



Council Meeting Agenda  
December 6, 2021  
6:00 p.m.

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1. Call to Order and Invocation ..... Mayor Ed Hooks
2. Report of the Election Results and  
Acceptance by City Council ..... Stephanie Shaw, City Clerk
3. Swearing in of Elected Officials-
  - a. Councilmember Elect Tim Bradley ..... Mrs. Shaw
  - b. Councilmember Elect Jonathan White ..... Mrs. Shaw
  - c. Councilmember Elect Montrena Hadley ..... Judge Larry Brown, Jr.
4. Appointment of Mayor Pro-Tem ..... Mayor
5. Recognition of Outgoing Councilmembers Everette Greene  
and Jill Auditori ..... Mayor
6. Public Comments ..... Mayor
7. Consent Agenda ..... Mayor
  - a. Approval of Minutes- November 1, 2021
  - b. Encroachment- 104 S. Fourth Street
  - c. Final Plat- The Villas on Fifth, Phase 3A
  - d. 2022 Regular Meetings and FY 2022-2023 Budget Calendar
  - e. Council Meeting Procedure- Amendment- Post Covid
8. 2020-21 Financial Statements and Audit ..... Daphna Schwartz, Finance Director  
Patricia Rhodes, Stout Stuart McGowen & King LLP
9. Adjournment ..... Mayor



2021 MUNICIPAL ELECTION  
11/02/2021  
ABSTRACT OF VOTES  
FOR  
ALAMANCE COUNTY, NORTH CAROLINA

**INSTRUCTIONS**

The county board shall prepare abstracts of all the ballot items in triplicate originals. The county board shall retain one of the triplicate originals, and shall distribute one each to the city or town clerk for the municipality and the State Board of Elections. The State Board of Elections shall forward the original abstract it receives to the Secretary of State (GS § 163-182.6)

**STATE OF NORTH CAROLINA  
COUNTY OF ALAMANCE**

The County Board of Elections for said county, having opened, canvassed, and judicially determined the original returns of the election in the precincts in this county, held as above stated, do hereby certify that the attached is a true abstract thereof, and contains the number of legal ballots cast in each precinct for each office or referendum named, the name of each person or choice voted for, their party affiliation (where applicable), and the number of votes cast for each person or choice for the item named.

This is the 9th day of November, 2021.

*Dorothy Yarbrough*  
Board Chair  
*Nash Reed*  
Board Secretary

*Hanna U. Ashty*  
Board Member  
*R. W. Dylis*  
Board Member  
*[Signature]*  
Board Member

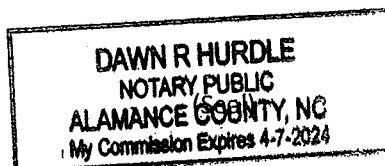
This day personally appeared before me, *Dorothy Yarbrough*, Chairman of the County Board of Elections, who being duly sworn, says the abstract of votes herein contained is true and correct, according to the returns made to said Board.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal this the 9th day of November, 2021.

*Dawn R. Hurdle*  
Official Signature of Notary Public

*Dawn R. Hurdle*  
Printed/Typed Name of Notary Public

My Commission Expires: *4-7-2024*



0011_HAW RIVER COUNCIL HAW RIVER				0012_MEBANE COUNCIL MEBANE							0013_OSSIPEE COUNCIL OSSIPEE				0014_SWEPSONVILLE COUNCIL SWEPSONVILLE		
Bellamy	Lee	Shawn	Kristin	Tim	Burkh	MW	Charles	Roger	Jonathan			Bolles	Jim	A.	John	Henry	Wilbur
Catherine	Love	Riggan	Smith	Bradley	Kathleen	Hadley	Lopez	Parker	White	Anderson	Brian	Granger	McAdams	Overman	Andrews	Carruth	Suggs
										0	0	0	0				
										22	28	43	48				
0	5	6	0														
															71	68	65
					7	13	16	12	7	9					3	3	2
					174	155	160	125	45	157							
					324	160	168	181	167	299							
					377	303	373	298	129	397							
8	84	74	22														
8	89	80	22	882	631	717	616	348	862	22	28	43	48	74	71		67



2021 MUNICIPAL ELECTION  
11/02/2021  
ABSTRACT OF VOTES  
FOR  
ORANGE COUNTY, NORTH CAROLINA

**INSTRUCTIONS**

The county board shall prepare abstracts of all the ballot items in triplicate originals. The county board shall retain one of the triplicate originals, and shall distribute one each to the city or town clerk for the municipality and the State Board of Elections. The State Board of Elections shall forward the original abstract it receives to the Secretary of State (GS § 163-182.6)

**STATE OF NORTH CAROLINA  
COUNTY OF ORANGE**

The County Board of Elections for said county, having opened, canvassed, and judicially determined the original returns of the election in the precincts in this county, held as above stated, do hereby certify that the attached is a true abstract thereof, and contains the number of legal ballots cast in each precinct for each office or referendum named, the name of each person or choice voted for, their party affiliation (where applicable), and the number of votes cast for each person or choice for the item named.

This is the 9th day of November, 2021.

  
Board Chair

  
Board Secretary


  
Board Member

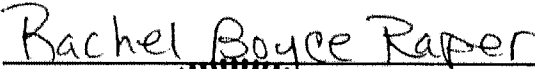
  
Board Member

  
Board Member

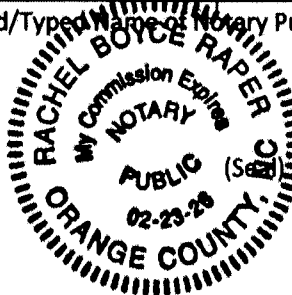
This day personally appeared before me, Jamie Cox, Chairman of the County Board of Elections, who being duly sworn, says the abstract of votes herein contained is true and correct, according to the returns made to said Board.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal this the 9th day of November, 2021.

  
Official Signature of Notary Public

  
Printed/Typed Name of Notary Public

My Commission Expires: 2/23/2026





## November 02, 2021 Municipal Election Results by Contest

Tuesday, November 9, 2021  
Page 1 of 2

Contest	Choice	Party	Total Votes	Election Day	One Stop	Abs Mail	Provisional
TOWN OF CARRBORO MAYOR	Michael Benson		378	230	135	13	0
	Damon Seils		3,782	1,809	1,868	98	7
TOWN OF CARRBORO TOWN COUNCIL	Barbara Foushee		3,748	1,808	1,833	101	6
	Jacquelyn Gist		1,796	866	876	50	4
	Randee Haven-O'Donnell		2,038	975	1,013	49	1
	Aja Kelleher		1,067	600	432	34	1
	Danny Nowell		2,871	1,400	1,384	81	6
TOWN OF CHAPEL HILL MAYOR	Zachary R. Boyce		240	160	67	13	0
	Hongbin Gu		3,581	2,071	1,397	106	7
	Pam Hemminger		5,933	3,515	2,257	151	10
TOWN OF CHAPEL HILL TOWN COUNCIL	Robert Beasley		1,725	979	676	69	1
	Hongbin Gu (Write-In)		9	3	4	2	0
	Camille Berry		6,626	3,929	2,506	181	10
	Sue Hunter (Write-In)		14	3	11	0	0
	Andrew Creech		441	293	142	5	1
	Jeffrey C. Hoagland		579	367	196	15	1
	Paris Miller-Foushee		6,586	3,820	2,559	199	8
	Vimala Rajendran		4,761	2,753	1,864	136	8
	Adam Searing		5,507	3,120	2,218	165	4
	Karen Stegman		6,652	3,918	2,541	185	8
CITY OF DURHAM MAYOR	Javiera Caballero		0	0	0	0	0
	Elaine O'Neal		1	1	0	0	0
CITY OF DURHAM CITY COUNCIL WARD I	DeDreana Freeman		1	1	0	0	0
	Marion T. Johnson		0	0	0	0	0
CITY OF DURHAM CITY COUNCIL WARD II	Mark-Anthony Middleton		1	1	0	0	0
	Sylvester Williams		0	0	0	0	0
CITY OF DURHAM CITY COUNCIL WARD III	AJ Williams		1	1	0	0	0
	Leonardo Williams		0	0	0	0	0
TOWN OF HILLSBOROUGH MAYOR	Jennifer (Jenn) Weaver		1,001	587	402	12	0
TOWN OF HILLSBOROUGH BOARD OF COMMISSIONERS	Robb English		817	469	342	6	0
	Kathleen Ferguson		882	497	373	12	0
	Anna Linvill		302	204	92	6	0
CITY OF MEBANE CITY COUNCIL	Tim Bradley		104	73	28	3	0
	Katie Burkholder		94	64	29	1	0

ORANGE COUNTY

# November 02, 2021 Municipal Election Results by Contest

Tuesday, November 9, 2021  
Page 2 of 2

Contest	Choice	Party	Total Votes	Election Day	One Stop	Abs Mail	Provisional
	Montreena W. Hadley		136	91	42	3	0
	Charles Lopez		86	65	20	1	0
	Roger Parker		33	29	4	0	0
	Jonathan White		88	72	15	1	0
CHAPEL HILL-CARRBORO CITY SCHOOLS BOARD OF EDUCATION	George Griffin		12,233	6,686	5,194	338	15
	Ryan C. Jackson		1,419	855	521	42	1
	Riza Jenkins		12,333	6,817	5,156	343	17
	Meredith Pruitt		2,827	1,771	962	88	6
	Mike Sharp		11,442	6,254	4,858	312	18
	Tim Sookram		1,319	808	481	29	1

ORANGE COUNTY



The Mebane City Council met for its regular monthly meeting at 6:00 p.m., Monday, November 1, 2021 in the Council Chambers of the Glendel Stephenson Municipal Building located at 106 East Washington Street.

Council Present:

Mayor Ed Hooks  
Mayor Pro-Tem Jill Auditori  
Councilmember Tim Bradley  
Councilmember Patty Philipps  
Councilmember Sean Ewing  
Councilmember Everette Greene

City Staff Present:

City Manager Chris Rollins  
Assistant City Manager Preston Mitchell  
City Attorney Lawson Brown  
Development Director Cy Stober  
Recreation and Parks Director Aaron Davis  
Public Utilities Director Kyle Smith  
City Clerk Stephanie Shaw

The meeting was livestreamed via YouTube. The video can be accessed through the following link:

<https://www.youtube.com/watch?v=8L30q39Eqsg>

Mayor Hooks called the meeting to order. Mr. Bradley gave the invocation.

During the Public Comment Period, Matt Dail, Branch Manager of the Mebane Public Library, shared library updates as follows:

- Internet upgrades as recommended by the City's IT Director Kirk Montgomery
- New hours of operation
- Recent \$500 donation by the Mebane Women's Club

Mr. Dail thanked Mr. Montgomery for his support and help regarding the internet upgrades and he also thanked the Mebane Women's Club for their generous donation.

Also, during the Public Comment Period, Mary McFarland, 307 N. Wilba Road, shared her concerns with the recent street light change outs. She shared that In October, just outside her home, a new led street light bulb was installed even though there was nothing wrong with the original bulb. She said that the new light is too bright especially for a residential area and that it disturbs her sleep. She shared a photo which showed how bright the light is during early morning hours. She said on Clay Street there are three different types of light bulbs all casting different shades of light which she does not understand. She feels there is too much light pollution in Mebane. She said that she did not recall any discussion regarding changes being made to the lighting and questioned if there is a policy in place. She concluded her comments by saying if the light change out to LED's is being dictated by Duke Energy, we "The City" need to tell Duke Energy what we want, not the other way around.

Mr. Bradley shared that were discussions regarding lighting due to public safety concerns, specifically in the area between First Streets and Wilba Road, so staff was addressing those concerns. Ms. McFarland said she understands but there was nothing wrong with this particular light. She said perhaps there should be other light(s) installed in the darker areas instead of brightening existing lights. She requested that this matter be looked into further.

Carl Bradley concluded the Public Comment Period with a comment regarding the recent Halloween Parade downtown, stating that it was a good event.

Mayor Hooks presented Consent Agenda as follows:

- a. Approval of Minutes-
  - i. September 13, 2021 Regular Meeting
  - ii. October 4, 2021 Regular Meeting
- b. ABC Board Reappointment- Chip Foushee
- c. Recreation Drone Policy
- d. MYSA Field Use Contract Renewal for 2022-2025

- e. Grant Project Ordinance
- f. Budget Ordinance, Capital Project, and Grant Project Amendment
- g. Quarterly Financial Report
- h. Final Plat for the Right of Way Dedication- Mebane Townes, Phases T-2, T-3, and T-4
- i. Final Plat- Cambridge Park, Phase 2B
- j. Final Plat- Summerhaven East, Phase 1

Ms. Auditori stated, after reviewing the proposed Recreation Drone Policy and the current FAA drone regulations, the proposed policy felt unfriendly as it prohibits all use of drones in the parks facilities, ball fields and any open public spaces. She cited an example of a child that may get a drone as a gift and the child may live in an apartment so they go to a park where no one else is. She feels it would be perfectly acceptable to fly the drone, stating that the FAA regulations already prohibit flying of drones over groups of people or sporting events, so that regulation would take care of any potential problems.

Recreation and Parks Director Aaron Davis said when he drafted the policy, his number one concern was for the safety of all the patrons in the parks. He said he recently spoke with several drone authorities which shared some new information with him and he is happy to revise the policy and bring back to Council for consideration.

Mr. Bradley suggested that there be an approval process in place which would grant folks permission to fly the drone.

Mr. Greene made a motion, seconded by Ms. Philipps, to approve the Consent Agenda as presented with the removal of item c. Recreation Drone Policy. The motion carried unanimously.

### **Item 3e.**

Grant Project Ordinance for the City of Mebane American Rescue Plan Act of 2021:  
Coronavirus State and Local Fiscal Recovery Funds

BE IT ORDAINED by the city council of the City of Mebane, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance to replace the previously established special revenue fund established on June 7, 2021, is hereby adopted on November 1, 2021:

Section 1: This ordinance is to establish a budget for a project to be funded by the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (CSLFRF). The City of Mebane has received the first tranche in the amount of \$2,591,329 of CSLFRF funds. The total allocation is \$5,182,478, with the remainder to be distributed to the town within 12 months. These funds may be used for the following categories of expenditures, to the extent authorized by state law.

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.



Item 3f.

BE IT ORDAINED by the Council of the City of Mebane that the Budget Ordinance for the Fiscal Year beginning July 1 2021 as duly adopted on June 7, 2021, the Water Resource Recovery Facility (WRRF) Renovation Capital Project Fund, the WRRF Expansion Capital Project Fund, and American Rescue Plan Grant Project Fund, , is hereby amended as follows:

ARTICLE I

APPROPRIATIONS	Current Budget	Change	Revised Budget
<b>Revenue Bond Debt Proceeds</b>			
WRRF Renovation Capital Project Ordinance	\$7,344,176	\$1,557,766	\$8,901,942
Water and Sewer Fund Utility Maintenance (GKN Pump Station Reroute)	\$4,240,479	\$1,900,000	\$6,140,479
Water and Sewer Non-departmental (refunding of the 2014 Graham-Mebane water plant upgrade)	\$1,823,036	\$2,771,058	\$4,594,094
<b>Coronavirus State and Local Fiscal Recovery Funds</b>			
CSLFRF Grant Project Ordinance	\$5,182,478	(\$3,310,000)	\$1,872,478
WRRF Expansion Capital Project Ordinance	\$925,000	\$3,310,000	\$4,235,000
<b>FY 2020-21 Carryforward</b>			
General Fund - Recreation and Parks	\$2,478,023	\$77,913	\$2,555,936
General Fund - Sanitation	\$1,759,477	\$4,500	\$1,763,977
Water and Sewer Fund - Engineering	\$285,000	\$40,000	\$325,000

ARTICLE II

REVENUES	Current Budget	Change	Revised Budget
<b>Revenue Bond Debt Proceeds</b>			
WRRF Renovation Capital Project Ordinance	\$7,344,176	\$1,557,766	\$8,901,942
Water and Sewer Fund	\$123,000	\$4,671,058	\$4,794,058
<b>Coronavirus State and Local Fiscal Recovery Funds</b>			
CSLFRF Grant Project Ordinance	\$5,182,478	(\$3,310,000)	\$1,872,478
WRRF Expansion Capital Project Ordinance	\$925,000	\$3,310,000	\$4,235,000
<b>FY 2020-21 Carryforward</b>			
Appropriated Fund Balance - General Fund	\$3,200,469	\$82,413	\$3,282,882
Appropriated Fund Balance - Water and Sewer Fund	\$1,916,468	\$40,000	\$1,956,468

This the 1st day of November, 2021.

A public hearing was held on a request from A Samet Property LLC, is requesting to rezone a portion of the +/- 12.69-acre unaddressed property, GPIN 9815303841, located south of Smith Drive and Development Center Drive. Mr. Stober presented the request. He stated that the property has been divided by the NC HWY 119 Bypass. The applicant requests to rezone the +/- 8.88-acre portion west of the right-of-way to M-2, with the remaining +/- 3.81-acre portion to the east of the right of way to remain as R-20. This will create a split-zoned property; however, the property owner has committed to subdividing the property accordingly. The property is currently vacant and located within the Mebane Extra-Territorial Jurisdiction. The surrounding zoning includes M-2, M-2, R-20, and R-12. The surrounding properties on the west side of NC 119 include light industrial, warehouse and vacant industrial uses. The surrounding properties to the east of NC 119 include single-family residential and vacant residential uses. The portion of the property to be rezoned is located in the G-4 Secondary Growth Area and is adjacent to the NC 119/US 70 G-1 Mixed Use Growth Area. The proposed rezoning is consistent with the guidance provided within *Mebane By Design*, the Mebane Comprehensive Land Development Plan. The proposed rezoning will be consistent with the adjacent M-2 properties to the west of the bypass.

Josh Dry, Development Manager of Samet Corporation, 309 Gallimore Dairy Rd, Suite 102, Greensboro, NC 27409, spoke on behalf of the applicant. Mr. Dry explained that they are only seeking to rezone the western portion of the property to coincide with the rest of the North Carolina Industrial Center. They have no plans to rezone the residential eastern portion.

No one from the public spoke. Mr. Greene made a motion, seconded by Ms. Philipps, to close the public hearing. The motion carried unanimously. Ms. Philipps made a motion, seconded by Mr. Ewing, to approve the M-2 zoning as presented and a motion to find that the application is consistent with the objectives and goals in the City's 2017 Comprehensive Land Development Plan Mebane By Design. The motion carried unanimously.

A public hearing was held on a request from various property owners for adoption of an Ordinance to Extend the Corporate Limits. Mr. Brown spoke concerning the request. He explained that the property is a voluntary non-contiguous annexation containing approximately 115.399 acres located on West Ten Road in Orange County. He further explained that the property requesting to be annexed is also the same property to be considered during the upcoming public hearing for the Buckhorn Business Centre conditional rezoning. Mr. Brown stated, in the past, Council has combined such matters into one public hearing and if Council desired, both of tonight's public hearings concerning this property could be combined, however, separate motions on each request would still be needed, with a decision on the annexation being first.

Ms. Philipps made a motion, seconded by Mr. Ewing to combine the public hearings. The motion carried unanimously.

Mr. Stober presented the request. He explained that Al. Neyer is petitioning the City for action on fourteen parcels: rezoning of one B-2-zoned parcel in the City limits and the annexation and zoning of thirteen (13) parcels totaling +/-128.77 acres outside the City's ETJ in Orange County to M-2(CD) (Light Manufacturing, Conditional) for the "Buckhorn Business Centre." The subject properties have frontage along US Interstates 40/85, West Ten Road, and Buckhorn Road at the intersection with Rabbit Run. All properties within and immediately surrounding the project site are within Orange County's designated Buckhorn Economic Development District (BEDD). All properties north of the project site and across the interstate corridor are zoned M-1 (Heavy Manufacturing) by the City of Mebane. Most of the immediately surrounding properties to the east, west, and south are zoned R-1 (Rural Residential) by Orange County. There is one property to the east that is zoned O/RM (Office/Research and Manufacturing) by Orange County. There is also a GC-4 (General Commercial) Orange County zoning district to the southeast of the project site and has frontage at 6405 West Ten Road. The properties to the south of West Ten Road are all in an AR (Agricultural Residential) Orange County zoning district. A site plan showing a three-phased development of six lots has been provided for consideration and to show the highest potential intensity of use on the property, with a condition allowing for layout and design flexibility. The plan calls for six lots to be developed in three phases, as well as two lots that will presently remain undeveloped but may be developed but would have to come back for further public hearing and Council consideration before being developed. A Traffic Impact Analysis (TIA) was conducted for the project with focus on the intersections at the interchange as well as Washington Street and Buckhorn Road, Buckhorn Road and West Ten Road and West Ten Road and Bowman Road. Turn lane requirements were found to be necessary at all entrances, including having dual turn lanes to exit the proposed project site with continued monitoring on interchange intersections for possible traffic lights. Also noted was a recommendation for coordination with the Petro Truck Stop for access from Rabbit Run.

Mr. Bradley questioned whose responsibility it is to "monitor" the intersection for possible future signaling. Mr. Stober said a conversation with DOT would determine that responsibility. Mr. Bradley said there are several developments that are converging on that interchange off of I-40, so he feels that needs to be determined sooner than later.

Justin Parker, 4509 Creedmoor Road, Suite 201, Raleigh, NC 27612, representative and Market Leader for Al Neyer, spoke regarding the request. First, Mr. Parker gave an update for property located at 6016 West Ten Road, announcing that Thermo Fisher Scientific will be occupying building one on that property late Summer of 2022. He shared details about Thermo Fisher Scientific and expressed his excitement.

Mr. Parker continued by addressing Mr. Bradley's concerns about the monitoring the intersection for possible signalization. He said as a condition of Council's approval, they commit to pay for the stop lights to be installed at that interchange to alleviate the current and future traffic operations at that location. Mr. Parker referenced the PowerPoint slide of the illustrative site plan which depicted a breakdown of the six (6) lots/buildings. He stated that Al. Neyer will donate Lot 1 to the City for the construction of a future fire station. He said they will purchase and grade the land so it is ready for the future development. He shared that they hosted a public meeting in late August to discuss the proposed development with surrounding property owners.

Mr. Bradley said that Mr. Stober shared the building layout would be nonbinding and would be redrawn based on the needs of the occupants but he questioned if the landscape buffering would remain the same no matter the layout. Mr. Parker assured Council that the landscape buffering would stay the same, stating that they are 50 feet along the interstate and 100 feet everywhere that the development adjoins residential property, except for the northwest corner which is related to a stream crossing and mitigating the impact on that stream.

Mr. Ewing asked if there was any opportunity to use the same drive with Petro. Mr. Parker said yes, there is active dialog currently taking place with Petro.

Mayor called for public comments. No one present at the meeting spoke.

Mr. Brown read aloud the following three (3) comments received via email. He prefaced before reading the comments aloud, that as far back as 1981, Orange County has designated this property as a commercial transitional activity node.

*Good evening city council. I am writing to you today in regards to the rezoning for the Buckhorn Business Center. As I stated with the 6016 West Ten rezoning, I am aware that the Buckhorn Business Center does lay within the planned Buckhorn Economic Development District. Therefore, I will not object to this project outright but I truly hope that any plans that meet the approval of city council take the local traffic and environmental impact into consideration.*

*I see from the traffic impact analysis that there are some added lanes that the developer plans to put in at entrances on West Ten and Buckhorn. They seem to meet the minimum required by the TIA. If I were a direct neighbor of this property, I would ask whose property those road expansions impact and if this is something that eminent domain automatically takes care of or if those property owners get a say about what happens to their road front property.*

*Another traffic concern for those of us not directly next door to this site is the general increase of tractor trailer traffic. It is already happening to me multiple times a week that tractor trailers coming out of the truck stop are pulling in front of oncoming traffic causing the need for extreme braking. I have spoken to other neighbors and they have experienced the same thing. This is an already unsafe situation that I worry will get worse with more tractor trailers on the road.*

*As stated above tractor trailers entering Buckhorn are already a concern and we have not even seen the effects of Medline and 6016 West Ten tractor trailer traffic. I see the TIA recommend "monitoring" which is appreciated but I truly feel it is a bit lackluster if the city's plans are to continue to encourage industrial development in the BEDD. If we also factor in the new housing developments that are creeping east on Bowman Rd, we are in for a significant increase in traffic*

*at the Buckhorn interchange and I hope that we can act a bit more proactively instead of waiting for something bad to happen.*

*It is truly heartbreaking to see the agricultural land around me turning into an industrial area. I ask you as someone who understands the city's need for growth to continue to consider those of us in this area that moved here specifically for the rural feel.*

*I also cannot help but bring up the environmental impact of increased traffic trailer traffic to our green areas. We are in a climate crisis and to continue to build and develop rural land into warehouses that feed the continuing growth of pollutants feels short sighted and frankly like a money-making grab for those at the top at the cost of all citizens. Choosing "greener" options is not always the instant profit an individual or city might be looking for but we will be paying a much larger longer-term cost if we do not start to consider what we are doing to our environment instead of how we can best line our pockets.*

*Thank you for your time and consideration.*

*Sincerely,*

*Fiona Johann  
5016 Johann Lane  
Mebane, NC 27302*

*\*\*\**

*Hello, Mebane City Council,*

*Regarding the rezoning for the Buckhorn Business Center, I would encourage the Council to actively study what is under consideration through the eyes and interests of the residents that live in and around that immediate area. Decisions should be made that protect the residents' quality of life and contribute to the conservation of our precious rural environment within that area. Please keep in mind that rezoning proposals that come before the Council are often driven by decisions made based solely on optimizing profit from lifting zoning restrictions that have protected land from environmental degradation for generations. The Council is the residents' only hope for representation of their families' interests and for protecting their quality of life. Buffers, noise abatement, light pollution controls based solely on what is legislated as allowable have too often failed to prevent the actual negative impacts and personal costs of rezoning and the opening up of land for active commercial speculation. Traffic concerns alone should signal the need for more study of specific plans for development in this area and for prudent restrictions brought to the table that would protect our neighbors' interests. The Mebane City Council is their only voice at the table. Please represent their concerns.*

*Thank you.*

*John Dempsey*

*\*\*\**

*Good evening, City Council members,*

*I am writing to you to ask that you consider the impact of the Buckhorn Business Center upon the rural environment of Alamance and Orange Counties. The increased tractor trailer traffic and its added pollution will increase Global Warming that is creating a Climate Crisis that we must act now to reverse.*

*The increased trailer traffic will bring increased traffic to the area and endanger the neighbors and commuters who pass through the area. Careful traffic planning will be needed to avert the increased danger of encounters with trailer trucks headed to and from this Center.*



*Any added impervious ground cover will further add to the degradation of the environment. The least the Council members could do would be to require that the UDO be amended to require that all ground cover be permeable so as to protect our adjacent water systems, ground water, and wells from toxic run-off.*

*I am a citizen of Orange County who moved to this area because of its rural beauty. I, like many residents of Orange and Alamance Counties, want to see this beauty preserved, now and for our future generations, and who place the long-term health of our planet and those who live on it, above the short-sighted desire for profits today.*

*Respectfully,*

*Andrea T. Riley  
1204 Brokhollow Road  
Efland, NC 27243*

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Ms. Philipps asked Mr. Parker to address some of the traffic issues, specifically the turn lanes that will be present, both on Buckhorn Road and at the West Ten Road entrance. Mr. Parker requested Traffic Engineer Josh Reinke address Ms. Philipps request.

Before Mr. Reinke came up, Mr. Rollins shared that previously when Al. Neyer came before Council regarding property on south West Ten Road, they made a \$200,000 contribution for future traffic improvements in that area. NCDOT has estimated that the signalization for the north and south on/off ramps to cost \$232,000. The discussion was that \$170,000 of that \$200,000 will be applied to the construction of the signalization at the on/off ramps, the other will come directly for Al. Neyer. He said as Council is familiar with other similar projects, the City will need to enter into a Municipal Agreement with NCDOT to agree with the project and to accept the funding from Al. Neyer to cover that cost.

Mayor Hooks asked if there was as timeline to when the traffic lights would be installed. Mr. Mitchell said that it is staff's understanding that the Municipal Agreement would be brought to Council for approval, then the project would begin as soon as NCDOT is able to begin the project. It is not dependent upon any phases of the proposed project.

Mr. Bradley asked for clarification regarding a comment in one of the letters read aloud that referenced land acquisition for the turn lanes through eminent domain. Mr. Rollins said that it is always the City's goal to never use eminent domain on development projects, not on this project or any other projects. The developer would be responsible for working within the existing right-of-way that is there which means the road can be widened within the existing right-of-way, if there is not existing right-of-way, the developer would be responsible for dealing with the property owner to acquire land.

Josh Reinke, Engineer with Ramey Kemp and Associates, 5808 Faringdon Place, Raleigh, NC, stated they were hired to conduct a TIA and a macro assessment letter, the later not being required but more so thought of as a proactive step looking forward into the future. They took into consideration any possible development that could take place as far out as 2030. He stated they also conducted an update TIA to address any safety concerns with the shifting of the driveway along West Ten Road.

Mr. Parker added that the site will have single sided load docks.

Carl Bradley shared concerns with truck traffic exiting the property if no traffic signals are in place.

Mr. Reinke stated there will be multiple points of access, along with the spacing of the driveways they have no safety concerns.

Mr. Ewing asked what the vision is for the west bound and east bound traffic. Mr. Reinke said their projections had 60% of the cumulative traffic straight from Buckhorn Road and heading to the interstate. Projections detailed in the study.

Ms. Auditori said she wanted to reiterate that eleven (11) of the fourteen (14) parcels are already zoned Office/Research and Manufacturing in Orange County. Mr. Stober said yes. Ms. Auditori said, so what is really driving this request is not a significant change in existing zoning, rather the applicant desires to be incorporated into the City limits, therefore in order to do that, Council must adopt zoning to reflect Mebane's zoning, not Orange County's zoning. Mr. Stober said that is correct.

Mr. Bradley commended Mr. Parker and Thermo Fishers for their environmentally safe commitments.

Mr. Bradley then made a motion, seconded by Mr. Greene, to close the public hearing. The motion carried unanimously. Mr. Bradley made a motion, seconded by Ms. Philipps, to adopt an Ordinance to Extend the Corporate Limits of the City of Mebane, North Carolina to include the 115.399 acres.

Ms. Philipps made a motion, seconded by Mr. Ewing, to Motion to approve the M-2(CD) zoning as presented and a motion to find that the application is consistent with the objectives and goals in the City's 2017 Comprehensive Land Development Plan *Mebane By Design*. The request is within the City's G-2 Industrial Primary (V) Growth Area "Part of BEDD and North of US-70", an "...area [*that*] is intended for more robust growth, primarily for light industrial purposes... [with] areas immediately outside of these corridors, though, [*that*] are rural residential lots... (Mebane CLP, p.72. The motion carried unanimously.

A Quasi-judicial public hearing was held on a request from DRPBS Hospitality, LLC, for an amendment to a Special Use Permit previously approved by the Council in July 2019.

Mr. Brown announced the anyone that will speak on the matter needs to be sworn in. He also requested that Council disclose any communications they may have had with the applicant prior to tonight's public hearing.

Mr. Bradley stated he has had no communication with anyone and can be fair and impartial.

Ms. Auditori stated she has had no communication with anyone and can be fair and impartial.

Ms. Philipps stated she has had no communication with anyone and can be fair and impartial.

Mr. Greene stated he has had no communication with anyone and can be fair and impartial.

Mr. Ewing stated he has had no communication with anyone and can be fair and impartial.

Clerk Shaw sworn in Cy Stober, Tim Smith and Rad Pandit.

Mr. Stober presented the request. He said that DRPBS Hospitality, LLC – Lowes Blvd Retail is requesting amendment to the Special Use Permit 19-01 ("DRPBS Hospitality, LLC – Lowes Blvd Retail"), a Planned Multiple Occupancy Group for a multi-tenant building located at the end of Lowes Boulevard (ETJ), to allow for a 29% increase in hotel rooms and a corresponding redesign of the parking lot for all three buildings. DRPBS Hospitality, LLC. owns the property and is already approved to develop the property as detailed on the approved site plan and as follows:

#### Building Areas:

- Two 4-story hotels – 80 rooms each and 20,000 sf each (<5,000 sf meeting space)
  - Phase 1 (West) & Phase 2 (East)
- One 2-story mixed-use office/retail building with offices over retail – Phase 3
  - Retail – 5,000 sf
  - Office – 5,000 sf
- Total: 50,000 sf
- Waivers:
  - Landscaped buffer – UDO requires 20' – The developer is requesting to reduce the landscaped buffer to 10'.

The applicant is requesting to increase the number of rooms in the Phase 1 hotel to 103 and a parking plan that does not meet the number required of the Mebane Unified Development Ordinance, requiring seventeen (17) spaces to be shared between the two hotels. The Mebane UDO allows for combined parking but only in situations where the peak demands are not in conflict or to allow for relief in meeting minimum parking space requirements. The applicant will also be dedicating right of way for the extension of Lowes Boulevard, per the adopted *Lowes Boulevard Corridor Plan*.

Tim Smith, P.E., Senior Project Manager at Summit Design and Engineering Services, 320 Executive Court, Hillsborough, NC 27278 represented the applicant and provided a presentation of the request, describing the history of the project and impact of the pandemic on the project. Mr. Smith described in detail the previously approved plan and the proposed changes. He said with the increase in rooms, came the required increase for parking spaces, so, they show nineteen (19) shared spaces for parking on the site and he and the applicant feel it will work out fine between the mixed uses of hotels and office use as there has been no issues in the past with two hotels and shared parking. He said the Planning Board member Lori Oakley shared at the Planning Board meeting that she had researched parking requirements by other jurisdictions and found that the plan would meet the code in the other communities.

Mr. Ewing questioned who the other municipalities were. Mr. Stober said the municipalities referenced were Burlington, Graham and Hillsborough, all using one (1) or in some cases .85, specifically for hotels.

Mr. Smith shared elevation renderings of the hotel buildings. He stated that the findings of fact and the building commitments remain the same as with the previously approved SUP.

Ms. Philipps questioned the reduced buffer. Mr. Smith stated that was included in the original SUP approval.

After brief discussions regarding intersection traffic concerns, Mr. Stober said as Development Director, he can commit to official City comments regarding the widening project will reflect concerns shared tonight as well as any future TIAs that evaluate this intersection.

Ms. Philipps made a motion, seconded by Mr. Ewing, to close the public hearing. The motion carried unanimously.

Mr. Bradley asked if there was any way that the City could provide a condition that if the widening of Hwy 119 and the changing of the signaling is not put in place prior to construction, that the applicant would have to work with NCDOT to put in a fixed left turn signal.

Mayor Hooks asked if the City can request that NCDOT change the signalization now to a fixed left turn instead of a caution signal. Mr. Rollins said we can ask but it is his understanding that the Hwy 119 widening project from Lowes Home Improvement to Trollingwood Road is funded and is the

State's TIP. Mr. Stober confirmed that the funding is secure. Mr. Rollins said staff can make a request for NCDOT to analyze that signal function. Mr. Stober stated he would relay the concerns to NCDOT.

Ms. Auditori asked Mr. Smith what the timeline is for the project. Mr. Smith replied that construction should begin in the Summer of 2022 with a 2023 opening.

Ms. Auditori made a motion, seconded by Ms. Philipps, to approve the motion to approve the special use permit amendment as presented and a motion to find that the application is both reasonable and in the public interest because it finds that:

1. Will not materially endanger the public health or safety;
2. Will not substantially injure the value of adjoining or abutting property;
3. Will be in harmony with the area in which it is located; and
4. Will be in conformity with the objectives and goals in the City's 2017 Comprehensive Land Development Plan *Mebane By Design*.

The request is for a property within the City's G-4 Secondary Growth Area, which is intended to be "...generally residential and commercial in nature..." and is consistent with the adopted *Lowes Boulevard Corridor Plan*. The motion carried unanimously.

Mayor Hooks called for a brief break at 7:26pm. Mayor Hooks called the meeting back to order at 7:32pm.

Prior to the start of the next public hearing. Mr. Brown gave a brief explanation regarding the differences between quasi-judicial, special use and conditional rezoning hearings.

A public hearing was held on a request from Kenyon's Meat Market, c/o Darrin Kenyon, for a rezoning of unaddressed Alamance County Parcel 163798 from O&I (Office and Institutional District) to B-2 (General Business District). Mr. Stober presented the request. He stated that the property is 1.55 acres is located inside the City limits and is currently vacant. The property has two street frontages on Foust Road and S Fifth Street Extension. The lot currently meeting the requirements for a B-2 zoning district. The property is in the G-4 Secondary Growth Strategy Area and adjacent to the G-1 Cameron Lane Mixed-Use Primary Growth Strategy Area. The proposed rezoning is consistent with the guidance provided within *Mebane By Design*, the Mebane Comprehensive Land Development Plan.

Mr. Bradley stated that he received a letter indicating that the adjoining property owners were not notified of the rezoning prior to the Planning Board meeting. Mr. Stober said that the North Carolina General Statutes (NCGS) requires notification for public hearings only, however, the Planning Board meetings are open meetings so Planning staff follows the same procedures for Planning Board meetings as they do for public hearings. He said staff's standard is to make sure they follow NCGS and get all mailings out to land owners within 300 feet of any subject property 10-25 days prior to meetings. He said notification letters were sent out for the Planning Board meeting on September 22<sup>nd</sup> and letters for tonight's public hearing were sent out on October 15<sup>th</sup>.

There was brief discussion regarding the various zoning districts near the subject area, including O&I zoning directly across the road from the subject property.

Paul Koonts, attorney representing the applicant, 3493 Forestdale Dr Suite #103, Burlington, NC 27215, presented the request. He stated that the request is a straight forward B-2 rezoning, sharing that the Planning Board approved the request with a 4-3 vote. Some of the comments that came out of the Planning Board process were related to Ms. Crisp's property. He referenced the zoning map and explained that the back portion of subject property that abuts Foust Road, adjoins Ms. Crisp's property. To address feedback from the Planning Board meeting, the applicant's set

up a public meeting to talk with folks about their plans for the property. He stated that one member of the community attended that meeting. Mr. Koonts said the applicant has modified their request by reducing what they were originally wanting to rezone to B-2.

Mayor Hooks called for another break at 7:43pm so that the drawing could be scanned in so that staff could make the drawing viewable by the public and the Council. Mayor Hooks called the meeting back to order at 7:50pm.

He shared a sketch drawing that reflected the changes, explaining that the request would now be a split zoning because the back portion of the property would continue to be O&I, the B-2 zoning would only be for the front portion of the property. He stated that the applicant is modifying the original request to be respectful of the adjoining residential property. Mr. Koonts further explained that another modification is the removal of the drive on Foust Road, it has been eliminated altogether. All of the traffic will enter and exit on Fifth Street. He said that the dumpster will be located next to the back of the building.

Ms. Auditori asked for clarification about the trees and buffers on the rear portion of the property that will now remain O&I. Mr. Koonts said nothing will be placed on the O&I portion of the property, it will remain as is, with a 30-foot setback from the parking lot. All City buffer requirements will be met.

Mr. Ewing asked if the dumpster will be fenced. Mr. Stober said that the City requires a minimal 8-foot tall screening around all dumpsters. The material must be opaque and meet all City requirements.

There was discussion regarding buffer requirements for small lots. The drawing as shown meets and exceeds the City's requirements.

Ms. Auditori questioned if Council approves the request tonight, can an office could be built on the back portion which will remain O&I. Mr. Stober replied, yes. It would be developable by right as an O&I lot.

Mr. Ewing questioned if the lot is currently developable as O&I by right. Mr. Stober replied, yes.

Ms. Philipps questioned the water and sewer extension, stating that to her knowledge the utility lines run down Foust Road but not Fifth Street. She asked if there would be minimal disruption to current landscaping or conditions in that area.

Kyle Smith, Public Utilities Director, said that water and sewer are both available on Foust Road and water is available on Fifth Street. He said with the project they are proposing, it would be a simple service connection with minimal disturbance.

Mr. Ewing asked about the type of delivery trucks. Mr. Koonts stated they would be typical box trucks. They would enter and drive to the rear of the property, unload and exit. There would be approximately four or five trucks a week with deliveries being made during business hours.

Wilma Crisp, 110 Foust Road, Mebane, NC 27302, spoke in opposition of the rezoning request. She said she is requesting one of two things, for the council to vote no to the rezoning or return the matter back to the Planning Board. She stated that she sent to each Councilmember a copy of the letter she submitted to the Planning Board members requesting notification of their vote to change the zoning classification to commercial. She said at the Planning Board meeting, Mr. Kenyon had no concrete plan for the type or size of building to be built or an infrastructure plan to support the increased traffic, nor a plan for rerouting water, sewer and electrical systems. Furthermore, he had no plan for addressing environmental or public health concerns when it

comes to rodents or insect control, trash and garbage removal, air pollution, light pollution, the need for barrier fencing or the negative impact on home values and yet the Planning Board gave him full authority to build whatever structure he wants on land that he does not own. She referenced photographs which she submitted to the Council at the beginning of tonight's meeting which depict Kenyon's current property, copies of photographs attached. She asked that Council look at the photographs and then ask themselves how they would like seeing that in the middle of their quiet neighborhood. She asked if Council would approve it for Mill Creek. If not, why would Council vote to put it next to hers. She said that the meat market will destroy property values as is done in black neighborhoods all over the country. There is mountains of research that goes back hundreds of years on how quiet and gentle black neighborhoods are picked apart by highways, strip malls and store fronts like Kenyon's Meat Market in the name of progress leaving the neighborhood in poverty and ruin. She implored Council to not let Mebane be guilty of that same travesty. No resident was properly noticed by letter or signage before the Planning Board voted. She said she was told that it was a secret by the property seller's daughter. She respectfully requested that Council reflect upon what she has said tonight and vote a resounding no to the zoning change. If Council is unwilling to vote to end the matter tonight, then the Planning Board needs to legally and properly notify residents, conduct impact studies and offer ample time to present their views before moving the matter forward. She concluded with thanking the Council for its time and consideration.

Schenita Randolph stated that she is a 16-year member and resident of Mebane and also as a representative of Mebane's Racial Equity Advisory Committee (REAC). She said she has been following this matter, as a part of her charge from Council as part of her responsibility on the REAC, along with some historical pieces of Mebane around land and racial equity. She asked Council to consider seeking advisement from the REAC before moving forward with this matter because there are some observations as a REAC that she has made.

Ms. Philipps requested to hear Ms. Randolph's comments now.

Ms. Randolph shared her observations of racial equity sensitivities and a lack of transparency. She expressed that this is an opportunity to pause for time to allow all parties to understand the process so that the City is not perpetuating inequities which Council felt needed to be addressed.

Travis Albritton, REAC Co-chair, said when sensitive matters such as tonight's hearing, which deals with a historically legacy of land use as it relates to people of color in the community, he feels Council should seek advisement from the REAC before voting. He expressed that people will have more faith in the Council if they feel they have listened to all parties' views.

Kiesha Bluford, REAC member, said that a vote tonight would be premature. She said when she was notified about the meeting and the concerns from the community that would be affected, she took time to look at the City's Unified Development Ordinance (UDO). She first expressed concerns with the notification process. Also listed as a concern was that no conditions were tied to the rezoning and in the future the meat market could become another type of business even though the applicant's intention is for the business to be in place for generations, legacies on both sides need to be respected. She said that the request has been changed and the affected residents have not had time to study and research the new proposed plan. Ms. Bluford made several references to the UDO regarding processes. She spoke in favor of Council honoring Ms. Crisp's request to send the matter back to the Planning Board for further review. She asked the Council to consider additional time before voting.

Anthony Pierce said that the residents on Foust Road have lived there a long time. He spoke highly of the neighborhood and the people that live there. He said the issue at hand is two legacies that are trying to be preserved, the Kenyon's and the legacy of the existing Foust Road community. The families do not want to lose the feeling of a neighborhood. He requested that Council table

any action tonight and to have the Planning Board revisit the matter and perhaps ensure that conditions are put in place, a conditional rezoning as opposed to a straight B-2 zoning.

Karen Oldham, owner of property adjacent to the subject property, spoke in favor of the rezoning and spoke highly of the Kenyon family. She shared that her home place was taken with the NC 119 bypass. She also shared kind words and memories of growing up in that neighborhood.

John Kirby, lifelong Mebane resident and Eastern High School Football Coach, shared kind words about the Kenyons and their business and spoke of all the good they have done for the Eastern High School and the community. He stated that he respects all parties on both sides of this matter.

Steve Hensley, owner of subject property, spoke in favor of the rezoning. He shared that other businesses have expressed interest in the property over the years but when he heard Keyon's Meat Market wanted to come there, he jumped at the chance. He said the Kenyon's are good people and the business will be an asset to the entire neighborhood. He said the new proposed plan will not affect the residents on Foust Road.

Mr. Koonts gave closing remarks, reiterating the request as modified to a split zoning and shown on the provided drawing.

Clerk Shaw read aloud for letters, attached.

Daughter of Wilma Crisp requested more time to research the matter further. She cited public health concerns and wants to ensure her family has a safe place to live for years to come.

