	$ -	$ 1,756	$ -
2013-2014	1,005	-	71	934
2014-2015	1,656	-	823	833
2015-2016	1,290	-	890	400
2016-2017	790	-	519	271
2017-2018	1,042	-	519	523
2018-2019	3,724	-	651	3,073
2019-2020	4,504	-	1,312	3,192
2020-2021	5,601	-	3,554	2,047
2021-2022	34,252	-	28,400	5,852
2022-2023	-	13,371,781	13,299,901	71,880
Total	$ 55,620	$ 13,371,781	$ 13,338,396	89,005

Less allowance for uncollectible ad valorem taxes receivable	(4,586)
Ad valorem taxes receivable - net	$ 84,419

Reconciliation with revenues

Taxes - ad valorem - General Fund (Exhibit D)	$ 13,375,534
Less penalties and interest collected	(25,823)
Net releases and discounts allowed	(13,071)
Taxes written off and refunded	1,756
Total collections and credits	$ 13,338,396

Town of Harrisburg, North Carolina

Analysis of Current Tax Levy
Town-Wide Levy
For the Year Ended June 30, 2023

	Town-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	$ 3,064,764,138	$ 0.435	$ 13,331,724	$ 12,145,989	$ 1,185,735
Discoveries - current and prior years	12,434,483		54,090	54,090	-
Releases	(3,225,977)		(14,033)	(14,033)	-
Total property valuation	$ 3,073,972,644				
Net levy			13,371,781	12,186,046	1,185,735
Unpaid (by taxpayer) taxes at June 30, 2023			(71,880)	(71,880)	-
Current year's taxes collected			$ 13,299,901	$ 12,114,166	$ 1,185,735
Current levy collection percentage			99.46%	99.41%	100.00%

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 (*Government Auditing Standards*), 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, 2023, 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 6, 2023. The financial statements of Harrisburg Community and Youth Association, Inc. and the 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.

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800-948-0585 ♦ www.martinstarnes.com

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 6, 2023

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, 2023. 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, 2023.

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*); 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.

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800-948-0585 ♦ www.martinstarnes.com

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 6, 2023

TOWN OF HARRISBURG, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

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

Auditee qualified as low-risk auditee?	Yes

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, 2023

None reported.

Town of Harrisburg, North Carolina

Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's No.	Federal (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
Federal Grants:					
Cash Programs:					
U.S. Dept. of Treasury					
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027		$ 110,878	$ -	$ -
Total assistance - federal programs			110,878	-	-
State Grants:					
Cash Assistance:					
N.C. Dept. of Transportation:					
Powell Bill		38570	-	555,000	-
Total assistance - State programs			-	555,000	-
Total assistance			$ 110,878	$ 555,000	$ -

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, 2023. 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 9, 2023 Town Council Meeting

Presenting Personnel:
Janet Rackley, Town Clerk

Suggested Motion or Action:
Motion to approve the minutes of the October 9, 2023 Town Council meeting.

Description/Background:
Minutes of 10/9/2023 council meeting attached.

Recommendation:
Staff recommends approval.

Fiscal Impact:
N/A

Attachments:
1. October 9 Council Minutes

TOWN OF HARRISBURG, NORTH CAROLINA
TOWN COUNCIL MEETING
MONDAY, OCTOBER 9, 2023
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 Rodney Dellinger, Ron Smith, Rick Russo, Ian Patrick, Altyn Cotell, Mike Thevenin

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 presented. Second was made by Councilmember Patrick.
The motion passed 7-0.

1C.
INVOCATION
Councilmember Thevenin conducted the invocation.

1D.
PLEDGE OF ALLEGIANCE

1E.
SPECIAL PRESENTATIONS

- **Strategic Economic Development Plan.** The Town Council awarded a contract to Thomas P. Miller and Associates (TPMA) at its August 14, 2023, meeting for the preparation of a "Strategic Economic Development Plan (SEDP)" for the Town. The SEDP will serve as a guide for the Town's efforts to catalyze economic growth and development over a five-year timeframe and is intended to be an action-oriented plan that will inform and guide Town officials, residents, property owners and developers in making sound policy and investment decisions to expand the Town's tax base and economic wealth.

  On September 14th, Town staff held a project launch meeting with TPMA to discuss roles and responsibilities for TPMA and Town staff, along with project tasks and timelines.

  TPMA provided the Town Council with an update on the SEDP planning process.

1F.
PUBLIC COMMENT

- 7513 Chasewater Drive, Harrisburg, NC – spoke promoting the HSS organization and all the things they do for families and the community.
- Wally Wallace, 3093 Springforest Road, Harrisburg, NC – asking questions about increased traffic due to the new subdivisions being built on Stallings Road.
- Reverend Jordan, Concord, NC – would like to see a street in Harrisburg named for Martin Luther King, Jr.

- Mike Branham, 5662 Berry Ridge Drive, Harrisburg, NC – spoke concerning people speeding and running red lights in Harrisburg. Thinks we need to increase our law enforcement budget to help control this.

2.
CONSENT AGENDA

A. Consider the minutes of the September 11, 2023, Town Council Meeting
B. Consider the minutes of the September 11, 2023, Closed Session
C. Call for public hearing for the Town's Water Shortage Response Plan update
D. Consideration to surplus the Town's Freightliner Brush Truck and CAT 308E2 Excavator
E. Consideration of contract to upgrade Fire SCBA Cascade System Capital Purchase
F. Consideration of FY2024 Budget Ordinance Amendment to recognize insurance proceeds and related expenditures
G. Consideration of purchase contracts with Piedmont Truck Center for vehicle purchases

MOTION:
Mayor Pro-Tem Price made a motion to approve the Consent Agenda. Second was made by Councilmember Cotell. **The motion passed 7-0.**

3A.
COMMUNICATIONS
Town Manager Report

- The Town's 50th Anniversary event will be held this Saturday, October 14th. The main parking for the event will be at the Speedway, with busses to shuttle people to the park. There are maps on our website and signs will go out this week.
- Fire recruit graduation held on September 22nd, with four new recruits graduating in that class. This was the first ever in-house mini recruit class for lateral transfers in Harrisburg. The program was created and developed by our fire staff, and they did a wonderful job. Very proud of them. Very nice ceremony for the graduation.
- Overnight parking prohibited signs will be installed this week in Town Center.
- We have applied for a traffic improvement grant of 3.3 million dollars for the intersection of Main Street and Roberta Road.
- Statewide budget appropriations – WSACC will receive nearly 70 million dollars which will pay for a significant portion of their expansion project.

3B.
COMMUNICATIONS
Finance Report
Finance Director Brian Lee presented the Finance report.

3C.
COMMUNICATIONS
Law Enforcement Report:
Captain Measimer presented the Law Enforcement report.

3D.
COMMUNICATIONS
Fire Department Report:
Fire Chief Dunn presented the Fire Department report.

3E.
COMMUNICATIONS
MAYOR'S COMMENTS

- We were able to secure 8 million dollars in State appropriations for the Harrisburg YMCA. That significantly closes some of the funding gaps and we are currently raising 4 million dollars locally through the community campaign. There are still several naming opportunities available as well as founding member and brick paver contributions. Groundbreaking should start after the new year with expected opening the first or second quarter of 2025.

- Newly structured Youth Council kicked off last month and want to thank Cathy Hein and Nicole Eskew for leading this great group. They will be presenting their capstone project to Council in December. Will send out calendar invites to Council for future Youth Council meetings so if you are available you can attend. They want to know more about Town Council so would like for some of Council to guest speak at their meetings.
- Attended the Explore Cabarrus Explore and Pour ribbon cutting that features a beverage trail through our county. More information can be found on their website.
- Also attended the new EMS facility ribbon cutting with Captain Measimer and Chief Dunn last week. Encouraged everyone to stop by and see it. Very impressive.
- Wednesday of this week will be attending the 55th celebration for the Centralina Regional Council.
- Look forward to seeing everyone this Saturday for our 50th anniversary celebration.

3F.
COMMUNICATIONS
COUNCIL COMMENTS
Councilmember Dellinger

- Financial Way – did we include that in our budget this year and when will it be completed. Town Manager rob Donham stated that it is in design right now.
- Where are we with redesigning the intersection of Veteran's and Roberta? Rob Donham stated we have two separate investments on that. One is the local funding where we are spending about a million dollars of Hwy 49, Roberta, Town Center improvements. Mallory Hodgson, Public Works Director, explained the two different projects. Both are in design and easement acquisition phases right now.

Councilmember Smith

- Asked where we are with the Caldwell Extension? Mallory Hodgson stated that she had finalized the RFP today to send to the State. There are lots of steps to go through with these grants. We have about five months to get a design engineer under contract and get them going.

4A.
PUBLIC HEARING
None

5A.
OLD BUSINESS
H-2021-06-R: Iley Meadows Development Agreement - Consider adoption of Development Agreement between the Town of Harrisburg and DRB Group, LLC. A public hearing was held by the Town Council on September 11th to consider adoption of a "Development Agreement" between the Town and DRB Group, LLC (developer of the Iley Meadows subdivision), setting forth the required public improvements to be made in conjunction with the development of Iley Meadows. At this meeting, the public hearing was closed, and at the request of the developer, the Town Council deferred a final decision on the Development Agreement until the Council's October 9th meeting, to allow their legal team additional time to fine-tune the agreement. Since that time, the developer has revised the "Development Agreement" and is requesting approval of the revised agreement by the Town. The Town Attorney has reviewed the agreement and is satisfied with the final draft.

Development Approval

On June 13th, 2022, the Town Council approved a conditional rezoning request for a 71-lot single-family residential development, located at the northeastern corner of the Robinson Church Road and Peach Orchard Road intersection. As part of this approval, the developer is responsible for meeting the conditions of approval as noted on the approved rezoning plan and "Preliminary Plat" for the Iley Meadows Subdivision, dated October 3, 2022, as follows:

The Developer shall be fully responsible for the following:

1. Applicant agrees to obtain any and all applicable local, state, and federal permits required for development before any development activity can take place.

