



2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2023 | CARY, NORTH CAROLINA

The background image shows a park-like setting with a wooden pergola in the center where several people are gathered. To the right, there is a large, abstract sculpture of a dog. The scene is surrounded by lush green trees and a brick wall in the foreground. A large green triangle is overlaid on the right side of the image.

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**TOWN OF CARY, NORTH CAROLINA
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

Prepared by the Cary Finance Department:

- Kimberly Branch, CPA, Finance Director/Treasurer
- Jessica Murphy-Rhem, CPA, Financial Reporting Manager
- Michelle C. Brooks, CPA, Controller
- Joe Tarlton, CPA, Senior Accountant
- Preeta Nayak, CPA, Senior Accountant
- Kim Moser, Marketing and Communications Coordinator





TABLE OF CONTENTS

Title Page	1
Table of Contents	3–10

INTRODUCTORY SECTION

Letter of Transmittal	11–12
Members of Town Council	13
Cary Mission Statement and Statement of Values	14–15
Appointed and Administrative Staff	16–17
Cary Organizational Chart	18
Responsibilities of Town Government by Department	19–31
Town Boards and Commissions	32
Certificate of Achievement for Excellence in Financial Reporting	33

FINANCIAL SECTION

Report of Independent Auditor	35–36
Management’s Discussion and Analysis	37–43

BASIC FINANCIAL STATEMENTS

EXHIBIT

ENTITY-WIDE FINANCIAL STATEMENTS

A Statement of Net Position	45–46
B Statement of Activities	47

GOVERNMENT FUND FINANCIAL STATEMENTS

C Balance Sheet — Governmental Funds..... 50–51

D Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position..... 52

E Statement of Revenues, Expenditures, and Changes in Fund Balances — Governmental Funds..... 53

F Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities 54

G General Fund — Budgetary Comparison Statement 55–62

H Transit Special Revenue Fund — Budgetary Comparison Statement..... 63

I Emergency Telephone System Special Revenue Fund — Budgetary Comparison Statement 64

J American Rescue Plan Act Special Revenue Fund — Budgetary Comparison Statement 65

K Capital Area Metropolitan Planning Organization Special Revenue Fund..... 66

L Parking Special Revenue Fund..... 67

PROPRIETARY FUND FINANCIAL STATEMENTS

M Statement of Net Position — Proprietary Funds 70–71

N Statement of Revenues, Expenses, and Changes in Fund Net Position — Proprietary Funds 72–73

O Statement of Cash Flows — Proprietary Funds 74–75

Notes to the Basic Financial Statements 77–124

REQUIRED SUPPLEMENTARY INFORMATION

Law Enforcement Separation Allowance Required Supplemental Information 126

Local Government Employee Retirement System Required Supplemental Information 127–128

Other Post-Employment Benefits Required Supplemental Information 129

SUPPLEMENTARY INFORMATION

SCHEDULE

CAPITAL PROJECT FUND

1	Capital Project Fund — Sub-Fund Combining Balance Sheet.....	132
2	Capital Project Fund — Sub-Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	133
3	Street Project Sub-Fund — Schedule of Revenues, Expenditures, and Changes in Fund Balance — Budget and Actual	134–138
4	Downtown Project Sub-Fund — Schedule of Revenues, Expenditures, and Changes in Fund Balance — Budget and Actual	139–140
5	Parks, Recreation and Cultural Resources Project Sub-Fund — Schedule of Revenues, Expenditures, and Changes in Fund Balance — Budget and Actual	141–144
6	Fire Project Sub-Fund — Schedule of Revenues, Expenditures, and Changes in Fund Balance — Budget and Actual	145–146
7	General Government Project Sub-Fund — Schedule of Revenues, Expenditures, and Changes in Fund Balance — Budget and Actual	147–150
8	General Capital Reserve Sub-Fund — Schedule of Revenues, Expenditures, and Changes in Fund Balance — Budget and Actual	151

UTILITY SYSTEM ENTERPRISE FUND

9	Utility Systems Enterprise Fund — Sub-Fund Combining Schedule of Net Position.....	154–155
10	Utility Systems Enterprise Fund — Sub-Fund Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	156
11	Utility System Operations Sub-Fund — Schedule of Revenues, Expenditures, and Changes in Fund Net Position Budget and Actual (NON-GAAP)	157–161
12	Water Project Sub-Fund — Schedule of Revenues, Expenditures, and Changes in Fund Net Position — Budget and Actual (NON-GAAP)	162–165

13	Sewer Project Sub-Fund — Schedule of Revenues, Expenditures, and Changes in Fund Net Position — Budget and Actual (NON-GAAP)	166–170
----	--	---------

14	Utility System Capital Reserve Sub-Fund — Schedule of Revenues, Expenditures, and Changes in Fund Net Position — Budget and Actual (NON-GAAP)	171
----	---	-----

INTERNAL SERVICE FUNDS

15	Internal Service Funds — Combining Schedule of Net Position	174
----	---	-----

16	Internal Service Funds — Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	175
----	---	-----

17	Internal Service Funds — Combining Schedule of Cash Flows	176–177
----	---	---------

18	Fleet Management Internal Service Fund — Schedule of Revenues, Expenditures, and Changes In Fund Net Position — Budget and Actual (NON-GAAP)	178
----	--	-----

19	Health Insurance Internal Service Fund — Schedule of Revenues, Expenditures, and Changes in Fund Net Position — Budget and Actual (NON-GAAP)	179–180
----	--	---------

OTHER FUND SCHEDULES

20	Community Development Block Grant Special Revenue Fund Budgetary Comparison Statement — Multi-year	181–182
----	--	---------

21	Economic Development Special Revenue Fund Budgetary Comparison Statement — Multi-year	183
----	---	-----

STATISTICAL SECTION (UNAUDITED)

TABLE

1	Net Position by Component, Last Ten Fiscal Years	188
---	--	-----

2	Changes in Net Position, Last Ten Fiscal Years	189–190
---	--	---------

3	Fund Balances, Governmental Funds, Last Ten Fiscal Years	191
---	--	-----

4	Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	192–193
---	---	---------

5	Governmental Fund Expenditures by Function, Last Ten Fiscal Years	194
---	---	-----

6	Utility System Enterprise Fund Expenditures by Function, Last Ten Fiscal Years	195
7	Governmental Fund Revenues by Source, Last Ten Fiscal Years	196
8	Utility System Enterprise Fund Revenues by Source, Last Ten Fiscal Years	197
9	Inspections and Permits Recovery	198
10	Assessed Value of Taxable Property, Last Ten Fiscal Years.....	200
11	Comparison of Town of Cary and County Assessed Values, Last Ten Fiscal Years	201
12	Property Tax Rates-Direct and Overlapping Governments, Last Ten Fiscal Years	202
13	Principal Property Taxpayers, Nine Years Ago and Current Year	203
14	Property Tax Levies and Collections, Last Ten Fiscal Years	204
15	Ad Valorem Taxes Receivable, Current Year and Last Nine Fiscal Years	205
16	Analysis of Current Tax Levy	206
17	Ratios of Outstanding Debt by Type, Last Ten Fiscal Years.....	208
18	Ratio of Net General Bonded Debt to Assessed Value and Bonded Debt per Capita, Last Ten Fiscal Years	209
19	Computation of Legal Debt Margin, Last Ten Fiscal Years.....	210
20	Computation of Direct and Overlapping Debt.....	211
21	Bond Coverage Combined Enterprise System Bonds, Last Ten Fiscal Years.....	212
22	Ratio of Annual Debt Service Expenditures for Bonded Debt to Total General Expenditures, Last Ten Fiscal Years	213
23	Demographic Characteristics, Last Ten Fiscal Years.....	216
24	Principal Employers, Nine Years Ago and Current Year.....	217
25	Commercial Activity, Last Ten Fiscal Years	218
26	Employee Position Authorization by Department, Last Ten Fiscal Years.....	220

27	Operating Indicators by Function/Program, Last Ten Fiscal Years	221–222
28	Capital Assets by Function/Program, Last Ten Fiscal Years.....	223
29	Insurance in Force, July 1, 2022 – June 30, 2023	224–226
30	Top Ten Utility Customers.....	227
31	Utility Rate Information, Approved Operating Budget Ordinance	228–231
32	Development Fee Revenue.....	232

COMPLIANCE SECTION

FEDERAL AND STATE AWARDS COMPLIANCE

Schedule of Expenditures of Federal and State Awards.....	233–234
Notes to Schedule of Expenditures of Federal and State Awards	235
Report of Independent Auditor 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.....	236
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; with the OMB Uniform Guidance and the State Single Audit Implementation Act	237–238
Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control over Compliance in Accordance with the Uniform Guidance and the State Single Audit Implementation Act	239–240
Schedule of Findings and Questioned Costs.....	241–244
Summary Schedule of Prior Year Audit Findings	245

COVENANT COMPLIANCE

Report of Independent Auditor on Revenue Bond Covenant.....	247–248
Revenue Bond Statement of Revenues, Expenses, Debt Service, and Debt Service Coverage	249–250





OCTOBER 27, 2023

DEAR MAYOR,
MEMBERS OF
THE TOWN
COUNCIL,
& CITIZENS:

THE ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE TOWN OF CARY, NORTH CAROLINA ("CARY")
DOCUMENTS CARY'S FINANCIAL POSITION AND
RESULTS OF OPERATIONS AS OF AND FOR THE FISCAL
YEAR ENDED JUNE 30, 2023.

This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP), set forth by the Governmental Accounting Standards Board.

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

Independent certified public accountants at Cherry Bekaert LLP, audited the financial statements and concluded in an unmodified (commonly referred to as "clean") opinion that the financial statements present fairly in conformity with GAAP, in all material respects, Cary's financial position and changes in financial position. The goal for the audit is to provide reasonable assurance that the financial statements are free of material misstatement.

To enhance accountability, this report includes notably more information and analysis than just the basic financial statements, and as such is titled the Annual Comprehensive Financial Report (ACFR). To organize the significant volume of information, the ACFR is comprised of four primary sections.

The Introductory Section includes this letter of transmittal, Town Council introductions, an organization chart, and responsibilities of the government and a certificate of achievement for excellence in financial reporting.

The Financial Section includes the report of the independent auditors, Management's Discussion and Analysis (MD&A), the basic financial statements and the accompanying notes to the financial statements. Management's Discussion and Analysis follows a prescribed format set out by GAAP, designed to complement this letter. The Financial Section also includes Required Supplementary Information which provides details on components of financial activity including capital project activity, the utility system enterprise fund, internal service funds, and special revenue funds.

The Statistical Section provides meaningful ten-year trend information on Cary's financial performance, revenue capacity, debt capacity, demographic, and economic indicators as well as operating information.

The Compliance Section reports the activities of and compliance with federal and state grants and awards, as well as revenue bond covenant compliance. Three compliance audit reports on federal and state financial assistance are required under the Federal Single Audit Act of 1984 and the State Single Audit Implementation Act. Another annual audit of a defined calculation of debt service coverage is required by the trust agreements entered by Cary as a condition of Cary's revenue bonds. Cherry Bekaert LLP also conducted each of the required compliance audits.

This report will be submitted for regulatory review to the North Carolina State Treasurer's office. Other interested readers such as grantor agencies, Cary's bond holders and the three major bond rating agencies will use the information to reach conclusions about Cary's financial affairs.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded Cary the Certificate of Achievement for Excellence in Financial Reporting for its ACFR for the fiscal year ended June 30, 2022. This was the thirty-eighth consecutive year that Cary received this award. The Certificate of Achievement recognizes the Cary financial report for

voluntarily meeting the highest standards established by experts in government finance. This FY 2023 report was also designed to meet the same standards of excellence in reporting.

The ACFR summarizes millions of dollars of transactions in compliance with complex accounting and reporting standards, ensuring readers that Cary's financial results can be fairly compared with other governments and analyzed year to year. None of this would be possible without the work and cooperation of staff throughout the organization who manage the financial affairs so well and with prudence. The foundation for these accomplishments lies with the Town Manager, Mayor, and the members of Town Council in their consistent support of the highest standards of professionalism in the management of Cary's finances and operations.

Respectfully submitted,



Kimberly Branch, CPA
Finance Director

THE FOUNDATION FOR ALL OF THESE ACCOMPLISHMENTS LIES WITH MANAGER, MAYOR, AND THE MEMBERS OF TOWN COUNCIL IN THEIR CONSISTENT SUPPORT OF THE HIGHEST STANDARDS OF PROFESSIONALISM IN THE MANAGEMENT OF CARY'S FINANCES AND OPERATIONS.

MEMBERS OF TOWN COUNCIL



Mayor
Harold Weinbrecht



Mayor Pro Tem
Don Frantz



Councilmember
Lori Bush



Councilmember
Ryan Eades



Councilmember
Jennifer Bryson Robinson



Councilmember
Jack Smith



Councilmember
Carissa Kohn-Johnson



MISSION

AT CARY WE FOCUS EVERY DAY ON ENRICHING THE LIVES OF OUR CITIZENS BY CREATING AN EXCEPTIONAL ENVIRONMENT AND PROVIDING EXEMPLARY SERVICES THAT ENABLE OUR COMMUNITY TO THRIVE AND PROSPER.





STATEMENT OF VALUES

TO ACHIEVE OUR MISSION, WE WILL UPHOLD THE FOLLOWING VALUES:

1. Our organization exists to serve our citizens. We will be open, ensure access, encourage involvement and be accountable to our citizens.
2. Employees are our most important resource. We will attract and retain the best employees possible and invest in their personal and professional growth.
3. We will be honest, ethical and diligent. Our actions will comply with local, state and federal laws.
4. We will treat everyone with dignity, respect and fairness.
5. We will achieve the best results through effective teamwork, strategic partnerships and community participation.
6. We will provide outstanding customer service that is polite, friendly and responsive.
7. We value creative thinking and innovation. We will continue to be nationally recognized for excellence in local government.
8. We value growth that balances desired service levels, economic benefits and continued stability for our community.
9. We are cost conscious. We spend public funds responsibly and effectively to ensure the Town's short- and long-term financial strength.
10. We are committed to proactive, comprehensive planning to guide the future of our community.
11. We will preserve and protect our environment. We will be good stewards of our finite natural resources.

Adopted by Town Council August 22, 2006

APPOINTED AND ADMINISTRATIVE STAFF

RUSS OVERTON
DEPUTY TOWN MANAGER

SEAN STEGALL
TOWN MANAGER(1)

DANIEL AULT
ASSISTANT TOWN MANAGER/CHIEF
INNOVATION OFFICER

SHELLEY CURRAN
ASSISTANT TOWN MANAGER

LISA GLOVER
TOWN ATTORNEY(1)

VIRGINIA JOHNSON
TOWN CLERK(1)

DANNA WIDMAR
ASSISTANT TOWN MANAGER

SUSAN MORAN
CHIEF OF STRATEGIC COMMUNICATIONS

JOHN COLLINS
DIRECTOR OF PARKS, RECREATION &
CULTURAL RESOURCES

RENEE POOLE
CHIEF HUMAN RESOURCES OFFICER

KIMBERLY BRANCH
FINANCE DIRECTOR/TREASURER

STACEY TEACHEY
CAPITAL PROJECTS DIRECTOR

DOUG MCRAINEY
COMMUNITY PROJECTS DIRECTOR

MIKE COOPER
FIRE CHIEF

NICOLE COUGHLIN
CHIEF INFORMATION OFFICER

(1) The Town Manager, Town Attorney, and Town Clerk are appointed by Town Council. The function of Treasurer is a responsibility assigned by Town Council to the Finance Director. While the function of Treasurer is an appointment, the position of Finance Director is not.

JAMIE REVELS
UTILITIES DIRECTOR

TED BOYD
DIRECTOR OF
ECONOMIC DEVELOPMENT

MATT FLYNN
PUBLIC WORKS DIRECTOR

TERRY SULT
POLICE CHIEF

JERRY JENSEN
TRANSPORTATION &
FACILITIES DIRECTOR

WES EVERETT
DIRECTOR OF SPECIAL PROJECTS

KERRY HARVILLE
DIRECTOR OF SPECIAL PROJECTS

ALLISON HUTCHINS
DIRECTOR OF LEARNING &
ORGANIZATIONAL DEVELOPMENT

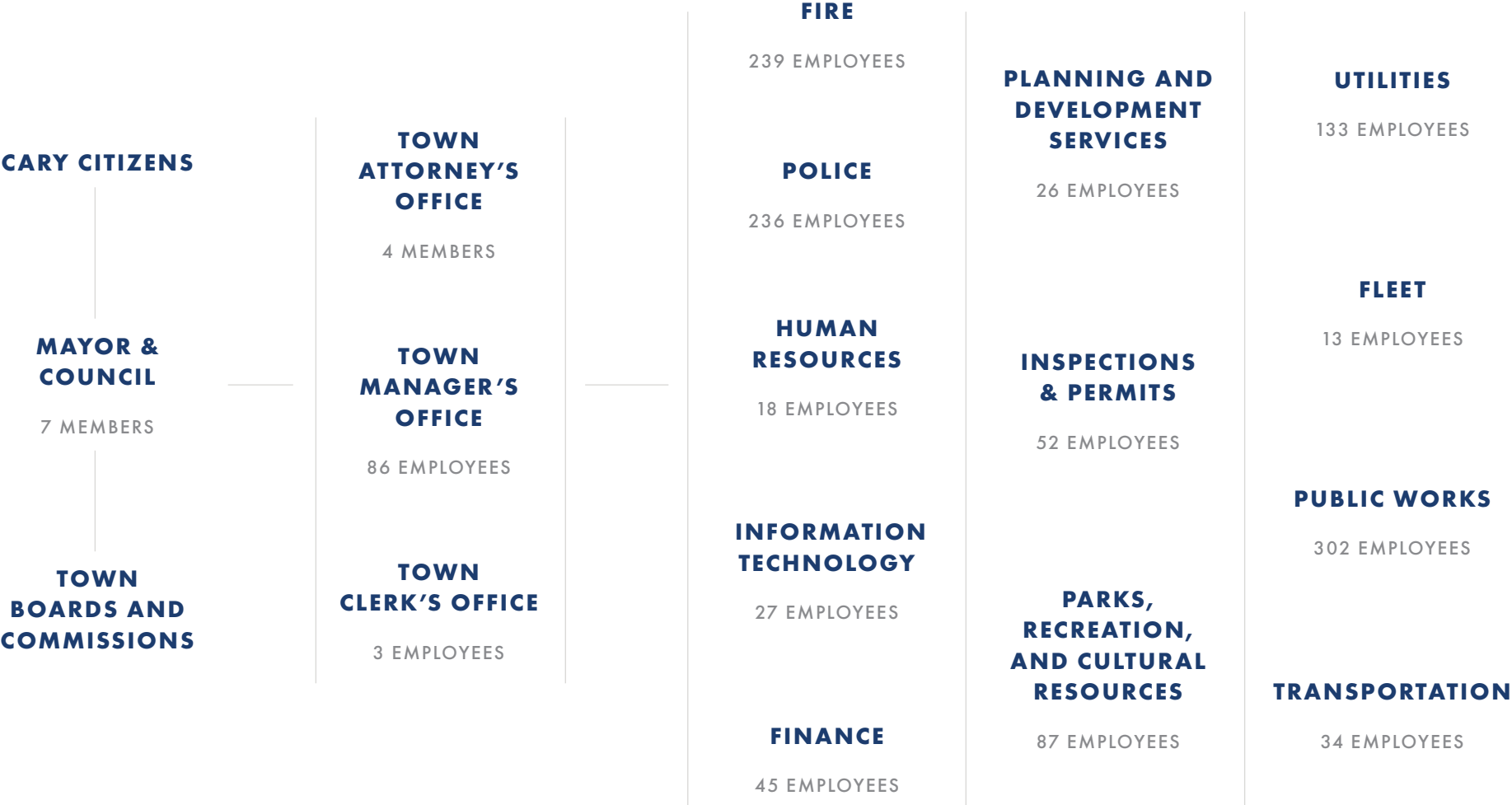
MORGAN MANSA
DIRECTOR OF HOUSING &
COMMUNITY DEVELOPMENT

KELLY BLAZEY
TRANSIT DIRECTOR

PAUL WEBSTER
FACILITIES, CONSTRUCTION, &
FIELD SERVICES DIRECTOR

**CASSIE SCHUMACHER-
GEORGOPOULOS**
COMMUNITY PROJECTS DIRECTOR

CARY ORGANIZATION CHART



RESPONSIBILITIES OF TOWN GOVERNMENT BY DEPARTMENT

LEGISLATIVE DEPARTMENT

The **Legislative Department** includes the Town Council, the Town Clerk Division, and the Legal Division.

The Town Council is comprised of the Mayor and six Council Members and is elected by the registered voters of Cary. Council establishes policies and programs for effective delivery of Cary services, approves the annual financial plan, sets the property tax rate and all user fees, and provides all ordinances, rules and regulations for the welfare of Cary. The Council also appoints the Town Attorney, the Town Clerk, and the Town Manager.

Town Clerk's Office ensures accessible and responsive government by preparing and keeping minutes and permanent records, providing administrative support to Council, and coordinating Cary's boards, commissions, committees and task forces. The Office also maintains the Charter, Code, and Land Development Ordinance and oversees the accurate and timely accumulation, preservation, and accessibility of public records. The position of Town Clerk is appointed by and reports directly to the Town Council. The Clerk's Office is also supported by one full-time Deputy Town Clerk and one full-time Assistant Town Clerk.

Legal advises and provides legal services to the Mayor and Council, the Town Manager, and Cary departmental staff. The department serves the municipal corporation that is the Town of Cary and does not provide advice to private citizens. Legal services provided include: drafting and review of ordinances, policies, and procedures; drafting, review, and negotiation of contracts and other legal instruments; representation of Council or staff at open meetings, including quasi-judicial hearings; assistance in the enforcement of Cary's ordinances; and representation in claims and litigation, by the department or through appointed or retained outside counsel.

The Legal Division strives to provide exceptional legal service in support of Council policies and initiatives, including the Cary Community Plan and other Cary priorities. The department operates in a manner that reflects and supports Cary's adaptive leadership culture, and that is efficient, effective, and responsive. At all times, the Legal Division exercises independent, professional judgment in the rendering of candid advice.

The Town Attorney, a Senior Assistant Town Attorney, a Deputy Town Attorney, and a Legal Assistant serve in the Legal Department.



TOWN MANAGER'S DEPARTMENT

The **Town Manager's Office** includes the Town Manager, who serves as the Chief Executive Officer of the organization, along with a Deputy and Assistants. Functional areas assigned to this department include **Capital Planning, Economic Development, Organizational Development, Research and Development, and Public Safety Administration**. Several program areas undergoing rapid change or growth to help meet the needs of our maturing community, such as **Stormwater, Transit, Housing, Historic Preservation, Community Projects, Environment, the 311 Center, Marketing, and Downtown Cary Park**, are also managed under the umbrella of the Town Manager's Office.

Only with a sense of purpose and vision, can any organization, either public or private, achieve its full potential, and the responsibility for articulating and ensuring the strategic implementation of Cary's purpose and vision rests squarely in the Town Manager's Office. The job of the Town Manager's Office is to reflect on the most pressing issues facing our community and how we adapt our people, our services, our operations, and our approaches to turn potential liabilities into strengths.

Capital Planning is responsible for facilitating and organizing all active capital projects into a 21-year Capital Improvement Budget/Plan (CIB/P). Through the prioritization of capital projects over 21 years, the Capital Program Management group ensures that Cary's resources are efficiently and effectively allocated in order to maintain the highest-quality capital assets and facilities.

Economic Development facilitates business location, relocation, expansion, and retention activities throughout Cary, including downtown. This office works closely with the Cary Chamber of Commerce, Cary's official economic development partner, as well as state and county economic development councils, departments, bureaus, and associations in the Research Triangle region.

Organizational Development at Cary is a human endeavor to help people thrive in our culture and meet the demands of the future. Simply, the work is about our culture and our people and how those two things intersect. Our work creates pathways for developing multi-faceted employees, by maximizing strengths, harnessing life experiences, and tapping into the potential of every person.

Research and Development creatively and systematically works to invent the local government that does not exist. The division uses innovative thinking to develop new services, products and training to provide extraordinary service for internal and external stakeholders.

Stormwater administers state and federally mandated activities that address stormwater and floodplain management, watershed protection, illegal discharges, and sediment and erosion control.

Public Safety Administration coordinates activities and operations between Police, Fire, and Code Enforcement. The division implements emergency management activities for disasters and large planned events. The Public Safety division also serves as the external stakeholder point-of-contact for 911 communication services and other related services.

Transit operates a network of seven local bus routes, as well as an ADA complementary paratransit service known as GoCary Door-to-Door. GoCary Door-to-Door also serves Cary and surrounding communities with premium demand response service for Cary residents age 60 and over.

Housing consolidates all Cary's housing-related programs and services including housing, the neighborhood improvement grant and community development grant programs, and minimum housing to provide a more holistic, effective and efficient use of resources to meet the needs of our maturing community.

Historic Preservation's mission is to enhance the quality of life in Cary through the preservation of the historic resources that give Cary its individuality and provide the context for understanding our heritage historic resources.

Community Projects focuses on emerging issues or challenges facing the organization and/or our community, utilizing analytical and adaptive approaches to improving the way we serve our citizens.

Environment collaborates with departments and citizens to enhance Cary's operational and community-wide sustainability. The division also serves as a technical resource and point of contact for senergy, including alternative sources such as solar; transportation and greening up our municipal fleet; trees, open space, and natural lands; waste management, including composting and recycling; and education and outreach.

The 311 Center is a citizen-centric communication and information hub blending modern software with staff knowledge of Cary operations to provide citizens great customer service. With a strong foundation of powerful and interconnected technologies, the 311 Center uses a OneCary approach to citizen services—disrupting silos to better understand and meet citizens' needs.



Marketing leads planning and execution of integrated, omnichannel marketing initiatives with the goal of creating a consistent citizen experience. They oversee external and internal communications including social media, web, print, graphic design, video and photography, marketing materials, media relations and news releases, and Cary TV with a citizen-first approach.

Downtown Cary Park, opening in late 2023, expands the downtown area, providing extensive, passive landscape spaces where residents and visitors can be immersed in nature in the heart of Cary. Active programming for people of all ages will be a major focus point of the park.

POLICE DEPARTMENT

The **Police Department's** mission is to protect life and property through community partnerships and the provision of the highest level of quality professional services. The Department accomplishes its mission by focusing on education, prevention, investigation, and enforcement. Major components of the department include Field Operations, Criminal Investigations, Special Operations, and Professional Standards. Additional services provided include Animal Services, Community Services, School Resource Officers, Project PHOENIX, and Emergency Communications. The Cary Police Department has proven itself a leader among law enforcement agencies. Proactive policing methods and a great relationship throughout the community have allowed the Department to continually move forward and help our citizens maintain a high quality of life. Cary's Police Department has been internationally accredited since 1992 and in 2019 was awarded the Certificate of Advance Meritorious Accreditation by the Commission on Accreditation for Law Enforcement Agencies (CALEA).

FIRE DEPARTMENT

The **Fire Department** continues Cary's legacy of excellence by responding in an exemplary manner, with professionalism, empathy, and collaboration, to present-day emergencies while anticipating future challenges. In a OneCary approach to community risk reduction and emergency service response, the Fire Department partners with departments and divisions within our organization, as well as neighboring fire departments to ensure its fire suppression and prevention efforts stay responsive and progressive. Routine fire inspections on commercial and multi-family structures are completed by fire inspectors assigned to the Department on a 1-year, 2-year, and 3-year schedule based on occupancy time.

The Department operates out of nine fire stations located strategically throughout Cary. The Department has been internationally accredited since 1999 through the Commission on Fire Accreditation International and in 2015 Cary received its first ISO rating of 1. The ISO rating and accredited status were both confirmed in 2020 and 2021, respectively.



FINANCE DEPARTMENT

The Finance Department administers Cary's financial affairs. Financial functions are organized in five divisions: Operations, Procurement, Debt & Investments, Financial Reporting, and Financial Strategy.

The **Operations Division** provides payroll, accounts payable, and accounts receivable services. **Utility Accounts Division** is a subdivision of Operations and is responsible for utility billing and collection. This subdivision collects data from the water meter reading system and bills and collects for utility and solid waste services. This function is accounted for in the Utility Fund.

The **Procurement Division** is responsible for supporting the purchasing functions for all departments, as per local, state, and federal regulatory requirements; purchasing goods (apparatus, supplies, materials, and equipment); providing solicitation services; and the bidding of construction or repair work.

The **Debt & Investment Division** is responsible for managing Cary's cash, investments, and debt.

The **Financial Reporting Division** maintain Cary's official accounting records and the accounting and financial systems. This Division is responsible for implementing new accounting standards and laws, preparing the quarterly reports, and the ACFR.

The **Financial Strategy & Analysis Division** is responsible for the planning, development, execution and evaluation of the operating and capital improvements budgets and the capital improvements plan. Other responsibilities include long-term financial planning, revenue and expenditure analysis, presentation development, budget document compilation, and policy research and recommendations.



HUMAN RESOURCES DEPARTMENT

The **Human Resources (HR)** Department exists to support our organization's employees as we continue to challenge and reimagine the standard for what local government can be. Adaptively, the HR Department works to drive the culture of the organization. As Cary continues to move forward becoming the local government like no other, we must provide an extraordinary work environment for employees that enhances their creativity and contributions while achieving outcomes identified in the Cary Community Plan. Technically, HR oversees a full range of responsibilities including recruitment and selection, competitive pay and benefits, employee relations, and safety and training.

INFORMATION TECHNOLOGY DEPARTMENT

The **Information Technology Department** provides and supports communications, information, and technology solutions to enable departments to serve our citizens in the manner they have come to expect. Technology solutions include software applications, geographic information services, public safety systems, radio systems, phone systems, voice mail, email, file services, desktop and laptop computers, mobile devices, internet of things (IoT) and network infrastructure.

The Information Technology Department is focused on building a secure and connected workforce and community through the use of cloud, platform and data management strategies. We will continue our digital transformation journey through fostering a culture of exploring and testing new concepts and technologies while promoting creativity and cross organization collaboration.



PARKS, RECREATION AND CULTURAL RESOURCES DEPARTMENT

The **Parks, Recreation and Cultural Resources Department** consists of the Administration, Community Recreation, Cultural Arts and Resources, and Sports Venues divisions, and handles a wide variety of day-to-day and long-range functions.

The **Administration Division** coordinates the work of all the department's divisions, which include Sports Venues, Cultural Arts and Community Recreation. Responsibilities include management of 32 public park areas with unique offerings and 79 miles of greenways; environmental outreach; facility planning with the Transportation Department; budget, grant, and contract administration related to parks, recreation, or cultural resources; volunteer management; customer service; sponsorships; policies and procedures; national accreditation; marketing and communications; special services, including specialized recreation and inclusion, community outreach, including Project Phoenix in coordination with the Cary Police Department.

The **Community Recreation Division** is divided into the following sections: community centers, senior programs (age 55+), environment education, sports, and outdoor recreation. The Division delivers a wide range of sports and recreational activities for adults, children, and senior adults including dance, exercise, adventure, trips, confidence building, social interaction, camps, as well as programs in ecology, environmental stewardship, preservation and nature appreciation. The Division provides youth and adult sports leagues, clinics and camps including basketball, softball, baseball, volleyball, and golf. The Division hosts the Cary Road Race as well as local and state level softball tournaments. The Division provides Cary citizens with the opportunity to rent facilities for group functions, such as picnics, meetings, and other social occasions. Programs and rentals are offered at Bond Park, Hemlock Bluffs Nature Preserve, Herb Young Community Center, Bond Park Community Center, Middle Creek Community Center, Cary Senior Center, and other various parks throughout Cary. The division also manages the Cary Teen Council.

The **Cultural Arts and Resources Division** provides for the planning, implementation, and supervision of Cary's cultural arts facilities and wide offering of activities. Major facilities include Koka Booth Amphitheatre, the Cary Arts Center, The Cary Theater, and the Page-Walker Arts & History Center. Major program areas include festivals, special events, classes, camps, performances, concerts, studio arts, public art, gallery exhibitions, films, visual arts, literary arts, historic resources, and more. The Division also supports the work of local nonprofit cultural and arts organizations and manages several Cary-funded grant programs, including Cultural Arts Grants and Lazy Daze Grants.

The **Sports Venues Division** is responsible for planning, implementing and supervising diverse youth and adult programs and special events. Programs and camps are offered in softball, baseball, tennis, soccer, lacrosse, cross country, and action sports. The Division also hosts various special events such as the Division II Baseball World Series, the Atlantic Tire Tennis Championships, the NCAA Soccer College Cup, Action Sports contests, as well as local, state and national level soccer, tennis, baseball and softball tournaments. The Division manages several signature parks including the Cary Tennis Park (a 36-court full service tennis facility providing instruction, camps, clinics, tournaments and league play), a Action Sports Complex (a 12,000 square-foot course with ramps and other popular skating obstacles), WakeMed Soccer Park (a 150 acre facility which includes a nationally recognized cross country course, seven multi-purpose soccer fields and a 10,000 seat stadium home to the North Carolina Football Club professional soccer team). The Division also manages adult softball and numerous weekend tournaments at the softball complexes located at Middle Creek and Thomas Brooks Parks, in addition to 18 multipurpose fields for club league play and weekend tournaments.