Ms. Randolph said the letters were great. In racial equity work, we focus on policy and procedure and not personal so as a decision is made, it is important to follow policy and procedure and not personal impact.

Ms. Auditori made a motion, seconded by Mr. Ewing, to close the public hearing. The motion carried unanimously.

Mr. Bradley said that mixed use zoning is in the Mebane Land Use Plan. He cited several locations throughout the city with mixed use zoning. He also explained that the Planning Board is an advisory board to the Council, they do not approve or disapprove of projects or development, that action is done by the Council. He stated that the last comment by Ms. Randolph was appropriate as this is not a popularity contest and it is also not a black and white issue. The Council looks at land use and what is appropriate.

Mr. Bradley made a motion to approve the B-2 zoning as presented. and a motion to find that **the application is consistent** with the objectives and goals in the City's 2017 Comprehensive Land Development Plan *Mebane By Design*. The request is for a property within the City's G-4 Secondary Growth Area and is generally commercial in nature (Mebane CLP, p.66). The motion carried unanimously.

Mr. Greene seconded the motion and stated when he looked at the O&I permitted uses, he feels this is best use of the land compared to what could go there.

Ms. Philipps suggested sending notification letters via certified mail in the future.

After brief discussions regarding O&I permitted uses, Mayor Hooks called for a vote on the motion. The motion carried unanimously.

Mayor Hooks called for a break at 9:31pm. Mayor Hooks called the meeting back to order at 9:36pm.

A Public Hearing was held on a request from Guy Land for the adoption of an Ordinance to Extend the Corporate Limits. Mr. Brown spoke concerning the request. He stated that the property is a voluntary contiguous annexation containing approximately 0.300 acres located at 4710 Mrs. White Lane in the Alamance County. Mr. Land plans to build a home on this property and would like to tie onto the City's water and sewer. Mr. Land was present and reiterated the request as presented by Mr. Brown. Mr. Greene made a motion, seconded by Ms. Philipps, to close the public hearing. Mr. Bradley made a motion, seconded by Mr. Ewing, to motion to adopt an Ordinance to Extend the Corporate Limits of the City of Mebane, North Carolina to include the .300 acres. The motion carried unanimously.

Mr. Davis presented a request for approval of Recreation and Parks Commission Appointments for 2022. He explained that initially, Council selected six individuals that are serving staggered entry terms of 1, 2, and 3 years. The two new members selected this year will begin a three-year term and will be a big part of the Recreation and Parks Master Plan process and helping create new special events and program ideas for the City. The qualifications of the seven candidates were detailed in the applications provided in the Council packets.

Mr. Greene nominated Jay Bissette, III. Ms. Philipps said she would support Mr. Greene's nomination as well as nominating Emily Powell. Ms. Philipps made a motion to such and was seconded by Mr. Greene. The motion carried unanimously.

Mr. Davis presented a request for approval for the City to submit the T-Mobile Community Grant for the "Fiddler Stage Cover". He explained that when the Mebane Community Park was completed, one amenity unable to initially be funded at the park was the completion of the "amphitheater," specifically, a shade structure to keep performers from sun and/or rain in either case. In the 2021 budget, the Capital Improvement Plan (CIP) included future funds to construct the amphitheater. The CIP listed a much more robust amphitheater that would include a larger structure and multiple changes to the area already earmarked for the amphitheater. The new structure will be much smaller in size than a standard amphitheater, but fit the current cement slab and provide the needed shelter for smaller performances. This structure will also include removable panels designed to keep sound in the park, rather than extending behind the structure into the nearby neighborhood, as much as possible. T-Mobile is offering four periods to submit proposals for community grants that can help with change and impact communities. The T-Mobile Community Grant offers a maximum of \$50,000 with no match required from the City that staff is interested in pursuing. The overall estimated cost is \$75,000. If the Council approvals submitting for the grant and T-Mobile grant is awarded, Recreation staff will look for pursue additional private sector funding.

Ms. Philipps said the proposed amphitheater is exactly what she had in mind. She made a motion, seconded by Mr. Greene, to approval the City's to submission for the T-Mobile Community Grant for the "Fiddler Stage Cover". The motion carried unanimously.

Mr. Stober presented a request for approval of Planning Board appointments. He explained that the Mebane Planning Board has one (1) outstanding opening for appointment. The position will fulfill the remainder of Mr. Thomas Vinson's term, as a City representative, which expires 2023. The Planning Department provided press releases, social media posts, and published legal advertisements the weeks of September, 6, September 20, October 4, and October 18. The qualifications of the three candidates were detailed in the applications provided in the Council packets.



Mr. Greene nominated Susan Semonite, stating she is very knowledgeable and would do a great job in this capacity. Mr. Ewing said he would like to nominate William Chapman as his family has lived in the community for quite some time and he is very knowledgeable about land. Ms. Auditori spoke highly of Ms. Semonite and said she would be in favor of her as well.

Mr. Bradley made a motion, seconded by Mr. Greene, to appoint Susan Semonite. The motion carried unanimously.

Mr. Stober presented a request for adoption of a Downtown Exterior Improvements Grant. He explained that in its deliberations of the Manager's Recommended FY22 Budget, the Council allocated \$50,000 for Downtown Improvements as a matching funds grant program that will reimburse an individual up to 50% of qualifying expenses for exterior improvements to a Downtown property. The application details the criteria for individuals wishing to improve their properties by addressing one of four categories:

- Façade improvements;
- Outdoor seating;
- Exterior artwork; and
- Preservation of historic architecture and buildings.

Conditions apply to the municipal awards, which are available on a first-come, first-served basis. The City must approve any encroachments into municipal rights of ways or easement, such as sidewalk seating. The grant is provided as a reimbursement for qualifying expenses, requiring proof of receipts. Applicants must provide a minimum of two quotes for the proposed project. Applications for this municipal award will be accepted until February 15, 2022.

After discussion among Council and staff, it was decided that a timeframe should be added into the application. It was a consensus of Council to set the time limit to one (1) year from date of approval. Ms. Philipps made a motion, seconded by Mr. Greene, to adopt the Downtown Exterior Improvements Grant, with the addition of the timeframe language, awarding and spending municipal funds accordingly. The motion carried unanimously.

Mr. Brown asked, if now that the Council meetings are being held in person, does Council want to continue to allow written comments for public hearings and public comments as adopted during pandemic. After some discussion, Council directed Mr. Brown to amend the current policy to no longer allow written comments to be read aloud into the official record and to bring it back for consideration.

There being no further business, the meeting was adjourned at 10:00pm.



























✓ packet sent via email ✓ ① Public Hearing - Kenyon

I SUPPORT the relocation of Kenyon's Meat to 1204 S Fifth Street so they may not only grow and expand their family owned business, they can grow and expand their continued faithful and dedicated service to the community in Mebane and also surrounding communities. I drive from the other side of Alamance county because of the quality of their meats, frozen and fresh goods and the friendly, hometown atmosphere. Kenyon's truly appreciates their valued customers! It shows in their service and quality!

Help them expand so that they may better serve our communities!

Expansion for Kenyon's is a win win. They bring more business by gaining a larger store offering even more products, more parking and MORE PEOPLE visiting and buying from Small Businesses.

Vote KENYON'S EXPANSION!

KATHY LYNCH

A Way To Go Travel Agency

422 Huffman Mill Rd

Burlington NC 27215

336-437-4612 cell

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**Please be sure to check your destination for travel requirements:**

<https://apply.joinsherpa.com/travel-restrictions?affiliateId=americanairlines>

## Stephanie Shaw

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**From:** Kathy Lynch <klynch4travel@yahoo.com>  
**Sent:** Tuesday, October 19, 2021 9:23 AM  
**To:** Stephanie Shaw; Info  
**Subject:** Fwd: Support Kenyon's

Ms. Lynch,

Thank you for your e-mail about this pending general rezoning request by Kenyon's Meat Market. I have shared it with the City administration. The matter will be determined by the City Council in a public hearing at their November 1 meeting, which begins at 6 p.m. at Mebane City Hall. If you wish for your comment to be shared with the City Council, please provide it at the public hearing, either by speaking that evening or e-mailing the City Clerk, as allowed by City ordinance and NC General Statutes.

Sincerely,

**Cy Stober, AICP**

*Development Director*



106 East Washington Street

Mebane, NC 27302

- 919 563-9990

[www.cityofmebane.com](http://www.cityofmebane.com)



**From:** Kathy Lynch <klynch4travel@yahoo.com>  
**Sent:** Sunday, October 17, 2021 11:44 AM  
**To:** Cy Stober <cstober@cityofmebane.com>  
**Subject:** Support Kenyon's

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

send via email & packet ✓ (2) Public Hearing - Kenyon

**Stephanie Shaw**

**From:** Renee Whitt <april.whitt@duke.edu>  
**Sent:** Tuesday, October 19, 2021 11:10 AM  
**To:** Stephanie Shaw  
**Subject:** Mebane City Council request for approval

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi,

I am thankful for the service that Kenyon's Meat Market has always provided for everyone. I am asking that this City Council will approve what is needed for Kenyon's to remain a staple in this great city of Mebane. They have always gone above and beyond for everyone by always giving back to the community. Now is the time to give back to them by giving approval to be able to build on this legacy that promises to continue for generations. During times like these we need families like Kenyon's to continue what is great and always provides so much to the community. How amazing it will be to share this legacy with people by granting their approval to build and help Mebane become even better.

Thanks for your time and consideration,  
Jimmy, Vickie and Renee Whitt

*Kind Regards,*

*Renee Whitt*

***DCRI Quality Assurance***

[DCRIQuality@duke.edu](mailto:DCRIQuality@duke.edu)

<https://dcrihome.dcri.org/qarc>

919.668.8518

sent via  
email  
& packet

(3)

Public Hearing  
Kenyon

Stephanie Shaw

**From:** Beth Brigham <bethscooking4u@gmail.com>  
**Sent:** Tuesday, October 19, 2021 2:21 PM  
**To:** Cy Stober  
**Cc:** Stephanie Shaw  
**Subject:** Rezone to allow Kenyon's to build at 1204 S 5th St

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

This is regarding the proposed new location of the Kenyon Meat Market at 1204 S 5th St in Mebane.

We have been customers of Kenyon's for years and have found the owners to be responsible and concerned for our community. Their daughter has been part of the business for years also and has committed to work with and run the business when her parents step down so I'm confident that this business will continue to be as community oriented as it is now for many years to come. The location they are proposing will be convenient for even more of our community than where they are now. It seems it would fit perfectly along side the other businesses near by and along side homes and apartments in that area. Remember when the neighborhood grocers were down the block and the only business among single family homes? This isn't the same but it worked and didn't hurt any neighborhood. I'd have been thrilled to have that business placed near our neighborhood. Please vote yes to rezoning for this business.

Beth Brigham  
914 Palm Ct  
Mebane NC 27302  
919-928-6130

Sent from my iPhone



Packet

(4)

Public Hearing  
Kenyon

**Stephanie Shaw**

---

**From:** Body Solutions <bodysolutionsllc@yahoo.com>  
**Sent:** Wednesday, October 20, 2021 9:40 AM  
**To:** Stephanie Shaw  
**Subject:** Letter regarding rezoning

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello, My name is Dr. Karen Wilkinson. I have been an active member of the Mebane community for 25+ years now. I have watched Mebane grow and blossom into the beautiful place that it is. There are many people to thank for that, including Darrin, Renea and Taylor Kenyon and the Kenyon's Meat Market crew. They are all amazing people with big hearts, compassion for others and a drive and desire to make Mebane the best place to live and do business.

They tirelessly give 100% of themselves to help provide the residents of Mebane what they need every single day. During the pandemic they worked non-stop, going above and beyond to make sure the residents of Mebane had food on their table and their staff was taken care of physically and emotionally.

As for their rezoning request.....I am in support of rezoning their desired new location to B2. There is a dental office across from their desired location. There are 2 housing communities across the street, and more coming..... I am sure they would love the close access to getting groceries. I don't feel that B2 is unreasonable considering all the growth and development that has, and continues to occur, less than a mile of this location. Residences, restaurants, hair salons, medical offices, grocery stores, and other small businesses are within the surrounding mile.

We, as a community, should be encouraging not just small business' like this to build in Mebane, but the Family themselves. You won't find many better! We are doing them and the City of Mebane a disservice if this rezoning isn't approved. They have stood by our community and city..... it's now time for the community and City to stand by them.

Sincerely,

Dr. Karen Wilkinson

Paclat

(5)

Public Hearing  
Kenyon

**Stephanie Shaw**

---

**From:** Wilson Aulbert <wilson4duke@gmail.com>  
**Sent:** Wednesday, October 20, 2021 8:15 PM  
**To:** Stephanie Shaw  
**Subject:** Rezoning to B2 Kenyon's Meat Market

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

>  
> I would like to say that I am a long time resident of Mebane and have seen the town's growth explode. I have seen the approval of projects submitted by individuals and corporations that do not reside here and where here to only profit without the best interest of the community.  
>  
> I have known Darrin Kenyon for over 40 years. I can tell you that he has the best interest of the community in mind. This is evident by the fund raisers they have had for those in need in our community over the 13 plus years they have been in business. This is a family that is well established in Mebane.  
>  
> In looking at that area of the proposed Meat Market you have Troutman Family Dentistry, Roc's Barber Shop and the First Source Equipment that is in close proximity to the Foust road neighborhood. If it's not Kenyon's there will be other businesses coming into that area to occupy the property. The property owners in that area that have concerns over the value of their property may want to look at the property values on Mebane Oaks road near Walmart.  
>  
> When Walmart was approved and allowed to build this was in a residential area. You had established neighborhoods in that area that Walmart bordered.  
>  
> I would like to ask that the City Council approve the request to change the zoning to B2 for this lifelong Mebane resident and small business owner that lives in and supports his community.  
>  
> Sincerely,  
>  
> Wilson Aulbert  
>  
>

**Stephanie Shaw**

**From:** SarahEllie Penny <sarahpennync@gmail.com>  
**Sent:** Monday, October 25, 2021 5:50 PM  
**To:** Stephanie Shaw  
**Subject:** Kenyon's Meat Market

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

If it is possible can you please read it at the hearing? Thank You

City of Mebane

Department of Planning and Zoning

Mebane, NC 27302

October 17, 2021

City of Mebane,

My name is Sarah Ellie Penny, I'm fourteen years old and a native of the Mebane area. I am writing this letter to express my support for Kenyon's Meat Market to build and expand at 1204 South 5<sup>th</sup> Street in Mebane, NC.

I would like to share how Kenyon's Meat Market has supported me over the years. As a senior Girl Scout, in the ninth grade, Kenyon's Meat Market have supported my cookie sales since I was a Daisy Girl Scout, for over eight years! Kenyon's has allowed me to sell Girl Scout cookies at their location, indoors without standing outside in the winter weather and enabled me to be the top seller in the county for 7 consecutive years. Selling cookies has taught me about financial literacy, entrepreneurship, and teamwork. The Kenyon's owners and staff have all supported me with my cookie sales over the years during the entire sale and beyond until all my cookies were sold.

Kenyon's Meat Market has not only tremendously supported my cookie sales, but also made donations to my elementary and middle school over the years as well as supported other fundraisers that I have participated in over the years. Kenyon's even sold my tomatoes when I grew them! Kenyon's supports local farmers and businesses! They always say "yes" and they are happy to help!

Kenyon's Meat Market is more than a store or business, they are a family to our community! During Covid, I witnessed them going above and beyond to make sure customers had food available without price increases. Working tirelessly to serve our community, Kenyon's Meat Market is an amazing example of what a business should do, they give back to the community, they are happy to see you every time you come into shop, they treat you like family! Mebane is blessed to have Keyon's Meat Market!!!

I simply can not say enough nice things about Kenyon's Meat Market! They make our community better by being in business! I've watched them support numerous individuals with needs due to illness or hardships over the years. Kenyon's, the owners, and staff set an excellent example of compassion and support for people in our community. By expanding their business, they will be able to serve more customers and make an even bigger positive impact in our community. It is my hope that the City of Mebane allows Kenyon's the opportunity to grow and make our community better.

Thank you,



Packet

(7)

Public Hearing  
Kenyon

Stephanie Shaw

**From:** Tarah Enoch <tlenoch88@gmail.com>  
**Sent:** Tuesday, October 26, 2021 8:23 PM  
**To:** Stephanie Shaw  
**Subject:** Fwd: Kenyon's Meat Market

Tarah Enoch

Begin forwarded message:

**From:** Cy Stober <cstober@cityofmebane.com>  
**Date:** October 25, 2021 at 5:15:23 PM EDT  
**To:** Tarah Enoch <Tlenoch88@gmail.com>  
**Subject:** RE: Kenyon's Meat Market

Ms. Enoch,

Thank you for your e-mail about this pending general rezoning request by Kenyon's Meat Market. I have shared it with the City administration. The matter will be determined by the City Council in a public hearing at their November 1 meeting, which begins at 6 p.m. at Mebane City Hall. If you wish for your comment to be shared with the City Council, please provide it at the public hearing, either by speaking that evening or e-mailing the City Clerk, as allowed by City ordinance and NC General Statutes.

Sincerely,

**Cy Stober, AICP**  
*Development Director*



106 East Washington Street  
Mebane, NC 27302  
919 563-9990

[www.cityofmebane.com](http://www.cityofmebane.com)

-----Original Message-----

**From:** Tarah Enoch <tlenoch88@gmail.com>  
**Sent:** Friday, October 22, 2021 1:29 PM  
**To:** Cy Stober <cstober@cityofmebane.com>  
**Subject:** Kenyon's Meat Market

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good afternoon,

I'm writing this letter in support of the relocation and expansion of Kenyon's Meat Market. I have known Darrin and Renea for years and have watched them start this business from the ground up into what it is today. It truly is a staple in the Mebane community! They go out of their way to provide not only a wonderful business in a small town but also host many fundraisers to give back to their local customers and community in general. This land would be a wonderful opportunity for them to continue to grow, also providing local jobs within the area. More now than ever we should be supporting our local small businesses. I 100% am standing behind them with the request for the rezoning of the lot and hope you all do as well.

Thank you for your time!

Tarah Enoch

Stephanie Shaw

packet

(8) Kenyon Public Hearing

**From:** slice@triad.rr.com  
**Sent:** Wednesday, October 27, 2021 8:05 PM  
**To:** Stephanie Shaw  
**Subject:** Kenyon's Meat Market

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

For inclusion in the Nov 1 meeting - thank you.

I am writing in support of the moving of Kenyon's Meat Market from its current location to 1204 S. Fifth Street in Mebane. I also support the necessary rezoning of the property.

My family and I have been shopping at Kenyon's since they opened in May of 2008. Renea and Darrin are amazing people with a wonderful community spirit. They treat all of their customers like family. They KNOW their customers. They know their families and have watched their children grow up. Above all they truly care about the people who shop in the store.

I was lucky enough to be hired by the Kenyons in November 2018. I have been working in the store ever since. I have to tell you Renea and Darrin are the best people I have ever worked for/with and I used to work for my own mother!

Our customers come from far and wide. Not just Mebane. Not just Alamance County. We have people from all over NC who come regularly to stock-up on the quality meats and fresh local produce. We have people from out of state who make a point to come to the store any time they are in NC. We even have a couple of people from other countries who come to visit the store every time they visit their families. That is how much people love the Kenyons. It's not just the amazing meat and fresh produce they come for. They come for the connection that they have forged with the Kenyons. They feel welcomed and like part of the family.

Speaking of fresh produce. Did you know that as much as possible the Kenyons get their produce from local farms and vendors? So they also support small businesses and they shop locally whenever possible.

The meat market is a cornerstone of the community and I cannot tell you how many people that the Kenyons help that no one even knows about! They are without a doubt the most generous people you would ever wish to meet.

As for people having concerns about the market moving to a former residential area, I have to tell you that if you were going to have a food-related business near your home, you would want it to be Kenyon's. It is the cleanest business I have ever seen. People who live behind the proposed lot have nothing to worry about from having Kenyon's behind them. Yes, we get deliveries and there would be trucks a couple of days a week but they are unloaded expediently and are out on the road again within minutes. Knowing the business and the way the Kenyons operate I would have no qualms about them opening a store in my back yard.

The current location of the meat market is far too small for the needs of the community. Yes, the community, not just the store. Our older customers often complain about the lack of parking and as it is currently, we can do nothing to help them. If we were able to have a dedicated parking area our customers would not have to fight for spaces with people visiting or even working at businesses nearby.

I hope you will grant the rezoning and the relocation as it can only benefit Mebane and Alamance County.



packet (9)

Kenyon  
Public Hearing

## Info

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**From:** notify@proudcity.com  
**Sent:** Friday, October 29, 2021 10:48 AM  
**To:** Info  
**Subject:** New submission from Contact Administration

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

### Name

Carson Johnson

### Email

[hawkandhandsaw@gmail.com](mailto:hawkandhandsaw@gmail.com)

### Phone

(336) 260-5184

### Message

To the City of Mebane City Clerk,

I am writing in support of Kenyon's Meat Market which is asking for the rezoning of 1204 S. Fifth St. in Mebane to B-2. As you know the proposed area is already zoned for businesses but does not currently allow for grocery stores. Independent grocers are important to the community in a variety of ways. From carrying local produce and meat to providing the opportunity to do business with our neighbors Kenyon's will be a boon to the community. It's close proximity to residential sites will be an asset to those living nearby as well as the rest of the community as they provide a local alternative to chain grocery stores. Locally owned businesses return fifty-two percent of their revenue back to the community versus a dismal fourteen percent returned by national retailers. That means by keeping Kenyon's Meat Market in Mebane you are stimulating the local economy in a way that a Food Lion or a Walmart will never do. Please support the small businesses of Mebane and vote to approve the requested zoning change and help keep Kenyon's as a staple to the community for years to come.

Thank you,  
Carson Johnson

**Stephanie Shaw**

emailed  
11/1

(10)

Kygn PH

**From:** Marlo Countiss <marloc@remaxmovesmebane.net>  
**Sent:** Friday, October 29, 2021 10:49 AM  
**To:** Stephanie Shaw  
**Subject:** Rezoning of 1204 S. Fifth St from O&I to B-2

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Mrs Shaw,

I would like to submit a letter of support for the rezoning of 1204 S. Fifth Street, Mebane NC (Alamance County parcel number 1637980). It is my understanding that this property is currently zoned O&I and that the purchaser is requesting the property be rezoned to B-2. I am a local REALTOR® with 15 years of experience and I feel that allowing the rezoning will enhance other properties in the area.

I understand that the major objection of the neighboring properties was additional traffic on Foust Rd. I feel that the Kenyon's made it clear that the back entrance would mostly be used by delivery vehicles and employees. Most of the traffic will be using the entrance on Fifth Street.

I also feel that walkability to a grocery store will add value to the homes on Foust Road, the Villas on Fifth and The Mebane Towne Center. I recently sold a home in Mebane Towne Center. My buyer selected that neighborhood because she could walk to Lowes Foods. How much better would it be if she could walk to a locally owned grocery store and spend her money locally?

Additionally, Kenyon's has been an incredible resource to our community since opening. They offer fresh meat, produce, frozen foods, fresh milk, eggs, bread, canned goods and much more. They allow local companies to display their products. They have promoted fund raisers for local citizens in need. Their friendly staff never ceases to brighten my day! I think the City of Mebane would want to do whatever they can to ensure that this business stay open in Mebane and encourage them to build on this site.

It is my professional opinion that this is the perfect location for them to build on and that they will enhance the area with their presence.

Please let me know if I can be of further assistance.

Sincerely,

**Marlo Countiss**  
**Broker/Realtor®**  
**Re/Max Diamond Realty**  
202 S. Fifth Street  
Mebane NC 27302  
marloc@remax.net  
336-269-5292



Emailed  
11/1

(11)

Kenyon  
Public  
Her

**From:** Colin Cannell <colin@cannells.com>  
**Sent:** Friday, October 29, 2021 12:35 PM  
**To:** Info  
**Subject:** Public comment for Nov. 1st mtg

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

To the council:

I write to ask the council to deny the application by Kenyon's Meat Market to rezone Alamance County Parcel 163798 from O&I to B-2, due to a lack of harmony with the surrounding zoning.

I have no particular dog in this fight; I don't know the Kenyons or any of the residents of Foust Rd, who I gather also oppose this application. However, on review of the application, two significant problems are visible:

**Problem 1: The rezoning is purely for the convenience of the applicant**

The applicant's public position has been that a B-2 rezoning is required for it to open a food store on this lot. One email in Attachment 3 stated, "the proposed area is already zoned for businesses but does not currently allow for grocery stores." Another stated, "Please change the zone to a B-2 zone, so Kenyon Meat Market can build and relocate there." Another said, "the Meat Market sells food which is not included in currently approved zoning."

These supporters didn't adopt these opinions by reading the UDO front-to-back, they got them from the applicant. The applicant is telling people that they cannot build a food store in a district zoned for O&I.

**This is false.**

I'm not in a position to say whether the applicant knows it's false or not. But if the applicant has done their due diligence, they will have read UDO Section 4-7.8(D), which states that food stores are permitted in O&I districts, subject to meeting development standards. The standards listed are very normal things like having reasonable hours of operation and screening the parking lot with a hedge. There is no reason Kenyon's couldn't meet these standards or ask for variances – particularly on setbacks, since the lot is quite narrow.

Except there is a reason, and it's the reason the applicant stated plainly when they came before the planning committee: they're in a hurry. During the October planning committee session, the applicant stated that the lease on their current store would be ending soon, and they didn't think they would have time to go through the approval process and build the new store before the lease was up. UNLESS, that is, the city were to rezone the new parcel for B-2, which would reduce the constraints on what they could build, which would speed up the construction process.

I hardly need to point out that the underlying driver for this urgency is that the applicant has chosen a lot to build on that is vacant and has restrictive zoning. There are many B-2 lots in the city. Some of them even come with buildings! The old Discount Furniture Connection building has acres of parking. If the applicant is in such a rush, why not relocate to one of these? The location and price may be less ideal than the property on Foust St, but as the proverb says, "Lack of planning on your part does not create an emergency on my part." Surely the applicant has been aware of their upcoming lease expiration for more than the last few months. Why is the City being urged to create a special, permanent zoning district to accommodate them?

Which brings me to...

## **Problem 2: The requested B-2 zone is highly unusual**

The applicant, and the planning board, have suggested that the B-2 rezoning is appropriate because, among other reasons, the property is on a major collector road and there is another vacant B-2 zone two lots over. (Perhaps they should buy that one.) However, this lot is unusual in that it fronts both on Fifth St and on Foust Rd. It spans the entire width between a major collector road and a residential street.

The frontage on Foust Rd is not incidental. Water and sewer lines would come from the Foust Rd side. During the October planning meeting, the applicant stated their intent to build the store set far back from Fifth St, close to the Foust Rd side, with the Fifth St side given over to parking. Indeed, the applicant said the second frontage was part of the lot's appeal, because trucks could pull through instead of turning around. I would bet that a lot of customers will opt to exit that way as well, to avoid pulling out onto Fifth St from a parking lot.

With that in mind, the City should properly understand this to be a request to place a B-2 district on a residential street. It would be the only non-corner-facing B-2 district on that street (but with parking accessible from a major road). I reviewed the City's GIS map to determine how many B-2 districts currently meet that criteria.

**Zero.** There are no other isolated B-2 districts in residential neighborhoods anywhere in the City. B-2 districts are placed on collector roads and on corner lots – nowhere else. This factor might be overlooked if the Foust Rd frontage were merely an artifact of platting, but the applicant has made clear that it intends to use that frontage heavily.

Considering that the requested zoning amendment is being driven by expediency rather than need, and that it would create a district unlike any other in the City, I urge the council to deny the application.

I am also concerned by the applicant's special pleading. The city should apply its standards fairly. No applicant should be given special consideration because of their popularity, charitable works, or because there is any special demand for their services. The attitude of nearly every letter included in Attachment 3 is that the council should grant the applicant's request because (1) the applicant says they need it, (2) the applicant is well-loved, and (3) the writer would greatly miss the applicant if they weren't around. None of these are valid reasons to approve a zoning amendment. The council should make clear in its public deliberations that it is considering this application on the merits alone.

Regards,  
Colin Cannell  
717 S Fifth St

Emailed  
11/1  
(112) kenyon PH

**Stephanie Shaw**

---

**From:** Kayla Oles <kayla.oles264@gmail.com>  
**Sent:** Monday, November 1, 2021 10:47 AM  
**To:** Stephanie Shaw  
**Subject:** Kenyons Meat Market

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hey Stephanie!

I'm writing in regards to Renna and Darrin Kenyon and their relocation.

Renna and Darrin are a beloved member of the Mebane Community.

I've been a customer of their store for over six years and with that I have seen this small business grow. With growth comes challenges though.

In order for their business to continue serving the Mebane Community in the utmost ways they need more space inside and out.

The parking lot is shared by five other businesses and it's hard for those that are disabled or handicapped to have a close parking spot on busy business days, one wouldn't think this could detour customers but it absolutely could.

I would ask that the council highly consider this business to be a part of the fifth street area. As a citizen of Mebane I would much rather this location be for a small business than a corporate one, we have enough of those, don't you think?

Moving forward into 2022 I know Kenyons Meat Market will only continue to prosper and be supported by members of the Mebane community, this is why they deserve the property in question.

Sincerely,  
Kayla Oles



(13) Kenyon  
PH

**Stephanie Shaw**

---

**From:** Tina Smith <tina@maverickradionc.com>  
**Sent:** Monday, November 1, 2021 3:27 PM  
**To:** Stephanie Shaw  
**Subject:** Support For Kenyon's Meat Market

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

To the City of Mebane City Clerk,

This email is to express my support for the rezoning of 1204 S. Fifth St to B-2 to allow the new location for Kenyon's Meat Market. I have had the pleasure of getting to know Darrin and Renea Kenyon over the last 2.5 years and they are a huge asset to the Mebane Community as well as Alamance County. I have partnered with them on fundraisers and if there is ever a need in the local Community the Kenyon's Family is always there to help any way they can.

They along with their wonderful employees worked tirelessly through the Pandemic to make sure their community had the items they needed to keep their family fed when the big box stores had bare shelves. In a time that has been so challenging for locally owned small family businesses, Kenyon's has thrived and gone above and beyond to keep their customers as well as employees happy. As a customer, I would rather support a small family run business that treats all of their customers like family. This should not even be a question for the City of Mebane, Kenyon's is a staple in the Mebane Community and this would be a great move for the City of Mebane and Kenyon's to have a larger space to serve their customers.

Please make the right choice for the city of Mebane and its Residents and allow Kenyon's Meat Market to build at 1204 S. Fifth Street.

Thank you,  
Tina Smith

14 Kenyon PH

## Info

**From:** Joan Packenham <joan.packenham@gmail.com>  
**Sent:** Monday, November 1, 2021 3:31 PM  
**To:** Info  
**Cc:** Joan.Packenham  
**Subject:** MPORTANT: Landowner Comment for the 1/1/2021 City Council Public Hearing Meeting: Request to rezone 1.55 acre property addressed 1204 S. Fifth Street (PIN 9814468034), from O&I to B-2 by Kenyon's Meat Market

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

To: Ms. Stephanie Shaw, City Clerk, City of Mebane

From: Joan Packenham, Property Owner of land on Foust Road impacted by potential rezone

RE: Public Hearing: Request to rezone 1.55 acre property addressed 1204 S. Fifth Street (PIN 9814468034), from O&I to B-2 by Kenyon's Meat Market

Date: October 28, 2021

As a property owner within 300 ft of the property to be rezoned, this memo is to respectfully oppose the request to rezone 1.55 acre property addressed 1204 S. Fifth Street from an Office and Institutional (O&I) Zone to a B-2 General Business zone.

My concerns are listed below:

1. Rezoning would significantly increase traffic to this residential area which would decrease the quality of life and health for the community. It has been well researched and documented that increased traffic to residential areas cause:
  - a. Increased chronic health conditions such as cardiovascular and pulmonary disease for individuals who live in the area due to increase in air pollution and poor air quality from PM2.5 particulate matter from car emissions;
  - b. Increased noise with increased traffic which is a health hazard both psychologically and physiologically;
  - c. Increased safety issues for residents

- i. Possibility for increased motor vehicle-pedestrian accidents related to speed and increased volume of traffic. This impact is of particular concern for vulnerable populations such as the elderly and children.
2. Some may consider this change in the neighborhood to decrease property values and this may be true at this point as it relates to a single business. However, the success of this single rezone may begin to open up interest for other businesses. It has been my experience that when businesses start developing in residential areas, more businesses will come into the area eventually driving out original residents. Property land values will eventually increase as more businesses move in and property taxes for residents in the area will drastically increase. This impacts all residents, however, for senior citizens who live on retirement incomes, this lack of foresight and concern for our seniors can become devastating and detrimental. Under these circumstances, many seniors end up losing their properties as they cannot afford the increased taxes as retiree's. Housing insecurity impacts health both physiologically and psychologically.
2. Rezoning a business within this charming residential community would decrease a sense of community, neighborhood wellbeing and connectedness. Where this property is located, a business on this property would cause disruption of the normal flow of the residential environment (Community and social environment) as well as the physical environment (natural environmental aesthetics). This is a beautiful neighborhood that has a great buffer of a woodsy area that nicely separates and protects it from business, congestion, pollution, etc. In addition, it is my belief that it would cause additional trauma to a residential neighborhood that is currently experiencing the aftermath of the new by-pass that is causing excessive growth. It seems as if well-established neighborhoods are constantly fighting in cities such as Mebane to keep their neighborhoods and communities intact as businesses, new developers, city and state road projects come in, disrupting, destroying and displacing the community and neighborhoods that long-term city residents have built, maintained and nurtured for decades.

Again, as a landowner who owns property within close proximity of the proposed rezoning request, I respectfully oppose the requested rezoning request to rezone this area from a O&I To a B-2.





## AGENDA ITEM #7B

Encroachment Request –  
To Allow for Second-Story  
Balconies at 104 South 4<sup>th</sup> Street

### Presenter

Cy Stober, Development Director

### Applicant

Kenneth Knight  
112 East Laramie Drive  
Mebane, NC 27302

### Public Hearing

Yes ☐ No ☒

### Exhibit



### Property

104 S. 4<sup>th</sup>  
Street  
Alamance  
County GPIN  
9825036882

### Proposed

#### Zoning

N/A

### Current

#### Zoning

B-1

### Size

+/-0.09  
Acres

### Surrounding

#### Zoning

B-1

### Surrounding

#### Land Uses

Institutional,  
Office,  
Business

### Utilities

Present

### Floodplain

No

### Watershed

No

### City Limits

Yes

---

### Summary

Kenneth Knight is requesting permission to encroach into the City of Mebane's right of way at 104 South Fourth Street to allow for three (3) separate balconies on the front of the building, which is adjacent to the right of way; there is a 0' front setback. The balconies will be three feet (3') deep and four feet (4') wide and will encroach into the airspace above the sidewalk on South Fourth Street. The balconies will serve the private uses of second-story residents of the building.

Zoning and Building Permits have been submitted to the City of Mebane Planning and Inspections staffs, respectively. The City's Unified Development Ordinance does not address balconies as an architectural feature. Pending City Council approval, the balconies will be review, inspected, and approved to ensure compliance with NC State Building Codes.

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### Financial Impact

N/A

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### Recommendation

N/A

Encroachment requests into the municipal right of way are at the discretion of the City Council.

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### Suggested Motion

1. Motion to **approve** the encroachment request as presented.

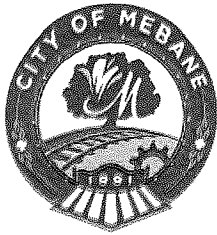
**OR**

2. Motion to **deny** the encroachment request as presented.

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### Attachments

1. Building Permit
2. Zoning Permit
3. Building Plans
4. Visual Exhibits of Site & Proposed Balcony
5. Encroachment Release & Indemnity Form



**CITY OF MEBANE INSPECTIONS DEPARTMENT  
BUILDING PERMIT APPLICATION**

Mailing Address: 106 E. Washington St. Mebane NC 27302  
102 S. Fifth St. Mebane NC 27302  
Phone: (919) 563-9990  
Fax: (919) 563-9506  
[www.cityofmebane.com](http://www.cityofmebane.com)  
[inspections@cityofmebane.com](mailto:inspections@cityofmebane.com)

JOB ADDRESS 104 South Fourth Street LOT, UNIT Unit D  
OWNER Kenneth Knight  
CONTRACTOR: Self PERMIT HOLDER Self  
EMAIL kwknight79@gmail.com STATE CONTR. LIC. NO. N/A  
ADDRESS 112 East Laramie Drive  
CITY Mebane STATE NC  
ZIP CODE 27302 TEL. NO. 336-260-9031

BRIEF DESCRIPTION OF WORK  
Add Balacony to second floor as per submitted drawings  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NEW SQUARE FOOTAGE	TOTAL SQUARE FOOTAGE
HEATED <u>NA</u>	EXISTING <u>NA</u>
UNHEATED <u>NA</u>	NEW <u>X</u>

**OWNER OR AUTHORIZED AGENT OF THE OWNER**

DATE

11-22-21

PRINTED NAME

Kenneth Knight

SIGNATURE

X Kenneth Knight

**CONSTRUCTION COSTS**

BUILDING WORK: Commercial (X) Residential( ) No of units(1)..... Cost \$ NA  
ELECTRICAL WORK: Yes \_\_\_ No X ..... Cost \$ \_\_\_\_\_  
PLUMBING WORK: Yes \_\_\_ No X ..... Cost \$ \_\_\_\_\_  
MECHANICAL WORK: Yes X No \_\_\_ ..... Cost \$ \_\_\_\_\_  
INSULATION: Yes \_\_\_ No X Res \$50 Comm \$100 ZONING FEE \$50 Yes \_\_\_ No \_\_\_  
HR FEE \$10 DRIVEWAY FEE \$ \_\_\_\_\_ Total Project Cost \$ NA  
WATER CONN \$ NA SEWER CONN \$ NA METER FEE \$ \_\_\_\_\_  
TOTAL COST BREAKDOWN CAN BE USED FOR CONTRACT

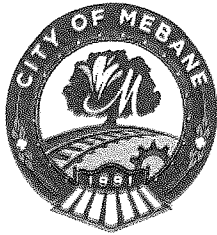
\* A separate application and permit is required for each trade.

\* No Trade Permits will be issued until the accompanying Building Permit issued.

Yes \_\_\_ No \_\_\_ Is there any existing or proposed structure on this property currently serviced or to be serviced by a well or septic tank?

This permit becomes null and void if work or construction authorized under this permit is not commenced within 6 months or if after commencement of work no required inspection is requested and approved within any 12 month period thereafter or for substantial deviations from plans. Work commencing prior to obtaining the necessary permits are subject to double permit fees. The owner and authorized agent of the owner agrees to conform to all applicable laws of Alamance County, Orange County and the State of North Carolina, and the structure designated above is not to be occupied or used until a certificate of occupancy is issued by th City of Mebane Inspection Department. The applicant must adhere to all codes and ordinances. By signing this application, the applicant further states that all the statements made herein are true.

OFFICE USE ONLY: BUILDING PERMIT COST \$



**CITY OF MEBANE INSPECTIONS DEPARTMENT  
BUILDING PERMIT APPLICATION**

Mailing Address: 106 E. Washington St. Mebane NC 27302  
102 S. Fifth St. Mebane NC 27302  
Phone: (919) 563-9990  
Fax: (919) 563-9506  
[www.cityofmebane.com](http://www.cityofmebane.com)  
[inspections@cityofmebane.com](mailto:inspections@cityofmebane.com)

JOB ADDRESS 104 South Fourth Street LOT, UNIT Unit E  
OWNER Kenneth Knight  
CONTRACTOR: Self PERMIT HOLDER Self  
EMAIL kwknight79@gmail.com STATE CONTR. LIC. NO. N/A  
ADDRESS 112 East Laramie Drive  
CITY Mebane STATE NC  
ZIP CODE 27302 TEL. NO. 336-260-9031

BRIEF DESCRIPTION OF WORK  
Add Balacony to second floor as per submitted drawings

NEW SQUARE FOOTAGE	TOTAL SQUARE FOOTAGE
HEATED <u>NA</u>	EXISTING <u>NA</u>
UNHEATED <u>NA</u>	NEW <u>X</u>

**OWNER OR AUTHORIZED AGENT OF THE OWNER**

DATE

11-22-21

PRINTED NAME

Kenneth Knight

SIGNATURE

X Kenneth Knight

**CONSTRUCTION COSTS**

BUILDING WORK: Commercial (X) Residential(  ) No of units(1)..... Cost \$ NA  
ELECTRICAL WORK: Yes    No X ..... Cost \$     
PLUMBING WORK: Yes    No X ..... Cost \$     
MECHANICAL WORK: Yes X No    ..... Cost \$     
INSULATION: Yes    No X Res \$50 Comm \$100 ZONING FEE \$50 Yes    No     
HR FEE \$10 DRIVEWAY FEE \$    Total Project Cost \$ NA  
WATER CONN \$ NA SEWER CONN \$ NA METER FEE \$     
TOTAL COST BREAKDOWN CAN BE USED FOR CONTRACT

\* A separate application and permit is required for each trade.

\* No Trade Permits will be issued until the accompanying Building Permit issued.

Yes    No    Is there any existing or proposed structure on this property currently serviced or to be serviced by a well or septic tank?

This permit becomes null and void if work or construction authorized under this permit is not commenced within 6 months or if after commencement of work no required inspection is requested and approved within any 12 month period thereafter or for substantial deviations from plans. Work commencing prior to obtaining the necessary permits are subject to double permit fees. The owner and authorized agent of the owner agrees to conform to all applicable laws of Alamance County, Orange County and the State of North Carolina, and the structure designated above is not to be occupied or used until a certificate of occupancy is issued by the City of Mebane Inspection Department. The applicant must adhere to all codes and ordinances. By signing this application, the applicant further states that all the statements made herein are true.

OFFICE USE ONLY: BUILDING PERMIT COST \$



# ZONING PERMIT APPLICATION

## APPLICANT INFORMATION

<b>Property Owner</b> Kenneth Wayne Knight	<b>Contractor or Business Owner (If applicable)</b>
<b>Name:</b> Kenneth Wayne Knight	<b>Name:</b>
<b>Address:</b> 104 South Fourth St	<b>Address:</b>
<b>City, State, Zip:</b> Mebane NC 27302	<b>City, State, Zip:</b>
<b>Phone:</b> 336-260-9031	<b>Phone:</b>
<b>E-mail:</b> kwknight79@gmail.com	<b>E-mail:</b>

## SITE & ACTIVITY INFORMATION

<b>Site Address:</b>		
<b>GPIN:</b>		<b>Tax Map #:</b>
<b>Temporary Event?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes – Describe:		
<b>Development Name:</b>		
<b>Is the property subject to requirements by City Council action?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes – Attach Document(s)		
<b>Is Approval by a Homeowners Association Required?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes – Provide copy of approval letter		
<b>Proposed Use (Attach sketch, plot plan, or site plan with property &amp; project dimensions, inc. setbacks):</b>		
<b>Residential</b> <input type="checkbox"/> New Principal Structure <input checked="" type="checkbox"/> Addition/Deck/Porch <input type="checkbox"/> Accessory Structure (Shed, Pool, etc.) <input type="checkbox"/> Fence (provide height & material; <input type="checkbox"/> Attach Easement Form, if applicable) <input type="checkbox"/> Garage: <input type="checkbox"/> Attached <input type="checkbox"/> Detached <input type="checkbox"/> Driveway (New, Pave, etc.) <input type="checkbox"/> Other:	<b>Non-Residential</b> <input type="checkbox"/> New Use <input type="checkbox"/> New Principal Structure <input type="checkbox"/> Addition/Alteration <input type="checkbox"/> Change of Use <input type="checkbox"/> Upfit <input type="checkbox"/> Wireless Communication <input type="checkbox"/> Other:	<b>Signs (check all that apply)</b> <input type="checkbox"/> Wall <input type="checkbox"/> Freestanding <input type="checkbox"/> Monument <input type="checkbox"/> Advertising (Billboard) <input type="checkbox"/> Illuminated <input type="checkbox"/> Electronic/LED <input type="checkbox"/> Other:

**\*\*All Temporary Events Featuring a Tent Require a Tent Permit from the Fire Department\*\***

The information provided on this application is accurate and representative of the intended project, to the best of my knowledge. I acknowledge that the City of Mebane reserves the right to investigate both current conditions and any changes to the property to verify compliance with this zoning permit.

Kenneth Wayne Knight \_\_\_\_\_ Nov 11.