2. Applicant agrees to restrict primary cladding materials for all residential buildings to masonry products; vinyl siding will not be used.
3. Applicant agrees that there will be no exposed concrete foundations and that siding and/or other materials must extend to the ground level on all sides of the homes.
4. Applicant agrees to the mitigation or replacement of heritage trees if damaged during construction, in accordance with the Town of Harrisburg Unified Development Ordinance.
5. Applicant agrees to provide a minimum 8 foot landscape easement (4 feet on each side of the property line) for residential lots sharing a rear property line.
6. Applicant agrees that all ponds shall be wet detention ponds with fountains. Ponds shall be designed such that there is a minimum depth of 10’ over at least 25% of the permanent pool area.
7. Applicant agrees to fence surrounding detention pond shall be vinyl 4-rail farm fence, preferably white.
8. Applicant agrees to pay agreed upon fee-in-lieu of required common open space.
9. Applicant agrees mailbox clusters shall meet ADA Standards at a minimum.
10. All streets should be to the Town of Harrisburg Engineering Design standards, alternate pavement schedule is not allowable. Roadways cross sections will be reviewed and approved at the construction document phase.
11. Applicant agrees to have garages setback a minimum of 30' from public sidewalk/right of way to allow for enough parking space and not have the vehicle spill over to sidewalk.
12. Applicant agrees that there will be no more than 10% of the residential units as rentals at any given time and will be restricted as such by the deed restrictions.

*These conditions have been incorporated into the proposed "Development Agreement" between the Town and DRB Group, LLC.

After some discussion, the following action was taken:

MOTION:
Councilmember Dellinger made a motion to approve a "Development Agreement" (with amended language removing 5-year termination provision) between the Town of Harrisburg and DRB Group LLC , for public improvements to be made by DRB Group LLC, in conjunction with the development of a 71-lot single-family residential development, located at the northeastern corner of the Robinson Church Road and Peach Orchard Road intersection and to authorize the Town Manager to sign the agreement, and Town Attorney to make any necessary editorial changes to finalize the "Development Agreement". Second was made by Councilember Cotell. **The motion passed 7-0.**

6A.
NEW BUSINESS
Consideration of Budget Amendment for Sod for Harrisburg Park Fields. Staff purchased and installed sod on the four soccer fields and one football field at Harrisburg Park in mid-July using what was in the approved budget. Unfortunately, the sod did not completely cover all the bare spots. When the budget was created in December of last year, staff projected in their best opinion and knowledge the amount of sod needed. Weather along with the number of players that utilize the fields as part of our youth soccer and football programs creates wear and tear in the goalie boxes, specifically on Fields 1, 2 and 5. Staff would like to repair these spots prior to the Spring 2024 Season in order to provide the best quality and safest playing surface possible for our youth athletes and participants. Additional funds of $10,000 would allow staff to purchase the remaining sod needed to repair these spots at the end of the current fall season to be ready for play in Spring of 2024. Staff has further identified a higher grade and sturdier sod that should significantly help on the ROI with the sod in these areas of the fields.

After some discussion, the following action was taken:

MOTION:
Councilmember Smith made a motion to approve the FY2024 Budget Ordinance Amendment in the amount of $10,000 for sod on the Town's athletic fields. Second was made by Mayor Pro-Tem Price. **The motion passed 7-0.**

6B.
NEW BUSINESS
Consideration of County-Appointed ETJ Planning Board Member. The Planning and Zoning Board is comprised of seven (7) members, one of which must be a resident of the Town’s ETJ (Extra-territorial Jurisdiction). Currently, the ETJ

position is vacant, leaving only six members to conduct business. In accordance with Chapter 160D-307 of the NCGS, appointment of the ETJ position is the responsibility of the County Board of Commissioners. The County shall make the appointments within 90 days following the receipt of a request from the Town that the appointments be made. If the County Board of Commissioners is not able to identify and appoint a resident of the ETJ area to meet membership requirements, they may appoint a resident of the County to fill the position. If the County Board of Commissioners fails to make this appointment within 90 days after receiving the request from the Town Council, the Town Council may then appoint someone to fill the position.

After some discussion, the following action was taken:

MOTION:
Councilmember Cotell made a motion directing the Town Manager to notify the Cabarrus County Board of Commissioners the Town's formal request to appoint an ETJ member to fill the current vacancy on the Planning and Zoning Board. Second was made by Mayor Pro-Tem Price. **The motion passed 7-0.**

7.
ACTION ITEMS

- Follow up with Reverend Jordan concerning the street naming process.

8.
CLOSED SESSION
MOTION:
Mayor Pro-Tem Price made a motion to go into Closed Session to discuss personnel and legal matters. Second was made by Councilmember Thevenin. **The motion passed 7-0.**

MOTION:
Upon returning from Closed Session, Mayor Pro-Tem Price made a motion to return to regular business. Second was made by Councilmember Thevenin. **The motion passed 7-0.**

8.
ADJOURNMENT
MOTION:
There being no further business, Councilmember Smith made a motion to adjourn the meeting. Second was made by Mayor Pro-Tem Price. **The motion passed 7-0.**

ATTEST:

____
Jennifer Teague, Mayor

____
Janet Rackley, Town Clerk

TOWN OF HARRISBURG

Agenda Item Details

Title:
Consider the minutes of the October 9, 2023 Closed Session

Presenting Personnel:
Janet Rackley, Town Clerk

Suggested Motion or Action:
Motion to approve the minutes of the October 9, 2023 Closed Session.

Description/Background:
Closed session minutes from 10/09/2023 council meeting attached.

Recommendation:
Staff recommends approval.

Fiscal Impact:
N/A

Attachments:
None

TOWN OF HARRISBURG

Agenda Item Details

Title:
Consideration of the YMCA's Wastewater Allocation

Presenting Personnel:
Mallory Hodgson, Public Works Director

Suggested Motion or Action:
If approved, Motion for Town staff to issue a preliminary allocation permit to the YMCA in the amount of 15,975 GPD from the Economic Reserve amount.

Description/Background:
On April 11, 2022, the Harrisburg Town Council adopted a Wastewater Allocation and Commitment Policy to control the preliminary allocation of sewer to projects requiring permits based upon 15A NCAC Subchapter 2T rules and the Water and Sewer Authority of Cabarrus County ("WSACC") Sewer Allocation and Commitment Policy ("Policy"). Per the policy, only Council has the authority to enact use of the Economic Development and Strategic Reserve bucket of the Town's available wastewater capacity. Granting of a wastewater treatment capacity allocation does not imply or confer approval of any other applications or reviews as may be required by Town Ordinance or policy and does not imply or create any vested right.

This is the first proposal for use from the economic reserve bucket. The balance in the economic reserve budget with the passing of the most recent interlocal agreement in September 2023 is 141,641 gallons per day. The balance following approval of the YMCA application will be 125,666 gallons per day, resulting in 11% utilization.

The YMCA is a proposed 510,000 SF Community center adjacent to Harrisburg Park. The preliminary sewer allocation estimated the total GPD for the facility at 15,975 GPD. Construction is expected to begin early 2024. The sewer flow application is attached herein.

Recommendation:
Staff recommends approval of a Motion to allowTown staff to issue a preliminary allocation permit to the YMCA in the amount of 15,975 GPD from the Economic Reserve bucket.

Fiscal Impact:
There is no fiscal impact as a result of this allocation.

Attachments:
1. YMCA - Wastewater Allocation Permit
2. Harrisburg - Proposed YMCA Allocation

TOWN OF HARRISBURG SEWER ALLOCATION APPLICATION

Date of Request:	10/18/2023
Project Title:	HARRISBURG YMCA
Project Type:	COMMERCIAL
Applicant/Developer:	ROWAN-CABARRUS YMCA
Primary Contact Name:	JAMIE MORGAN
Email:	JMORGAN@ROCABYMCA.ORG
Phone Number:	704-213-3339
1. Description of Project (See instructions below) An accurate project description shall include the location of the project and proposed primary use (commercial, residential, industrial). For residential development, please include whether this is a single-family or multi-family development, the proposed number of lots, and proposed number of bedrooms per lot. Include location, number of lots, primary use (commercial, residential, industrial)	NEW 51,147 SF YMCA COMMUNITY CENTER ADJACENT TO HARRISBURG PARK WITH ASSOCIATED PARKING AND INFRASTRUCTURE
2. Provide project flow calculations in the space to the right. Multi- and Single-family residential should use the approved flow reduction calculations of 80 GPD/BR, with a minimum of 160 GPD. Commercial and industrial should use 15A NCAC 02T.0114 Wastewater Design Flow Rates Provide Calculations in the space to the right.	•Day care and preschool facilities – 25 gal/person (child & employee) * 40 persons = 1,000 GPD •Medical or dental offices (Atrium PT office) – 250 gal/practitioner/shift * 1 practitioner * 1 shift = 250 GPD •General business and office facilities – 25 gal/employee/shift * 15 employees * 1 shifts = 375 GPD •Swimming pools, bathhouses and spas – 10 gal/person * 100 persons = 1,000 GPD •Gymnasium – 50 gal/100 sq ft *17,400 sq ft = 8,700 GPD •Fitness, exercise, karate or dance center – 50 gal/100 sq ft * 9,300 sq ft = 4,650 GPD **Total: 15,975 GPD**
3. What is the anticipated date of final build-out? Please provide any other schedule considerations and a detailed phasing map, if applicable.	1/1/2025

4. If the development is larger than 50 lots, describe how you would plan to phase the project. Include any applicable site plans to assist with review.	
5. Check the boxes to for the items to the right if your project meets the following criteria:	☐ Located within an adopted small area plan or growth node ☐ Vertical Mixed Use Development ☐ Redevelopment Site ☐ Horizontal Mixed Use Development ☐ Development within Town Center ☐ Project includes construction of an existing Town Capital Improvement Project ☐ Low Density Stormwater Qualified ☐ Median Lot sizes greater than ¾ Acre ☐ Significant non-required Parks and Rec. contribution ☐ Contiguous Annexation ☐ Non-Contiguous Annexation ☐ Office ☐ Part of an approved Mixed-Use plan or PUD ☐ Industrial Use ☐ Caldwell Road Extension Area
6. Are there any other items of consideration that you would like included in the review of the proposed project? Please provide them in the space to the right. **Please provide any relevant supplemental information as an attachment.**	

I, Jamie Morgan, certify to the best of my knowledge that all of the information on this form is correct. I understand that failure to completely and accurately complete this form will result in rejection of the application and that my application will not be reviewed or approved until the missing or incorrect items are corrected. I hereby certify that as the developer or a representative of the developer, this project will be prepared to begin construction within six months of application approval.

Signature of Applicant: Jamie Morgan

Date: 10-23-23

Economic Development Allocations

	2022	2023	2024	2025	2026	2027	2028
Available Capacity	141,641	141,641	125,666	125,666	125,666	125,666	125,666
Allocated							
Proposed YMCA Allocation		15,975	-	-	-	-	-
Total Allocated	-	15,975	-	-	-	-	-
Remaining Capacity	141,641	125,666	125,666	125,666	125,666	125,666	125,666

TOWN OF HARRISBURG

Agenda Item Details

Title:
Consideration to Grant an Access Easement on Town Parcel 5507198897

Presenting Personnel:
Mary Herington, Town Engineer

Suggested Motion or Action:
If approved, motion to grant a 30-ft wide access easement to KEBL, LLC through Town property 5507198897 from Leatherwood Ln to KEBL, LLC property 5507295193 as shown on the attached map in exchange for perpetual sewer and Greenway access through KEBL, LLC property 5507295913.