PUBLIC WORKS DEPARTMENT

There are five non-Utility Fund Public Works divisions: Public Works Administration, Facilities Management, Fleet Management, Operations, and Solid Waste Management

The **Public Works Administration Division** manages and coordinates business operations for Facilities Management, Operations, Solid Waste Management, and Fleet Management. Core responsibilities include contract management, 311 case support, budget submission, monitoring yearly expenditures, regulatory permit administration, service analysis, and records retention. Business support is provided for a variety of programs including emergency weather planning, cross connection, bulk water, work order system administration, tablet help desk support, and internal pool car reservations.





The **Facilities Management Division** is tasked with the planning and implementation of a comprehensive maintenance and repair program for all Cary buildings, landscapes, parks, trails, rights-of-way, special use facilities and the cemetery. Other responsibilities include special events equipment logistics, street sweeping program, code enforcement pertaining to overgrown properties, roadway and sidewalk obstructions, hazardous tree management and related safety issues. The Division also provides emergency response during weather events and logistical support for all Cary events. Utility-related activity is reimbursed by the Utility Fund.

The **Fleet Management Division** is responsible for the repair and maintenance of all Cary vehicles and equipment. Responsibilities include planning preventive maintenance and replacement, providing fuel for all Cary vehicles and equipment, managing the pool car fleet, analyzing equipment useful life and availability rates, and maintaining related cost data for all departments utilizing vehicle and equipment assets. The Fleet Management Division is accounted for in a separate internal service fund where services, parts, and fuels are charged to user departments.

The **Operations Division** performs a variety of duties serving both Utility and General Fund functions. Key areas of responsibility for General Fund functions include maintenance and repair of storm water conveyance systems, streets, sidewalks, curb and gutter, traffic signals, traffic signs and traffic markings. Other responsibilities include inclement weather response operations such as snow and ice control, storm recovery and debris removal and chipping services. The Operations Division also provides program support to other divisions and departments across Cary and maintains around-the-clock response capabilities with after-hours/weekend response teams for traffic signals and construction. Utility-related activity is reimbursed by the Utility Fund.

The **Solid Waste Management Division** provides curbside household garbage collection services on a weekly basis to households and small businesses. This Division is also responsible for the collection of recyclables, yard waste and special and bulky items. In addition, this Division is responsible for code enforcement for debris and health and safety related issues, emptying downtown litter containers, processing

and disposing of debris resulting from inclement weather, loose leaf collection and the operation of the Dixon Avenue Citizen Convenience Center/Transfer Station. This Division also coordinates a solid waste education program to increase citizen understanding of waste reduction/diversion opportunities, and the development of long-range disposal operations.

TRANSPORTATION DEPARTMENT

The **Transportation Department** focuses on project investments in multi-modal transportation including streets, bikeways, sidewalks, and greenways. We embrace a Cary-wide collaborative and adaptive effort in the development of capital projects to ensure holistic project delivery that is consistent with our Cary Community Plan. The Department is responsible for the planning, design, and construction of Cary transportation facilities. The Transportation Department manages the operations of our Advanced Traffic Management System (ATMS) to maintain efficient operation and communication with Cary's traffic signals. Recently the ATMS deployed Connected Vehicle technology throughout Cary to traffic signals, school zone safety beacons, and fire trucks to improve safety, increase awareness, and facilitate maintenance. Additionally, the Transportation Department's surveying group serves all Cary departments in the development of projects.

PLANNING AND DEVELOPMENT SERVICES DEPARTMENT

Planning applies a combination of Cary Community Plan principles, Cary's Land Development Ordinance regulations and adaptive leadership concepts to respond to the diverse needs of citizens, business owners, and developers. Staff develops and implements comprehensive land use plans, district and corridor plans and manages annexations, rezonings, development plan review, plat approvals, variance requests, and the assigning of addressing. The Development Compliance team ensures that sites are developed in compliance with approved plans and



addresses zoning compliance. Planning staff assembles demographic data, maintains and enforces zoning ordinances, processes sign and other permits, and prepares maps. The staff makes detailed presentations on rezoning and special use cases to the Town Council. Staff also make presentations to and provide administrative staff support for the Zoning Board of Adjustment, the Planning and Zoning Board, and the Historic Preservation Commission.

Planning contributes to the success of Cary through its integral role in the implementation of the Cary Community Plan. Planning staff, in collaboration with fellow Cary employees, citizens, and stakeholders strive to realize the values of the Community Plan, such as fostering strong neighborhoods, creating vibrant destinations, protecting natural resources, managing future land use, and encouraging redevelopment and infill, to meet the needs of a growing population and to ensure Cary remains Cary.

Inspections and Permits is a division within the Planning and Development Services Department that is responsible for the administration and enforcement of all residential and commercial elements of the North Carolina State Building Code

and local ordinances related to the construction of infrastructure, buildings, and other structures. This includes the installation of plumbing, electrical, heating, refrigeration, air conditioning, water and sewer utility lines, streets, and greenways. This responsibility can be grouped in a few functional areas: building code enforcement, building code plan review, and building code field inspections. Building Code Enforcement is the only municipal service mandated by the North Carolina General Assembly (G.S. 160A-411). This function enforces the North Carolina State Building Code—which includes building (commercial), accessibility, residential, plumbing, mechanical, fuel gas, electrical, fire, and energy conservation codes—through the activities of permitting and inspections. The plan review function reviews construction drawings for compliance with the North Carolina State Building Code and once approved, building permits are issued by Development Services. The field inspection function ensures buildings and other structures are constructed and/or altered in accordance with the approved plans and in compliance with the North Carolina State Building Code.

Development Services coordinates Cary's development review process, with a focus on providing accurate, timely, friendly, clear and consistent service. We offer a professional presence throughout development project lifetimes—from site plan to certificate of occupancy. Development Services continuously examines models where we can proactively communicate and collaborate with those we serve, looking for ways to improve the development process.

DEVELOPMENT SERVICES IS ORGANIZED INTO THE FOLLOWING FUNCTIONAL AREAS:

- **The Development Review** team meets with multiple departments to facilitate projects throughout the development processes. They coordinate pre-application and comment review meetings with the Development Review Committee to address questions and concerns with development projects. This team also manages development metrics and analytics to evaluate our service levels and reveal opportunities for improvement.

- **Development Technicians** process and help facilitate the review of various development, building, water, sewer, and reclaimed water applications. Once complete, these technicians calculate appropriate fees by applying the current fee schedule to submitted plans. Additionally, development technicians facilitate the review of sign permits, and real estate plats. Development technicians serve as a resource to citizens and the development community by providing assistance with Cary's applications, policies, and procedures.
- **Development Liaisons** help customers successfully navigate the development process. They serve as the liaisons between Cary and the business community, developers, architects, engineers, landowners, attorneys, citizens, and contractors who are conducting development related business. Development liaisons are a customer's primary point of contact with Cary throughout the life of a project.



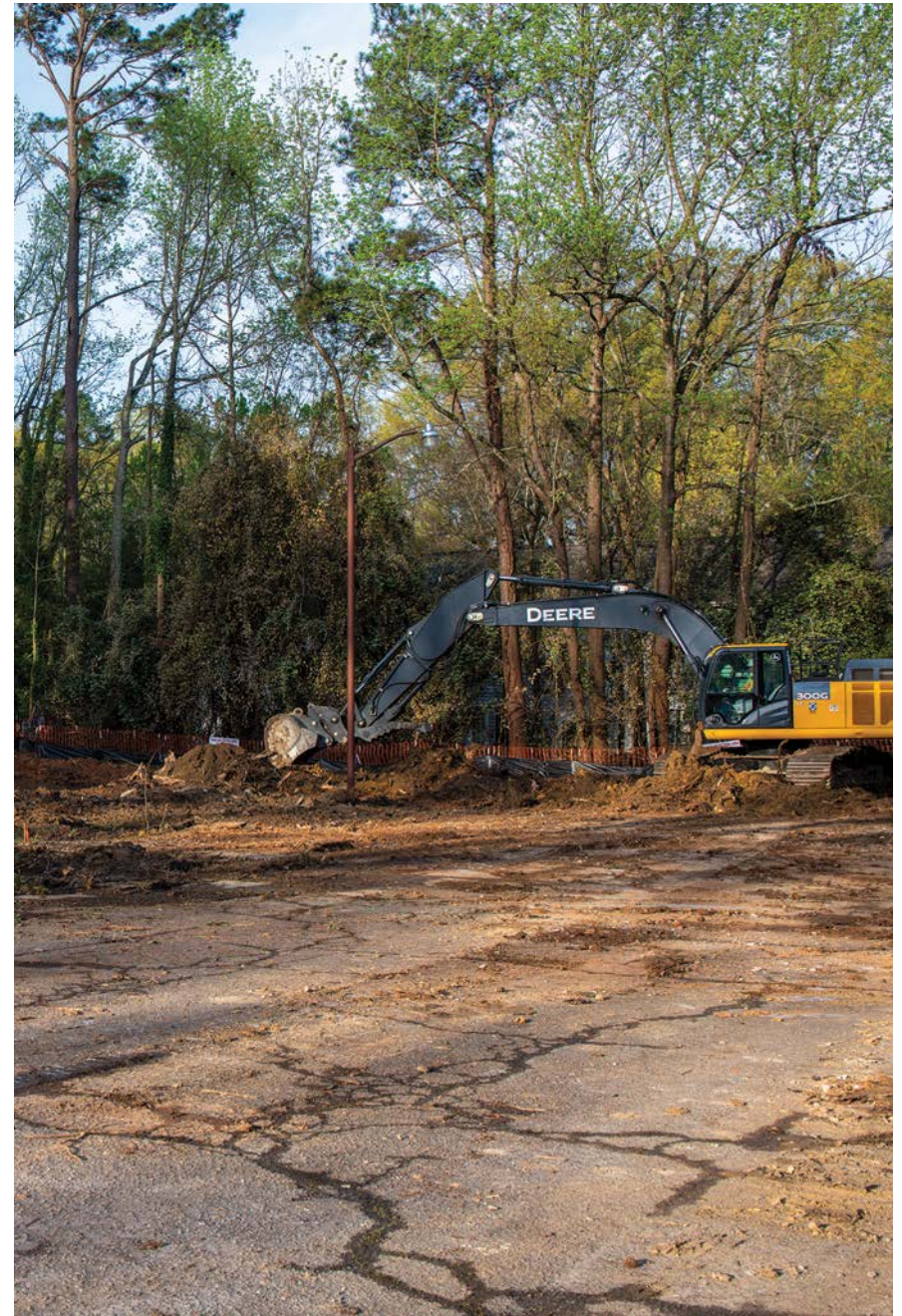
UTILITIES DEPARTMENT (UTILITY FUND)

The Utility Fund is comprised of ten divisions: Utility Administration, Utilities Pretreatment, Utilities Engineering, Utility Systems Management, Reclaimed Water, North Cary Water Reclamation Facility, South Cary Water Reclamation Facility, Western Wake Water Regional Reclamation Facility, Cary/Apex Water Treatment Facility, and Remote Water Infrastructure.

Utility Administration manages the overall business operations and strategic outlook for utility programs, including water and wastewater treatment, utility infrastructure planning and project management, utility infrastructure systems management and enforcement, regulatory permit administration, and renewable energy opportunities (reclaimed water/solar).

Utilities Pretreatment implements Cary's industrial pretreatment program, user fee program for industrial and commercial users of the sewer system, and the fats, oils, and grease (FOG) program that helps prevent blockages and overflows in the sanitary collection system. Utilities Pretreatment is the primary contact for regulatory agencies that assess Cary's overall regulation and control of what is discharged into the sanitary sewer collection system.

Utilities Engineering plans for Cary's long-range strategic water supply and wastewater treatment needs and protection of water quality to ensure that Cary remains highly competitive for economic development and quality of life. Water quality protection ensures that rainwater is managed well and our drinking water source, Jordan Lake, is protected from potential pollutants from both within our jurisdiction and regionally. The Division prepares thorough master plans to ensure that high performing and cost-effective utility infrastructure is provided to meet these needs. Whether infrastructure is provided through Cary-funded capital projects or private development, the Division ensures that cohesive, quality and efficient infrastructure systems are provided to meet existing and future utility needs.



Utility Systems Management provides regulatory program oversight, maintenance management and implementation for wastewater pumping facilities, wastewater odor control, pump station SCADA and instrumentation, industrial wastewater flow data, and inflow/infiltration functions. This division participates in engineering studies and related system review functions.

The **Reclaimed Water Division** provides regulatory program oversight, operations and maintenance of Cary's three reclaimed water distribution systems. This division participates in engineering studies and provides education and training to reclaimed water customers, cooling tower customers, and landscape contractors who use reclaimed water.

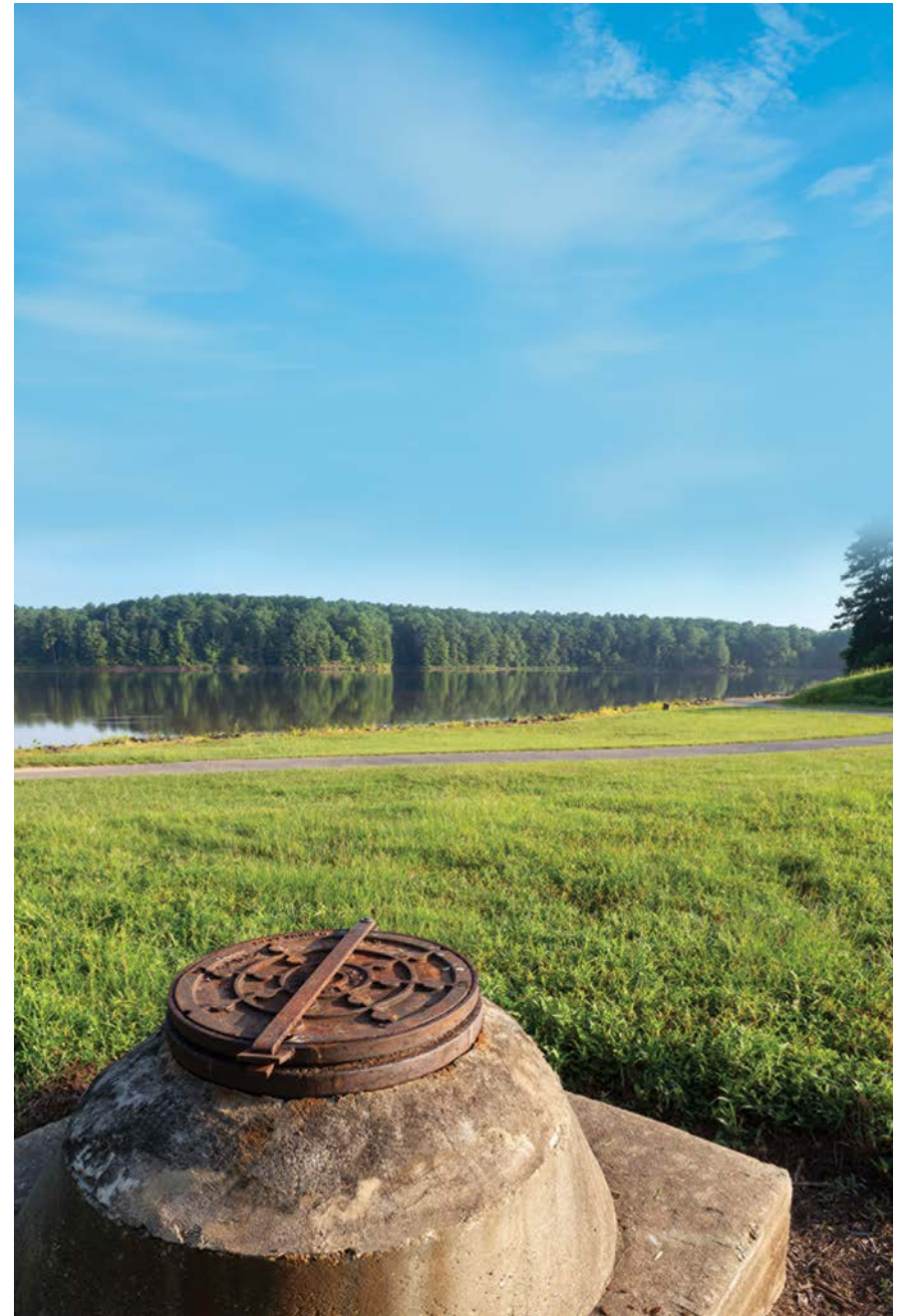
The **North and South Cary Water Reclamation Facilities** treat wastewater generated by Cary's utility customers. The North Cary facility is permitted and maintains the capacity to treat up to 12 million gallons of wastewater per day. The South Cary facility is permitted and maintains the capacity to treat up to 12.8 million gallons of wastewater per day. Operations also include performing preventive, predictive, and corrective maintenance for the main plant site, biosolids removal and disposal, and reclaimed water production.



The **Western Wake Water Reclamation Facility** treats wastewater generated by western Cary, Morrisville, Apex, and Wake County Research Triangle Park utility customers. The facility began accepting wastewater on July 30, 2014 and began discharging treated water to the Cape Fear River on August 11, 2014. The facility is permitted and maintains the capacity to treat 18 million gallons of wastewater per day. Ongoing efforts include preventive, predictive and corrective maintenance for the facility, biosolids processing facility, treated effluent pumping station and associated discharge facilities at the Cape Fear River. Operating and future capital costs will be split between Cary and the Town of Apex at a 66%/34% split, respectively.

The **Cary/Apex Water Treatment Facility's** (CAWTF) mission is to provide reliable and safe water service. This is achieved through ongoing efforts which include preventive, predictive, and corrective maintenance for the treatment facility, raw water intake and pumping facility, and the finished water distribution pump station. The service area for the Cary/Apex Water Treatment Facility includes: Cary, Apex, Morrisville, RDU Airport, and the Wake County portion of Research Triangle Park. The Town of Apex pays a portion of the operating costs of the facility (23% of capital costs and actual usage of other costs) as 23% owner of the facility. The facility also manages the disposal of water treatment residuals and develops and manages alternative residual disposal methods. Capacity currently is 56 million gallons per day.

The **Remote Water Infrastructure Division**, which is managed by the CAWTF Division, provides maintenance, instrumentation, SCADA, and logistics support for the operation of Cary's remote water infrastructure including: eight elevated water storage tanks, one ground storage tank, four booster pump stations, pressure zone control valves, and interconnections with neighboring utilities. This division participates in engineering studies and related system review functions to support water system operations.



CARY'S BOARDS AND COMMISSIONS

**PUBLIC ART
ADVISORY BOARD**

JOHN REYNOLDS, CHAIR

**PLANNING AND
ZONING BOARD**

STEVEN CRUTCHFIELD, CHAIR

**PARKS, RECREATION AND
CULTURAL RESOURCES
ADVISORY BOARD**

DIANE DULANEY, CHAIR

**ENVIRONMENTAL
ADVISORY BOARD**

NANCY DALY, CHAIR

**ZONING BOARD OF
ADJUSTMENT**

JAMIE WEISS, CHAIR

**INFORMATION SERVICES
ADVISORY BOARD**

NATHAN CAVICCHI, CHAIR

**SENIOR
ADVISORY BOARD**

BARRY MITSCH, CHAIR

**HISTORIC PRESERVATION
COMMISSION**

CORTNEY BONVILLAIN, CHAIR



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Cary
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



Report of Independent Auditor

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

Report on the Audit of the Financial Statements

Opinions

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 Town of Cary, North Carolina (the "Town") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the 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 Town, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, the Transit, the Emergency Telephone System, ARPA, Parking and CAMPO special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Town's 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 14, 2022. In our opinion, the summarized comparative information presented in the budgetary comparison for the General Fund, the Transit, the Emergency Telephone System, and ARPA special revenue funds for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Supplementary Information, as listed in the table of contents and Schedule of Expenditures of Federal and State Awards (SEFSA) as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information and SEFSA are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Certain supplementary information includes summarized comparative information which relate to the previously audited 2022 financial statements. In our opinion, the summarized comparative information is consistent, in all material respects, in relation to the audited financial statements from which it was derived.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2023, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of the report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Raleigh, North Carolina
October 27, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Cary (Cary), we offer readers of the financial statements this narrative overview and analysis of the financial position and activities of Cary as of and for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements.

Financial Highlights

- Cary's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by approximately \$1.9 billion (net position). Of this amount, \$136.7 million of unrestricted funds may be used to meet the ongoing obligations to citizens and creditors.
- Net position increased by \$40.8 million in fiscal year 2023. The governmental net position increased \$13.0 million, and the business-type net position increased by \$27.8 million. The increases in governmental and business-type net positions are the result of General Fund and Utility Systems Enterprise Fund revenues that exceeded expenses and the increase in capital assets, both from Cary constructed assets and the donation of infrastructure from developers.
- As of the close of the fiscal year, Cary's governmental funds reported combined ending fund balances of approximately \$286.3 million, a decrease of \$77.3 million from the prior year. Total fund balance in the General Fund decreased \$24.9 million from fiscal year 2022, mostly due to increases in expenditures. Capital Projects Fund fund balance decreased \$50.4 million due to increased spending on capital projects. The fund balances in the seven special revenue funds decreased a total of \$2.0 million. The decrease was in large part due to the distribution of the federal American Rescue Plan Act (ARPA) funding to other funds in which the spending of this funding occurred. A discussion pertaining to the composition of governmental fund balance is available in the Notes to the Financial Statements.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was (\$3.9) million.
- Cary repaid \$30.4 million of bond principal and installment financing principal during the year net of contractual capital project partner governments' shares.

- Cary maintained its outstanding AAA bond ratings from all three major rating agencies for General Obligation bonds and revenue bonds, the highest rating possible from all three rating agencies for all three types of Debt.
- Cary's total investment gains during the year were \$6.8 million compared to losses of \$18 million in fiscal year 2022, an increase of \$23.3 million. Realized investment earnings increased to about \$8.1 million and unrealized losses from mark to market adjustments decreased \$21.5 million from fiscal year 2022. The average yield on the investment portfolio increased to 1.29% from 1.23%. The average yield on other deposits increased to 2.76% from 0.31% due to increased interest rates in the market.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Cary's basic financial statements. The basic financial statements consist of three components: 1) entity-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other supplemental information in addition to the basic financial statements themselves.

Entity-Wide Financial Statements

The entity-wide financial statements, a Statement of Net Position and a Statement of Activities, are designed to provide readers with a broad overview of Cary's finances in a manner similar to a private-sector business. The entity-wide statements provide short and long-term information about Cary's overall financial status.

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

Both entity-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include most basic services such as police, fire, solid waste and recycling, facilities and operations maintenance, planning, transportation and facilities, building inspections, parks, recreation and cultural programs as well as the

administrative support functions. The business-type activity primarily consists of water and sewer utility services.

In accordance with the Governmental Accounting Standards Board criteria for inclusion in the reporting entity, Cary has no reportable component units.

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

Fund Financial Statements

The fund financial statements provide more detailed information about major funds. Funds are the accounting tools used to track specific sources of funding such as those required by law or for specific purposes. Cary, like all other governmental entities in North Carolina, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, such as the North Carolina General Statutes, the budget ordinance, or revenue bond covenants. All the funds can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds: Most of Cary's basic services are included in governmental funds which are essentially the same functions reported as governmental activities in the entity-wide financial statements. However, unlike the entity-wide financial statements, governmental fund financial statements focus on how cash and other assets are and can be used for near-term spending as well as on balances of resources available for spending at the end of the fiscal year. This information may be useful in evaluating Cary's resources for near-term financial requirements.

Because the focus of governmental funds is narrower than that of the entity-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the entity-wide financial statements. By doing so, readers may better understand the long-term impact of near-term financing decisions. Exhibit F describes the differences in the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the entity-wide Statement of Activities.

Cary maintains nine individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for each of these funds. The General Fund and the Capital Projects Fund are considered to be major funds. Although the Transit Special Revenue Fund, the Emergency Telephone System Special Revenue Fund, the CDBG Special Revenue Fund,

ARPA Special Revenue Fund, the Capital Area Metropolitan Planning Organization (CAMPO) Special Revenue Fund, the Parking Special Revenue Fund, and the Economic Development Special Revenue Fund are not considered to be major funds, they are being presented separately as major funds in the fund financial statements to provide more transparency.

Cary adopts an annual appropriated budget for its General Fund. Annual budgets have also been adopted for the Transit Special Revenue Fund, the Emergency Telephone System Special Revenue Fund, the ARPA Special Revenue Fund, the CAMPO Special Revenue Fund, the Parking Special Revenue Fund, and the General Capital Reserve Fund, a sub-fund of the Capital Projects Fund. Multi-year budgets are maintained for the CDBG Special Revenue Fund, the Economic Development Special Revenue Fund, and all the sub-funds of the Capital Project Fund except the Capital Reserve sub-fund, which is mentioned above.

The basic governmental fund financial statements can be found on Exhibits C through L.

Proprietary Funds: Cary's business-type activities are reported in proprietary funds. Cary maintains two different types of proprietary funds. An enterprise fund is used to report the same function presented as business-type activities in the entity-wide financial statements, which is the water and sewer utility service. Internal service funds are used to accumulate and allocate costs internally among the various functions. Cary uses internal service funds to account for its fleet maintenance services and employee health insurance. Because both services predominantly benefit the governmental rather than business-type functions, their net positions have been included within governmental activities in the entity-wide financial statements.

Proprietary funds provide the same type of information as the entity-wide financial statements, only in more detail. The utility systems enterprise fund is considered to be a major fund of Cary. Because the internal service funds are not major funds, both internal service funds are combined in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in combining statements in the supplementary information section of this annual comprehensive financial report.

The basic proprietary fund financial statements can be found on Exhibits M through O of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the information provided in the entity-wide and fund financial statements.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Cary's progress toward funding its obligations to provide pension benefits related to its Law Enforcement Officers Special Separation Allowance (LEOSSA) plan, the Other Post-Employment Benefits (OPEB) plan and Cary's share of the Local Governmental Employees' Retirement System (LGERS) with the latter two benefiting all qualified employees.

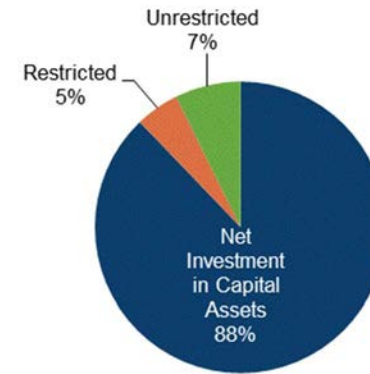
The combining statements are presented immediately following the required supplementary information.

Entity-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of Cary's financial position. As of June 30, 2023, assets exceeded liabilities by \$1.9 billion.

The following tables reflect net position in millions of dollars.

BREAKDOWN OF 2023 TOTAL NET POSITION



By far, the largest portion of Cary's net position (\$1.6 billion or 88%) represents an investment in capital assets (land, buildings, machinery, and equipment), less any related outstanding debt or existing obligations that are related to those assets. Cary uses these capital assets to provide services to citizens and customers; consequently, these assets are not available for future spending. Although Cary's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be reasonably used to liquidate these liabilities.

An additional portion of Cary's net position (\$90.5 million or 5%) are resources that are subject to external restrictions on how they may be used. Restrictions include stabilization by state statute as dictated by North Carolina General Statutes; unspent grant or other revenues with restrictive purposes and an endowment related to Steven's Nature Center. The remaining balance (\$135.3 million or 7%) is unrestricted and may be used to meet Cary's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Cary has positive balances in all three categories of net position for the government as a whole. The same situation has

CARY'S NET POSITION

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 361.1	\$ 440.40	\$ 276.5	\$ 281.0	\$ 637.6	\$ 721.4
Capital Assets	1,090.9	1,008.1	923.8	899.5	2,014.7	1,907.6
TOTAL ASSETS	1,452.0	1,448.5	1,200.3	1,180.5	2,652.3	2,629.0
Deferred outflows of resources	64.6	57.6	12.7	12.3	77.3	69.9
Long-Term Liabilities	438.9	429.0	286.5	292.5	725.4	721.5
Other Liabilities	48.4	49.5	7.7	6.8	56.1	56.3
TOTAL LIABILITIES	487.3	478.5	294.2	299.3	781.5	777.8
Deferred inflows of resources	63.8	75.1	14.0	16.5	77.8	91.6
NET POSITION						
Net Investment in Capital Assets	965.1	919.6	677.9	642.2	1,643.0	1,561.8
Restricted	90.5	76.3	0.1	0.1	90.6	76.4
Unrestricted	(90.1)	(43.4)	226.8	234.7	136.7	191.3
TOTAL NET POSITION	\$ 965.5	\$ 952.5	\$ 904.8	\$ 877.0	\$ 1,870.3	\$ 1,829.5

held true for the past twenty-one fiscal years since the net position was first computed for the entity-wide statements.

Net position increased by \$40.8 million for the fiscal year ended June 30, 2023. The increase was primarily the result of the Utility System Enterprise Fund revenues exceeding expenses and the increase in capital assets, both from Cary constructed assets and the donation of infrastructure from developers. Assets donated by developers during the year are valued at \$37.0 million for streets, land, and other general infrastructure and \$12.5 million for utility infrastructure.

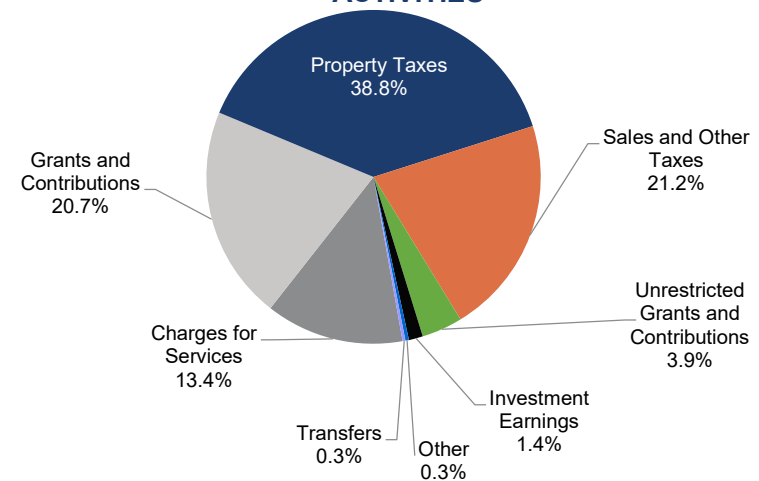
CHANGES IN NET POSITION
CARY, NORTH CAROLINA

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues:						
Charges for Services	\$ 41.3	\$ 37.0	\$ 99.2	\$ 96.2	\$ 140.5	\$ 133.2
Operating Grants and Contributions	19.4	14.8	-	-	19.4	14.8
Capital Grants and Contributions	44.6	42	12.5	10.1	57.1	52.1
General Revenues:						
Property Taxes	119.9	116.9	-	-	119.9	116.9
Sales Tax	57.0	52.3	-	-	57	52.3
Occupancy Tax	1.8	1.4	-	-	1.8	1.4
ABC Revenue	1.4	1.4	-	-	1.4	1.4
Other Taxes	5.4	3.2	-	-	5.4	3.2
Grants and contributions not restricted to specific programs	12.2	11.8	-	-	12.2	11.8
Investment Earnings	4.2	(9.4)	2.6	(8.6)	6.8	(18.0)
Other	1.0	0.1	-	0.6	1.0	0.7
TOTAL REVENUES	308.2	271.5	114.3	98.3	422.5	369.8
EXPENSES						
General Government	65.7	48.4	-	-	65.7	48.4
Public Safety	74.9	63.2	-	-	74.9	63.2
Public Works	42.7	37.8	-	-	42.7	37.8
Parks, Recreation and Culture	30.9	25.1	-	-	30.9	25.1
Development	12.1	11.4	-	-	12.1	11.4
Infrastructure	64.0	57.9	-	-	64.0	57.9
Interest on Long-Term Debt & Fees	5.8	5.7	-	-	5.8	5.7
Water and Sewer	-	-	85.6	79.5	85.6	79.5
TOTAL EXPENSES	296.1	249.5	85.6	79.5	381.7	329.0
INCREASE (DECREASE) IN NET POSITION						
BEFORE TRANSFERS	12.1	22.0	28.7	18.8	40.8	40.8
Transfers In (Out)	0.9	0.9	(0.9)	(0.9)	-	-
Increase in Net Position	13.0	22.9	27.8	17.9	40.8	40.8
NET POSITION – BEGINNING OF YEAR	952.5	929.6	877.0	859.1	1,829.5	1,788.7
NET POSITION – END OF YEAR	\$ 965.5	\$ 952.5	\$ 904.8	\$ 877.0	\$ 1,870.3	\$ 1,829.5

Governmental Activities: Governmental activities increased Cary’s net position by \$13.0 million, accounting for 31.9% of the total growth in net position of Cary. Key elements of this increase are as follows:

- Property taxes, the largest single revenue source, remained stable, and the tax rate remained at \$0.345 per hundred dollars valuation of taxable property.
- Capital grants and contributions revenue increased \$2.6 million (6.2%) primarily due to an increase in developer donated streets and other infrastructure and an increase in governmental capital grants.
- Charges for services increased by \$4.3 million (11.6%) primarily due to increases in Public Works and Parks, Recreation, and Cultural Resources revenues.
- Sales tax revenue increased \$4.7 million (9.0%) primarily because our economy continues to excel despite inflation.
- Governmental expenses increased \$46.6 million, primarily due to increases in the General Government and Public Safety functions.