2021 \_\_\_\_\_

Applicant Signature

Date

## CITY USE ONLY

<b>Jurisdiction:</b>	<input checked="" type="checkbox"/> City	<input type="checkbox"/> ETJ	<input checked="" type="checkbox"/> Alamance County	<input type="checkbox"/> Orange County
<b>Zoning District:</b>				
<b>Rezoning Required?</b>	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes		
<b>Special Use Required?</b>	<input type="checkbox"/> No	<input type="checkbox"/> Yes		
<b>Watershed Overlay?</b>	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes		
<b>Floodplain Development?</b>	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes		
<b>50' Stream Buffer Development?</b>	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes		
<b>Building Commitments?</b>	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes – see attached approved checklist		

☒ The proposed use or business, as described in this application, **IS permitted**



⑤ The proposed use or business, as described in this application, **IS NOT permitted**

---

Name & Title of Zoning Official

---

Signature of Zoning Official

---

Date

CITY OF MEBANE

106 E. Washington St. « Mebane, NC 27302



919 563 9990

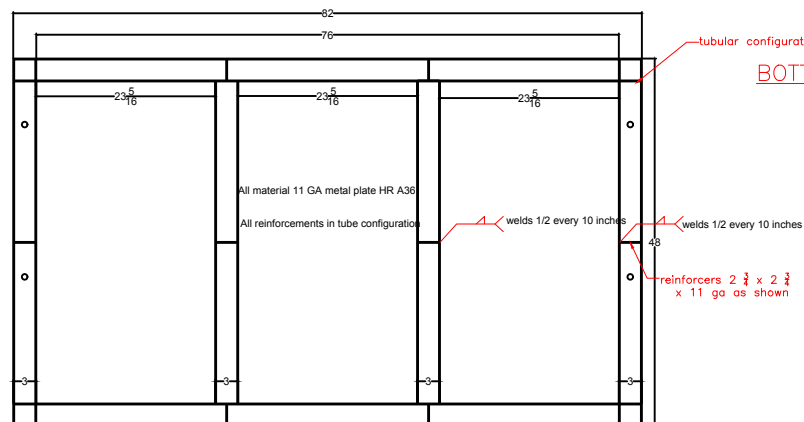
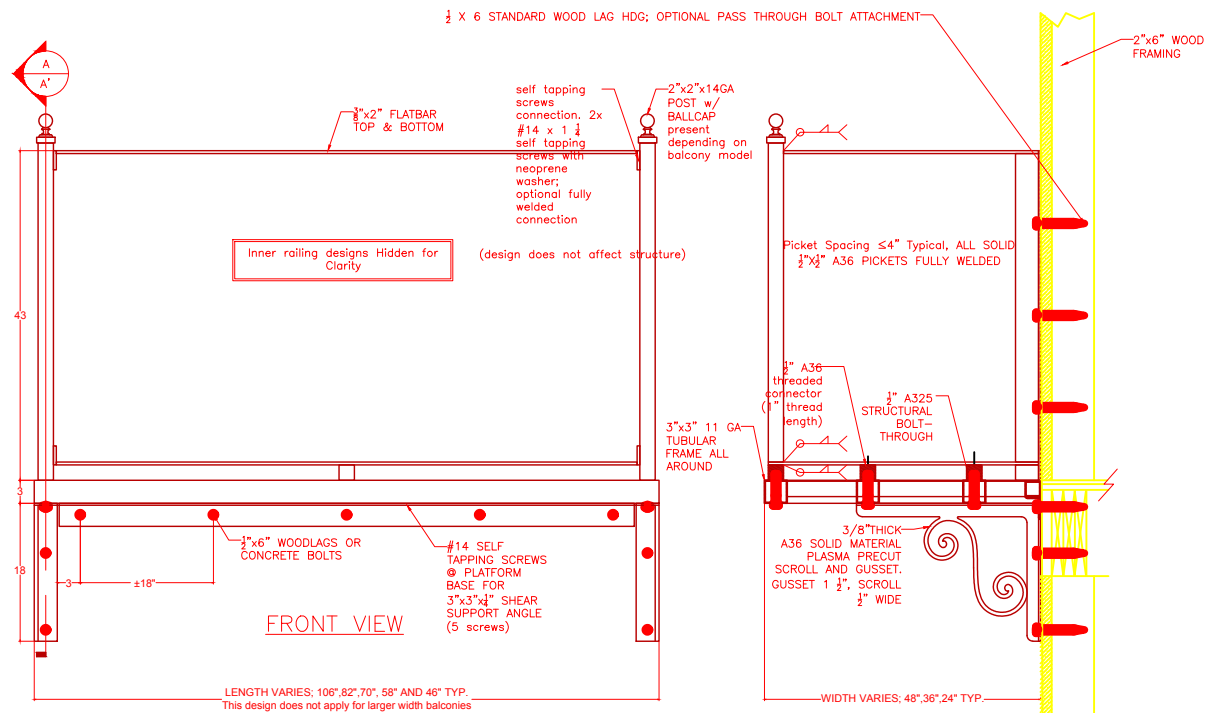


919 563 9506



planning@cityofmebane.com

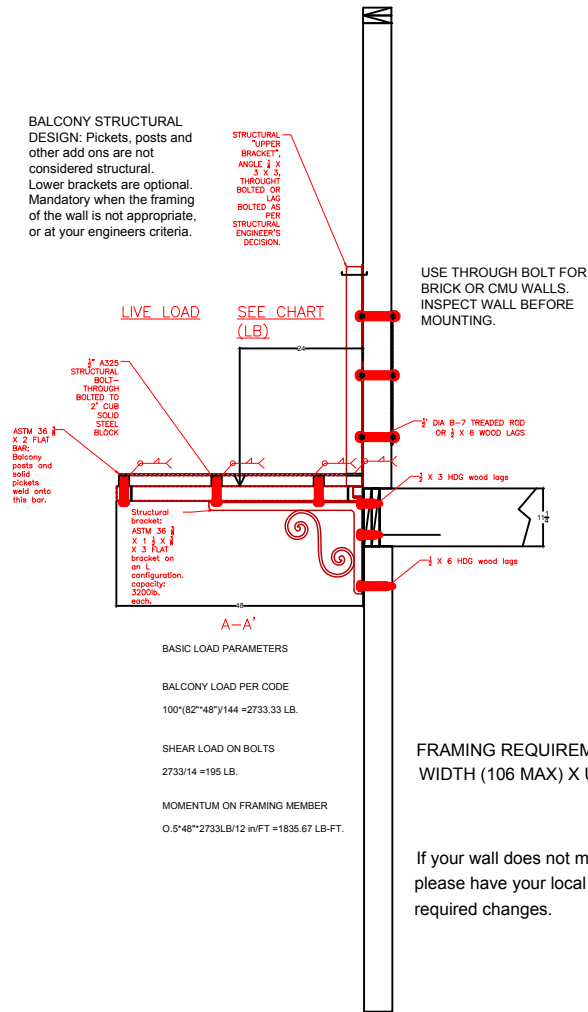
[www.CITYOFMEBANE.com](http://www.cityofmebane.com)



BOTTOM SECTIONAL VIEW OF PRECUT PLATFORM FOR AN 80 X 48' BALCONY ALL BALCONIES TO FOLLOW THE SAME STANDARDS

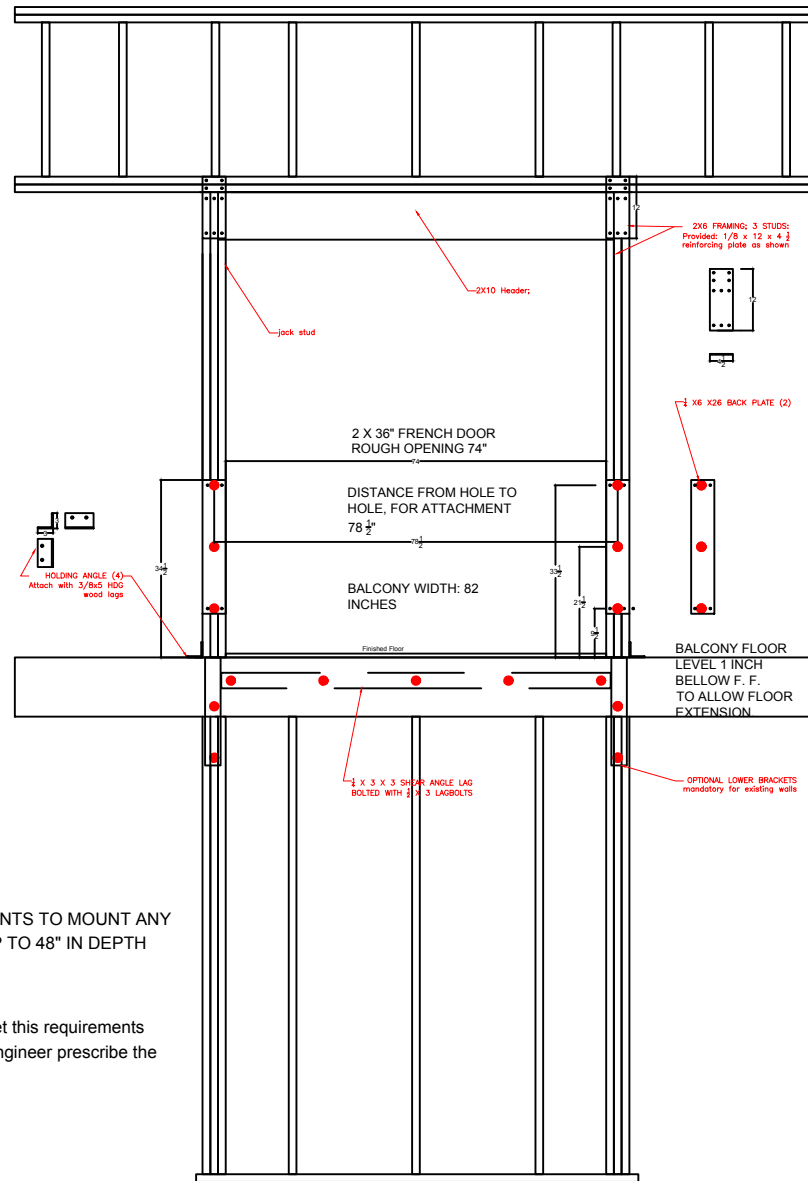
The Balcony Company	Dec-Iron balconies engineering data	BALCONY SPECIFICATIONS	CONTACT: Pedro L. Sanchez 704-7500444 info@deciron.com
Permit pdf. SHEET 1/4	Designed and drawn by: PLS	REQUESTED BY: RONALD JOHNSON	www.deciron.com

BALCONY STRUCTURAL DESIGN: Pickets, posts and other add ons are not considered structural. Lower brackets are optional. Mandatory when the framing of the wall is not appropriate, or at your engineers criteria.



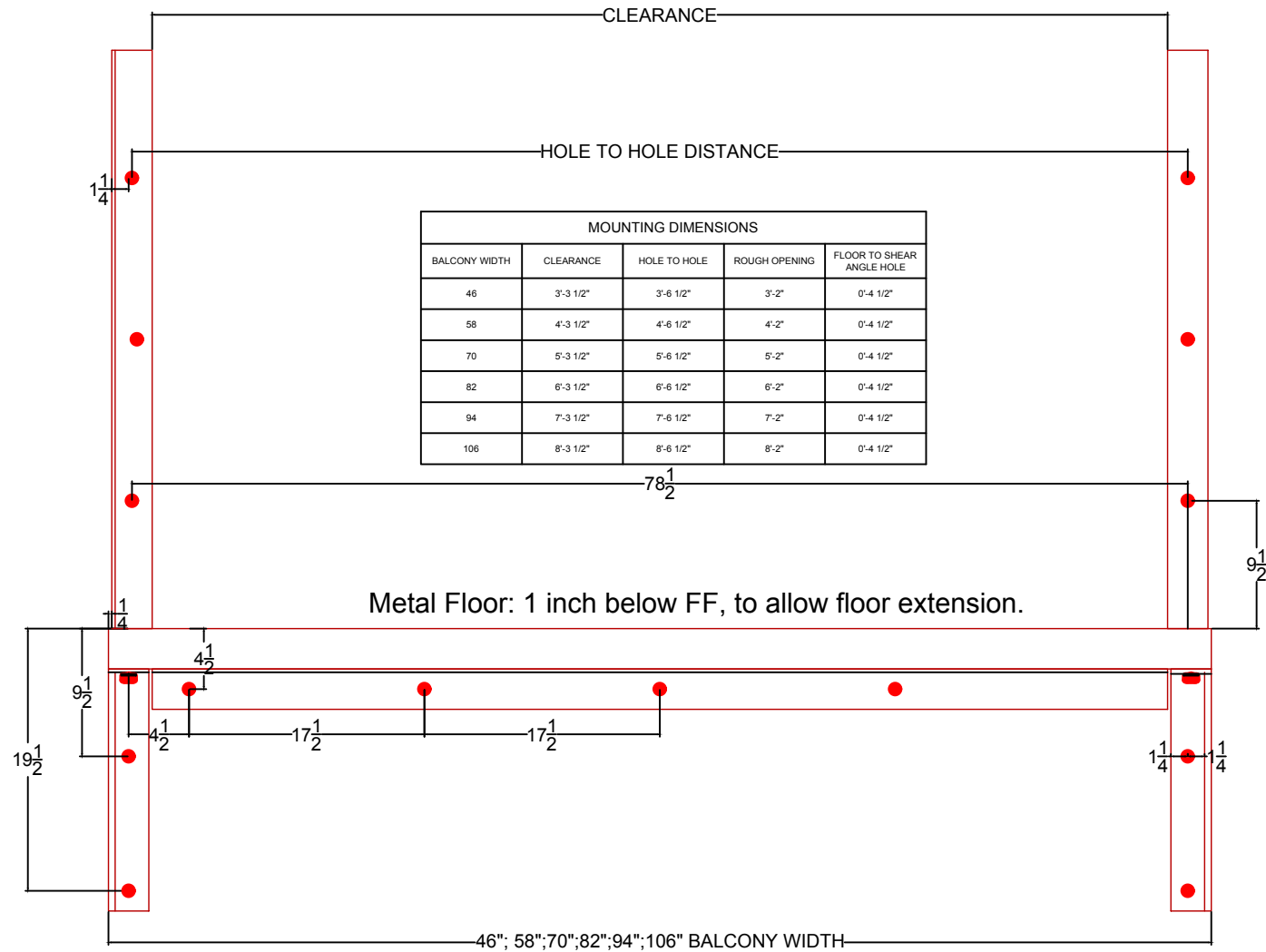
FRAMING REQUIREMENTS TO MOUNT ANY WIDTH (106 MAX) X UP TO 48" IN DEPTH

If your wall does not meet this requirements please have your local engineer prescribe the required changes.



INSIDE FRAMING VIEW (for 2x6 WOOD)

The Balcony Company Inc.	Dec-Iron balconies engineering data	FRAMING RECOMENDATION	CONTACT: Pedro L. Sanchez 704-7500444 info@deciron.com
Permit pdf SHEET 2/4	Designed and drawn by: Pedro L Sanchez	REQUESTED BY:	www.deciron.com



MOUNTING DIMENSIONS AND  
BOLT LAYOUT FOR BALCONIES  
UP TO 106: WIDE

The Balcony Company Inc.	Dec-Iron balconies engineering data	BOLT LAYOUT	CONTACT: Pedro L. Sanchez 704-7500444 info@deciron.com
Permit pdf. SHEET 3/4	Designed and drawn by: PLS	REQUESTED BY:	www.deciron.com



**LOAD PARAMETERS 24 INCH DEEP BALCONIES (BALCONY UNIT WEIGHT IS BASED ON THE HEAVIEST MODEL)**

BALCONY WIDTH	TRIBUTARY DEPTH	TRIBUTARY WIDTH	TRIBUTARY AREA	UNIT WEIGHT (heaviest model)	LIVE LOAD CODE RQ.100 lb/sq ft x Tributary area	LOAD ON WALL (code load + unit weight)	MOMENTUM ON WALL (x= 1 ft)
46	1'-9 1/2"	3'-5"	6.12 SQ. FT.	261 lb.	612 lb	873 lb	873 lb-ft
58	1'-9 1/2"	4'-5"	7.91 SQ. FT.	299 lb.	791 lb	1090 lb	1090 lb-ft
70	1'-9 1/2"	5'-5"	9.7 SQ. FT.	338 lb.	970 lb	1308 lb	1308 lb-ft
82	1'-9 1/2"	6'-5"	11.5 SQ. FT.	376 lb.	1150 lb	1526 lb	1526 lb-ft
94	1'-9 1/2"	7'-5"	13.29 SQ. FT.	420 lb.	1329 lb	1749lb	1749 lb-ft
106	1'-9 1/2"	8'-5"	15.07 SQ. FT.	458 lb	1507lb	1965 lb	1965 lb-ft

**LOAD PARAMETERS 36 INCH DEEP BALCONIES (BALCONY UNIT WEIGHT IS BASED ON THE HEAVIEST MODEL)**

BALCONY WIDTH	TRIBUTARY DEPTH	TRIBUTARY WIDTH	TRIBUTARY AREA	UNIT WEIGHT (heaviest model)	LIVE LOAD CODE RQ.100 lb/sq ft x Trib area	LOAD ON WALL (code load + unit weight)	MOMENTUM ON WALL (x= 1.5 ft)
46	2'-9 1/2"	3'-5"	9.4 SQ. FT.	342 lb.	940 lb	1282 lb	1923 lb-ft
58	2'-9 1/2"	4'-5"	12.33 SQ. FT.	385 lb.	1233 lb	1618 lb	2427 lb-ft
70	3'-9 1/2"	5'-5"	15.12 SQ. FT.	429 lb.	1512 lb	1941 lb	2912 lb-ft
82	4'-9 1/2"	6'-5"	17.91 SQ. FT.	481 lb.	1791 lb	2272 lb	3408 lb-ft
94	5'-9 1/2"	7'-5"	20.7 SQ. FT.	525 lb.	2070 lb	2595 lb	3893 lb-ft
106	6'-9 1/2"	8'-5"	23.5 SQ. FT.	558 lb	2350 lb	2908 lb	4362 lb-ft

**LOAD PARAMETERS 48 INCH DEEP BALCONIES (BALCONY UNIT WEIGHT IS BASED ON THE HEAVIEST MODEL)**

BALCONY WIDTH	TRIBUTARY DEPTH	TRIBUTARY WIDTH	TRIBUTARY AREA	UNIT WEIGHT (heaviest model)	LIVE LOAD CODE RQ.100 lb/sq ft Trib area	LOAD ON WALL (code load + unit weight)	MOMENTUM ON WALL (x=21ft)
46	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE
58	3'-9 1/2"	4'-5"	16.94 SQ. FT.	438 lb.	1694 lb	2132 lb	4266 lb-ft
70	3'-9 1/2"	5'-5"	20.54 SQ. FT.	486 lb.	2054 lb	2540 lb	4594 lb-ft
82	3'-9 1/2"	6'-5"	24.33 SQ. FT.	535 lb.	2433 lb	2968 lb	5876 lb-ft
94	3'-9 1/2"	7'-5"	28.12 SQ. FT.	597 lb.	2812 lb	3409 lb	6188 lb-ft
106	3'-9 1/2"	8'-5"	32.91 SQ. FT.	645 lb.	3291lb	3936 lb	7872 lb-ft

The Balcony Company Inc.	Dec-Iron balconies engineering data	LOAD DATA	CONTACT: Pedro L. Sanchez 704-7500444 info@deciron.com
Permit pdf SHEET 4/4	Designed and drawn by: Pedro L Sanchez	REQUESTED BY:	www.deciron.com





## RELEASE & INDEMNITY AGREEMENT FOR ENCROACHMENT INTO MUNICIPAL RIGHT OF WAY

*THIS DOCUMENT MUST BE SIGNED BY THE SOLE PROPRIETOR, A PRESIDENT OR VICE PRESIDENT OF THE CORPORATION, THE MANAGER OR MANAGING MEMBER OF THE LIMITED LIABILITY COMPANY, OR THE GENERAL PARTNER OF THE PARTNERSHIP.*

Name of Applicant (the "Undersigned"): \_\_\_\_\_

☐ Property Owner      ☐ Tenant

Type of Business (sole proprietor, Corporation, LLC, etc.): \_\_\_\_\_

WHEREAS, the Undersigned has asked to use property or facilities belonging to or under the auspices of the City of Mebane, North Carolina (the "City"), for the uses described above, and to engage in activities for the exclusive benefit of the Undersigned; and

WHEREAS, the Undersigned agrees to do so at their own risk and recognizes the possible and inherent danger to their person or property and the person and property of others resulting therefrom; and

WHEREAS, in consideration of allowing the Undersigned to conduct its activities on the City property, the City requires that the Undersigned accept liability for any damages arising from personal injury or property damage sustained from the activities of the Undersigned, which shall include action or inaction of the Undersigned, and that the Undersigned indemnify the City from any claims associated with said damages.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and for other good and valuable consideration that the parties agree they have received, the Undersigned does hereby for themselves, their heirs, executors, employers, successors or administrators, and their personal representatives:

- A. Assume full responsibility for any personal injury or any damage to their personal property which may occur, directly or indirectly, while in, on, or about any City premises or parts thereof;
- B. Fully and forever release and discharge the City, its elected officials, its agents and employees, from any and all claims, demands, damages, rights of action, or causes of action, present or future, whether the same be known, anticipated, or unanticipated, relating to, resulting from, or arising out of the Undersigned being in, on, or about any such City of Mebane property, or at any or all of the premises or places aforesaid;



- C. Indemnify and hold harmless the City, its elected officials, its agents and employees, for any act or conduct of the Undersigned of whatever kind or nature whatsoever, while in, or about any such City property, or at any or all of the premises and places aforesaid;
- D. Agree to defend the City in and to pay any attorneys' fees as a result of any action brought by or against the City, its agents and employees, for any acts or conduct of the Undersigned of whatever kind or nature whatsoever, while in, on, or about any such City property, or at any or all of the premises aforesaid.
- E. Agree that it is the intent of the Undersigned that this Release and Indemnity Agreement shall be in full force and effect any time after the Execution hereof until the Undersigned provides the City written notice of cancellation and the City provides the Undersigned written notice that the City received the cancellation.

---

Applicant – Printed	Applicant –Signature	Date
---------------------	----------------------	------

---

Phone Number	Email	Mailing Address
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---

Property Owner – Printed (If different from Applicant)	Property Owner - Signature	Date
---	----------------------------	------

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Witness Signature (must be able to verify  
Applicant's signature and authority to enter  
into this Agreement)

---

Witness Printed Name

---

Approval, Mayor Ed Hooks





## AGENDA ITEM #7c

### Final Major Subdivision Plat – Villas on Fifth, Phase 3A

#### Presenter

Cy Stober, Development Director

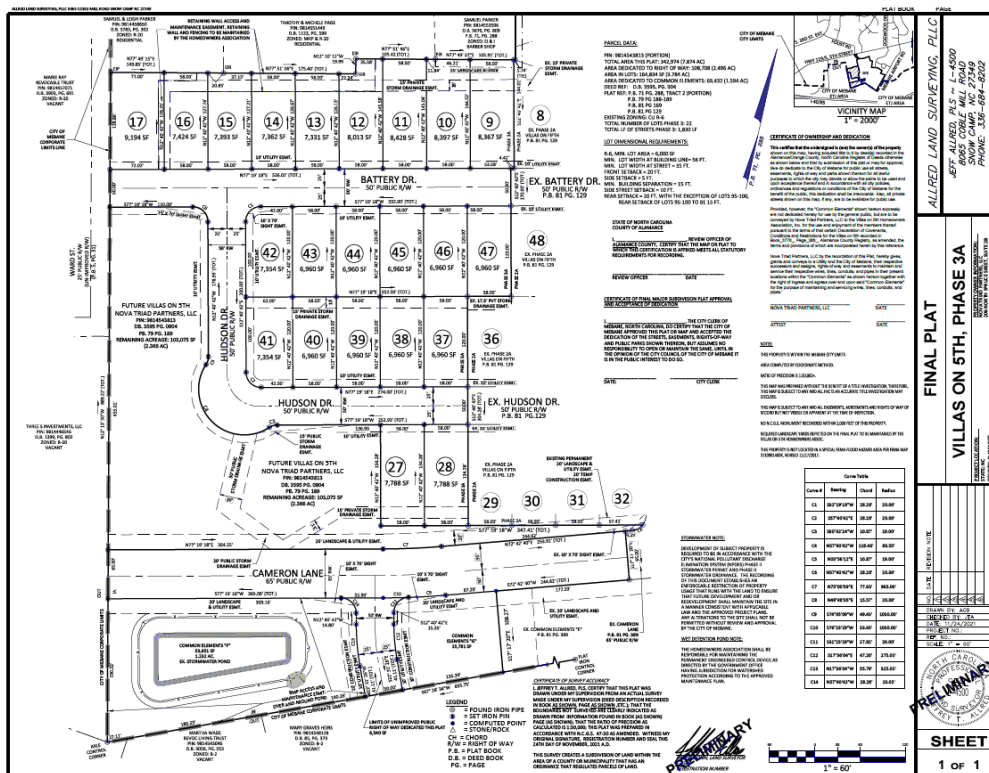
#### Applicant

NOVA TRIAD PARTNERS, LLC  
206 NORTH SPRUCE STREET, SUITE 2B  
WINSTON-SALEM 27101

#### Public Hearing

Yes ☐ No ☒

#### Final Plat



#### Property

Bryant Ct, Gramercy  
Ct, Cameron Ln,  
Alamance County  
GPIN 9814543813

#### Proposed Zoning

N/A

#### Current Zoning

R-6(CD); formerly  
CU-R-6

#### Size

+/-7.874 acres

#### Surrounding Zoning

R-20, R-6(CD); B-2,  
MHP

#### Surrounding Land Uses

Single-Family  
Residential & Vacant

#### Utilities

Extended at  
developer's  
expense.

#### Floodplain

No

#### Watershed

No

#### City Limits

Yes

---

**Summary**

Nova Triad Partners, LLC, is requesting approval of the Final Plat for Villas On Fifth, Phase 3A, which was approved 4-0 as a Conditional Use Permit by the Mebane City Council on January 11, 2017. The Final Plat will include a total area of +/-7.874 acres including +/-3.784 acres in 22 lots, +/-1.594 acres dedicated to common elements (stormwater control measure and open space), and +/-1,830 linear feet and +/-2.496 acres of public right-of-way.

The Technical Review Committee (TRC) has reviewed the Final Plat and the applicant has revised the plat to reflect its comments. The subdivision of this property meets the provisions of the City of Mebane's Unified Development Ordinance (UDO) and the conditions for this zoning district, as approved by the Mebane City Council. All infrastructure must be completed and approved to meet the City of Mebane Specifications, with the exception of the Cameron Lane ROW dedicated on this plat, which shall be bonded with the City for a minimum of five (5) years, per the conditions placed on this property by the City Council. All infrastructure not completed shall be bonded or a letter of credit provided prior to recordation and reviewed on an annual basis to ensure completion.

---

**Financial Impact**

The developer has extended utilities at his own expense.

---

**Recommendation**

Staff recommends approval of the Final Plat.

---

**Suggested Motion**

Motion to approve the final plat as presented.

---

**Attachments**

1. Final Plat

City of Mebane

**2022 Regular Meetings and FY 2022-2023 Budget Calendar**

Monday, January 3, 2022	Regular Meeting
Monday, February 7, 2022	Regular Meeting
Monday, March 7, 2022	Regular Meeting
Wednesday, March 23, 2022	Budget Workshop
Wednesday, March 30, 2022	Budget Workshop
Monday, April 4, 2022	Regular Meeting
Wednesday, April 30, 2022	IF NEEDED Budget Workshop
Monday, May 2, 2022	Regular Meeting
Monday, May 2, 2022	Manager's Recommended Budget
Monday, June 6, 2022	Regular Meeting
Monday, June 6, 2022	Public Hearing for Budget
Monday, July 11, 2022	Regular Meeting
Monday, August 1, 2022	Regular Meeting
Monday, September 12, 2022	Regular Meeting
Monday, October 3, 2022	Regular Meeting
Monday, November 7, 2022	Regular Meeting
Monday, December 5, 2022	Regular Meeting



## AGENDA ITEM # 7e

### Resolution- Council Meeting Procedure- Post Covid

#### Meeting Date

December 6, 2021

#### Presenter

Lawson Brown, City Attorney

#### Public Hearing

Yes ☐ No ☒

#### Summary

Council directed staff to draft a policy for the conduct of its meetings, allowing for live streaming of the Council meetings, but limiting the consideration of participation by the public by electronic means, including zoom and emails.

#### Background

During the time period covered by the Governor's Executive Orders limiting in person meetings and consistent with the applicable statutes, the Council adopted a policy in November, 2020, in compliance with the recently enacted legislation addressing electronic meetings of elected public bodies, consistent with the Executive Orders. The Council at its last meeting requested a new policy consistent with in person Council meetings.

#### Financial Impact

The indirect cost will result in a savings of the City staff, especially the IT Department and City Clerk.

#### Recommendation

Staff recommends the adoption of the proposed policy.

#### Suggested Motion

I move that the City adopt the attached policy for the conduct of its Council meetings.

#### Attachments

1. Resolution



## RESOLUTION AND POLICY ADOPTION

The Mebane City Council, in recognition of the past and present applicable legislation as passed by the North Carolina General Assembly, the expired Governor's Executive Orders regarding the State of Emergency, and the COVID-19 pandemic, does hereby adopt the following Resolution and Policy regarding Council meetings:

### POLICY REGARDING COUNCIL MEETINGS

**WHEREAS**, NCGS Sec. 166A-19.24 provides for the conduct of meetings by any public body, including the City of Mebane City Council by a "Remote Meeting" under NCGS Sec. 166A-19.24 (herein "Remote Meeting Statute"); and

**WHEREAS**, a "Remote Meeting" is defined as "An official meeting, or any part thereof, with, between one and all of the members of the public body participating by simultaneous communication" with "simultaneous communication" being defined as "Any communication by conference telephone, conference video, or other electronic means"; and

**WHEREAS**, the Council, after several months of conducting its Meetings by "Remote" during a Governor declared State of Emergency resumed in-person meeting upon expiration of the Governor's State of Emergency at the City's Municipal Building, which resulted in the Council meetings being in person or in the case of less than a quorum, in the meetings being Electronic as authorized by NCGS Sec. 106A-71(c); and

**WHEREAS**, the Council has continued the conduct of its meetings under the Remote meeting Statute, resulting in the live streaming online both video and audio which has allowed persons appearing before the Council and the citizens to participate by video conferencing; and

**WHEREAS**, the Council finds that the live streaming of the Council Meetings is advantageous for the City, the Council, and the citizenry;

**NOW THEREFORE THE COUNCIL HEREBY ADOPTS THE FOLLOWING POLICY FOR THE CONDUCT OF COUNCIL MEETINGS:**

1. The Council at all times will follow the procedures stated in the NORTH CAROLINA GENERAL STATUTES, particularly NCGS Sec. 166A- 19.24 when appropriate, in the conduct of its meetings.
2. The Council will allow for purposes of a quorum, notice, voting, public comment and public hearings, the in-person presence of the Council members and Mayor at the City Municipal Building (or such other place as the Council determines).

3. In the event that all Council members and the Mayor are unable to be physically present at such meetings, the Council may, with a quorum of the Council being physically present, as allowed by statute, conduct such meeting as an electronic meeting, allowing access by any such Council member or Mayor, by electronic or telephonic means, provided that all action is in accordance with applicable NCGS statutes.
4. In the event that all Council members and the Mayor are unable to be physically present at such meetings, and provided sufficient notice of such contingency is given, the Council will hold the meeting under the Remote Meeting Statute, in strict accordance with the same.
5. All meetings of the Council shall be streamed online simultaneously with live audio and video; provided, however, in the event of a malfunction or interruption of the live streaming, the actions of the Council shall not be adversely affected by the malfunction or interruption unless the meeting is being held under the Remote Meeting Statute.
6. During in-person meetings, the procedure for citizens and applicants is that physical presence shall be required for participation.

During In-person Council Meetings, the City will no longer provide a procedure for citizens, applicants, and others not physically present to participate by conference telephone, conference video, or other electronic means. Written comments by email, letter or other means may be considered by the Council in its deliberations as Council determines.

7. The City Clerk and City staff are directed to notice the Council meetings in accordance with this Policy, and to provide appropriate notice that participation by conference telephone, conference video, or other electronic means, for citizens, applicants, and others, will not be allowed.
8. The City staff is directed to provide the live streaming online with live video and live audio in accordance with this Policy.

Amended and adopted this the 6th day of December, 2021.

---

Ed Hooks, Mayor

ATTEST:

---

Stephanie W. Shaw, City Clerk



## AGENDA ITEM # 8

### 2020-21 Financial Statements and Audit

#### Meeting Date

December 6, 2021

#### Presenter

Daphna Schwartz, Finance Director  
Patricia Rhodes, Stout Stuart McGowen & King  
LLP

#### Public Hearing

Yes ☐ No ☒

#### Summary

The Finance Officer and City auditors will present the results of the audit for the previous fiscal year.

#### Background

As required by General Statute §159-34, each year the City undergoes an independent audit of the financial records. In accordance with recommended best practices, the City employs two audit teams - Cobb Ezekiel & Loy continued to assist with the preparation of financial statements, and Stout Stuart McGowen & King performed the required audit of the statements. The City received an unmodified or “clean” audit opinion for the 2020-21 fiscal year.

The Governmental Funds added \$1,458,652 to Fund Balance, with unassigned fund balance totaling \$10,332,231 on June 30. Tax collections were at 99.6%, and the tax base increased to \$2,376,226,895; a 3.5% increase over the prior year. The General Fund made \$1,536,937 in payments of existing debt in FY21 and issued \$430,000 of new debt.

The Utility Fund’s net position increased by \$4,316,567, largely due to contributed capital of \$3,024,512 in the form of new utility lines and streets. The Utility Fund made \$855,385 in payments of existing debt in FY21 and had no new issuance.

#### Financial Impact

None.

#### Recommendation

Staff recommends acceptance of the report.

#### Suggested Motion

Motion to accept the report.

#### Attachments

1. Annual Comprehensive Financial Report for the Year Ended June 30, 2021
2. PowerPoint Presentation – Finance Director
3. PowerPoint Presentation - Auditor



# Annual Comprehensive Financial Report

City of Mebane, North Carolina

For the Year Ended June 30, 2021







# Annual Comprehensive Financial Report

City of Mebane, North Carolina

For the Year Ended June 30, 2021

Prepared by  
Daphna Schwartz  
Finance Director



**City of Mebane, North Carolina**  
**Annual Comprehensive Financial Report – Table of Contents**  
**June 30, 2021**

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November 2021

The Honorable Mayor and  
Members of the City Council  
City of Mebane, North Carolina

Ladies and Gentlemen:

The Annual Comprehensive Financial Report of the City of Mebane, North Carolina is submitted for your review and use. This report was prepared by the City's Finance Department, and it is the comprehensive publication of the City's financial position and results of operations as of and for the fiscal year ended June 30, 2021. The City, like all other local governments in the State, is required by state law to publish a complete set of financial statements within four months of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended June 30, 2021, and to provide further accountability to citizens and other interested parties by providing a more comprehensive report in lieu of the minimum basic financial statement requirements.

City management is responsible for both the accuracy of the data and the completeness and fairness of the report. To ensure reliability of the information, City management has established a comprehensive framework of internal controls. Internal controls protect the City's assets from loss, theft and misuse and provide reliable information for the preparation of this report. Because the cost of internal controls should not outweigh their benefits, the City's controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, to the best of our knowledge and belief, this financial report is complete, accurate and reliable in all material respects.

As noted earlier, the City is required by state law to have an annual independent financial audit. Stout, Stuart, McGowen & King, LLP, conducted the audit and concluded in an unmodified ("clean") opinion that the financial statements present fairly in conformity with GAAP, in all material respects, the financial position and changes in financial position for the City of Mebane, North Carolina, as of June 30, 2021. The independent auditors' report on the basic financial statements is located at the beginning of the financial section of this report.

Management's discussion and analysis of the basic financial statements (MD&A) immediately follows the independent auditors' report and provides a prescribed narrative introduction, overview, and analysis of the basic financial statements. The MD&A is designed to complement this letter of transmittal and should be read in conjunction with it.

### **Profile of the City**

The town was named for Brigadier General Alexander Mebane of the North Carolina Militia and a member of Congress in the 1790's. In 1855, the railroad arrived and Mebane was incorporated in 1881 as the town of Mebanesville. The name was officially changed to Mebane in 1883. The charter was amended to the City of Mebane in February of 1987. Also in 1881, Mebane's industrial growth began with establishment of the former White Furniture Company, followed by the Mebane Bedding Company (now Kingsdown) in 1904 and the Ridgeville Telephone Company (now Centurylink Communications) in 1907.





The City of Mebane is located in the Piedmont Triad Region of North Carolina, about 45 minutes west of Raleigh, the State capital, and 20 minutes east of Greensboro, the State's third largest city. The City has a land area of approximately ten miles, and a population of 16,262. Mebane is the second largest of ten municipalities located on the eastern border of Alamance County. The City is located mostly in Alamance County, with about 15% of it in Orange County.

The City is governed by the council-manager form of government. Policy making and legislative authority are vested in the City Council, consisting of the mayor and five other members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City's manager and attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. Five members of the City Council and the Mayor are elected to four year staggered terms. The Council then selects the Mayor Pro-tem from within the Council membership.

The City provides a full range of services, including police and fire protection; the maintenance of streets and other infrastructure; planning and building inspections; solid waste and recycling services; water and sewer services; recreational and cultural activities; and a library. In the 1970's, the City of Mebane and the City of Graham began a joint venture to develop a single water supply for both cities. This intergovernmental cooperation led to the creation of the Graham-Mebane Lake, which supplies drinking water to both towns. The City of Graham operates the water treatment plant and manages all lake operations with one-third of the costs historically paid by the City of Mebane and two-thirds borne by the City of Graham. In FY15, Mebane entered into an agreement to increase to 50% its share of the water capacity. In FY17, Mebane entered into an agreement to buy 21.43% of Graham's sewer capacity.

The Mebane City Council is required to adopt a budget by July 1 of each year. The City is empowered to levy a property tax on both real estate and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing board. The City's budget ordinance creates a legal limit on spending authorizations, and serves as the foundation for Mebane's financial planning and control. The budget is prepared by fund and department. The City Manager is authorized by the budget ordinance to make transfers within funds to facilitate budget execution consistent with Council intent.

### **Local Economy**

Mebane is uniquely located between two metropolitan areas, the Triangle, and the Triad. Mebane has and continues to lead the area in new homebuilding. This trend is expected to continue as we are growing like other fringe cities in the Triangle. The trend of increased retail spending is expected to continue and grow stronger as the population of Mebane grows. Interest in the commercial and downtown sector could result in these categories of development creating stand-alone projects versus recent mixed used approaches.

Industrial development also continues in Mebane. Chick-Fil-A Supply is scheduled to open a new distribution center in early 2022, and Lotus Bakeries is expanding its current facility by 111,000 square feet. These facilities demonstrate Mebane's prime location on the Interstate 85/40 corridor that links two of the fastest growing metro areas on the East Coast. At one end, the Research Triangle Park region of Raleigh, Durham and Chapel Hill; at the other, the Piedmont Triad region of Greensboro, Winston-Salem and High Point. The City of Mebane is at the heart of this corridor, where the full resources of the region come together to create exceptional opportunities for expanding and relocating companies in the nationally recognized N.C. Industrial Center, the new Buckhorn Economic



Development Zone in Orange County, and the newly established North Carolina Commerce Park. Boasting over 3,000 acres between these three development areas, Mebane is poised for economic growth.

### **Long-Term Financial Planning and Major Initiatives**

The City's 5-year Capital Improvement Plan (CIP) outlines the major capital purchases and capital project expenditures for the next five fiscal years while matching a conservative revenue source for payment. This document also describes the impact of the capital expenditures on the General Fund, Water and Sewer Fund, and the City finances as a whole. The City's long-range plans are committed to maintaining a strong financial position while providing the necessary capital improvements to continue its historically high level of services.

Major initiatives of the CIP include the renovation and expansion of the City's wastewater facility, construction of an elevated storage tank, Lake Michael Dam repairs, a new police station and a new fire station. The City's dedication to quality of life is reflected in the CIP's plans for parks, trails and other amenities, including the City's first greenway trail that will link three parks and a school.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mebane for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Mebane has received the award for the last eight years. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. We believe that by participating in the GFOA's Certificate of Achievement program, we will improve our transparency and disclosure to the citizens of Mebane.

The preparation of this report would not have been possible without the dedicated efforts of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Mebane's finances.

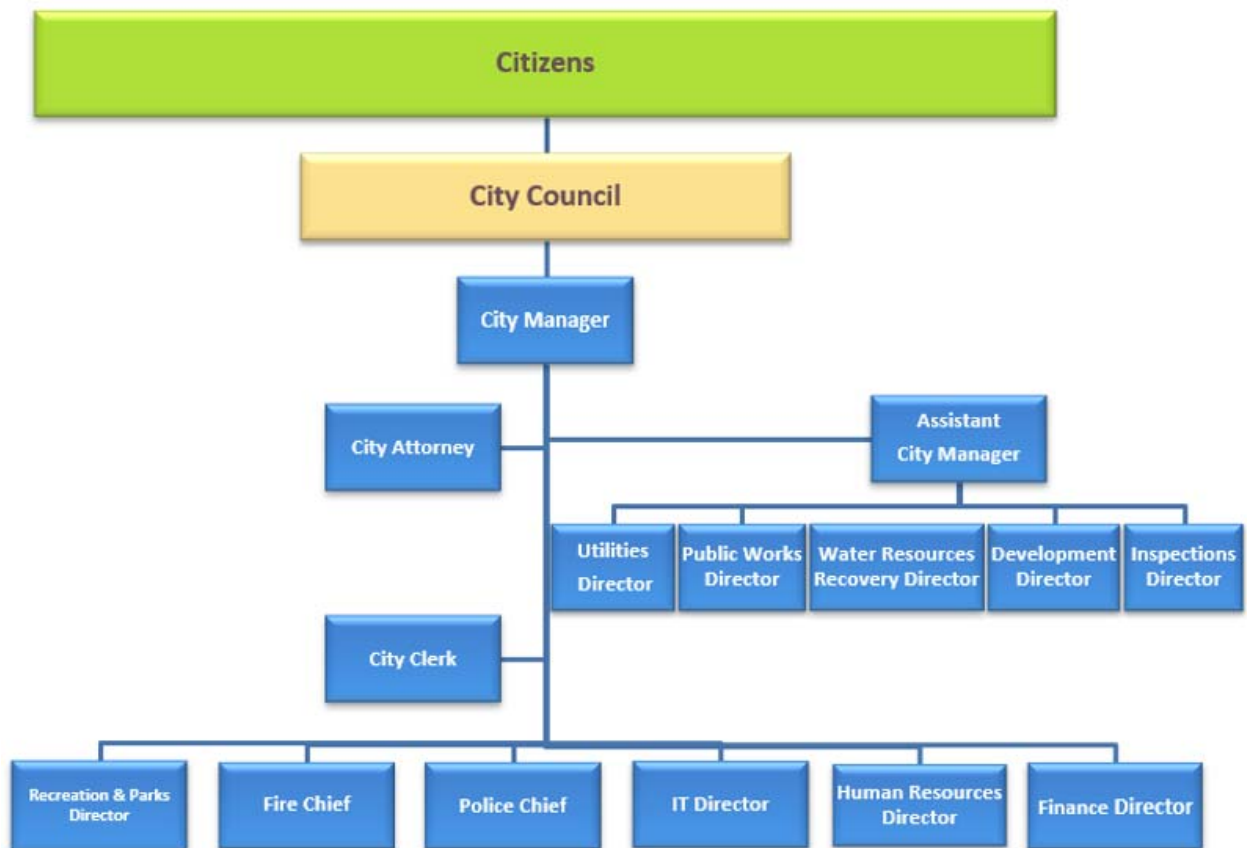
Respectfully submitted,

Chris Rollins  
City Manager

Daphna Schwartz  
Finance Director

**City of Mebane, North Carolina**  
**List of Principal Officials**  
**June 30, 2021**

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**Elected Officials**

Ed Hooks	Mayor
Jill Auditori	Mayor Pro-Tem
Tim Bradley	Council Member
Everette Greene	Council Member
Patricia Philipps	Council Member
Sean Ewing	Council Member

**Appointed Officials**

Chris Rollins	City Manager
Preston Mitchell	Assistant City Manager
Daphna Schwartz	Finance Director
Lawson Brown	City Attorney
Stephanie Shaw	City Clerk
Terrence Caldwell	Police Chief
Bob Louis	Fire Chief
Chuck Smith	Public Works Director
Cy Stober	Development Director
Cliff Ayscue	Inspections Director
Aaron Davis	Recreation and Parks Director
Kyle Smith	Utilities Director
Dennis Hodge	Water Resources Recovery Director
Beatrice Hunter	Human Resources Director
Kirk Montgomery	Information Technology Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Mebane  
North Carolina**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO







**STOUT  
STUART  
McGOWEN  
& KING LLP**

*Certified  
Public  
Accountants*

*Advisors to  
Management*

*Member of PCPS,  
the AICPA Alliance  
For CPA Firms*

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**Independent Auditor's Report**

To The Honorable Mayor and  
Members of the City Council  
City of Mebane  
Mebane, North Carolina

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mebane (the "City"), North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to an entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinions**

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mebane, North Carolina as of June 30, 2021, and the respective changes in financial position and the cash flows, where appropriate, thereof and 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 5 through 12, respectively, the Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, on page 66, the Local Government Employee's Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages 59 and 60, respectively, the Firefighters' and Rescue Squad Workers' Pension Fund's Schedule of the Proportionate Share of Net Pension Liability on page 61, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 62 and 63, respectively and the Firefighters' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 64 and 65, respectively be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of

inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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 and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Mebane, North Carolina. The combining and individuals fund statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) 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.