Description/Background:
The Town desires an access easement through the KEBL property for the Morehead West Sewer Line and future installation of the Mallard Creek Greenway. KEBL desires an access easement through the adjacent vacant Town property to access their land-locked parcel. The easement does not change or alter the current Town use of the property. The access easement would not negatively impact future use. Development opportunities of both parcels are impacted by them being wholly within the Floodplain and Floodway. In the event that the Town grants an easement through Town property, Council approval is required.

Recommendation:
Staff recommends approval of the attached agreement.

Fiscal Impact:
There is no fiscal Impact as a result of executing this agreement.

Attachments:
1. Harrisburg - KEBL Access Easement
2. Harrisburg - KEBL Access Easement - Exhibit
3. KEBL Easement Conveyance Map
4. Utility and Greenway Easement to Harrisburg-Kebl LLC

Drawn by: Richard M. Koch, Harrisburg Town Attorney

STATE OF NORTH CAROLINA

COUNTY OF CABARRUS

RIGHT OF WAY AND ACCESS EASEMENT

This RIGHT OF WAY AND ACCESS EASEMENT is made and granted this _____ day of August, 2023, by and between the KEBL, LLC, (the “KEBL”) and the TOWN OF HARRISBURG (“GRANTOR”).

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, GRANTOR does hereby grant to the KEBL and its successors and assigns, a perpetual easement and right of way, 30-feet in width from Leatherwood Lane to KEBL’s property (PIN 5507-29-5913), as shown in the map attached and incorporated by reference as Exhibit A, across a portion of the GRANTOR’s property identified as PIN number 5507-19-8897. This easement and right of way permits the KEBL to go in and upon such real property of GRANTOR for the purposes described below.

GRANTOR grants to the KEBL the right of ingress, egress and regress from Leatherwood Lane to KEBL’s landlocked parcel PIN 5507-29-5913. Any construction or development activity on that parcel shall be subject to local, state and federal standards. Any violations of any such standards on PIN 5570-29-5913 shall void this Access Easement.

The KEBL will pay for the cost of repairing any damage to the easement area and property as a result of its use of the easement.

TO HAVE AND TO HOLD the aforesaid easement and right of way unto KEBL, its successors and assigns forever.

THE GRANTOR, for GRANTOR and GRANTOR’s heirs, successors and assigns, covenants with the KEBL and its successors and assigns, that GRANTOR is seized of the premises in fee simple, that such premises are free from all encumbrances, that GRANTOR has good right and lawful authority to grant this easement and right of way; and that GRANTOR will warrant and defend the premises unto the KEBL, its successors and assigns, against the lawful claims of all persons.

IN WITNESS, GRANTOR has executed and sealed this document the day and year first written.

GRANTOR: TOWN OF HARRISBURG

____
Mayor

STATE OF ___________________

_____________________ COUNTY

I ____, a Notary Public in and for said County and State, do hereby certify that ___________________________, Mayor of the TOWN OF HARRISBURG personally appeared before me this day and acknowledged the due execution of the foregoing instrument, pursuant to authority granted by the Harrisburg Town Council.

WITNESS my hand and notarial seal, this the ______ day of _______________, 2023

____________________________(SEAL)
Notary Public

My Commission Expires: _____________________________

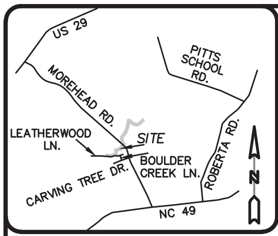
STATE OF NORTH CAROLINA
CABARRUS COUNTY

The foregoing certificate(s) of _________________________, a Notary Public of ____________ County, is certified to be correct according to law. Filed for registration on the ________ day of ____________________, 2022, at _____________ o'clock ___M, and duly recorded in the office of the Register of Deeds of Cabarrus County, North Carolina.

Register of Deeds
Cabarrus County

By: _________________________

DRAWN BY:	CLH	HarrisburgNC *The right side of opportunity*	PIN 55071988970000 & 55072959130000 EASEMENT EXHIBIT #1
DATE:	06/05/2023		SHEET: 1 OF 1

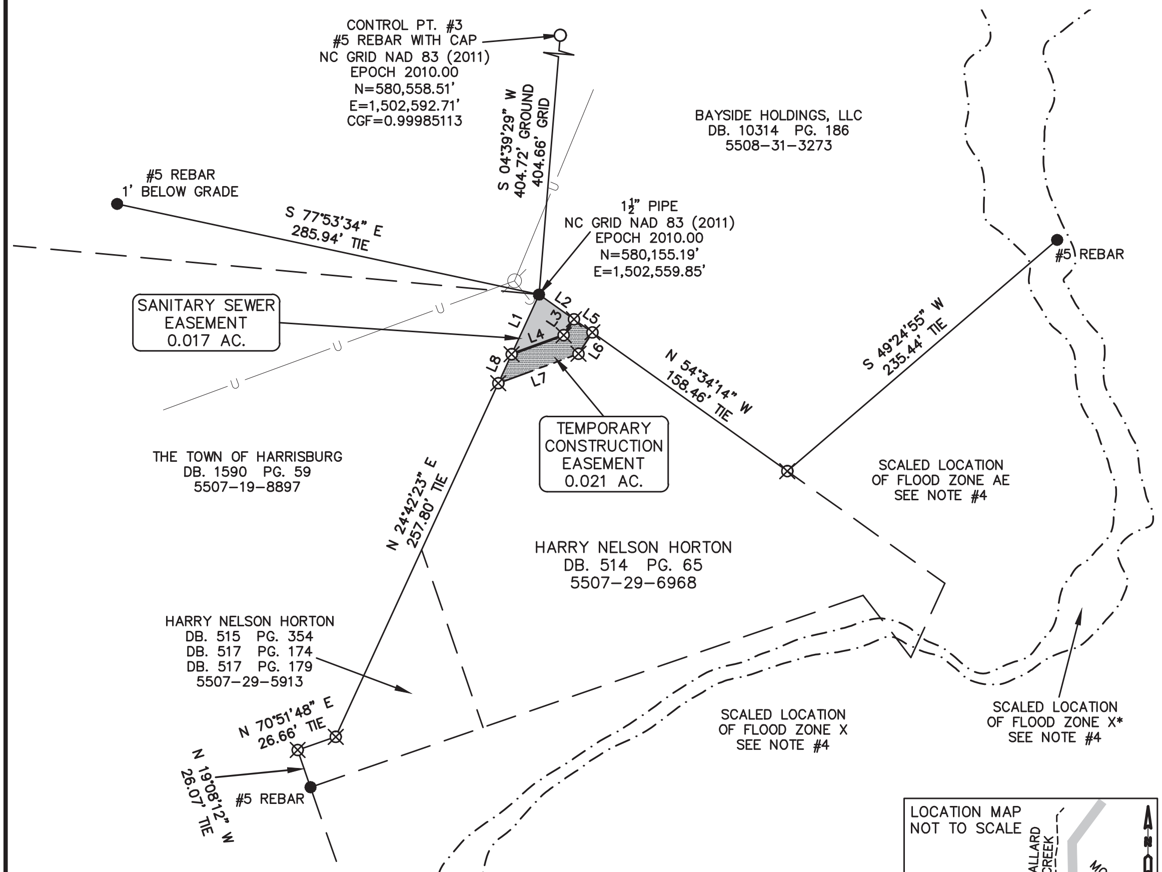


VICINITY MAP
NOT TO SCALE

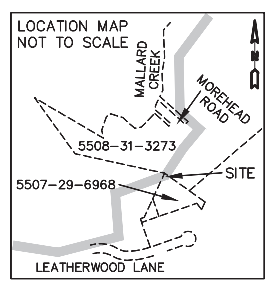
LEGEND

- ● EXISTING CORNER AS DESCRIBED
- ○ SET #5 REBAR WITH CAP
- ⊠ NO POINT SET
- UTILITY POLE
- GUY WIRE
- TIE LINE
- BOUNDARY BY DEED OR PLAT
- RIGHT OF WAY
- EXISTING EASEMENT
- PERMANENT UTILITY EASEMENT
- TEMPORARY CONSTRUCTION EASEMENT
- SCALED FLOOD ZONE
- OVERHEAD UTILITY LINE

BASIS OF BEARING
NC GRID NAD 83 (2011)
EPOCH 2010.00



LINE TABLE		
LINE	LENGTH	BEARING
L1	43.53'	N 24°42'23" E
L2	28.33'	S 54°34'14" E
L3	12.53'	S 33°06'44" W
L4	36.68'	S 69°50'47" W
L5	15.01'	S 54°34'14" E
L6	16.90'	S 33°06'44" W
L7	56.59'	S 69°50'47" W
L8	21.16'	N 24°42'23" E



NOTES:

1. TRAVERSE ADJUSTED BY THE LEAST SQUARES ADJUSTMENT METHOD.
2. NC GRID NAD 83 (2011) EPOCH 2010.00 BASIS OF BEARING DERIVED FROM NCGS NETWORK RTK BETWEEN 03-10-2020 AND 03-11-2020 (HORIZONTAL POSITIONAL ACCURACY = 0.07') USING GEOID MODEL GEOID18. PROJECT LOCALIZED HOLDING CONTROL PT. #3 (N=580,558.51', E=1,502,592.71'), AND USING A COMBINED GRID FACTOR OF 0.99985113. UNITS ARE US SURVEY FEET.
3. NO UNDERGROUND UTILITIES WERE LOCATED WITH THIS SURVEY. BEFORE DOING ANY DIGGING, CALL NC ONE-CALL (1-800-632-4949).
4. FLOOD ZONE DATA SCALED FROM FLOOD INSURANCE RATE MAP NUMBERS 3710550700K AND 3710550800K; MAPS REVISED NOVEMBER 16, 2018.
   ZONE AE = 1% ANNUAL CHANCE FLOODPLAIN.
   ZONE X* = 0.2% ANNUAL CHANCE FLOOD HAZARD; AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTH LESS THAN ONE FOOT OR WITH DRAINAGE AREAS OF LESS THAN ONE SQUARE MILE.
   ZONE X = AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN.
5. AREAS DETERMINED BY COORDINATE COMPUTATIONS.
6. ALL DISTANCES ARE HORIZONTAL GROUND DISTANCES UNLESS OTHERWISE NOTED.