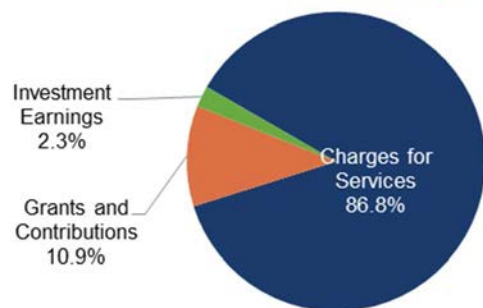
REVENUES BY SOURCE — GOVERNMENTAL ACTIVITIES



Business-type Activities: Business-type operational activities increased Cary's net position by \$27.8 million, accounting for 68.1% of the total growth in net position. Key elements of the Business-type increase are as follows:

- Charges for services revenue increased by \$3.0 million mainly due to an increase in retail water and sewer revenue.
- Investment earnings increased \$11.2 million mainly because of a positive swing in the mark to market adjustment compared to last year. Realized earnings increased \$0.9 million over fiscal year 2022 due largely to increased earnings rate.
- Water and sewer operating expenses increased \$6.2 million (7.8%) from the prior year partially due to an increase in administrative costs.

REVENUES BY SOURCE — BUSINESS-TYPE ACTIVITIES



Financial Analysis of Cary's Funds

As noted earlier, Cary uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: This focus on Cary's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, available fund balance may serve as a useful measure of net resources available for spending at the end of the fiscal year. Available fund balance excludes non-spendable portions and the amount restricted for stabilization by statute, and may

include funds otherwise restricted, committed, or assigned for specific purposes, but available for appropriation.

As of the end of the current fiscal year, Cary's governmental funds reported combined ending fund balances of \$286.3 million, a decrease of \$77.3 million compared to the prior year. Total governmental fund balance consists of 1) \$4.2 million of non-spendable funds due to the nature of the balances, 2) \$56.1 million restricted for stabilization per state statute, 3) \$74.4 million restricted for specific purposes, but available for appropriation by Council, 4) \$137.6 million already committed by Council for specific activities and projects (commitments can be changed by Council), 5) \$17.9 million assigned to specific activities and areas that can be appropriated by Council and 6) (\$3.9) million unassigned funds. For a complete breakout and explanation of fund balance categories, see Exhibit C and the Notes to the Basic Financial Statements.

The General Fund is the chief operating fund of Cary. At the end of the current fiscal year, total fund balance in the General Fund was \$72.8 million. Of this total, \$14.1 million (19.34%) constitutes available fund balance in the General Fund, which is legally available for spending at the Cary Town Council's discretion per state statute. Available fund balance in the General Fund consists of \$9.8 million appropriated in the fiscal year 2024 budget and (\$3.9) million of unassigned funds. For more details on General Fund balance, see the Notes to the Basic Financial Statements.

The fund balance of the General Fund decreased by \$24.9 million during the 2023 fiscal year. Though Cary intended a decrease in fund balance for the year, there are some other factors that offset this. Key components of this change are as follows:

- Property taxes, the largest revenue source, remained stable as property taxes were relatively unchanged from FY 2022.
- Sales tax increased \$4.7 million (9.0%) over the prior year as a result of a continuing strong economy.
- Sales and service and permits and fees revenue increased \$1.4 million (4.9%) primarily because parks and cultural resources opened more facilities and programming during the year and developer activity remained strong.
- Investment earnings increased \$4.9 (100%). Realized earnings, which does not include the mark to market adjustment, increased over \$1.1 million due to an increase in the earnings rate on the long-term portfolio and all other deposits.

The Capital Projects Fund includes street, downtown, parks and recreation, fire, and general government capital projects. At the end of the current fiscal year, total fund balance was \$210.6 million, a decrease of \$50.4 million from the prior primarily because spending for capital projects increased by \$39.5 million over fiscal year 2022 as Cary continues to invest in amenities for citizens.

Proprietary Funds: Cary’s proprietary funds provide the same type of information found in the entity-wide financial statements, but in more detail.

While the total Net Position of the Utility Systems Enterprise Fund increased \$27.8 million compared to the previous year, the unrestricted net position decreased \$7.8 million (3.4%) from \$233.2 million at June 30, 2022 to \$225.4 million at June 30, 2023. This decrease in unrestricted net position is due mainly to an increase in investment in capital assets, net of related debt.

General Fund Budgetary Highlights

Cary considers fund balance a fiscal tool to support Council goals in several ways. Cary remained conservative in estimating numerous revenues for fiscal year 2023, including ad valorem taxes and other taxes which together were \$4.9 million more than the budgeted amount. Total expenditures were less than the revised budget by \$10.1 million.

Capital Asset and Debt Administration

Capital assets: Cary’s investment in capital assets for its governmental and business-type activities as of June 30, 2023, totals \$2.0 billion net of accumulated depreciation and amortization. This investment in capital assets includes land, buildings, roads, bridges, machinery and equipment, vehicles, software, park facilities, utility facilities, water distribution systems and wastewater collection systems. The increase in total capital assets, net of depreciation, over the prior fiscal year was \$107.1 million (5.6%). Of this increase, 77% was in governmental activities and 23% in business-type activities.

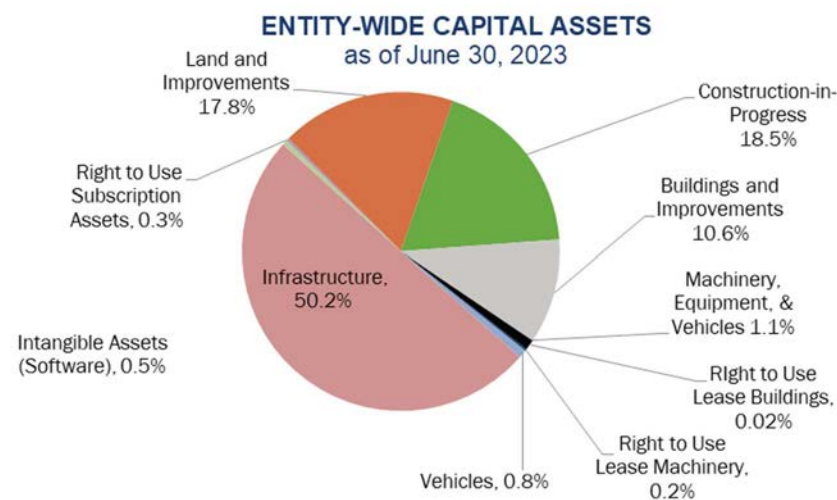
Major capital asset changes during the year included the following:

- Addition of general infrastructure and land assets of \$37.0 million for developer donated streets and park land;
- Construction-in-progress increases as Cary continues construction of general government projects and increases for streets, downtown, parks, fire, and utility projects;

- Addition of utility developer donated infrastructure assets of \$12.5 million such as water lines and sewer collection lines.

CARY’S CAPITAL ASSETS, IN MILLIONS
(NET OF DEPRECIATION AND AMORTIZATION)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
Land and Improvements	\$ 331.0	\$ 296.0	\$ 28.0	\$ 26.8	\$ 359.0	\$ 322.8
Construction-in-Progress	153.1	120.7	219.8	230.5	372.9	351.2
Buildings and Improvements	95.5	91.5	117.8	121.2	213.3	212.7
Right to Use Lease Buildings and Improvements	0.4	-	-	-	0.4	-
Machinery and Equipment	15.9	18.7	5.5	5.0	21.4	23.7
Right to Use Lease Machinery and Equipment	3.8	-	-	-	3.8	-
Vehicles	13.6	13.8	3.2	2.7	16.8	16.5
Infrastructure	462.2	454.2	549.3	513.3	1011.5	967.5
Intangible Assets (Software)	10.1	13.2	-	-	10.1	13.2
Right to Use Subscription Assets	5.4	-	0.2	-	5.6	-
TOTAL ASSETS	\$ 1,091.0	\$ 1,008.1	\$ 923.8	\$ 899.5	\$ 2,014.8	\$ 1,907.6



Additional information on capital assets can be found in Note 5 of the Basic Financial Statements.

Long-term Debt: As of June 30, 2023, Cary had total debt outstanding of \$442.8 million (\$477.5 million net of deferred adjustments). Of this, \$238.8 million is debt backed by the full faith and credit of Cary in the form of general obligation bonds. \$41.8 million of this general obligation debt is borne by the utility system revenues although Cary's taxing authority is the true security to the bond holders. \$6.9 million in debt is in the form of asset backed debt and is secured by specific property. The \$188.4 million of revenue bonds are secured solely by the utility system revenues. The outstanding revenue bonds are net of interlocal agreements with the Town of Apex to share in project costs and loan repayment. Total debt is adjusted for deferred balances related to discounts, premiums and refunding accounting losses associated with specific debt issuances.

CARY'S OUTSTANDING DEBT, IN MILLIONS
BONDS, INSTALLMENT PURCHASES, LEASES, AND SUBSCRIPTIONS

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 197.0	\$ 213.6	\$ 41.8	\$ 44.8	\$ 238.8	\$ 258.4
Limited Obligation Bonds	-	2.4	-	-	-	2.4
Installment Purchase Contracts	6.9	7.6	-	-	6.9	7.6
Leases	4.3	5.0	-	-	4.3	5.0
Subscriptions	4.2	-	0.2	-	4.4	-
Revenue Bonds	-	-	188.4	196.3	188.4	196.3
TOTAL	\$ 212.4	\$ 228.6	\$ 230.4	\$ 241.1	\$ 442.8	\$ 469.7
Deferred Adjustments, net	20.7	22.3	14.0	15.8	34.7	38.1
TOTAL NET	\$ 233.1	\$ 250.9	\$ 244.4	\$ 256.9	\$ 477.5	\$ 507.8

Cary maintained AAA ratings from Standard & Poor's, Moody's Investors Service, and Fitch Ratings for both the general obligation bonds and revenue bonds. These bond ratings are a clear indication of the sound financial condition of Cary. Cary is one of few municipalities in the country that maintains the highest ratings possible for all types of debt issued from all three major rating agencies. This achievement is a primary factor in keeping interest costs low on Cary's outstanding debt.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within town boundaries. The legal debt margin for Cary is \$2.4 billion. Practically, these statutory limits exceed the realistic debt capacity. At June 30, 2023, Cary has additional voter debt authorization of \$78 million in street bonds and \$22 million in parks and recreation bonds from 2019 referenda that remain unissued. Of the \$100 million total in general obligation debt authorized but unissued at June 30, 2023, \$35.8 million has been appropriated to capital projects. Additional information regarding Cary's long-term debt can be found in Note 7 of the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

Cary's June 2023 unemployment rate is 2.9%. Cary's unemployment rate compares favorably to the state's average unemployment rate of 3.4%. Cary's estimated population at June 30, 2023, was 183,000, an increase of 1,500 during the year. These factors were considered in preparing Cary's budget for fiscal year 2024. The tax rate for fiscal year 2024 remained unchanged at \$0.345 per hundred dollars valuation of taxable property.

Other key items to note in the fiscal year 2024 budget include:

- An appropriation of \$7.2 million from General Fund fund balance primarily comprised of transfers to governmental capital projects;
- Utility rates for water, sewer, and irrigation increased 3%.

The capital budget for fiscal year 2024 is \$169.7 million to provide funding for the following purposes in addition to the current \$915.8 million ongoing capital project authorizations:

- \$88.6 million for transportation projects;
- \$27.3million for parks and recreation projects;
- \$15.0 million for general government projects;
- \$2.5 million for fire projects;
- \$2 million for downtown projects;
- \$16.0 million for water projects; and
- \$18.3 million for sewer projects, primarily related to pump station and wastewater plant improvements.

The capital improvement plan is for 20 years beyond fiscal year 2023 totals \$3.4 billion.

Requests for Information

This report is designed to provide a general overview of Cary's finances for those with an interest in Cary's finances. Questions concerning any of the information found in this report or requests for additional financial information should be directed to Kimberly Branch, Finance Director, Town of Cary, Post Office Box 8005, Cary, North Carolina 27512-8005; (919) 469-4048 or kimberly.branch@carync.gov.



STATEMENT OF NET POSITION

CARY, NORTH CAROLINA
JUNE 30, 2023

EXHIBIT A

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT
ASSETS			
Equity in Pooled Cash and Investments	\$ 221,606,107	\$ 258,919,423	\$ 480,525,530
Accrued Interest on Investments	909,792	900,016	1,809,808
Ad Valorem Taxes Receivable, net	291,609	---	291,609
Accounts Receivable, net	56,866,613	14,615,802	71,482,415
Leases Receivable	1,362,230	---	1,362,230
Inventories	3,856,070	---	3,856,070
Prepaid Assets	133,363	---	133,363
Equity in Pooled Cash and Investments - Restricted	76,005,901	2,137,265	78,143,166
Capital Assets:			
Land, Land Improvements and Construction in Progress	484,102,868	247,776,468	731,879,336
Other Capital Assets, Net of Accumulated Depreciation	606,892,736	676,020,120	1,282,912,856
TOTAL ASSETS	1,452,027,289	1,200,369,094	2,652,396,383
DEFERRED OUTFLOW OF RESOURCES			
Deferred Contributions to OPEB	25,492,964	5,776,637	31,269,601
Deferred Contributions to Pension Plans	38,616,119	6,351,838	44,967,957
Deferred Charge on Debt Refundings	475,865	567,982	1,043,847
TOTAL DEFERRED OUTFLOW OF RESOURCES	64,584,948	12,696,457	77,281,405
LIABILITIES			
Accounts Payable and Accrued Liabilities	22,503,412	4,993,253	27,496,665
Accrued Lease Interest	93,382	367	93,749
Internal Balances	1,392,174	(1,392,174)	---
Accrued Bond Interest	1,860,755	813,238	2,673,993
Retainage Payable	3,975,105	1,010,753	4,985,858
Advance from Customers	221,281	---	221,281
Unearned Revenues	17,615,536	377,405	17,992,941
Deposits	533,026	1,864,147	2,397,173
Arbitrage Payable	257,376	---	257,376
Miscellaneous	---	17,105	17,105
Long-term Liabilities:			
Portion Due or Payable Within One Year	36,076,184	13,140,094	49,216,278
Portion Due or Payable After One Year	402,795,397	273,379,381	676,174,778
TOTAL LIABILITIES	487,323,628	294,203,569	781,527,197

STATEMENT OF NET POSITION

CARY, NORTH CAROLINA
JUNE 30, 2023

EXHIBIT A

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT
DEFERRED INFLOWS OF RESOURCES			
Prepaid Taxes & Vehicle Tags	214,846	---	214,846
OPEB Deferrals	60,415,400	13,532,019	73,947,419
Pension Deferrals	1,740,286	524,250	2,264,536
Lease Deferrals	1,396,748	---	1,396,748
TOTAL DEFERRED INFLOWS OF RESOURCES	63,767,280	14,056,269	77,823,549
NET POSITION			
Net Investment in Capital Assets	965,083,427	677,889,351	1,642,972,778
Restricted for:			
Stabilization by State Statute	56,092,457	---	56,092,457
Steven's Endowment	231,377	---	231,377
Street Projects	15,769,611	---	15,769,611
Parks, Recreation and Culture	12,334,585	---	12,334,585
Public Safety	1,029,695	---	1,029,695
CDBG Program	38,637	---	38,637
General Government Projects	5,000,000	---	5,000,000
Oasis Program	---	135,163	135,163
Unrestricted	(90,058,460)	226,781,199	136,722,739
TOTAL NET POSITION	\$ 965,521,329	\$ 904,805,713	\$ 1,870,327,042

The accompanying notes are an integral part of these basic financial statements.





GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

BALANCE SHEET - GOVERNMENTAL FUNDS

CARY, NORTH CAROLINA

JUNE 30, 2023

EXHIBIT C

	MAJOR FUNDS										TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	CAPITAL PROJECTS FUND	TRANSIT SPECIAL REVENUE FUND	EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND	ARPA SPECIAL REVENUE FUND	CDBG SPECIAL REVENUE FUND	CAMPO SPECIAL REVENUE FUND	PARKING SPECIAL REVENUE FUND	ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND		
ASSETS											
UNRESTRICTED ASSETS											
Equity in Pooled Cash and Investments	\$ 50,181,230	\$ 145,666,300	\$ 2,072,975	\$ -	\$ -	\$ -	\$ 3,528	\$ 168,700	\$ 612,483	\$ 198,705,216	
Accrued Interest on Investments	301,162	600,132	--	--	206	--	--	--	--	901,500	
Ad Valorem Taxes Receivable, net of allowance for doubtful accounts	291,609	--	--	--	--	--	--	--	--	291,609	
Accounts Receivable, net of allowance for doubtful accounts	25,322,699	4,595,555	1,575,625	23,426	--	144,672	2,180,495	--	--	33,842,472	
Due from Special Revenue Funds	2,012,588	--	--	--	--	--	--	--	--	2,012,588	
Inventories	3,787,699	--	--	--	--	--	--	--	--	3,787,699	
Other Assets	133,366	--	--	--	--	--	--	--	--	133,366	
TOTAL UNRESTRICTED ASSETS	82,030,353	150,861,987	3,648,600	23,426	206	144,672	2,184,023	168,700	612,483	239,674,450	
RESTRICTED ASSETS											
Equity in Pooled Cash and Investments											
Unspent Debt Proceeds	--	44,714,967	--	--	--	--	--	--	--	44,714,967	
Unspent Restricted Grants & Intergovernmental	858,022	26,328,302	--	101,858	--	--	--	--	--	27,288,182	
Customer Deposits & Other Funds Held	1,412,710	2,590,044	--	--	--	--	--	--	--	4,002,754	
TOTAL RESTRICTED ASSETS	2,270,732	73,633,313	---	101,858	---	---	---	---	---	76,005,903	
TOTAL ASSETS	\$ 84,301,085	\$ 224,495,300	\$ 3,648,600	\$ 125,284	\$ 206	\$ 144,672	\$ 2,184,023	\$ 168,700	\$ 612,483	\$ 315,680,353	
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Accounts Payable	10,105,787	9,893,313	1,517,762	319	---	18,622	405,471	---	--	21,941,274	
Retainage Payable	--	3,975,107	--	--	--	---	---	---	--	3,975,107	
Self Insurance Payable	333,254	--	--	--	--	---	---	---	--	333,254	
Advance from Customers	221,281	--	--	--	--	---	---	---	--	221,281	
Property Taxes Receivable & Prepaid	335,737	---	--	--	--	---	---	---	--	335,737	
Deposits	533,026	--	--	--	--	---	---	---	--	533,026	
Due to General Fund	--	--	--	--	146,623	87,413	1,778,552	---	--	2,012,588	
TOTAL LIABILITIES	11,529,085	13,868,420	1,517,762	319	146,623	106,035	2,184,023	---	---	29,352,267	
DEFERRED INFLOWS OF RESOURCES											
Vehicle Tags Receivable & Prepaid	--	29,247	9,846	--	--	--	--	--	--	39,093	
TOTAL DEFERRED INFLOWS OF RESOURCES	---	29,247	9,846	---	---	---	---	---	---	39,093	

BALANCE SHEET - GOVERNMENTAL FUNDS

CARY, NORTH CAROLINA

JUNE 30, 2023

EXHIBIT C

	MAJOR FUNDS									TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	CAPITAL PROJECTS FUND	TRANSIT SPECIAL REVENUE FUND	EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND	ARPA SPECIAL REVENUE FUND	CDBG SPECIAL REVENUE FUND	CAMPO SPECIAL REVENUE FUND	PARKING SPECIAL REVENUE FUND	ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND	
FUND BALANCES										
Nonspendable:										
Inventories	3,787,699	--	--	--	--	--	--	--	--	3,787,699
Prepayments	133,366	--	--	--	--	--	--	--	--	133,366
Steven's Estate Endowment	231,377	--	--	--	--	--	--	--	--	231,377
Restricted:										
Stabilization by State Statute	48,651,876	3,845,301	3,537,304	23,427	--	--	--	34,550	--	56,092,458
Street Projects	--	27,633,424	--	--	--	--	--	--	--	27,633,424
Parks, Recreation and Culture	119,701	28,932,697	--	--	--	--	--	--	--	29,052,398
Fire Projects & Activities	9,186	--	--	--	--	--	--	--	--	9,186
Police Operations & Activities	918,971	--	--	101,538	--	--	--	--	--	1,020,509
CDBG Projects	--	--	--	--	--	--	--	--	--	--
ARPA Projects	--	16,652,272	--	--	--	--	--	--	--	16,652,272
Committed:										
Street Projects	--	49,021,125	--	--	--	--	--	--	--	49,021,125
Downtown Projects	--	13,593,948	--	--	--	--	--	--	--	13,593,948
Parks, Recreation, and Culture	74,036	34,326,303	--	--	--	--	--	--	--	34,400,339
Fire Projects	--	2,788,766	--	--	--	--	--	--	--	2,788,766
Police Operations & Activities (LEOSSA)	4,823,337	--	--	--	--	--	--	--	--	4,823,337
General Governmental Projects	--	37,664,459	--	--	--	--	--	--	--	37,664,459
Governmental Capital Projects	--	--	--	--	--	--	--	--	--	--
CDBG Projects	--	--	--	--	--	38,637	--	--	--	38,637
Transit	--	--	--	--	--	--	--	--	--	--
Parking	--	--	--	--	--	--	134,150	--	--	134,150
Economic Development	--	--	--	--	--	--	--	612,483	--	612,483
Assigned:										
Subsequent Year Appropriations	9,747,385	--	--	--	--	--	--	--	--	9,747,385
Affordable Housing	1,145,415	--	--	--	--	--	--	--	--	1,145,415
Workers' Compensation Self Insurance	3,082,213	--	--	--	--	--	--	--	--	3,082,213
Small Claims Self Insurance	3,698,644	--	--	--	--	--	--	--	--	3,698,644
Parks, Recreation, and Culture	203,637	--	--	--	--	--	--	--	--	203,637
Fund Balance Unassigned	(3,854,843)	(3,860,662)	(1,416,312)	--	(146,417)	--	--	--	--	(9,278,234)
TOTAL FUND BALANCES	72,772,000	210,597,633	2,120,992	124,965	(146,417)	38,637	---	168,700	612,483	286,288,993
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 84,301,085	\$ 224,495,300	\$ 3,648,600	\$ 125,284	\$ 206	\$ 144,672	\$ 2,184,023	\$ 168,700	\$ 612,483	\$ 315,680,353

The accompanying notes are an integral part of these basic financial statements.

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

CARY, NORTH CAROLINA
JUNE 30, 2023

EXHIBIT D

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

	GOVERNMENTAL FUNDS	INTERNAL SERVICE FUNDS	TOTAL
ENDING FUND BALANCE - GOVERNMENTAL FUNDS	\$ 286,288,993	\$ -	\$ 286,288,993
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,089,851,801	1,143,803	1,090,995,604
Long-term receivables (net of related unearned revenues) are not available to pay for current-period expenditures and are not included in the funds. This also includes internal service fund current receivables that have been added to governmental activities.	5,108,600	158,300	5,266,900
Internal service fund current assets (cash and inventory) included as governmental activities. Current internal service fund receivables are included in number above.	--	23,261,124	23,261,124
Non-current accrued bond interest and deferred outflows (deferred charge on debt refinancing) are not available or due in the current period and, therefore, are not reported in the funds. This is a net amount.	(1,384,890)	--	(1,384,890)
Internal service fund current liabilities included as governmental activities (accounts payable and other accrued liabilities).	--	(253,142)	(253,142)
Certain non-current liabilities are not due in the current period and, therefore, not reported in the funds. This also includes an internal balance (liability) related to internal service funds, miscellaneous adjustments for short-term liabilities that are included with long-term liabilities for readability and reporting purposes, as well as an internal service fund deposit.	(1,895,060)	-	(1,895,060)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(432,963,636)	(5,907,945)	(438,871,581)
Pension and OPEB activity relating to deferred outflows and deferred inflows is not used or reported in the funds.	1,941,311	12,086	1,953,397
Deferred inflows of resources related to property tax and vehicle tag fees that are not available to pay for current period expenditures and are not included in the funds.	159,984	--	159,984
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 947,107,103	\$ 18,414,226	\$ 965,521,329

The accompanying notes are an integral part of these basic financial statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT E

	MAJOR FUNDS									TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	CAPITAL PROJECTS FUND	TRANSIT SPECIAL REVENUE FUND	EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND	ARPA SPECIAL REVENUE FUND	CDBG SPECIAL REVENUE FUND	CAMPO SPECIAL REVENUE FUND	PARKING SPECIAL REVENUE FUND	ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND	
REVENUES										
Ad Valorem Taxes	\$ 120,044,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,044,303
Other Taxes and Licenses	60,392,398	1,513,998	3,407,188	281,110	--	--	283,617	--	--	65,878,311
Unrestricted Intergovernmental	11,644,431	508,182	--	--	--	--	--	--	--	12,152,613
Restricted Intergovernmental	706,463	8,945,860	3,202,812	--	8,238,036	503,936	2,070,538	--	--	23,667,645
Permits and Fees	4,750,240	10,495,299	682,925	--	--	--	--	--	--	15,928,464
Sales and Services	24,177,715	--	271,634	--	--	--	--	--	--	24,449,349
Investment Earnings, net of market adjustment	1,185,798	4,036,016	--	848	1,894	--	--	--	--	5,224,556
Miscellaneous	2,489,482	(163,692)	1,108,479	--	--	--	--	168,750	--	3,603,019
TOTAL REVENUES	225,390,830	25,335,663	8,673,038	281,958	8,239,930	503,936	2,354,155	168,750	--	270,948,260
EXPENDITURES										
Current:										
General Government, net	53,823,573	19,006,971	--	--	--	--	--	--	450,000	73,280,544
Public Safety, net	67,767,400	256,511	--	580,093	--	--	--	--	--	68,604,004
Public Works, net	38,239,989	--	--	--	--	--	--	--	--	38,239,989
Parks, Recreation and Culture	22,271,534	60,682,678	--	--	--	--	--	--	--	82,954,212
Development	10,336,968	--	--	--	--	749,832	--	--	--	11,086,800
Infrastructure	6,822,491	26,253,824	10,452,330	--	--	--	2,354,155	50	--	45,882,850
Debt service:										
Principal	19,551,706	--	--	--	--	--	--	--	--	19,551,706
Interest	7,287,579	--	--	--	--	--	--	--	--	7,287,579
Bond Service Charges	133,932	--	--	--	--	--	--	--	--	133,932
Reimbursement for Open Space	(755,729)	--	--	--	--	--	--	--	--	(755,729)
Non Departmental Expenditures	8,434,467	--	4,807	--	--	--	--	--	--	8,439,274
TOTAL EXPENDITURES	233,913,910	106,199,984	10,457,137	580,093	--	749,832	2,354,155	50	450,000	354,705,161
REVENUES OVER (UNDER) EXPENDITURES	(8,523,080)	(80,864,321)	(1,784,099)	(298,135)	8,239,930	(245,896)	--	168,700	(450,000)	(83,756,901)
OTHER FINANCING SOURCES (USES)										
Transfers In	1,000,000	30,262,060	1,655,014	--	--	105,000	--	--	650,000	33,672,074
Transfers Out	(26,742,074)	--	--	--	(10,000,000)	--	--	--	--	(36,742,074)
Sale of Assets & Material	628,404	201,901	--	--	--	--	--	--	--	830,305
Lease and Subscription Obligations Issued	8,695,411	--	--	--	--	--	--	--	--	8,695,411
TOTAL OTHER FINANCING SOURCES (USES)	(16,418,259)	30,463,961	1,655,014	--	(10,000,000)	105,000	--	--	650,000	6,455,716
NET CHANGE IN FUND BALANCE	(24,941,339)	(50,400,360)	(129,085)	(298,135)	(1,760,070)	(140,896)	--	168,700	200,000	(77,301,185)
FUND BALANCE - BEGINNING OF YEAR	97,713,339	260,997,993	2,250,077	423,100	1,613,653	179,533	--	--	412,483	363,590,178
FUND BALANCE - END OF YEAR	\$ 72,772,000	\$ 210,597,633	\$ 2,120,992	\$ 124,965	\$ (146,417)	\$ 38,637	\$ -	\$ 168,700	\$ 612,483	\$ 286,288,993

The accompanying notes are an integral part of these basic financial statements.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT F

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (77,301,185)
Governmental funds report capital outlays and construction in progress as expenditures. In the Statement of Activities the cost of those assets is allocated over their estimated useful lives (through depreciation, see below) and should be added back.	83,768,254
As stated above, In the Statement of Activities the cost of assets is allocated over their estimated useful lives and reported as depreciation expense. This amount does not include depreciation related to the internal service funds of approximately \$159,683 (see separate item below for combined internal service fund activity).	(36,412,707)
Donated general infrastructure and other capital contributions related to developer agreements do not effect the Governmental Funds, but should be included as a revenue on the Statement of Activities.	37,116,177
Certain proceeds from the sale of assets that affect Governmental Funds do not constitute a gain on the Statement of Activities and certain book losses that are not included in the Governmental Funds should be reported on the Statement of Activities. This is a net amount.	62,149
Certain revenues are not included in the Governmental Funds since they do not provide current financial resources. These need to be recognized and included in the Statement of Activities.	(709,659)
The repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds, but does not have an effect on the Statement of Activities and should be added back.	19,551,706
Contracts for long-term lease and subscription obligations and proceeds from debt are included as current financial resources in the Governmental Funds, but should be removed since they are included as a long-term liability on the Statement of Net Position.	(8,695,411)
Right to use leased asset capital outlay expenditures which were capitalized, reduction of lease liability, and lease receivable.	(3,732,593)
A portion of expense activity related to the Local Government Employee Retirement System and other post employment benefits (not including fleet internal service fund portion), as well as all of the Law Enforcement Separation Allowance reirement expense are not reported in the Governmental funds and should be included in the Statement of Activities:	
Other Post Employment Benefits expense adjustment	(5,853,181)
Local Government Employee Retirement System expense adjustment	(17,349,492)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	12,477,606
Law Enforcement Separation Allowance expense adjustment	(829,192)
Certain other operational expense adjustments are not related to expenditures in the Governmental Funds, but should be included in the Statement of Activities. This includes payments on leases, subscriptions, and long-term commitments that are not considered expenses on the Statement of Activities.	10,080,756
Debt interest expense and annual amortization of the deferred charge on debt refinancings (deferred outflow) are not reported in the Governmental Funds, but need to be included on the Statement of Activities.	1,639,896
The remaining net expense of activities in the internal service funds for fleet and health insurance services, not included above, that relate to governmental activities (based on participation) are not reported in the Governmental Funds, but need to be included in the Statement of Activities. This includes a transfer to the health insurance internal service fund for \$1 million related to future catastrophic losses.	(801,588)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 13,011,534

The accompanying notes are an integral part of these basic financial statements.