The combining and individual fund financial statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund statements, budgetary schedules, other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021 on our consideration of the City of Mebane'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 the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion in 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 City of Mebane's internal control over financial reporting and compliance.

STOUT STUART MCGOWEN & KINGS LLP

Burlington, North Carolina

November 10, 2021

**City of Mebane, North Carolina**  
**Management Discussion and Analysis**  
**June 30, 2021**

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As management of the City of Mebane, we offer readers of the financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

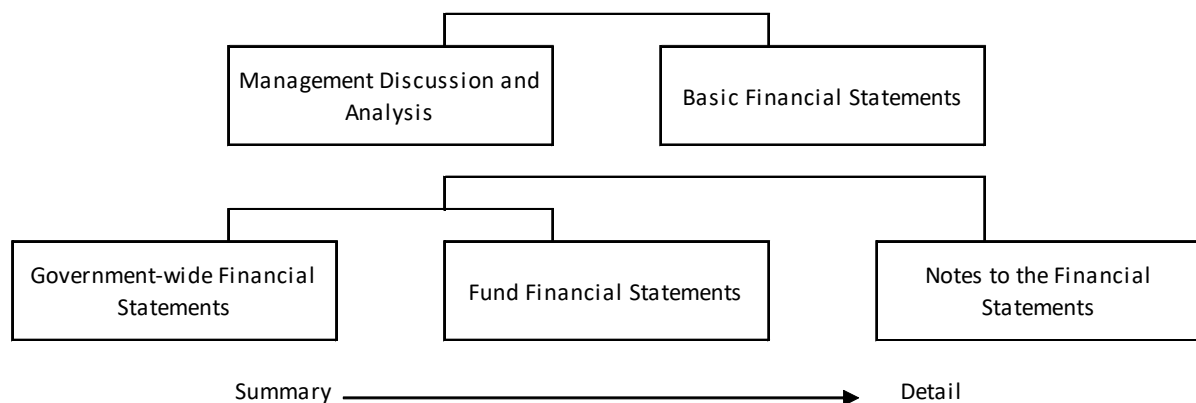
**Financial Highlights**

- The assets and deferred outflows of resources of the City of Mebane exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$118,247,835 (net position).
- The government's total net position increased by \$7,945,001, due to increases in the government type net position of \$3,628,434 and increases in the business type activities net position of \$4,316,567.
- As of the close of the current fiscal year, the City of Mebane's governmental funds reported combined ending fund balances of \$16,414,129, an increase of \$1,458,652 in comparison to \$580,787 in the prior year. Approximately 21.7 percent of this total amount, or \$3,565,047, is nonspendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,332,231 or 50.63 percent of total general fund expenditures for the fiscal year.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to City's basic financial statements. The City'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 City 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 City of Mebane.

**Required Components of Annual Financial Report (Figure 1)**



**Basic Financial Statements**

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.



**City of Mebane, North Carolina**  
**Management Discussion and Analysis**  
**June 30, 2021**

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The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the City'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 City'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 City's financial status as a whole.

The two government-wide statements report the City's net position and how they have changed. Net position is the difference between the City'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 City'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 City's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the water and sewer services offered by the City of Mebane.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

**Fund Financial Statements**

The fund financial statements (see Figure 1) provide a more detailed look at the City'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 City of Mebane, 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 City's budget ordinance. All of the funds of the City of Mebane 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 City'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 that 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 City'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 City of Mebane 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 City, the management of the City, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the

**City of Mebane, North Carolina**  
**Management Discussion and Analysis**  
**June 30, 2021**

budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds** – The City of Mebane has one kind of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Mebane uses enterprise funds to account for its water and sewer 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 begin on page 24 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Mebane's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 59 of this report.

**Interdependence with Other Entities** – The City depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

**Government-Wide Financial Analysis**

**City of Mebane's Net Position (Figure 2)**

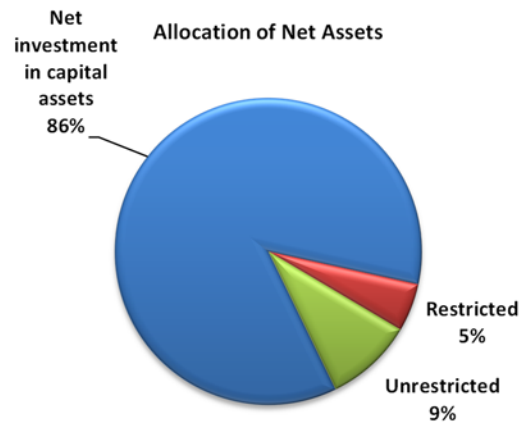
	Governmental Activities			Business-Type Activities			Total		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Current and other assets.....	\$ 17,108,874	\$ 16,328,930	\$ 15,314,782	\$ 8,495,903	\$ 8,422,634	\$ 10,038,366	\$ 25,604,777	\$ 24,751,564	\$ 25,353,148
Non-current assets.....	2,077,097	1,694,588	1,402,094	3,136,703	1,573,791	-	5,213,800	3,268,379	1,402,094
Capital assets.....	<u>60,583,002</u>	<u>57,304,415</u>	<u>54,184,211</u>	<u>54,987,245</u>	<u>52,721,275</u>	<u>47,220,521</u>	<u>115,570,247</u>	<u>110,025,690</u>	<u>101,404,732</u>
<b>Total assets .....</b>	<b><u>79,768,973</u></b>	<b><u>75,327,933</u></b>	<b><u>70,901,087</u></b>	<b><u>66,619,851</u></b>	<b><u>62,717,700</u></b>	<b><u>57,258,887</u></b>	<b><u>146,388,824</u></b>	<b><u>138,045,633</u></b>	<b><u>128,159,974</u></b>
<b>Deferred outflows of resources.....</b>	<b>6,984,654</b>	<b>4,717,368</b>	<b>3,638,262</b>	<b>971,957</b>	<b>692,831</b>	<b>525,612</b>	<b>7,956,611</b>	<b>5,410,199</b>	<b>4,163,874</b>
Long-term liabilities outstanding.....	22,991,907	19,099,032	18,267,076	8,841,303	9,026,767	9,456,048	31,833,210	28,125,799	27,723,124
Other liabilities.....	<u>2,200,642</u>	<u>2,471,378</u>	<u>1,656,230</u>	<u>1,293,498</u>	<u>1,226,150</u>	<u>1,022,724</u>	<u>3,494,140</u>	<u>3,697,528</u>	<u>2,678,954</u>
<b>Total liabilities .....</b>	<b><u>25,192,549</u></b>	<b><u>21,570,410</u></b>	<b><u>19,923,306</u></b>	<b><u>10,134,801</u></b>	<b><u>10,252,917</u></b>	<b><u>10,478,772</u></b>	<b><u>35,327,350</u></b>	<b><u>31,823,327</u></b>	<b><u>30,402,078</u></b>
<b>Deferred inflows of resources.....</b>	<b>675,694</b>	<b>790,594</b>	<b>903,583</b>	<b>94,556</b>	<b>111,730</b>	<b>114,256</b>	<b>770,250</b>	<b>902,324</b>	<b>1,017,839</b>
<b>Net position:</b>									
Net investment in capital assets.....	53,020,166	48,932,506	44,539,110	48,261,754	45,237,242	38,984,945	101,281,920	94,169,748	83,524,055
Restricted.....	<u>3,533,331</u>	<u>2,535,935</u>	<u>2,844,468</u>	<u>2,465,362</u>	<u>970,910</u>	<u>586,608</u>	<u>5,998,693</u>	<u>3,506,845</u>	<u>3,431,076</u>
Unrestricted.....	<u>4,331,887</u>	<u>6,215,856</u>	<u>6,328,882</u>	<u>6,635,335</u>	<u>6,837,732</u>	<u>7,619,918</u>	<u>10,967,222</u>	<u>13,053,588</u>	<u>13,948,800</u>
<b>Total net position.....</b>	<b><u>\$ 60,885,384</u></b>	<b><u>\$ 57,684,297</u></b>	<b><u>\$ 53,712,460</u></b>	<b><u>\$ 57,362,451</u></b>	<b><u>\$ 53,045,884</u></b>	<b><u>\$ 47,191,471</u></b>	<b><u>\$ 118,247,835</u></b>	<b><u>\$ 110,730,181</u></b>	<b><u>\$ 100,903,931</u></b>

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 the City of Mebane exceeded liabilities and deferred inflows by \$118,247,835 as of June 30, 2021. The City's net position increased by \$7,945,001 for the fiscal year ended June 30, 2021. However, the largest portion (85.65%) reflects the City's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The City of Mebane uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Mebane'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 City of Mebane's net position \$5,998,693 (5.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$10,967,222 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.64%, which compares favorably with the statewide average of 98.96%.
- Other taxes increased \$697,091 which included an increase in sales taxes of \$688,861.
- Water and sewer charges for services increased by \$1,501,481 due to an increase in demand for these services.
- A continued low cost of debt due to the City's high bond rating.



**City of Mebane Changes in Net Position (Figure 3)**

	Governmental Activities			Business-Type Activities			Total		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
<b>Revenues:</b>									
<b>Program revenues:</b>									
Charges for services.....	\$ 2,041,900	\$ 1,464,352	\$ 1,479,984	\$ 9,146,098	\$ 7,644,617	\$ 6,995,810	\$ 11,187,998	\$ 9,108,969	\$ 8,475,794
Operating grants and contributions.....	821,868	957,002	742,312	-	-	-	821,868	957,002	742,312
Capital grants and contributions.....	4,465,736	3,927,560	2,617,102	2,890,267	5,400,880	226,820	7,356,003	9,328,440	2,843,922
<b>General revenues:</b>									
Property taxes.....	11,807,602	11,378,933	10,895,740	-	-	-	11,807,602	11,378,933	10,895,740
Other taxes.....	5,764,756	5,067,665	4,885,951	-	-	-	5,764,756	5,067,665	4,885,951
Grants and contributions not restricted to specific programs.....	191,474	31,047	4,050	-	-	-	191,474	31,047	4,050
Other.....	157,929	580,737	217,231	(62,837)	105,857	138,837	95,092	686,594	356,068
<b>Total revenues.....</b>	<b>25,251,265</b>	<b>23,407,296</b>	<b>20,842,370</b>	<b>11,973,528</b>	<b>13,151,354</b>	<b>7,361,467</b>	<b>37,224,793</b>	<b>36,558,650</b>	<b>28,203,837</b>
<b>Expenses:</b>									
General government.....	2,945,979	2,508,794	2,262,074	-	-	-	2,945,979	2,508,794	2,262,074
Public safety.....	9,046,866	8,045,419	7,070,899	-	-	-	9,046,866	8,045,419	7,070,899
Public works.....	5,273,617	4,939,677	3,803,467	-	-	-	5,273,617	4,939,677	3,803,467
Economic development.....	2,225,126	1,677,079	1,269,525	-	-	-	2,225,126	1,677,079	1,269,525
Culture and recreation.....	1,931,238	2,005,292	1,900,889	-	-	-	1,931,238	2,005,292	1,900,889
Interest on long-term dept.....	200,005	257,803	281,751	-	-	-	200,005	257,803	281,751
Water and sewer.....	-	-	-	7,656,961	7,298,336	6,762,948	7,656,961	7,298,336	6,762,948
<b>Total expenses.....</b>	<b>21,622,831</b>	<b>19,434,064</b>	<b>16,588,605</b>	<b>7,656,961</b>	<b>7,298,336</b>	<b>6,762,948</b>	<b>29,279,792</b>	<b>26,732,400</b>	<b>23,351,553</b>
<b>Increase in net position before transfers and special item.....</b>	<b>3,628,434</b>	<b>3,973,232</b>	<b>4,253,765</b>	<b>4,316,567</b>	<b>5,853,018</b>	<b>598,519</b>	<b>7,945,001</b>	<b>9,826,250</b>	<b>4,852,284</b>
Transfers.....	-	(1,395)	(57,302)	-	1,395	57,302	-	-	-
Special item.....	-	-	-	-	-	-	-	-	-
<b>Increase in net position.....</b>	<b>3,628,434</b>	<b>3,971,837</b>	<b>4,196,463</b>	<b>4,316,567</b>	<b>5,854,413</b>	<b>655,821</b>	<b>7,945,001</b>	<b>9,826,250</b>	<b>4,852,284</b>
<b>Net position, July 1.....</b>	<b>57,684,297</b>	<b>53,712,460</b>	<b>49,515,997</b>	<b>53,045,884</b>	<b>47,191,471</b>	<b>46,535,650</b>	<b>110,730,181</b>	<b>100,903,931</b>	<b>96,051,647</b>
<b>Net position, restated.....</b>	<b>57,256,950</b>	<b>53,712,460</b>	<b>49,515,997</b>	<b>53,045,884</b>	<b>47,191,471</b>	<b>46,535,650</b>	<b>110,302,834</b>	<b>100,903,931</b>	<b>96,051,647</b>
<b>Net position, June 30.....</b>	<b>\$60,885,384</b>	<b>\$57,684,297</b>	<b>\$53,712,460</b>	<b>\$57,362,451</b>	<b>\$53,045,884</b>	<b>\$47,191,471</b>	<b>\$118,247,835</b>	<b>\$110,730,181</b>	<b>\$100,903,931</b>

Note: 2020 Net Position has been restated to reflect prior period adjustments.

**Governmental activities:** Governmental activities prior to transfers increased the City's net position by \$3,628,434 thereby accounting for 45.67% of the total growth in the net position of the City of Mebane. Key elements of this change in net position are as follows:

- Property taxes increased by \$428,669 over the prior year.
- Other tax revenues increased by \$697,091 over the prior year, mostly in sales tax despite the impact of the coronavirus pandemic.
- Charges for services increased by \$577,548 while operating grants decreased \$135,134 and capital grants and contributions increased \$538,176 over the prior year.

**Business-type activities:** Business-type activities prior to transfers increased the City of Mebane's net position by \$4,316,567, accounting for 54.33% of the total growth in the government's net position. Key elements of this change in net position as compared to the prior year are as follows:

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- Charges for services increased \$1,501,481 due to an increase in demand for these services, due to the growth in Mebane.
- Capital grants and contributions decreased \$2,510,613 due to the larger impact of increased economic growth in the City during the prior year.

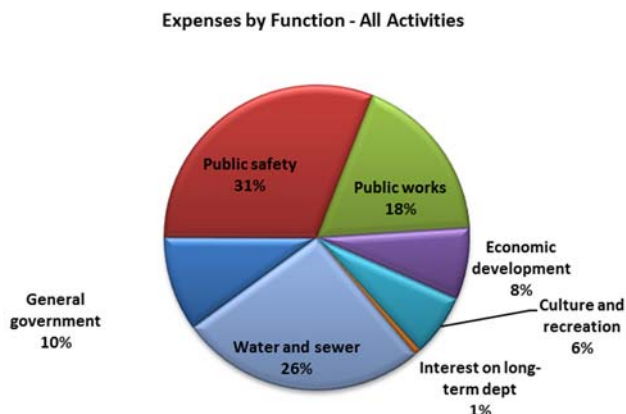
**Financial Analysis of the City's Funds**

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

**Governmental Funds:** The focus of the City of Mebane's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Mebane's financing requirements.

The general fund is the chief operating fund of the City of Mebane. At the end of the current fiscal year, fund balance available in the General Fund was \$12,282,231, while total fund balance reached \$15,719,819. The City currently has an available fund balance of 60.18% of general fund expenditures, while total fund balance represents 77.03% of the same amount.

At June 30, 2021, the governmental funds of the City of Mebane reported a combined fund balance of \$16,414,129, a 9.75% increase over last year. This increase in fund balance is due to an increase in the general fund of \$877,502 combined with an increase in the non-major funds of \$581,150.

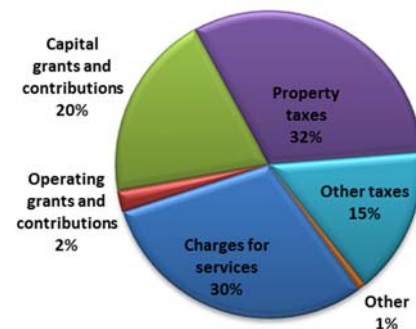


as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

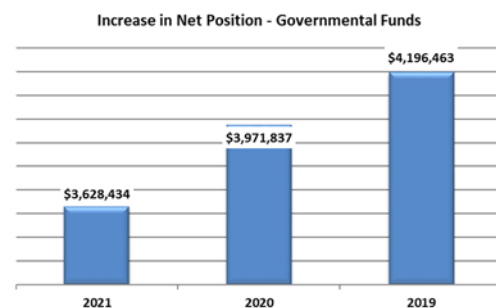
Revenues were more than the budgeted amounts primarily because tax revenue that the City originally had expected to receive was significantly more. Expenditures were significantly less than budgeted as a result of the delay of many expenditures due to the coronavirus pandemic.

**Proprietary Funds:** The City'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 \$6,635,335. The total increase in net position was \$4,316,567.

**Revenues by Source - All Activities**



**General Fund Budgetary Highlights:** During the fiscal year, the City 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



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**Capital Asset and Debt Administration**

**Capital assets:** The City of Mebane's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$115,570,247 (net of accumulated depreciation). These assets include buildings, roads, land, artwork and collections, machinery and equipment, park facilities, and vehicles.

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

- Capital contributions in the general fund in the amount of \$4,465,736 and in the water and sewer fund in the amount of \$2,890,267.
- Construction in progress in the governmental funds consisted of construction related expenses in the Lake Michael Dam Spillway of \$129,100, the Cates Farm Park of \$84,823, and MACC to Holt Street Greenway \$24,256.
- Construction in progress for Utility funds includes related expenses of \$416,433 for the WRRF Upgrade.

**City of Mebane's Capital Assets, Net of Depreciation (Figure 4)**

	Governmental Activities			Business-Type Activities			Total		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Land.....	\$ 7,509,059	\$ 6,980,512	\$ 6,980,512	\$ 566,834	\$ 520,198	\$ 520,198	\$ 8,075,893	\$ 7,500,710	\$ 7,500,710
Artwork and collections.....	68,360	68,360	46,000	-	-	-	68,360	68,360	46,000
Buildings and systems.....	12,515,279	12,834,576	13,177,061	21,366,660	21,650,859	22,177,370	33,881,939	34,485,435	35,354,431
Water and sewer systems.....	-	-	-	30,732,694	29,099,844	23,447,533	30,732,694	29,099,844	23,447,533
Improvements other than buildings	9,994,677	10,114,964	10,013,064	-	-	-	9,994,677	10,114,964	10,013,064
Machinery and equipment.....	1,515,008	1,775,174	1,954,736	1,734,340	1,049,187	920,648	3,249,348	2,824,361	2,875,384
Computer equipment.....	213,453	216,441	265,547	-	-	-	213,453	216,441	265,547
Infrastructure.....	26,250,167	22,306,612	18,791,974	-	-	-	26,250,167	22,306,612	18,791,974
Vehicles and motorized equipment.	2,225,671	2,954,627	2,944,184	31,431	43,463	20,018	2,257,102	2,998,090	2,964,202
Construction in progress.....	291,328	53,149	11,133	555,286	357,724	134,754	846,614	410,873	145,887
	<u>\$60,583,002</u>	<u>\$57,304,415</u>	<u>\$54,184,211</u>	<u>\$54,987,245</u>	<u>\$52,721,275</u>	<u>\$47,220,521</u>	<u>\$115,570,247</u>	<u>\$110,025,690</u>	<u>\$101,404,732</u>

Additional information on the City's capital assets can be found on page 33 of this report.

**Long-term Debt:** As of June 30, 2021, the City of Mebane had no bonded debt outstanding.

**City of Mebane's Outstanding Debt (Figure 5)**

	Governmental Activities			Business-Type Activities			Total		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
General obligation bonds. \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Placement Debt.....	7,562,836	8,371,909	9,645,099	3,186,778	3,617,917	4,042,056	10,749,614	11,989,826	13,687,155
Other long-term payables.	-	-	-	3,538,713	3,866,116	4,193,519	3,538,713	3,866,116	4,193,519
Compensated absences.....	445,229	465,151	429,293	78,990	76,077	68,555	524,219	541,228	497,848
OPEB.....	9,501,292	6,809,240	5,357,168	1,494,607	1,061,570	819,539	10,995,899	7,870,810	6,176,707
Pension related debt.....	<u>5,482,550</u>	<u>3,880,079</u>	<u>2,835,516</u>	<u>542,215</u>	<u>405,087</u>	<u>332,379</u>	<u>6,024,765</u>	<u>4,285,166</u>	<u>3,167,895</u>
Total.....	<u>\$22,991,907</u>	<u>\$19,526,379</u>	<u>\$18,267,076</u>	<u>\$ 8,841,303</u>	<u>\$ 9,026,767</u>	<u>\$ 9,456,048</u>	<u>\$31,833,210</u>	<u>\$28,553,146</u>	<u>\$ 27,723,124</u>

Note: 2020 Pension related debt has been restated to reflect prior period adjustments.

The City of Mebane's total debt increased by \$3,280,064 (11.49%) during the past fiscal year, primarily due to increases in OPEB of \$3,125,089, and increases in pension obligations of \$1,739,599, netted with scheduled principal payments of \$1,998,115 on notes and other long-term payables. The total pension related debt for the fiscal year ended June 30, 2021 included a prior period adjustment of \$427,347 for the Firefighters' Special Separation Allowance approved July 8, 2019.

The City of Mebane has maintained a high bond rating at "AA+" with Standard and Poor's Corporation. There was no new general obligation debt issued in FY21, and Standard & Poor's Ratings Services last review affirmed the rating, with a stable outlook for the City of Mebane. They stated that the rating reflects their opinion of the City's favorable location, growing and diverse property base, very strong finances and low direct debt. The City believes this speaks very highly of the stability and sound management practices of the City of Mebane.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for City of Mebane is \$179,348,538.



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**Management Discussion and Analysis**  
**June 30, 2021**

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Additional information regarding the City of Mebane's long-term debt can be found on page 50 of this report.

**Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the growth of the City of Mebane:

- The City has and continues to lead the area in industrial recruitment and new homebuilding. The residential and industrial sector continues to demonstrate growth, with the latter potentially increasing explicitly beyond the number and size of recent years. Interest in the commercial and downtown sector could result in these categories of development creating stand-alone projects versus recent mixed-use approaches.
- The City's tax base continues to grow with industrial development and expansion in the NC Industrial Center and NC Commerce Park, along with new development in Orange County. For example, Chick-fil-A is opening a distribution center in early 2022, and Lotus Bakeries is expanding the size of its current facility in Mebane by adding 111,000 square feet. Additionally, several mixed-use projects will provide additional retail and residential space.
- Retail sales are expected to remain strong, with Tanger Outlets sustaining much of its growth.

**Budget Highlights for the Fiscal Year Ending June 30, 2022**

**Governmental Activities:** The tax base is expected to continue to grow; therefore, the City retained an valorem tax rate of \$.47 per \$100 valuation and a 13.9% growth in tax collections. Retail sales and state-shared revenues were budgeted to increase based on current trends and forecasts, with an overall increase of 18.6% in General Fund revenues.

The expenditures budget added ten new positions and multiple rolling stock purchases of over \$1 million. New projects include a connector between Lebanon Rd. and Lake Michael, several sidewalk projects, multiple recreation projects, and information technology upgrades.

The budget included a cost-of-living increase and merit pay for employees.

**Business-type Activities:** The budget for FY22 included a 10% rate increase for water and sewer services, and revised system development fees. Water and sewer charges were budgeted to increase due to the rate increase and growth, with overall revenues increasing 25.4% overall. In addition, the budget continued the City's dedication to the maintenance of the system and to address growth, continuing the plan to issue \$9 million in debt to renovate the Water Resources Recovery Facility.

**Request for Information**

This report is designed to provide an overview of the City's finances for those interested in this area.

Questions concerning any of the information found in this report or request for additional information should be directed to:

Daphna Schwartz

Finance Director

106 E. Washington Street Mebane, NC 27302 (919) 563-5901

[dschwartz@cityofmebane.com](mailto:dschwartz@cityofmebane.com)

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# Basic Financial Statements

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The Basic Financial Statements provide a dual perspective summary overview of the financial position and operating results of the government as a whole (government-wide financial statements) and of all funds (fund financial statements). They also serve as a condensed introduction to the more detailed statements and schedules that follow.

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**City of Mebane, North Carolina**  
**Statement of Net Position**  
**June 30, 2021**

**Exhibit 1**

	<u>Governmental</u>	<u>Business-type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents.....	\$ 14,377,371	\$ 7,511,270	\$ 21,888,641
Taxes receivables, (net).....	82,899	-	82,899
Accrued interest receivable on taxes.....	14,825	-	14,825
Accounts receivable (net).....	167,028	984,633	1,151,661
Due from other governments.....	2,435,035	-	2,435,035
Prepaid items.....	31,716	-	31,716
Restricted cash.....	1,564,155	3,136,703	4,700,858
Notes receivable - Mebane Mill Lofts, LLC.....	512,942	-	512,942
Capital assets (Note 2):			
Land, non-depreciable improvements, and construction in progress .....	7,868,747	1,122,119	8,990,866
Other capital assets, net of depreciation.....	52,714,255	53,865,126	106,579,381
Total capital assets.....	60,583,002	54,987,245	115,570,247
<b>Total assets.....</b>	<b>79,768,973</b>	<b>66,619,851</b>	<b>146,388,824</b>
<b>Deferred outflows of resources.....</b>	<b>6,984,654</b>	<b>971,957</b>	<b>7,956,611</b>
<b>Liabilities</b>			
Amounts due within one year:			
Accounts payable and accrued expenses.....	1,118,067	323,697	1,441,764
Accrued interest payable.....	43,069	36,135	79,204
Due to other governments.....	15,819	262,325	278,144
Payable from restricted assets.....	1,023,687	671,341	1,695,028
Current portion of long-term liabilities.....	1,671,399	833,841	2,505,240
Amounts due in more than one year:			
Net pension liability - LGERS.....	3,473,244	542,215	4,015,459
Net pension liability - LEOSA.....	1,372,013	-	1,372,013
Net pension liability - FireSSA.....	637,293	-	637,293
Due in more than one year.....	15,837,958	7,465,247	23,303,205
<b>Total liabilities.....</b>	<b>25,192,549</b>	<b>10,134,801</b>	<b>35,327,350</b>
<b>Deferred inflows of resources.....</b>	<b>675,694</b>	<b>94,556</b>	<b>770,250</b>
<b>Net Position</b>			
Net investment in capital assets.....	53,020,166	48,261,754	101,281,920
Restricted for:			
Stabilization by State Statute.....	3,405,872	-	3,405,872
Other functions.....	127,459	-	127,459
Future system development.....	-	2,465,362	2,465,362
Unrestricted .....	4,331,887	6,635,335	10,967,222
<b>Total net position.....</b>	<b>\$ 60,885,384</b>	<b>\$ 57,362,451</b>	<b>\$ 118,247,835</b>

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



**City of Mebane, North Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital Grants	Governmental	Business-type	Total
		Services	Grants & Contributions	and Contributions	Activities	Activities	
<b>Primary government</b>							
<b>Governmental activities</b>							
General government.....	\$ 2,945,979	\$ 5,400	\$ -	\$ -	\$ (2,940,579)	\$ -	\$ (2,940,579)
Public safety.....	9,046,866	19,750	121,491	-	(8,905,625)	-	(8,905,625)
Public works.....	5,273,617	701,980	380,238	4,465,736	274,337	-	274,337
Recreation.....	1,931,238	80,918	6,825	-	(1,843,495)	-	(1,843,495)
Economic & physical development.....	2,225,126	1,233,852	313,314	-	(677,960)	-	(677,960)
Interest on long-term debt.....	200,005	-	-	-	(200,005)	-	(200,005)
<b>Total governmental activities.....</b>	<b>21,622,831</b>	<b>2,041,900</b>	<b>821,868</b>	<b>4,465,736</b>	<b>(14,293,327)</b>	<b>-</b>	<b>(14,293,327)</b>
<b>Business-type activities:</b>							
Water and sewer.....	7,656,961	9,146,098	-	2,890,267	-	4,379,404	4,379,404
<b>Total business-type activities.....</b>	<b>7,656,961</b>	<b>9,146,098</b>	<b>-</b>	<b>2,890,267</b>	<b>-</b>	<b>4,379,404</b>	<b>4,379,404</b>
<b>Total primary government.....</b>	<b>\$ 29,279,792</b>	<b>\$ 11,187,998</b>	<b>\$ 821,868</b>	<b>\$ 7,356,003</b>	<b>(14,293,327)</b>	<b>4,379,404</b>	<b>(9,913,923)</b>
<b>General revenues:</b>							
Taxes:							
Property taxes, levied for general purposes.....					11,807,602	-	11,807,602
Sales taxes.....					4,398,713	-	4,398,713
Franchise tax.....					1,141,022	-	1,141,022
Privilege license tax.....					955	-	955
Excise Tax.....					224,066	-	224,066
Grants & contributions not restricted to specific programs.....					191,474	-	191,474
Unrestricted investment earnings.....					56,026	28,073	84,099
Miscellaneous.....					101,903	(90,910)	10,993
<b>Total general revenues excluding transfers.....</b>					<b>17,921,761</b>	<b>(62,837)</b>	<b>17,858,924</b>
Transfers.....					-	-	-
<b>Total general revenues and transfers.....</b>					<b>17,921,761</b>	<b>(62,837)</b>	<b>17,858,924</b>
<b>Change in net position.....</b>					<b>3,628,434</b>	<b>4,316,567</b>	<b>7,945,001</b>
Net position - beginning , previously reported.....					57,684,297	53,045,884	110,730,181
Restatement.....					(427,347)	-	(427,347)
Net position - beginning .....					57,256,950	53,045,884	110,302,834
<b>Net position - ending.....</b>					<b>\$ 60,885,384</b>	<b>\$ 57,362,451</b>	<b>\$ 118,247,835</b>

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

**City of Mebane, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

**Exhibit 3**

		<u>Capital Project</u>		<u>Total</u>
		<u>Fund - City</u>	<u>Total Non -</u>	<u>Governmental</u>
	<u>General Fund</u>	<u>Park Project</u>	<u>Major Funds</u>	<u>Funds</u>
<b>Assets</b>				
Cash and cash equivalents.....	\$ 13,745,250	\$ -	\$ 632,121	\$ 14,377,371
Restricted cash.....	1,436,696	-	127,459	1,564,155
Taxes receivable, net.....	82,899	-	-	82,899
Receivable from other governments.....	2,435,035	-	-	2,435,035
Other receivables.....	166,065	-	-	166,065
Prepaid items.....	31,716	-	-	31,716
Advance to other funds.....	-	-	-	-
<b>Total assets.....</b>	<b>\$ 17,897,661</b>	<b>\$ -</b>	<b>\$ 759,580</b>	<b>\$ 18,657,241</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable.....	1,052,797	-	65,270	1,118,067
Due to other funds.....	-	-	-	-
Due to other governments.....	15,819	-	-	15,819
Payable from restricted assets.....	1,023,687	-	-	1,023,687
<b>Total liabilities.....</b>	<b>2,092,303</b>	<b>-</b>	<b>65,270</b>	<b>2,157,573</b>
<b>Deferred inflows of resources.....</b>	<b>85,539</b>	<b>-</b>	<b>-</b>	<b>85,539</b>
<b>Fund balances:</b>				
Nonspendable				
Prepaid assets.....	31,716	-	-	31,716
Restricted				
Stabilization by State Statute.....	3,405,872	-	-	3,405,872
Economic development.....	-	-	127,459	127,459
Assigned				
Subsequent year's expenditures.....	1,950,000	-	566,851	2,516,851
Unassigned.....	10,332,231	-	-	10,332,231
<b>Total fund balances.....</b>	<b>15,719,819</b>	<b>-</b>	<b>694,310</b>	<b>16,414,129</b>
<b>Total liabilities, deferred inflows of resources and fund balances.....</b>	<b>\$ 17,897,661</b>	<b>\$ -</b>	<b>\$ 759,580</b>	<b>\$ 18,657,241</b>

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

**City of Mebane, North Carolina**  
**Balance Sheet (continued)**  
**Governmental Funds**  
**June 30, 2021**

**Exhibit 3**

**Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:**

Total fund balance, governmental funds.....		\$ 16,414,129
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost.....	78,903,815	
Accumulated depreciation.....	<u>(18,320,813)</u>	60,583,002
Deferred outflows of resources related to pensions are not reported in the funds.....		4,086,619
Deferred outflows of resources related to OPEB are not reported in the funds.....		2,898,035
Other long-term assets are not available to pay for current-period expenditures and therefore are inflows of resources in the funds.		
Accrued interest receivable on taxes.....	14,825	
Notes receivable.....	<u>512,942</u>	527,767
Earned revenues considered deferred inflows of resources in fund statements.....		83,862
Deferred inflows of resources related to pensions are not reported in the funds.....		(24,317)
Deferred inflows of resources related to OPEB are not reported in the funds.....		(648,737)
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
Notes payable.....	(7,562,835)	
Compensated absences.....	(445,230)	
Net pension liability - LGRS.....	(3,473,244)	
Total pension liability - LEOSSA.....	(1,372,013)	
Total pension liability - FireSSA.....	(637,293)	
OPEB liability.....	<u>(9,501,292)</u>	<u>(22,991,907)</u>
Other long-term liabilities (accrued interest) are not due and payable in the current period and therefore are not reported in the funds.....		<u>(43,069)</u>
<b>Net Position of Governmental Activities.....</b>		<b><u>\$ 60,885,384</u></b>

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

**City of Mebane, North Carolina**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

**Exhibit 4**

	<u>General Fund</u>	<u>Capital Project Fund - City Park Project</u>	<u>Total Non- Major Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Property taxes.....	\$ 11,339,347	\$ -	\$ -	\$ 11,339,347
Other taxes and licenses.....	955	-	-	955
Unrestricted intergovernmental.....	6,101,360	-	-	6,101,360
Restricted intergovernmental.....	1,154,666	-	-	1,154,666
Permits and fees.....	1,338,035	-	-	1,338,035
Sales and services.....	616,526	-	-	616,526
Investment earnings.....	52,436	-	3,591	56,027
Miscellaneous.....	251,884	-	10,710	262,594
<b>Total revenues.....</b>	<u>20,855,209</u>	<u>-</u>	<u>14,301</u>	<u>20,869,510</u>
<b>Expenditures</b>				
Current:				
General government.....	2,564,263	-	-	2,564,263
Public safety.....	7,019,825	-	-	7,019,825
Public works.....	3,897,283	-	-	3,897,283
Recreation.....	2,132,340	-	-	2,132,340
Economic and physical development.....	2,199,172	-	-	2,199,172
Debt Service:				
Principal.....	1,239,573	-	-	1,239,573
Interest and other charges.....	211,159	-	-	211,159
Capital outlay.....	-	-	577,743	577,743
<b>Total Expenditures.....</b>	<u>19,263,615</u>	<u>-</u>	<u>577,743</u>	<u>19,841,358</u>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<u>1,591,594</u>	<u>-</u>	<u>(563,442)</u>	<u>1,028,152</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in.....	-	-	1,144,592	1,144,592
Transfers out.....	(1,144,592)	-	-	(1,144,592)
Installment purchase obligations issued.....	430,500	-	-	430,500
<b>Total other financing sources and uses.....</b>	<u>(714,092)</u>	<u>-</u>	<u>1,144,592</u>	<u>430,500</u>
Net change in fund balances.....	877,502	-	581,150	1,458,652
Fund balances - beginning .....	14,842,317	-	113,160	14,955,477
<b>Fund balances - ending.....</b>	<u>\$ 15,719,819</u>	<u>\$ -</u>	<u>\$ 694,310</u>	<u>\$ 16,414,129</u>

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

**City of Mebane, North Carolina**  
**Statement of Revenues, Expenditures and Changes in Fund Balances (continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

**Exhibit 4**

**Amounts reported for Governmental Activities in the Statement of Activities are different because:**

Net change in fund balances - total governmental funds		\$	1,458,652
Governmental funds report capital outlays as expenditures; however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.			
Capital outlay expenditures which were capitalized.....	\$	1,685,392	
Depreciation expense for governmental assets.....		(2,809,366)	(1,123,974)
Cost of capital asset disposed of during the year, not recognized on modified accrual basis.....			(63,175)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.....			(137,818)
Benefit payments paid and administrative costs for LEOSSA are deferred outflows of resources on the Statement of Activities.....			-
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities.....			111,479
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds			
Amount of contributed capital.....		4,465,736	
Mebane Mills Lofts notes receivable principal receipts.....		(10,710)	
Change in unavailable revenue for tax revenues.....		(24,146)	4,430,880
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 these differences in the treatment of long-term debt and related items.			
New long-term debt issued.....		(430,500)	
Principal payments on long-term debt.....		1,239,573	
Decrease in accrued interest payable.....		11,154	820,227
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.			
Compensated absences.....		19,478	
Pension expense.....		(1,004,870)	
OPEB plan expense.....		(882,445)	(1,867,837)
<b>Total changes in net position of governmental activities .....</b>			<b>\$ 3,628,434</b>

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

City of Mebane, North Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances - Annual Budget to Actual  
General Fund

For the Year Ended June 30, 2021

Exhibit 5

			<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Property taxes.....	\$ 11,036,912	\$ 11,036,912	\$ 11,339,347	\$ 302,435
Other taxes and licenses.....	1,000	1,000	955	(45)
Unrestricted intergovernmental.....	4,849,943	5,120,543	6,101,360	980,817
Restricted intergovernmental.....	886,000	886,000	1,154,666	268,666
Permits and fees.....	780,307	881,798	1,338,035	456,237
Sales and services.....	570,450	570,450	616,526	46,076
Investment earnings.....	20,000	20,000	52,436	32,436
Miscellaneous.....	107,600	147,600	251,884	104,284
<b>Total revenues.....</b>	<u>18,252,212</u>	<u>18,664,303</u>	<u>20,855,209</u>	<u>2,190,906</u>
<b>Expenditures</b>				
Current:				
General government.....	3,078,709	3,180,732	2,564,263	616,469
Public safety.....	7,304,629	7,423,051	7,019,825	403,226
Public works.....	3,667,965	4,516,105	3,897,283	618,822
Recreation.....	1,756,665	2,730,062	2,132,340	597,722
Economic and physical development.....	2,632,669	2,713,701	2,199,172	514,529
Debt Service:				
Principal.....	1,406,526	1,406,526	1,239,573	166,953
Interest and other charges.....	293,137	293,137	211,159	81,978
<b>Total expenditures.....</b>	<u>20,140,300</u>	<u>22,263,314</u>	<u>19,263,615</u>	<u>2,999,699</u>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<u>(1,888,088)</u>	<u>(3,599,011)</u>	<u>1,591,594</u>	<u>5,190,605</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in.....	-	-	-	-
Transfers out.....	(1,874,700)	(2,087,700)	(1,144,592)	943,108
Long-term debt obligations issued.....	1,939,070	1,939,070	430,500	(1,508,570)
Fund balance appropriated.....	1,823,718	3,747,641	-	(3,747,641)
<b>Total other financing sources and uses.....</b>	<u>1,888,088</u>	<u>3,599,011</u>	<u>(714,092)</u>	<u>(4,313,103)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	877,502	<u>\$ 877,502</u>
Fund balances - beginning			14,842,317	
<b>Fund balances - ending</b>			<u>\$ 15,719,819</u>	

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



**City of Mebane, North Carolina**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**June 30, 2021**

**Exhibit 6**

	<u><b>Water and Sewer Fund</b></u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents.....	\$ 7,511,270
Accounts receivable (net) - billed.....	657,559
Accounts receivable (net) - unbilled.....	320,655
Other receivables.....	6,419
Due from other governments.....	-
Prepaid items.....	-
Restricted cash.....	3,136,703
Total current assets.....	<u>11,632,606</u>
Non-current assets:	
Net pension asset.....	-
Capital assets:	
Land and other non-depreciable assets.....	1,122,119
Other capital assets, net of depreciation.....	53,865,126
Total capital assets.....	<u>54,987,245</u>
Total non-current assets.....	<u>54,987,245</u>
<b>Total assets.....</b>	<b><u>66,619,851</u></b>
<b>Deferred outflows of resources.....</b>	<b>971,957</b>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued liabilities.....	323,697
Accrued interest payable.....	36,135
Due to other funds.....	-
Due to other governments.....	262,325
Payable from restricted assets.....	671,341
Compensated absences.....	66,299
Long-term debt - current.....	767,542
Total current liabilities.....	<u>2,127,339</u>
Noncurrent liabilities:	
Compensated absences.....	12,690
Net pension liability.....	542,215
Total OPEB liability.....	1,494,607
Long-term debt - noncurrent.....	5,957,950
Total noncurrent liabilities.....	<u>8,007,462</u>
<b>Total liabilities.....</b>	<b><u>10,134,801</u></b>
<b>Deferred inflows of resources.....</b>	<b>94,556</b>
<b>Net Position</b>	
Net investment in capital assets.....	48,261,754
Restricted for future system development.....	2,465,362
Unrestricted .....	6,635,335
<b>Total net position.....</b>	<b><u>\$ 57,362,451</u></b>

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

**City of Mebane, North Carolina**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

**Exhibit 7**

	<u><b>Water and Sewer Fund</b></u>
<b>Operating Revenues</b>	
Charges for services.....	\$ 6,839,089
Water and sewer taps.....	37,002
Connection fees.....	1,682,603
Miscellaneous.....	594,037
<b>Total operating revenues.....</b>	<u><b>9,152,731</b></u>
<b>Operating Expenses</b>	
Administration, meters and billing.....	900,260
Utility maintenance.....	2,632,207
Engineering.....	260,000
Water resource recovery facility.....	2,151,072
Non-departmental.....	-
Depreciation.....	1,626,168
<b>Total operating expenses.....</b>	<u><b>7,569,707</b></u>
<b>Operating income (loss).....</b>	<u><b>1,583,024</b></u>
<b>Nonoperating revenues (expenses)</b>	
Interest and investment revenue.....	28,073
Other.....	(97,543)
Interest expense.....	(87,254)
Amortization of bonds.....	-
<b>Total nonoperating revenues (expenses).....</b>	<u><b>(156,724)</b></u>
Income (loss) before contributions and transfers.....	1,426,300
Capital contributions.....	2,890,267
Transfers in.....	-
Transfers out.....	-
Change in net position.....	4,316,567
Total net position - beginning.....	53,045,884
<b>Total net position - ending.....</b>	<u><b>\$ 57,362,451</b></u>

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

**City of Mebane, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

**Exhibit 8**

	<u><b>Water and Sewer Fund</b></u>
<b>Cash Flows from Operating Activities</b>	
Cash received from customers.....	\$ 8,409,794
Cash paid for goods and services.....	(3,518,465)
Cash paid to or on behalf of employees for services.....	(2,407,805)
Customer deposits received.....	160,140
Customer deposits returned.....	(91,680)
Other operating revenues.....	594,037
<b>Total cash provided (used) by operating activities.....</b>	<u><b>3,146,021</b></u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Other non-operating revenues.....	-
Transfers to other funds.....	-
<b>Total cash provided (used) by non-capital financing activities.....</b>	<u><b>-</b></u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets.....	(837,089)
Principal paid on bonds and notes payable.....	(758,542)
Interest paid on bonds and notes payable.....	(91,182)
<b>Total cash provided (used) by capital and related financing activities.....</b>	<u><b>(1,686,813)</b></u>
<b>Cash Flows from Investing Activities</b>	
Investment income.....	28,073
<b>Total cash provided (used) by investing activities.....</b>	<u><b>28,073</b></u>
Net increase (decrease) in cash and equivalents.....	1,487,281
Balance, beginning.....	9,160,692
<b>Balance, ending.....</b>	<u><u><b>\$ 10,647,973</b></u></u>

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

**City of Mebane, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

**Exhibit 8**

	<u>Water and</u> <u>Sewer Fund</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income (loss).....	\$ 1,583,024
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation.....	1,626,168
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable.....	(133,267)
Increase (decrease) in allowance for doubtful accounts.....	(15,633)
(Increase) decrease in prepaid items.....	-
(Increase) decrease in deferred outflows of resources for pensions.....	(279,126)
Increase (decrease) accounts payable.....	(291,766)
Increase (decrease) salaries payable.....	32,257
Increase (decrease) accrued vacation.....	2,913
Increase (decrease) in net pension liability.....	137,128
Increase (decrease) in deferred inflows of resources for pensions.....	-
Increase (decrease) in OPEB liability.....	433,037
Increase (decrease) in deferred inflows of resources for OPEB.....	(17,174)
Increase (decrease) in customer deposits.....	68,460
Total adjustments.....	<u>1,562,997</u>
<b>Net cash provided by operating activities.....</b>	<b><u>\$ 3,146,021</u></b>
 <b>Noncash investing, capital, and financing activities:</b>	
Noncash capital contributions of capital assets.....	<u>\$ 2,890,267</u>
 Unrealized gain/loss on investments.....	<u>\$ -</u>

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

**1. Summary of Significant Accounting Policies**

The accounting policies of the City of Mebane 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 City of Mebane is a municipal corporation which is governed by an elected mayor and a five-member council. The City is located in the eastern part of Alamance County and the western part of Orange County. Generally accepted accounting principles require that these financial statements present the primary government (i.e. the City) and any component units, legally separate organization for which the elected officials of the City are financially accountable. The City of Mebane has no component units as defined above.