REFERENCES:

1. ALL DEEDS AND MAPS SHOWN HEREON.
2. MAP TITLED "BOUNDARY SURVEY OF: MACQUEENE INVESTMENT COMPANY FAMILY LIMITED PARTNERSHIP PROPERTY" BY CONCORD ENGINEERING & SURVEYING, INC.; DATED 01-20-2004; JOB NO.: 040109.001.

I, DAVID L. HAYWOOD, JR., CERTIFY THAT THIS MAP WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION (DEED RECORDED IN DB. 514 PG. 65); THAT THE BOUNDARIES NOT SURVEYED ARE SHOWN AS BROKEN LINES PLOTTED FROM INFORMATION FOUND IN DEEDS AS SHOWN; THAT THE RATIO OF PRECISION IS 1:21,200; AND THAT THIS MAP MEETS THE REQUIREMENTS OF THE STANDARDS OF PRACTICE FOR LAND SURVEYING IN NORTH CAROLINA (21 NCAC 56.1600).

WITNESS MY HAND AND OFFICIAL SEAL THIS 16th DAY OF SEPTEMBER, 2020

PRELIMINARY PLAT
NOT FOR RECORDATION,
CONVEYANCES OR SALES

PROFESSIONAL LAND SURVEYOR — LICENSE NO. L-4822

MOREHEAD WEST SEWER PHASE I – EASEMENT PLAT 3

PROPERTY OF: HARRY NELSON HORTON

CABARRUS CO. NC — ADDRESS PER GIS: ---

DEED(S) RECORDED IN: DB. 514 PG. 65

SURVEY FOR: TOWN OF HARRISBURG; BLACK & VEATCH INTERNATIONAL COMPANY

SCALE: 1 IN. = 100 FT. DATE: SEPTEMBER 16, 20 20

0 100 200 300

CESI
Civil – Geotechnical – Surveying
45 SPRING STREET SW CONCORD (704) 786-5404
CONCORD, NC 28025 FAX (704) 786-7454
N.C. FIRM LICENSE NO. C-0263

JOB NO.: 200136.000

ACAD FILE: Easement Maps.dwg

Drawn by: Richard M. Koch
Mail to: Town of Harrisburg
Post Office Box 100
Harrisburg, NC 28075

STATE OF NORTH CAROLINA

COUNTY OF CABARRUS

UTILITY AND GREENWAY EASEMENT AND RIGHT OF WAY

This UTILITY AND GREENWAY EASEMENT AND RIGHT OF WAY is made and entered into this _____ day of _______________, 2023, by and between KEBL, LLC ("GRANTOR"), and the TOWN OF HARRISBURG, North Carolina, a North Carolina municipal corporation (the "TOWN").

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, GRANTOR does hereby give, grant and convey to TOWN, its successors and assigns, a perpetual Easement for a greenway, approximately 25 feet in width, 0.04 acres, and a perpetual Easement for a sanitary sewer, approximately 0.017 acres, across the GRANTOR'S property (PIN 5507-29-6968), as described in a Deed recorded in Deed Book 15765, Page 9, in the office of the Register of Deeds of Cabarrus County and as shown in the description of the Easements for the TOWN, which document is attached as Exhibit A and incorporated by reference. These easements permit the TOWN to go in and upon such real property of GRANTOR for the purposes described below. As part of the consideration for this Easement, the TOWN grants to the GRANTOR an access easement on TOWN parcel 5507-19-8897, to be conveyed in a separate easement document.

GRANTOR has conveyed herein and does hereby grant unto the TOWN, its successors and assigns, the right, privilege, and easement to go in and upon that portion of GRANTOR'S land (hereinafter "premises") which has been designated as "Greenway Easement," as illustrated on the map attached hereto and incorporated by reference, showing the approximate location of the Greenway Easement, and over and across said premises within the Greenway Easement, for the purpose of laying, constructing, reconstructing, operating, and maintaining those improvements in connection with a greenway system, which may include but shall not be limited to greenways, urban trails, cycle tracks, sidewalks and other public trail facilities, infrastructure, lighting, and vegetation. Any lighting within the Greenway Easement area shall be installed so that direct beams of light shine away from GRANTOR'S remaining property and into the Greenway Easement.

GRANTOR has conveyed herein and does hereby grant unto the TOWN, its successors and assigns the right, privilege, and easement to enter and re-enter at any time and to install, dig, build, erect, maintain, repair, rebuild, operate, and patrol one or more public utilities, over ground or underground , including but not limited to sanitary sewer and water infrastructure, underground pipes, other utility lines, any and all related fixtures or appurtenances; the right to clear the easement area and keep it clear of brushes, trees, buildings, obstructions, and fire hazards; and the right to remove trees, if any, located beyond the limits of the easement area, but also which interfere with the utility easements or the easement area; the above described rights being incident to performance by the Grantee of its functions as a municipality or as the operator of a public utilities system, or the performance by any contractor, agent or licensee of the Grantee of any public utilities functions, the premises to be affected hereby being more particularly described as follows:

The following rights are also granted to TOWN: to enter said premises to inspect said facilities; to perform necessary maintenance and repairs; and to make alterations, additions, and upgrades thereto; to remove from the Utility and Greenway Easement, now or at any time on the future, trees, structures, or other obstructions that may endanger the proper maintenance and operation of said greenway system. It is understood and agreed by and between the parties hereto that the TOWN shall have the right of ingress, egress, and regress over and upon any lands of the GRANTOR adjacent to the premises as essential access the Utility and Greenway Easement, and no entry for such purposes shall be deemed a trespass. Any damage which may occur outside the premises to fences, buildings, or other structures resulting from the TOWN exercise of the right of ingress, egress, and regress shall promptly be repaired by the TOWN.

It is further understood that GRANTOR shall erect no permanent structure of any kind over or across this Utility and Greenway Easement, nor shall the GRANTOR remove, replace, or alter the facilities, infrastructure, lighting, and vegetation within the Easement without the prior written approval of the TOWN. For purposes of this document, permanent structure includes, but is not limited to: buildings, tennis courts, and swimming pools. Neither may water be ponded or impounded over or across said Utility and Greenway Easement. Neither shall GRANTOR attempt to block or otherwise impede the natural flow of water.

TO HAVE AND TO HOLD the aforesaid Utility and Greenway Easement unto the TOWN, its successors and assigns forever.

The GRANTOR, for GRANTOR and GRANTOR'S successors and assigns, covenants with the TOWN, its successors and assigns, that the GRANTOR is seized of the premises in fee simple, that such premises are free from all encumbrances, that GRANTOR has good right and lawful authority to convey the same; and that GRANTOR will warrant and defend the premises unto the TOWN, its successors and assigns, against the lawful claims of all persons.

IN WITNESS, GRANTOR has executed and sealed this document the day and year first written.

GRANTOR: KEBL, LLC

By: _____________________________
Member Manager

STATE OF NORTH CAROLINA
COUNTY OF CABARRUS

I, _____________________________, a notary public in and for said County and State, do hereby certify that _________________________, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this ____ day of ______________________, 2023.

___________________________(SEAL)
Notary Public

STATE OF NORTH CAROLINA
CABARRUS COUNTY

The foregoing certificate(s) of ____ Notary Public of Cabarrus County, is/are certified to be correct according to law. Filed for registration on the ___ day of ___________________, 2023, at ______________o'clock ___M, and duly recorded in the office of the Register of Deeds of Cabarrus County, North Carolina.

Register of Deeds
Cabarrus County
BY: ________________________________

TOWN OF HARRISBURG

Agenda Item Details

Title:
Consideration of Purchase Contract with Capital Chevrolet for a Fire Vehicle Replacement

Presenting Personnel:
Bryan Dunn, Fire Chief, Brian Lee, Finance Director

Suggested Motion or Action:
Motion to approve the purchase contract with Capital Chevrolet for the purchase of one 2024 Tahoe for the Fire Department

Description/Background:
The FY2023 Budget Ordinance and CIP included the purchase of a replacement Tahoe for the Fire Marshal. The vehicle was not able to be purchased during FY2023 due to manufacturing limitations and the purchase authorization and budget were carried forward to FY2024 as part of the FY2024 budget and CIP. The vehicle details are as follows:

1. 2024 Chevrolet Tahoe 4WD 4dr Commercial - $54,500

Recommendation:
Staff recommends approval of the purchase contract with Capital Chevrolet totaling approximately $54,500.

Fiscal Impact:
The fiscal impact to the Town is a planned expenditure totaling approximately $54,500 for the replacement vehicle. This was budgeted in the FY2023/FY2024 Budget Ordinances and is funded by the General Fund Capital Reserve Fund.

The vehicle is being purchased under the 2021-2024 State of NC Contract 070A. This meets the bidding requirements for purchases of equipment/goods for more than $30,000.

1. 2024 Chevrolet Tahoe 4WD 4dr Commercial - $54,500. The capital authorization is $65,000. No budget modification is required.

Attachments:
1. Quote - Capital Chevrolet - 2024 Tahoe
2. Vehicle Specifications - 2024 Tahoe

Capital Chevrolet Inc.

Government Sales Division

From	Rod Mitchell Government Account Manager
Phone/Fax	Office 919-573-8530
E-Mail	rmitchell@capitalchevroletnc.com

November 1 2023

NC State Contract 070A

2024 Chevrolet Tahoe 4 Dr 1500 PPV 4WD 9C1 CK10706		$ 53,000.00
	MSRP	Less 6% Discount
AMF 4 additional remotes not programmed	$ 75.00	$ 70.50
6C7 Aux Red & White Dome Light driver & passenger	$ 320.00	$ 300.80
6J3 WIRING FOR GRILLE LAMPS & SPEAKERS	$ 92.00	$ 86.48
6J4 Wiring, horn and siren circuit	$ 55.00	$ 51.70
9G8 Daytime running lamps and automatic headlamp control delete	$ 50.00	$ 47.00
PQA Driver safety package	$ 395.00	$ 371.30
V76 Recovery Hooks	$ 50.00	$ 47.00
B30 Carpet	$ 275.00	$ 258.50

Colors available: White

TOTAL PRICE $ 54,233.28

Remit to:
rmitchell@capitalchevroletnc.com
Capital Chevrolet of Wake Forest
9820 Capital Blvd
Wake Forest, NC 27587

Vehicle: [Fleet] 2024 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial

Vehicle: [Fleet] 2024 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (✔ Complete)