GENERAL FUND BUDGETARY COMPARISON STATEMENT

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT G

	BUDGET		2023		2022	
	ORIGINAL	FINAL	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL	
REVENUES						
Ad Valorem Taxes						
Current Year	\$ 119,223,834	\$ 119,223,834	\$ 119,928,679	\$ 704,845	\$ 116,803,159	
Prior Years	85,000	85,000	30,925	(54,075)	36,229	
Penalties and Interest	65,000	65,000	84,699	19,699	98,771	
TOTAL	119,373,834	119,373,834	120,044,303	670,469	116,938,159	
Other Taxes and Licenses						
ABC Revenue	1,400,000	1,400,000	1,386,112	(13,888)	1,428,475	
Wake County Sales Tax	22,221,146	22,221,146	24,952,960	2,731,814	22,875,409	
One Half Cent Sales Tax	30,782,402	30,782,402	32,103,949	1,321,547	29,474,998	
Occupancy Tax	1,600,000	1,600,000	1,793,929	193,929	1,422,573	
Rental Vehicle Tax	140,000	140,000	155,448	15,448	138,182	
TOTAL	56,143,548	56,143,548	60,392,398	4,248,850	55,339,637	
Unrestricted Intergovernmental						
Utility & Piped Natural Gas Sales Tax	10,085,169	10,085,169	10,838,927	753,758	10,483,541	
Wine and Beer Tax	700,000	700,000	805,504	105,504	697,060	
TOTAL	10,785,169	10,785,169	11,644,431	859,262	11,180,601	
Restricted Intergovernmental						
Federal Grants	--	--	219,165	219,165	180,871	
State Grants	--	--	38,148	38,148	28,131	
County Grants & Other Restricted Funding	327,190	327,190	449,150	121,960	342,831	
TOTAL	327,190	327,190	706,463	379,273	551,833	
Permits and Fees						
Building Permits	3,400,000	3,400,000	2,726,203	(673,797)	3,363,633	
Rezoning/Variance Request Fees	35,000	35,000	28,000	(7,000)	38,050	
Site/Final Plan Review Fees	200,000	200,000	167,650	(32,350)	196,825	
Inspection Fees	330,000	330,000	268,967	(61,033)	353,601	
Traffic Impact Analysis Fee	300,000	300,000	132,300	(167,700)	280,715	

GENERAL FUND BUDGETARY COMPARISON STATEMENT

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT G

	2023		2022		
	BUDGET		ACTUAL	ACTUAL	
	ORIGINAL	FINAL			VARIANCE POSITIVE (NEGATIVE)
Grading Permits	150,000	150,000	60,790	(89,210)	129,625
Vehicle License Fees	660,000	660,000	682,925	22,925	657,272
Miscellaneous Permits & Fees	805,000	805,000	683,405	(121,595)	1,007,790
TOTAL	5,880,000	5,880,000	4,750,240	(1,129,760)	6,027,511
Sales and Services					
Sanitation Fees	13,918,744	13,918,744	13,999,200	80,456	12,883,672
Rental Revenue	325,000	325,000	376,842	51,842	422,753
Cellular Tower Lease Proceeds	800,000	800,000	827,384	27,384	562,170
Community Recreation Misc. Program Revenues	30,000	30,000	13,128	(16,872)	23,001
Sports Program Revenues	520,000	520,000	552,397	32,397	498,544
Senior Program Revenues	200,000	200,000	209,717	9,717	135,104
Community Center Program Revenues	1,277,250	1,277,250	1,325,974	48,724	852,396
Outdoor Recreation Program Revenues	310,000	310,000	302,445	(7,555)	245,892
Environmental (Steven's Nature) Program Revenues	15,000	15,000	10,146	(4,854)	3,047
Cary Art Center Program Revenues	695,000	695,000	842,626	147,626	561,990
The Cary Theater Program Revenues	118,500	118,500	120,800	2,300	54,412
Downtown Events Program Revenues	21,000	21,000	17,128	(3,872)	17,898
Festival & Outdoor Program Revenues	145,000	145,000	166,596	21,596	170,324
Historic (Page-Walker) Program Revenues	110,000	110,000	139,021	29,021	95,259
Sports Venue Misc. Program Revenues	314,125	314,125	333,141	19,016	182,552
Tennis Park Revenues	2,015,000	2,015,000	2,092,438	77,438	2,095,257
Action Sports Revenues	146,500	146,500	145,076	(1,424)	116,072
Soccer Park Revenues	1,772,032	1,772,032	1,467,707	(304,325)	970,206
USA Baseball Revenues	772,000	772,000	656,348	(115,652)	1,074,771
Miscellaneous Parks & Recreation Program Revenues	75,765	75,765	59,465	(16,300)	77,341
Miscellaneous Sales and Services	362,000	362,000	520,136	158,136	501,417
TOTAL	23,942,916	23,942,916	24,177,715	234,799	21,544,078
Investment Earnings	1,142,640	1,142,640	1,663,617	520,977	1,357,111
Market Adjustment	--	--	(477,819)	(477,819)	(5,117,547)
Investment Earnings, net	1,142,640	1,142,640	1,185,798	43,158	(3,760,436)

GENERAL FUND BUDGETARY COMPARISON STATEMENT

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT G

	BUDGET		2023		2022	
	ORIGINAL	FINAL	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL	
	Miscellaneous					
Donations	40,000	40,000	39,995	(5)	63,709	
Local Government Reimbursements	967,716	967,716	1,054,803	87,087	789,420	
NCDOT Traffic Signal Reimbursement	656,071	656,071	804,543	148,472	774,368	
Miscellaneous Revenues	526,503	526,503	590,141	63,638	666,104	
TOTAL	2,190,290	2,190,290	2,489,482	299,192	2,293,601	
TOTAL REVENUES	219,785,587	219,785,587	225,390,830	5,605,243	210,114,984	
EXPENDITURES						
GENERAL GOVERNMENT						
Storm Response (1006)	--	--	--	--	107,531	
Pandemic Response (1007)	--	--	--	--	276,389	
Legislative (4110)	842,513	977,513	1,012,536	(35,023)	706,588	
Town Clerk (4130)	464,097	889,097	753,665	135,432	841,164	
Legal (4140)	1,561,180	1,111,180	858,583	252,597	992,285	
Town Manager's Office (4200, 4211, 4212, 4250)	7,805,778	7,579,578	7,093,725	485,853	7,707,440	
Organizational Development (4201)	1,176,052	976,052	835,874	140,178	447,261	
Capital Program Management (4202)	982,403	707,403	565,691	141,712	195,299	
Public Safety Administration (4203)	136,043	40,043	94,603	(54,560)	110,535	
Special Projects (4204)	609,473	409,473	311,387	98,086	278,330	
Research and Development (4205)	915,000	2,565,000	2,708,546	(143,546)	--	
Housing (4206)	14,000	84,000	52,346	31,654	--	
Intergovernmental (4207)	328,200	328,200	179,000	149,200	--	
Real Estate (4208)	429,565	334,565	267,173	67,392	--	
Marketing (4209)	--	825,000	860,397	(35,397)	--	
311 Center (4700)	1,920,163	2,054,163	2,039,496	14,667	1,634,082	
Technology Services (4500)	24,117,654	23,417,654	21,765,066	1,652,588	20,099,349	
Lease Purchases (4520)	4,000,000	4,000,000	8,461,076	(4,461,076)	--	
Accounting (4410)	6,093,338	5,993,338	5,563,813	429,525	4,753,262	

GENERAL FUND BUDGETARY COMPARISON STATEMENT

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT G

	2023			2022	
	BUDGET		ACTUAL	VARIANCE	
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)	ACTUAL
Purchasing (4420)	--	--	485	(485)	875
Financial Strategy Management (4450)	676,854	627,854	600,375	27,479	452,480
Human Resources (4600)	3,905,445	3,208,245	2,812,410	395,835	2,418,026
Diversity, Equity and Inclusion (4601)	243,102	442,502	410,967	31,535	385,396
Town-wide Expenses (4610)	1,537,235	1,187,235	768,077	419,158	1,034,421
Workers' Compensation	1,828,865	1,828,865	1,746,856	82,009	1,496,127
Small Claims	752,882	752,882	491,384	261,498	(55,779)
Self Insurance Reimbursement					
From Fleet Management Internal Service Fund	(24,041)	(24,041)	(24,041)	--	(23,341)
From Transit Special Revenue Fund	(12,568)	(12,568)	(12,568)	--	(12,568)
From Utility System Enterprise Fund	(253,097)	(253,097)	(253,097)	--	(246,696)
Indirect Cost Reimbursement					
From Fleet Management Internal Service Fund	(370,405)	(370,405)	(370,405)	--	(370,405)
From Transit Special Revenue Fund	(188,276)	(188,276)	(188,276)	--	(188,276)
From Utility System Enterprise Fund	(5,581,571)	(5,581,571)	(5,581,571)	--	(5,366,895)
TOTAL GENERAL GOVERNMENT, NET	53,909,884	53,909,884	53,823,573	86,311	37,672,880
PUBLIC SAFETY					
Police (5110, 5120)	36,062,717	34,802,717	33,387,745	1,414,972	28,384,794
Fire (5300)	30,799,334	33,879,334	33,422,160	457,174	29,426,319
Law Enforcement Separation Allowance	1,199,616	1,199,616	957,495	242,121	892,602
TOTAL PUBLIC SAFETY, NET	68,061,667	69,881,667	67,767,400	2,114,267	58,703,715
GENERAL OPERATIONS					
Public Works					
Public Works - Administration (7010)	837,747	1,292,747	1,203,742	89,005	862,789
Facilities Management (7015)	22,360,887	22,485,887	21,822,751	663,136	20,640,839
Field Operations (7020)	17,317,808	17,477,808	16,657,844	819,964	16,213,892
Solid Waste Management (7025)	6,663,853	6,463,853	6,291,952	171,901	5,535,770
Recycling (7026)	3,269,280	3,119,280	2,908,641	210,639	2,552,836
Yard Waste Division (7027)	2,931,411	2,811,411	2,633,089	178,322	2,527,127

GENERAL FUND BUDGETARY COMPARISON STATEMENT

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT G

	2023		2022		
	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
Reimbursement from Parks, Recreation & Culture	(2,250,905)	(2,250,905)	(2,250,905)	--	(2,155,705)
Reimbursement from Utility System Enterprise Fund	(11,419,520)	(11,419,520)	(11,027,125)	(392,395)	(11,077,050)
TOTAL PUBLIC WORKS, NET	39,710,561	39,980,561	38,239,989	1,740,572	35,100,498
Parks, Recreation and Cultural Arts Administration (6210)	2,180,230	1,910,230	1,754,788	155,442	1,476,675
Community Recreation					
Community Recreation (6250)	557,465	557,465	433,241	124,224	419,832
Sports Programs (6251)	1,623,670	1,623,670	1,638,777	(15,107)	1,422,849
Senior Programs (6252)	674,228	674,228	677,176	(2,948)	599,141
Community Centers (6253)	2,925,693	2,925,693	2,330,972	594,721	1,794,308
Outdoor Recreation Programs (6254)	660,108	660,108	675,366	(15,258)	597,028
Environmental Programs (6255)	414,473	414,473	407,108	7,365	362,502
TOTAL	6,855,637	6,855,637	6,162,640	692,997	5,195,660
Cultural Arts & Downtown					
Cultural Arts Administration (6355)	1,513,661	1,513,661	1,485,175	28,486	1,552,706
Cary Arts Center (6350)	2,323,806	2,323,806	2,260,227	63,579	1,829,570
The Cary Theatre (6351)	587,454	587,454	541,491	45,963	427,372
Special Downtown Events (6352)	147,869	147,869	137,027	10,842	127,370
Festivals & Outdoor Programming (6353)	219,160	219,160	198,188	20,972	186,666
Historic Programs (6354)	403,391	403,391	384,649	18,742	364,782
Regency Amphitheatre (6356)	970,290	970,290	834,403	135,887	587,476
Downtown Park (6357)	3,986,364	3,986,364	2,588,545	1,397,819	202,207
TOTAL	10,151,995	10,151,995	8,429,705	1,722,290	5,278,149

GENERAL FUND BUDGETARY COMPARISON STATEMENT

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT G

	2023			2022	
	BUDGET		ACTUAL	VARIANCE	
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)	ACTUAL
Sports Venue					
Sports Venue Administration (6305)	551,135	551,135	518,108	33,027	440,871
Tennis Park (6310)	2,606,828	2,606,828	2,775,267	(168,439)	2,679,713
Skate Park (6320)	461,961	461,961	355,376	106,585	259,532
Soccer Park (6330)	1,284,538	1,284,538	1,459,378	(174,840)	1,069,291
USA Baseball (6340)	818,660	818,660	816,272	2,388	792,450
TOTAL	5,723,122	5,723,122	5,924,401	(201,279)	5,241,857
Total Parks, Recreation & Cultural Arts	24,910,984	24,640,984	22,271,534	2,369,450	17,192,341
TOTAL OPERATIONS, NET	64,621,545	64,621,545	60,511,523	4,110,022	52,292,839
DEVELOPMENT AND INFRASTRUCTURE					
Development					
Planning (5505)	2,387,723	2,257,723	1,966,816	290,907	1,852,604
Affordable Housing (5507)	693,929	693,929	648,279	45,650	580,724
Inspections and Permits (5510)	6,610,902	6,275,902	5,913,109	362,793	5,590,074
Development Support Services (5515)	1,710,191	1,710,191	1,548,692	161,499	1,588,448
Historic Preservation (5550)	564,832	189,832	163,975	25,857	118,302
Capital Planning (5805)	--	--	29,205	(29,205)	--
Project Inspections (5810)	--	--	66,892	(66,892)	--
TOTAL	11,967,577	11,127,577	10,336,968	790,609	9,730,152
Infrastructure					
Facility Design (3600)	5,026,106	4,546,106	4,132,577	413,529	4,694,040
Water Resources (3500)	--	--	3,158	(3,158)	248
Sustainability (3610)	1,398,167	899,167	655,063	244,104	390,379
Stormwater (3700)	3,090,875	3,090,875	2,031,693	1,059,182	1,670,446
TOTAL	9,515,148	8,536,148	6,822,491	1,713,657	6,755,113
DEVELOPMENT AND INFRASTRUCTURE	21,482,725	19,663,725	17,159,459	2,504,266	16,485,265

GENERAL FUND BUDGETARY COMPARISON STATEMENT

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT G

	2023		VARIANCE POSITIVE (NEGATIVE)	2022	
	BUDGET ORIGINAL	FINAL		ACTUAL	ACTUAL
Debt Service					
Principal	19,571,706	19,571,706	19,551,706	20,000	13,803,498
Interest	7,207,150	7,288,150	7,287,579	571	4,924,120
Bond Service Charges	187,650	187,650	133,932	53,718	620,995
Reimbursement for Open Space	(755,729)	(755,729)	(755,729)	--	(726,663)
TOTAL DEBT SERVICE, NET	26,210,777	26,291,777	26,217,488	74,289	18,621,950
Non-Departmental Expenditures	9,126,283	9,609,692	8,434,467	1,175,225	5,768,426
TOTAL EXPENDITURES, NET	243,412,881	243,978,290	233,913,910	10,064,380	189,545,075
REVENUES UNDER EXPENDITURES	(23,627,294)	(24,192,703)	(8,523,080)	15,669,623	20,569,909
OTHER FINANCING SOURCES (USES)					
Transfers In (Out), net:					
Transit Special Revenue Fund	(1,655,014)	(1,655,014)	(1,655,014)	--	(1,630,514)
Economic Development Fund	(650,000)	(650,000)	(650,000)	--	(650,000)
ARPA Special Revenue Fund	1,000,000	1,000,000	1,000,000	--	--
CDBG Special Revenue Fund	(105,000)	(105,000)	(105,000)	--	(86,000)
Utility Fund	(70,000)	(70,000)	(70,000)	--	(70,000)
Internal Service Fund - Health & Dental	(1,000,000)	(1,000,000)	(1,000,000)	--	(1,000,000)
Streets Capital Project Sub-Fund	(240,000)	(240,000)	(240,000)	--	(7,323,928)
Downtown Capital Project Sub-Fund	--	--	--	--	(3,317,572)
General Government Capital Project Sub-Fund	(16,358,000)	(18,990,060)	(18,275,060)	715,000	(9,564,446)
Fire Capital Project Sub-Fund	(2,300,000)	(2,300,000)	(2,300,000)	--	(474,000)
Parks and Recreation Capital Project Sub-Fund	(2,447,000)	(2,447,000)	(2,447,000)	--	(5,902,000)
Proceeds from Sale of Assets	350,000	350,000	628,404	278,404	186,366
Fire Installment Purchase Proceeds	--	--	--	--	--
Lease and Subscriptoin Proceeds	4,000,000	4,000,000	8,695,411	4,695,411	1,825,379
Premium Received on General Obligation Bonds	--	--	--	--	493,750
Appropriation from Fund Balance	43,102,308	46,299,777	--	(46,299,777)	--

GENERAL FUND BUDGETARY COMPARISON STATEMENT

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT G

	2023			2022	
	BUDGET		ACTUAL	VARIANCE	
	ORIGINAL	FINAL		(NEGATIVE)	POSITIVE
TOTAL OTHER FINANCING USES, NET	23,627,294	24,192,703	(16,418,259)	(40,610,962)	(27,512,965)
REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	\$ -	\$ -	(24,941,339)	\$ (24,941,339)	(6,943,056)
FUND BALANCE - BEGINNING OF YEAR			97,713,339		104,656,395
FUND BALANCE - END OF YEAR			\$ 72,772,000		\$ 97,713,339

The accompanying notes are an integral part of these basic financial statements.

TRANSIT SPECIAL REVENUE FUND BUDGETARY COMPARISON STATEMENT

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT H

	2023		ACTUAL	VARIANCE POSITIVE (NEGATIVE)	2022
	BUDGET				ACTUAL
	ORIGINAL	FINAL			ACTUAL
REVENUES					
Federal Transit Administration Grant	\$ -	\$ -	\$ 42,864	\$ 42,864	\$ 706,026
Federal Transit Administration Grant (CARES)	2,963,809	2,963,809	--	(2,963,809)	--
Federal Transit Administration Grant (CRSSAA)	--	--	--	--	843,047
Federal Transit Administration Grant (ARPA)	--	--	2,918,425	2,918,425	1,100,000
State Maintenance Assistance Program Grant	241,523	241,523	241,523	--	241,523
Wake County Transit Tax	3,287,205	3,287,205	3,407,188	119,983	2,520,803
Vehicle License Fee	600,000	600,000	682,925	82,925	657,272
C-Tran Ticket Sales	278,598	278,598	271,634	(6,964)	253,826
Miscellaneous Revenue	1,151,263	1,151,263	1,108,479	(42,784)	460,591
TOTAL REVENUE	8,522,398	8,522,398	8,673,038	150,640	6,783,088
EXPENDITURES					
Transit Operations (5700)					
Personnel Services	1,075,740	1,075,740	1,041,373	34,367	573,148
Operations & Maintenance	9,921,360	9,921,360	9,410,957	510,403	8,207,496
Allocation Accounts - Telephone	1,647	1,647	4,807	(3,160)	3,950
TOTAL EXPENDITURES, NET	10,998,747	10,998,747	10,457,137	541,610	8,784,594
REVENUES OVER (UNDER) EXPENDITURES	(2,476,349)	(2,476,349)	(1,784,099)	692,250	(2,001,506)
OTHER FINANCING SOURCES					
Transfers In from General Fund	1,655,014	1,655,014	1,655,014	--	1,630,514
Appropriation from Fund Balance	821,335	821,335	--	(821,335)	--
TOTAL OTHER FINANCING SOURCES	2,476,349	2,476,349	1,655,014	(821,335)	1,630,514
REVENUES AND OTHER SOURCES UNDER EXPENDITURES	\$ -	\$ -	(129,085)	\$ (129,085)	(370,992)
FUND BALANCE - BEGINNING OF YEAR			2,250,077		2,621,069
FUND BALANCE - END OF YEAR			\$ 2,120,992		\$ 2,250,077

The accompanying notes are an integral part of these basic financial statements.

EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND BUDGETARY COMPARISON STATEMENT

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT I

	2023		ACTUAL	VARIANCE POSITIVE (NEGATIVE)	2022
	BUDGET				ACTUAL
	ORIGINAL	FINAL			
RESTRICTED REVENUES					
911 System Funding	\$ 275,399	\$ 275,399	\$ 281,110	\$ 5,711	\$ 185,418
Investment Earnings	--	--	848	848	1,946
TOTAL REVENUE	275,399	275,399	281,958	6,559	187,364
EXPENDITURES					
Eligible 911 System Operations					
Hardware	175,611	175,611	480,446	(304,835)	324,412
Software	20,000	20,000	84,153	(64,153)	87,357
Training	8,500	8,500	7,775	725	9,273
Phone	6,840	6,840	7,719	(879)	231,672
Other	64,448	64,448	--	64,448	(40,081)
TOTAL EXPENDITURES	275,399	275,399	580,093	(304,694)	612,633
REVENUE UNDER EXPENDITURES	--	--	(298,135)	(298,135)	(425,269)
OTHER FINANCING SOURCES					
Appropriation from Fund Balance	--	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	---	---	---	---	---
REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	(298,135)	<u>\$ (298,135)</u>	(425,269)
FUND BALANCE - BEGINNING OF YEAR			423,100		848,369
FUND BALANCE - END OF YEAR			<u>\$ 124,965</u>		<u>\$ 423,100</u>

The accompanying notes are an integral part of these basic financial statements.

AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND BUDGETARY COMPARISON STATEMENT

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT J

	2023		2022	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
	BUDGET				
	ORIGINAL	FINAL	ACTUAL		
REVENUES					
Federal American Rescue Plan Act	\$ 8,238,036	\$ 8,238,036	\$ 8,238,036	\$ -	\$ 8,238,036
Investment Earnings, net	--	--	1,894	1,894	(148,311)
TOTAL REVENUE	8,238,036	8,238,036	8,239,930	1,894	8,089,725
OTHER FINANCING SOURCES (USES)					
Transfer to General Fund	(1,000,000)	(1,000,000)	(1,000,000)	--	--
Transfer to Health Internal Service Fund	(2,000,000)	(2,000,000)	(2,000,000)	--	--
Transfer to General Government Capital Project Fund	--	--	--	--	(5,000,000)
Transfer to Street Capital Project Fund	(7,000,000)	(7,000,000)	(7,000,000)	--	(1,476,072)
Appropriation from Fund Balance	1,761,964	1,761,964	--	(1,761,964)	--
TOTAL OTHER FINANCING SOURCES (USES)	(8,238,036)	(8,238,036)	(10,000,000)	(1,761,964)	(6,476,072)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ -	\$ -	(1,760,070)	\$ (1,760,070)	1,613,653
FUND BALANCE - BEGINNING OF YEAR			1,613,653		--
FUND BALANCE - END OF YEAR			\$ (146,417)		\$ 1,613,653

The accompanying notes are an integral part of these basic financial statements.

CAMPO SPECIAL REVENUE FUND BUDGETARY COMPARISON STATEMENT

CARY, NORTH CAROLINA

FOR THE SIX MONTHS ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT K

	2023		ACTUAL	VARIANCE POSITIVE (NEGATIVE)	2022
	BUDGET				ACTUAL
	ORIGINAL	FINAL			ACTUAL
REVENUES					
Federal Transportation Administration Funding	\$ 2,615,112	\$ 2,615,112	\$ 1,584,060	\$ (1,031,052)	\$ -
Wake County Transit Tax	648,755	648,755	283,617	(365,138)	--
North Carolina Department of Transportation Grant	175,000	175,000	75,000	(100,000)	--
Member Dues	663,774	663,774	411,478	(252,296)	--
TOTAL REVENUE	4,102,641	4,102,641	2,354,155	(1,748,486)	---
EXPENDITURES					
CAMPO Operations					
Personnel Services	1,545,458	1,545,458	1,172,260	373,198	--
Operations & Maintenance	2,557,183	2,557,183	1,181,895	1,375,288	--
TOTAL EXPENDITURES, NET	4,102,641	4,102,641	2,354,155	1,748,486	---
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	--	<u>\$ -</u>	--
FUND BALANCE - BEGINNING OF YEAR			--		--
FUND BALANCE - END OF YEAR			<u>\$ -</u>		<u>\$ -</u>

The accompanying notes are an integral part of these basic financial statements.

PARKING SPECIAL REVENUE FUND BUDGETARY COMPARISON STATEMENT

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT L

	2023				2022	
	BUDGET		ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL	
	ORIGINAL	FINAL				
REVENUES						
Parking Revenue	\$ -	\$ 168,750	\$ 168,750	\$ -	\$ -	
TOTAL REVENUE	---	168,750	168,750	---	---	
EXPENDITURES						
Parking Operations (8100)						
Operations & Maintenance	--	168,750	50	168,700	--	
TOTAL EXPENDITURES	---	168,750	50	168,700	---	
REVENUES OVER EXPENDITURES	\$ -	\$ -	168,700	\$ 168,700	--	
FUND BALANCE - BEGINNING OF YEAR			--		--	
FUND BALANCE - END OF YEAR			\$ 168,700		\$ -	

The accompanying notes are an integral part of these basic financial statements.





PROPRIETARY
FUNDS FINANCIAL
STATEMENTS

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

CARY, NORTH CAROLINA

JUNE 30, 2023

EXHIBIT M

	UTILITY SYSTEMS ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
ASSETS		
Current Assets		
Equity in Pooled Cash and Investments	\$ 258,919,423	\$ 22,891,900
Accrued Interest on Investments	900,016	853
Accounts Receivable, net of allowance for doubtful accounts	14,615,802	158,300
Due from Other Funds	--	300,000
Inventories	--	68,371
Equity in Pooled Cash and Investments-Restricted		
Customer Deposits & Other Restricted Funds	2,137,265	--
TOTAL CURRENT ASSETS	276,572,506	23,419,424
Non-Current Assets		
Capital Assets		
Land, Land Improvements and Construction-in-Progress	247,776,468	--
Other Capital Assets, net of accumulated depreciation	676,020,120	1,143,803
Total Capital Assets, net	923,796,588	1,143,803
TOTAL NON-CURRENT ASSETS, NET	923,796,588	1,143,803
TOTAL ASSETS	1,200,369,094	24,563,227
DEFERRED OUTFLOW OF RESOURCES		
Deferred Contributions to Pension Plans	6,351,838	464,611
Deferred Contributions to OPEB	5,776,637	309,707
Deferred Charge on Debt Refundings	567,982	--
TOTAL DEFERRED OUTFLOW OF RESOURCES	12,696,457	774,318
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts Payable and Accrued Liabilities	4,993,253	253,142
Debt Payable	11,259,721	--
Accrued Debt Interest Payable	813,605	--
Retainage Payable	1,010,753	--
Compensated Absences	1,757,940	92,343
Developer Fee Credits	96,000	--
Subscription Liability	26,434	--
Miscellaneous Liabilities	17,105	--
TOTAL CURRENT LIABILITIES	19,974,811	345,485

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

CARY, NORTH CAROLINA

JUNE 30, 2023

EXHIBIT M	UTILITY SYSTEMS ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
Non-Current liabilities		
Debt Payable, net of deferred premium/discount	232,928,936	--
Deposits	1,864,147	--
Unearned Revenue	377,405	--
Developer Fee Credits	1,981,533	--
Subscription Liability	182,602	--
Claims Incurred But Not Reported	--	3,610,828
Net Pension Obligation	10,075,071	692,841
Net Other Post-Employment Benefits	28,211,238	1,511,933
TOTAL NON-CURRENT LIABILITIES	275,620,932	5,815,602
TOTAL LIABILITIES	295,595,743	6,161,087
DEFERRED INFLOW OF RESOURCES		
Pension Deferrals	524,250	--
OPEB Deferrals	13,532,019	762,232
TOTAL DEFERRED INFLOW OF RESOURCES	14,056,269	762,232
NET POSITION		
Net Investment in Capital Assets	677,889,351	1,143,803
Restricted for Oasis Assistance Program	135,163	--
Unrestricted Net Position	225,389,025	17,270,423
TOTAL NET POSITION	903,413,539	\$ 18,414,226
Adjustment for Internal Service Fund Activities	1,392,174	
TOTAL NET POSITION - BUSINESS-TYPE ACTIVITIES	\$ 904,805,713	

The accompanying notes are an integral part of these basic financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS

CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT N

	UTILITY SYSTEMS ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
OPERATING REVENUES		
Charges for Services	\$ 86,858,163	\$ 4,154,168
Health and Dental Premiums	--	20,216,600
Other Operating Revenues	2,140,555	--
TOTAL OPERATING REVENUES	88,998,718	24,370,768
OPERATING EXPENSES		
Administrative	19,255,011	--
Field Operations	10,542,925	--
Utility Systems Management	3,693,640	--
Water Reclamation Facilities	9,532,756	--
Cary/Apex Water Treatment Plant	9,611,094	--
Miscellaneous Utility System Projects	3,785,512	--
Fleet Management Expense	--	4,750,955
Insurance Claims & Administrative Fees	--	25,387,141
Depreciation	21,092,298	159,683
Amortization	30,566	--
TOTAL OPERATING EXPENSES	77,543,802	30,297,779
OPERATING INCOME (LOSS)	11,454,916	(5,927,011)
NONOPERATING REVENUES (EXPENSES)		
Water and Sewer Development Fees	9,874,472	--
Investment Earnings, net of market adjustment	2,625,030	889
Reimbursements	72,315	--
Miscellaneous Revenue	301,107	--
Reimbursement to Governmental Activities for Open Space	(755,729)	--
Interest Expense	(6,096,469)	--
Bond Service Expense	(9,400)	--
Bond Refunding Loss Amortization	(1,128,587)	--
Sale of Capital Assets	17,122	--
TOTAL NONOPERATING REVENUE (EXPENSES), NET	4,899,861	889

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS

CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT N

	UTILITY SYSTEMS ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	16,354,777	(5,926,122)
Capital Contributions	12,527,874	203,875
Transfers In	70,000	4,000,000
Transfers Out	(1,000,000)	--
CHANGE IN NET POSITION	27,952,651	(1,722,247)
Adjustment for Internal Service Activities	(133,542)	
CHANGE IN NET POSITION - BUSINESS-TYPE ACTIVITIES	27,819,109	
NET POSITION - BEGINNING OF YEAR, BUSINESS-TYPE ACTIVITIES	876,986,604	
TOTAL NET POSITION - END OF YEAR, BUSINESS-TYPE ACTIVITIES	\$ 904,805,713	
TOTAL NET POSITION - BEGINNING OF YEAR, INTERNAL SERVICE FUNDS		20,136,473
TOTAL NET POSITION - END OF YEAR, INTERNAL SERVICE FUNDS		\$ 18,414,226

The accompanying notes are an integral part of these basic financial statements.

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT O

	UTILITY SYSTEMS ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
OPERATING ACTIVITIES		
Cash Received from Customers	\$ 87,378,624	\$ 24,370,768
Cash Paid for Goods and Services	(30,776,055)	(3,448,744)
Cash Paid To or On Behalf of Employees for Services	(22,132,020)	(1,207,786)
Cash Paid for Health and Dental Insurance Claims	--	(24,048,967)
Other Operating Revenues Received	301,107	--
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	34,771,656	(4,334,729)
NONCAPITAL FINANCING ACTIVITIES		
Transfers In	70,000	4,000,000
Transfers Out	(1,000,000)	-
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	(930,000)	4,000,000
CAPITAL AND RELATED FINANCING ACTIVITIES		
Bond Issuance Costs & Debt Service Fees Paid	(9,400)	--
Principal Payments on Long-term Debt, net of partner reimbursement	(10,885,569)	--
Interest Paid on Long-term Debt, net of partner reimbursement	(7,963,522)	--
Reimbursement to General Fund & Capital Project Fund for Open Space	(755,729)	--
Water & Sewer Development Fees Received	9,773,357	--
Acquisition and Construction of Capital Assets	(32,791,708)	(102,500)
Proceeds Received from Sale of Assets	198,151	--
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(42,434,420)	(102,500)
NET CASH PROVIDED BY INVESTING ACTIVITIES		
Investment Earnings Received, net of Unrealized Loss	2,534,137	1,176
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(6,058,627)	(436,053)
CASH AND INVESTMENTS AT BEGINNING OF YEAR	267,115,316	23,327,953
CASH AND INVESTMENTS AT END OF YEAR	\$ 261,056,688	\$ 22,891,900

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT O

	UTILITY SYSTEMS ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 11,454,916	\$ (5,927,011)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	21,092,298	159,683
Amortization	30,566	--
Adjustment for LGERS Pension Expense	1,093,647	63,309
Adjustment for Unfunded Other Post Employment Benefits	1,316,564	76,211
Adjustment for Construction in Progress Write-off	370,581	--
Changes in Assets and Liabilities -		
(Increase) Decrease in Accounts Receivable	(1,618,083)	--
(Increase) in Inventory	--	30,964
(Decrease) in Accounts Payable and Accrued Liabilities	353,452	(129,426)
Increase in Compensated Absenses Liability	233,847	20,239
Increase/(Decrease) in Miscellaneous Liability	(64,266)	1,371,302
Increase in Subscription Liability	209,036	--
(Decrease) in Deposits	(2,009)	--
Increase in Miscellaneous Revenue	301,107	--
TOTAL ADJUSTMENTS	23,316,740	1,592,282
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 34,771,656	\$ (4,334,729)
NONCASH TRANSACTIONS		
Capital Contributions	\$ (12,527,874)	\$ (203,875)
Loss from Assets Retired	181,029	--
Deferred Loss on Refunding Amortization	1,128,587	--
Amortization of Deferred Premium & Discount	(1,811,147)	--
Net Change in Net Position from Noncash Transactions	13,029,405	203,875
NET EFFECT OF NONCASH TRANSACTIONS	\$ -	\$ -

The accompanying notes are an integral part of these basic financial statements.



NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Cary (Cary)'s basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Cary's significant accounting policies are described below.

Cary has implemented all applicable GASB pronouncements as required and as applicable in previous years. Included herein is a list of GASB pronouncements that became effective during fiscal year 2023 and pronouncements that were issued but not yet effective.

GASB pronouncements effective as of the fiscal year ended June 30, 2023:

GASB Statement No. 91, *Conduit Debt Obligations* – This statement intends to provide a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This statement is effective for fiscal year ending June 30, 2023.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – This statement intends to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This statement is effective for fiscal year ending June 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* – This statement intends to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. This statement is effective for fiscal year ending June 30, 2023.

GASB Statement No. 99, *Omnibus 2022* – This statement intends to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for guarantees. This statement is effective for fiscal year ending June 30, 2023.

The GASB has issued pronouncements prior to fiscal year ended June 30, 2023 that impact future reporting periods:

GASB 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62* – This statement intends to enhance accounting and financial reporting requirements for accounting changes and error corrections. This statement is effective for fiscal year ending June 30, 2024.

GASB 101, *Compensated Absences* – This statement intends to update the recognition and measurement guidance for compensated absences. This statement is effective for fiscal year ending June 30, 2025.

A. REPORTING ENTITY

Cary is a municipal corporation that is governed by an elected mayor and a six-member council. Cary's basic financial statements include all funds over which Cary has accountability.

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

B. ENTITY-WIDE AND FUND FINANCIAL STATEMENTS

The entity-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information for all activities of Cary. Eliminations have been made to minimize the double reporting of internal activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities* which rely, to a significant extent, on customer demand-based fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program Revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Cary's accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses, as applicable. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with financial, legal, and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are defined as major or non-major in the basic financial statements according to GASB reporting standards, which categorize funds based on relative size and materiality.

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 investment earnings, result from non-exchange transactions or ancillary activities.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Cary has several non-major governmental funds; however, they are all reported as major funds in separate columns in the fund financial statements. There are no non-major business-type funds.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

The entity-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which Cary gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. Property taxes are recorded on an accrual basis and are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Cary considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, except for property taxes. Expenditures are generally recorded when a liability is incurred, which is the same as accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under leases or subscriptions are reported as other financing sources.

Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which the bills are paid.

Sales taxes and certain intergovernmental revenues that are collected and held by the State at year-end on behalf of Cary are recognized as revenue. Sales taxes are considered a shared revenue for Cary because the tax is levied by Wake, Chatham, and Durham Counties and then remitted to and distributed by the State. Intergovernmental revenues and sales and services are not subject to full accrual because they are generally not measurable until received in cash. Grant revenues, which are unearned at year-end, are recorded as unearned revenues. Under the terms of the grant agreements, Cary funds certain programs in 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. Excluding debt funding, it is Cary's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then general revenues. If debt proceeds are included, Cary will spend debt proceeds first unless there is an agreement tying specific expenditures to grant proceeds. When both restricted and unrestricted resources are available for use, it is Cary's policy to use restricted resources first, then unrestricted resources, as they are needed.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, 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 reported period. Actual results could differ from those estimates.