**B. Basis of Presentation**

**Government-wide Statements:** The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. These statements distinguish between the *governmental* and *business-type activities* of the City. 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 City and for each function of the City'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 City's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. 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 nonmajor 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. Nonoperating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investments earnings.

The City reports the following major governmental funds:

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

**City Park Project Capital Project Fund:** This fund is used to account for the purchase of land and construction costs for a new athletics and recreation city park.

The City reports the following non-major governmental funds:

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**CDBG- Mebane Mills Loft – Special Revenue Fund:** This fund is used to account for all block grant funds expended for the renovation of the old Dixie Yarns Building into subsidized housing.

**Capital Project Fund:** This fund is used to account for various General Fund capital expenditures that are expected to be completed within one year.

**Capital Project Fund – Cates Farm Park:** This fund is used to account for the construction of a new city park.

The City reports the following major enterprise fund:

**Water and Sewer Fund:** This fund is used to account for the City's water and sewer operations. The Water and Sewer Capital Project Funds and the System Development Capital Reserve Fund have been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparison for the Water and Sewer Capital Projects Fund has been included in the supplemental information.

**C. Measurement Focus and Basis of Accounting**

In accordance with North Carolina General Statutes, all funds of the City 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. Nonexchange transactions, in which the City 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 nonoperating 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 City enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating 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. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The City 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



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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, including the City of Mebane. 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 utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Mebane because the tax is levied by Alamance County and Orange 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 City 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 City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

**D. Budgetary Data**

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Special Revenue Funds and the Capital Projects Funds and the Enterprise Capital Projects Funds. The enterprise fund projects are consolidated with the operating funds for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental 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 functional appropriations. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. 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 City are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The City may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the City 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 City's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

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In accordance with State law, the City has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

**Cash and Cash Equivalents**

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

**Restricted Assets**

Customer deposits held by the City before any services are supplied are restricted for which the deposit was collected. Contractor reserves and bond deposits received and held are classified as restricted cash. Grant proceeds received in advance for specified purposes are classified as restricted cash. Unexpended loan principal and interest receipts in the CDBG- Mebane Mills Loft Special Revenue Fund is classified as restricted assets because its use is restricted for future economic development per an agreement with the North Carolina Housing Finance Agency. Powell Bill funds are also classified as restricted cash, if applicable, because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. Unexpended utility system development fees are restricted for use in accordance with G.S 162A-211.

**City of Mebane Restricted Cash**

Governmental Activities

General Fund

Contractor reserves and bond deposits.....	\$	264,480
Asset forfeiture funds.....		139,419
Unspent loan proceeds.....		273,590
Corrections unused funds.....		30
Stormwater reserves.....		759,177
CDBG- Mebane Mills Loft Capital Project Fund		
Economic Development.....		<u>127,459</u>
Total governmental activities.....		<u>1,564,155</u>

Business-type Activities

Water and Sewer Fund

Customer deposits.....		671,341
Unexpended system development fees.....		<u>2,465,362</u>
Total business-type activities.....		<u>3,136,703</u>
Total Restricted Cash.....	\$	<u><u>4,700,858</u></u>

**Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date), however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2020. As allowed by State law, the City has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the City's General Fund, ad valorem tax revenues are reported net of such discounts.

**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.

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**Inventory and Prepaid Items**

The inventories of the City's enterprise fund consist of expendable materials and supplies that are expensed when purchased.

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.

**Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of one year. Minimum capitalization costs are \$5,000 for all items. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment in the proprietary fund of the City are recorded at original cost at the time of acquisition. The City capitalizes those interest costs which are incurred during the construction period of any major capital projects. Property, plant, and equipment donated to the proprietary fund type operations are recorded at the estimated fair market value at the date of donation.

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

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
Infrastructure.....	50
Buildings.....	50
Improvements .....	25
Vehicles.....	5/10
Furniture and equipment .....	5/10
Computer equipment .....	3/5/10

**Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has one item that meets this criterion, pension deferrals for the 2021 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category – prepaid taxes, property taxes receivable, 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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other

**City of Mebane, North Carolina**  
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financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Compensated Absences**

The vacation policy of the City provides for the accumulation of up to 240 hours of earned vacation leave with such leave being fully vested when earned. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The City's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest. Since the City does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave 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.

**Fund Balance**

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

The governmental fund types classify fund balances as follows:

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

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

**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** – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)]. 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 any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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**Restricted for Economic Development** – portion of fund balance that is restricted by revenue source for future community development related activities. This amount represents the balance of the total unexpended funds from the amortized repayments of the CDBG monies loaned to Mebane Mills Lofts, LLC.

**Assigned Fund Balance** – portion of fund balance that the City intends to use for specific purposes.

**Subsequent year's expenditures** – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the budget officer to modify the appropriations by resource or appropriation within funds without limitation. Any transfer between funds must be approved by the governing board in the budget ordinance as amended.

**Unassigned Fund Balance** – portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. Unassigned fund balance is the residual classification for the General Fund. Other governmental funds cannot report positive unassigned fund balance but can report negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

The City of Mebane 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-city funds, city 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 City.

The City of Mebane has adopted a fund balance policy that instructs management to conduct the business of the City in such a manner that unrestricted fund balance is 50% of annual budgeted expenditures and transfers. Any portion in excess of 50% may be set aside for future capital improvements or to other purposes as directed by the City Council.

**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 City of Mebane's employer contributions are recognized when due and the City of Mebane 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.

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) and additions to/deductions from FRSWPF's fiduciary net position have been determined on the same basis as they are reported by FRSWPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**F. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**City of Mebane, North Carolina**  
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**2. Detail Notes on All Funds**

**A. Assets**

**Deposits**

All the deposits of the City 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 City's agent in the City's name. 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 City, these deposits are considered to be held by the City's agent in the City's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City under the Pooling Method, the potential exists for under-collateralization, and 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 City 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 City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2021 the City's deposits had a carrying amount of \$24,472,680, and a bank balance of \$25,377,489. Of the bank balance, \$760,607 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. Petty cash on hand at June 30, 2021 was \$400.

**Investments**

At June 30, 2021, the City's investment balances were as follows:

<b><u>Investments by Type</u></b>	<b><u>Valuation</u></b>		<b><u>Book Value at</u></b>	<b><u>Maturity</u></b>	<b><u>Rating</u></b>
	<b><u>Measurement</u></b>	<b><u>Method</u></b>			
NC Capital Management Trust					
- Government Portfolio.....	Fair Value Level 1		\$ 2,116,419	N/A	AAAm
<b>Total.....</b>			<b>\$ 2,116,419</b>		

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 are 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' benchmark quoted prices.

*Interest Rate Risk.* The City has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's internal investment policy limits at least half of the City's investment portfolio to maturities of less than 12 months. Also, the City's internal management policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than two years.



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*Credit Risk.* The City has no formal policy regarding credit risk, but has internal management procedures that limits the City's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2021, the City did not hold any investments in commercial paper. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAAm-mf by Moody's Investors Service as of June 30, 2021.

*Concentration of Credit Risk.* The City's Council places no limit on the amount that the City may invest in any one issuer. For the year ended June 30, 2021, there were no investments in commercial paper that totaled more than 5 percent of the City's investments.

**Receivables – Allowance for Doubtful Accounts**

The amount of taxes receivable presented in the Balance Sheet and the Statement of Net Position includes penalties levied and outstanding in the amount of \$13,257.

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2021 are net of the following allowances for doubtful accounts:

**Funds**

General Fund:

Taxes Receivable.....	\$	11,815
Accounts Receivable.....		-
Total.....		<u>11,815</u>
Enterprise Fund.....		<u>174,920</u>
Total.....	\$	<u><u>186,735</u></u>

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**Capital Assets**

**Primary Government**

Capital asset activity for the Primary Government for the year ended June 30, 2021, was as follows:

	<b><u>Beginning</u></b>			<b><u>Ending</u></b>
<b>Governmental activities:</b>	<b><u>Balances</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Balances</u></b>
<b>Capital assets not being depreciated:</b>				
Land.....	\$ 6,980,512	\$ 528,547	\$ -	\$ 7,509,059
Artwork and collections.....	68,360	-	-	68,360
Construction in progress.....	53,149	238,179	-	291,328
Total capital assets not being depreciated...	<u>7,102,021</u>	<u>766,726</u>	<u>-</u>	<u>7,868,747</u>
<b>Capital assets being depreciated:</b>				
Buildings.....	16,869,281	41,151	-	16,910,432
Other improvements.....	11,292,645	274,689	-	11,567,334
Equipment.....	3,424,357	69,218	128,750	3,364,825
Computer equipment.....	565,775	52,989	-	618,764
Vehicles and motorized equipment.....	8,803,884	372,855	432,033	8,744,706
Infrastructure.....	25,245,881	4,583,126	-	29,829,007
Total capital assets being depreciated.....	<u>66,201,823</u>	<u>5,394,028</u>	<u>560,783</u>	<u>71,035,068</u>
<b>Less accumulated depreciation for:</b>				
Buildings.....	4,034,705	360,448	-	4,395,153
Other improvements.....	1,177,681	394,976	-	1,572,657
Equipment.....	1,649,183	302,565	101,931	1,849,817
Computer equipment.....	349,334	55,977	-	405,311
Vehicles and motorized equipment.....	5,849,257	1,055,829	386,051	6,519,035
Infrastructure.....	2,939,269	639,571	-	3,578,840
Total accumulated depreciation.....	<u>15,999,429</u>	<u>\$2,809,366</u>	<u>\$ 487,982</u>	<u>18,320,813</u>
Total capital assets being depreciated, net...	<u>50,202,394</u>			<u>52,714,255</u>
<b>Governmental activity capital assets, net.....</b>	<b><u>\$ 57,304,415</u></b>			<b><u>\$60,583,002</u></b>

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

General government.....	\$ 125,611
Public safety.....	1,060,791
Public works.....	1,083,048
Recreation.....	524,856
Economic & physical development.....	<u>15,060</u>
Total.....	<u>\$2,809,366</u>

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**Business-type Activities**

The capital assets of the Enterprise Fund for the year ended June 30, 2021, was as follows:

	<b><u>Beginning</u></b> <b><u>Balances</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending</u></b> <b><u>Balances</u></b>
<b>Water and Sewer Fund:</b>				
<b>Capital assets not being depreciated:</b>				
Land.....	\$ 520,198	\$ 46,636	\$ -	\$ 566,834
Construction in progress.....	357,724	416,433	218,872	555,285
Total capital assets not being depreciated.....	<u>877,922</u>	<u>463,069</u>	<u>218,872</u>	<u>1,122,119</u>
<b>Capital assets being depreciated:</b>				
Water sources.....	13,937,610	-	-	13,937,610
Lift stations, pumping stations and tanks.....	8,097,539	750,000	-	8,847,539
Water and sewer lines.....	39,418,647	3,217,126	750,000	41,885,773
Land improvements.....	10,971	-	-	10,971
Water Resource Recovery Facility.....	9,136,888	355,023	-	9,491,911
Machinery and equipment.....	1,876,102	75,789	35,710	1,916,181
Vehicles.....	500,204	-	14,959	485,245
Total capital assets being depreciated.....	<u>72,977,961</u>	<u>4,397,938</u>	<u>800,669</u>	<u>76,575,230</u>
<b>Less accumulated depreciation for:</b>				
Water sources.....	3,996,089	285,942	-	4,282,031
Lift stations, pumping stations and tanks.....	1,879,661	164,746	-	2,044,407
Water and sewer lines.....	10,318,803	834,276	16,250	11,136,829
Land improvements.....	9,043	798	-	9,841
Water Resource Recovery Facility.....	3,647,356	203,985	-	3,851,341
Machinery and equipment.....	826,915	124,389	19,463	931,841
Vehicles.....	456,741	12,032	14,959	453,814
Total accumulated depreciation.....	<u>21,134,608</u>	<u>\$ 1,626,168</u>	<u>\$ 50,672</u>	<u>22,710,104</u>
Total capital assets being depreciated, net.....	<u>51,843,353</u>			<u>53,865,126</u>
<b>Business-type activity capital assets, net.....</b>	<b><u>\$ 52,721,275</u></b>			<b><u>\$ 54,987,245</u></b>

During the year ended June 30, 2021, several capital assets were reclassified between categories. These reclassifications were presented in the "decreases" columns of the schedules above.

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**Construction Commitments**

The government has active construction projects as of June 30, 2021. At year end, the government's commitments with contractors are as follows:

<b><u>Project</u></b>	<b><u>Spent to Date</u></b>	<b><u>Remaining Contract</u></b>
Install New Sidewalk 300 BLK W Jackson St & Holt St.....	\$ 59,582	\$ 29,213
20-21 Street Repair Contract.....	992,454	28,445
Public Works & Utility Department Office Additions .....	-	35,000
Youth/Walker Restroom Renovations.....	-	11,875
Jones Road Sewer Survey & Preliminary Design.....	-	49,500
AWCK Evaluation at Lake Michael Trails.....	-	5,100
Utility Relocations for Intersection Widening.....	-	19,810
Engineering and Consulting for N First St Sidewalk.....	2,747	5,102
GKN Force Main Survey and Preliminary Design.....	-	49,500
Evidence Room Dividing Wall Installation.....	4,695	4,695
Construction Contract for N. First Sidewalk Improv.....	-	131,800
Inspections/Planning Parking Lot Maintenance.....	-	31,284
Inspections/Planning Building Addition.....	-	228,247
Havensonte Oversizing Reimbursement.....	-	120,000
Total.....	<u>\$ 1,059,478</u>	<u>\$ 749,571</u>

**B. Liabilities**

**Pension Plan and Postemployment Obligations**

**Local Governmental Employees' Retirement System**

**Plan Description.** The City of Mebane is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the 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 (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://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

**City of Mebane, North Carolina**  
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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. City of Mebane employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Mebane's contractually required contribution rate for the year ended June 30, 2021, was 9.00% of compensation for law enforcement officers and 8.25% 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 City of Mebane were \$1,658,481 for the year ended June 30, 2021.

**Refunds of Contributions** – City 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, 2021, the City reported a liability of \$4,015,459 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City'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, 2020, the City's proportion was 0.112%, which was an increase of 0.001% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$1,048,868. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**City of Mebane, North Carolina**  
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	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience.....	\$ 507,082	\$ -
Changes of assumptions.....	298,829	-
Net difference between projected and actual earnings on pension plan investments.....	565,069	-
Changes in proportion and differences between City contributions and proportionate share of contributions.....	859,896	-
City contribution subsequent to the measurement date.....	<u>1,658,481</u>	<u>-</u>
Total.....	<u>\$ 3,889,357</u>	<u>\$ -</u>

\$1,658,481 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2022.....	\$ 800,784
2023.....	803,292
2024.....	459,384
2025.....	167,230
2026.....	-
Thereafter.....	-

**Actuarial Assumptions.** The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections



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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, 2020 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

**Discount rate.** The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.** The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the City'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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Discount Rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
City's proportionate share of the net pension liability (asset).....	\$ 8,146,928	\$ 4,015,459	\$ 581,917

**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.

**Law Enforcement Officers' Special Separation Allowance**

**Plan Description.** The City of Mebane administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the

**City of Mebane, North Carolina**  
**Notes to the Financial Statements**  
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base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2019, the valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits .....	-
Terminated plan members entitled to but not receiving benefits .....	-
Active plan members .....	<u>35</u>
Total .....	<u>35</u>

**Summary of Significant Accounting Policies:**

**Basis of Accounting.** The City has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

**Actuarial Assumptions.** The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability in the December 31, 2019 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 7.75 percent, including inflation and productivity factor
Discount rate	1.93 percent

The discount rate used is the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

Mortality rates are based on the Pub-2010 amount-weighted tables with adjustments projected forward generationally from the valuation date using MP-2019.

**Contributions.** The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this Plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The City had no benefits come due for the reporting period.

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

At June 30, 2021, the City reported a total pension liability of \$1,372,013. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the City recognized pension expense of \$173,665.

**City of Mebane, North Carolina**  
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	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience.....	\$ 131,979	\$ -
Changes of assumptions.....	424,962	24,317
Benefit payments and administrative expenses made subsequent to the measurement date.....	-	-
Total.....	<u>\$ 556,941</u>	<u>\$ 24,317</u>

\$0 was reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2022.....	\$ 90,978
2023.....	90,978
2024.....	92,363
2025.....	78,646
2026.....	79,805
Thereafter.....	99,854

\$0 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

*Sensitivity of the City's total pension liability to changes in the discount rate.* The following presents the City's total pension liability calculated using the discount rate of 1.93 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	<u>1% Decrease</u> <u>(0.93%)</u>	<u>Discount Rate</u> <u>(1.93%)</u>	<u>1% Increase</u> <u>(2.93%)</u>
Total pension liability.....	\$ 1,520,276	\$ 1,372,013	\$ 1,238,123

**City of Mebane, North Carolina**  
**Notes to the Financial Statements**  
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**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**

	<u><b>2021</b></u>
Beginning balance.....	\$ 802,190
Service cost at end of year.....	56,536
Interest of total pension liability.....	26,151
Changes of benefit terms.....	-
Differences between expected and actual experience in the measurement of the total pension liability.....	46,055
Changes of assumptions or other inputs.....	441,081
Benefit payments.....	-
Other changes.....	-
Ending balance of the total pension liability.....	<u><u><b>\$ 1,372,013</b></u></u>

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study from the period January 1, 2010 through December 31, 2014.

***Firefighters' Special Separation Allowance***

***Plan Description.*** The City of Mebane administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified firefighters under the age of 62 who have completed at least 30 years of creditable service or have attained 60 years of age and have completed twenty-five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time firefighters of the City are covered by the Separation Allowance. At December 31, 2019 the Separation Allowance's membership consisted of:

Retirees receiving benefits .....	-
Terminated plan members entitled to but not receiving benefits .....	-
Active plan members .....	<u>25</u>
Total .....	<u><u>25</u></u>

***Summary of Significant Accounting Policies:***

***Basis of Accounting.*** The City has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

**City of Mebane, North Carolina**  
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**Actuarial Assumptions.** The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability in the December 31, 2019 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 8.00 percent, including inflation and productivity factor
Discount rate	1.93 percent

The discount rate used is the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

Mortality rates are based on the Pub-2010 amount-weighted tables with adjustments projected forward generationally from the valuation date using MP-2019.

**Contributions.** The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this Plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The City had no benefits come due for the reporting period.

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

At June 30, 2021, the City reported a total pension liability of \$637,293. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the City recognized pension expense of \$70,004.

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience.....	\$ -	\$ -
Changes of assumptions.....	139,942	-
Benefit payments and administrative expenses made subsequent to the measurement date.....	-	-
Total.....	<u>\$ 139,942</u>	<u>\$ -</u>

\$0 was reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2022.....	\$ 28,443
2023.....	28,443
2024.....	28,443
2025.....	28,443
2026.....	26,170
Thereafter.....	-

**City of Mebane, North Carolina**  
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\$0 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

*Sensitivity of the City's total pension liability to changes in the discount rate.* The following presents the City's total pension liability calculated using the discount rate of 1.93 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>(0.93%)</u>	<u>(1.93%)</u>	<u>(2.93%)</u>
Total pension liability.....	\$ 715,222	\$ 637,293	\$ 567,247

**Schedule of Changes in Total Pension Liability**  
**Firefighters' Special Separation Allowance**

	<u>2021</u>
Beginning balance.....	\$ 427,347
Service cost at end of year.....	27,629
Interest of total pension liability.....	13,932
Changes of benefit terms.....	-
Differences between expected and actual experience in the measurement of the total pension liability.....	-
Changes of assumptions or other inputs.....	168,385
Benefit payments.....	-
Other changes.....	-
Ending balance of the total pension liability.....	<u>\$ 637,293</u>

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

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

**City of Mebane, North Carolina**  
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***Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources of Related to Pensions***

Following is information related to the proportionate share and pension expense for all pension plans:

	<u><b>LGERS</b></u>	<u><b>LEOSSA</b></u>	<u><b>Fire SSA</b></u>	<u><b>Total</b></u>
Pension Expense.....	\$ 1,048,868	\$ 173,665	\$ 70,004	\$ 1,292,537
Pension Liability.....	4,015,459	1,372,013	637,293	6,024,765
Proportionate share of the net pension liability.....	0.11237%	n/a	n/a	
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience.....	507,082	131,979	-	639,061
Changes of assumptions.....	298,829	424,962	139,942	863,733
Net difference between projected and actual earnings on plan investments.....	565,069	-	-	565,069
Changes in proportion and differences between contributions and proportionate share of contributions.....	859,896	-	-	859,896
Benefit payments and administrative costs paid subsequent to the measurement date..	1,658,481	-	-	1,658,481
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience.....	-	-	-	-
Changes of assumptions.....	-	24,317	-	24,317
Net difference between projected and actual earnings on plan investments.....	-	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions.....	-	-	-	-

**Supplemental Retirement Income Plan for Non-Law Enforcement Officers**

**Pension Descriptions.** The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by The Prudential Insurance Company of America. The Plan provides retirement benefits to non-law enforcement officers employed by the City. The City Council has the authority for establishing or amending the plan's provisions.

**Funding Policy.** The City contributes an amount equal to five percent of each employee's salary, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. The City Council has the authority for establishing or amending contribution requirements. Contributions for the year ended June 30, 2021 were \$462,882, which consisted of \$290,209 from the City and \$172,673, respectively, from the employees.

**Supplemental Retirement Income Plan for Law Enforcement Officers**

**Plan Description.** The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S.



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Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**Funding Policy.** Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may also make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$132,143, which consisted of \$96,421 from the City and \$35,722, respectively, from the law enforcement officers.

**Firefighters' and Rescue Squad Workers' Pension Fund**

**Plan Description.** The State of North Carolina contributes, on behalf of the City of Mebane, to the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. FRSWPF provides pension benefits for eligible fire workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 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 Firefighter's Pension Fund is included in the Annual Comprehensive Financial Report (ACFR) for the state of North Carolina. The State's ACFR includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided.** FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$170 per month. Plan members are eligible to receive the monthly benefit at age 55 with 20 years of creditable service as a firefighter or rescue squad worker, and have terminated duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefit will receive the amount paid by the member and contributions paid on the member's behalf into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount the member contributed minus the benefits collected.

**Contributions.** Plan members are required to contribute \$10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The City is not required to contribute to the Fund; however, as a benefit to the firefighters, the City has chosen to fund the member's contributions. Contribution provisions are established by General Statute 58- 86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2021, the State contributed \$18,652,000 to the plan. The City of Mebane's proportionate share of the State's contribution is \$26,898.

**Refunds of Contributions** – Plan members who are no longer eligible or choose not to participate in the plan may file an application for a refund of their contributions. Refunds include the member's contributions and contributions paid by others on the member's behalf. No interest will be paid on the amount of the refund. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by FRSWPF.

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

At June 30, 2021, the City reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the City through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the City and supported by the State was \$52,183. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the City is not projected to make any future contributions to the plan, its proportionate share at June 30, 2021 and at June 30, 2020 was 0%.

For the year ended June 30, 2021, the City recognized pension expense of \$14,046 and revenue of \$14,046 for support provided by the State. At June 30, 2021, the City reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

***Actuarial Assumptions.*** The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Not applicable
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

For more information regarding actuarial assumptions, including mortality tables, the actuarial experience study, the consideration of future ad hoc COLA amounts, the development of the projected long-term investment returns, and the asset allocation policy, refer to the discussion of actuarial assumptions for the LGERS plan noted above.

***Discount rate.*** The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***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.

**Other Post-employment Benefits**

***Healthcare Benefits***

***Plan Description.*** Employees who retire under the provisions of the North Carolina Local Government Employees' Retirement System (NCLGERS) and have fifteen (15) or more years of service with the City at the time of retirement are eligible to continue coverage in the City's health plan, a single-employer defined benefit plan. Coverage in the health plan will continue until the retiree becomes Medicare eligible, at which time coverage will be converted to a Medicare Supplement Plan. Health care and prescription drug coverage are provided by the City's health plan. A separate stand-alone report is not issued.

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Membership of the Health Care Plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

	<u>General</u> <u>Employees</u>	<u>Law Enforcement</u> <u>Officers</u>
Retirees and dependents receiving benefits .....	16	5
Active plan members .....	<u>105</u>	<u>28</u>
Total .....	<u>121</u>	<u>33</u>

**Total OPEB Liability**

The City's total OPEB liability of \$10,995,899 was measured as of June 30, 2020 with a determination date of June 30, 2019, the actuarial valuation date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Real wage growth	1.0 percent
Wage inflation	3.5 percent
Salary increases	General Employees- 3.50 to 7.75 percent, Firefighters 3.50 to 7.75 percent, Law Enforcement Officers 3.50 to 7.35 percent, including inflation
Discount rate	2.21 percent
Healthcare cost trend rates	Pre-Medicare- 7.00 percent for 2019 to 4.50 percent by 2026 Medicare- 5.00 percent for 2019 to 4.50 percent by 2021

The discount rate is based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

**Changes in the Total OPEB Liability**

Total OPEB Liability, Balance at July 1, 2020.....	\$ 7,870,810
Changes for the year	
Service cost.....	459,321
Interest.....	289,711
Changes in benefit terms.....	-
Differences between expected and actual experience.....	5,490
Changes in assumptions or other inputs.....	2,476,778
Benefit payments.....	<u>(106,211)</u>
Net changes.....	<u>3,125,089</u>
Total OPEB Liability, Balance at June 30, 2021.....	<u>\$ 10,995,899</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

**City of Mebane, North Carolina**  
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	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>(1.21%)</u>	<u>(2.21%)</u>	<u>(3.21%)</u>
Total OPEB liability.....	\$ 13,634,324	\$ 10,995,899	\$ 9,003,746

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability.....	\$ 8,585,703	\$ 10,995,899	\$ 14,349,452

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$1,033,861. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience.....	\$ 1,032,760	\$ 5,584
Changes of assumptions.....	2,209,884	737,709
Benefit payments and administrative costs made subsequent to the measurement date.....	127,727	-
Total.....	<u>\$ 3,370,371</u>	<u>\$ 743,293</u>

\$127,727 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

**Year ended June 30:**

2022.....	\$ 284,829
2023.....	284,829
2024.....	284,829
2025.....	284,829
2026.....	284,829
Thereafter.....	1,075,206

**Other Employment Benefits**

The City has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the City,

**City of Mebane, North Carolina**  
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the City does not determine the number of eligible participants. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The City considers these contributions to be immaterial.

**Deferred Outflows and Inflows of Resources**

The City has several deferred outflows of resources. Deferred outflows of resources is comprised of the following:

Pensions- differences between expected and actual experience.....	\$	639,061
Pensions- change of assumptions.....		863,733
Pensions- difference between projected and actual investment earnings.....		565,069
Pensions- change in proportion and difference between employer contributions and proportionate share of contributions.....		859,896
Contributions to pension plan in current fiscal year.....		1,658,481
OPEB- differences between expected and actual experience.....		1,032,760
Pensions- change of assumptions.....		2,209,884
Benefit payments for OPEB made subsequent to measurement date.....		127,727
LEOSSA- benefit payments made and administrative expenses.....		-
Total.....	\$	<u><u>7,956,611</u></u>

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

	<b><u>Statement of Net Position</u></b>	<b><u>General Fund Balance Sheet</u></b>
Pensions- change in proportion and difference between employer contributions and proportionate share of contributions.....	\$ -	\$ -
LEOSSA- change of assumptions.....	24,317	-
OPEB- differences between expected and actual experience.....	5,584	-
OPEB- change of assumptions.....	737,709	-
Prepaid taxes and licenses (General Fund).....	2,640	2,640
Taxes receivable, less penalties (General Fund).....	-	82,899
Total.....	\$ <u><u>770,250</u></u>	\$ <u><u>85,539</u></u>

**Risk Management**

The City 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 City 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 last four fiscal years.

The City has not been designated as being in a flood zone and thus carries no commercial flood insurance.

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In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The finance officer and tax collector are individually bonded for \$50,000 each and the City Manager for \$25,000. The remaining employees that have access to funds are bonded under a blanket bond for \$25,000.

**Claims, Judgments and Contingent Liabilities**

At June 30, 2021, the City was a defendant to various lawsuits. In the opinion of the City's management and the City attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

**Long-Term Obligations**

**Capital Leases**

The City did not have any leases outstanding that were considered to be capital in nature.

**General Obligation Indebtedness**

The general obligation bonds and the notes payable, which were issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources, are reported as long-term debt in the Water and Sewer Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the City. Principal and interest requirements are appropriated on all indebtedness when due.

Bonds and notes payable at June 30, 2021 are comprised of the following individual issues:

***General Obligation Bonds:***

There were no general obligation bonds payable at June 30, 2021.

***Installment Purchases:***

Serviced by the General Fund:

Direct placement contract payable to Bank of America, N.A. for the City Hall and Recreation Building renovation projects. Principal payments of \$106,667 plus interest are due semi-annually starting on December 27, 2008. The note bears interest at the rate of 3.52%. The City Hall and Recreation buildings are security for the debt while the debt is outstanding .....	426,666
Direct placement contract payable to BB&T for the Southside Fire Station Project. Principal payments of \$86,667 plus interest are due semi-annually starting on July 23, 2014. The note bears interest at the rate of 2.84%. All property, equipment and deposits acquired with these local funds are the security for the debt while the debt is outstanding .....	1,386,667
Direct placement contract payable to Piedmont Electric Membership Corporation as part of the USDA Rural Economic Development Loan (REDL) Program for the purchase of two fire trucks and related fire truck equipment and firefighting equipment for the Southside Fire Station. Principal payments of \$140,889 are due annually starting on February 1, 2015 with final payment due February 1, 2023. The note bears no interest as part of the REDL program. The fire trucks and equipment are security for the debt while the debt is outstanding .....	281,778
Direct placement contract payable to Piedmont Electric Membership Corporation as part of the USDA Rural Economic Development Loan (REDL) Program for the purchase of a fire truck. Principal payments of \$46,833 are	

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due annually starting on August 1, 2017 with final payment due August 1, 2026. The note bears no interest as part of the REDL program. The fire truck is security for the debt while the debt is outstanding .....	280,998
Direct placement contract payable to American National Bank and Trust Company for the City Park Project. Principal payments of \$194,333 plus interest are due semi-annually starting on October 15, 2017. The note bears interest at the rate of 3.23%. All property, improvements and equipment acquired with these local funds are the security for the debt while the debt is outstanding .....	4,275,333
Direct placement contract payable to Branch Banking and Trust Company for the Fire Department Radio Equipment. Principal payments of \$43,187 plus interest are due semi-annually starting on April 27, 2018. The note bears interest at the rate of 1.85%. All equipment and improvements acquired with these local funds are the security for the debt while the debt is outstanding .....	129,562
Direct placement contract payable to First Bank for the Police Department Radio Equipment. Principal payments of \$46,900 plus interest are due semi-annually starting on May 9, 2019. The note bears interest at the rate of 3.02%. All equipment and improvements acquired with these local funds are the security for the debt while the debt is outstanding .....	234,500
Direct placement contract payable to First Bank for the Police Department Vehicles. Principal payments of \$26,647 plus interest are due semi-annually starting on October 16, 2019. The note bears interest at the rate of 2.58%. All equipment and improvements acquired with these local funds are the security for the debt while the debt is outstanding .....	159,881
Direct placement contract payable to U.S. Bancorp Government Leasing and Finance, Inc., for sanitation vehicles. Principal payments of \$43,050 plus interest are due semi-annually starting on February 28, 2021. The note bears interest at the rate of 1.363%. All equipment and improvements acquired with these local funds are the security for the debt while the debt is outstanding .....	387,450
Served by the Water and Sewer Fund:	
Direct placement contract payable from the North Carolina Water Pollution Control Revolving Fund for 9th Street Sewer improvements. Principal payments of \$4,806 annually on the indebtedness started on May 1, 2010. The interest rate as established under this program is zero percent. This debt is not secured .....	38,445
Direct placement contract payable to Carolina Bank for the water treatment plant upgrade and expansion projects. Principal and interest payments are due annually on July 1, in varying amounts, starting July 1, 2015 and ending July 1, 2029. The note bears interest at the rate of 2.60%. All property, equipment and deposits acquired with these local funds are the security for the debt while the debt is outstanding .....	3,015,000
Direct placement contract payable to BB&T for the construction of a Sewer Pump Station, main, outfall and tunnel. Principal payments of \$66,667 plus interest are due semi-annually starting on May 1, 2008. The note bears	



**City of Mebane, North Carolina**  
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interest at the rate of 3.85%. The property is pledged as collateral for the debt while the debt is outstanding .....	133,334
Total long-term debt.....	10,749,614
Less: Current portion of long-term debt.....	(1,722,762)
Non-current portion of long-term debt .....	\$ 9,026,852

At June 30, 2021, the City of Mebane had no authorized but unissued bonds and had a legal debt margin of \$179,348,538.

The following table summarizes the annual requirements to amortize all long-term liabilities outstanding at June 30, 2021 (excluding compensated absences, pension liabilities, OPEB liabilities, and any claims or judgments).

	General Obligation		Other Long-term			
	Bonds		Indebtedness		Total Debt Due	
<b><u>Serviced by General Fund:</u></b>						
<b><u>Fiscal Year</u></b>	<b><u>Principle</u></b>	<b><u>Interest</u></b>	<b><u>Principle</u></b>	<b><u>Interest</u></b>	<b><u>Principle</u></b>	<b><u>Interest</u></b>
2022.....	-	-	1,282,623	172,373	1,282,623	172,373
2023.....	-	-	1,239,436	143,249	1,239,436	143,249
2024.....	-	-	795,127	117,425	795,127	117,425
2025.....	-	-	694,933	99,679	694,933	99,679
2026.....	-	-	651,883	83,928	651,883	83,928
2027-2031.....	-	-	2,510,166	207,020	2,510,166	207,020
2032-maturity.....	-	-	388,668	7,262	388,668	7,262
Total.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,562,836</u>	<u>\$ 830,936</u>	<u>\$ 7,562,836</u>	<u>\$ 830,936</u>
<b><u>Serviced by Water &amp; Sewer Fund:</u></b>						
<b><u>Fiscal Year</u></b>	<b><u>Principle</u></b>	<b><u>Interest</u></b>	<b><u>Principle</u></b>	<b><u>Interest</u></b>	<b><u>Principle</u></b>	<b><u>Interest</u></b>
2022.....	-	-	440,139	78,314	440,139	78,314
2023.....	-	-	313,806	66,521	313,806	66,521
2024.....	-	-	321,806	58,383	321,806	58,383
2025.....	-	-	330,806	50,024	330,806	50,024
2026.....	-	-	337,806	41,457	337,806	41,457
2027-2031.....	-	-	1,442,415	75,478	1,442,415	75,478
2032-maturity.....	-	-	-	-	-	-
Total.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,186,778</u>	<u>\$ 370,177</u>	<u>\$ 3,186,778</u>	<u>\$ 370,177</u>

**City of Mebane, North Carolina**  
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**Changes in Long-Term Liabilities**

	<u>Balance July 1,</u>			<u>Balance June</u>	<u>Current</u>
	<u>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>30, 2021</u>	<u>Portion of</u>
					<u>Balance</u>
<b><u>Governmental activities:</u></b>					
Direct Placement					
Installment purchase.....	\$ 8,371,909	\$ 430,500	\$ 1,239,573	\$ 7,562,836	\$ 1,282,623
Compensated absences.....	465,151	388,776	408,698	445,229	388,776
Total OPEB liability.....	6,809,240	2,692,052	-	9,501,292	-
Net pension liability (LGRS).....	2,650,542	822,702	-	3,473,244	-
Net pension liability (LEOSSA).....	802,190	569,823	-	1,372,013	-
Total pension liability (Firefighters SSA)...	427,347	209,946	-	637,293	-
Governmental activity					
long-term liabilities.....	<u>\$ 19,526,379</u>	<u>\$ 5,113,799</u>	<u>\$ 1,648,271</u>	<u>\$ 22,991,907</u>	<u>\$ 1,671,399</u>
<b><u>Business-type activities:</u></b>					
Direct Placement					
Installment purchase.....	\$ 3,617,917	\$ -	\$ 431,139	\$ 3,186,778	\$ 440,139
Graham/Mebane Watershed					
Agreement.....	1,783,652	-	127,403	1,656,249	127,403
Graham/Mebane Capacity					
Agreement.....	2,082,464	-	200,000	1,882,464	200,000
Net pension liability (LGRS).....	405,087	137,128	-	542,215	-
Compensated absences.....	76,077	66,299	63,386	78,990	66,299
Total OPEB liability.....	<u>1,061,570</u>	<u>433,037</u>	<u>-</u>	<u>1,494,607</u>	<u>-</u>
Business-type activity					
long-term liabilities.....	<u>\$ 9,026,767</u>	<u>\$ 636,464</u>	<u>\$ 821,928</u>	<u>\$ 8,841,303</u>	<u>\$ 833,841</u>

Compensated absences have typically been liquidated in the General Fund.

**C. Interfund Balances and Activity**

There are no balances due to/from other funds at June 30, 2021.

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund services provided and used are not eliminated in the process of consolidation. These balances routinely clear out each month prior to or at year-end.

A summary of interfund transfers for the fiscal year ended June 30, 2021 is as follows:

**Cash Transfers:**

**Transfer from General Fund to:**

General Capital Project Fund.....	\$ 1,059,769
Cates Farm Park Capital Project Fund.....	84,823

**Transfer from Water and Sewer Fund to:**

Utility Capital Project Fund.....	450,000
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**Transfer from System Development Capital Reserve Fund to:**

Utility Capital Project Fund.....	37,846
Total Cash Transfers .....	<u>\$ 1,632,438</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to spend them and (2) use unrestricted revenues collected in the

**City of Mebane, North Carolina**  
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general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Further, during the year ended June 30, 2021, the City made the following one-time transfers:

- 1) A transfer of \$1,059,769 from the General Fund to the General Capital Project Fund for capital improvements.
- 2) A transfer of \$84,823 from the General Fund to the Cates Farm Park Capital Project Fund for capital improvements.
- 3) A transfer of \$450,000 from the Utility Fund to the Utility Capital Project Fund for capital improvements.
- 4) A transfer of \$37,846 from the Utility Capital Reserve Fund to the Utility Capital Project Fund for capital improvements.

**D. On-Behalf Payments for Fringe Benefits and Salaries**

The City has recognized as a revenue and an expenditure on-behalf payments for fringe benefits and salaries of \$14,046, for the salary supplement and stipend benefits paid to eligible firemen by the local board of trustees of the Firemen's Relief Fund during the fiscal year ended June 30, 2021. Under State law the local board of trustees for the Fund receives an amount each year which the board may use at its own discretion for eligible firemen or their departments.

**E. Net Investment in Capital Assets**

	<u>Governmental</u>	<u>Business-type</u>
Capital assets.....	\$ 60,583,002	\$ 54,987,245
less: long-term debt.....	7,562,836	6,725,491
add: unexpended debt proceeds.....	-	-
Net investment in capital assets.....	<u>\$ 53,020,166</u>	<u>\$ 48,261,754</u>

**F. Fund Balance**

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

Total fund balance – General Fund.....	\$ 15,719,819
Less: Nonspendable Prepaid Assets.....	(31,716)
Stabilization by State Statute.....	(3,405,872)
Appropriated Fund Balance in 2022 budget.....	(1,950,000)
Working Capital.....	<u>(10,332,231)</u>
Remaining fund balance.....	<u>\$ -</u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Outstanding encumbrances for the Governmental Funds at June 30, 2021 were \$804,772 for the General Fund.

**G. Jointly Governed Organization**

The City, in conjunction with twelve counties and sixty other municipalities established the Piedmont Triad Regional Council (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member and one alternate if they so desire, to the Council's governing board. The City paid \$2,909 in general membership fees and \$6,711 in stormwater fees to the Council during the fiscal years ended June 30, 2021.

**City of Mebane, North Carolina**  
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**H. Joint Ventures**

The City, in conjunction with the Cities of Burlington and Graham, participate in the Alamance Municipal ABC Board. Each participating government appoints board members. The ABC Board is a joint venture established to facilitate control over alcoholic beverages within the Cities. The ABC Board has been in existence for over 38 years and is self-sustaining. The City has an ongoing financial responsibility for the ABC Board because it and the Cities of Burlington and Graham are legally obligated under the intergovernmental agreement that created the ABC Board to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2021. Complete financial statements for the ABC Board can be obtained from the administrative offices at 603 W. Harden Street, Graham, North Carolina, 27253.

**I. Joint Operation**

The City of Mebane and the City of Graham are co-owners and operators of a water supply reservoir and water treatment plant per an Intergovernmental Watershed Agreement. Since June 22, 1973, the ownership of the assets and improvements of the joint undertaking remained at 66.7% interest for the City of Graham and 33.3% interest for the City of Mebane. Due to relative growths of the populations in units of government, the parties agreed as February 3, 2014 to adjust the capacity, treatment and operational costs, improvements, upgrades, and repairs to be borne equally by the units. At this time, the City of Mebane also agreed to pay to the City of Graham an equalizing sum of \$2,548,070 for their capital interest. The amount is to be paid in twenty annual installments of \$127,403 with the first payment due July 31, 2014. No interest is included in the agreement. The balance of the payable as of June 30, 2021 was \$1,656,249.

**J. Interlocal Cooperation Agreement**

The City of Mebane and the City of Graham entered into an interlocal cooperation agreement for the allocation of Twenty One and Forty Three One Hundredths percent (21.43%) of capacity usage of the City of Graham's wastewater treatment plant. The cost of agreed upon improvements or upgrades to the wastewater treatment plant and the Cherry Lane pump station will be shared by the City of Mebane and the City of Graham based on percentage of capacity usage, as noted above. The duration for the continuation of the agreement is 99 years. The City of Mebane has agreed to pay the City of Graham \$2,682,464 for this capacity usage. The amount is to be paid in twenty annual installments of \$200,000 (payments 1-5), \$150,000 (payments 6-10), \$100,000 (payments 11-15), and \$86,493 (payments 16-20) with the first payment due July 10, 2018. No interest is included in the agreement. The balance of the payable as of June 30, 2021 was \$1,882,464.

**K. Summary Disclosure of Significant Contingencies**

**Federal and State Assisted Programs**

The City 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 grant monies.

**L. Significant Effects of Subsequent Events**

In accordance with ASC 855, the City evaluated subsequent events through November 10, 2021, the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

**M. Restatements**

During the fiscal year ended June 30, 2021, the City determined that the pension liability for the Firefighters' Special Separation Allowance was not recorded. Therefore, an adjustment to beginning net

**City of Mebane, North Carolina**  
**Notes to the Financial Statements**  
**June 30, 2021**

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position has been recorded to account for this accrual, the net effect of which is a decrease in net position of \$427,347. This liability does not affect the modified basis fund balance.

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# Required Supplementary Information

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This section contains additional information required by generally accepted accounting principles.