Standard Equipment

Mechanical	
	Engine, 5.3L EcoTec3 V8 with Dynamic Fuel Management, Direct Injection and Variable Valve Timing, includes aluminum block construction (355 hp [265 kW] @ 5600 rpm, 383 lb-ft of torque [518 Nm] @ 4100 rpm) (STD)
	Transmission, 10-speed automatic electronically controlled with overdrive, includes Traction Select System including tow/haul (STD)
	Rear axle, 3.23 ratio
	Suspension Package, Premium Smooth Ride (STD)
	GVWR, 7500 lbs. (3402 kg) (4WD models only.) (STD)
	Keyless start, push button
	Automatic Stop/Start
	Engine control, stop/start system disable button, non-latching
	Engine air filtration monitor
	Fuel, gasoline, E15
	Transfer case, active, single-speed, electronic Autotrac does not include neutral. Cannot be dinghy towed (4WD models only. Deleted when (NHT) Max Trailering Package is ordered.)
	Differential, mechanical limited-slip
	4-wheel drive
	Air filter, heavy-duty
	Cooling, external engine oil cooler, heavy-duty air-to-oil integral to driver side of radiator
	Cooling, auxiliary transmission oil cooler, heavy-duty air-to-oil
	Battery, 730 cold-cranking amps with 80 amp hour rating
	Alternator, 220 amps
	Trailering equipment includes trailering hitch platform, 7-wire harness with independent fused trailering circuits mated to a 7-way connector and 2" trailering receiver
	Trailer sway control
	Hitch Guidance
	Suspension, front coil-over-shock with stabilizer bar
	Suspension, rear multi-link with coil springs
	Steering, power
	Brakes, 4-wheel antilock, 4-wheel disc with DURALIFE rotors
	Exhaust, single system, single-outlet

Vehicle: [Fleet] 2024 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (Complete)

Mechanical	
	Mechanical Jack with tools
Exterior	
	Wheels, 18" x 8.5" (45.7 cm x 21.6 cm) Bright Silver painted aluminum (STD)
	Tires, 265/65R18SL all-season, blackwall (Standard with (PZX) 18" Bright Silver painted aluminum wheels only.) (STD)
	Wheel, full-size spare, 17" (43.2 cm)
	Tire, spare P265/70R17 all-season, blackwall
	Tire carrier, lockable outside spare, winch-type mounted under frame at rear
	Active aero shutters, upper
	Fascia, front
	Luggage rack side rails, roof-mounted, Black, standard (Available with (5W4) Special Services Vehicle.)
	Assist steps, Black with chrome accent strip
	Headlamps, LED
	Lamps, stop and tail, LED
	Mirrors, outside heated power-adjustable, manual-folding, body-color
	Mirror caps, body-color
	Glass, deep-tinted (all windows, except light-tinted glass on windshield and driver- and front passenger-side glass)
	Glass, acoustic, laminated
	Glass, windshield shade band
	Windshield, solar absorbing
	Wipers, front intermittent, Rainsense
	Wiper, rear intermittent with washer
	Door handles, body-color
	Liftgate, rear manual
Entertainment	
	Audio system, Chevrolet Infotainment 3 system, 8" diagonal HD color touchscreen AM/FM stereo, Bluetooth audio streaming for 2 active devices, voice command pass-through to phone, Wireless Apple CarPlay and Wireless Android Auto compatibility (STD)
	Audio system feature, 6-speaker system
	SiriusXM, delete
	Infotainment display, 8" diagonal touchscreen

Vehicle: [Fleet] 2024 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (Complete)

Entertainment	
	Bluetooth for phone personal cell phone connectivity to vehicle audio system
	Wireless Apple CarPlay/Wireless Android Auto
	Wi-Fi Hotspot capable (Standard with (UE1) OnStar only. Terms and limitations apply. See onstar.com or dealer for details.)
Interior	
	Seats, front 40/20/40 split-bench (Not available with (D07) center floor console and (USR) USB data ports.) (STD)
	Seat trim, cloth
	Seat adjusters, 8-way power includes 6-way power front passenger seat with 2-way power lumbar
	Seat adjusters, 10-way power includes 8-way power driver seat with 2-way power lumbar
	Seats, second row 60/40 split-folding bench, manual
	Seats, third row 60/40 split-folding bench, manual (Not available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
	Floor covering, Black rubberized vinyl (Deleted when (B30) floor covering is ordered.)
	Electronic Precision Shift
	Steering column lock, electrical
	Steering column, manual tilt and telescopic
	Steering wheel, urethane
	Steering wheel controls, mounted audio, Driver Information Center, cruise control and Forward Collision Alert following gap button (if equipped) (left backside Seek/Scan steering wheel radio buttons are inoperable; these 2 buttons can be repurposed for aftermarket emergency equipment)
	Driver Information Center, 4.2" diagonal color display includes driver personalization
	Rear Seat Reminder
	Door locks, power programmable with lockout protection and delayed locking (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, Auto Lockout is disabled on driver door.)
	Keyless Open includes extended range Remote Keyless Entry
	Cruise control, electronic with set and resume speed
	Theft-deterrent system, content, electrical, unauthorized entry
	USB data ports, 4 total; 2, one-type-A and one type-C located within center console and 2, one type-A and one type-C located on instrument panel
	USB charging-only ports, 4 type-C, (2) located on rear of center console and (2) in 3rd row (1 left and 1 right side below quarter glass side window) (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, (2) type-C ports are moved to the rear of center seat base and (2) type-C are moved to the cargo area. Deleted when (A50) front bucket seats are ordered.)

Data Version: 20826. Data Updated: Oct 29, 2023 6:41:00 PM PDT.

Vehicle: [Fleet] 2024 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (✔ Complete)

Interior	
	Window, power with driver Express-Up/Down
	Window, power with front passenger Express-Up/Down
	Windows, power with rear Express-Down
	Air conditioning, tri-zone automatic climate control with individual climate settings for driver, right front passenger and rear seat occupants
	Air conditioning, rear
	Defogger, rear-window electric
	Power outlets, 2, 120-volt, located on the rear of the center seat and rear cargo area
	Power outlet, front auxiliary, 12-volt, located in the center stack of instrument panel
	Mirror, inside rearview manual day/night
	Visors, driver and front passenger illuminated vanity mirrors, sliding
	Assist handles, overhead, driver and front passenger, located in headliner
	Assist handles, front passenger A-pillar and second row outboard B-pillar (Deleted when SEO (7X2) left- and right-hand spotlamps or SEO (7X3) left-hand spotlamp are ordered.)
	Lighting, interior with dome light, driver- and passenger-side door switch with delayed entry feature, cargo lights, door handle or Remote Keyless Entry-activated illuminated entry and map lights in front and second seat positions. On Police/Special Service vehicles, the control switch is located in the roof console in lieu of the driver - and passenger-side door switch with delayed entry feature.
	Cargo management system
	Chevrolet Connected Access capable (Subject to terms. See onstar.com or dealer for details.)
Safety-Mechanical	
	Automatic Emergency Braking
	Hill Start Assist
	StabiliTrak, stability control system with brake assist, includes traction control
Safety-Exterior	
	Daytime Running Lamps, reduced intensity low beam
Safety-Interior	
	Airbags, Frontal airbags for driver and front outboard passenger; Seat-mounted side-impact airbags for driver and front outboard passenger; Head-curtain airbags for all rows in outboard seating positions (Deleted when (A50) front bucket seats are ordered. Always use seat belts and child restraints. Children are safer when properly secured in a rear seat in the appropriate child restraint. See the Owner's Manual for more information.)
	Front outboard Passenger Sensing System for frontal outboard passenger airbag (Always use seat belts and child restraints. Children are safer when properly secured in a rear seat in the appropriate child restraint. See the Owner's Manual for more information.)

Vehicle: [Fleet] 2024 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (Complete)

Safety-Interior

	OnStar and Chevrolet connected services capable (Terms and limitations apply. See onstar.com or dealer for details.)
	Front and Rear Park Assist
	Following Distance Indicator (Deleted when (9C1) Police Vehicle or (5W4) Special Service Vehicle is ordered.)
	HD Rear Vision Camera
	Front Pedestrian Braking (Deleted when (9C1) Police Vehicle or (5W4) Special Service Vehicle is ordered.)
	Lane Keep Assist with Lane Departure Warning (Deleted when (9C1) Police Vehicle or (5W4) Special Service Vehicle is ordered.)
	Forward Collision Alert (Deleted when (9C1) Police Vehicle or (5W4) Special Service Vehicle is ordered.)
	Buckle to Drive prevents vehicle from being shifted out of Park until driver seat belt is fastened; times out after 20 seconds and encourages seat belt use, can be turned on and off in Settings or Teen Driver menu (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, defaulted off. Feature can be turned on in the Infotainment menu.)
	Door locks, rear child security, manual
	LATCH system (Lower Anchors and Tethers for CHildren), for child restraint seats lower anchors and top tethers located in all second-row seating positions (Deleted when (ATZ) second row seat delete is ordered.)
	Teen Driver a configurable feature that lets you activate customizable vehicle settings associated with a key fob, to help encourage safe driving behavior. It can limit certain available vehicle features, and it prevents certain safety systems from being turned off. An in-vehicle report card gives you information on driving habits and helps you to continue to coach your new driver
	Tire Pressure Monitoring System auto learn, includes Tire Fill Alert (does not apply to spare tire)
	Warning tones headlamp on, driver and right-front passenger seat belt unfasten and turn signal on
	3 Years of OnStar Remote Access. The OnStar Remote Access Plan gives you simplified remote control of your properly equipped vehicle and unlocks a variety of great features in your myChevrolet mobile app. See dealer for details. (Deleted when (UDA) vehicle deactivated communication system is ordered. OnStar Remote Access Plan does not include emergency or security services. Fleet customers will get Fleet Remote Access through OnStar Vehicle Insights. See onstar.com for details and limitations. Available on select Apple and Android devices. Service availability, features and functionality vary by vehicle, device, and the plan you are enrolled in. Terms apply. Device data connection required.)