Cary reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of Cary. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, various other taxes and licenses, and state-shared revenues. The primary expenditures are for public safety, streets and highways, infrastructure planning, sanitation, recycling, parks and recreation, development activities, general government services, and debt service for the payment of general long-term principal, interest, and related costs. It also includes all activities related to the Law Enforcement Officers Separation Allowance.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition and/or construction of major capital facilities (other than those financed by proprietary funds) and infrastructure. Cary has six sub-funds within the Capital Projects Fund: Street Projects, Parks and Recreation Projects, Fire Projects, General Governmental Projects, Downtown Projects, and General Capital Reserve.

Special Revenue Funds - Cary operated seven special revenue funds during fiscal year 2023. The Transit Special Revenue Fund is used to account for the operations of GoCary, Cary's transit system, which is partially funded by federal and state grants and Wake County sales tax. The Emergency Telephone System Special Revenue Fund is used to account for all allowable 911 expenditures reimbursable by the State from telecommunication fees remitted by providers. The Community Development Block Grant (CDBG) Special Revenue Fund is used to account for activity related to the CDBG Federal entitlement grant received from the Department of Housing and Urban Development. The Economic Development Special Revenue Fund is used to account for special economic related

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

activities in Cary and may be partially funded by grant activity. The American Rescue Plan Act (ARPA) Special Revenue Fund is used to account for the federal ARPA funds that have been received from the federal government. The Capital Area Metropolitan Planning Organization (CAMPO) Special Revenue Fund accounts for federal and State funds that are used to coordinate transportation projects and programs serving area local governments. The Parking Special Revenue Fund accounts for revenues and expenditures generated by Cary's parking deck. All funds are annually budgeted, except the CDBG and Economic Development Special Revenue Funds, which have multi-year budgets. To provide better transparency, Cary has voluntarily chosen to report all these funds as major in the basic financial statements.

Cary reports one major enterprise fund:

Utility System - This enterprise fund is used to account for operations and maintenance of the utility system which includes three wastewater treatment facilities, the jointly owned Cary/Apex Water Treatment Facility and related infrastructure and the jointly owned Western Wake Regional Water Reclamation Facility and related infrastructure. This fund also covers acquisition and/or construction of other major utility capital facilities and infrastructure, as well as the debt service for the payment of utility long-term debt principal, interest, and related costs. The fund is comprised of four sub-funds: Utility System Operations, Water Projects, Sewer Projects, and Utility Capital Reserve.

Cary reports the following internal service funds:

Fleet - This fund is used to account for the activity of fleet services provided by the Public Works Department and charged to other departments of Cary on a cost-reimbursement basis. The primary activity is governmental and all balances are allocated accordingly for the entity-wide financial statements.

Health Insurance - This fund is used to account for employee and retiree health and dental claims expense incurred by Cary related to the decision to self-insure for these benefits. This fund also collects premiums from Cary's employees and retirees to cover claims expense for elected spouse and/or family coverage. The primary activity is governmental and all balances are allocated accordingly for the entity-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the entity-wide financial statements. Exceptions to this general rule are reimbursements to the General Fund and other charges between Cary's utility system function and various other functions of Cary. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. BUDGETARY

Cary's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the General Capital Reserve Fund (a sub-fund of the Capital Project Fund), the Transit Special Revenue Fund, the ARPA Special Revenue Fund, the Emergency Telephone System Special Revenue Fund, the CAMPO Special Revenue Fund, the Parking Special Revenue Fund, the Health Insurance Internal Service Fund, the Fleet Management Internal Service Fund, and the Utility System Operations Fund and Utility Capital Reserve Fund (both of which are sub-funds of the Utility System Enterprise Fund). All annual appropriations lapse at the fiscal year-end. However, based on an ordinance, funds for unpaid purchase orders or delayed projects may be rolled over to the subsequent year. Multi-year project ordinances are adopted for the Parks, Street, Fire, General Governmental, and Downtown Project Funds (all sub-funds of the Capital Project Fund), for the Water and Sewer Project Funds (both sub-funds of the Utility Systems Enterprise Fund), the Community Development Block

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Grant Special Revenue Fund, and the Economic Development Special Revenue Fund.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at a functional level for all annually budgeted funds and a project-type level for the multi-year project funds. Amendments are required for any revisions that alter the total fund or project-type budget and must be approved by Town Council. Cross-functional amendments may be made by Town Management and reported to Town Council on a quarterly basis. Cary internally manages expenditures on a line item, departmental, and project basis and, although not legally required, budget amendments may occur between line items and between departments of the same function or project type. All internal budget amendments must be approved by the Finance department with some of these amendments being forwarded to the Town Manager for additional approval. During the year numerous budget amendments to the original budget were necessary. The original budget ordinance was adopted by July 1 of the fiscal year in accordance with State law.

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND FUND EQUITY (NET POSITION)

1. Deposits and Investments

Cary's deposits are secured as required by North Carolina General Statute ("G.S.") 159-31. Cary may establish official depositories with any bank or savings and loan association whose principal office is located in North Carolina.

G.S. 159-30(c) authorizes Cary to invest in obligations of the U.S. Treasury; obligations of any agency of the United States of America, provided the payment of interest and principal of such obligations is fully guaranteed 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), an SEC registered mutual fund dedicated to serving North Carolina public units. Cary's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices and in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*. The securities of the NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, are measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than one year. In accordance with State law, Cary 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.

Cary pools most money from all funds to facilitate disbursement and investment and maximize investment income. Exceptions of non-pooled funds may include, but are not limited to, unspent bond proceeds and escrowed or endowed funds restricted for specific purposes. For purposes of the Statement of Cash Flows, Cary's proprietary funds consider equity in pooled cash and investments to be cash equivalents as they are essentially demand deposit accounts and short-term investments. Investment income is allocated based on each fund's monthly balance in relation to the total pooled cash balance.

2. Receivables and Payables

According to the North Carolina General Statutes, ad valorem taxes levied on July 1, the beginning of the fiscal year, are due September 1 (lien date); however, interest and penalties do not accrue until the following January 6. Property taxes on certain registered motor vehicles are assessed and collected throughout the year. The taxes levied for fiscal year 2023 are based on the assessed values as of January 1, 2022.

Within the fund financials ad valorem taxes receivable are not accrued as revenue because the amount is not considered "available." At June 30, taxes receivable

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

are significantly past due and are not considered to be an available resource to finance the operations of the subsequent year. Accounting principles generally accepted in the United States of America state that property tax revenues, which are measurable but not available should be recorded as a deferred inflow of resources. The receivable amount is reduced by an allowance for doubtful accounts and an amount equal to the net receivable is included in the governmental balance sheet and the Statement of Net Position. Any property taxes collected in advance of the fiscal year to which they apply are recorded as a deferred inflow of resources.

An allowance for doubtful accounts is maintained on the ad valorem taxes receivable as described above. Cary also maintains an allowance for doubtful accounts for the sanitation receivable, the utility service accounts receivable, and other miscellaneous receivables.

3. Inventories and Prepaid Items

Inventory is determined by physical count and valued at cost using the first-in, first-out method. Inventory, in the governmental funds, consists of expendable supplies held for consumption and retail items held for resale.

For consumable items, the cost thereof has been recorded in inventory at the time items were purchased. Expenditure occurs when items are issued from inventory. These inventories are accounted for in the central warehouse, which is managed by the Purchasing Division of the Finance Department. Total inventory is reported in the General Fund and Fleet Management Internal Service Fund, which is considered a governmental activity in the entity-wide Statement of Net Position. Cary also holds several inventories intended for retail resale. These are considered immaterial and inventory items are expensed as purchases are made and revenues are recorded when items are sold.

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

4. Restricted Assets

Certain cash balances, which are managed as a part of pooled cash, are restricted by purpose and source. Cash balances in the Utility Systems Fund and General Fund related to customer deposits are not available for appropriations or expenditures and are segregated on the Statement of Net Position and classified as restricted cash. Other cash balances in the major funds (Utility System Enterprise Fund and Capital Projects Fund) are restricted for unspent debt proceeds and unspent grant or donation funding and are only available for designated projects as described in the individual official statements and grant agreements and as approved by Council.

5. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (e.g. water & sewer lines, water tanks, roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the entity-wide financial statements.

Capital assets are generally defined by Cary as assets with an initial, individual cost greater than \$5,000 and an estimated useful life in excess of two years. Exceptions include general infrastructure assets, which are defined by Cary as assets with an initial cost greater than \$50,000, and certain other intangible assets (including software) with a cost/value greater than \$25,000. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, while certain intangible assets are recorded at estimated fair value. The cost of normal maintenance and

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

repairs that do not add to the value to the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Cary's capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital asset</u>	<u>Life</u>
Automobiles and Light Trucks	3-5 years
Heavy Trucks	6-10 years
Office Furniture and Equipment	5-10 years
Maintenance and Construction Equipment	3-10 years
Utility System	50 years
Buildings	50 years
Streets, Sidewalks and Bridges	50 years
Other Infrastructure	25-50 years
Software and Other Intangible Assets	Based on individual useful life of the asset

Right to Use Assets

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

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

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate element represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. Cary has three items that meet this criterion,

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

deferred components of pension plan expense and contributions to a pension plan (LGERS & LEOSSA), deferred components of other post-employment benefits (OPEB) expense, and deferred charges on debt refundings. In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate element represents an acquisition of net assets that applies to future periods and so will not be recognized as revenue until then. Deferred inflows include prepaid taxes related to property tax receivable, deferrals of pension expense, deferrals of OPEB expense, and deferrals of lease revenue.

7. Compensated Absences

The vacation policy of Cary provides for the accumulation of up to thirty days earned vacation leave, with such leave being fully vested when earned. Also, unlimited compensatory time for non-exempt employees, if not taken, is paid to the employee upon termination of employment. All vacation leave is accrued when incurred in the entity-wide and proprietary fund financial statements. Vacation leave accrued over the 30-day limit is converted to sick leave annually.

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

8. Long-term Obligations

In the entity-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 are deferred and amortized over the life of the bonds using the effective interest method. Bond refunding losses are recognized to expense over the life of the bonds. Bonds payable are reported net of the applicable bond premium and discount with the refunding loss being reported as a deferred outflow of resources. Bond issuance costs are expensed in the period incurred.

In the 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 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-related expenditures.

Cary maintains a debt management policy restricting the use of long-term debt to financing capital projects and certain equipment that provide value to current and future citizens. Per the policy, debt will not be used for operational needs. In addition to State statute regulations, the policy outlines that tax supported debt service as a percentage of the approved General Fund operating budget will be 20% or less (limited flexibility is given to go up to 25%). Coverage ratios for the utility system debt will be maintained at 1.4 times for parity debt service and 1.1 times for all debt service. This is above the levels required in the current debt covenants, which are included in Note 9(D). For the fiscal year ending June 30, 2023, debt amounts (including debt service) and ratios are in accordance with the policy.

9. Net Position

Net position in entity-wide and proprietary fund financial statements is classified as net investment in capital assets, restricted, or 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.

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

10. Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. For information on the fund balance policy for the General Fund, see Note 14.

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.

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

Prepayments – portion of fund balance that is not an available resource because it represents resources that have already been spent for expenditures that will be incurred in future periods and are therefore not spendable.

Steven's Estate Endowment – portion of fund balance that is not an available resource due to estate requirements. The principal amount is nonspendable; however, interest earned on these funds is considered spendable and restricted.

Restricted Fund Balance

This classification includes amounts that are restricted to specific purposes externally imposed by donors, grantors, creditors, or by state statute.

Restricted for Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930s that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(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.

Restricted for Street Projects – portion of fund balance that represents unspent Powell Bill funding, which is considered a restricted revenue source for street construction and maintenance expenditures. The unspent balance is split between the street project fund (appropriated to specific projects), the downtown project fund (appropriated to specific projects) and capital reserve fund (available for use). All of these funds are sub-funds of the Capital Project fund.

Restricted for Parks, Recreation, and Culture – portion of fund balance restricted by grantors, donors or endowment, or restricted by bond order as it relates

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

to unspent debt, for parks, recreation & cultural resource related programs and activities.

Restricted for Fire Projects & Activities – portion of fund balance restricted by donors for fire department related activities.

Restricted for Police Operations & Activities – portion of fund balance that represents unspent drug forfeiture funds and donations targeted to police that are restricted for specific police operations and activities. This restriction also includes unspent funds in the Emergency Telephone System Special Revenue Fund as dictated by the North Carolina 911 Board.

Restricted for Community Development Block Grant (CDBG) Projects – portion of the fund balance within the CDBG Special Revenue Fund that relates to unspent grant funding that is restricted for CDBG approved projects.

Restricted for APRA Projects – portion of the fund balance restricted by the federal government and relates to unspent grant funding that was allocated to Cary with the American Rescue Plan Act.

Committed Fund Balance

This classification includes portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Cary's Council (highest level of decision-making authority) through a budget ordinance amendment. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise it.

Committed for Street Projects – includes (1) the entire non-restricted fund balance in the Street Project Fund (sub-fund of the Capital Project Fund), which is appropriated to specific street projects or (2) a portion of non-restricted fund balance in the Capital Reserve Fund (sub-fund of the Capital Project Fund) that is committed to street projects per Cary's ordinances or fee schedules.

Committed for Downtown Projects – includes entire non-restricted fund balance in the Downtown Project Fund (sub-fund of Capital Project Fund), which is appropriated to specific downtown projects.

Committed for Parks, Recreation, and Culture – includes (1) entire non-restricted fund balance in the Parks Project Fund (sub-fund of the Capital Project Fund), which is appropriated to specific parks, recreation and cultural resources projects or (2) a portion of non-restricted fund balance in the Capital Reserve Fund (sub-fund of the Capital Project Fund) that is committed to these same type of projects per Cary's ordinances or fee schedules or (3) a portion of fund balance in the General Fund specifically committed to a parks, recreation, and cultural resources activity by Council action.

Committed for Fire Projects – entire non-restricted fund balance in the Fire Project Fund (sub-fund of Capital Project Fund), which is appropriated to specific fire projects.

Committed for Police Operations & Activities (LEOSSA) – portion of General Fund's fund balance which is committed for payment of future retirement benefits associated with the Law Enforcement Officers' Special Separation Allowance. Prior to fiscal year 2016, these funds were retained in a Pension Trust Fund, but due to implementation of GASB 73, starting in fiscal year 2016 these funds and other related activity are now reported in the General Fund.

Committed for Governmental Capital Projects – portion of non-restricted fund balance in the Capital Reserve Fund (sub-fund of the Capital Projects Fund) that is available for any governmental project and is considered committed to this area per Cary's ordinances or fee schedules, and by definition of a capital reserve fund.

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Committed for CDBG Projects – portion of non-restricted fund balance in the CDBG Special Revenue Fund that is considered committed by Council and considered committed due to guidelines related to special revenue fund balance. This amount generally represents unspent federal funding received.

Committed for Economic Development – total non-restricted fund balance in the Economic Development Special Revenue Fund is considered committed by Council and considered committed due to guidelines related to special revenue fund balance. This amount generally represents unspent transfers from the General Fund.

Committed for Parking – total non-restricted fund balance in the Parking Special Revenue Fund is considered committed by Council and considered committed due to guidelines related to special revenue fund balance. This amount generally represents unspent parking revenues.

Assigned Fund Balance

This classification is a portion of fund balance that Cary intends to use for specific purposes. Assignments may be created, amended, or eliminated by the Town Manager's Office. Although managed as dedicated to specific areas, amounts are available for appropriation by Council.

Assigned for Subsequent Year Appropriations - portion of total fund balance not already classified in restricted or committed that is (1) appropriated in fiscal year 2024 budget or (2) appropriated through the rollover process from fiscal year 2023 to 2024 as allowed by Cary's budget ordinance.

Assigned for Affordable Housing - portion of fund balance not already classified in restricted or committed that is assigned to affordable housing projects and activities, including rehabilitation, façade improvement, and grants or loans to non-profit agencies who provide related services. These funds may be included in Cary's Annual Action Plan for the U.S. Department of Housing and Urban Development (HUD), but are not restricted like the Community Development Block Grant funds from HUD that are accounted for in the CDBG Special Revenue Fund.

Assigned for Workers' Compensation Self Insurance – portion of fund balance in the General Fund not already classified in restricted or committed that is assigned to the workers compensation self-insurance program for the payment of claims and the administration of the program.

Assigned for Small Claims Self Insurance – portion of fund balance in the General Fund not already classified in restricted or committed that is assigned to the self-insurance program for small claims, which covers claims expense, co-payments and deductibles not covered by Cary's insurance policy.

Assigned for Parks, Recreation, and Culture – portion of fund balance in the General Fund not already classified in restricted or committed that is assigned to various parks, recreation, and cultural resources projects or activities, including Cary festivals and some Teen Council activities.

Unassigned Fund Balance

This classification includes the portion of fund balance that has not been restricted, committed, or assigned to specific purposes and is available for general appropriation by Council. Only the General Fund may have a positive unassigned fund balance, while other governmental funds may have a negative unassigned fund balance if applicable. For fiscal year 2023 the Governmental Projects Special Revenue Fund, Transit Special Revenue Fund, and the ARPA Special Revenue Fund have negative unassigned fund balance.

Cary's fund balance policy requires total fund balance to be at least 33.33% of budgeted General Fund expenditures, which equates to approximately four months of operations. General fund expenditures include total expenditures and debt service and excludes other financing sources and uses. Fund Balance above the minimum will be considered a funding source for capital needs funded with pay-as-you-go capital considered through the annual budget. Appropriations outside

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

the annual budget will generally be limited to expenditures to support or facilitate projects that generate new revenues or cost savings, interim partial year funding for new programs, costs related to unanticipated workload and prudent supplemental funding for existing capital projects that require additional resources before the next fiscal year. In the event balances fall below the minimum, Council will adopt a plan to restore balances to meet the policy within a three-year period at most.

11. Pensions

For the purpose 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. Cary's employer contributions are recognized when due and Cary 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.

12. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in the fund financial statements for the annually budgeted governmental and proprietary funds to provide an understanding of the changes in the financial position and operations of these funds. Certain amounts presented in the prior year data may be reclassified to be consistent with the current year's presentation.

Note 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. SIGNIFICANT VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

None.

B. DEFICIT IN FUND BALANCE OF INDIVIDUAL FUNDS NOT APPROPRIATED IN SUBSEQUENT YEAR'S BUDGET ORDINANCE

For fiscal year ended June 30, 2023, the ARPA Special Revenue Fund has a deficit fund balance of \$146,417. Cary expects revenue for fiscal year 2024 to exceed the deficit. Due to no other expenditures coming out of this fund, the revenue received is expected to cover the deficit in fiscal year 2024. The Fleet Management Internal Service fund has a deficit net position of \$520,714. Cary expects user charges in fiscal year 2024 to cover the deficit.

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

None.

Note 3 DEPOSITS AND INVESTMENTS

All of Cary's deposits are either insured or collateralized 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 Cary's agent in Cary'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 Cary, these deposits are considered to be held by Cary's agent in Cary'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 Cary or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for Cary under the Pooling Method, the potential

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

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. Cary has no 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. Cary complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2023, Cary's deposits (including certificates of deposit) had a carrying amount of \$34.0 million and a bank balance of \$35.3 million. Of the bank balance, \$750,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2023, Cary's petty cash fund totaled \$8,910.

Investments	Valuation Measurement Method	Fair Value	Less than 1 year	1-2 Years	2-3 Years	3-5 Years	Total
US Treasuries	Fair Value Level 1	\$ 220,198,070	\$ 70,520,848	\$ 72,150,191	\$ 65,038,992	\$ 12,488,039	\$ 220,198,070
US Agencies							
FFCB	Fair Value Level 1	48,383,256	10,491,383	9,617,999	24,381,887	3,891,987	48,383,256
FHLB	Fair Value Level 2	98,227,484	55,157,187	24,801,394	10,385,733	7,883,170	98,227,484
FHLMC	Fair Value Level 1	14,674,224	3,930,744	5,285,397	5,458,083	-	14,674,224
FNMA	Fair Value Level 1	39,361,834	4,223,834	15,887,219	16,482,769	2,768,012	39,361,834
Municipal Paper	Fair Value Level 1	10,144,287	4,475,994	4,387,281	1,281,012	-	10,144,287
Commercial Paper	Fair Value Level 2	1,038,276	1,038,276	-	-	-	1,038,276
NCCMT Government Portfolio	Fair Value Level 1	92,584,683	92,584,683	--	--	--	92,584,683
Total		\$ 524,612,114	\$ 242,422,949	\$ 132,129,481	\$ 123,028,476	\$ 27,031,208	\$ 524,612,114

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: Fair Value Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Fair Value Level 2 debt securities are valued using matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices. Funds invested in the NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, are measured at fair value, which is the NCCMT's share price.

Interest Rate Risk – In accordance with its investment policy, Cary manages its exposure to declines in fair values by requiring purchases of securities to be laddered with staggered maturity dates and limiting all securities to a final maturity of no more than five years.

Credit Risk - State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2023, Cary had \$1 million invested in commercial paper. Cary has a formal policy that addresses the management of credit risk in various ways, including its compliance with NC G.S. 159-30, and its quarterly review of the investment portfolio by an independent consultant. Cary's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AA+ by Standard & Poor's as of June 30, 2023. Cary's investments in US Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service as of June 30, 2023.

Concentration of Credit Risk - Cary's policy does not limit the amount that Cary may invest in any one issuer; however, Cary will make every effort to maintain a diversified investment portfolio according to security type and institution. More than 5% of Cary's investments are in Federal Home Loan Bank, Federal Farm

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Credit Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association securities. These investments are 19%, 9%, 3% and 8% respectively, of Cary's total investments.

Note 4 RECEIVABLES AND RELATED ACCOUNTS

Accounts receivable as of year-end for Cary's individual major funds in the aggregate as presented in the fund financials and entity-wide totals, including the applicable allowances for uncollectible accounts, is as follows:

	General	Capital Projects	Special Revenue	Total Governmental Funds	Full Accrual Adjustment	Entity-Wide Governmental Activity	Business-type Activities (Utility System)
RECEIVABLES:							
Housing Loans	\$ --	\$ --	\$ --	\$ --	\$ 1,022,821	\$ 1,022,821	\$ --
Due from other Governments	23,166,624	4,585,306	3,798,009	31,549,939	21,735,226	53,285,165	2,288,307
Accounts	2,217,212	10,249	126,209	2,353,670	998,594	3,352,264	12,984,568
GROSS RECEIVABLES	25,383,836	4,595,555	3,924,218	33,903,609	23,756,641	57,660,250	15,272,875
LESS: ALLOWANCE							
Housing Loans	--	--	--	--	(732,500)	(732,500)	--
Accounts	(61,137)	--	--	(61,137)	--	(61,137)	(657,073)
NET TOTAL RECEIVABLES AT JUNE 30, 2023	\$ 25,322,699	\$ 4,595,555	\$ 3,924,218	\$ 33,842,472	\$ 23,024,141	\$ 56,866,613	\$ 14,615,802

The amounts above do not include accrued interest receivable, leases receivable, and ad valorem taxes receivable which are listed separately in the financial statements. Taxes receivable of \$291,609, as listed in the financial statements, is net of a \$164,391 allowance for doubtful accounts.

Special Revenue Fund receivables include \$1.6 million related to the Transit Fund, \$2.2 million related to the CAMPO Fund, \$144,672 related to the CDBG Fund, and \$23,426 related to the Emergency Telephone System Fund. Health Insurance Internal Service Fund receivables of \$158,300 is included in Governmental Activities (primary customer) in the entity-wide financial statements.

For Governmental Activities, \$26.2 million of the \$53.2 million accounts receivable balance is recorded as due from other governments and is related to grants or other financial assistance that was awarded. Cary enters into contractual agreements where Cary is obligated to amend the budget to establish grant revenue and supporting expenditures. The grant revenue is considered unearned until the contractual obligations of the underlying agreement are satisfied. \$17.6 million of the grant total is considered unearned, which is the full balance of unearned revenue at June 30, 2023 for governmental activities. The remainder of the governmental receivables is related to sales tax and other similar allocations that relate to fiscal year 2023 and were received within the 90-day window after June 30, 2023.

For Business-type activities, due from other governments include \$2.1 million related to partner receivables from the Town of Apex related to shared water and reclamation facilities, including their portion of capital projects. All the \$13.0 million recorded as accounts receivable is related to customer utility services.

In conformity with accounting principles generally accepted in the United States of America, revenues that are measurable but not available are reported as either an advance from customers/grantors or a deferred inflow of resources in the fund financials. The \$221,281 of advance from customers in the Governmental Funds

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

is mostly comprised of prepaid fees related to parks, recreation, and culture activities. For Business-type activities, the \$377,405 in unearned revenues is related to the Town of Apex's portion of the 2020B revenue bonds that also resides in long-term receivables. See Note 5 for details on deferred inflows of resources.

Leases receivable are measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable and is amortized on a straight-line basis over the term of the lease. The date of inception of the leases range from the implementation date of GASB 87 which was July 1, 2021 to April 2021 and the terms range in time from 26 months to 124 months, with interest rates from 0.43% to 0.97%. Cary recognized lease revenue of \$381,513 during the fiscal year. All payments are fixed. See Note 5 for details on deferred inflows of resources.

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Note 5 CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements	Transfers In (Out)	Ending Balance
GOVERNMENTAL ACTIVITIES					
Capital Assets, non-depreciable:					
Land & Improvements	\$ 295,956,997	\$ 10,501,850	\$ (1,018,715)	\$ 25,529,982	\$ 330,970,114
Construction-in-Progress	120,695,212	74,074,804	(2,645,234)	(38,992,028)	153,132,754
TOTAL CAPITAL ASSETS, NON-DEPRECIABLE	416,652,209	84,576,654	(3,663,949)	(13,462,046)	484,102,868
CAPITAL ASSETS, DEPRECIABLE OR AMORTIZED:					
Buildings & Improvements	137,802,936	--	(77,810)	7,531,725	145,256,851
Right to Use Lease Buildings & Improvements	815,518	225,296	(241,505)	--	799,309
Machinery & Equipment	38,910,973	1,828,842	(4,440,507)	2,484,010	38,783,318
Right to Use Lease Machinery & Equipment	7,431,840	1,157,759	(284,326)	--	8,305,273
Vehicles	46,258,036	2,491,482	(4,087,879)	822,267	45,483,906
Infrastructure	895,001,416	27,846,764	(63,625)	2,384,301	925,168,856
Intangible Assets	24,601,458	--	(7,358,854)	214,606	17,457,210
Right to Use Subscription Assets	--	7,312,356	--	--	7,312,356
TOTAL CAPITAL ASSETS, DEPRECIABLE	1,150,822,177	40,862,499	(16,554,506)	13,436,909	1,188,567,079
LESS ACCUMULATED DEPRECIATION AND AMORTIZATION FOR:					
Buildings & Improvements	46,748,582	3,148,387	(54,920)	--	49,842,049
Right to Use Lease Buildings & Improvements	374,643	226,623	(241,505)	--	359,761
Machinery & Equipment	24,745,076	2,586,896	(4,440,507)	(3,142)	22,888,323
Right to Use Lease Machinery & Equipment	2,867,670	1,882,833	(284,326)	--	4,466,177
Vehicles	32,458,142	3,534,981	(4,087,879)	--	31,905,244
Infrastructure	440,790,986	22,235,417	(63,625)	--	462,962,778
Intangible Assets	11,361,515	1,041,520	(5,068,758)	--	7,334,277
Right to Use Subscription Assets	--	1,915,734	--	--	1,915,734
TOTAL ACCUMULATED DEPRECIATION AND AMORTIZATION	559,346,614	36,572,391	(14,241,520)	(3,142)	581,674,343
TOTAL CAPITAL ASSETS, DEPRECIABLE AND AMORTIZED, NET	591,475,563	4,290,108	(2,312,986)	13,440,051	606,892,736
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 1,008,127,772	\$ 88,866,762	\$ (5,976,935)	\$ (21,995)	\$ 1,090,995,604

Total Governmental assets include Internal Service Fund book value of \$1.1 million. General infrastructure constructed and donated by area developers (and acquired through annexations) with an acquisition value of \$37.0 million is included in governmental additions.

NOTES TO BASIC FINANCIAL STATEMENTS
CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

	Beginning Balance	Additions	Retirements	Transfers In (Out)	Ending Balance
BUSINESS-TYPE ACTIVITIES					
Capital Assets, non-depreciable:					
Land & Improvements	\$ 26,795,519	\$ -	\$ -	\$ 1,224,178	\$ 28,019,697
CIP	230,483,174	31,038,686	(370,582)	(41,394,507)	219,756,771
TOTAL CAPITAL ASSETS, NON-DEPRECIABLE	257,278,693	31,038,686	(370,582)	(40,170,329)	247,776,468
CAPITAL ASSETS, DEPRECIABLE OR AMORTIZED:					
Buildings	173,147,129	12,224	-	-	173,159,353
Equipment	14,265,678	1,244,990	(1,647,240)	121,342	13,984,770
Vehicles	7,857,676	886,472	(685,505)	474,759	8,533,402
Infrastructure	750,140,159	12,505,879	(5,864)	39,599,365	802,239,539
Intangible Assets	1,532,038	-	(272,800)	-	1,259,238
Right to Use Subscription Assets	-	234,336	-	-	234,336
TOTAL CAPITAL ASSETS, DEPRECIABLE	946,942,680	14,883,901	(2,611,409)	40,195,466	999,410,638
LESS ACCUMULATED DEPRECIATION AND AMORTIZATION FOR:					
Buildings	51,888,567	3,463,987	-	-	55,352,554
Equipment	9,199,353	721,547	(1,466,207)	3,142	8,457,835
Vehicles	5,205,316	804,063	(685,505)	-	5,323,874
Infrastructure	236,869,616	16,102,700	(5,864)	-	252,966,452
Intangible Assets	1,532,038	-	(272,800)	-	1,259,238
Right to Use Subscription Assets	-	30,565	-	-	30,565
TOTAL ACCUMULATED DEPRECIATION AND AMORTIZATION	304,694,890	21,122,862	(2,430,376)	3,142	323,390,518
TOTAL CAPITAL ASSETS, DEPRECIABLE AND AMORTIZED, NET	642,247,790	(6,238,961)	(181,033)	40,192,324	676,020,120
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 899,526,483	\$ 24,799,725	\$ (551,615)	\$ 21,995	\$ 923,796,588

Area developers donated utility infrastructure with an acquisition value of \$12.5 million, which is included in the business-type asset additions.

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Depreciation and amortization expense was charged to functions of Cary as follows:

GOVERNMENTAL ACTIVITIES:	
General Governmental	\$ 5,476,197
Development	50,668
Facilities & Infrastructure	22,442,950
Public Safety	2,662,205
Public Works	1,449,990
Environmental Protection	1,172,151
Parks, Recreation, and Cultural Resources	3,158,547
TOTAL DEPRECIATION AND AMORTIZATION EXPENSE (EXCLUDING INTERNAL SERVICE)	<u>36,412,708</u>
Capital assets held by Cary's Fleet Management internal service fund are charged to various functions based on their usage of assets	159,683
TOTAL DEPRECIATION AND AMORTIZATION EXPENSE — GOVERNMENTAL ACTIVITIES	<u>\$ 36,572,391</u>
Business-type Activities:	
UTILITY SYSTEM	<u>\$ 21,122,862</u>

Cary has numerous active construction projects as of June 30, 2023. These projects include new street construction, widening and improvements of existing streets, new parks and related facilities, fire stations, fire trucks and pumpers, utility system improvements and new construction, utility plant expansions and other Cary facilities and equipment. At year-end, Cary's significant commitments with contractors are as follows:

NOTES TO BASIC FINANCIAL STATEMENTS
CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

Capital Project Fund	Spent-to-Date	Contract Commitments
Aerial Ladder Replacement #2767 and 2787	\$ -	\$ 1,663,000
Carpenter Fire Station Road / CSX Rail Grade Separation (NEPA / Design)	34,217,980	4,139,000
Carpenter Fire Station Road Widening NC 55 to East of Cameron Road	2,462,470	1,651,000
Downtown Development Opportunity	1,003,610	13,219,000
Downtown Park - Phase 2	59,031,560	8,317,000
ERP Replacement	2,197,902	4,410,000
Fire Station Rehabilitation	498,006	2,685,000
GoCary ADA Bus Stop Improvements	1,699,280	604,000
GoCary Multimodal Station	105,913	710,000
GoCary Regular Operations and Maintenance Facility	1,648,695	2,125,000
Heavy Equipment Replacement Project	532,880	1,231,000
Intersection Improvements - FY2020	3,114,158	1,985,000
Louis Stephens Drive/Carpenter Upchurch Road Sidewalk	279,534	694,000
Morrisville Pkwy Extension - Ph III Carpenter Upchurch Rd to Green Level Church Rd	13,521,912	3,299,000
Neighborhood Park on Carpenter Fire Station Road	9,211,889	5,201,000
Neighborhood Park on McCrimmon Parkway	7,036,276	3,603,000
Playground Upgrades	650,392	701,000
Reedy Creek Road Improvements (NEPA / Design)	11,158,544	609,000
Rogers Alley Improvements	228,556	871,000
Sanitation and Recycling Truck Replacement	2,089,169	3,760,000
Street Improvements - FY2022	6,766,839	826,000
Street Improvements - FY2023	1,734,342	5,932,000
The Center	1,685,911	1,693,000
USA Baseball National Training Complex Improvements - Interlocal	10,833,783	2,379,000
All Other Downtown Projects	10,163,007	787,000
All Other Fire Projects	11,399,460	888,000
All other General Government Projects	28,719,205	4,625,000
All Other Parks Projects	71,113,029	2,972,000
All Other Street Projects	73,543,714	4,835,000
TOTAL CAPITAL PROJECT COMMITMENTS	\$ 366,648,016	\$ 86,414,000

NOTES TO BASIC FINANCIAL STATEMENTS
CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

Utility System Enterprise Fund	Spent-to-Date	Contract Commitments
Aquastar - Meter and Radio Replacement FY2023	\$ 104,509	\$ 1,403,000
Cary/Apex Water Treatment Plant - Phase III Expansion	59,320,753	978,000
Cleaning and Video Surveying of Sewer Interceptors - FY2022	673,011	1,272,000
ERP Replacement - Sewer	804,354	1,441,000
ERP Replacement - Water	414,465	572,000
Kildaire Farm Road Water Line Reinforcement - Central	1,785,923	548,000
Maynard Road Water Line Reinforcement - Southwest - Ph2	251,302	3,216,000
NCDOT/Airport Blvd Water Line Relocation	222,373	1,627,000
NCWRF Band Screen Replacement FY2022	95,216	642,000
Sewer System Repair/Replacement - FY2021	12,064,092	1,660,000
South Triangle X-way Water Line Connection	41,411	539,000
Water Main Replacement - FY2022	1,535,133	3,340,000
White Oak Church Road Water Line	847,430	931,000
Winding Pine Pump Station	-	2,201,000
Winding Pine Regional Pump Station, Gravity Sewer and Force Main	10,880,341	9,912,000
Other Utility Projects, Net	183,836,968	7,833,000
	\$ 272,877,281	\$ 38,115,000

Note 6 INTERFUND RECEIVABLES AND PAYABLES

Cary has several interfund receivable/payable accounts. The allocation of internal profits and losses to the Utility System Enterprise Fund from the Health Insurance and Fleet Management Internal Service Funds amounted to \$1.4 million. In the entity-wide financial statements, this amount is a net receivable for business-type activity and a net payable for governmental activities. For fiscal year 2023, the General Fund had three interfund receivables from the CDBG Special Revenue Fund, CAMPO Special Revenue Fund, and ARPA Special Revenue Fund for \$87,413, \$1.8 million, and \$146,623 respectively. All three interfund loans will be repaid to the General Fund in fiscal year 2024.