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- **Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System**
- **Schedule of Contributions to Local Government Employees' Retirement System**
- **Schedule of Proportionate Share of Net Pension Liability for Firefighters' and Rescue Squad Workers' Pension Plan**
- **Schedule of Changes in Total Pension Liability (Asset) for Firefighters' and Rescue Squad Workers' Pension Plan**
- **Schedule of Total Pension Liability as a Percentage of Covered Payroll for Law Enforcement Officers' Special Separation Allowance**
- **Schedule of Total Pension Liability as a Percentage of Covered Payroll for Firefighters' Special Separation Allowance**
- **Schedule of Changes in Total OPEB Liability and Related Ratios**



**City of Mebane, North Carolina**  
**Required Supplementary Information**  
**City of Mebane's Proportionate Share of Net Pension Liability (Asset)**  
**Last Eight Fiscal Years \***  
**June 30, 2021**

**Local Government Employees' Retirement System**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Mebane's proportion of the net pension liability (asset) (%).....	0.11237%	0.11189%	0.10735%	0.10919%	0.10681%	0.10043%	0.09862%	0.99260%
Mebane's proportion of the net pension liability (asset) (\$).....	\$4,015,459	\$3,055,629	\$2,546,709	\$1,668,121	\$2,266,866	\$ 450,724	\$ (581,608)	\$1,116,186
Mebane's covered payroll.....	\$7,506,863	\$7,137,816	\$6,539,336	\$6,062,960	\$5,990,336	\$5,169,065	\$5,064,935	\$4,888,462
Mebane's proportionate share of the net pension liability (asset) as a percentage of its covered payroll.....	53.49%	42.81%	38.94%	27.51%	37.84%	8.72%	( 11.48%)	22.83%
Plan fiduciary net position as a percentage of the total pension liability **.....	92.60%	90.68%	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 schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

**City of Mebane, North Carolina**  
**Required Supplementary Information**  
**City of Mebane's Contributions**  
**Last Eight Fiscal Years \***  
**June 30, 2021**

**Local Government Employees' Retirement System**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution.....	\$ 671,809	\$ 624,341	\$ 526,288	\$ 364,077	\$ 438,800	\$ 404,627	\$ 376,969	\$ 353,916
Contributions in relation to the								
contractually required contribution..	<u>671,809</u>	<u>624,341</u>	<u>526,288</u>	<u>364,077</u>	<u>438,800</u>	<u>404,627</u>	<u>376,969</u>	<u>353,916</u>
Contribution deficiency (excess).....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Mebane's covered payroll.....	\$ 8,101,894	\$ 7,506,863	\$ 7,137,816	\$ 6,539,336	\$ 6,062,960	\$ 5,990,336	\$ 5,169,065	\$ 5,064,935
Contributions as a percentage of								
covered payroll.....	8.29%	8.32%	7.37%	5.57%	7.24%	6.75%	7.29%	6.99%

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

**City of Mebane, North Carolina**  
**Required Supplementary Information**  
**City of Mebane's Proportionate Share of Net Pension Liability**  
**Last Seven Fiscal Years \***  
**June 30, 2021**

**Firefighters' and Rescue Squad Workers' Pension**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Mebane's proportionate share of the net pension liability (%).....	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%
Mebane's proportionate share of the net pension liability (\$).....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City of Mebane.	<u>52,183</u>	<u>53,623</u>	<u>75,430</u>	<u>61,719</u>	<u>45,002</u>	<u>38,775</u>	<u>31,152</u>
Total.....	<u>\$ 52,183</u>	<u>\$ 53,623</u>	<u>\$ 75,430</u>	<u>\$ 61,719</u>	<u>\$ 45,002</u>	<u>\$ 38,775</u>	<u>\$ 31,152</u>
Mebane's covered payroll.....	\$ 1,650,409	\$ 1,534,858	\$ 1,371,047	\$ 1,289,371	\$ 1,227,668	\$ 1,268,042	\$ 945,728
Mebane's proportionate share of the net pension liability (asset) as a percentage of its covered payroll.....	3.16%	3.49%	5.50%	4.79%	3.67%	3.06%	3.29%
Plan fiduciary net position as a percentage of the total pension liability.....	92.30%	90.50%	89.35%	94.94%	91.40%	93.42%	92.76%

\* The amounts are presented for the prior fiscal year. This schedule is intended to show information for ten years.  
Additional years' information will be displayed as it becomes available.

**City of Mebane, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**Last Five Fiscal Years\***  
**June 30, 2021**

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	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance.....	\$ 802,190	\$ 621,186	\$ 574,870	\$ 427,541	\$ 400,968
Service cost.....	56,536	49,682	45,895	37,803	35,736
Interest on the total pension liability.....	26,151	22,611	18,057	16,370	14,155
Changes of benefit terms.....	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability.....	46,055	77,061	23,723	53,293	-
Changes of assumptions or other inputs.....	441,081	31,650	(34,476)	46,746	(14,371)
Benefit payments.....	-	-	(6,883)	(6,883)	(8,947)
Other changes.....	-	-	-	-	-
Ending balance of the total pension liability.....	<u>\$ 1,372,013</u>	<u>\$ 802,190</u>	<u>\$ 621,186</u>	<u>\$ 574,870</u>	<u>\$ 427,541</u>

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.  
This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**City of Mebane, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**Last Ten Fiscal Years**  
**June 30, 2021**

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	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total pension liability.....	\$ 1,372,013	\$ 802,190	\$ 621,186	\$ 574,870	\$ 427,541	\$ 400,968	\$ 258,154	\$ 238,533	\$ 226,153	\$ 224,291
Covered payroll.....	1,971,990	1,889,896	1,622,281	1,553,944	1,443,743	1,443,743	1,228,378	1,097,171	931,673	946,084
Total pension liability as a percentage of covered payroll...	69.58%	42.45%	38.29%	36.99%	29.61%	27.77%	21.02%	21.74%	24.27%	23.71%

**Notes to the Required Schedules**

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The City of Mebane has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.



**City of Mebane, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Firefighters' Special Separation Allowance**  
**June 30, 2021**

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	<u><b>2021</b></u>
Beginning balance.....	\$ 427,347
Service cost.....	27,629
Interest on the total pension liability.....	13,932
Changes of benefit terms.....	-
Differences between expected and actual experience in the measurement of the total pension liability.....	-
Changes of assumptions or other inputs.....	168,385
Benefit payments.....	-
Other changes.....	-
Ending balance of the total pension liability.....	<u><u>\$ 637,293</u></u>

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

**City of Mebane, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Firefighters' Special Separation Allowance**  
**June 30, 2021**

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	<u><b>2021</b></u>
Total pension liability.....	\$ 637,293
Covered payroll.....	1,368,060
Total pension liability as a percentage of covered payroll.....	46.58%

**Notes to the Required Schedules**

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The City of Mebane has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

**City of Mebane, North Carolina**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**Last Four Fiscal Years\***  
**June 30, 2021**

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<u>Total OPEB Liability</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost.....	\$ 459,321	\$ 380,966	\$ 402,678	\$ 452,991
Interest .....	289,711	238,114	213,111	183,870
Changes of benefit terms.....	-	-	-	-
Differences between expected and actual experience.....	5,490	1,302,981	8,326	(9,652)
Changes of assumptions.....	2,476,778	(115,846)	(384,358)	(663,734)
Benefit payments.....	(106,211)	(112,112)	(97,786)	(74,215)
Net change in total OPEB liability.....	3,125,089	1,694,103	141,971	(110,740)
Total OPEB liability - beginning.....	7,870,810	6,176,707	6,034,736	6,145,476
Total OPEB liability - ending.....	<u>\$ 10,995,899</u>	<u>\$ 7,870,810</u>	<u>\$ 6,176,707</u>	<u>\$ 6,034,736</u>
Covered payroll.....	6,848,284	6,848,284	6,100,000	6,100,000
Total OPEB liability as a percentage of covered payroll.....	160.56%	114.93%	101.26%	98.93%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

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

# Major Governmental Funds

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- **The General Fund** – This fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.
- **The City Park Capital Project Fund** – This fund is used to account for the land purchase and construction of the city park.



**City of Mebane, North Carolina**  
**Comparative Balance Sheets**  
**General Fund**  
**June 30, 2021 and 2020**

**Statement A-1**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>Assets</b>		
Cash and equivalents.....	\$ 13,745,250	\$ 13,311,576
Restricted cash.....	1,436,696	1,057,778
Taxes receivable.....	82,899	94,533
Accounts receivable.....	166,065	133,070
Prepaid items.....	31,716	168,052
Advance to other funds.....	-	-
Due from other governments.....	2,435,035	2,025,493
<b>Total assets.....</b>	<u><u>\$ 17,897,661</u></u>	<u><u>\$ 16,790,502</u></u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>		
<b>Liabilities:</b>		
Accounts payable .....	\$ 1,052,797	\$ 974,466
Due to other governments.....	15,819	-
Payable from restricted assets.....	1,023,687	863,078
<b>Total liabilities.....</b>	<u><u>2,092,303</u></u>	<u><u>1,837,544</u></u>
<b>Deferred inflows of resources.....</b>	85,539	110,641
<b>Fund balances:</b>		
<b>Nonspendable:</b>		
Prepaid assets.....	31,716	168,052
<b>Restricted for:</b>		
Stabilization by State Statute.....	3,405,872	2,422,768
<b>Assigned:</b>		
Subsequent year's expenditures.....	1,950,000	1,823,718
Unassigned.....	10,332,231	10,427,779
<b>Total fund balances.....</b>	<u><u>15,719,819</u></u>	<u><u>14,842,317</u></u>
<b>Total liabilities, deferred inflows of resources and fund balances.....</b>	<u><u>\$ 17,897,661</u></u>	<u><u>\$ 16,790,502</u></u>

**City of Mebane, North Carolina**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund**

**For the Fiscal Year Ended June 30, 2021**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2020)**

**Statement A-2**

	<b>2021</b>		<b>Variance</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Positive (Negative)</b>	<b>2020 Actual</b>
<b>Revenues</b>				
<b>Property taxes:</b>				
Current and prior years.....	\$	\$ 11,331,936	\$	\$ 10,888,946
Penalties and interest, net of discounts.....		7,411		8,121
Total.....	<u>11,036,912</u>	<u>11,339,347</u>	<u>302,435</u>	<u>10,897,067</u>
<b>Other taxes and licenses:</b>				
Privilege licenses.....	<u>1,000</u>	<u>955</u>	<u>(45)</u>	<u>955</u>
<b>Unrestricted intergovernmental:</b>				
Local option sales tax.....		4,261,900		3,574,012
Telecommunications sales tax.....		74,249		74,048
Utility franchise tax.....		1,141,022		1,138,279
Video franchise fee.....		62,564		61,792
Beer and wine tax.....		59,850		59,570
ABC profit distribution.....		153,491		148,528
Tax sharing.....		313,314		352,604
Other.....		34,970		24,225
Total.....	<u>5,120,543</u>	<u>6,101,360</u>	<u>980,817</u>	<u>5,433,058</u>
<b>Restricted intergovernmental:</b>				
Powell Bill allocation.....		354,268		360,334
Controlled substance tax.....		1,403		1,074
ABC Revenue for law enforcement.....		38,978		33,070
Solid waste disposal tax.....		10,725		10,481
On-behalf of payments - fire.....		48,184		46,087
Federal equitable sharing.....		16,443		95,470
One NC Grant.....		-		180,000
Cares funding.....		187,904		27,952
Other grants and awards.....		2,437		29,327
Fire district tax funds.....		494,324		478,922
Total.....	<u>886,000</u>	<u>1,154,666</u>	<u>268,666</u>	<u>1,262,717</u>
<b>Permits and fees:</b>				
Building permits.....		615,935		330,523
Inspection fees.....		412,766		270,001
Planning fees.....		104,845		117,260
Street and utility inspection fees.....		193,353		84,611
Development fees.....		-		-
Other.....		11,136		8,791
Total.....	<u>881,798</u>	<u>1,338,035</u>	<u>456,237</u>	<u>811,186</u>

**City of Mebane, North Carolina**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund**

**For the Fiscal Year Ended June 30, 2021**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2020)**

**Statement A-2**

	<b>2021</b>		<b>Variance</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Positive (Negative)</b>	<b>2020 Actual</b>
<b>Revenues (continued)</b>				
<b>Sales and services:</b>				
Recreation department fees.....	\$	\$ 86,368	\$	\$ 79,588
Sanitation fees.....		493,408		467,833
Cemetery plot sales.....		36,750		29,000
Total.....	<u>570,450</u>	<u>616,526</u>	<u>46,076</u>	<u>576,421</u>
<b>Investment earnings.....</b>	<u>20,000</u>	<u>52,436</u>	<u>32,436</u>	<u>148,826</u>
<b>Miscellaneous:</b>				
Material sales.....		15,140		1,768
Rent.....		69,035		71,687
Other grants and awards.....		34,570		316,300
Other.....		133,139		124,380
Total.....	<u>147,600</u>	<u>251,884</u>	<u>104,284</u>	<u>514,135</u>
<b>Total revenues.....</b>	<u>18,664,303</u>	<u>20,855,209</u>	<u>2,190,906</u>	<u>19,644,365</u>
<b>Expenditures</b>				
<b>General government:</b>				
City Council:				
Salaries and employee benefits.....		54,410		63,477
Other operating expenditures.....		18,563		18,718
Total.....	<u>83,539</u>	<u>72,973</u>	<u>10,566</u>	<u>82,195</u>
Administration:				
Salaries and employee benefits.....		800,898		678,558
Other operating expenditures.....		160,813		171,613
Capital outlay.....		-		-
Total.....	<u>1,158,700</u>	<u>961,711</u>	<u>196,989</u>	<u>850,171</u>
Finance:				
Salaries and employee benefits.....		317,970		279,101
Other operating expenditures.....		212,398		211,899
Capital outlay.....		-		-
Total.....	<u>604,386</u>	<u>530,368</u>	<u>74,018</u>	<u>491,000</u>
Information Technology:				
Salaries and employee benefits.....		153,763		103,025
Other operating expenditures.....		249,513		161,790
Capital outlay.....		23,600		5,040
Total.....	<u>506,771</u>	<u>426,876</u>	<u>79,895</u>	<u>269,855</u>



**City of Mebane, North Carolina**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund**

**For the Fiscal Year Ended June 30, 2021**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2020)**

**Statement A-2**

	<b>2021</b>		<b>Variance</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Positive (Negative)</b>	<b>2020 Actual</b>
<b>Expenditures (continued)</b>				
<b>General government:</b>				
Non-departmental:				
Salaries and employee benefits.....	\$	\$ 129,300	\$	\$ 102,302
Other operating expenditures.....		443,035		469,535
Total.....	827,336	572,335	255,001	571,837
Total general government.....	3,180,732	2,564,263	616,469	2,265,058
<b>Public safety:</b>				
Police:				
Salaries and employee benefits.....		3,272,176		3,149,666
Maintenance.....		70,105		104,675
Other operating expenditures.....		508,036		498,050
Capital outlay.....		201,311		237,097
Total.....	4,434,715	4,051,628	383,087	3,989,488
Fire:				
Salaries and employee benefits.....		2,582,303		2,446,591
Maintenance.....		114,738		130,525
Other operating expenditures.....		271,156		261,170
Capital outlay.....		-		61,219
Total.....	2,988,336	2,968,197	20,139	2,899,505
Total public safety.....	7,423,051	7,019,825	403,226	6,888,993
<b>Public works:</b>				
Public works:				
Salaries and employee benefits.....		742,390		685,475
Maintenance.....		1,044,220		144,109
Other operating expenditures.....		286,214		254,543
Capital outlay.....		8,420		29,427
Total.....	2,167,922	2,081,244	86,678	1,113,554
Public facilities:				
Salaries and employee benefits.....		261,431		311,379
Maintenance.....		207,847		208,461
Other operating expenditures.....		192,633		145,522
Capital outlay.....		-		193,022
Total.....	1,041,424	661,911	379,513	858,384

**City of Mebane, North Carolina**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund**

**For the Fiscal Year Ended June 30, 2021**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2020)**

**Statement A-2**

	<b>2021</b>		<b>Variance</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Positive (Negative)</b>	<b>2020 Actual</b>
<b>Expenditures (continued)</b>				
Sanitation:				
Salaries and employee benefits.....		\$ 435,920		\$ 427,211
Maintenance.....		128,723		106,754
Tipping fees.....		493,088		424,008
Other operating expenditures.....		96,396		107,248
Capital outlay.....		-		11,227
Total.....	<u>1,306,759</u>	<u>1,154,127</u>	<u>152,632</u>	<u>1,076,448</u>
Total public works.....	<u>4,516,105</u>	<u>3,897,282</u>	<u>618,823</u>	<u>3,048,386</u>
<b>Recreation:</b>				
Parks and recreation:				
Salaries and employee benefits.....		778,229		703,227
Maintenance.....		217,503		205,219
Other operating expenditures.....		297,581		271,168
Capital outlay.....		839,027		163,443
Total.....	<u>2,730,062</u>	<u>2,132,340</u>	<u>597,722</u>	<u>1,343,057</u>
Total recreation.....	<u>2,730,062</u>	<u>2,132,340</u>	<u>597,722</u>	<u>1,343,057</u>
<b>Economic and physical development:</b>				
Planning:				
Salaries and employee benefits.....		235,444		230,629
Maintenance.....		958		8,413
Professional services.....		64,500		29,108
Downtown Revitalization Grant.....		-		-
Other operating expenditures.....		65,006		47,604
Capital outlay.....		-		-
Total.....	<u>608,712</u>	<u>365,908</u>	<u>242,804</u>	<u>315,754</u>
Inspections:				
Salaries and employee benefits.....		488,194		407,857
Maintenance.....		1,593		2,250
Professional services.....		-		522
Other operating expenditures.....		21,919		26,797
Capital outlay.....		35,293		-
Total.....	<u>643,704</u>	<u>546,999</u>	<u>96,705</u>	<u>437,426</u>
Engineering:				
City Engineer contracted services.....		60,000		107,011
Professional services stormwater.....		81,500		-
Professional services.....		289,000		370,817
Total.....	<u>430,500</u>	<u>430,500</u>	<u>-</u>	<u>477,828</u>

**City of Mebane, North Carolina**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund**

**For the Fiscal Year Ended June 30, 2021**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2020)**

**Statement A-2**

	<b>2021</b>			
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>2020 Actual</b>
<b>Expenditures (continued)</b>				
Main Street Program:				
Professional services.....	\$	\$ 4,688	\$	\$ -
Other operating expenditures.....		3,985		-
Total.....	33,985	8,673	25,312	-
Economic development:				
Other operating expenditures.....		847,092		696,446
Total.....	996,800	847,092	149,708	696,446
Total economic and physical development.....	2,713,701	2,199,172	514,529	1,927,454
<b>Debt Service:</b>				
Principal Retirement.....	1,406,526	1,239,573	166,953	1,272,748
Interest and other charges.....	293,137	211,159	81,978	264,189
Total debt service.....	1,699,663	1,450,732	248,931	1,536,937
<b>Total expenditures.....</b>	<b>22,263,314</b>	<b>19,263,614</b>	<b>2,999,700</b>	<b>17,009,885</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>(3,599,011)</b>	<b>1,591,595</b>	<b>5,190,606</b>	<b>2,634,480</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in.....	-	-	-	-
Transfers out.....	(2,087,700)	(1,144,592)	943,108	(1,183,857)
Proceeds from long-term debt obligations issued.....	1,939,070	430,500	(1,508,570)	-
<b>Total other financing sources (uses).....</b>	<b>(148,630)</b>	<b>(714,092)</b>	<b>(565,462)</b>	<b>(1,183,857)</b>
Fund balance appropriated.....	3,747,641	-	(3,747,641)	-
Net change in fund balances.....	\$ -	877,503	\$ 877,503	1,450,623
Fund balances - beginning .....		14,842,317		13,391,694
<b>Fund balances - ending.....</b>		<b>\$ 15,719,820</b>		<b>\$ 14,842,317</b>

**City of Mebane, North Carolina**  
**Comparative Balance Sheets**  
**Capital Project Fund - City Park Project**  
**June 30, 2021 and 2020**

**Statement A-3**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>Assets</b>		
Cash and equivalents.....	\$ -	\$ 34,448
Restricted cash.....	-	-
<b>Total assets.....</b>	<u>\$ -</u>	<u>\$ 34,448</u>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable .....	\$ -	\$ 34,448
Due to other funds.....	-	-
<b>Total liabilities.....</b>	<u>-</u>	<u>34,448</u>
<b>Fund balances:</b>		
Assigned for		
City Park Capital Outlay.....	-	-
<b>Total fund balances.....</b>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balances.....</b>	<u>\$ -</u>	<u>\$ 34,448</u>

**City of Mebane, North Carolina**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**Capital Project Fund - City Park Project**

**From Inception and For the Year Ended June 30, 2021**

**Statement A-4**

	<u>Actual</u>				<u>Variance</u>
	<u>Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Positive</u>
					<u>(Negative)</u>
<b>Revenues</b>					
Investment earnings.....	\$ 102,758	\$ 145,142	\$ -	\$ 145,142	\$ 42,384
Parks and Recreation Trust Fund Grant.....	335,000	355,802	-	355,802	20,802
Miscellaneous grants.....	150,000	185,000	-	185,000	35,000
<b>Total revenues.....</b>	<b>587,758</b>	<b>685,944</b>	<b>-</b>	<b>685,944</b>	<b>98,186</b>
<b>Expenditures</b>					
Professional services.....	746,081	715,585	-	715,585	30,496
Land purchase.....	662,584	662,584	-	662,584	-
Capital outlay - buildings.....	1,025,883	1,014,481	-	1,014,481	11,402
Construction.....	7,157,136	6,939,501	-	6,939,501	217,635
Utility construction.....	710,870	567,932	-	567,932	142,938
Equipment.....	-	266,410	-	266,410	(266,410)
<b>Total expenditures.....</b>	<b>10,302,554</b>	<b>10,166,493</b>	<b>-</b>	<b>10,166,493</b>	<b>136,061</b>
<b>Revenue over (under) expenditures.....</b>	<b>(9,714,796)</b>	<b>(9,480,549)</b>	<b>-</b>	<b>(9,480,549)</b>	<b>234,247</b>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in:					
From General Fund for					
capital improvements.....	3,091,326	3,082,617	-	3,082,617	(8,709)
From Utility Fund for					
capital improvements.....	793,470	567,932	-	567,932	(225,538)
Installment purchase obligations					
issued.....	5,830,000	5,830,000	-	5,830,000	-
<b>Total other financing sources (uses).....</b>	<b>9,714,796</b>	<b>9,480,549</b>	<b>-</b>	<b>9,480,549</b>	<b>(234,247)</b>
<b>Revenues and other sources over (under)</b>					
<b>expenditures and other uses.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>
Fund balance, July 1.....			-		
<b>Fund balance, June 30.....</b>			<b>\$ -</b>		

# Non-Major Governmental Funds

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Non-major governmental funds are those funds whose revenues, expenditures/expenses, assets or liabilities are less than 10% of corresponding totals for all governmental or enterprise funds or less than 5% of the aggregate amount for all governmental and enterprise funds for the same item.

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- **The Mebane Mills Loft Community Development Block Grant (CDBG) Special Revenue Fund** – This fund is used to account for all block grant funds expended for the renovation of the old Dixie Yarns Building into subsidized housing.
- **Capital Project Fund** – This fund is used to account for various General Fund capital expenditures that are expected to be completed within one year.
- **The Cates Farm Park Capital Project Fund** – This fund is used to account for the land purchase and construction of the city park.



**City of Mebane, North Carolina**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2021**

**Statement B-1**

	<u>Special</u>		<u>Capital Project</u>	<u>Total</u>
	<u>Revenue Fund</u>		<u>Fund - Cates</u>	<u>Nonmajor</u>
	<u>- CDBG -</u>	<u>Capital Project</u>	<u>Fund - Cates</u>	<u>Governmental</u>
	<u>Mebane Mills</u>	<u>Fund - General</u>	<u>Farm Park</u>	<u>Funds</u>
	<u>Loft</u>	<u>Fund</u>	<u>Project</u>	
<b>Assets</b>				
Cash and cash equivalents .....	\$ -	\$ 632,121	\$ -	\$ 632,121
Restricted cash.....	127,459	-	-	127,459
<b>Total assets.....</b>	<u>\$ 127,459</u>	<u>\$ 632,121</u>	<u>\$ -</u>	<u>\$ 759,580</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable.....	\$ -	\$ 65,270	\$ -	\$ 65,270
<b>Total liabilities .....</b>	<u>-</u>	<u>65,270</u>	<u>-</u>	<u>65,270</u>
<b>Fund balances:</b>				
Restricted				
Economic development.....	127,459	-	-	127,459
Assigned				
Capital improvements.....	-	566,851	-	566,851
<b>Total fund balances.....</b>	<u>127,459</u>	<u>566,851</u>	<u>-</u>	<u>694,310</u>
<b>Total liabilities and fund balances.....</b>	<u>\$ 127,459</u>	<u>\$ 632,121</u>	<u>\$ -</u>	<u>\$ 759,580</u>



**City of Mebane, North Carolina**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2021** **Statement B-2**

	<u>Special</u> <u>Revenue</u>		<u>Capital</u>		<u>Capital</u>		<u>Total</u>
	<u>Fund - CDBG -</u>		<u>Capital</u>		<u>Project Fund -</u>		<u>Nonmajor</u>
	<u>Mebane Mills</u>		<u>Project Fund -</u>		<u>Cates Farm</u>		<u>Governmental</u>
	<u>Loft</u>		<u>General Fund</u>		<u>Park Project</u>		<u>Funds</u>
<b>Revenues</b>							
Program revenue.....	\$ 10,710	\$ -	\$ -	\$ -	\$ 10,710		
Interest earnings.....	3,591	-	-	-	3,591		
Impact Alamance grant.....	-	-	-	-	-		
<b>Total revenues.....</b>	<u>14,301</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,301</u>		
<b>Expenditures</b>							
Capital outlay - other.....	-	492,920	84,823	577,743			
Capital outlay - equipment.....	-	-	-	-			
<b>Total expenditures.....</b>	<u>-</u>	<u>492,920</u>	<u>84,823</u>	<u>577,743</u>			
<b>Excess (deficiency) of revenues</b>							
<b>over expenditures</b>	<u>14,301</u>	<u>(492,920)</u>	<u>(84,823)</u>	<u>(563,442)</u>			
<b>Other Financing Sources (Uses)</b>							
Transfers from other funds.....	-	1,059,769	84,823	1,144,592			
Transfers to other funds.....	-	-	-	-			
Appropriated fund balance.....	-	-	-	-			
<b>Total Other Financing Sources (Uses).....</b>	<u>-</u>	<u>1,059,769</u>	<u>84,823</u>	<u>1,144,592</u>			
Net change in fund balances.....	14,301	566,849	-	581,150			
Fund balances - beginning.....	113,158	2	-	113,160			
<b>Fund balances - ending.....</b>	<u>\$ 127,459</u>	<u>\$ 566,851</u>	<u>\$ -</u>	<u>\$ 694,310</u>			

**City of Mebane, North Carolina**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**Special Revenue Fund - CDBG - Mebane Mills Loft**

**From Inception and For the Year Ended June 30, 2021**

**Statement B-3**

		<u>Actual</u>			<u>Variance</u>
	<u>Authorization</u>	<u>Prior Years</u>	<u>Current</u> <u>Year</u>	<u>Total to Date</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>					
CDBG.....	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	\$ -
Program revenue- principal receipts.....	-	76,385	10,710	87,095	87,095
Program revenue- interest receipts.....	-	35,095	3,216	38,311	38,311
Investment earnings.....	-	1,678	375	2,053	2,053
<b>Total revenues.....</b>	<u>250,000</u>	<u>363,158</u>	<u>14,301</u>	<u>377,459</u>	<u>127,459</u>
<b>Expenditures</b>					
Pedestrian improvements.....	56,700	56,700	-	56,700	-
Historic preservation.....	145,645	145,645	-	145,645	-
Other activities.....	27,655	27,655	-	27,655	-
Administration.....	20,000	20,000	-	20,000	-
<b>Total expenditures.....</b>	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
<b>Revenue over (under) expenditures.....</b>	<u>-</u>	<u>113,158</u>	<u>14,301</u>	<u>127,459</u>	<u>127,459</u>
Net change in fund balance.....	<u>\$ -</u>	<u>\$ 113,158</u>	14,301	<u>\$ 127,459</u>	<u>\$ 127,459</u>
Fund balance, July 1.....			113,158		
<b>Fund balance, June 30.....</b>			<u>\$ 127,459</u>		

City of Mebane, North Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Capital Project Fund - General Fund

For the Year Ended June 30, 2021

Statement B-4

	<u>Budget</u>		<u>Variance</u>	
	<u>Authorization</u>	<u>Actual</u>	<u>Positive</u>	<u>2020 Actual</u>
			<u>(Negative)</u>	
<b>Expenditures</b>				
Art.....	\$ -	\$ -	\$ -	\$ 18,090
Holt St Greenway.....	24,257	24,256	1	29,089
Foust Road widening.....	265,000	117,390	147,610	-
Bike and Ped maintenance.....	-	-	-	6,662
3rd Street Alleyway- drainage maint.....	-	-	-	121,575
Streets maintenance.....	600,000	-	600,000	1,067,980
Sidewalk construction.....	201,603	65,264	136,339	253,313
Public works vehicles.....	430,000	156,910	273,090	361,041
Inspections and planning building.....	213,000	-	213,000	-
Fire vehicles.....	-	-	-	88,438
Capital Outlay - Lake Michael Dam.....	350,000	129,100	220,900	-
Capital Outlay - Cates Farm Park.....	2,555	-	2,555	3,500
<b>Total expenditures.....</b>	<u>2,086,415</u>	<u>492,920</u>	<u>1,593,495</u>	<u>1,949,688</u>
<b>Revenue over (under) expenditures.....</b>	<u>(2,086,415)</u>	<u>(492,920)</u>	<u>(1,593,495)</u>	<u>(1,949,688)</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in:				
From General Fund for				
capital improvements.....	1,406,739	1,059,769	346,970	827,566
Appropriated fund balance.....	679,676	-	679,676	-
Total other financing sources (uses).....	<u>2,086,415</u>	<u>1,059,769</u>	<u>1,026,646</u>	<u>827,566</u>
<b>Revenues and other sources over (under)</b>				
<b>expenditures and other uses.....</b>	<u>\$ -</u>	<u>566,849</u>	<u>\$ (566,849)</u>	<u>(1,122,122)</u>
Fund balance, July 1.....		<u>2</u>		<u>1,122,124</u>
<b>Fund balance, June 30.....</b>		<u>\$ 566,851</u>		<u>\$ 2</u>

City of Mebane, North Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Capital Project Fund - Cates Farm Park Project

From Inception and For the Year Ended June 30, 2021

Statement B-5

		<u>Actual</u>			<u>Variance</u>
	<u>Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Positive</u>
					<u>(Negative)</u>
<b>Expenditures</b>					
Professional services.....	\$ 888	\$ -	\$ -	\$ -	\$ 888
Design and engineering.....	25,500	-	-	-	25,500
Construction administration.....	18,250	-	-	-	18,250
Construction.....	636,323	-	84,823	84,823	551,500
<b>Total expenditures.....</b>	<b>680,961</b>	<b>-</b>	<b>84,823</b>	<b>84,823</b>	<b>596,138</b>
<b>Revenue over (under) expenditures.....</b>	<b>(680,961)</b>	<b>-</b>	<b>(84,823)</b>	<b>(84,823)</b>	<b>596,138</b>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in:					
From General Fund for					
capital improvements.....	680,961	-	84,823	84,823	(596,138)
Total other financing sources (uses).....	680,961	-	84,823	84,823	(596,138)
<b>Revenues and other sources over (under)</b>					
<b>expenditures and other uses.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>
Fund balance, July 1.....			-		
<b>Fund balance, June 30.....</b>			<b>\$ -</b>		

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# Proprietary Funds

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Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government's board is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's board has decided that periodic determination of net income is appropriate for accountability purposes.

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- **Water and Sewer Fund** – This fund is used to account for the operations of the City's water and sewer system.
- **System Development Capital Reserve Fund** – This fund is specifically dedicated to setting aside financial resources for long term or large-scale capital projects for the proprietary fund. Revenue generated from system development fees are used as a funding source.
- **Utility – Capital Project Fund** – This fund is used to account for various Utility capital expenditures that are expected to be completed within one year.
- **WRRF Renovation – Capital Project Fund** – This fund is used to account for the construction upgrade of the City's water resource recovery facility.
- **WRRF 0.5 MGD Expansion – Capital Project Fund** – This fund is used to account for the construction expansion of the City's water resource recovery facility.



**City of Mebane, North Carolina**  
**Comparative Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021 and 2020**

**Statement C-1**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>Assets</b>		
Current assets:		
Cash and equivalents.....	\$ 7,511,270	\$ 7,586,901
Restricted cash.....	3,136,703	1,573,791
Accounts Receivable, net - billed.....	657,559	543,920
Accounts Receivable, net - unbilled.....	320,655	288,958
Other receivables.....	6,419	2,855
Due from other governments.....	-	-
Prepaid items.....	-	-
Total current assets.....	<u>11,632,606</u>	<u>9,996,425</u>
Non-current assets:		
Capital assets:		
Land and other non-depreciable assets.....	1,122,119	877,922
Other capital assets, net of depreciation.....	53,865,126	51,843,353
Total capital assets.....	<u>54,987,245</u>	<u>52,721,275</u>
Total non-current assets.....	<u>54,987,245</u>	<u>52,721,275</u>
<b>Total assets.....</b>	<b><u>66,619,851</u></b>	<b><u>62,717,700</u></b>
<b>Deferred outflows of resources.....</b>	<b><u>971,957</u></b>	<b><u>692,831</u></b>
<b>Total assets and deferred outflows of resources.....</b>	<b><u>\$ 67,591,808</u></b>	<b><u>\$ 63,410,531</u></b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 323,697	\$ 583,206
Accrued interest payable.....	36,135	40,063
Due to other governments.....	262,325	-
Payable from restricted assets.....	671,341	602,881
Compensated absences.....	66,299	68,558
Long-term debt - current.....	767,542	758,542
Total current liabilities.....	<u>2,127,339</u>	<u>2,053,250</u>
Noncurrent liabilities:		
Compensated absences.....	12,690	7,518
Net pension liability.....	542,215	405,087
Other postemployment benefits.....	1,494,607	1,061,570
Long-term debt - noncurrent.....	5,957,950	6,725,492
Total noncurrent liabilities.....	<u>8,007,462</u>	<u>8,199,667</u>
<b>Total liabilities.....</b>	<b><u>10,134,801</u></b>	<b><u>10,252,917</u></b>
<b>Deferred inflows of resources.....</b>	<b><u>94,556</u></b>	<b><u>111,730</u></b>
<b>Net Position</b>		
Net investment in capital assets.....	48,261,754	45,237,242
Restricted for future system development.....	2,465,362	970,910
Unrestricted .....	6,635,335	6,837,732
<b>Total net position.....</b>	<b><u>57,362,451</u></b>	<b><u>53,045,884</u></b>
<b>Total liabilities, deferred outflows of resources, and net position.....</b>	<b><u>\$ 67,591,808</u></b>	<b><u>\$ 63,410,531</u></b>



**City of Mebane, North Carolina**  
**Combining Statement of Net Position**  
**Proprietary Funds - By Subfund**  
**June 30, 2021**

**Statement C-2**

	<u>Operating</u>	<u>System</u> <u>Development</u> <u>Capital</u> <u>Reserve Fund</u>	<u>Capital</u> <u>Project Fund -</u> <u>Utility</u>	<u>WRRF</u> <u>Renovation</u> <u>Capital</u> <u>Project Fund</u>	<u>Total</u>
	<u>Fund</u>				
<b>Assets</b>					
Current assets:					
Cash and equivalents.....	\$ 6,705,454	\$ -	\$ 708,576	\$ 97,240	\$ 7,511,270
Restricted cash.....	671,341	2,465,362	-	-	3,136,703
Accounts receivable, net - billed.....	657,559	-	-	-	657,559
Accounts receivable, net - unbilled.....	320,655	-	-	-	320,655
Other receivables.....	6,419	-	-	-	6,419
Due from other governments.....	-	-	-	-	-
Prepaid items.....	-	-	-	-	-
Non-capital eliminations.....	510,821	-	(510,821)	-	-
Total current assets.....	<u>8,872,249</u>	<u>2,465,362</u>	<u>197,755</u>	<u>97,240</u>	<u>11,632,606</u>
Non-current assets:					
Capital assets:					
Land and other non-depreciable assets.....	1,122,119	-	-	-	1,122,119
Other capital assets, net of depreciation.....	53,865,126	-	-	-	53,865,126
Total capital assets.....	<u>54,987,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,987,245</u>
Total non-current assets.....	<u>54,987,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,987,245</u>
<b>Total assets.....</b>	<b>63,859,494</b>	<b>2,465,362</b>	<b>197,755</b>	<b>97,240</b>	<b>66,619,851</b>
<b>Deferred outflows of resources.....</b>	<b>971,957</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>971,957</b>
<b>Total assets and deferred outflows</b>					
<b>of resources.....</b>	<b>\$ 64,831,451</b>	<b>\$ 2,465,362</b>	<b>\$ 197,755</b>	<b>\$ 97,240</b>	<b>\$ 67,591,808</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable and accrued liabilities.....	\$ 254,172	\$ -	\$ -	\$ 69,525	\$ 323,697
Accrued interest payable.....	36,135	-	-	-	36,135
Due to other governments.....	262,325	-	-	-	262,325
Payable from restricted assets.....	671,341	-	-	-	671,341
Compensated absences.....	66,299	-	-	-	66,299
Long-term debt - current.....	767,542	-	-	-	767,542
Total current liabilities.....	<u>2,057,814</u>	<u>-</u>	<u>-</u>	<u>69,525</u>	<u>2,127,339</u>
Noncurrent liabilities:					
Compensated absences.....	12,690	-	-	-	12,690
Net pension liability.....	542,215	-	-	-	542,215
Other postemployment benefits.....	1,494,607	-	-	-	1,494,607
Long-term debt - noncurrent.....	5,957,950	-	-	-	5,957,950
Total noncurrent liabilities.....	<u>8,007,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,007,462</u>
<b>Total liabilities.....</b>	<b>10,065,276</b>	<b>-</b>	<b>-</b>	<b>69,525</b>	<b>10,134,801</b>
<b>Deferred inflows of resources.....</b>	<b>94,556</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94,556</b>
<b>Net Position</b>					
Net investment in capital assets.....	48,261,754	-	-	-	48,261,754
Restricted for future system development.....	-	2,465,362	-	-	2,465,362
Unrestricted .....	6,409,865	-	197,755	27,715	6,635,335
<b>Total net position.....</b>	<b>54,671,619</b>	<b>2,465,362</b>	<b>197,755</b>	<b>27,715</b>	<b>57,362,451</b>
<b>Total liabilities, deferred outflows</b>					
<b>of resources, and net position.....</b>	<b>\$ 64,831,451</b>	<b>\$ 2,465,362</b>	<b>\$ 197,755</b>	<b>\$ 97,240</b>	<b>\$ 67,591,808</b>

City of Mebane, North Carolina  
Combining Schedule of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds - By Subfund  
June 30, 2021

Statement C-3

	<u>Operating Fund</u>	<u>System Development Capital Reserve Fund</u>	<u>Capital Project Fund - Utility</u>	<u>WRRF Renovation Capital Project Fund</u>	<u>Eliminations</u>	<u>Total</u>
<b>Operating Revenues</b>						
Charges for services.....	\$ 6,839,089	\$ -	\$ -	\$ -	\$ -	\$ 6,839,089
Water and sewer taps.....	37,002	-	-	-	-	37,002
Connection fees.....	154,900	1,527,703	-	-	-	1,682,603
Miscellaneous.....	594,037	-	-	-	-	594,037
<b>Total operating revenues.....</b>	<b>7,625,028</b>	<b>1,527,703</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,152,731</b>
<b>Operating Expenses</b>						
Administration, meters and billing.....	900,260	-	-	-	-	900,260
Utility maintenance.....	2,632,207	-	-	-	-	2,632,207
Engineering.....	260,000	-	-	-	-	260,000
Water resource recovery facility.....	2,151,072	-	-	-	-	2,151,072
Non-departmental.....	-	-	-	-	-	-
Depreciation.....	1,626,168	-	-	-	-	1,626,168
<b>Total operating expenses.....</b>	<b>7,569,707</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,569,707</b>
<b>Operating income (loss).....</b>	<b>55,321</b>	<b>1,527,703</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,583,024</b>
<b>Nonoperating revenues (expenses)</b>						
Interest and investment revenue.....	23,478	4,595	-	-	-	28,073
Other.....	(97,543)	-	-	-	-	(97,543)
Interest expense.....	(87,254)	-	-	-	-	(87,254)
Amortization of bonds.....	-	-	-	-	-	-
<b>Total nonoperating revenues (expenses).....</b>	<b>(161,319)</b>	<b>4,595</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(156,724)</b>
Income (loss) before contributions and transfers.....	(105,998)	1,532,298	-	-	-	1,426,300
Capital contributions.....	2,890,267	-	-	-	-	2,890,267
Expense transfer from projects.....	904,279	-	(487,846)	(416,433)	-	-
Transfers in.....	-	-	487,846	-	(487,846)	-
Transfers out.....	(450,000)	(37,846)	-	-	487,846	-
Change in net position.....	3,238,548	1,494,452	-	(416,433)	-	4,316,567
Total net position - beginning.....	51,433,071	970,910	197,755	444,148	-	53,045,884
<b>Total net position - ending.....</b>	<b>\$ 54,671,619</b>	<b>\$ 2,465,362</b>	<b>\$ 197,755</b>	<b>\$ 27,715</b>	<b>\$ -</b>	<b>\$ 57,362,451</b>

**City of Mebane, North Carolina**  
**Schedule of Revenues and Expenditures - Budget to Actual**  
**Water and Sewer Fund**  
**For the Fiscal Year Ended June 30, 2021**  
**(With Comparative Totals for the Fiscal Year Ended June 30, 2020)**

**Statement C-4**

	<b>2021</b>		<b>Variance</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Positive (Negative)</b>	<b>2020 Actual</b>
<b>Revenues</b>				
<b>Charges for services:</b>				
Water sales.....	\$	\$ 3,355,092	\$	\$ 2,987,707
Sewer charges.....		3,436,667		3,094,179
Water and sewer taps.....		37,002		12,400
Total.....	<u>5,933,600</u>	<u>6,828,761</u>	<u>895,161</u>	<u>6,094,286</u>
<b>Other operating revenues:</b>				
Other operating revenues.....		748,941		610,285
Total.....	<u>690,034</u>	<u>748,941</u>	<u>58,907</u>	<u>610,285</u>
<b>Other nonoperating revenues:</b>				
Other.....		(97,543)		16,655
Interest and investment earnings.....		23,478		79,501
Total.....	<u>49,000</u>	<u>(74,065)</u>	<u>(123,065)</u>	<u>96,156</u>
<b>Total revenues.....</b>	<u>6,672,634</u>	<u>7,503,637</u>	<u>831,003</u>	<u>6,800,727</u>
<b>Expenditures</b>				
<b>Administration, meters and billing:</b>				
Salaries and employee benefits.....		707,312		673,566
Supplies.....		24,946		23,621
Other operating expenditures.....		157,221		134,557
Total.....	<u>1,046,159</u>	<u>889,479</u>	<u>156,680</u>	<u>831,744</u>
<b>Utility maintenance:</b>				
Salaries and employee benefits.....		951,134		883,543
Chemicals.....		90,678		95,100
Supplies.....		114,169		110,486
Maintenance.....		166,120		195,843
Purchases of water .....		839,426		780,621
Highway 119 project expenses.....		-		-
Other operating expenditures.....		318,816		311,473
Total.....	<u>2,890,602</u>	<u>2,480,343</u>	<u>410,259</u>	<u>2,377,066</u>
<b>Engineering:</b>				
City Engineer contracted services.....		84,000		38,267
Other operating expenditures.....		176,000		208,298
Total.....	<u>300,000</u>	<u>260,000</u>	<u>40,000</u>	<u>246,565</u>

City of Mebane, North Carolina

Schedule of Revenues and Expenditures - Budget to Actual

Water and Sewer Fund

For the Fiscal Year Ended June 30, 2021

(With Comparative Totals for the Fiscal Year Ended June 30, 2020)

Statement C-4

	2021		Variance	
	Budget	Actual	Positive (Negative)	2020 Actual
<b>Expenditures (continued)</b>				
<b>Water resource recovery facility:</b>				
Salaries and employee benefits.....		\$ 697,614		\$ 690,736
Chemicals.....		99,026		82,754
Supplies.....		35,026		36,813
Maintenance.....		481,343		460,814
Other operating expenditures.....		236,084		245,428
Total.....	<u>1,905,333</u>	<u>1,549,093</u>	<u>356,240</u>	<u>1,516,545</u>
<b>Non-departmental:</b>				
Other operating expenditures.....		-		11,111
Total.....	<u>61,980</u>	<u>-</u>	<u>61,980</u>	<u>11,111</u>
<b>Debt Service:</b>				
Principal Retirement.....	945,543	758,542	187,001	751,542
Interest and other charges.....	203,383	91,182	112,201	103,843
Total.....	<u>1,148,926</u>	<u>849,724</u>	<u>299,202</u>	<u>855,385</u>
<b>Capital outlay:</b>				
Miscellaneous water.....	763,401	423,017	340,384	709,605
Miscellaneous sewer.....	275,052	162,421	112,631	106,391
Total.....	<u>1,038,453</u>	<u>585,438</u>	<u>453,015</u>	<u>815,996</u>
<b>Total expenditures.....</b>	<u>8,391,453</u>	<u>6,614,077</u>	<u>1,777,376</u>	<u>6,654,412</u>
<b>Excess (deficiency) of revenues</b>				
<b>over expenditures.....</b>	<u>(1,718,819)</u>	<u>889,560</u>	<u>2,608,379</u>	<u>146,315</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in.....	-	-	-	-
Transfers out.....	(1,375,000)	(450,000)	925,000	-
<b>Total other financing sources (uses).....</b>	<u>(1,375,000)</u>	<u>(450,000)</u>	<u>925,000</u>	<u>-</u>
Fund balance appropriated.....	<u>3,093,819</u>	<u>-</u>	<u>(3,093,819)</u>	<u>-</u>
<b>Revenues and other sources over</b>				
<b>expenditures and other uses.....</b>	<u>\$ -</u>	<u>\$ 439,560</u>	<u>\$ 439,560</u>	<u>\$ 146,315</u>

**City of Mebane, North Carolina**  
**Schedule of Revenues and Expenditures - Budget to Actual**  
**Water and Sewer Fund**  
**For the Fiscal Year Ended June 30, 2021**  
**(With Comparative Totals for the Fiscal Year Ended June 30, 2020)** **Statement C-4**