Vehicle: [Fleet] 2024 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (Complete)

WARRANTY

Basic Years: 3
Basic Miles/km: 36,000
Drivetrain Years: 5
Drivetrain Miles/km: 60,000
Drivetrain Note: 3.0L & 6.0L Duramax® Turbo-Diesel engines, and certain commercial, government, and qualified fleet vehicles: 5 years/100,000 miles
Corrosion Years (Rust-Through): 6
Corrosion Years: 3
Corrosion Miles/km (Rust-Through): 100,000
Corrosion Miles/km: 36,000
Roadside Assistance Years: 5
Roadside Assistance Miles/km: 60,000
Roadside Assistance Note: 3.0L & 6.0L Duramax® Turbo-Diesel engines, and certain commercial, government, and qualified fleet vehicles: 5 years/100,000 miles
Maintenance Note: First Visit: 12 Months/12,000 Miles

Vehicle: [Fleet] 2024 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (Complete)

Selected Model and Options

MODEL

CODE	MODEL	MSRP
CK10706	2024 Chevrolet Tahoe 4WD 4dr Commercial	$53,450.00

COLORS

CODE	DESCRIPTION
GAZ	Summit White

OPTIONS

CODE	DESCRIPTION	MSRP
___	Seat belts, 3-point, all seating positions (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
___	Capless Fuel Fill (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
___	Protected idle allows vehicle engine to remain idling and vehicle immobilized while FOB is outside vehicle (Included and only available (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
___	Instrumentation, analog with certified 140 mph speedometer, odometer with trip odometer, engine hour meter, fuel level, voltmeter, engine temperature, oil pressure and tachometer (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
___	Exterior ornamentation delete (front & rear Chevrolet bowties will remain) (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
___	Power supply, 100-amp, auxiliary battery, rear electrical center (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
___	Power supply, 120-amp, (4) 30-amp circuit, Primary battery relay controlled, passenger compartment harness wiring (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
___	Power supply, 50-amp, power supply, auxiliary battery passenger compartment wiring harness (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
___	Theft-deterrent system, vehicle, PASS-Key III (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
1FL	Commercial Preferred Equipment Group includes standard equipment	$0.00
5J3	Calibration, Surveillance Mode interior lighting (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
5J9	Calibration, taillamp flasher, Red/White (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
5LO	Calibration, taillamp flasher, Red/Red (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.

Vehicle: [Fleet] 2024 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (Complete)

OPTIONS

CODE	DESCRIPTION	MSRP
6C7	Lighting, red and white front auxiliary dome Red and white LED auxiliary dome lamp is located on headliner between front row seats. The auxiliary lamp is wired independently from standard dome lamp (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	$170.00
6J3	Wiring, grille lamps and siren speakers (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	$92.00
6J4	Wiring, horn and siren circuit (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	$55.00
6J7	Flasher system, headlamp and taillamp, DRL compatible with control wire (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
9C1	Identifier for Police Package Vehicle includes, (K47) heavy-duty air filter, (KX4) 250 amp high output alternator, (K6K) 760 cold-cranking amps auxiliary battery, electrical power & vehicle signals for customer connection located at the center front floor. Auxiliary battery circuit for customer connection located in the rear cargo area, (Z56) heavy-duty, police-rated suspension, (XCS) 275/55R20SL all-season tires, (RAV) 275/55R20 all-season spare tire, Police brakes, (RC1) front skid plate, (PXT) 20" steel wheels, Certified speedometer, SEO (5J3) Surveillance Mode interior lighting calibration, SEO (UT7) blunt cut cargo area and blunt cut console area ground wires, (V53) delete luggage rack side rails, (ATD) third row seat delete, (NP0) active single-speed transfer case (4WD only)	$0.00
9G8	Headlamps, Daytime Running Lamps and automatic headlamp control delete deletes standard Daytime Running Lamps and automatic headlamp control features (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	$50.00
AMF	Remote Keyless Entry Package includes 4 additional transmitters, NOTE: programming of remotes is at customer's expense. Programming remotes is not a warranty expense (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	$75.00
ATD	Seat delete, third row passenger *CREDIT*	Inc.
AX2	Key, unique Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
AZ3	Seats, front 40/20/40 split-bench (STD)	$0.00
BCV	Lock control, driver side auto door lock disable (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
C6G	GVWR, 7600 lbs. (3447 kg) (Included and only available with (9C1) Police Package. 4WD model only.)	Inc.
FE9	Emissions, Federal requirements	$0.00
GAZ	Summit White	$0.00
GU5	Rear axle, 3.23 ratio	$0.00
H1T	Jet Black, Cloth seat trim (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	$0.00

Data Version: 20826. Data Updated: Oct 29, 2023 6:41:00 PM PDT.

Vehicle: [Fleet] 2024 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (Complete)

OPTIONS

CODE	DESCRIPTION	MSRP
IOR	Audio system, Chevrolet Infotainment 3 system, 8" diagonal HD color touchscreen AM/FM stereo, Bluetooth audio streaming for 2 active devices, voice command pass-through to phone, Wireless Apple CarPlay and Wireless Android Auto compatibility (STD)	$0.00
J55	Brake system, heavy duty with front Brembo calipers and 16" front rotors (Included and only available with (9C1) Police Vehicle.)	Inc.
K3W	Battery, 850 cold-cranking amps with 95 amp hour rating (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
K6K	Battery, auxiliary, 760 cold-cranking amps with 70 amp hour rating (packaged behind left rear cargo area panel) (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
KX4	Alternator, 250 amps (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
L84	Engine, 5.3L EcoTec3 V8 with Dynamic Fuel Management, Direct Injection and Variable Valve Timing, includes aluminum block construction (355 hp [265 kW] @ 5600 rpm, 383 lb-ft of torque [518 Nm] @ 4100 rpm) (STD)	$0.00
MHU	Transmission, 10-speed automatic electronically controlled with overdrive, includes Traction Select System including tow/haul (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
PQA	1FL Safety Package includes (UEU) Forward Collision Alert, (UHX) Lane Keep Assist with Lane Departure Warning, (UHY) Automatic Emergency Braking, (UKJ) Front Pedestrian Braking and (UE4) Following Distance Indicator (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle. Not available with (DRZ) Rear Camera Mirror.)	$395.00
PXT	Wheels, 20" x 9" (50.8 cm x 22.9 cm) steel (Included and only available with (9C1) Police Vehicle.)	Inc.
RAV	Tire, spare 275/55R20 all-season, blackwall, Firestone Firehawk Pursuit (Included and only available with (9C1) Police Vehicle.)	Inc.
RC1	Skid plate, front (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
RNQ	Wheel, full-size spare, matching 20" (50.8 cm) steel wheel without center cap (Included and only available with (9C1) Police Vehicle.)	Inc.
T66	Wiring provision, for outside mirrors and cargo side mirrors (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
UDA	OnStar deactivated (does not delete Bluetooth) *CREDIT*	($85.00)
UE4	Following Distance Indicator (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, included and only available with (PQA) 1FL Safety Package.)	Inc.
UEU	Forward Collision Alert (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, included and only available with (PQA) 1FL Safety Package.)	Inc.

Data Version: 20826. Data Updated: Oct 29, 2023 6:41:00 PM PDT.

Vehicle: [Fleet] 2024 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (Complete)

OPTIONS

CODE	DESCRIPTION	MSRP
UHX	Lane Keep Assist with Lane Departure Warning (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, included and only available with (PQA) 1FL Safety Package.)	Inc.
UHY	Automatic Emergency Braking (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, included and only available with (PQA) 1FL Safety Package.)	Inc.
UKJ	Front Pedestrian Braking (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, included and only available with (PQA) 1FL Safety Package.)	Inc.
UT7	Ground wires, blunt cut cargo area and blunt cut console area (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
V03	Cooling system, extra capacity (Included and only available with (9C1) Police Vehicle or (NHT) Max Trailering Package. Not included when (LM2) Duramax 3.0L Turbo-Diesel I6 engine is ordered.)	Inc.
V53	Luggage rack side rails, delete (Included with (9C1) Police Vehicle or (5W4) Special Service Vehicle.) *CREDIT*	Inc.
V76	Recovery hooks, 2 front, frame-mounted, Black (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle. Required on all models going to Alaska, Guam, Hawaii, Puerto Rico and Virgin Islands. All Tahoe (9C1) and (5W4) vehicles include front fascia with recovery hook openings.)	$50.00
VK3	License plate front mounting package (Included on orders with ship-to-states that require a front license plate.)	$0.00
VPV	Ship Thru, Produced in Arlington Assembly and shipped to Kerr Industries and onto Arlington Assembly (Included with SEO (6J8) White Left/White Right Whelen LED Lamp Package, SEO (6J9) Red Left/Red Right Whelen LED Lamp Package, SEO (6JE) Blue Left/Blue Right Whelen LED Lamp Package, SEO (6JG) Red Left/Blue Right Whelen LED Lamp Package, SEO (6C7) red and white front auxiliary dome lighting, SEO (6N6) door locks and handles, SEO (7X2) left- and right-hand spotlamps, SEO (7X3) left-hand spotlamp, SEO (T53) alternate flashing Red & Blue rear compartment lid warning lamps, SEO (UN9) Radio Suppression Package, SEO (6J3) grille lamps and siren speakers wiring, SEO (6J4) horn and siren circuit wiring and SEO (WX7) auxiliary speaker wiring.)	$0.00
VXT	Incomplete vehicle (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle. Included and only available with (ATZ) rear seat delete.)	Inc.
VZ2	Speedometer calibration (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
WUA	Fascia, front high-approach angle (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)	Inc.
XCS	Tires, 275/55R20SL all-season, blackwall, Firestone Firehawk Pursuit (Included and only available with (9C1) Police Vehicle.)	Inc.
Z56	Suspension Package, heavy-duty, police-rated. Full independent suspension with monotube dampers, linear coil springs, 35mm solid front stabilizer bar and 32mm hollow rear stabilizer bar (Included and only available with (9C1) Police Vehicle.)	Inc.
	Options Total	**$802.00**

Vehicle: [Fleet] 2024 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (Complete)

Price Summary

PRICE SUMMARY	
	MSRP
Base Price	$53,450.00
Total Options	$802.00
Vehicle Subtotal	$54,252.00
Destination Charge	$1,995.00
Grand Total	**$56,247.00**

TOWN OF HARRISBURG

Agenda Item Details

Title:
H-2023-03-TA: UDO text amendment expanding the separation requirement for Tobacco Stores, Vapor Shops, the retail sale of CBD and Hemp-based Products and Electronic Gaming Establishments.

Presenting Personnel:
Zachary Gordon, Planning Director

Suggested Motion or Action:

For approval of the proposed text amendment, the following motion is suggested:

Motion to approve Text Amendment H-2023-03-TA, as presented by staff, to expand the separation requirement for Tobacco Stores, Vapor Shops, the retail sale of CBD and Hemp-Based Products, and Electronic Gaming establishments, from each other and residentially used property, religious institutions, public or private elementary or secondary schools, cemeteries, public parks, or daycare uses.

Consistency Statement:

Based on the staff report and staff presentation, the proposed text amendment is consistent with objective LU-6 (Focus on Quality) of the Harrisburg Area Land Use Plan (HALUP), which recommends that the Town "Improve the appearance of the NC-49 corridor" and it is reasonable and in the public interest.

For denial of the proposed text amendment, the following motion is suggested:

Motion to deny Text Amendment H-2023-03-TA, as presented by staff, to expand the separation requirement for Tobacco Stores, Vapor Shops, the retail sale of CBD and Hemp-Based Products, and Electronic Gaming establishments, from each other and residentially used property, religious institutions, public or private elementary or secondary schools, cemeteries, public parks, or daycare uses.