Note 7 LONG-TERM OBLIGATIONS

A. INSTALLMENT FINANCING AGREEMENTS

In October 2020, Cary entered into a direct placement installment purchase agreement with Key Government Finance, Inc. to finance a portion of the replacement of an aerial fire truck. The truck is pledged as collateral for the debt while the debt is outstanding. The financing required principal payments to begin in fiscal year 2022 with a fixed interest rate of 1.40% to be paid semi-annually for a ten-year term. Debt service payments are funded by the General Fund. At June 30, 2023, no

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

unspent proceeds remain available.

At June 30, 2023, the installment purchase debt related to the truck financing is \$700,480 with future debt service payments as follows:

GOVERNMENTAL ACTIVITIES			
Year Ending June 30	Principal	Interest	Total
2024	\$ 87,560	9,194	\$ 96,754
2025	87,560	7,968	95,528
2026	87,560	6,742	94,302
2027	87,560	5,516	93,076
2028	87,560	4,290	91,850
2029–2032	262,680	5,515	268,195
	\$ 700,480	\$ 39,225	\$ 739,705

In December 2018, Cary entered into a direct placement installment purchase agreement with STI Institutional & Government, Inc. to finance construction of Fire Station No. 9 and a portion of the replacement of two aerial ladder trucks. Fire Station No. 9 is pledged as collateral for the debt. Cary is authorized under N.C.G.S. 160A-20 to incur debt secured by all or some part of the property acquired or improved in the financing. The payment of such debt is subject to the appropriation of funds to make the debt service payment by Cary's Council. In the event of the non-payment of the debt or other event specified in the financing documents as an event of default, the lender is entitled to accelerate the debt and foreclose on the collateral pledged as security. In the event the amount realized on the collateral is not sufficient to pay the entire debt, no deficiency judgment may be rendered against Cary for the balance and the lender is not entitled to further remedy. The taxing power of Cary is not pledged directly or indirectly to secure these obligations (nor does any general assets or funds of Cary secure these obligations). The financing required principal payments to begin in fiscal year 2020 with an interest rate of 3.12% to be paid semi-annually. Debt service payments are funded by the General Fund. At June 30, 2023, no unspent proceeds remain available.

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

At June 30, 2023, the installment purchase debt related to the fire financing is \$6.2 million with future debt service payments as follows:

GOVERNMENTAL ACTIVITIES			
Year Ending June 30	Principal	Interest	Total
2024	\$ 565,000	185,094	\$ 750,094
2025	565,000	167,466	732,466
2026	565,000	149,838	714,838
2027	565,000	132,210	697,210
2028	565,000	114,582	679,582
2029–2033	2,825,000	308,490	3,133,490
2034	565,000	8,814	573,814
	\$ 6,215,000	\$ 1,066,494	\$ 7,281,494

B. LIMITED OBLIGATION BONDS

In June 2010, via a public offering, Cary refunded a portion of the 2002 certificates of participation by issuing \$15.2 million of Limited Obligation Bonds, resulting in a net present value savings of approximately \$.8 million (see debt section F for more information on refinancings). Limited obligation bonds, like certificates of participation, continue to pledge the underlying assets related to the original financing, but result in lower interest rates than certificates of participation. Interest rates range from 2% to 3.25%. Principal and interest requirements will be provided by General Fund appropriation in the year in which they become due. At June 30, 2023, no unspent proceeds remain available.

At June 30, 2023, there is no outstanding installment purchase debt related to the limited obligation bonds, series 2010. The final debt service payment of \$780,000 principal and \$12,675 interest was made in fiscal year 2023.

In February 2012, Cary issued \$11.3 million in direct placement Limited Obligation Refunding Bonds, Series 2012 to refund all the remaining certificates of participation, series 2002A except for the payment to be made in fiscal year 2013. The refunding was done as a private bank placement via a competitive bid and resulted in a fixed interest rate of 2.34%. Cary is authorized under N.C.G.S. 160A-20 to incur debt secured by all or some part of the property acquired or improved in the financing. The payment of such debt is subject to the appropriation of funds to make the debt service payment by Cary's Council. In the event of the non-payment of the debt or other event specified in the financing documents as an event of default, the lender is entitled to accelerate the debt and foreclose on the collateral pledged as security. In the event the amount realized on the collateral is not sufficient to pay the entire debt, no deficiency judgment may be rendered against Cary for the balance and the lender is not entitled to further remedy. The taxing power of Cary is not pledged directly or indirectly to secure these obligations (nor does any general assets or funds of Cary secure these obligations). The refunding resulted in net present value savings of over \$.8 million (see debt section F for more information on refinancings). Principal and interest requirements will be provided by General Fund appropriation in the year in which they become due. At June 30, 2023, no unspent proceeds remain available.

At June 30, 2023, there is no outstanding installment purchase debt related to the limited obligation bonds, series 2012. The final debt service payment of \$1.6

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

million principal and \$18,311 interest was made in fiscal year 2023.

C. GENERAL OBLIGATION BONDS

Cary issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

All of Cary's general obligation bonds were publicly issued with a fixed rate, except for the Public Improvement, Series 2006, which is Cary's first and currently the only variable rate general obligation bonds held. Interest on these variable rate bonds is determined by a remarketing agent based upon market conditions. Average interest rate throughout fiscal year 2023 was 2.39%. In September 2021, Cary issued \$125 million of general obligation bonds to fund parks and streets projects related to the 2019 Shaping Cary's Tomorrow referendum. Interest on the bonds ranges from 1.625% to 5% with the bonds being paid back over 20 years. As of June 30, 2023, \$44.7 million unspent proceeds remain available.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. Business-type general obligation bonds are secured by the taxing power of Cary; however, the debt service is funded through utility rates.

General obligation bonds outstanding at June 30, 2023 are as follows:

Purpose	Interest Rates	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2023
GOVERNMENTAL ACTIVITIES					
Public Improvement, Series 2006	Variable	7/12/2006	6/1/2027	\$ 47,255,000	\$ 16,155,000
Public Improvement, Series 2014	3% - 5%	3/4/2014	3/1/2034	32,915,000	3,030,000
Public Improvement, Series 2017A	2% - 5%	10/11/2017	6/1/2037	31,035,000	21,870,000
Refunding Bonds, Series 2017B	2% - 5%	10/11/2017	6/1/2029	15,222,965	9,118,458
Public Improvement, Series 2019A	2% - 5%	8/6/2019	9/1/2038	16,050,000	13,515,000
Refunding Bonds, Series 2020A (Taxable	1.6% - 2.25%	11/5/2020	3/1/2039	15,015,000	14,570,000
Public Improvement, Series 2021	1.625% - 5%	9/20/2021	9/1/2041	125,000,000	118,750,000
					\$ 197,008,458
BUSINESS-TYPE ACTIVITIES					
Public Improvement, Series 2014	3% - 5%	3/4/2014	3/1/2039	41,405,000	2,975,000
Refunding Bonds, Series 2017B	2% - 5%	10/11/2017	6/1/2029	12,233,959	8,141,542
Refunding Bonds, Series 2020A (Taxable	1.6% - 2.25%	11/5/2020	3/1/2039	31,515,000	30,630,000
					\$ 41,746,542

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES	
	Principal	Interest	Principal	Interest
2024	\$ 16,574,995	\$ 6,555,808	\$ 3,135,006	\$ 967,738
2025	16,551,221	5,775,853	3,193,779	854,663
2026	16,614,429	5,066,061	3,255,572	734,924
2027	13,867,636	4,381,874	3,302,364	628,846
2028	11,795,937	3,832,450	3,314,061	562,798
2029-2033	52,579,240	12,622,522	11,730,760	1,977,857
2034-2038	43,185,000	4,739,623	11,395,000	970,603
2039-2043	25,840,000	1,004,788	2,420,000	54,450
	\$ 197,008,458	\$ 43,978,979	\$ 41,746,542	\$ 6,751,879

D. REVENUE BONDS

Cary has issued several series of revenue bonds since the first series was issued in 2001. In November 2020, Cary refinanced a portion of the Series 2013, 2015 and 2017 bonds in its first ever taxable refunding, Series 2020C (see Section F, Refinancings for additional details). Cary also refinanced all the outstanding State Revolving Loans with a tax-exempt refunding, Series 2020B as noted below and more details in Section F. With these publicly offered bonds, Cary pledges income derived from the acquired or constructed assets to pay debt service. Cary is also authorized under North Carolina law to incur debt to finance or improve certain revenue producing enterprises, including improvements to its water and sewer system, which debt is secured by a pledge of the revenues of the enterprise system improved in the financing. The payment of such revenue bond debt is secured solely by the revenues of the enterprise system financed. The non-payment of the debt and certain other events could result in the occurrence of an event of default, and upon such occurrence the lenders typically have the right to accelerate the debt, however the debt remains secured solely by the revenues pledged to secure the payment thereof. The taxing power of Cary is not pledged directly or indirectly to secure these obligations (nor does any general assets or funds of Cary secure these obligations). Revenue bonds outstanding at year-end are as follows:

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Purpose	Interest Rates	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2023
Series 2013 Combined Utility System	2% - 5%	7/12/2006	6/1/2027	\$ 98,400,000	\$ --
Series 2015 Combined Utility System	3% - 5%	10/5/2010	6/1/2022	53,785,000	30,155,000
Series 2017 Combined Utility System	1% - 5%	3/4/2014	3/1/2034	31,955,000	13,845,000
Series 2017B Revenue Refunding	1.75% - 5%	10/11/2017	6/1/2037	92,925,000	88,715,000
Series 2020B Revenue Refunding	1.625% - 5%	11/20/2020	12/1/2033	23,280,000	19,280,000
Series 2020C Revenue Refunding (Taxable)	0.303% - 2.706%	11/20/2020	6/30/2042	38,000,000	36,765,000
					\$ 188,760,000

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 8,190,000	\$ 6,505,276	\$ 14,695,276
2025	8,500,000	6,153,675	14,653,675
2026	8,810,000	5,784,295	14,594,295
2027	8,585,000	5,468,693	14,053,693
2028	8,775,000	5,176,403	13,951,403
2029-2033	48,300,000	21,013,937	69,313,937
2034-2038	49,740,000	12,922,940	62,662,940
2039-2043	47,860,000	4,247,811	52,107,811
	188,760,000	67,273,030	256,033,030
Interlocal Agreements	(337,405)	(37,065)	(374,470)
TOTAL	\$ 188,422,595	\$ 67,235,965	\$ 255,658,560

The total principal and interest remaining to be paid on all outstanding series of revenue bonds was \$188.8 million (excluding interlocal agreements) as of June 30, 2023. These revenue bonds are secured by a covenant to budget and collect revenues in the utility enterprise system sufficient enough to pay the principal and interest requirements. Management believes Cary has been in compliance with the covenants for all series of revenue bonds, which require the debt service coverage for parity indebtedness (revenue bonds only) to be 1.200 and for all indebtedness to be 1.000. Financial information below is from the Utility System Enterprise Fund. Unrestricted net position is prior to internal service adjustment.

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Net Income	\$ 16,354,777
Adjustments:	
Depreciation and Amortization Expense	21,122,863
Water & Sewer Development Fees	(9,874,472)
Reimbursements	(72,314)
Sale of Capital Assets	(17,121)
Bond Interest Expense	6,096,468
Bond Service Expenses & Refunding Loss	1,128,586
Payment to General Fund for Open Space	755,729
Administrative Costs Paid to Other Funds	5,939,243
Income Available for Debt Service	41,433,759
15% of Unrestricted Net Position	33,808,354
TOTAL SOURCES AVAILABLE FOR DEBT SERVICE	\$ 75,242,113

Parity Debt Service (Revenue Bonds Only)	\$ 14,764,673	Coverage
Other Utility Debt Service (gross of partner reimbursement)	4,156,736	5.096
TOTAL DEBT SERVICE	\$ 18,921,409	2.190

E. LEASES AND SUBSCRIPTIONS

Cary has entered into 43 agreements to lease equipment and real property. The lease agreements are not short-term leases under GASB 87 and, therefore have been recorded at the present value of the future lease payments as of the date of their inception. The date of inception for the leases range from the implementation date of GASB 87 which was July 1, 2021 to May 15, 2023 and the terms range in time between 13 and 81 months. All lease payments are fixed.

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Principal	Interest	Total
2024	\$ 1,896,501	46,809	\$ 1,943,310
2025	1,473,231	33,746	1,506,977
2026	603,463	14,204	617,667
2027	243,896	5,122	249,018
2028	78,484	1,263	79,747
	\$ 4,295,575	\$ 101,144	\$ 4,396,719

Cary has entered into 18 agreements to use subscription based IT software. The subscription agreements are not short-term under GASB 96, and therefore have

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

been recorded at the present value of the future minimum lease payments as of the date of their inception. The date of inception for these subscriptions range from the implementation of GASB 96 which was July 1, 2022 to December 13, 2022 and the terms range in time between 15 and 92 months. All subscription payments are fixed.

GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES			
Year Ending June 30	Principal	Interest	Total	Year Ending June 30	Principal	Interest	Total
2024	\$ 1,520,568	111,931	\$ 1,632,499	2024	\$ 26,434	4,986	\$ 31,420
2025	1,259,307	73,700	1,333,007	2025	28,065	4,299	32,364
2026	779,562	39,988	819,550	2026	29,765	3,569	33,334
2027	559,696	18,648	578,344	2027	31,538	2,796	34,334
2028	33,388	1,976	35,364	2028	33,388	1,976	35,364
2029 - 2030	59,846	1,343	61,189	2029 - 2030	59,846	1,343	61,189
	\$ 4,212,367	\$ 247,586	\$ 4,459,953		\$ 209,036	\$ 18,969	\$ 228,005

F. REFUNDINGS

Cary has defeased numerous Utility Systems Bonds over the years by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, all related trust account assets and liabilities for the defeased bonds are not included in Cary's financial statements.

In March 2015, Cary refunded a portion of the 2007 revenue bonds when Cary issued the Combined Enterprise System Revenue and Revenue Refunding Bonds, Series 2015. Cary issued \$15.8 million of utility system revenue bonds to advance refund \$16.1 million of the 2007 revenue bonds that were eligible to be refunded. The advance refunding resulted in a net present value savings of \$1.3 million for Cary. The reacquisition price on the defeased bonds exceeded the carrying value of the old debt in the amount of \$1.4 million, resulting in a refunding loss with an unamortized balance at June 30, 2023 of \$640,340 for Business-Type Activities. The 2007 Revenue Bonds that were eligible to be advanced refunded were called on December 1, 2017.

In October 2017, Cary advanced refunded a portion of the 2009 public improvement bonds and current refunded all of the Series 2016A refunding bonds when Cary issued \$28.185 million of General Obligation Refunding Bonds, Series 2017B. This refunding resulted in net present value savings of \$1.3 million for Cary with \$.7 million in savings for Governmental Activities and \$.6 million in savings for Business-Type Activities. The reacquisition price on these defeased bonds exceeded the carrying value of the old debt in the amount of \$594,211 resulting in a refunding loss with an unamortized balance at June 30, 2023 of \$160,503 Governmental Activities and \$143,361 Business-Type Activities. The remaining 2009 public improvement bonds were called on June 1, 2019.

In advance of federal legislation taking effect in January 2018, which would no longer allow advance refunding of municipal bonds, Cary refunded the 2007 bonds that were callable on December 1, 2017 and advanced refunded a large portion of the Series 2013 revenue bonds. Cary issued \$92.925 million of Combined Enterprise Utility System Revenue Refunding Bonds, Series 2017B which resulted in \$6.3 million in net present value savings for Business-Type Activities. The refunding resulted in a gain of \$536,136 with an unamortized balance at June 30, 2023 of \$401,579 for Business-Type Activities.

In November 2020, Cary advanced refunded a portion of the 2014 public improvement bonds when Cary issued \$46.53 million of Taxable General Obligation Refunding Bonds, Series 2020A. This was the first taxable advanced refunding Cary has completed. This refunding resulted in net present value savings of \$3.4 million for Cary with \$.9 million in savings for Governmental Activities and \$2.5 million in savings for Business-Type Activities. The reacquisition price on these

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

defeased bonds exceeded the carrying value of the old debt in the amount of \$2.4 million resulting in a refunding loss with an unamortized balance at June 30, 2023 of \$315,362 Governmental Activities and \$1,840,246 Business-Type Activities.

Also in November 2020, Cary refunded all four state revolving loans when Cary issued \$23.28 million of Combined Enterprise System Revenue Refunding Bonds, Series 2020B. This tax-exempt refunding resulted in net present value savings of \$1.9 million for Business-Type Activities. The refunding resulted in a gain of \$2.1 million with an unamortized balance at June 30, 2023 of \$1,654,386 for Business-Type Activities. Although this loan is Cary's debt, Cary has an interlocal agreement with the Town of Apex to pay a portion of the debt service (principal and interest) on the original state revolving loans that was also applied to this refunding. Apex's share of the debt is equal to their proportionate share of the capital projects financed. Apex's principal amount has been recorded as a long-term receivable and will be netted against the revenue bond long-term liability on the face of the financial statements.

G. DEFERRED CHARGE ON DEBT REFUNDINGS

Due to numerous refinancing opportunities, Cary has incurred accounting losses, which are deferred at the time of the loss and amortized over time. This deferred charge is shown on the statements as a deferred outflow of resources. Details for each activity are as follows:

	Governmental Activities	Business-Type Activities	Total
Balance as of June 30, 2022	\$ 570,814	\$ 1,696,569	\$ 2,267,383
Current Year Amortization	(94,949)	(1,128,588)	(1,223,537)
ENDING BALANCE AT JUNE 30, 2023	\$ 475,865	\$ 567,982	\$ 1,043,847

H. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT – SECTION 108 LOAN

Cary incurred a \$1.4 million loan from the U.S. Department of Housing and Urban Development (HUD) in connection with an economic development project in the downtown area of Cary. Cary makes annual principal payments to HUD on or before August 1st each year and pays quarterly interest payments throughout the year. The outstanding balance on the loan as of June 30, 2023 is \$996,000.

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

I. CHANGES IN LONG-TERM LIABILITIES

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds & Notes Payable					
General Obligation Debt — Public Offering	\$ 213,562,603	\$ --	\$ (16,554,146)	\$ 197,008,457	\$ 16,574,995
Limited Obligation Bonds — Public Offering	780,000	--	(780,000)	--	--
Limited Obligation Bonds — Private Placement	1,565,000	--	(1,565,000)	--	--
Installment Financing — Private Placement	7,568,040	--	(652,560)	6,915,480	652,560
TOTAL BONDS & NOTES PAYABLE	223,475,643	--	(19,551,706)	203,923,937	17,227,555
DEFERRED ADJUSTMENTS					
Premium	22,302,743	--	(1,595,525)	20,707,218	--
TOTAL BONDS & NOTES PAYABLE, NET	245,778,386	--	(21,147,231)	224,631,155	17,227,555
OTHER LIABILITIES					
Leases	5,012,905	1,383,055	(2,100,385)	4,295,575	1,896,501
Subscriptions	--	7,312,356	(3,099,989)	4,212,367	1,520,568
Compensated Absences	8,724,029	8,560,694	(7,590,319)	9,694,404	9,694,404
Total OPEB Liability	133,149,549	--	(10,638,101)	122,511,448	--
Workers' Compensation Long-Term Reserve	2,223,725	635,591	(1,347,359)	1,511,957	1,511,957
Health Insurance Long-Term Reserve	2,239,526	25,268,474	(23,897,173)	3,610,827	3,610,827
Small Claims Reserve	663,299	1,062,354	(1,483,281)	242,372	242,372
Development Fee Credits	1,322,897	294,886	(308,341)	1,309,442	304,000
Net Pension Liability (LGERS)	17,252,478	39,398,133	--	56,650,611	--
LEOSSA Unfunded Net Pension Liability	8,963,833	30,872	--	8,994,705	--
HUD 108 CDBG Loan	1,064,000	--	(68,000)	996,000	68,000
Other Long-term Agreements	2,635,898	--	(2,425,180)	210,718	--
TOTAL OTHER LIABILITIES	183,252,139	83,946,415	(52,958,128)	214,240,426	18,848,629
GOVERNMENTAL ACTIVITIES LONG-TERM LIABILITIES	\$ 429,030,525	\$ 83,946,415	\$ (74,105,359)	\$ 438,871,581	\$ 36,076,184

Since governmental funds are the internal service funds' primary customer, the long-term liabilities for them are included as part of the above totals for governmental activities. At year-end governmental long-term liabilities include the following for the Fleet Management Internal Service Fund; \$92,343 for compensated absences, \$1.5 million for other post-employment benefits, and \$692,841 for Fleet's portion of the LGERS pension liability, as well as \$3.6 million of the Health Insurance Internal Service Fund long-term reserve for insurance claims. These liabilities are generally liquidated into the General Fund.

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Cary enters into numerous developer agreements throughout the year, which award developers' credits toward future fees based on their contributions to Cary's street infrastructure system. These credits are calculated and specifically identifiable in each agreement and are recorded as long-term liabilities in the entity-wide financial statements. Usage of credits is tracked through the general receipting and permitting system of Cary, and credits are written off as they expire per individual contractual agreements. Of the \$308,341 reduction in the current year, \$1,369 relate to expired agreements. As credits are used, revenue is also recorded in the entity-wide financial statements for governmental activities.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Bonds & Notes Payable — Utility System					
General Obligation Debt	\$ 44,792,397	\$ --	\$ (3,045,855)	\$ 41,746,542	\$ 3,135,005
Revenue Bonds, net	196,262,311	--	(7,839,716)	188,422,595	8,124,716
TOTAL BONDS & NOTES PAYABLE	241,054,708	--	(10,885,571)	230,169,137	11,259,721
DEFERRED ADJUSTMENTS					
Premium	15,830,667	--	(1,811,146)	14,019,521	--
TOTAL BONDS & NOTES PAYABLE, NET	256,885,375	--	(12,696,717)	244,188,658	11,259,721
OTHER LIABILITIES — UTILITY SYSTEM					
Subscriptions	--	234,336	(25,300)	209,036	26,434
Compensated Absences	1,524,094	1,626,180	(1,392,335)	1,757,939	1,757,939
Total OPEB Liability	30,573,326	--	(2,362,088)	28,211,238	--
Development Fee Credits	2,178,644	--	(101,111)	2,077,533	96,000
Net Pension Liability (LGMERS)	1,344,368	8,730,703	--	10,075,071	--
TOTAL LIABILITIES OTHER LIABILITIES	35,620,432	10,591,219	(3,880,834)	42,330,817	1,880,373
BUSINESS-TYPE ACTIVITIES LONG-TERM LIABILITIES	\$ 292,505,807	\$ 10,591,219	\$ (16,577,551)	\$ 286,519,475	\$ 13,140,094

All business-type liabilities will be liquidated by the Utility Systems Enterprise Fund.

Cary enters into numerous developer agreements throughout the year, which award developers credits toward future fees based on their contributions to Cary's utility infrastructure system (water, sewer and reclaimed water). These credits are calculated and specifically identifiable in each agreement and are recorded as long-term liabilities in both the entity-wide and fund financial statements. Usage of credits is tracked through the general receipting and permitting system of Cary, and credits are written off as they expire per individual contractual agreements. As credits are used, revenue is also recorded.

Discussion on liabilities related to LGMERS and OPEB can be found in notes 11.A and 11.E, respectively

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

J. AUTHORIZED UNISSUED BONDS AND LEGAL DEBT MARGIN

Cary is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt Cary may have outstanding to 8% of the appraised value of property subject to taxation. At June 30, 2023, such statutory limit for Cary was \$2.8 billion providing a legal debt margin of approximately \$2.4 billion. Cary does not intend to extend its debt to any amount near the legal debt limit.

At June 30, 2023, Cary had authorized but not issued general obligation bonds of \$78 million and \$22 million, designated for streets and parks/recreational facilities respectively for a total of \$100 million.

Note 8 ACCOUNTS PAYABLE, AND OTHER ACCRUED LIABILITIES

Accounts payable and other accrued liabilities as of year-end for Cary's individual major funds in the aggregate as presented in the fund financials and entity-wide statements are as follows:

	General	Capital Projects	Special Revenue	Total Governmental Funds	Full Accrual Adjustment	Entity-Wide Governmental Activity	Business-type Activities (Utility System)
Salaries and employee benefits	\$ 5,255,742	\$ -	\$ 133,698	\$ 5,389,440	\$ 43,990	\$ 5,433,430	\$ 580,351
Due to other governments	19,739	---	---	19,739	9,000	28,739	---
Due to Vendors	4,017,051	9,478,392	1,808,476	15,303,919	209,149	15,513,068	4,271,760
Miscellaneous	813,255	414,921	---	1,228,176	300,000	1,528,176	141,142
TOTAL	\$ 10,105,787	\$ 9,893,313	\$ 1,942,174	\$ 21,941,274	\$ 562,139	\$ 22,503,413	\$ 4,993,253

The governmental amount for the Special Revenue Funds is comprised of approximately \$1.5 million for the Transit Special Revenue Fund, \$319 for the Emergency Telephone Special Revenue Fund, \$18,622 for the CDBG Special Revenue Fund, and \$405,471 for the CAMPO Special Revenue Fund. The full accrual adjustment represents the Fleet Management Internal Service Fund accounts payable and accrued liabilities. For presentation purposes, the accounts payable portion of the worker's compensation and small claims liability is included with the long-term liabilities on the Entity-Wide financial statements and in the supporting note.

Note 9 RISK MANAGEMENT

Cary is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; on-the-job injuries to employees; and natural disasters. Cary administers three self-funded programs that cover small claims and losses, employee, spouse and dependent health and dental claims, and workers' compensation. Cary contracted with a third-party to perform an actuarial valuation for an estimate of claims incurred, but not reported for health and dental and workers' compensation as of June 30, 2022 and that report was used as the basis of the estimation for the amounts reported as of June 30, 2023.

Workers' Compensation – Cary is self-insured for statutory workers' compensation coverage with a retention per occurrence of \$.6 million for regular employees and \$.75 million for Police Officers and Firefighters, a maximum limit of indemnity per occurrence of \$1 million, and a maximum limit of indemnity of \$1 million for aggregate claims losses. Based on historical data and information available, a reserve of \$1.5 million was calculated as of June 30, 2023, for

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

claims incurred but not reported and for items reported but not paid. \$294,000 of this liability is considered a current liability within the fund financials; however, it is included in long-term liabilities for readability purposes. The full amount of the liability is estimated to be paid within the next fiscal year and included in the current portion of long-term liabilities within the entity wide statements.

Small Claims and Losses - Cary self-funds small claims and losses incurred during the year that fall below Cary's insurance deductible. Claims are administered by an internal Risk Manager. Based on historical data and information available, management estimated and reserved \$.2 million for claims incurred but not reported and for claims reported but not paid. \$40,000 of this liability is considered a current liability within the fund financials; however, it is included in long-term liabilities for readability purposes. The full amount of the liability is estimated to be paid within the next fiscal year and included in the current portion of long-term liabilities within the entity wide statements.

Health and Dental Claims – Since fiscal year 2003, Cary has self-funded health and dental coverage for all permanent employees, which is handled by a third-party administrator. Employees can also pay a portion of the premium to add a spouse or dependent(s). These claims are also administered by the third-party administrator. Based on historical data and information available a reserve of \$3.4 million was calculated, as of June 30, 2023 for health claims incurred but not reported and for items reported but not paid. A reserve of \$196,000 was calculated for dental claims incurred but not reported and for items reported but not paid. \$1.1 million (of which \$55,000 relates to dental) is considered a current liability within the fund financials; however, it is included in long-term liabilities for readability purposes. The full amount of the liability is estimated to be paid within the next fiscal year and included in the current portion of long-term liabilities within the entity wide statements.

All reserves and estimated claims reported but not paid and incurred but not recorded are accrued and reported within the General Fund and the Health Insurance Internal Service Fund in the fund financials and in governmental activities in the entity-wide financials.

The following is a reconciliation of changes in liabilities for claims from amounts reported June 30, 2021 to the current fiscal year ended June 30, 2023:

	Workers' Compensation	Small Claims and Losses	Dental Claims	Health Claims	Total
BALANCE June 30, 2021	\$ 1,680,233	\$ 199,158	\$ 110,169	\$ 2,114,648	\$ 4,104,208
Claims reported and changes in estimates for FY 2022	1,724,825	844,608	1,652,567	(20,039,806)	(15,817,806)
Claims paid in FY 2022	(1,181,333)	(380,467)	(1,646,866)	20,048,814	16,840,148
BALANCE June 30, 2022	2,223,725	663,299	115,870	2,123,656	5,126,550
Claims reported and changes in estimates for FY 2023	635,591	1,062,355	2,024,090	23,244,385	26,966,421
Claims paid in FY 2023	(1,347,359)	(1,483,281)	(1,943,687)	(21,953,488)	(26,727,815)
BALANCE JUNE 30, 2023	\$ 1,511,957	\$ 242,373	\$ 196,273	\$ 3,414,553	\$ 5,365,156

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Cary provides for property and liability coverage through comprehensive third-party insurance policies. Cary's property and liability coverage at June 30, 2023 are as follows:

Property Coverage	Liability Coverage Limits
Property Insurance - Building and Contents	\$ 827,807,250
Equipment Breakdown, Earthquake, Flood	120,000,000
Business Income and Extra Expense	5,000,000
Scheduled Equipment (includes Water and Sewer)	8,416,622
Computer and Communications Equipment	13,471,049
Leased Equipment	450,000
Computer Programs in Transit, Extra Expense, Animal	1,550,000
General and Automobile Liability	1,000,000
Excess Liability	9,000,000
Tort Liability for Public Officials, Law Enforcement and Employment Practices	3,000,000
Workers' Compensation	Statutory
Per Retention per Accident and/or Disease (Police Officers/Firefighters)	750,000
Per Retention per Accident and/or Disease (All Other Employees)	600,000
Employers' Liability per occurrence	1,000,000

Insurance, deductibles and self-insured retentions are established at appropriate levels as determined by management and Cary's insurance broker. For fiscal year 2022, the deductible or self-insured retention was \$25,000 per covered claim for property claims, automobile claims deductible ranges from \$1,000 to \$25,000, \$100,000 per claim for Public Officials for Law Enforcement and Employment practices liability, and deductibles for other covered losses ranged from \$5,000 to \$10,000 per year. Cary's Finance Director is covered by individual public official bonds of \$1,000,000. Wake County's and Chatham County's Tax Collectors and Revenue Collectors are covered by individual public official bonds of \$100,000 each. Cary carries no separate flood insurance.

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Note 10 PENSION PLAN AND OPEB OBLIGATIONS

A. LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

Plan Description: Cary 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 General Statute 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. LGERS 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 by visiting their website at www.osc.nc.gov.

Benefits Provided: LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions: Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Cary's contractually required contribution rate for the year ended June 30, 2023, was 13.10% of compensation for law enforcement officers and 12.14% 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. Cary's contributions to LGERS for the year ended June 30, 2023 is \$12.5 million. The contributions made by Cary equaled the required contributions.