	<u>2021</u>		<u>Variance</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>	<u>2020 Actual</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>				
<b>Revenues and other sources over expenditures and other uses.....</b>		\$ 439,560		\$ 146,315
<b>Reconciling items:</b>				
Principal retirement.....		758,542		751,542
Capital outlays.....		585,438		815,996
Increase (decrease) in receivable allowance.....		15,632		(7,881)
Increase (decrease) in unbilled receivables.....		31,696		45,411
(Increase) decrease in accrued interest payable.....		3,928		3,637
(Increase) decrease in vacation pay.....		(2,915)		(7,522)
Increase (decrease) in deferred outflows of resources - pensions.....		(12,721)		(508)
(Increase) decrease in net pension liability.....		(137,128)		(72,708)
(Increase) decrease in deferred inflows of resources - pensions.....		-		1,369
Increase (decrease) in deferred outflows of resources - OPEB.....		291,847		167,727
(Increase) decrease in deferred inflows of resources - OPEB.....		17,174		1,157
(Increase) decrease in OPEB liability.....		(433,037)		(242,031)
Depreciation.....		(1,626,168)		(1,551,766)
Amortization of deferred loss on refunding.....		-		-
Capital contributions.....		2,890,267		5,400,880
Interest income from Water and Sewer Capital Project Funds.....		4,595		9,701
Capital asset transfers from other funds.....		-		1,394
Restricted income from System Development Capital Reserve Fund.....		1,527,703		902,521
Net Transfers to (from) Capital Project funds.....		(37,846)		(510,821)
Total reconciling items.....		<u>3,877,007</u>		<u>5,708,098</u>
<b>Change in net position.....</b>		<u>\$ 4,316,567</u>		<u>\$ 5,854,413</u>

**City of Mebane, North Carolina**

**Schedule of Revenues and Expenditures - Budget to Actual**

**System Development Capital Reserve Fund**

**For the Fiscal Year Ended June 30, 2021**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2020)**

**Statement C-5**

	<b>2021</b>		<b>Variance</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Positive</b>	<b>2020 Actual</b>
			<b>(Negative)</b>	
<b>Revenues</b>				
<b>Charges for services:</b>				
System Development Fees- Water.....	\$	\$ 392,211	\$	\$ 238,192
System Development Fees- Sewer.....		1,135,492		664,329
Total.....	650,000	1,527,703	877,703	902,521
<b>Other nonoperating revenues:</b>				
Interest and investment earnings.....		4,595		9,701
Total.....	2,500	4,595	2,095	9,701
<b>Total revenues.....</b>	<b>652,500</b>	<b>1,532,298</b>	<b>879,798</b>	<b>912,222</b>
<b>Excess (deficiency) of revenues</b>				
<b>over expenditures.....</b>	<b>652,500</b>	<b>1,532,298</b>	<b>879,798</b>	<b>912,222</b>
<b>Other Financing Sources (Uses)</b>				
Utility Capital Reserve.....	(477,500)	-	477,500	-
Transfers to other funds:				
Utility Capital Project Fund.....	(175,000)	(37,846)	137,154	(527,920)
Appropriated fund balance.....	-	-	-	-
<b>Total other financing sources (uses).....</b>	<b>(652,500)</b>	<b>(37,846)</b>	<b>614,654</b>	<b>(527,920)</b>
<b>Revenues and other sources over</b>				
<b>expenditures and other uses.....</b>	<b>\$ -</b>	<b>\$ 1,494,452</b>	<b>\$ 1,494,452</b>	<b>\$ 384,302</b>

**City of Mebane, North Carolina**

**Schedule of Revenues and Expenditures - Budget to Actual**

**Capital Project Fund - Utility**

**For the Fiscal Year Ended June 30, 2021**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2020)**

**Statement C-6**

	<b>2021</b>		<b>Variance</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Positive</b>	<b>2020 Actual</b>
			<b>(Negative)</b>	
<b>Expenditures</b>				
Oversizing sewer lines.....	\$	\$ -	\$	\$ 695,399
Meter changeout project.....		487,846		510,821
Arbor Creek outfall.....		-		-
WRRF floodwall.....		-		-
<b>Total expenditures.....</b>	<u>859,601</u>	<u>487,846</u>	<u>371,755</u>	<u>1,206,220</u>
<b>Excess (deficiency) of revenues</b>				
<b>over expenditures.....</b>	<u>(859,601)</u>	<u>(487,846)</u>	<u>371,755</u>	<u>(1,206,220)</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in (out):				
From Water and Sewer Fund for				
utility capital improvements.....	450,000	450,000	-	-
From Utility Capital Reserve Fund				
for utility capital improvements.....	175,000	37,846	(137,154)	527,920
To Water and Sewer Fund				
for current expenditures.....	-	-	-	-
Appropriated fund balance.....	<u>234,601</u>	<u>-</u>	<u>(234,601)</u>	<u>-</u>
<b>Total other financing sources (uses).....</b>	<u>859,601</u>	<u>487,846</u>	<u>(371,755)</u>	<u>527,920</u>
<b>Revenues and other sources over (under)</b>				
<b>expenditures and other uses.....</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (678,300)</u>

City of Mebane, North Carolina

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

WRRF Renovation Capital Project Fund

From Inception and For the Year Ended June 30, 2021

Statement C-7

		<u>Actual</u>			<u>Variance</u>
	<u>Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Positive</u>
<b>Expenditures</b>					<b>(Negative)</b>
Professional services.....	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
Design and engineering.....	530,000	138,852	416,433	555,285	(25,285)
Construction administration.....	530,000	-	-	-	530,000
Construction.....	6,084,176	-	-	-	6,084,176
Contingency.....	-	-	-	-	-
<b>Total expenditures.....</b>	<u>7,344,176</u>	<u>138,852</u>	<u>416,433</u>	<u>555,285</u>	<u>6,788,891</u>
<b>Revenue over (under) expenditures.....</b>	<u>(7,344,176)</u>	<u>(138,852)</u>	<u>(416,433)</u>	<u>(555,285)</u>	<u>6,788,891</u>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in:					
From Water and Sewer Fund for					
utility capital improvements.....	583,000	583,000	-	583,000	-
Installment purchase obligations					
issued.....	<u>6,761,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,761,176</u>
Total other financing sources (uses).....	<u>7,344,176</u>	<u>583,000</u>	<u>-</u>	<u>583,000</u>	<u>6,761,176</u>
<b>Revenues and other sources over (under)</b>					
<b>expenditures and other uses.....</b>	<u>\$ -</u>	<u>\$ 444,148</u>	<u>\$ (416,433)</u>	<u>\$ 27,715</u>	<u>\$ 13,550,067</u>



**City of Mebane, North Carolina**

**Schedule of Revenues and Expenditures - Budget and Actual (Non - GAAP)**

**WRRF 0.5 MGD Expansion Capital Project Fund**

**From Inception and For the Year Ended June 30, 2021**

**Statement C-8**

		<u>Actual</u>			<u>Variance</u>
	<u>Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Positive</u>
					<u>(Negative)</u>
<b>Expenditures</b>					
Design and engineering.....	\$ 900,000	\$ -	\$ -	\$ -	\$ 900,000
Contingency.....	25,000	-	-	-	25,000
<b>Total expenditures.....</b>	<u>925,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>925,000</u>
<b>Revenue over (under) expenditures.....</b>	<u>(925,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>925,000</u>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in:					
From Water and Sewer Fund for					
utility capital improvements.....	925,000	-	-	-	(925,000)
<b>Total other financing sources (uses).....</b>	<u>925,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(925,000)</u>
<b>Revenues and other sources over (under)</b>					
<b>expenditures and other uses.....</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Mebane, North Carolina**

**Schedule of Revenues and Expenditures - Budget and Actual (Non - GAAP)**

**Special Revenue Fund - ARPA**

**From Inception and For the Year Ended June 30, 2021**

**Statement C-9**

	<u>Actual</u>				<u>Variance</u>
	<u>Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Positive</u>
					<u>(Negative)</u>
<b>Revenues</b>					
ARPA Grant Proceeds.....	\$ 2,380,000	\$ -	\$ -	\$ -	\$ 2,380,000
<b>Total revenues.....</b>	<u>2,380,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,380,000</u>
<b>Expenditures</b>					
Capital outlay - other.....	<u>2,380,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,380,000</u>
<b>Total expenditures.....</b>	<u>2,380,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,380,000</u>
<b>Revenue over (under) expenditures.....</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under)</b>					
<b>expenditures and other uses.....</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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# Additional Financial Data

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This section contains additional information on property taxes and interfund transfers.

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- **Schedule of Ad Valorem Taxes Receivable**
- **Analysis of Current Tax Levy**
- **Schedule of Ten Largest Taxpayers**



**City of Mebane, North Carolina**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2021**

**Schedule D-1**

<u>Fiscal Year</u>	<u>Uncollected Balance 6/30/2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance 6/30/2021</u>
2020-2021.....	\$ -	\$ 11,273,675	\$ 11,233,082	\$ 40,593
2019-2020.....	36,720	-	23,366	13,354
2018-2019.....	32,228	-	19,380	12,848
2017-2018.....	3,922	-	939	2,983
2016-2017.....	3,422	-	1,142	2,280
2015-2016.....	5,073	-	452	4,621
2014-2015.....	3,628	-	(656)	4,284
2013-2014.....	5,058	-	554	4,504
2012-2013.....	5,811	-	719	5,092
2011-2012.....	4,733	-	578	4,155
2010-2011.....	6,604	-	6,604	-
	<u>\$ 107,199</u>	<u>\$ 11,273,675</u>	<u>\$ 11,286,160</u>	<u>94,714</u>
Less: Allowance for uncollectible accounts (General Fund).....				<u>11,815</u>
<b>Ad valorem taxes receivable - net.....</b>				<u><b>\$ 82,899</b></u>
<b>Reconciliation with revenues:</b>				
Ad valorem taxes - General Fund.....				\$ 11,339,347
Add (subtract):				
Penalties and interest, net of discounts.....				(7,411)
Amount written off for tax year 2010-2011.....				6,604
Refunds and other adjustments.....				(52,380)
<b>Total collections and credits.....</b>				<u><b>\$ 11,286,160</b></u>

**City of Mebane, North Carolina**  
**Analysis of Current Tax Levy**  
**City - Wide Levy**  
**For the Fiscal Year Ended June 30, 2021**

**Schedule D-2**

	<u>City - Wide</u>			<u>Total Levy</u>	
	<u>Total Property</u>		<u>Amount of</u>	<u>Property</u>	<u>Registered</u>
	<u>Valuation</u>	<u>Rate</u>	<u>Levy</u>	<u>Excluding</u>	<u>Motor</u>
				<u>Registered</u>	<u>Motor</u>
				<u>Motor</u>	<u>Vehicles</u>
				<u>Vehicles</u>	<u>Vehicles</u>
<b>Tax levy:</b>					
Real property .....	\$ 1,754,545,319	0.47	\$ 8,246,363	\$ 8,246,363	\$ -
Personal property .....	602,823,617	0.47	2,833,271	1,992,136	841,135
Public service companies.....	19,101,702	0.47	89,778	89,778	-
Subtotals.....	<u>2,376,470,638</u>		<u>11,169,412</u>	<u>10,328,277</u>	<u>841,135</u>
Less: Homestead exemptions.....	<u>(243,617)</u>	0.47	<u>(1,145)</u>	<u>(1,145)</u>	<u>-</u>
<b>Totals.....</b>	<b><u>\$ 2,376,227,021</u></b>		<b>11,168,267</b>	<b>10,327,132</b>	<b>841,135</b>
Advertising, interest cost and late filing fees.....			<u>13,294</u>	<u>13,294</u>	<u>-</u>
Gross levy.....			<u>11,181,561</u>	<u>10,340,426</u>	<u>841,135</u>
Release and adjustments.....			<u>92,114</u>	<u>92,114</u>	<u>-</u>
Net levy.....			<u>11,273,675</u>	<u>10,432,540</u>	<u>841,135</u>
Uncollected taxes at June 30, 2021.....			<u>40,593</u>	<u>33,158</u>	<u>7,435</u>
<b>Current year taxes collected.....</b>			<b><u>\$ 11,233,082</u></b>	<b><u>\$ 10,399,382</u></b>	<b><u>\$ 833,700</u></b>
<b>Current levy collection percentage.....</b>			<b><u>99.64%</u></b>	<b><u>99.68%</u></b>	<b><u>99.12%</u></b>

**City of Mebane, North Carolina**  
**Analysis of Current Tax Levy**  
**City - Wide Levy**  
**For the Fiscal Year Ended June 30, 2021**

**Schedule D-3**

**Secondary Market Disclosures:**

Assessed Valuation:

Assessment Ratio (Note 1).....		100%
	<u>Current Year Rate</u>	<u>Prior Year Rate</u>
Real Property.....	\$ 1,754,545,319	\$ -
Personal Property.....	598,571,702	4,251,915
Public service companies (Note 2).....	19,101,702	-
Total Assessed Valuation.....	<u>2,372,218,723</u>	<u>4,251,915</u>
Tax Rate per \$100.....	<u>0.47</u>	<u>0.47</u>
	<u>11,149,428</u>	<u>19,984</u>
Levy.....		<u>\$ 11,169,412</u>

Note 1: Percentage of appraised value has been established by statute.

Note 2: Valuation of railroads, telephone companies and other utilities  
as determined by the North Carolina Property Tax Commission.



**City of Mebane, North Carolina**  
**Ten Largest Taxpayers**  
**For the Fiscal Year Ended June 30, 2021**

**Schedule D-4**

<u>Name</u>	<u>Type of Enterprise</u>	<u>Assessed Valuation</u>	<u>Tax Levy</u>	<u>Percentage of Total Assessed Valuation</u>
GKN Automotive				
Components.....	Auto Components Manufacturing.....	\$ 103,007,774	\$ 484,137	4.33%
Wal-Mart.....	Retail.....	96,268,596	\$ 452,462	4.05%
Liggett Group - One Hundred				
Maple, LLC.....	Tobacco Manufacturing.....	72,599,434	\$ 341,217	3.06%
Nypro, Inc. (a Jabil Company).....	Plastics Manufacturing.....	48,851,275	\$ 229,601	2.06%
Lotus Bakeries US LLC.....	Natural Snack Product Manufacturing.....	44,471,513	\$ 209,016	1.87%
Tanger Properties LMTD Partner...	Retail.....	43,885,868	\$ 206,264	1.85%
Keystone at Mebane Oaks, LLC.....	Apartment Complex.....	36,387,530	\$ 171,021	1.53%
Cambro Manufacturing Co.....	Restaurant Supplier.....	35,350,022	\$ 166,145	1.49%
Morinaga America Foods, Inc.....	Japanese confectionery.....	31,928,071	\$ 150,062	1.34%
Sandvik, Inc.....	Metal Cutting.....	27,588,164	\$ 129,664	1.16%
		<u>\$ 540,338,247</u>	<u>\$ 2,539,589</u>	<u>22.74%</u>

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## Statistical Section

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This part of the City of Mebane's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

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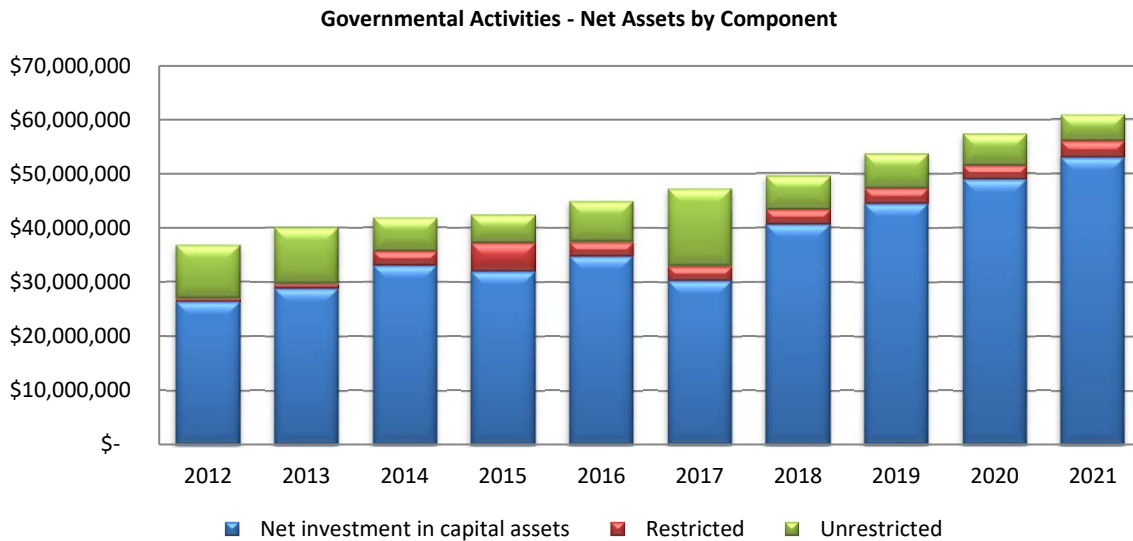
- **Financial Trends** – These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.
- **Revenue Capacity** – These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.
- **Debt Capacity** – These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.
- **Demographic and Economic Information** – These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.
- **Operating Information** – These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

**City of Mebane, North Carolina**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 1**  
**Page 1 of 2**

	Fiscal Year Ending June 30,				
	2012	2013	2014	2015	2016
<b>Governmental activities</b>					
Net investment in capital assets.....	\$ 26,347,904	\$ 28,863,807	\$ 33,039,857	\$ 32,011,821	\$ 34,801,671
Restricted.....	497,614	755,213	2,594,241	5,225,747	2,589,616
Unrestricted.....	9,863,083	10,432,825	6,195,064	5,185,319	7,502,406
<b>Total governmental activities net position.....</b>	<b>\$ 36,708,601</b>	<b>\$ 40,051,845</b>	<b>\$ 41,829,162</b>	<b>\$ 42,422,887</b>	<b>\$ 44,893,693</b>
<b>Business-type activities</b>					
Net investment in capital assets.....	\$ 25,760,951	\$ 29,700,671	\$ 31,622,606	\$ 33,155,614	\$ 34,178,396
Restricted.....	-	-	-	-	-
Unrestricted.....	10,903,051	8,348,062	6,415,219	5,635,431	7,589,047
<b>Total business-type activities net position.....</b>	<b>\$ 36,664,002</b>	<b>\$ 38,048,733</b>	<b>\$ 38,037,825</b>	<b>\$ 38,791,045</b>	<b>\$ 41,767,443</b>
<b>Primary government</b>					
Net investment in capital assets.....	\$ 52,108,855	\$ 58,564,478	\$ 64,662,463	\$ 65,167,435	\$ 68,980,067
Restricted.....	497,614	755,213	2,594,241	5,225,747	2,589,616
Unrestricted.....	20,766,134	18,780,887	12,610,283	10,820,750	15,091,453
<b>Total primary government activities net position.....</b>	<b>\$ 73,372,603</b>	<b>\$ 78,100,578</b>	<b>\$ 79,866,987</b>	<b>\$ 81,213,932</b>	<b>\$ 86,661,136</b>



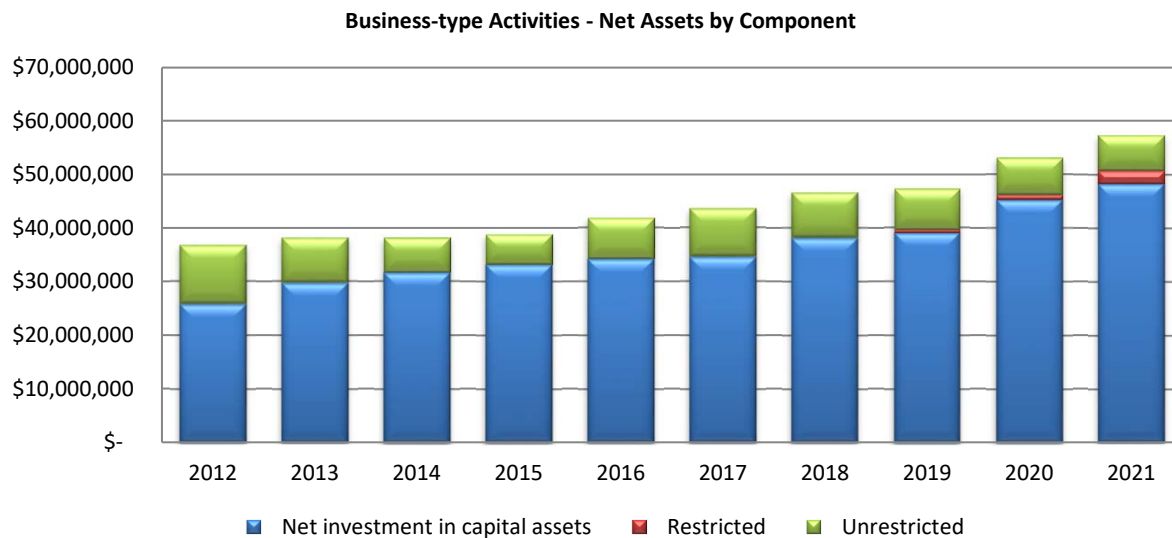
**City of Mebane, North Carolina**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 1**  
**Page 2 of 2**

	Fiscal Year Ending June 30,				
	2017	2018	2019	2020	2021
<b>Governmental activities</b>					
Net investment in capital assets.....	\$ 30,319,096	\$ 40,610,954	\$ 44,539,110	\$ 48,932,506	\$ 53,020,166
Restricted.....	2,615,433	2,757,579	2,844,468	2,535,935	3,005,430
Unrestricted.....	14,338,635	6,147,464	6,328,882	5,788,509	4,859,788
<b>Total governmental activities net position.....</b>	<b>\$ 47,273,164</b>	<b>\$ 49,515,997</b>	<b>\$ 53,712,460</b>	<b>\$ 57,256,950</b>	<b>\$ 60,885,384</b>
<b>Business-type activities</b>					
Net investment in capital assets.....	\$ 34,527,281	\$ 38,122,626	\$ 38,984,945	\$ 45,237,242	\$ 48,261,754
Restricted.....	-	-	586,608	970,910	2,465,362
Unrestricted.....	8,948,578	8,413,024	7,619,918	6,837,732	6,635,335
<b>Total business-type activities net position.....</b>	<b>\$ 43,475,859</b>	<b>\$ 46,535,650</b>	<b>\$ 47,191,471</b>	<b>\$ 53,045,884</b>	<b>\$ 57,362,451</b>
<b>Primary government</b>					
Net investment in capital assets.....	\$ 64,846,377	\$ 78,733,580	\$ 83,524,055	\$ 94,169,748	\$ 101,281,920
Restricted.....	2,615,433	2,757,579	3,431,076	3,506,845	5,470,792
Unrestricted.....	23,287,213	14,560,488	13,948,800	12,626,241	11,495,123
<b>Total primary government activities net position.....</b>	<b>\$ 90,749,023</b>	<b>\$ 96,051,647</b>	<b>\$ 100,903,931</b>	<b>\$ 110,302,834</b>	<b>\$ 118,247,835</b>

**Notes:**

(1) 2020 includes a prior period restatement of \$427,347; 2018 includes a prior period restatement of \$2,337,035;  
2017 includes a prior period restatement of \$15,099; 2016 includes a prior period restatement of \$545,860;  
2015 includes a prior period restatement of \$(531,756).



**City of Mebane, North Carolina**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 2**  
**(Page 1 of 2)**

	Fiscal Year Ending June 30				
	2012	2013	2014	2015	2016
<b>Expenses</b>					
<b>Governmental activities:</b>					
General government.....	\$ 1,854,901	\$ 2,143,420	\$ 2,133,862	\$ 2,130,084	\$ 2,058,889
Public safety.....	4,107,505	4,571,950	4,400,496	4,929,504	5,521,196
Public works.....	2,802,874	2,879,581	3,887,001	3,848,791	4,169,363
Cultural and recreation.....	1,167,086	1,224,727	1,179,235	1,163,723	1,288,321
Economic and physical development.....	402,748	207,551	1,137,040	584,532	1,415,831
Interest on long-term debt.....	150,948	132,923	151,011	178,086	156,676
<b>Total governmental activities expenses.....</b>	<b>10,486,062</b>	<b>11,160,152</b>	<b>12,888,645</b>	<b>12,834,720</b>	<b>14,610,276</b>
<b>Business-type activities:</b>					
Water and sewer.....	3,913,101	3,901,404	4,493,195	4,288,957	4,926,465
<b>Total Business-type activities.....</b>	<b>3,913,101</b>	<b>3,901,404</b>	<b>4,493,195</b>	<b>4,288,957</b>	<b>4,926,465</b>
<b>Total primary government expenses.....</b>	<b>14,399,163</b>	<b>15,061,556</b>	<b>17,381,840</b>	<b>17,123,677</b>	<b>19,536,741</b>
<b>Program revenues</b>					
<b>Governmental activities:</b>					
Charges for services:					
General government.....	58,255	58,381	60,900	45,470	213,347
Public safety.....	104,563	130,897	12,986	13,964	13,905
Public works.....	318,717	316,398	355,012	338,920	420,613
Cultural and recreation.....	75,649	74,518	75,170	77,245	85,535
Economic and physical development.....	-	-	222,071	287,110	374,248
Operating grants and contributions.....	338,677	397,732	667,594	498,060	448,823
Capital grants and contributions.....	858,449	2,013,681	912,272	2,157,849	972,045
<b>Total governmental activities program revenue.....</b>	<b>1,754,310</b>	<b>2,991,607</b>	<b>2,306,005</b>	<b>3,418,618</b>	<b>2,528,516</b>
<b>Business-type activities:</b>					
Charges for services.....	4,322,571	4,732,814	5,041,627	5,316,218	7,399,492
Capital grants and contributions.....	284,300	1,051,250	203,400	196,230	1,376,780
<b>Total business-type activities program revenue.....</b>	<b>4,606,871</b>	<b>5,784,064</b>	<b>5,245,027</b>	<b>5,512,448</b>	<b>8,776,272</b>
<b>Total primary government program revenue.....</b>	<b>6,361,181</b>	<b>8,775,671</b>	<b>7,551,032</b>	<b>8,931,066</b>	<b>11,304,788</b>
<b>Net (Expense)/Revenue</b>					
Governmental activities.....	(8,731,752)	(8,168,545)	(10,582,640)	(9,416,102)	(12,081,760)
Business-type activities.....	693,770	1,882,660	751,832	1,223,491	3,849,807
<b>Total primary government net expense.....</b>	<b>(8,037,982)</b>	<b>(6,285,885)</b>	<b>(9,830,808)</b>	<b>(8,192,611)</b>	<b>(8,231,953)</b>
<b>General revenues and other changes in net position</b>					
<b>Governmental activities:</b>					
Taxes.....					
Property taxes, levied for general purpose.....	7,376,275	7,640,328	8,054,225	8,572,861	8,859,077
Other taxes.....	2,973,118	3,297,348	3,519,938	4,105,041	4,188,891
Grants and contributions not restricted to specific programs.....	3,045	4,000	7,000	4,500	12,509
Unrestricted investment earnings.....	14,422	11,943	2,096	4,083	6,399
Miscellaneous.....	10,293	40,670	(7,678)	60,600	41,404
Special item: Conveyance of land for economic development.....	-	-	-	(2,691,591)	-
Transfers.....	(1,650,000)	517,500	784,376	393,092	965,000
<b>Total governmental activities.....</b>	<b>8,727,153</b>	<b>11,511,789</b>	<b>12,359,957</b>	<b>10,448,586</b>	<b>14,073,280</b>
<b>Business-type activities:</b>					
Unrestricted investment earnings.....	31,212	9,706	5,801	259	2,244
Miscellaneous.....	1,760	9,865	15,835	15,559	22,773
Transfers.....	1,650,000	(517,500)	(784,376)	(393,092)	(965,000)
<b>Total business-type activities.....</b>	<b>1,682,972</b>	<b>(497,292)</b>	<b>(762,740)</b>	<b>(377,274)</b>	<b>(939,983)</b>
<b>Total primary government.....</b>	<b>10,410,125</b>	<b>11,013,860</b>	<b>11,597,217</b>	<b>10,071,312</b>	<b>13,133,297</b>
<b>Change in Net Position</b>					
Governmental activities.....	(4,599)	3,343,244	1,777,317	1,032,484	1,991,520
Business-type activities.....	2,376,742	1,384,731	(10,908)	846,217	2,909,824
<b>Change in primary government net position.....</b>	<b>\$ 2,372,143</b>	<b>\$ 4,727,975</b>	<b>\$ 1,766,409</b>	<b>\$ 1,878,701</b>	<b>\$ 4,901,344</b>

**City of Mebane, North Carolina**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 2**  
**(Page 2 of 2)**

	Fiscal Year Ending June 30				
	2017	2018	2019	2020	2021
<b>Expenses</b>					
<b>Governmental activities:</b>					
General government.....	\$ 2,023,497	\$ 2,227,259	\$ 2,262,074	\$ 2,508,794	\$ 2,945,979
Public safety.....	6,132,593	6,567,770	7,070,899	8,045,419	9,046,866
Public works.....	3,907,270	3,885,804	3,803,467	4,939,677	5,273,617
Cultural and recreation.....	1,195,553	1,301,845	1,900,889	1,677,079	1,931,238
Economic and physical development.....	461,389	1,879,946	1,269,525	2,005,292	2,225,126
Interest on long-term debt.....	174,166	300,632	281,751	257,803	200,005
<b>Total governmental activities expenses.....</b>	<b>13,894,468</b>	<b>16,163,256</b>	<b>16,588,605</b>	<b>19,434,064</b>	<b>21,622,831</b>
<b>Business-type activities:</b>					
Water and sewer.....	6,139,854	6,039,261	6,762,948	7,298,336	7,656,961
<b>Total Business-type activities.....</b>	<b>6,139,854</b>	<b>6,039,261</b>	<b>6,762,948</b>	<b>7,298,336</b>	<b>7,656,961</b>
<b>Total primary government expenses.....</b>	<b>20,034,322</b>	<b>22,202,517</b>	<b>23,351,553</b>	<b>26,732,400</b>	<b>29,279,792</b>
<b>Program revenues</b>					
<b>Governmental activities:</b>					
Charges for services:					
General government.....	58,291	60,580	1,100	11,850	5,400
Public safety.....	21,135	19,941	21,350	17,532	19,750
Public works.....	401,609	422,237	501,353	617,855	701,980
Cultural and recreation.....	86,690	87,018	92,443	74,138	80,918
Economic and physical development.....	427,814	391,359	863,738	742,977	1,233,852
Operating grants and contributions.....	574,891	934,764	742,312	957,002	821,868
Capital grants and contributions.....	639,266	3,380,460	2,617,102	3,927,560	4,465,736
<b>Total governmental activities program revenue.....</b>	<b>2,209,696</b>	<b>5,296,359</b>	<b>4,839,398</b>	<b>6,348,914</b>	<b>7,329,504</b>
<b>Business-type activities:</b>					
Charges for services.....	6,491,915	6,676,309	6,995,810	7,644,617	9,146,098
Capital grants and contributions.....	465,220	2,508,340	226,820	5,400,880	2,890,267
<b>Total business-type activities program revenue.....</b>	<b>6,957,135</b>	<b>9,184,649</b>	<b>7,222,630</b>	<b>13,045,497</b>	<b>12,036,365</b>
<b>Total primary government program revenue.....</b>	<b>9,166,831</b>	<b>14,481,008</b>	<b>12,062,028</b>	<b>19,394,411</b>	<b>19,365,869</b>
<b>Net (Expense)/Revenue</b>					
Governmental activities.....	(11,684,772)	(10,866,897)	(11,749,207)	(13,085,150)	(14,293,327)
Business-type activities.....	817,281	3,145,388	459,682	5,747,161	4,379,404
<b>Total primary government net expense.....</b>	<b>(10,867,491)</b>	<b>(7,721,509)</b>	<b>(11,289,525)</b>	<b>(7,337,989)</b>	<b>(9,913,923)</b>
<b>General revenues and other changes in net position</b>					
<b>Governmental activities:</b>					
Taxes.....					
Property taxes, levied for general purpose.....	9,751,487	10,279,056	10,895,740	11,378,933	11,807,602
Other taxes.....	4,299,798	4,563,646	4,885,951	5,067,665	5,764,756
Grants and contributions not restricted to specific programs.....	3,050	3,050	4,050	31,047	191,474
Unrestricted investment earnings.....	25,200	129,302	180,725	153,113	56,026
Miscellaneous.....	69,609	164,578	36,506	427,623	101,903
Special item: Conveyance of land for economic development.....	-	-	-	-	-
Transfers.....	-	(2,003)	(57,302)	(1,394)	-
<b>Total governmental activities.....</b>	<b>14,149,144</b>	<b>15,137,629</b>	<b>15,945,670</b>	<b>17,056,987</b>	<b>17,921,761</b>
<b>Business-type activities:</b>					
Unrestricted investment earnings.....	6,344	28,295	63,336	89,202	28,073
Miscellaneous.....	784,791	193,241	75,501	16,655	(90,910)
Transfers.....	-	2,003	57,302	1,395	-
<b>Total business-type activities.....</b>	<b>791,135</b>	<b>223,539</b>	<b>196,139</b>	<b>107,252</b>	<b>(62,837)</b>
<b>Total primary government.....</b>	<b>14,940,279</b>	<b>15,361,168</b>	<b>16,141,809</b>	<b>17,164,239</b>	<b>17,858,924</b>
<b>Change in Net Position</b>					
Governmental activities.....	2,464,372	4,270,732	4,196,463	3,971,837	3,628,434
Business-type activities.....	1,608,416	3,368,927	655,821	5,854,413	4,316,567
<b>Change in primary government net position.....</b>	<b>\$ 4,072,788</b>	<b>\$ 7,639,659</b>	<b>\$ 4,852,284</b>	<b>\$ 9,826,250</b>	<b>\$ 7,945,001</b>

**Notes:**

(1) 2020 includes a prior period restatement of \$427,347; 2018 includes a prior period restatement of \$2,337,035; 2017 includes a prior period restatement of \$15,099; 2016 includes a prior period restatement of \$545,860; 2015 includes a prior period restatement of \$(531,756).

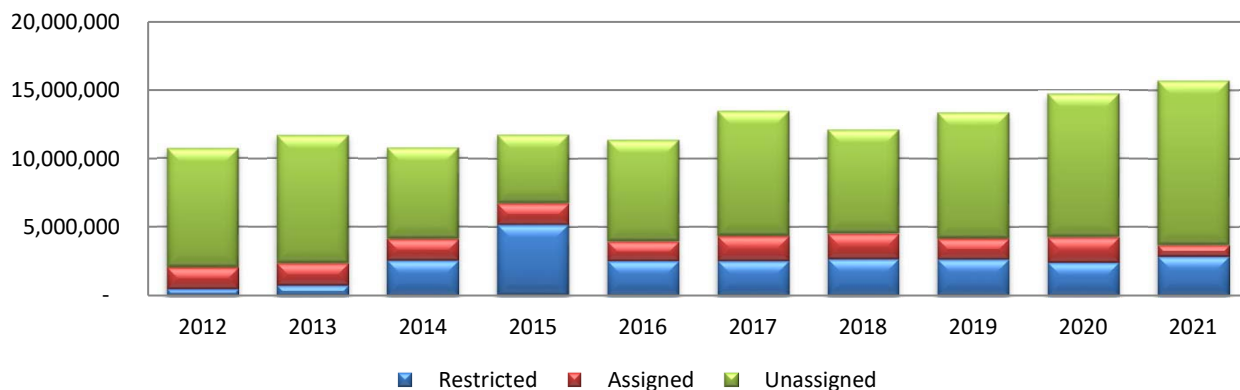


City of Mebane, North Carolina  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

Table 3  
Page 1 of 2

	Fiscal Year Ending June 30				
	2012	2013	2014	2015	2016
<b>General Fund</b>					
Nonspendable.....	\$ -	\$ -	\$ 20,511	\$ 27,361	\$ 116,295
Restricted.....	497,614	755,213	2,566,389	5,183,933	2,533,840
Committed.....	-	-	-	-	-
Assigned.....	1,556,073	1,586,386	1,543,138	1,549,082	1,419,254
Unassigned.....	8,636,871	9,309,149	6,612,572	4,991,002	7,377,790
<b>Total general fund.....</b>	<b>\$ 10,690,558</b>	<b>\$ 11,650,748</b>	<b>\$ 10,742,610</b>	<b>\$ 11,751,378</b>	<b>\$ 11,447,179</b>
<b>All Other Governmental Funds</b>					
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted.....	-	-	27,852	41,814	55,776
Committed.....	-	-	-	-	-
Assigned.....	(4,500)	316,850	1,925,422	1,181,066	640,198
Unassigned.....	-	-	-	-	-
<b>Total all other governmental funds.....</b>	<b>\$ (4,500)</b>	<b>\$ 316,850</b>	<b>\$ 1,953,274</b>	<b>\$ 1,222,880</b>	<b>\$ 695,974</b>
<b>Total Governmental Funds</b>					
Nonspendable.....	\$ -	\$ -	\$ 20,511	\$ 27,361	\$ 116,295
Restricted.....	497,614	755,213	2,594,241	5,225,747	2,589,616
Committed.....	-	-	-	-	-
Assigned.....	1,551,573	1,903,236	3,468,560	2,730,148	2,059,452
Unassigned.....	8,636,871	9,309,149	6,612,572	4,991,002	7,377,790
<b>Total governmental funds.....</b>	<b>\$ 10,686,058</b>	<b>\$ 11,967,598</b>	<b>\$ 12,695,884</b>	<b>\$ 12,974,258</b>	<b>\$ 12,143,153</b>

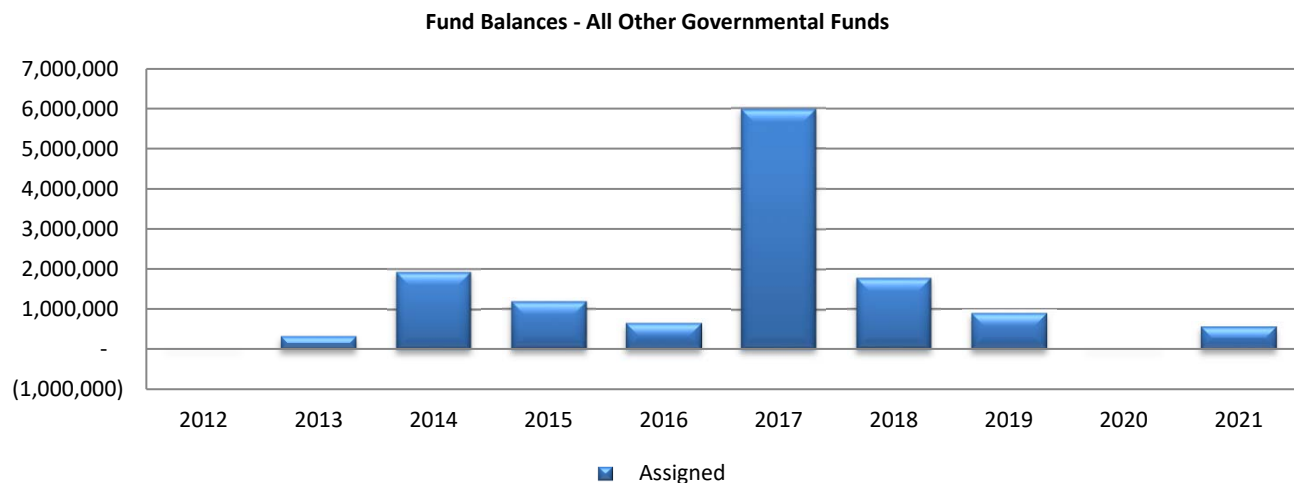
Fund Balances - General Fund



City of Mebane, North Carolina  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

Table 3  
Page 2 of 2

	Fiscal Year Ending June 30				
	2017	2018	2019	2020	2021
<b>General Fund</b>					
Nonspendable.....	\$ 51,005	\$ 131,945	\$ 46,552	\$ 168,052	\$ 31,716
Restricted.....	2,545,731	2,673,951	2,658,975	2,422,768	2,877,971
Committed.....	-	-	-	-	-
Assigned.....	1,803,854	1,828,000	1,500,000	1,823,718	804,772
Unassigned.....	9,083,988	7,563,514	9,186,167	10,427,779	12,005,360
<b>Total general fund.....</b>	<b>\$ 13,484,578</b>	<b>\$ 12,197,410</b>	<b>\$ 13,391,694</b>	<b>\$ 14,842,317</b>	<b>\$ 15,719,819</b>
<b>All Other Governmental Funds</b>					
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted.....	69,702	83,628	98,182	113,160	127,459
Committed.....	-	-	-	-	-
Assigned.....	5,986,376	1,757,022	884,814	-	566,851
Unassigned.....	-	-	-	-	-
<b>Total all other governmental funds.....</b>	<b>\$ 6,056,078</b>	<b>\$ 1,840,650</b>	<b>\$ 982,996</b>	<b>\$ 113,160</b>	<b>\$ 694,310</b>
<b>Total Governmental Funds</b>					
Nonspendable.....	\$ 51,005	\$ 131,945	\$ 46,552	\$ 168,052	\$ 31,716
Restricted.....	2,615,433	2,757,579	2,757,157	2,535,928	3,005,430
Committed.....	-	-	-	-	-
Assigned.....	7,790,230	3,585,022	2,384,814	1,823,718	1,371,623
Unassigned.....	9,083,988	7,563,514	9,186,167	10,427,779	12,005,360
<b>Total governmental funds.....</b>	<b>\$ 19,540,656</b>	<b>\$ 14,038,060</b>	<b>\$ 14,374,690</b>	<b>\$ 14,955,477</b>	<b>\$ 16,414,129</b>



City of Mebane, North Carolina  
Changes in Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

Table 4  
Page 1 of 2

	Fiscal Year Ending June 30				
	2012	2013	2014	2015	2016
<b>Revenues</b>					
Ad valorem taxes.....	\$ 6,963,505	\$ 7,322,698	\$ 7,705,045	\$ 8,207,631	\$ 8,436,102
Other taxes and licenses.....	19,253	189,355	199,935	190,058	795
Unrestricted intergovernmental.....	3,183,950	3,136,030	3,323,889	5,033,302	4,191,306
Restricted intergovernmental.....	686,429	695,117	1,497,810	893,277	880,010
Permits and fees.....	115,955	136,214	244,104	320,358	606,212
Sales and services.....	378,424	382,049	416,084	392,832	433,014
Investment earnings.....	14,422	11,943	17,190	1,746	6,363
Miscellaneous.....	86,011	112,033	94,753	260,119	155,294
<b>Total revenues.....</b>	<b>11,447,949</b>	<b>11,985,439</b>	<b>13,498,810</b>	<b>15,299,323</b>	<b>14,709,096</b>
<b>Expenditures</b>					
General government.....	1,676,324	1,950,508	2,087,742	2,094,055	2,151,509
Public safety.....	3,872,971	4,157,723	5,091,637	4,901,955	5,414,023
Public works.....	3,102,904	2,818,822	3,708,213	3,708,075	3,733,538
Cultural and recreation.....	1,152,466	1,110,864	1,195,637	1,318,029	1,466,564
Economic and physical development.....	204,146	505,146	3,832,902	703,466	1,466,432
Debt service:					
Principal.....	613,255	426,667	426,667	833,854	835,083
Interest and other charges.....	155,859	135,000	119,484	182,646	161,067
Capital outlay.....	197,277	116,669	1,437,893	2,138,037	1,276,985
<b>Total expenditures.....</b>	<b>10,975,202</b>	<b>11,221,399</b>	<b>17,900,175</b>	<b>15,880,117</b>	<b>16,505,201</b>
<b>Excess (deficiency) of revenues over (under) expenditures.....</b>	<b>472,747</b>	<b>764,040</b>	<b>(4,401,365)</b>	<b>(580,794)</b>	<b>(1,796,105)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers to other funds.....	(1,650,000)	(245,000)	(245,000)	(1,450,000)	(856,734)
Transfers from other funds.....	-	762,500	1,029,376	1,843,092	1,821,734
Issuance of debt.....	-	-	4,345,275	-	-
<b>Total other financing sources (uses).....</b>	<b>(1,650,000)</b>	<b>517,500</b>	<b>5,129,651</b>	<b>393,092</b>	<b>965,000</b>
<b>Net change in fund balances.....</b>	<b>(1,177,253)</b>	<b>1,281,540</b>	<b>728,286</b>	<b>(187,702)</b>	<b>(831,105)</b>
Fund balances, beginning.....	11,863,311	10,686,058	11,967,598	12,695,884	12,974,258
Prior period adjustment.....	-	-	-	466,076	-
Fund balances, beginning as restated.....	11,863,311	10,686,058	11,967,598	13,161,960	12,974,258
<b>Fund balances, ending.....</b>	<b>\$ 10,686,058</b>	<b>\$ 11,967,598</b>	<b>\$ 12,695,884</b>	<b>\$ 12,974,258</b>	<b>\$ 12,143,153</b>
<b>Debt service as a percentage of noncapital expenditures.....</b>	<b>7.7%</b>	<b>5.5%</b>	<b>4.6%</b>	<b>8.2%</b>	<b>7.0%</b>

**City of Mebane, North Carolina**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

**Table 4**  
**Page 2 of 2**

	Fiscal Year Ending June 30				
	2017	2018	2019	2020	2021
<b>Revenues</b>					
Ad valorem taxes.....	\$ 9,349,863	\$ 9,851,605	\$ 10,413,402	\$ 10,897,067	\$ 11,339,347
Other taxes and licenses.....	960	1,005	1,030	955	955
Unrestricted intergovernmental.....	4,427,170	4,866,039	5,095,144	5,433,058	6,101,360
Restricted intergovernmental.....	904,619	1,265,968	1,589,184	1,262,717	1,154,666
Permits and fees.....	482,809	411,580	915,604	811,186	1,338,035
Sales and services.....	444,814	462,033	494,687	576,421	616,526
Investment earnings.....	25,200	129,302	180,725	153,113	56,027
Miscellaneous.....	270,538	322,138	167,614	524,824	262,594
<b>Total revenues.....</b>	<b>15,905,973</b>	<b>17,309,670</b>	<b>18,857,390</b>	<b>19,659,341</b>	<b>20,869,510</b>
<b>Expenditures</b>					
General government.....	1,997,039	2,244,898	2,179,611	2,265,058	2,540,663
Public safety.....	6,171,044	6,526,581	6,544,785	6,888,994	6,818,514
Public works.....	3,268,769	3,400,679	3,113,625	3,048,385	3,888,863
Cultural and recreation.....	1,056,609	1,828,941	1,445,320	1,343,057	1,293,315
Economic and physical development.....	703,062	1,878,174	1,255,070	1,927,454	2,163,879
Debt service:					
Principal.....	836,338	1,316,286	1,347,620	1,272,748	1,239,573
Interest and other charges.....	139,372	306,592	285,412	264,189	211,159
Capital outlay.....	634,567	5,739,986	3,652,717	2,068,669	1,685,392
<b>Total expenditures.....</b>	<b>14,806,800</b>	<b>23,242,137</b>	<b>19,824,160</b>	<b>19,078,554</b>	<b>19,841,358</b>
<b>Excess (deficiency) of revenues over</b>					
<b>(under) expenditures.....</b>	<b>1,099,173</b>	<b>(5,932,467)</b>	<b>(966,770)</b>	<b>580,787</b>	<b>1,028,152</b>
<b>Other Financing Sources (Uses)</b>					
Transfers to other funds.....	(60,000)	(1,726,812)	(1,500,000)	(1,183,857)	(1,144,592)
Transfers from other funds.....	60,000	1,724,810	2,067,932	1,183,857	1,144,592
Issuance of debt.....	6,298,330	431,873	735,468	-	430,500
<b>Total other financing sources (uses).....</b>	<b>6,298,330</b>	<b>429,871</b>	<b>1,303,400</b>	<b>-</b>	<b>430,500</b>
<b>Net change in fund balances.....</b>	<b>7,397,503</b>	<b>(5,502,596)</b>	<b>336,630</b>	<b>580,787</b>	<b>1,458,652</b>
Fund balances, beginning.....	12,143,153	19,540,656	14,038,060	14,374,690	14,955,477
Prior period adjustment.....	-	-	-	-	-
Fund balances, beginning as restated.....	12,143,153	19,540,656	14,038,060	14,374,690	14,955,477
<b>Fund balances, ending.....</b>	<b>\$ 19,540,656</b>	<b>\$ 14,038,060</b>	<b>\$ 14,374,690</b>	<b>\$ 14,955,477</b>	<b>\$ 16,414,129</b>
<b>Debt service as a percentage</b>					
<b>of noncapital expenditures.....</b>	<b>7.4%</b>	<b>10.3%</b>	<b>10.2%</b>	<b>8.8%</b>	<b>8.0%</b>

**Notes:**

(1) 2015 includes a prior period restatement of \$466,076.