Description/Background:
Earlier this year, the Town Council approved, text amendment (H-2023-01-TA) - related to Tobacco Store or Vapor Shop use and the retail sale of CBD and Hemp Based Products. This amendment created definitions for these uses and established a minimum separation requirement of 1,500 linear feet between these uses and the following land use types upon which they may have a negative impact:

- Residentially used property
- Religious institutions
- Public or private elementary or secondary schools
- Cemeteries
- Public parks
- Day Care uses

To ensure consistency with the 2,000 foot separation requirement for “adult” type businesses from each other and “sensitive” land uses, staff is proposing to increase the separation requirement from 1,500 feet to 2,000 feet for Tobacco and/or Vapor Shops, retail sale of Hemp Based Products, and Electronic Gaming Establishments from each other and the land use types noted above. It is the position of staff that increasing this separation requirement is necessary in order to improve the look and image of the Town and protect certain land use types from negative secondary impacts.

Recommendation:

Planning and Zoning Board Recommendation

The Planning and Zoning Board discussed these changes to the UDO at their October 17th meeting. After discussion, the Board voted to recommend the approval of the text amendment to Town Council.

Staff Recommends approval of the Motion to:

1. Approve as Presented; and
2. Find this text amendment is consistent with the applicable Common Decision Criteria found within Section 145.01.07 and 145.03.01 of the UDO and the HALUP because:
    1. It ensures a uniform standard for similar land uses which require a special use permit; and
    2. It is consistent with objective LU-6 (Focus on Quality) of the Harrisburg Area Land Use Plan (HALUP), which recommends that the Town "Improve the appearance of the NC-49 corridor".

Fiscal Impact:

None

Attachments:

1. H-2023-03-TA -TC_Staff Report
2. H-2023-03-TA_Draft Ordinance
3. H-2023-03_TA -Public Notice - TC - November 13, 2023

Town of Harrisburg
Planning and Zoning Department
Text Amendment Staff Report – Town Council

DATE: October 25, 2023

SUBJECT:

H-2023-01-TA: UDO text amendment to expand a separation requirement for Tobacco Stores, Vapor Shops, and the retail sale of CBD and hemp-based products from each other and certain other uses.

Applicant: Staff Text Amendment

Staff Report Prepared by: Zachary D. Gordon, AICP, Planning Director

Neighborhood Meeting: N/A

BACKGROUND:

Earlier this year, the Town Council approved text amendment (**H-2023-01-TA**) related to Tobacco Store or Vapor Shop use and the retail sale of CBD and Hemp Based Products. This amendment created definitions for these uses and established a minimum 1,500-foot separation requirement between these uses and the following land use types upon which they may have a negative impact:

- Residentially used property
- Religious institutions
- Public or private elementary or secondary schools
- Cemeteries
- Public parks
- Day Care uses

To ensure consistency with the 2,000 foot separation requirement for “adult” type businesses from each other and “sensitive” land uses, staff is proposing to increase the separation requirement from 1,500 feet to 2,000 feet for Tobacco and/or Vapor Shops, retail sale of Hemp Based Products, and Electronic Gaming Establishments from each other and the land use types noted above. It is the position of staff that increasing this separation requirement is necessary in order to improve the look and image of the town and protect certain land use types from negative secondary impacts.

Proposed Text Amendment*

The following sections are proposed for amendment:

140.04.04.H Electronic Gaming Establishment

1. **Applicability.** The provisions of this Section shall apply to principal or accessory uses.

2. **Separation from Other Establishments.** No electronic gaming establishment shall be located within ~~1,500~~ 2,000 feet of any other electronic gaming establishment, tobacco store or vapor shop establishment, the retail sale of CBD and hemp based products, residentially used property, religious institution, public or private elementary or secondary school, cemetery, public park, or day Care use category.

3. **Number of Terminals.** Each location approved for the use as an electronic gaming establishment shall have no more than 20 computer terminals.

140.04.04.U Tobacco Store or Vapor Shop

1**. Applicability.** The provisions of this Section shall apply to principal or accessory uses.

2. **Separation from Other Establishments.** No tobacco Store or vapor shop establishment shall be located within ~~1,500~~ 2,000 feet of any other tobacco store or vapor shop establishment, the retail sale of CBD and hemp-based products, electronic gaming establishments, residentially used property, religious institutions, public or private elementary or secondary schools, cemeteries, public parks, or daycare uses.

140.04.04.V CBD and Hemp Based Products

1**. Applicability.** The provisions of this Section shall apply to principal or accessory uses.

2. **Separation from Other Establishments.** No store or establishment that sells CDB and hemp based products shall be located within ~~1,500~~ 2,000 feet of any other store or establishment that sells CDB and hemp based products, tobacco store or vapor shop establishment, electronic gaming establishments, residentially used property, religious institutions, public or private elementary or secondary schools, cemeteries, public parks, or day care uses.

*Text changes noted in **RED**

PLANNING AND ZONING BOARD RECOMMENDATION:

The Planning and Zoning Board considered H-2023-03-TA at their October 17th meeting. After discussion, the Board voted to recommend that the Town Council adopt the text amendment as proposed by staff.

RECOMMENDATION:

Staff recommends that the Town Council approve the proposed text amendment H-2023-03-TA. Staff believes that these text amendments will ensure a uniform standard for similar "adult" oriented land uses which require a special use permit. Staff also believes that the proposed amendment is consistent with the Harrisburg Area Land Use Plan - specifically, the objective to "improve the look and image of the town," as well as recommendation LU-6: Focus on Quality, which encourages the town to improve the appearance of the Hwy 49 corridor.

ORDINANCE TO AMEND TEXT OF THE TOWN OF HARRISBURG UNIFIED DEVELOPMENT ORDINANCE (UDO); SECTION 140.04 EXPANDING SEPARATION REQUIREMENTS FOR CERTAIN USES

WHEREAS, the Town of Harrisburg has a Unified Development Ordinance (UDO) that provides for various rules and operational framework for how land can be used and developed within Harrisburg's planning and zoning jurisdiction; and

WHEREAS, the North Carolina General Statutes and the Town recognize the need to amend the UDO to address changes in the community and in State Law; and

WHEREAS, the Town initiated the petition (H2023-03-TA) to amend Section 140.04.04 of the UDO to expand separation requirements between adult uses; and

WHEREAS, the public hearing for this text amendment has been noticed in compliance with North Carolina General Statutes; and

WHEREAS, the Planning and Zoning Advisory Board reviewed this text amendment petition (H2023-03-TA) at its October 17, 2023, public meeting and voted 7-0 to recommend approval to the Town Council finding the amendment consistent with the Common Decision Criteria found in Section 145.01.07 and Specific Review Criteria found in Section 145.03.01of the UDO, and with the goals of the Harrisburg Area Land Use Plan (HALUP).

WHEREAS, the Harrisburg Town Council held the public hearing on November 13, 2023, and after hearing such, made the finding that this petition is consistent with Common Decision Criteria found within Section 145.01.07 and 145.03.012 of the UDO and the HALUP because:

1. It ensures a uniform standard for similar land uses which require special use permit; and
2. It is consistent with objective LU-6 (Focus on Quality) of the Harrisburg Area Land Use Plan (HALUP), which recommends that the Town "Improve the appearance of the NC-49 corridor".

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Harrisburg, North Carolina, that Section 140.04.04 of the UDO be amended as described on Exhibit A (attached herein) and fully enforced from the time this ordinance is adopted.

PASSED and ADOPTED this 13th day of November 2023.

____

Jennifer Teague, Mayor

ATTEST:

____

Janet Rackley, Town Clerk

EXHIBIT A

140.04.04.H Electronic Gaming Establishment

1. **Applicability.** The provisions of this Section shall apply to principal or accessory uses.

2. **Separation from Other Establishments.** No electronic gaming establishment shall be located within ~~1,500~~ 2,000 feet of any other electronic gaming establishment, tobacco store or vapor shop establishment, the retail sale of CBD and hemp-based products, residentially used property, religious institutions, public or private elementary or secondary schools, cemeteries, public parks, or daycare uses.

3. **Number of Terminals.** Each location approved for the use as an electronic gaming establishment shall have no more than 20 computer terminals.

140.04.04.U Tobacco Store or Vapor Shop

1**. Applicability.** The provisions of this Section shall apply to principal or accessory uses.

2. **Separation from Other Establishments.** No tobacco Store or vapor shop establishment shall be located within ~~1,500~~ 2,000 feet of any other tobacco store or vapor shop establishment, the retail sale of CBD and hemp-based products, electronic gaming establishments, residentially used property, religious institutions, public or private elementary or secondary schools, cemeteries, public parks, or daycare uses.

140.04.04.V CBD and Hemp Based Products

1**. Applicability.** The provisions of this Section shall apply to principal or accessory uses.

2. **Separation from Other Establishments.** No store or establishment that sells CDB and hemp based products shall be located within ~~1,500~~ 2,000 feet of any other store or establishment that sells CDB and hemp-based products, tobacco store or vapor shop establishment, electronic gaming establishments, residentially used property, religious institutions, public or private elementary or secondary schools, cemeteries, public parks, or day care uses.

PUBLIC HEARING NOTICE
Harrisburg Town Council **Onsite/Virtual Meeting**
Monday, November 13th @ 6:00 PM
Harrisburg Town Hall- Council Chambers
4100 Main Street
Harrisburg, NC 28075

H-2023-03 TA: UDO text amendment expanding the separation requirement. The proposed text amendment proposes to expand separation requirements related to Tobacco Stores or Vapor Shops, the retail sale of CBD and Hemp-Based Products, as well as Electronic Gaming activities to 2,000 linear feet, which is consistent with the separation requirement for "adult uses".

**Virtual Meeting Information will be posted on the published agenda and can be accessed here https://harrisburgnc.org/129/Agendas-Minutes

Publication Dates: Friday November 3rd, and Friday November 10th, 2023.

TOWN OF HARRISBURG

Agenda Item Details

Title:
Public Hearing to Consider the Town's Water Shortage Response Plan Update

Presenting Personnel:
Mallory Hodgson, Public Works Director

Suggested Motion or Action:
If approved, Motion to Approve the Town's updated Water Shortage Response Plan & associated Resolution

Description/Background:
Approximately every five years, or when there are significant changes to the plan, the Town reviews, updates and has Council approve the Water Shortage Response Plan (WSRP). This plan outlines the related public water supplies, the procedures of the Plan, conservation policy, water use classes, drought response triggers and phased water reductions, and enforcement penalties and rates. This plan was last approved in 2018. The plan includes changes per the State's request that a public comment section and variance policy be added.

The State has reviewed the revised plan and approved it accordingly on September 15, 2023.

Consideration of the plan update will require a public hearing, which was properly called for at the last Town Council meeting.