Refunds of Contributions: Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

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, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2023, Cary reported a liability of \$66.7 million for its proportionate share of the net pension liability (\$56.6 million governmental, \$10.1 million business-type). The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. Cary's proportion of the net pension liability was based on a projection of Cary'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, 2022 (the measurement date), Cary's proportion was 1.18%, which was a decrease of .03% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, Cary recognized pension expense of approximately \$18.6 million (\$15.2 million governmental, \$3.4 million business-type). At June 30, 2023, Cary reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,875,148	\$ 281,892
Changes of assumptions	6,657,727	--
Net difference between projected and actual earnings on pension plan investments	22,053,536	--
Changes in proportion and differences between employer contributions and proportionate share of contributions	--	417,458
Benefit payments and plan administrative expense made subsequent to measurement date	12,477,606	--
TOTAL	\$ 44,064,017	\$ 699,350

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

\$12.5 million reported as deferred outflows (listed above) resulted from Cary’s contributions made subsequent to the measurement date of June 30, 2022. This will be recognized as a decrease to the net pension liability in fiscal year 2024. Other amounts reported as deferred outflows/(inflows) will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 9,616,414
2025	8,323,188
2026	2,440,743
2027	10,506,716
Thereafter	--
TOTAL	\$ 30,887,061

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

Inflation	2.5%
Salary Increase	3.3% - 8.3%, including inflation and productivity factor
Investment rate of return	6.5% 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 portion 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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2014 through December 31, 2019.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.1%
Global Equity	42.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	7.5%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
	100%	

The information above is based on 30-year expectation developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.3%. All rates of return and inflation are annualized.

Discount Rate: The discount rate used to measure the total pension liability was 6.5%. 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 Cary's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The table below presents Cary's proportionate share of the net pension liability calculated using the discount rate of 6.5%, as well as what Cary's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.5%) or one percentage point higher (7.5%) than the current rate:

	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
CARY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	\$ 120,431,263	\$ 66,725,682	\$ 22,469,165

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.

B. LAW ENFORCEMENT OFFICERS SPECIAL SEPARATION ALLOWANCE

Plan Description - Cary administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to Cary's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

have attained 55 years of age and completed five or more years of creditable service. The Separation Allowance is equal to .85% 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. The plan does not issue a separate standalone financial report.

All full-time law enforcement officers of Cary are covered by the Separation Allowance. At January 1, 2023, the Separation Allowance's membership consisted of:

Retirees receiving benefits	39
Terminated plan members entitled to but not receiving benefits	--
Active employees	175
TOTAL	214

Summary of Significant Accounting Policies - Cary 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 a 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 outlined in GASB Statement 73.

Actuarial Assumptions – The entry age actuarial cost method was used in the January 1, 2023 valuation. The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary Increases	3.5% to 7.4%, including inflation and productivity factor
Discount Rate	3.9%

The discount rate is based on the yield of the Fidelity Municipal Bond 20 Year High Grade Rate Index as of June 30, 2022. Mortality rates are based on the Public S 2010 mortality tables projected generationally with the SSA 2022 projection scale.

Contributions – Cary 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. Cary's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Cary paid \$1.0 million as benefits came due for the reporting period.

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

At June 30, 2023, Cary reported a total pension liability of \$9.0 million. The total pension liability was measured as of June 30, 2023 based on a January 1, 2023 actuarial valuation. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, Cary recognized pension expense of \$.8 million.

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on plan investments	\$ --	\$ --
Differences between expected and actual experience	260,322	739,154
Changes in actuarial assumptions	643,618	826,032
TOTAL	\$ 903,940	\$ 1,565,186

Because the measurement date and fiscal year end are the same, Cary reported no deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date. The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ (147,126)
2025	(147,126)
2026	(147,126)
2027	(147,129)
2028	19,373
Thereafter	(92,112)
TOTAL	\$ (661,246)

Sensitivity of Cary's total pension liability to changes in the discount rate - The following presents Cary's total pension liability calculated using the discount rate of 3.9%, as well as what Cary's total pension liability would be if it were calculated using a discount rate that is one percent point lower (2.9%) or 1 point higher (4.9%) than the current rate:

	1% Decrease (2.9%)	Discount Rate (3.9%)	1% Increase (4.9%)
TOTAL PENSION LIABILITY	\$ 9,579,361	\$ 8,994,705	\$ 8,455,023

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

**SCHEDULE OF CHANGES IN TO PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**

	2023
Beginning balance	\$ 8,963,833
Service cost	464,399
Interest on total pension liability	330,396
Changes of benefit terms	--
Difference between expected and actual experience in the measurement of the total pension liability	292,862
Changes in assumptions or other inputs	(99,290)
Benefit payments	(957,495)
Other changes	--
NET CHANGES	30,872
TOTAL PENSION LIABILITY AS OF JUNE 30, 2023	\$ 8,994,705

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.

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

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

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

	LGERS	LEOSSA	Total
Pension expense	\$ 18,601,391	\$ 829,192	\$ 19,430,583
Pension liability	66,725,682	8,994,705	75,720,387
Proportionate share of the net pension liability	1.2%	N/A	
DEFERRED OUTFLOWS OF RESOURCES			
Differences between expected and actual experience	2,875,148	260,322	3,135,470
Changes of assumptions	6,657,727	643,618	7,301,345
Net difference between projected and actual earnings on plan investments	22,053,536	--	22,053,536
Benefit payments and administrative costs paid subsequent to the measurement date	12,477,606	--	12,477,606
DEFERRED INFLOWS OF RESOURCES			
Differences between expected and actual experience	281,892	739,154	1,021,046
Changes of assumptions	--	826,032	826,032
Changes in proportion and differences between contributions and proportionate share of contributions	417,458	--	417,458

C. SUPPLEMENTAL RETIREMENT INCOME PLAN (401K and 401A)

Plan Description - Cary contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to all permanent full-time employees, as well as law enforcement officers employed by Cary. All employees, with the exception of law enforcement officers, are given a choice between the plan statutorily defined for officers (401k) and a 401A plan. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. All employees begin participation at the date of employment. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the 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, NC 27699-1410, or by calling (919) 981-5454.

Funding Policy - Article 12E of G.S. Chapter 143 requires Cary to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Cary makes an equal contribution of 5% of monthly salary to all other permanent employees. Also, all employees may make voluntary contributions to the plan. Contributions for law enforcement officers for the year ended June 30, 2023, were \$1.2 million which consisted of \$.8 million from

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Cary and \$.4 million voluntary contributions from the law enforcement officers. Contributions for all other employees were \$5.5 million, which consisted of \$3.7 million from Cary and \$1.8 million voluntary contributions from other employees.

D. DEATH BENEFIT PLAN

Cary has elected to provide death benefits to employees through the Death Benefit Plan for members of LGERS and through group-term life insurance from a private provider.

Plan Description - The Death Benefit Plan through LGERS (Death Benefit Plan) is 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 month's 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. For the additional group-term life insurance plan, Cary provides at no cost coverage to all active employees working 20 or more hours per week at one times salary (up to maximum of \$250,000). Employees can further elect to participate in various voluntary insurance programs with no cost to Cary.

Funding Policy - For the Death Benefit Plan, contributions are determined as a percentage of total compensation, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by Cary, the Town does not determine the number of eligible participants. For the fiscal year ended June 30, 2023, Cary made contributions to the State for death benefits of \$65,700. Cary's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .04% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. For the additional group-term life insurance plan, Cary funds on a pay-as-you-go basis.

E. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description - Cary administers a single-employer defined benefit healthcare plan ("the health plan"). Cary's Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB statement 75.

Benefits Provided - The health plan provides post-retirement health care benefits to retirees of Cary, provided they meet any of the retirement options available through the North Carolina Local Governmental Employees' Retirement System (NCLGERS) and reach the 15-year service level of creditable service with Cary. Upon reaching the 15-year service level, Cary will pay 50% of the group plan individual premium and will increase that amount 5% for each additional year of service to the 25-year service level. Healthcare, prescription drugs, pre-65 dental and vision coverage are provided in the health plan. When the eligible retiree has turned 65 and is no longer covered by the health plan, Cary will continue to provide a substantially equal monetary benefit to the post-65 retiree to cover a premium Medicare supplement and the prescription drug plan. If the benefit is higher than the premium, the excess credit is forfeited. In addition to this, a lump sum life insurance benefit of \$10,000 is provided to those retirees who have at least 25 years of service at the time of retirement. Dependent or spouse coverage in the health plan must be paid in full by the retiree. A separate report was not issued for the plan.

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

At June 30, 2023, the date of the last actuarial valuation (used in these calculations), membership of the plan consisted of the following:

	General Employees
Inactive employees or beneficiaries currently receiving benefit payments	415
Active employees	1,207
TOTAL	1,622

Total OPEB Liability

Cary's total OPEB liability of \$150.7 million (\$122.5 million governmental and \$28.2 million business-type) was measured as of June 30, 2023 and was determined by an actuarial valuation date of June 30, 2023.

Actuarial assumptions and other inputs - The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Salary Increases	2.0% average, including inflation
Discount Rate	3.9%
Healthcare cost trend rates	11.0% starting, 4.3% ultimate

The discount rate is based on the yield of the Fidelity Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023.

CHANGES IN THE TOTAL OPEB LIABILITY

	2023
BALANCE AS OF JULY 1, 2022	\$ 163,722,875
Changes for the year:	
Service cost	9,618,085
Interest cost	6,347,102
Changes of benefit terms	--
Difference between expected and actual experience	(22,354,726)
Changes in assumptions or other inputs	(3,920,808)
Benefit payments	(2,689,842)
Net changes	(13,000,189)
BALANCE AS OF JUNE 30, 2023	\$ 150,722,686

Changes in assumptions and other inputs reflect a change in the discount rate from 3.7% to 3.9%. Mortality rates were based on the Society of Actuaries Public

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Mortality headcount-weighted tables, with generational mortality improvements using Scale SSA 2022.

An experience study has not been conducted at the time of issuing the report.

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of Cary as well as what Cary's total OPEB liability would be if it were calculated using a discount rate 1 percentage point lower (2.9%) or 1 percentage point higher (4.9%) than the current discount rate:

	1% Decrease (2.9%)	Discount Rate (3.9%)	1% Increase (4.9%)
TOTAL OPEB LIABILITY	\$ 176,320,574	\$ 150,722,686	\$ 130,191,910

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of Cary as well as what Cary's total OPEB liability would be if it were calculated using a healthcare cost trend rate 1 percentage point lower (3.3%) or 1 percentage point higher (5.3%) than the current discount rate:

1% Decrease (Starting 10.0% ultimate 3.3%)	Current Rate (Starting 11.0% ultimate 4.3%)	1% Increase (Starting 12.0% ultimate 5.3%)
\$ 135,491,600	\$ 150,722,686	\$ 168,785,389

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

For the year ended June 30, 2023, Cary recognized OPEB expense of \$9.9 million (\$8.1 million governmental and \$1.8 million business-type). At June 30, 2023, Cary reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,408,148	\$ 38,113,063
Changes of assumptions	28,861,453	35,834,356
Benefit payments and plan administrative expense made subsequent to measurement date	--	--
TOTAL	\$ 31,269,601	\$ 73,947,419

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Because the measurement date and the year-end are the same, Cary reported no deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date. Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ (6,029,392)
2025	(6,029,392)
2026	(6,029,396)
2027	(5,055,685)
2028	(4,527,685)
Thereafter	(15,006,268)
TOTAL	\$ (42,677,818)

Note 11 INTERFUND TRANSFERS

A summary of interfund transfers by fund for the year ended June 30, 2023, is as follows:

TRANSFERS FROM:

	General Fund	Special Revenue Funds	Utility Systems	Total
TRANSFERS TO:				
GOVERNMENTAL:				
General Fund	\$ --	\$ 1,000,000	\$ --	\$ 1,000,000
Capital Projects Fund	23,262,060	7,000,000	--	30,262,060
CDBG Special Revenue Fund	105,000	--	--	105,000
Transit Special Revenue Fund	1,655,014	--	--	1,655,014
Economic Development Special Revenue Fund	650,000	--	--	650,000
BUSINESS:				
Utility Systems	70,000	--	--	70,000
INTERNAL SERVICE FUNDS:				
Health and Dental	1,000,000	2,000,000	1,000,000	4,000,000
	\$ 26,742,074	\$ 10,000,000	\$ 1,000,000	\$ 37,742,074

The transfer to the General Fund is from the ARPA Special Revenue Fund and is to cover reimbursable expenditures previously incurred by the General Fund. Transfers to the Capital Projects Fund are for funding of specific capital needs. The transfer to the Utility Systems Fund is for assistance with the Oasis Utility

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Assistance Program. Transfers to the Special Revenue Funds are for operations pertaining to those specific purposes. The transfer to the Health and Dental Internal Service Fund is for Other Post Employment Benefit purposes.

Note 12 NET INVESTMENT IN CAPITAL ASSETS

The following table provides detail information regarding the Net Investment in Capital Assets that is presented in the entity-wide financial statements:

	Governmental Activities	Business-Type Activities
Capital Assets, net of accumulated depreciation	\$ 1,090,995,604	\$ 923,796,588
Deduct:		
Debt (net of deferred premium & discount)	(224,373,780)	(244,188,656)
Deferred Refunding Loss	475,865	567,983
Leases (portion related to assets)	(4,295,574)	--
Developer Fee Credits	(1,309,442)	(2,077,527)
Long-term Obligations related to Intangible Assets	(4,423,083)	(209,036)
Add:		
Long-term Debt (not related to assets)	67,779,939	--
Unspent Debt Proceeds	40,233,898	--
Rounding		(1)
NET INVESTMENT IN CAPITAL ASSETS	\$ 965,083,427	\$ 677,889,351

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

Note 13 FUND BALANCE

The following schedule provides information on the portion of General Fund balance that is available for appropriation:

Appropriated in the Fiscal Year 2024 Budget	
(appropriated fund balance including approved rollovers)	\$ 9,747,385
Parks, Recreation & Culture	397,374
Public Safety Operations & Projects	928,157
Affordable Housing	1,145,415
LEO Pension Benefits	4,823,337
Workers' Compensation	3,082,213
Small Claims Self Insurance	3,698,644
<hr/>	
Restricted, Committed or Assigned for Specific	
Purposes (excluding stabilization)	23,822,525
Unassigned	(3,854,843)
AVAILABLE FUND BALANCE	19,967,682
Nonspendable	4,152,442
Stabilization by State Statute	48,651,876
TOTAL FUND BALANCE	\$ 72,772,000

Nonspendable fund balance includes balances in inventory, prepaid assets and endowments at June 30, 2023. For a breakdown of the nonspendable portion and of what is restricted, committed, and assigned within available fund balance, see detail presented in Exhibit C.

Stabilization by State Statute is calculated on all Governmental funds that operate under an annual budget. Outstanding encumbrances of \$20.7 million related to the General Fund and \$2.0 million related to the Transit Special Revenue Fund are included in this calculation and are considered amounts needed to pay any commitments related to purchase orders, contracts and other obligations that remain unperformed at year end.

Note 14 CONTINGENT LIABILITIES

Cary receives amounts from federal, state, and local government agencies in the form of grants. The disbursement of funds under these programs is subject

NOTES TO BASIC FINANCIAL STATEMENTS

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

to audit in accordance with Office of Management and Budget Uniform Guidance. Cary expects the amount, if any, of expenditures that may be disallowed by the granting agencies as a result of these audits to be immaterial.

Cary is a defendant in other various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Town Attorney and management that the resolution of these matters will not have a material adverse effect on the financial condition of Cary.

Note 15 SUBSEQUENT EVENTS

Cary has evaluated subsequent events through October 27, 2023, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued, and no significant items occurred after June 30, 2023 and prior to the report date:

REQUIRED SUPPLEMENTARY INFORMATION

THIS SECTION CONTAINS ADDITIONAL INFORMATION REQUIRED BY ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA.

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

- Schedule of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll
- Notes to the Required Schedules

LOCAL GOVERNMENT EMPLOYEE RETIREMENT SYSTEM

- Schedule of Proportionate Share of Net Pension Liability (Asset)
- Contribution Information

OTHER POST-EMPLOYMENT BENEFITS

- Total OPEB Liability
- Notes to the Schedule

**LAW ENFORCEMENT SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTAL INFORMATION⁽¹⁾
CARY, NORTH CAROLINA
LAST SEVEN FISCAL YEARS^(2,3)**

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL

	2023	2022	2021	2020	2019	2018	2017
Service cost	\$ 464,399	\$ 448,695	\$ 379,405	\$ 366,575	\$ 356,698	\$ 339,228	\$ 382,760
Interest on total pension liability	330,396	194,711	241,587	296,547	345,934	356,935	330,966
Changes in benefit terms	--	--	--	--	--	--	--
Difference between expected and actual experience	292,862	--	(138,576)	--	(1,455,229)	549,809	--
Changes in assumptions or other inputs	(99,290)	(923,858)	576,553	466,644	(43,238)	605,634	(231,901)
Benefit payments	(957,495)	(892,164)	(802,721)	(709,216)	(665,027)	(496,118)	(375,117)
Other changes	--	--	--	--	--	--	--
NET CHANGE IN TOTAL LEOSSA PENSION LIABILITY	30,872	(1,172,616)	256,248	420,550	(1,460,862)	1,355,488	106,708
TOTAL LEOSSA PENSION LIABILITY - BEGINNING	8,963,833	10,136,449	9,880,201	9,459,651	10,920,513	9,565,025	9,458,317
TOTAL LEOSSA PENSION LIABILITY - ENDING	\$ 8,994,705	\$ 8,963,833	\$ 10,136,449	\$ 9,880,201	\$ 9,459,651	\$ 10,920,513	\$ 9,565,025
Covered-employee payroll	\$ 16,582,791	\$ 14,652,700	\$ 12,835,208	\$ 14,733,101	\$ 13,001,456	\$ 13,576,799	\$ 14,471,527
Total pension liability as a percentage of covered-employee payroll	54.2%	61.2%	79.0%	67.1%	72.8%	80.4%	66.1%

Notes to Schedule:

⁽¹⁾The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation 1/1/2023
Actuarial cost method Entry age method

Actuarial assumptions:

Discount rate 3.9%
Projected salary increases 3.5 - 7.4%
Cost of living adjustments None

⁽²⁾Information is only required starting in fiscal year 2017; however, information has been provided where available. All plan information will be included in the future as part of GASB 73 implementation.

⁽³⁾Related to the implementation of GASB 73, the contributions previously made and the assets that are held in the General Fund fund balance cannot be used to offset the liability. These funds are committed in the General Fund but no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 73 to pay related benefits. Historic information prior to fiscal year 2017 will remain as previously reported.

LOCAL GOVERNMENT EMPLOYEE RETIREMENT SYSTEM (LGERs)
REQUIRED SUPPLEMENTAL INFORMATION
CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS⁽¹⁾

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Cary's proportion of the net pension liability (asset) (%)	1.18%	1.21%	1.23%	1.27%	1.27%	1.28%	1.31%	1.33%	1.31%	1.30%
Cary's proportion of the net pension liability (asset) (\$)	\$ 66,725,682	\$ 18,596,846	\$ 43,945,278	\$ 34,611,432	\$ 30,101,461	\$ 19,510,398	\$ 27,787,095	\$ 5,979,417	\$ (7,741,950)	\$ 15,707,359
Cary's covered-employee payroll	\$ 93,778,952	\$ 87,575,455	\$ 87,774,783	\$ 84,016,546	\$ 80,044,211	\$ 80,016,854	\$ 75,026,000	\$ 72,700,000	\$ 63,804,015	\$ 62,177,970
Cary's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	71.15%	21.24%	50.07%	41.20%	37.61%	24.38%	37.04%	8.22%	(12.13%)	25.26%
Plan fiduciary net position as a total percentage of the total pension liability ⁽²⁾	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

Notes to Schedule:

⁽¹⁾ The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

⁽²⁾ This will be the same percentage for all participant employers in the LGERs plan.

LOCAL GOVERNMENT EMPLOYEE RETIREMENT SYSTEM (LGERs)
REQUIRED SUPPLEMENTAL INFORMATION
TOWN OF CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

CARY'S CONTRIBUTION INFORMATION

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 12,477,606	\$ 10,776,665	\$ 9,023,191	\$ 8,002,862	\$ 6,652,622	\$ 6,139,890	\$ 5,943,794	\$ 5,006,042	\$ 5,073,735	\$ 4,784,512
Contributions in relation to the contractually required contribution	12,477,606	10,776,665	9,023,191	8,002,862	6,652,622	6,139,890	5,943,794	5,006,042	5,073,735	4,784,512
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Cary's covered-employee payroll	\$ 101,551,565	\$ 93,778,952	\$ 87,575,455	\$ 87,774,783	\$ 84,016,546	\$ 80,044,211	\$ 80,016,854	\$ 75,026,000	\$ 72,700,000	\$ 63,804,015
Contributions as a percentage of covered-employee payroll	12.29%	11.49%	10.30%	9.12%	7.92%	7.67%	7.43%	6.67%	6.98%	7.50%

OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTAL INFORMATION
 CARY, NORTH CAROLINA
 LAST SIX FISCAL YEARS ⁽¹⁾

CHANGES IN THE TOTAL OPEB LIABILITY

	2023	2022	2021	2020	2019	2018
TOTAL OPEB LIABILITY						
Service cost	\$ 9,618,055	\$ 9,429,439	\$ 6,480,072	\$ 6,353,012	\$ 5,153,613	\$ 6,812,380
Interest cost	6,347,132	3,781,335	4,408,612	4,820,347	5,326,431	4,281,585
Changes of benefit terms	--	--	--	--	--	--
Difference between expected and actual experience	(22,354,726)	--	(10,054,531)	--	(26,346,887)	7,224,444
Changes in assumptions or other inputs	(3,920,808)	(35,968,462)	15,462,998	17,278,917	21,594,783	(15,987,775)
Benefit payments	(2,689,842)	(2,058,919)	(2,427,218)	(2,846,913)	(3,074,077)	(1,963,515)
NET CHANGE IN TOTAL OPEB LIABILITY	(13,000,189)	(24,816,607)	13,869,933	25,605,363	2,653,863	367,119
TOTAL OPEB LIABILITY — BEGINNING	163,722,875	188,539,482	174,669,549	149,064,186	146,410,323	146,043,204
TOTAL OPEB LIABILITY — ENDING	\$ 150,722,686	\$ 163,722,875	\$ 188,539,482	\$ 174,669,549	\$ 149,064,186	\$ 146,410,323
Covered employee payroll	\$ 101,551,565	\$ 93,778,952	\$ 79,615,266	\$ 87,774,783	\$ 76,146,916	\$ 71,230,547
Total OPEB liability as a percentage of covered-employee payroll	148.4%	174.6%	236.8%	199.0%	195.8%	205.5%

Notes to Schedule:

⁽¹⁾Information is required beginning in fiscal year 2018. All plan information is in accordance with GASB 75.

⁽²⁾ *Changes of assumptions:* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year	Rate
2023	3.9%
2022	3.7%
2021	3.5%
2020	2.5%
2019	3.1%
2018	3.6%



CAPITAL PROJECT FUND

THE CAPITAL PROJECT FUND CONSISTS OF SIX SUB-FUNDS: STREET PROJECT FUND, DOWNTOWN PROJECT FUND, PARKS, RECREATION AND CULTURAL RESOURCES PROJECT FUND, FIRE PROJECT FUND, GENERAL GOVERNMENTAL PROJECT FUND, AND A GENERAL CAPITAL RESERVE FUND.

COMBINING BALANCE SHEET

Sub-fund breakdown of balance sheet information from the Basic Financial Statements.

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Sub-fund breakdown of information from the Basic Financial Statements.

PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Detail of multi-year projects and the associated revenue and expenditure budget to actual comparisons. Each sub-fund is presented separately.

GENERAL CAPITAL RESERVE — SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget to actual comparison for the annually budgeted General Capital Reserve Fund.

CAPITAL PROJECT FUND - SUB-FUND COMBINING BALANCE SHEET

CARY, NORTH CAROLINA

JUNE 30, 2023

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022

SCHEDULE 1	PARKS, RECREATION AND CULTURAL RESOURCES PROJECT FUND						GENERAL CAPITAL RESERVE FUND		JUNE 30,	
	STREET PROJECT FUND	DOWNTOWN PROJECT FUND	PARKS, RECREATION AND CULTURAL RESOURCES PROJECT FUND	FIRE PROJECT FUND	GENERAL GOVERNMENTAL PROJECT FUND	GENERAL CAPITAL RESERVE FUND	2023	2022		
ASSETS										
UNRESTRICTED ASSETS										
Equity in Pooled Cash and Investments	\$ 37,866,903	\$ 14,306,998	\$ 26,523,628	\$ 2,853,867	\$ 39,113,225	\$ 25,001,679	\$ 145,666,300	\$ 153,673,701		
Accrued Interest on Investments	--	--	--	--	--	600,132	600,132	499,824		
Accounts Receivable, Net of Allowance for Doubtful Accounts	1,321,139	--	--	--	--	3,274,416	4,595,555	29,946,711		
TOTAL UNRESTRICTED ASSETS	39,188,042	14,306,998	26,523,628	2,853,867	39,113,225	28,876,227	150,861,987	184,120,236		
RESTRICTED ASSETS										
Equity in Pooled Cash and Investments										
Unspent Debt Proceeds	23,516,085	--	16,717,813	--	--	4,481,069	44,714,967	85,691,201		
Unspent Restricted Grants & Intergovernmental	11,652,272	--	--	--	5,000,000	9,676,030	26,328,302	21,819,647		
Customer Deposits & Other Funds Held	--	--	250,000	--	--	2,340,044	2,590,044	2,720,689		
TOTAL RESTRICTED ASSETS	35,168,357	--	16,967,813	--	5,000,000	16,497,143	73,633,313	110,231,537		
TOTAL ASSETS	74,356,399	14,306,998	43,491,441	2,853,867	44,113,225	45,373,370	224,495,300	294,351,773		
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accounts Payable	2,820,710	594,074	4,579,189	61,971	1,422,448	414,921	9,893,313	9,970,752		
Retainage Payable	941,909	118,976	2,884,774	3,130	26,318	--	3,975,107	2,338,664		
Unearned Revenue	--	--	--	--	--	--	--	20,976,333		
Advance from Customers	--	--	--	--	--	--	--	18,535		
TOTAL LIABILITIES	3,762,619	713,050	7,463,963	65,101	1,448,766	414,921	13,868,420	33,304,284		
DEFERRED INFLOWS OF RESOURCES										
Vehicle Tags Receivable & Prepaid	--	--	--	--	--	29,247	29,247	49,497		
TOTAL DEFERRED INFLOWS	--	--	--	--	--	29,247	29,247	49,497		
FUND BALANCES										
Restricted:										
Stabilization by State Statute	--	--	--	--	--	3,845,301	3,845,301	8,783,731		
Street Projects	23,516,085	--	--	--	--	4,117,339	27,633,424	41,104,077		
Parks, Recreation and Cultural Projects	--	--	16,967,813	--	--	11,964,884	28,932,697	61,875,159		
Fire	--	--	--	--	--	--	--	121,178		
ARPA	11,652,272	--	--	--	5,000,000	--	16,652,272	6,476,072		
Committed:										
Street Projects	35,425,423	--	--	--	--	13,595,702	49,021,125	57,276,399		
Downtown Projects	--	13,593,948	--	--	--	--	13,593,948	13,566,125		
Parks, Recreation and Cultural Projects	--	--	19,059,665	--	--	15,266,638	34,326,303	48,104,930		
Fire Projects	--	--	--	2,788,766	--	--	2,788,766	31,587		
General Governmental Projects	--	--	--	--	37,664,459	--	37,664,459	32,435,683		
Governmental Capital Projects	--	--	--	--	--	(3,860,662)	(3,860,662)	(8,776,948)		
TOTAL FUND BALANCES	70,593,780	13,593,948	36,027,478	2,788,766	42,664,459	44,929,202	210,597,633	260,997,993		
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 74,356,399	\$ 14,306,998	\$ 43,491,441	\$ 2,853,867	\$ 44,113,225	\$ 45,373,370	\$ 224,495,300	\$ 294,351,773		

CAPITAL PROJECT FUND - SUB-FUND COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE 2	PARKS, RECREATION AND CULTURAL RESOURCES						JUNE 30,	
	STREET PROJECT FUND	DOWNTOWN PROJECT FUND	AND CULTURAL RESOURCES PROJECT FUND	FIRE PROJECT FUND	GENERAL GOVERNMENTAL PROJECT FUND	GENERAL CAPITAL RESERVE FUND	2023	2022
REVENUES								
Other Taxes and Licenses	\$ 1,513,998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,513,998	\$ 538,331
Unrestricted Intergovernmental	--	--	--	--	--	508,182	508,182	591,969
Restricted Intergovernmental	1,122,809	--	118,302	--	--	7,704,749	8,945,860	18,583,025
Permits and Fees	--	--	--	--	--	10,495,299	10,495,299	9,073,117
Investment Earnings, net of market adjustment	748,212	--	1,564,128	5	--	1,723,671	4,036,016	(5,398,246)
Miscellaneous	(296,458)	--	--	--	4,739	128,027	(163,692)	674,068
TOTAL REVENUES	3,088,561	---	1,682,430	5	4,739	20,559,928	25,335,663	24,062,264
EXPENDITURES								
General Government, net	--	7,174,077	--	--	11,832,894	--	19,006,971	6,896,820
Public Safety, net	--	--	--	256,511	--	--	256,511	1,755,514
Parks, Recreation and Culture	--	--	60,682,678	--	--	--	60,682,678	34,832,870
Infrastructure	26,253,824	--	--	--	--	--	26,253,824	23,231,063
TOTAL EXPENDITURES	26,253,824	7,174,077	60,682,678	256,511	11,832,894	---	106,199,984	66,716,267
REVENUES OVER (UNDER) EXPENDITURES	(23,165,263)	(7,174,077)	(59,000,248)	(256,506)	(11,828,155)	20,559,928	(80,864,321)	(42,654,003)
OTHER FINANCING SOURCES (USES)								
Transfers In	7,240,000	--	2,447,000	2,300,000	18,275,060	--	30,262,060	33,058,020
Transfers Between Sub-Funds, Net	1,567,577	6,999,999	3,176,872	592,508	(1,218,133)	(11,118,823)	--	--
Reimbursement from Utility Fund	--	--	--	--	--	--	--	--
Sale of Assets & Material	--	201,901	--	--	--	--	201,901	--
Premium Received on General Obligation Bonds	--	--	--	--	--	--	--	17,153,000
General Obligation Bonds Issued	--	--	--	--	--	--	--	125,000,000
TOTAL OTHER FINANCING SOURCES (USES)	8,807,577	7,201,900	5,623,872	2,892,508	17,056,927	(11,118,823)	30,463,961	175,211,020
NET CHANGE IN FUND BALANCE	(14,357,686)	27,823	(53,376,376)	2,636,002	5,228,772	9,441,105	(50,400,360)	132,557,017
FUND BALANCE - BEGINNING OF YEAR	84,951,466	13,566,125	89,403,854	152,764	37,435,683	35,488,097	260,997,993	128,440,976
FUND BALANCE - END OF YEAR	\$ 70,593,780	\$ 13,593,948	\$ 36,027,478	\$ 2,788,766	\$ 42,664,455	\$ 44,929,202	\$ 210,597,633	\$ 260,997,993

STREETS PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 3

REVENUES

	PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
State and Federal Grants	\$ 34,401,962	\$ 14,084,976	\$ 1,122,809	\$ 15,207,785
Investment Earnings	250,000	750,149	748,212	1,498,361
Other Taxes	66,421,110	1,783,824	1,513,998	3,297,822
Developer Reimbursement (Paid by Developers)	200,000	200,000		200,000
State Reimbursement	3,647,100	3,647,100	--	3,647,100
Fenton	--	1,176,577	--	1,176,577
Miscellaneous	4,002,808	4,332,107	(296,458)	4,035,649
TOTAL REVENUES	108,922,980	25,974,733	3,088,561	29,063,294
Less: Completed Projects	(13,378,557)	(9,970,895)	--	(9,970,895)
Total Revenues, Net of Completed Projects	95,544,423	16,003,838	3,088,561	19,092,399

EXPENDITURES

<u>Asset-Related Projects</u>	<u>Project #</u>				
ARPA-Boundary St Sidewalk	ST4001	360,000	--	64,786	64,786
ARPA-CaryPkwy SE Sidewalk	ST4004	550,000	--	99,627	99,627
ARPA-Chatham W Street Sidewalk	ST4005	1,800,000	--	60,084	60,084
ARPA-Lily Atkins Sidewalk	ST4002	410,000	--	27,745	27,745
ARPA-Optimist Farm E Sidewalk	ST4006	776,000	--	34,542	34,542
ARPA-Optimist Farm W Sidewalk	ST4007	1,360,000	--	48,477	48,477
ARPA-Penny Rd Sidewalk	ST4003	870,000	--	17,660	17,660
ARPA-PittardSears Sidewalk	ST4009	1,350,000	--	133,742	133,742
ARPA-Weldon Ridge Sidewalk	ST4010	800,000	--	54,956	54,956
ARPA-West Lake Rd Sidewalk	ST4008	364,000	--	10,526	10,526
Cary Parkway Pedestrian Bridge at Black Creek	ST3203	7,010,000	671,655	347,881	1,019,536
Connected Vehicle - Traffic Signal System Upgrade	ST1279	2,000,000	1,140,098	585,177	1,725,275
Downtown Parking Deck (additional)	ST1294	15,000,000	6,795	--	6,795
Fenton Street Improvements Reimbursement	ST1300	5,856,693	--	--	--
Ferson Road Green Hope School Rd. at Morrisville Parkway Intersection Re	ST1306	300,000	--	--	--
GoCary Bus Operations and Maintenance Facility	ST1267	39,200,000	415,857	1,232,838	1,648,695
GoCary Capital Amenities	ST1266	450,000	194,962	39,488	234,450
GoCary Downtown Multi-Modal Transit Center	ST1276	25,240,000	--	105,913	105,913
GoCary Transfer Center Improvement	ST1286	55,000	--	--	--