**City of Mebane, North Carolina**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

**Table 5**

<u>Fiscal</u> <u>Year</u>	<u>Real Property</u>	<u>Personal</u> <u>Property</u>	<u>Public Service</u> <u>Companies</u>	<u>Less Tax-</u> <u>Exempt</u> <u>Property</u>	<u>Total Taxable</u> <u>Assessed Value</u>	<u>Total</u> <u>Direct</u> <u>Tax</u> <u>Rate</u>	<u>Estimated Actual</u> <u>Taxable Value</u>	<u>Ratio of</u> <u>Assessed</u> <u>Value to</u> <u>Estimated</u> <u>Actual</u> <u>Value</u>
2012	1,101,391,678	400,790,237	20,894,610	(8,275,108)	1,514,801,417	0.47	1,481,995,824	102.2%
2013	1,138,480,584	417,965,044	22,126,189	(8,199,338)	1,570,372,479	0.47	1,489,959,352	105.4%
2014	1,163,814,338	476,296,137	22,343,241	(8,380,262)	1,654,073,454	0.47	1,574,895,032	105.0%
2015	1,171,969,829	498,060,858	22,232,490	(8,580,903)	1,683,682,274	0.49	1,603,949,005	105.0%
2016	1,215,674,661	511,076,370	23,926,263	(9,087,410)	1,741,589,884	0.49	1,648,732,865	105.6%
2017	1,355,230,856	550,037,154	20,701,422	(6,871,152)	1,919,098,280	0.49	1,919,559,215	100.0%
2018	1,519,215,965	576,423,148	21,265,042	(6,231,130)	2,110,673,025	0.47	2,165,774,122	97.5%
2019	1,572,394,043	593,126,106	19,041,041	(2,685,151)	2,181,876,039	0.47	2,238,905,875	97.5%
2020	1,627,662,514	648,540,774	19,264,439	(243,533)	2,295,224,194	0.47	2,449,836,538	93.7%
2021	1,755,206,176	602,162,652	19,101,600	(243,533)	2,376,226,895	0.47	2,542,954,665	93.4%

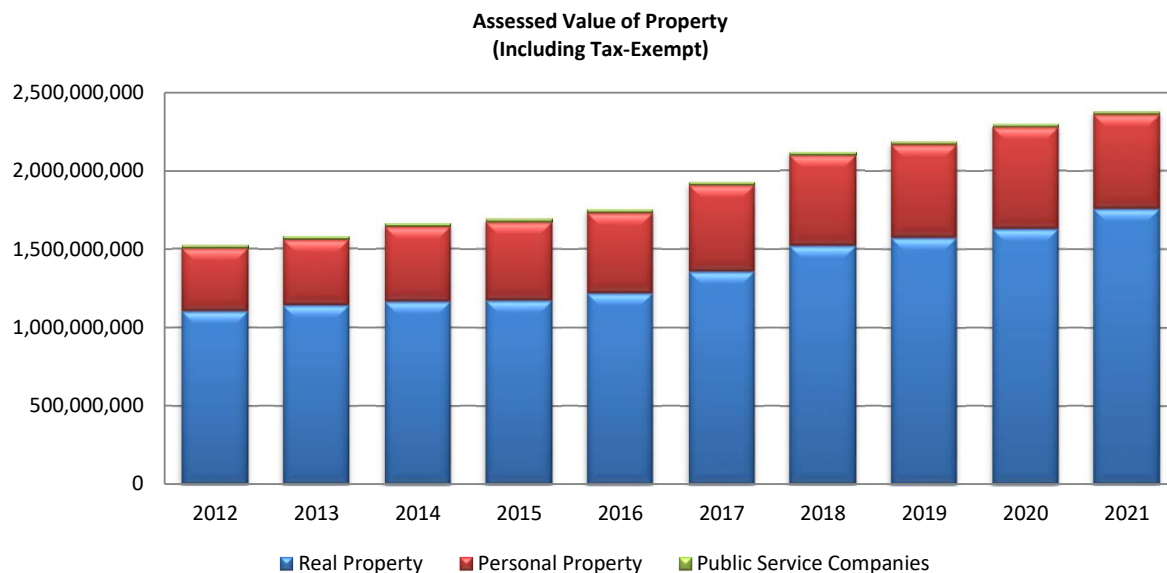
**Sources:**

Alamance County and Orange County Tax Departments.

**Notes:**

Assessed valuations are established by the Alamance County Board of Commissioners at 100% of estimated market value. A revaluation of real property is required by the North Carolina General Statutes at least every eight years. Property was last revalued in FY 2018.

Estimated actual taxable value is calculated using information provided in Alamance and Orange County's Annual Comprehensive Financial Reports (ACFRs).



**City of Mebane, North Carolina**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Years**  
**(Rates are Per \$100 of Assessed Value)**

**Table 6**

<u>Fiscal Year</u>	<u>Direct Rate</u>	<u>Overlapping Rates</u>		<u>Combined Tax Rate</u>	
	<u>City of Mebane</u>	<u>Alamance County</u> <sup>(1)</sup>	<u>Orange County</u> <sup>(2)</sup>	<u>Alamance County</u>	<u>Orange County</u>
2012.....	0.47	0.520	0.858	0.990	1.328
2013.....	0.47	0.520	0.858	0.990	1.328
2014.....	0.47	0.540	0.858	1.010	1.328
2015.....	0.49	0.530	0.858	1.020	1.348
2016.....	0.49	0.580	0.878	1.070	1.368
2017.....	0.49	0.580	0.878	1.070	1.368
2018.....	0.47	0.580	0.838	1.050	1.308
2019.....	0.47	0.590	0.850	1.060	1.320
2020.....	0.47	0.670	0.868	1.140	1.338
2021.....	0.47	0.670	0.868	1.140	1.338

**Sources:**

<sup>(1)</sup> Alamance County Tax Department.

<sup>(2)</sup> Orange County Tax Department.

**Notes:**

Overlapping rates are the county government rates that apply to property owners within the City of Mebane. The City of Mebane is located in both Alamance and Orange counties. Not all overlapping rates apply to all property owners, but at least one County overlapping rates applies to each property owner.

**City of Mebane, North Carolina**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

**Table 7**

Taxpayer	2021			2012		
	<u>Taxable</u> <u>Assessed Value</u> (1)	<u>Rank</u>	<u>Percentage</u> <u>of Total</u> <u>Taxable</u> <u>Assessed</u> <u>Value</u>	<u>Taxable</u> <u>Assessed Value</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total</u> <u>Taxable</u> <u>Assessed</u> <u>Value</u>
GKN Automotive Components.....	\$ 103,007,774	1	4.33%	\$ 97,526,716	1	6.40%
Walmart Stores Inc.....	96,268,596	2	4.05%	16,620,399	7	1.10%
Liggett Group - One Hundred Maple.....	72,599,434	3	3.06%	67,799,849	2	4.50%
Nypro, Inc. (a Jabil Company).....	48,851,275	4	2.06%	14,571,775	8	1.00%
Lotus Bakeries US, LLC.....	44,471,513	5	1.87%	(2)		
Tanger Properties LMTD Partner.....	43,885,868	6	1.85%	34,813,065	4	2.30%
Keystone at Mebane Oaks LLC.....	36,387,530	7	1.53%	(2)		
Cambro Manufacturing Co.....	35,350,022	8	1.49%	(2)		
Morinaga American Foods Inc.....	31,928,071	9	1.34%	(2)		
Sandvik Inc.....	27,588,164	10	1.16%	44,305,583	3	2.90%
Armacell LLC/Armstrong	(2)			20,708,854	5	1.40%
Mebane Packaging / Meadwestvaco.....	(2)			20,391,569	6	1.30%
Spring Forest, LLC.....	(2)			13,251,550	9	0.90%
Fieldstone NC, LLC.....	(2)			12,757,055	10	0.80%
Total.....	<u>\$540,338,247</u>		<u>22.74%</u>	<u>\$342,746,415</u>		<u>22.65%</u>

**Source:**

Alamance County Tax Department.

**Notes:**

(1) Assessed valuation represents taxes assessed and due in the fiscal year ended June 30, 2021.

(2) Not within top ten ranking.

**City of Mebane, North Carolina**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

**Table 8**

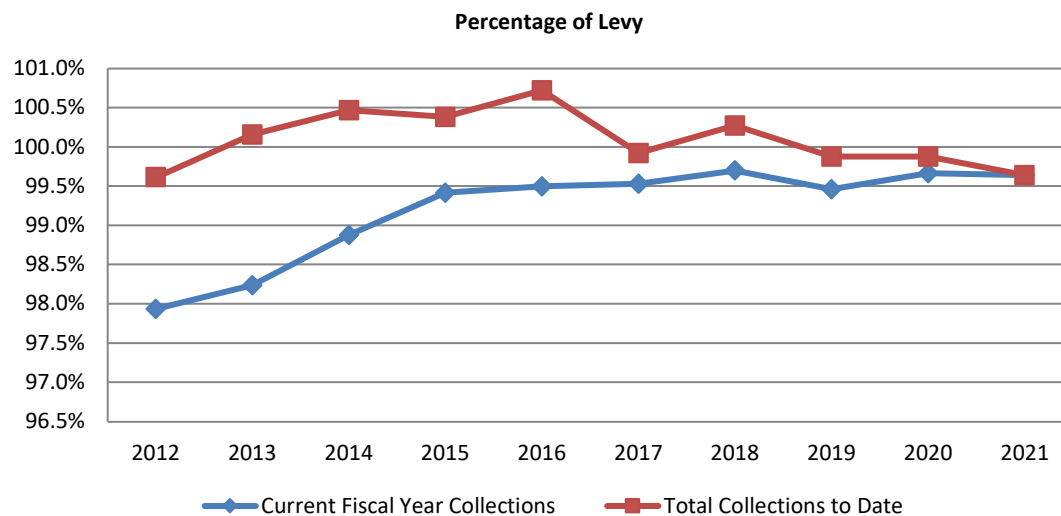
<b>Fiscal Year</b>	<b>Fiscal Year of the Levy</b>			<b>Total Collections to Date</b>		
	<b><u>Taxes Levied</u></b>			<b><u>Collections in</u></b>		
	<b><u>for the Fiscal</u></b>			<b><u>Subsequent</u></b>		
	<b><u>Year <sup>(1)</sup></u></b>	<b><u>Amount</u></b>	<b><u>Percentage</u></b>	<b><u>Years</u></b>	<b><u>Amount</u></b>	<b><u>Percentage</u></b>
		<b><u>Collected</u></b>	<b><u>of Levy</u></b>			<b><u>of Levy</u></b>
2012.....	7,062,935	6,917,103	97.9%	118,501	7,035,604	99.6%
2013.....	7,354,497	7,224,810	98.2%	141,096	7,365,906	100.2%
2014.....	7,764,524	7,677,173	98.9%	123,667	7,800,840	100.5%
2015.....	8,223,909	8,175,886	99.4%	79,316	8,255,202	100.4%
2016.....	8,528,175	8,485,223	99.5%	104,352	8,589,575	100.7%
2017.....	9,288,710	9,244,828	99.5%	36,394	9,281,222	99.9%
2018.....	9,815,332	9,785,748	99.7%	56,185	9,841,933	100.3%
2019.....	10,383,208	10,326,956	99.5%	43,405	10,370,361	99.9%
2020.....	10,854,564	10,817,844	99.7%	23,366	10,841,210	99.9%
2021.....	11,273,675	11,233,082	99.6%	-	11,233,082	99.6%

**Sources:**

Alamance County Tax Department.

**Notes:**

<sup>(1)</sup> Taxes levied for the fiscal year are not adjusted for discoveries in subsequent years but their collection is included in the total collections to date for the year in which they would have been levied.





**City of Mebane, North Carolina**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

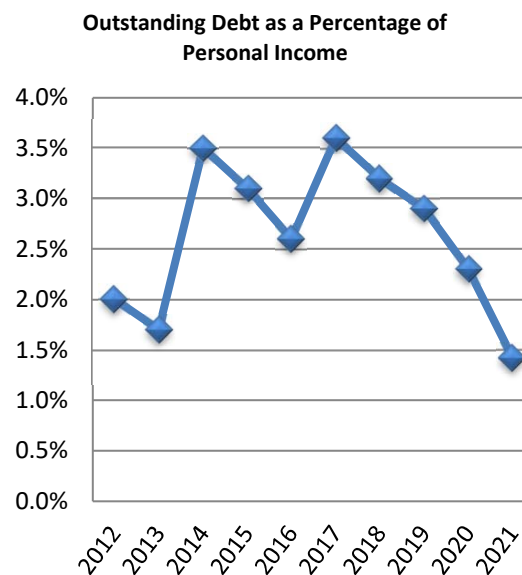
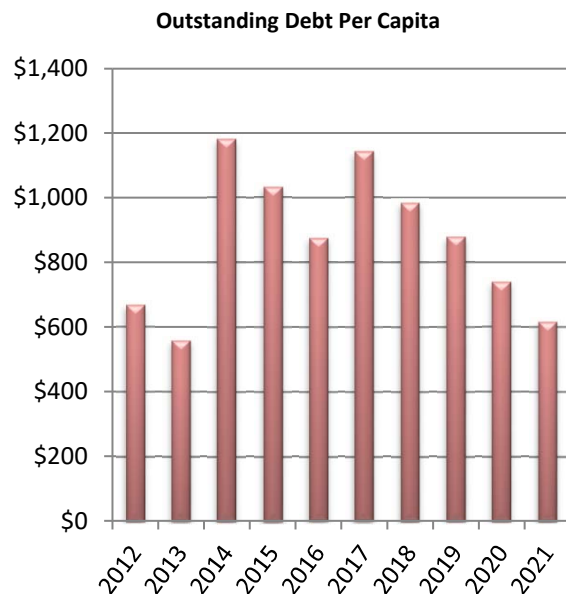
**Table 9**

Fiscal Year	Governmental Activities	Business-type Activities		Total	Percentage of	
	Installment Financing <sup>(2)</sup>	General Obligation Bonds	Installment Financing <sup>(2)</sup>		Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
2012.....	3,856,669	680,000	3,437,758	7,974,427	2.0%	666
2013.....	3,430,002	570,000	2,758,161	6,758,163	1.7%	557
2014.....	7,348,610	455,000	6,788,750	14,592,360	3.5%	1,180
2015.....	6,514,756	335,000	6,162,611	13,012,367	3.1%	1,032
2016.....	5,679,678	215,000	5,272,472	11,167,150	2.6%	874
2017.....	11,141,683	95,000	4,869,335	16,106,018	3.6%	1,141
2018.....	10,257,277	-	4,459,195	14,716,472	3.2%	983
2019.....	9,645,099	-	4,042,056	13,687,155	2.9%	878
2020.....	8,371,909	-	3,617,917	11,989,826	2.3%	737
2021.....	7,562,836	-	3,186,778	10,749,614	1.4%	615

**Notes:**

<sup>(1)</sup> See Table 13 for personal income and population data. These ratios are calculated using personal income and population for the calendar year.

<sup>(2)</sup> Details regarding outstanding debt can be found in the notes to the financial statements.



**City of Mebane, North Carolina**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

**Table 10**

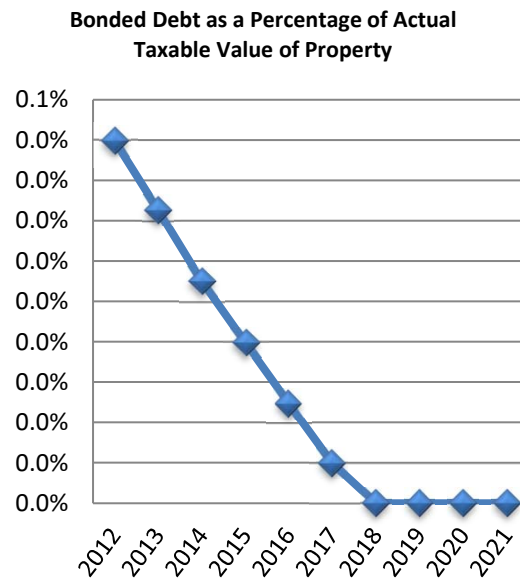
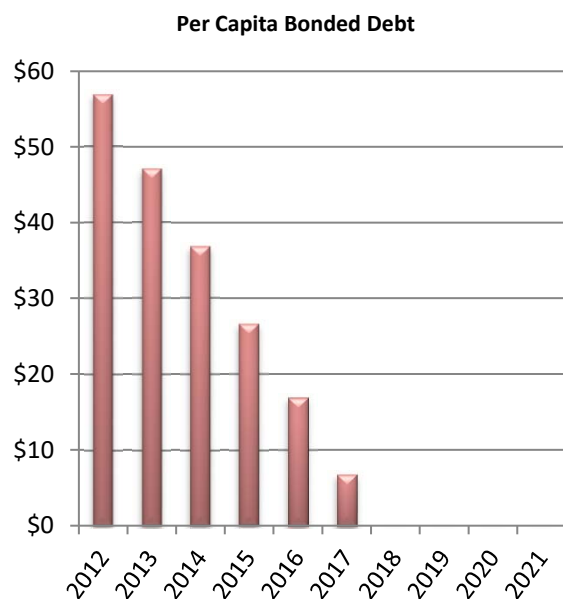
<u>Fiscal Year</u>	<u>General Bonded Debt</u>	<u>Percentage of Actual</u>	
		<u>Taxable Value of Property <sup>(1)</sup></u>	<u>Per Capita Bonded Debt <sup>(2)</sup></u>
2012.....	680,000	0.04%	57
2013.....	570,000	0.04%	47
2014.....	455,000	0.03%	37
2015.....	335,000	0.02%	27
2016.....	215,000	0.01%	17
2017.....	95,000	0.00%	7
2018.....	-	0.00%	-
2019.....	-	0.00%	-
2020.....	-	0.00%	-
2021.....	-	0.00%	-

**Notes:**

<sup>(1)</sup> See Table 5 for Assessed Value of Taxable Property.

<sup>(2)</sup> See Table 13 for personal income and population data. These ratios are calculated using personal income and population for the calendar year.

<sup>(3)</sup> Details regarding outstanding debt can be found in the notes to the financial statements.



**City of Mebane, North Carolina**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2021**

**Table 11**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u> <sup>(1)</sup>	<u>Estimated Share of Direct and Overlapping Debt</u>
Alamance County general obligation debt.....	\$ 33,155,000	13.23%	\$ 4,386,012
Orange County general obligation debt.....	131,000,000	1.95%	<u>2,558,627</u>
Subtotal, overlapping debt.....			6,944,639
City of Mebane debt.....			<u>7,562,836</u>
Total direct and overlapping debt.....			<u>\$ 14,507,475</u>

**Sources:**

Alamance and Orange County debt outstanding provided by Alamance and Orange Counties.

**Notes:**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

<sup>(1)</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City of Mebane's boundaries and dividing it by each unit's total taxable assessed value. Taxable assessed property values as of June 30, 2021 were used to determine the overlapping debt percentage.

**City of Mebane, North Carolina**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

**Table 12**

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt</u> <u>Applicable to</u> <u>Limit</u>	<u>Legal Debt</u> <u>Margin</u>	<u>Legal Debt</u> <u>Margin as a</u> <u>Percent of Debt</u> <u>Limit</u>
2012.....	121,184,113	8,311,706	112,872,407	93.1%
2013.....	125,629,798	7,112,016	118,517,782	94.3%
2014.....	132,325,876	14,748,774	117,577,102	88.9%
2015.....	134,694,582	13,012,364	121,682,218	90.3%
2016.....	139,327,191	11,167,150	128,160,041	92.0%
2017.....	153,527,862	16,106,018	137,421,844	89.5%
2018.....	168,853,842	14,716,472	154,137,370	91.3%
2019.....	174,550,083	13,687,155	160,862,928	92.2%
2020.....	183,617,936	11,989,826	171,628,110	93.5%
2021.....	190,098,152	10,749,614	179,348,538	94.3%

**Notes:**

**Legal Debt Margin Calculation for Fiscal Year 2021:**

Assessed valuation.....	\$ 2,376,226,895	
Statutory limit percentage.....	8.0%	
Debt limit - 8.0% of assessed value.....		\$ 190,098,152
Gross debt:		
Total bonded debt.....	-	
Authorized and unissued bonds.....	-	
Lease financing agreements.....	10,749,614	
Total gross debt.....	10,749,614	
Less: statutory deductions.....	-	
Total amount of debt applicable to debt limit (net debt).....		10,749,614
<b>Legal Debt Margin.....</b>		<b>\$ 179,348,538</b>

**City of Mebane, North Carolina**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

**Table 13**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Median value of owner -occupied housing (2)</u>	<u>Median Family Income</u>	<u>Median Age (4)</u>	<u>Unemployment Rate (5)</u>	
2012.....	11,965	N/A	*	51,675	35.4	6.5%
2013.....	12,128	163,500	*	53,166	35.8	6.2%
2014.....	12,366	161,000	*	52,586	35.8	6.3%
2015.....	12,613	165,800	*	53,029	35.8	5.7%
2016.....	12,774	172,400	*	53,029	35.8	4.7%
2017.....	14,117	178,700	*	54,430	35.9	4.0%
2018.....	14,973	185,700	*	56,037	35.8	4.0%
2019.....	15,589	193,500	*	60,851	34.8	3.7%
2020.....	16,262	195,800	*	54,157	34.2	4.4%
2021.....	17,472	189,600	*	64,729	34.7	5.7%

Note: Many of these data elements are not published annually for cities. Data is estimated using the ratio of Mebane to Alamance County from the 2020 census and the 2005-2014 American Community Survey. That ratio was applied back to annual county data to estimate the data for the City of Mebane.

Notes:

(1) Office of State Management and Budget, NC Department of Revenue

(2) U. S. Department of Commerce, Bureau of Economic Analysis.

United States Census Bureau, Most recent available census data.

(3) American City Survey Fact Finder.

(4) N. C. Employment Security Commission, Local Area Unemployment Statistics

(5) N. C. Employment Security Commission, Local Area Unemployment Statistics

\* Data not available - estimated based on trends.

**City of Mebane, North Carolina**  
**Principal Employers**  
**Current Year and Nine Years Ago**

**Table 14**

<b>Employer</b>	2021 <sup>(1)</sup>			2012 <sup>(2)</sup>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of</b>
			<b>Total</b>			<b>Total</b>
			<b>Employment</b>			<b>Employment</b>
ABB (General Electric).....	650	1	3.72%	315	4	5.5%
Walmart Distribution.....	587	2	3.36%	*		(3)
GKN.....	547	3	3.13%	500	1	8.7%
AKG of America.....	372	4	2.13%	350	3	6.1%
Armacell.....	275	5	1.57%	250	7	4.3%
Liggett Group LLC.....	272	6	1.56%	299	6	5.2%
Jabil (Nypro).....	250	7	1.43%	250	8	4.4%
Sports Endeavors.....	200	8	1.14%	311	5	5.4%
Morinaga .....	194	9	1.11%	*		(3)
Sandvik.....	113	10	0.65%	*		(3)
Prescient.....	112	*	0.64%	*		(3)
Carrier (Walter Kidde).....	107	*	0.61%	114	10	2.0%
Cambro.....	106	*	0.61%	*		(3)
Kingsdown.....	90	*	0.52%	150	9	2.6%
UPI (Universal PersevaChem Inc).....	30	*	0.17%	*		(3)
West Rock (Meadwestvaco).....		*		400	2	6.9%
<b>Total.....</b>	<b>3,905</b>		<b>22.35%</b>	<b>2,939</b>		<b>51.1%</b>

**Sources:**

- (1) Human Resource Directors- Phone or Email  
(2) Alamance County Area Chamber of Commerce data for closest year available  
(3) Not available

\* Not in top ten this year

**City of Mebane, North Carolina**  
**Full-time-Equivalent Employees by Function**  
**Last Ten Fiscal Years**

**Table 15**

<b>Function / Department</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>General Government:</b>										
Mayor & City Council.....	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
City Manager.....	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
City Clerk.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance.....	2.0	2.0	2.0	3.0	3.0	4.0	4.0	5.0	5.0	5.0
Human Resources.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Tax Collector.....	2.0	1.0	1.0	1.0	1.0	-	-	-	-	-
City Attorney.....	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Information Technology.....	-	-	-	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Public Buildings.....	2.0	2.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0
<b>Public Safety:</b>										
Police Department.....	30.0	31.0	31.0	32.0	35.0	35.5	40.0	40.0	40.0	41.0
Fire Department.....	16.0	16.0	16.0	25.0	25.0	25.0	25.0	28.0	29.0	29.0
<b>Economic and Physical Development:</b>										
Planning.....	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	3.0
Inspections.....	3.0	3.0	4.0	4.0	4.0	5.0	4.0	4.0	5.0	6.0
<b>Public Works:</b>										
Streets.....	7.0	9.0	-	-	-	-	-	-	-	-
Sanitation.....	5.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0
Public Works.....	5.0	5.0	12.0	12.0	12.0	13.0	12.0	14.0	14.0	12.0
<b>Culture and Recreation:</b>										
Recreation.....	5.0	5.0	5.0	5.0	5.0	5.0	7.0	7.0	7.0	8.0
Arts and Community Center.....	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Water and Sewer:</b>										
Billing and Metering.....	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Water distribution and maintenance.....	3.0	2.0	2.0	2.0	3.0	3.0	3.0	5.0	5.0	7.0
<b>Waste Collection and Treatment:</b>										
Pretreatment - industrial monitoring.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Wastewater Treatment Plant.....	6.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	5.0	6.0
Laboratory.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sewer mains and lift stations.....	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Total.....</b>	<b>106.5</b>	<b>109.5</b>	<b>110.5</b>	<b>122.5</b>	<b>128.5</b>	<b>131.0</b>	<b>136.5</b>	<b>145.5</b>	<b>147.5</b>	<b>152.5</b>

**Sources:**

City of Mebane staff

**Notes:**

A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).  
Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

**City of Mebane, North Carolina**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

**Table 16**

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>General Government</b>										
Finance Department										
Vendor checks issued.....	2,675	3,003	2,952	3,029	3,095	3,104	3,299	3,668	3,613	3,621
Human Resources										
Workers' compensation lost time (days).....	155	52	122	-	-	-	-	23	-	-
Employee turnover rate.....	3%	7%	3%	5%	9%	5%	9%	4%	6%	12%
<b>Public Safety</b>										
Fire Protection										
Incident calls.....	1,812	732	823	773	840	909	918	921	919	939
Structure fires.....	168	303	211	15	19	26	34	21	25	36
Inspections.....	103	177	190	186	394	363	250	545	233	188
Child passenger seat inspections.....	197	242	191	154	204	193	237	190	217	107
Police Protection										
Physical arrests.....	552	653	568	501	377	438	482	506	436	274
Citations issued.....	1,073	1,489	1,226	1,028	926	1,585	1,522	1,846	1,720	970
Response to calls/officer initiated activity.....	13,163	15,363	14,942	14,685	16,968	16,363	17,220	19,764	21,718	20,932
Traffic accidents.....	593	583	528	491	620	790	628	809	642	767
<b>Public Works</b>										
Street resurfacing (miles).....	3.19	0.54	2.67	1.48	1.48	1.51	1.32	2.20	1.56	4.15
Refuse collected (tons annually).....	3,200	3,267	3,390	3,585	3,880	4,073	4,278	4,594	4,950	5,459
Homes receiving service.....	4,581	4,522	3,965	4,756	4,527	4,717	5,354	4,965	5,243	5,538
Recyclables collected (tons annually).....	946	1,063	1,112	1,100	841	862	864	831	1,265	792
<b>Economic &amp; Physical Development</b>										
Inspections										
Residential inspections conducted.....	3,247	3,460	5,914	5,212	6,477	7,348	4,765	7,032	7,357	11,159
Commercial inspections conducted.....	490	332	785	1,462	8,499	9,710	5,449	5,291	2,761	2,214
Total inspections conducted.....	<u>3,737</u>	<u>3,792</u>	<u>6,699</u>	<u>6,674</u>	<u>14,976</u>	<u>17,058</u>	<u>10,214</u>	<u>12,323</u>	<u>10,118</u>	<u>13,373</u>
Certificates of occupancy issued.....	136	125	131	154	166	216	102	206	207	285
Building permits issued.....	245	277	228	155	191	143	171	196	259	348
<b>Cultural &amp; Recreation</b>										
Recreation										
Athletics participants.....	2,458	3,140	2,693	2,653	2,744	2,679	2,679	2,923	1,623	1,846
<b>Water Distribution</b>										
Accounts.....	4,302	4,454	4,566	4,744	4,934	5,227	5,471	5,717	5,972	6,008
Average daily consumption (mgd).....	1.150	1.290	1.350	1.400	1.510	1.880	1.760	1.710	1.707	1.911
<b>Wastewater Treatment</b>										
Accounts.....	3,974	4,125	4,263	4,424	4,587	4,898	5,034	5,170	5,395	5,564
Average daily treatment (mgd).....	1.000	1.100	1.340	1.202	1.359	1.373	1.290	1.690	1.570	1.770

**Sources:**

Various City departments

**Notes:**

"NA" indicates "not available"



**City of Mebane, North Carolina**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

**Table 17**

<b>Function</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Public Safety</b>										
Fire Protection										
Stations.....	2	2	2	3	3	3	3	3	3	3
Fire trucks.....	12	12	13	13	13	13	13	13	13	13
Police Protection										
Stations.....	1	1	1	1	1	1	1	1	1	1
Patrol units.....	30	32	32	30	29	31	39	36	36	36
<b>Public Works</b>										
Miles of streets.....	51.0	52.2	52.4	54.0	54.3	54.7	56.6	58.0	60.1	62.4
Maintenance vehicles.....	58	56	56	58	58	51	45	29	31	32
Miles of sidewalks (linear feet).....	42.9	43.0	43.0	50.1	50.8	54.2	55.3	57.5	59.8	63.6
Refuse collection trucks.....	5	5	6	6	6	6	6	6	6	6
<b>Cultural &amp; Recreation</b>										
Number of parks .....	6	6	6	6	6	6	7	8	9	9
Park acreage.....	275	275	275	275	275	308	308	328	328	362
Trails (miles).....	3	3	3	3	3	3	3	5	5	5
Playgrounds.....	5	5	5	5	5	5	3	4	5	5
Baseball/softball diamonds.....	6	6	6	6	6	6	6	6	6	6
Soccer fields.....	10	10	10	10	10	10	10	7	7	7
<b>Water and Sewer</b>										
Miles of gravity sewer lines.....	88.1	88.7	89.1	94.3	97.8	98.6	100.1	113.4	118.8	122.1
Miles of water lines.....	100.1	103.1	104.6	111.3	111.3	114.9	117.2	117.8	122.2	125.8
Miles of sewer force mains.....	17.3	18.7	18.5	18.3	21.9	18.3	18.5	24.2	27.8	27.8
Miles of storm sewer.....	57.0	57.0	57.6	58.5	61.1	61.8	64.9	65.0	67.6	71.5

**Source:**

Various City departments

**Notes:**

"NA" indicates "not available"

# Compliance Section

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This section contains compliance reports for the City's Governmental Compliance.

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- **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**



**STOUT  
STUART  
McGOWEN  
& KING LLP**

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**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 City Council  
City of Mebane  
Mebane, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United State of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mebane, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprises the City of Mebane's basic financial statements and have issued our report thereon dated November 10, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Mebane'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 City of Mebane's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Mebane's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

STOUT STUART MCGOWEN & KINGS LLP

Burlington, North Carolina  
November 10, 2021



# Annual Comprehensive Financial Report

For the year ended June 30, 2021

Daphna Schwartz  
Finance Director



# Agenda

- Annual Comprehensive Financial Report (ACFR) Highlights
- Governmental Funds
- Water and Sewer Funds
- Capital Reserve Fund
- Capital Projects
- Debt Portfolio



# ACFR Highlights

- “Clean” Audit Opinion
- Assets exceeded liabilities by \$118,247,835 (net position)
- Total net position increased by \$7,945,001 from the prior year
- Combined ending fund balances of \$16,414,129, an increase of \$1,458,652 over the prior year



# Governmental Funds

- Overall, revenues came in higher than budgeted:
  - Sales Tax
  - Cares Act Award
  - Planning and inspection fees
  - Sanitation User fees
  - Miscellaneous grants
  - Investment earnings
- Overall, expenditures came in lower than budgeted:
  - Retirements and lapsed salaries
  - Capital project delays
  - Did not take on anticipated debt
- Fund balance increased

Governmental Funds - FY21 Results	Amended Budget	FY21 Actuals	% of Collected/Spent
Property Taxes	\$ 11,036,912	\$ 11,339,347	103%
Unrestricted Intergovernmental	\$ 5,120,543	\$ 6,101,360	119%
Restricted Intergovernmental	\$ 886,000	\$ 1,154,666	130%
Permits and Fees	\$ 881,798	\$ 1,338,035	152%
Sales and Services	\$ 570,450	\$ 616,526	108%
Miscellaneous	\$ 147,600	\$ 251,884	171%
Other taxes and licenses	\$ 1,000	\$ 955	96%
Restricted Special Revenue	\$ -	\$ 14,300	
Investment earnings	\$ 20,000	\$ 52,436	262%
<b>Operating Revenues</b>	<b>\$ 18,664,303</b>	<b>\$ 20,869,509</b>	<b>112%</b>
Debt Proceeds	\$ 1,939,070	\$ 430,500	22%
Fund Balance Appropriated	\$ 3,747,641	\$ -	0%
<b>Total Revenues</b>	<b>\$ 24,351,014.00</b>	<b>\$ 21,300,009.00</b>	
Personnel & Benefits	\$ 12,700,797	\$ 10,252,428	81%
Operating Expenses	\$ 6,107,542	\$ 6,452,803	106%
Capital Expenses	\$ 3,753,012	\$ 1,600,571	43%
Debt Payments	\$ 1,699,663	\$ 1,450,732	85%
Transfers	\$ 90,000	\$ 84,823	94%
<b>Total Expenses</b>	<b>\$ 24,351,014</b>	<b>\$ 19,841,357</b>	<b>81%</b>
<b>Net Gain/(Loss)</b>		<b>\$ 1,458,652</b>	





# Water and Sewer Funds

- Overall, operating revenues came in higher than budgeted due to growth.
- Overall, expenditures came in lower than budgeted.
  - Revenue bond debt was delayed until FY22.
  - Capital projects were delayed.

Water and Sewer Funds - FY21 Results	Amended Budget	FY21 Actuals	% of Collected/Spent
Charges for services	\$ 5,933,600	\$ 6,828,761	115%
Other operating revenues	\$ 690,034	\$ 748,941	109%
<b>Operating revenues</b>	<b>\$ 6,623,634</b>	<b>\$ 7,577,702</b>	<b>114%</b>
Non-operating revenues	\$ 49,000	\$ (74,065)	-151%
Transfers	\$ 175,000	\$ 37,846	22%
Fund Balance Appropriated	\$ 2,578,420	\$ -	
<b>Total Revenue</b>	<b>\$ 9,251,054</b>	<b>\$ 7,541,483</b>	<b>82%</b>
Personnel & Benefits	\$ 2,679,929	\$ 2,356,060	88%
Operating Expenses	\$ 3,524,145	\$ 2,822,855	80%
Capital Expenses	\$ 1,898,054	\$ 1,073,284	57%
Debt Payments	\$ 1,148,926	\$ 849,724	74%
<b>Total Expenses</b>	<b>\$ 9,251,054</b>	<b>\$ 7,101,923</b>	<b>77%</b>
Net Gain/(Loss)		\$ 439,560	



# System Development Capital Reserve Fund

- Revenues came in higher than budgeted due to growth.
- Transfers were lower than expected due to higher revenues in the Water and Sewer Funds.
- Statutorily, the use of system development fees are restricted. In general, the fees can be used to fund future water or sewer capital projects.

<b>System Development Capital Reserve Fund - FY21 Results</b>	<b>Amended Budget</b>	<b>FY21 Actuals</b>	<b>% of Collected/Spent</b>
Charges for Services	\$ 650,000	\$ 1,527,703	235%
Other nonoperating revenues	\$ 2,500	\$ 4,595	184%
<b>Total Revenues</b>	<b>\$ 652,500</b>	<b>\$ 1,532,298</b>	<b>235%</b>
<b>Transfers to the Water and Sewer Funds</b>	<b>\$ 652,500</b>	<b>\$ 37,846</b>	<b>6%</b>
<b>Net Gain/Loss</b>		<b>\$ 1,494,452</b>	

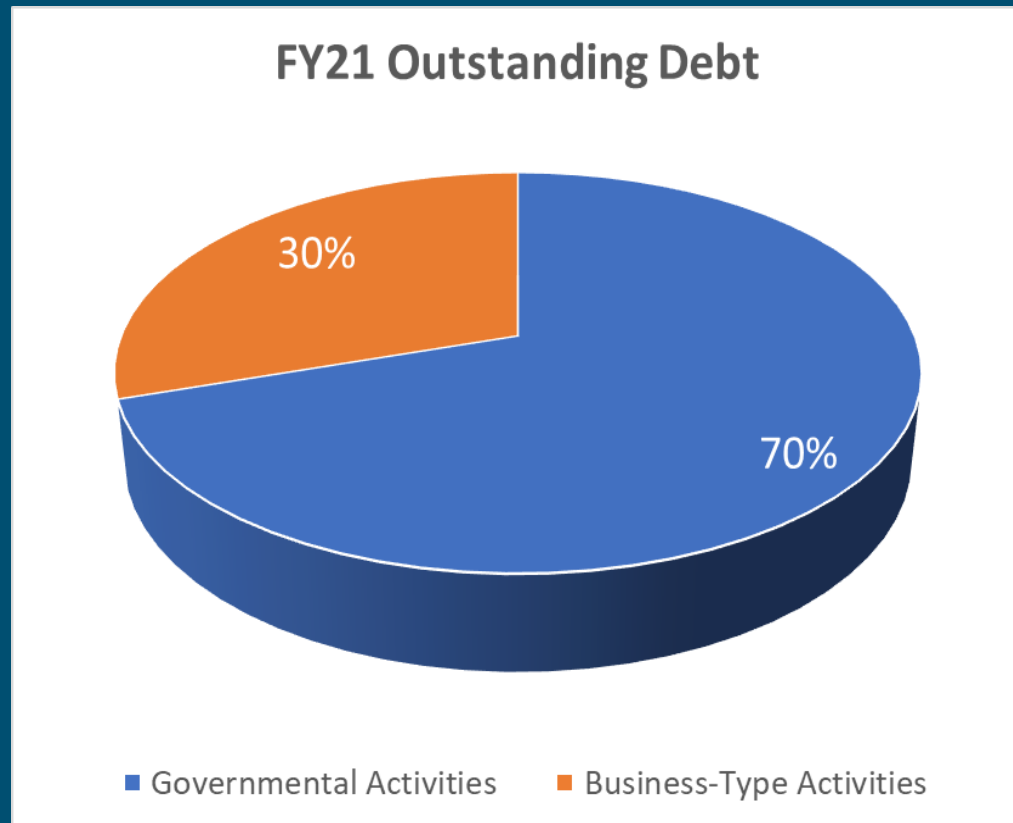


# Capital Projects

Capital Project Funds - FY21 Results	Amended Budge	FY21 Actuals	% of Collected/Spent
<b>Cates Farm Park</b>			
Transfer from General Fund	\$ 680,961.00	\$ 84,823.00	12%
Expenditures	\$ 680,961.00	\$ 84,823.00	12%
Fund Balance		\$ -	
<b>WRRF Renovation</b>			
Transfer from Water and Sewer Fund	\$ 583,000.00	\$ 583,000.00	100%
Debt Proceeds	\$ 6,761,176.00	\$ -	0%
Total financing sources	\$ 7,344,176.00	\$ 583,000.00	8%
Total Expenditures	\$ 7,344,176.00	\$ 555,285.00	8%
Fund Balance		\$ 27,715.00	



# Debt Portfolio



- Debt Portfolio remains well within legal limits
- Governmental Activities \$7.5 M
- Business-Type Activities \$3.2M
- FY20 General Fund issued \$430,500 of debt for rolling stock

# Thank you

The 6/30/21 ACFR is available on the City's website at the following link:

[www.cityofmebane.gov/city-financial-information/](http://www.cityofmebane.gov/city-financial-information/)

Daphna Schwartz  
Finance Director  
[Daphna.Schwartz@cityofmebane.com](mailto:Daphna.Schwartz@cityofmebane.com)





# AUDIT PRESENTATION TO THE CITY COUNCIL

For Year Ended June 30, 2021

December 6, 2021

# AUDIT HIGHLIGHTS

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- Mebane's 11<sup>th</sup> Comprehensive Annual Financial Report (CAFR)
- Unmodified Opinion
- An Audit is:
  - Consideration of the system used to capture financial data
  - Consideration of the Internal Controls
  - Testing of Internal Controls
- Internal Control – No Findings

# COMPARATIVE INFORMATION

## A Comparison of Fund Balance to Similar Municipalities (based on most recently available statistics)

	Population	Unassigned Fund Balance	% of General Fund Net Expenditures to Fund Balance
City of Mebane	17,797	10,332,231	50.63%
Belmont	15,010	3,976,994	29.42%
Elon	11,336	7,248,318	102.20%
Graham	17,157	9,138,317	66.00%
Fuquay Varina	34,152	18,533,498	59.80%
Hillsborough	9,660	6,438,825	59.96%



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Thank You to the Mebane City Council,  
Chris Rollins, Preston Mitchell, Daphna  
Schwartz, and their staff