Recommendation:
Staff recommends approval of the attached Water Shortage Response Plan and associated Resolution.

Fiscal Impact:
There is no fiscal impact as a result of executing this document and enacting the Town's updated Water Shortage Response Plan and associated Resolution

Attachments:
1. Resolution for the Water Shortage Response Plan
2. Town of Harrisburg - WSRP

RESOLUTION FOR APPROVING WATER SHORTAGE RESPONSE PLAN

WHEREAS, North Carolina General Statute 143-355 (I) requires that each unit of local government that provides public water service and each large community water system shall develop and implement water conservation measures to respond to drought or other water shortage conditions as set out in a Water Shortage Response Plan and submitted to the Department for review and approval; and

WHEREAS, as required by the statute and in the interests of sound local planning, a Water Shortage Response Plan for the Town of Harrisburg, has been developed and submitted to the Town Council for approval; and

WHEREAS, the Town Council finds that the Water Shortage Response Plan is in accordance with the provisions of North Carolina General Statute 143-355 (I) and that it will provide appropriate guidance for the future management of water supplies for the Town of Harrisburg, as well as useful information to the Department of Environment and Natural Resources for the development of a state water supply plan as required by statute;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Harrisburg that the Water Shortage Response Plan entitled, Water Shortage Response Plan dated September 15, 2023, is hereby approved and shall be submitted to the Department of Environment and Natural Resources, Division of Water Resources; and

BE IT FURTHER RESOLVED that the Town of Harrisburg intends that this plan shall be revised to reflect changes in relevant data and projections at least once every five years or as otherwise requested by the Department, in accordance with the statute and sound planning practice.

This resolution is effective upon its adoption this 13th day of November 2023.

The motion to adopt this resolution was made by Council member ______________________, seconded by Councilmember _________________________ and passed by a vote of _______ to ______.

____
Jennifer Teague, Mayor

ATTEST:

____
Janet Rackley, Town Clerk

Water Shortage Response Plan (WSRP)

AFFECTED PUBLIC WATER SUPPLIES:

Town of Harrisburg (PWSID# 01-13-025)
Providence Manor SD (PWSID# 20-13-026
Brookdale Development (PWSID#20-13-008)

I. HARRISBURG WATER SHORTAGE RESPONSE PLAN PROCEDURE

The mayor, or an agent designated by the mayor, shall declare a water shortage and institute the provisions of this plan. Upon the declaration of a water shortage, a press release will be forwarded to the following media outlets: The Independent Tribune (704-782-3155) and The Charlotte Observer (704-358-5000). The Town of Harrisburg's (PWSID# 01-13-025) Providence Manor S/D (PWSID 20-13-026 water systems will mirror the water use reduction measures enacted by the City of Concord. When Concord declares a water shortage Harrisburg will do so in a timely manner as well. The Brookdale Development (PWSID# 20-13-008) water system will mirror the water use reduction measures enacted by Charlotte-Mecklenburg Utility.

II. HARRISBURG YEAR-ROUND WATER CONSERVATION POLICY

The Town of Harrisburg's Council and Mayor encourage all municipally supplied water users to always use water efficiently. Public outreach and education consist of the following activities:

- Independent mailings to high volume users Billing inserts to all customers
- Flyers, handouts, and the Town's social media
- Newspaper ads
- Presentations or workshops
- Town Website

The Town's Public Works Department will monitor regional water resource conditions through the North Carolina Department of Natural Resources (NCDENR) Division of Water Resources (DWR) Drought Monitor (http//www.ncwater.org/Drought Monitoring/). When the Drought Monitor indicates Impending drought conditions the Public Works Department will increase monitoring of water demand and the available supply of water. The findings will be reported to the mayor. In the event of a declaration of a water shortage by the Mayor, the Public Works Department will submit a weekly report to the mayor.

III. HARRISBURG WATER USE CLASSIFICATION

To aid the implementation of this plan the following classes of water use have been established:

CLASS I: ESSENTIAL POTABLE WATER USES

- Domestic – Water to sustain human and domestic pet life; maintain hygiene and sanitation standards.
- Patient Care - Patient care and rehabilitation, including swimming pools used for patient care and rehabilitation as prescribed by medical personnel.
- Public Use – Firefighting and approved flushing of sewers and hydrants to ensure public health and safety.

CLASS II: SOCIALLY/ECONOMICALLY IMPORTANT POTABLE WATER USES

- Domestic - Minimal use for kitchen, bathroom, and laundry; minimal watering of vegetable gardens and trees to preserve them.
- Public Use - Filling and operation of public swimming pools, which serve more than twenty-five residents.
- Commercial - Commercial vehicle washes and laundromats; restaurants and hotels, irrigation of golf course greens, watering by commercial nurseries at a minimum level to maintain stock, minimum amount required to maintain essential cooling operations.
- Agricultural - Minimum amount required to maintain crops, livestock, and associated activities.
- Industrial - Minimum use necessary to operate production facilities and maintain jobs, minimum amount required to maintain essential cooling operations.
- Institutional - Efficient use by schools, churches, and government facilities.

CLASS III: NON-ESSENTIAL POTABLE WATER USES

- All - Ornamental uses (fountains, reflecting pools, artificial waterfalls, etc.); Residential lawn irrigation; Non-commercial washing of motor vehicles; Wash-down of impervious surfaces; Filling and operation of recreational swimming pools serving less than 25 residents.
- Public Use - Gardens, lawns, parks, golf courses (except greens), town playing fields and recreational areas.
- Commercial - Serving water in restaurants except by request.

IV. DROUGHT RESPONSE TRIGGERS AND PHASED WATER USE REDUCTIONS
(Please* see *attached document referencing City of Concord's response triggers)

When the following water supply thresholds (TRIGGERS) are reached, the mayor shall initiate the following PHASE reduction measures as outlined under the corresponding RESPONSE heading. Each PHASE shall last a minimum of 30 days.

PHASE I: VOLUNTARY WATER USE REDUCTION MEASURES

TRIGGERS:
- Drought Monitor indicates abnormally dry or moderate drought in the area. Static water levels drop more than 20% below normal.
- When Concord declares a water shortage.

RESPONSE:
- The mayor shall declare a Water Shortage Advisory. Discretionary public notification and distribution of water conservation tips.
- Request voluntary conservation for all users in the system. Request CLASS III use be reevaluated.
- Commercial and Industrial water customers shall prepare a 25% Water Use Reduction Plan within 30 days of a Water Shortage Advisory declaration.

PHASE II: MANDATORY WATER USE REDUCTION MEASURES

TRIGGERS:

- Drought Monitor indicates moderate or severe drought in the area. Static water levels drop more than 40% below normal.

RESPONSE (in addition to previous measures):

- The mayor shall declare a Water Shortage Alert.
- Enforce a system-wide 25% water use reduction goal including Industrial and Commercial plans).
- Mandatory public notification.
- Restrict non-commercial car washing & residential lawn irrigation to two days per week between 6 pm - 8 am.
- Ban all non-commercial pressure washing and wash-down of impervious surfaces.
- Ban the filling of newly constructed or recently drained pools.
- Restrict watering of public recreational areas to one day per week between 6 pm - 8 am.
- All non-public hydrants use by permit only.
- Ban ornamental uses.

PHASE III: EMERGENCY WATER USE REDUCTION MEASURES

TRIGGERS:

- Drought Monitor indicates severe or extreme drought in the area. Static water levels drop more than 40% below normal.
- Failure of PHASE II measures to result in a 25% reduction in demand.

RESPONSE (in addition to previous measures):

- The mayor shall declare a Water Shortage Emergency. Mandatory public notification.
- Ban all CLASS III uses.
- Request additional conservation from CLASS I users. Enact advanced restriction pricing with fines for overuse.
- Restrict personal vegetable garden irrigation to two days per week between 6 pm-8 am. Ban all landscape irrigation (including golf course greens, school grounds, residential). Ban all recreational use.

V. HARRISBURG ENFORCEMENT PENALTIES

FIRST OFFENSE (One-week minimum correction period):

- PHASE I: Notice of Violation (NOV)
- PHASE II: Notice of Violation (NOV) and $50 Fine
- PHASE III: $100 Fine

SECOND OFFENSE (One-week minimum correction period):

- PHASE I: Notice of Violation (NOV)
- PHASE II: $100 Fine
- PHASE III: $350 Fine

THIRD OR MORE OFFENSE (One-week minimum correction period):

- PHASE I: Notice of Violation (NOV)
- PHASE II: $250 Fine
- PHASE III: Water Service Disconnection & Associated Reconnection Fees

VI. HARRISBURG RESIDENTIAL & NON-RESIDENTIAL CONSERVATION RATES

- PHASE I: Normal water billing rates apply Notice of Violation (NOV)
- PHASE II: All connections that fail to meet reduction goals will be charged two times the normal water billing rate.
- PHASE III: All connections that fail to meet reduction goals will be charged four times the normal water billing rate.

VII. HARRISBURG STRATEGY FOR RETURN TO NORMAL OPERATIONS

PHASE reduction measures will expire in reverse order once the water supply has returned to normal. Each PHASE shall last a minimum of 30 days.

VIII. HARRISBURG PROCEDURE FOB PUBLIC COMMENT·

Customers will have an opportunity to comment on the provisions of the WSRP. A public comment period will be scheduled one month prior to an adoption vote by the Town Council. The Town Council will hold a public hearing, review the WSRP, and approve. The Council meets every month, and the Council meetings are open to the public and the location and time are displayed publicly.

IX. HARRISBURG WSRP VARIANCE PROTOCOLS

The Town of Harrisburg understands that water restrictions can cause economic hardships on certain portions of its water customers; additionally, the restriction could be infeasible for others that have implemented water use reduction strategies into their daily practices prior to drought conditions being in place. Variances will be considered for those showing proof of economic hardship, public health care facilities, or those that have previously implemented and documented water use reduction strategies such that achieving further water reduction goals may not be achievable. Variance requests should be directed in writing to the Public Works Director.

The Public Works Director, or her designee, will present the variance to council to issue a ruling on the variance.

X. HARRISBURG WSRP EFFECTIVENESS:

The effectiveness of the Town's WSRP will be determined by comparing the stated water conservation goals with the observed water use reduction data. Other factors to be considered include frequency of the plan’s implementation, total number of violation citations, desired reductions attained and the evaluation of demand reductions compared to the previous year's seasonal data.

XI. HARRISBURG WSRP REVISION POLICY:

The WSRP will be reviewed and revised as needed to adapt to new circumstances affecting water supply and demand, following implementation of emergency restrictions, and at a minimum of every five years in conjunction with the updating of the Town's Local Water Supply Plan. The Town's Public Works Director or designee is responsible for initiating all subsequent revisions.