STREETS PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 3

		PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
<i>Asset-Related Projects (cont'd)</i>	<i>Project #</i>				
Green Level Church Sidewalk	ST1303	1,540,000	--	82,858	82,858
Jenks Carpenter Sidewalk	ST1304	1,180,000	--	70,969	70,969
Lake Pine Drive	ST3207	956,516	--	--	--
Louis Stephens Drive Sidewalk	ST1297	3,200,000	33,354	246,180	279,534
NW Cary Parkway (Saddle Creek Lane to Cary / Morrisville Town Limits)	ST3204	94,000	--	--	--
Pedestrian Hybrid Beacon Installation	ST1301	125,000	--	--	--
Quinard Drive Extension (Fenton)	ST1292	1,800,000	1,200,011	243,713	1,443,724
Ryan Road	ST3208	147,328	--	--	--
Sidewalk & Pedestrian Improvements - FY 2017	ST1260	1,184,822	1,179,823	9,092	1,188,915
Sidewalk & Pedestrian Improvements - FY 2018	ST1268	1,070,000	154,160	39,800	193,960
Sidewalk & Pedestrian Improvements - FY 2019	ST1278	1,466,000	151,057	12,666	163,723
Sidewalk & Pedestrian Improvements - FY 2020	ST3201	1,472,000	8,070	488,897	496,967
Sidewalk & Pedestrian Improvements - FY 2021	ST3202	740,000	16,882	8,031	24,913
Sidewalk & Pedestrian Improvements Parent	ST3200	7,900	--	--	--
Sidewalks - Bond Funded	ST1240	3,987,368	1,161,870	39,875	1,201,745
Spot Safety Improvements - Multiple Locations - FY 2023	ST3304	200,000	--	--	--
STM-Dowell	ST6048	80,000	69,584	--	69,584
STM-Oak Pond Drainage Improvements	ST6050	64,500	5,495	28,983	34,478
STM-Storm Drainage MAIN	ST6000	1,050,001	--	--	--
STM-Suffolk Downs	ST6049	80,000	2,360	11,725	14,085
STM-Triland Way	ST6047	140,000	12,779	20,179	32,958
STM-Two Creeks *	ST6040	960,069	960,069	--	960,069
STM-Upchurch Meadows *	ST6044	9,866	9,866	--	9,866
STM-Vinecrest Court *	ST6035	261,597	261,598	--	261,598
STM-Windstream Way	ST6052	30,000	--	--	--
STM-Woodland Drive	ST6053	35,000	--	--	--
Traffic Signalization Projects - FY 2007 *	ST1157	287,395	287,395	--	287,395
Transportation Development Funding	ST3650	2,000,000	115,000	894,652	1,009,652
W. Chatham Street (from Old Apex Rd to Fallsworth Drive North)	ST3205	2,060,794	--	--	--
Wrenn Drive (from Kildaire Farm Rd to Bargate Drive)	ST3206	617,500	--	--	--
Total Expenditures		130,599,349	8,058,740	5,061,062	13,119,802
Less: Completed Projects (noted by *)		(1,518,927)	(1,518,928)	--	(1,518,928)
Construction-in-Progress		129,080,422	6,539,812	5,061,062	11,600,874

STREETS PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 3

		PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
<u>Expense Projects</u>	<u>Project #</u>				
Aviation Parkway Sidewalk Reimbursement at I-40 Interchange *	ST1262	56,000	--	56,000	56,000
Bridge / Culvert Repairs - FY 2021	ST1293	1,535,000	163,796	57,135	220,931
Carpenter Fire Station Road Bridge and Intersection Improvements	ST1204	39,529,969	30,486,574	3,731,406	34,217,980
Carpenter Fire Station Road Widening - NC 55 to East of Cameron Pond	ST1273	23,083,500	1,458,863	1,003,607	2,462,470
Cary Bike and Micromobility Plan	ST1305	350,000	--	83,560	83,560
Cary Parkway/High House Road Intersection *	ST1231	4,970,089	4,479,964	--	4,479,964
Cary Pkwy at Norwell Blvd Signalization	ST3504	860,000	--	34,965	34,965
Chapel Hill Road Feasibility Study	ST1283	300,000	189,956	7,271	197,227
FENTON - Streets	ST2500	-	1,176,577	--	1,176,577
GoCary ADA Bus Stop Improvements	ST1264	5,264,644	1,586,405	112,875	1,699,280
GoCary New Fare Technology	ST1285	200,000	84,157	--	84,157
GoCary Passenger Information Materials *	ST1277	100,000	99,951	--	99,951
Green Level West Road Widening (NEPA / Design) *	ST1206	5,951,020	5,781,006	--	5,781,006
High House Road at Bond Park Traffic Signal construction	ST3503	550,000	45,940	2,715	48,655
Intersection Improvements - FY 2016 *	ST1251	1,000,000	982,178	--	982,178
Intersection Improvements - FY 2017 *	ST1259	3,250,000	2,762,251	33,315	2,795,566
Intersection Improvements - FY 2020	ST3101	7,310,475	411,186	2,702,972	3,114,158
ITS Expansion - Cary ATMS	ST1296	200,000	--	--	--
Lake Pine Road Widening and Sidewalk Improvements	ST1245	750,414	174,675	394,815	569,490
Legacy Private Streets	ST1298	150,000	19,116	14,427	33,543
Louis Stephens Rd Extension Enhancements *	ST1287	140,000	--	66,652	66,652
McCrimmon Parkway at Highcroft Rd Traffic Signal	ST3301	250,000	87,318	--	87,318
Morrisville Parkway Interchange - NCTA	ST1248	5,100,000	4,646,814	--	4,646,814
Morrisville Pkwy Extension - Phase III Carpenter Upchurch Rd to Green Lev	ST1123	16,835,383	13,521,912	--	13,521,912
NC 540 Interchange with Morrisville Parkway	ST1220	3,121,717	3,105,184	--	3,105,184
NC 55 Pedestrian Grade Separation Study	ST1307	150,000	--	--	--
NCDOT Complete NC540 in South Cary	ST1291	7,000,000	--	60,158	60,158
NCDOT I-40 at Airport Blvd Interchange Improvements	ST1299	175,000	--	--	--
Pavement Markings - Multiple locations - FY 2022 *	ST3302	5,300	5,300	--	5,300
Pedestrian Hybrid Beacon Installation	ST1308	50,000	--	--	--
Reduce Congestion Through Intersection Improvements (Based on LOS) - IST1237	ST1237	4,553,040	4,553,039	--	4,553,039
Reedy Creek Road Improvements	ST1207	15,857,036	10,225,988	932,556	11,158,544
Schools-Streets Reimbursement	ST1288	4,525,000	341,402	2,608,465	2,949,867
Signal - Green Level Church at Green Hope School Rd *	ST3502	49,845	49,845	--	49,845

STREETS PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 3

		PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
<i>Expense Projects (cont'd)</i>	<i>Project #</i>				
Signal at Kildaire Farm Road and Wake Tech	ST3501	150,000	--	12,520	12,520
Spot Improvements - Multiple Locations - FY 2022	ST3303	150,000	--	98,961	98,961
Spot Improvements - Walnut St FY 2019	ST1281	150,000	(43,181)	13,258	(29,923)
Spot Improvements FY 2015	ST1246	250,000	129,660	5,236	134,896
Spot Improvements FY 2018	ST1269	265,053	115,055	--	115,055
Spot Safety Improvements	ST3300	354,647	16,250	2,885	19,135
STM-904 Madison Culvert Rehabilitation	ST6051	80,000	--	71,919	71,919
Street Improvements - FY 2018 *	ST1270	6,500,000	6,446,210	53,789	6,499,999
Street Improvements - FY 2019 *	ST1280	7,100,000	7,090,830	1,924	7,092,754
Street Improvements - FY 2020 *	ST3401	7,354,045	7,080,800	273,245	7,354,045
Street Improvements - FY 2021	ST3402	6,983,484	6,574,176	318,348	6,892,524
Street Improvements - FY 2022	ST3403	7,627,151	401,952	6,364,887	6,766,839
Street Improvements - FY 2023	ST3404	7,719,040	--	1,734,342	1,734,342
Street Improvements Parent Project	ST3400	4,233	--	--	--
Thoroughfare Street Light FY 2019	ST1282	304,909	70,064	29,374	99,438
Thoroughfare Street Light FY 2023	ST1309	50,000	--	--	--
Traffic Calming *	ST1107	773,063	717,486	55,135	772,621
Traffic Calming On Call Traffic Data Collection	ST3601	107,772	34,650	45,000	79,650
Traffic Calming Projects - FY 2022	ST3602	78,000	71,739	2,373	74,112
Traffic Calming Projects - FY 2023	ST3603	337,000	--	147,733	147,733
Traffic Signalization	ST3500	942,696	--	--	--
Traffic Signalization Projects - FY 2013 Olde Weatherstone Signals *	ST1226	250,000	178,954	--	178,954
Traffic Signalization Projects - FY 2015 *	ST1247	210,000	204,909	--	204,909
Transportation Feasibility Studies	ST1274	600,000	411,865	--	411,865
Weston Bike/Pedestrian & Land Use Study	ST1302	150,000	--	58,940	58,940
Total Expenditures		201,714,525	115,940,816	21,192,763	137,133,579
Less: Completed Projects (noted by *)		(59,097,785)	(53,954,635)	(540,060)	(54,494,695)
Other Projects-in-Progress		142,616,740	61,986,181	20,652,703	82,638,884

STREETS PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 3

	PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
TOTAL EXPENDITURES	332,313,874	123,999,556	26,253,825	150,253,381
Total Completed Projects	(60,616,712)	(55,473,563)	(540,060)	(56,013,623)
TOTAL PROJECTS IN PROGRESS	271,697,162	68,525,993	25,713,765	94,239,758
Revenues Under Expenditures, Net of Completed Projects	(176,152,739)	(52,522,155)	(22,625,204)	(75,147,359)
OTHER FINANCING SOURCES				
General Obligation Bonds Issued	110,921,309	80,509,706	--	80,509,706
General Obligation Bond Premium Received	--	--	--	--
NCDOT Recycled Funds	570,852	570,852	--	570,852
Transfers In, Net				
General Fund	20,799,007	26,559,007	(5,760,000)	20,799,007
ARPA Special Revenue Fund	8,476,072	1,476,072	7,000,000	8,476,072
Capital Reserve Sub-Fund - Bond Proceeds	1,341,005	1,341,005	--	1,341,005
Capital Reserve Sub-Fund, Net	81,282,649	72,519,647	8,763,000	81,282,647
TOTAL OTHER FINANCING SOURCES	223,390,894	182,976,289	10,003,000	192,979,289
Less: Completed Projects	(47,238,155)	(47,895,947)	657,797	(47,238,150)
Total Other Financing Sources, Net of Completed Projects	176,152,739	135,080,342	10,660,797	145,741,139
Increase	--	82,558,187	(11,964,407)	70,593,780
Adjustment for Completed Projects	--	2,393,279	(2,393,279)	--
FUND BALANCE	\$ -	\$ 84,951,466	\$ (14,357,686)	\$ 70,593,780

DOWNTOWN PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 4

	PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE	
REVENUES					
Miscellaneous Revenues	\$ 8,558,205	\$ -	\$ -	-	
EXPENDITURES					
<u>Asset-Related Projects</u>	<u>Project #</u>				
413 Kildaire Farm Sidewalk	DT1147	475,577	158,554	175,346	333,900
Academy Street Streetscape	DT1203	1,000,000	--	988,757	988,757
Meridian Cary/Northwoods Jordan Development	DT1131	21,962,699	--	1,003,610	1,003,610
Hunter Street Extension	DT1140	1,284,083	--	900,026	900,026
Jones House Updates *	DT1136	613,398	613,397	--	613,397
Library Lower Level	DT1132	630,000	483,726	109,682	593,408
One Walker - One Walnut	DT1144	462,803	424,063	7,353	431,416
Regional Stormwater	DT1123	1,214,590	74,074	888,046	962,121
Rogers Alley Improvements	DT1143	1,100,000	130,634	97,922	228,556
Total Expenditures		28,743,150	1,884,448	4,170,742	6,055,191
Less: Completed Projects (noted by *)		(613,398)	(613,397)	--	(613,397)
Construction-in-Progress		28,129,752	1,271,051	4,170,742	5,441,793
<u>Expense Projects</u>					
Academy Park Dev	DT1141	810,000	605,129	--	605,129
Business Improvement District Development Fees	DT1108	2,811,971	1,261,828	2,871,077	4,132,905
Development Around Park *	DT1134	2,343	2,342	--	2,342
Downtown Available Funds	DT1000	308,508	--	--	--
Strategic Parking and Mobility Plan	DT1142	250,000	79,065	101,087	180,152
The Center Streetscape *	DT1146	419,453	388,282	31,171	419,453
Total Expenditures		4,602,275	2,336,646	3,003,335	5,339,981
Less: Completed Projects (noted by *)		(421,796)	(390,624)	(31,171)	(421,795)
Other Projects-in-Progress		4,180,479	1,946,022	2,972,164	4,918,186

DOWNTOWN PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 4

	PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
TOTAL EXPENDITURES	33,345,425	4,221,094	7,174,077	11,395,172
Total Completed Projects	(1,035,194)	(1,004,021)	(31,171)	(1,035,192)
TOTAL PROJECTS IN PROGRESS	32,310,231	3,217,073	7,142,906	10,359,980
Revenues Under Expenditures, Net of Completed Projects	(23,752,026)	(3,217,073)	(7,142,906)	(10,359,979)
OTHER FINANCING SOURCES				
Sale of Assets	-	-	201,901	201,901
Transfers In, Net				
General Fund	16,005,113	16,005,113	--	16,005,113
Street Capital Project Fund	6,000,000	--	6,000,000	6,000,000
Capital Reserve Sub-Fund	2,782,107	1,782,106	1,000,000	2,782,106
TOTAL OTHER FINANCING SOURCES	24,787,220	17,787,219	7,201,901	24,989,120
Less: Completed Projects	(1,035,194)	(1,075,000)	39,807	(1,035,193)
Total Other Financing Sources, Net of Completed Projects	23,752,026	16,712,219	7,241,708	23,953,927
Increase	--	13,495,146	98,802	13,593,948
Adjustment for Completed Projects	--	70,979	(70,979)	--
FUND BALANCE	\$ -	\$ 13,566,125	\$ 27,823	\$ 13,593,948

PARKS, RECREATION AND CULTURAL RESOURCES PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 5

	PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
Wake County Grant	\$ 8,773,654	\$ 8,096,504	\$ -	\$ 8,096,504
State and Federal Grants	20,138,840	7,917,432	118,302	8,035,734
Investment Earnings	--	92,621	1,564,127	1,656,748
Reimbursement from Apex	284,608	284,608	--	284,608
Reimbursement from Wake County	50,000	50,000	--	50,000
Reimbursement - Fenton	--	825,210	--	825,210
Miscellaneous Reimbursement	650,000	405,856	--	405,856
Contributions	280,000	278,000	--	278,000
TOTAL REVENUES	30,177,102	17,950,231	1,682,429	19,632,660
Less: Completed Projects	(9,126,614)	(7,885,743)	42,231	(7,843,512)
Total Revenues, Net of Completed Projects	21,050,488	10,064,488	1,724,660	11,789,148

REVENUES

EXPENDITURES

Asset-Related Projects

Project #

4437 Highcroft Drive *	PR3002	3,377,055	--	3,377,055	3,377,055
Action Sports Park Improvements	PR1297	200,000	56,190	--	56,190
Annie Jones & RS Dunham Park Tennis Court Renovations *	PR1263	3,995,994	3,638,448	275,099	3,913,547
Athletic Field Lighting Replacement FY 2022	PR1300	665,000	554,124	110,877	665,001
Black Creek Greenway Renovation - Phases I & II - Phase V New Construction	PR1129	10,089,700	852,823	141,906	994,729
Black Creek/White Oak Crossings	PR3254	450,000	--	--	--
Cary Tennis Park Expansion - Interlocal *	PR1193	5,097,363	5,023,274	--	5,023,274
Cary Tennis Park Improvements	PR3050	217,076	--	--	--
Cary Tennis Park Light Upgrades *	PR3051	357,924	162,094	195,830	357,924
Cary Tennis Park Light/Bleacher Improvements - Ph 1	PR1269	1,419,758	1,326,721	65,625	1,392,346
Crabtree Creek Greenway - Weston Parkway Crossing	PR1284	3,265,000	234,716	110,939	345,655
Crabtree Greenway - Bond to High House	PR1286	1,650,000	31,956	157,822	189,778
DT-Downtown Park Ph2	PR1285	66,825,000	31,834,760	27,196,800	59,031,560
Earnest Jones Property Acquisition and Site Cleanup	PR3001	13,954,175	13,784,920	122,890	13,907,810
FENTON - Greenways	PR1304	903,400	--	--	--
Greenway Resurfacing FY 2024-FY 2025	PR3255	100,000	--	82,723	82,723
Higgins Greenway Phase 3	PR1267	4,300,000	1,351,320	193,584	1,544,904
Historic Preservation - 2019 Bond	PR3850	600,000	--	--	--
Koka Booth Amphitheatre Permanent Office Space	PR3321	45,000	--	--	--
Koka Booth Capital Maintenance Projects FY 2023	PR3305	125,000	--	116,692	116,692
Koka Booth Sound System Replacement *	PR3302	460,438	430,747	29,692	460,439
Mills Park - Phase II	PR1184	1,070,000	307,038	275,744	582,782
Mills School-Park	PR1111	1,810,000	1,620,967	--	1,620,967
Neighborhood Park on Carpenter Fire Station Road	PR1255	13,050,000	1,006,846	8,205,043	9,211,889
Neighborhood Park on McCrimmon Parkway	PR1242	10,100,000	1,082,845	5,953,431	7,036,276
Open Space Land Acquisition	PR3000	2,668,770	--	--	--

PARKS, RECREATION AND CULTURAL RESOURCES PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 5

Asset-Related Projects (cont'd)

	<u>Project #</u>	PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
Panther Branch Greenway (Cameron Pond/540 Segment to Mills Park)	PR1187	4,856,939	4,399,861	--	4,399,861
PRCR Audio Visual Equipment Replacement	PR1296	450,000	306,411	133,518	439,929
Public Art - McCrimmon Parkway Neighborhood Park	PR1259	10,000	7,600	--	7,600
Public Art - Park and Greenway Amenities	PR1261	75,000	44,500	13,500	58,000
Public Art - W Cary Community Facility	PR1279	50,000	--	25,000	25,000
Public Art-Higgins Greenway DT	PR1278	50,000	10,000	--	10,000
Roberts Road Community Park	PR1143	250,000	--	--	--
Thomas Brooks Drainage and Volleyball Court Design	PR1236	1,500,000	1,494,592	3,459	1,498,051
USA Baseball National Training Complex Improvements - Interlocal	PR1164	14,454,998	2,357,536	8,476,247	10,833,783
USA Baseball Turf Fields #4 & #3	PR3670	1,971,527	--	9,510	9,510
WakeMed Soccer M&R - Structures FY 2023	PR3755	550,000	--	166,788	166,788
WakeMed Soccer Park Facility Improvements - Phase II - Interlocal	PR1202	3,520,000	3,437,470	--	3,437,470
White Oak Creek Greenway - MacArthur Park Section *	PR1251	8,857,500	7,877,575	--	7,877,575
White Oak Creek Greenway- American Tobacco Trail Segment *	PR1186	5,267,949	4,396,461	38,735	4,435,196
Total Expenditures		188,660,566	87,631,795	55,478,509	143,110,304
Less: Completed Projects (noted by *)		(27,414,223)	(21,528,599)	(3,916,411)	(25,445,010)
Construction-in-Progress		161,246,343	66,103,196	51,562,098	117,665,294

Expense Projects

	<u>Project #</u>	PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
*FENTON - Parks	PR2500	--	825,210	--	825,210
Annie Jones Restroom *	PR3502	414,685	391,710	22,975	414,685
Athletic Field Fencing Amenities	PR1293	70,000	20,000	--	20,000
Athletic Field Fencing Amenities Replacement	PR3350	25,000	--	2,131	2,131
Athletic Field Fencing Repair & Replacement	PR1294	105,000	98,227	4,598	102,825
Brooks Park Renovations	PR3405	225,000	64,989	125,000	189,989
Carpenter Park Community Garden *	PR3407	55,000	--	55,000	55,000
Carpenter Park Improvements	PR3403	84,667	79,667	--	79,667
Cary Arts Center Light Glass Wall Maintenance *	PR1295	38,114	--	36,119	36,119
Cary Tennis Park - Maintenance & Repair Courts & Site FY 2023 *	PR3104	178,418	--	178,418	178,418
Cary Tennis Park Clubhouse Concept	PR3053	700,000	32,134	155,251	187,385
Cary Tennis Park Court & Site FY 2021 *	PR3102	582,324	582,325	--	582,325
Cary Tennis Park Court Renovations *	PR1182	913,381	896,125	--	896,125
Cary Tennis Park Maintenance & Repair - Court & Site FY 2022	PR3103	320,000	50,560	226,926	277,486
Cary Tennis Park Maintenance & Repair - Structures FY 2022 *	PR3153	87,901	79,147	8,754	87,901
Cary Tennis Park Maintenance & Repair Structures FY 2021 *	PR3152	20,987	20,987	--	20,987
Cary Tennis Park Repair & Maintenance - Courts & Site	PR3100	198,514	--	--	--
Cary Tennis Park Repair & Maintenance - Structures	PR3150	135,067	--	--	--
Cary Tennis Park Repair & Maintenance - Structures FY 2020 *	PR3151	125,908	125,908	--	125,908
Challenge Course Replacement *	PR3404	215,363	215,362	--	215,362
Court Fencing Repair & Replacement (Tennis & Pickle Ball)	PR1280	205,000	119,000	--	119,000

PARKS, RECREATION AND CULTURAL RESOURCES PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 5

		ACTUAL			
		PROJECT	PRIOR	CURRENT	TOTAL
		AUTHORIZATION	YEARS	YEAR	TO DATE
<u>Expense-Related Projects (cont'd)</u>	<u>Project #</u>				
Cross Country/Bachelor at Brooks	PR1301	100,000	47,965	44,535	92,500
CTP Playsight	PR3406	100,000	4,655	49,931	54,586
Downtown Park Fountain Maintenance *	PR1302	100,000	--	100,000	100,000
DT - DOWNTOWN PARK - Future Phases Master Plan *	PR1237	861,900	712,099	149,801	861,900
Ed Yerha (White Oak) Park Renovations	PR3408	80,000	--	18,600	18,600
Greenway Pedestrian Structure Repairs	PR3200	4,300	--	--	--
Greenway Pedestrian Structures FY 2022	PR3203	529,892	17,435	439,862	457,297
Greenway Pedestrian Structures FY 2023 *	PR3204	95,700	--	95,700	95,700
Greenway Resurfacing FY 2019 *	PR1274	320,000	315,307	--	315,307
Greenway Resurfacing FY 2021 *	PR3253	137,816	137,570	246	137,816
Greenway Resurfacing Projects	PR3250	419,242	87,110	5,388	92,498
Gym Curtain Replacement *	PR3412	27,957	--	27,957	27,957
Heater Park Enhancements	PR3410	65,000	--	11,668	11,668
Indoor Athletic Court Resurfacing	PR3800	80,000	24,311	31,800	56,111
Jack Smith Park Enhancements	PR3411	40,000	--	22,443	22,443
Koka Booth Amphitheatre Repair and Maintenance - Site & Structure	PR3300	451,948	7,813	23,825	31,638
Koka Booth Capital Maintenance Projects FY 2021 *	PR3303	150,993	150,993	--	150,993
Koka Booth Capital Maintenance Projects FY 2022 *	PR3304	451,121	69,151	381,971	451,122
Lake Grove (Twin Lakes) Dam Maintenance & Neighborhood Park	PR1303	590,000	77,940	173,526	251,466
Middle Creek Disc Golf *	PR3409	76,966	--	76,966	76,966
Mountain Bike trails	PR3414	120,000	--	--	--
Park and Greenway Renovations - FY 2018	PR1256	270,000	258,490	--	258,490
Park Renovations	PR3400	48,317	--	--	--
Park, Greenway and Facility Sign Plan Implementation	PR1159	495,000	357,669	8,346	366,015
Penny Road School Park Refurbishment	PR1289	1,040,000	714,751	125	714,876
Playground Surface Repair	PR3450	137,055	72,055	11,602	83,657
Playground Surface Repair FY 2021	PR3451	182,945	33,188	149,758	182,946
Playground Upgrades	PR1290	2,030,000	185,773	464,619	650,392
PRCR Facility Improvement *	PR1277	215,000	212,834	--	212,834
Public Art - Crabtree Creek Greenway Weston Parkway	PR1287	20,000	15,000	5,000	20,000
Restroom Replacement	PR3500	1,464	--	--	--
Site Amenities	PR3413	50,000	--	38,981	38,981
Tennis Court Renovations	PR3550	136,000	18,700	39,400	58,100
Tennis Court Renovations FY 2019	PR1281	173,000	156,000	--	156,000
The Cary Marquee Lighting Replacement	PR1298	69,000	1,366	58,100	59,466
USA Baseball Maintenance & Repair – Fields & Site	PR3600	15,622	--	--	--
USA Baseball Maintenance & Repair – Structures	PR3650	85,593	--	--	--
USABB Maintenance & Repair - Fields & Site FY 2022	PR3603	700,000	--	--	--
USABB Maintenance & Repair - Fields and Site FY 2023	PR3604	500,000	--	250,794	250,794
USABB Maintenance & Repair - Fields and Site FY 2023	PR3606	421,578	--	--	--
USABB Maintenance & Repair - Structures FY 2022	PR3654	200,000	59,200	1,000	60,200
USABB Maintenance & Repair Structures FY 2023	PR3655	30,000	--	27,938	27,938

PARKS, RECREATION AND CULTURAL RESOURCES PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 5

Expense-Related Projects (cont'd)

	<u>Project #</u>	PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
USABB Structure Maintenance & Repari FY 2021 *	PR3653	171,074	171,073	--	171,073
Veteran's Freedom Monument Lighting *	PR1299	70,000	25,000	44,981	69,981
WakeMed Soccer M&R - Fields and Site FY 2023	PR3704	1,980,000	--	1,286,762	1,286,762
WakeMed Soccer Park Field Improvements - William Peace University	PR1292	400,000	335,255	7,251	342,506
WakeMed Soccer Park Improvements - FY 2016 *	PR1230	220,000	217,585	--	217,585
WakeMed Soccer Park Maintenance & Repair – Fields & Site	PR3700	3,228	--	--	--
WakeMed Soccer Park Maintenance & Repair – Structures	PR3750	73,247	--	--	--
WakeMed Soccer Structures FY 2021 *	PR3753	499,224	499,223	--	499,223
WakeMed Soccer Structures Interior Maintenance & Repair FY 2020 *	PR3751	415,832	415,831	--	415,831
Walnut Creek Greenway & Stormwater Project	PR1288	650,000	41,050	317,835	358,885
Western Cary Community Facility	PR1241	50,000	--	--	--
WMSP Maintenance & Repairs - Field & Site FY 2022	PR3703	125,000	51,082	--	51,082
WMSP Maintenance & Repairs - Structures FY 2022	PR3754	905,000	467,631	22,286	489,917
Total Expenditures		21,886,343	9,562,456	5,204,169	14,766,625
Less: Completed Projects (noted by *)		(6,445,664)	(5,238,230)	(1,178,888)	(6,417,118)
Other Projects-in-Progress		15,440,679	4,324,226	4,025,281	8,349,507
TOTAL EXPENDITURES		210,546,909	97,194,251	60,682,678	157,876,929
Total Completed Projects		(33,859,887)	(26,766,829)	(5,095,299)	(31,862,128)
TOTAL PROJECTS IN PROGRESS		176,687,022	70,427,422	55,587,379	126,014,801
Revenues Under Expenditures, Net of Completed Projects		(155,636,534)	(60,362,934)	(53,862,719)	(114,225,653)
OTHER FINANCING SOURCES					
General Obligation Bonds Issued		109,494,219	104,110,819	--	104,110,819
Transfers In, Net					
General Fund		26,266,039	23,819,039	2,447,000	26,266,039
General Government Capital Project Fund		1,721,527	--	1,721,527	1,721,527
Capital Reserve Sub-Fund		42,707,113	40,537,107	2,170,000	42,707,107
Capital Reserve Sub-Fund - General Obligation Bonds Issued		180,909	180,909	-	180,909
TOTAL OTHER FINANCING SOURCES		180,369,807	168,647,874	6,338,527	174,986,401
Less: Completed Projects		(24,733,273)	(22,183,873)	(2,549,397)	(24,733,270)
Total Other Financing Sources, Net of Completed Projects		155,636,534	146,464,001	3,789,130	150,253,131
Increase		--	86,101,067	(50,073,589)	36,027,478
Adjustment for Completed Projects		--	3,302,787	(3,302,787)	
FUND BALANCE		\$ -	\$ 89,403,854	\$ (53,376,376)	\$ 36,027,478

**FIRE PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**
CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 6

REVENUES

	PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
Investment Earnings	\$ --	\$ 63,221	\$ 3	\$ 63,224
Less: Completed Projects	--	(63,221)	(\$3)	(63,224)
TOTAL REVENUES	-	-	-	-

EXPENDITURES

	Project #				
<u>Asset-Related Projects</u>					
Aerial Ladder Replacement #2589	FR1059	1,535,000	1,429,275	33,581	1,462,856
Fire Station #10 - Northwestern Cary (FR1044)	FR1044	820,364	813,075	-	813,075
Fire Station #9 - Walnut Street Area *	FR1048	7,796,301	7,230,691	28,605	7,259,296
Future Fire Stations - Land, Design, and Construction	FR1061	1,800,000	-	-	-
Idle Reduction Technology	FR1060	324,000	-	15,812	15,812
Replace Ladder Trucks 2767 & 2787	FR1062	1,797,898	-	-	-
SCBA Replacement	FR1058	2,000,000	1,561,428	29,305	1,590,733
Traffic Signal Pre-emption - Phase II	FR1038	396,000	257,685	-	257,685
Total Expenditures		16,469,563	11,292,154	107,303	11,399,457
Less: Completed Projects (noted by *)		(7,796,301)	(7,230,691)	(28,605)	(7,259,296)
Construction-in-Progress		8,673,262	4,061,463	78,698	4,140,161
<u>Expense Projects</u>					
Fire Station Rehabilitation	FR1057	3,459,943	348,798	149,208	498,006
Other Projects-in-Progress		3,459,943	348,798	149,208	498,006
TOTAL EXPENDITURES		19,929,506	11,640,952	256,511	11,897,463
Total Completed Projects		(7,796,301)	(7,230,691)	(28,605)	(7,259,296)
TOTAL PROJECTS IN PROGRESS		12,133,205	4,410,261	227,906	4,638,167
Revenues Under Expenditures		(12,133,205)	(4,410,261)	(227,906)	(4,638,167)

**FIRE PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 6

	PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
OTHER FINANCING SOURCES (USES)				
General Obligation Bonds Issued	1,379,944	1,379,944	--	1,379,944
Transfers In, Net				
General Fund	5,696,500	3,396,500	2,300,000	5,696,500
Capital Reserve Sub-Fund	1,349,008	756,495	592,508	1,349,003
Installment Purchase Proceeds	11,504,054	6,197,556	-	6,197,556
TOTAL OTHER FINANCING SOURCES, NET	19,929,506	11,730,495	2,892,508	14,623,003
Less: Completed Projects	(7,796,301)	(7,400,000)	203,930	(7,196,070)
Total Other Financing Sources, Net of Completed Projects	12,133,205	4,330,495	3,096,438	7,426,933
Increase (Decrease)	--	(79,766)	2,868,532	2,788,766
Adjustment for Completed Projects	--	232,530	(232,530)	--
FUND BALANCE	\$ -	\$ 152,764	\$ 2,636,002	\$ 2,788,766

**GENERAL GOVERNMENT PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 7

REVENUES

State and Federal Grants
Reimbursement - Fenton
Miscellaneous
Miscellaneous Grants

TOTAL REVENUES

Less: Completed Projects
Total Revenues, Net of Completed Projects

PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
\$ 1,306,395	\$ --	\$ --	\$ --
--	746,699	513	747,212
--	13,633	4,226	17,859
300,000	300,000	-	300,000
1,606,395	1,060,332	4,739	1,065,071
(300,000)	(300,000)	---	(300,000)
1,306,395	760,332	4,739	765,071

EXPENDITURES

Asset-Related Projects

	<u>Project #</u>				
307 S. Harrison Avenue	GG6709	50,000	--	5,000	5,000
311 Interior Renovation	GG6702	345,000	--	301,441	301,441
CAD & RMS Replacement	GG1186	500,000	--	--	--
Conference Room Technology Upgrades	GG1113	215,400	178,073	28,628	206,701
ERP Replacement - Project Epic Trek	GG1400	5,000,000	--	2,197,902	2,197,902
Evidence Room Expansion or Relocation *	GG1146	2,461,918	456,721	5,198	461,919
Fleet Expansion	GG1184	1,250,000	6,409	--	6,409
Fleet Maintenance Software Upgrade *	GG1169	250,000	216,768	--	216,768
Heavy Equipment Replacement Project *	GG1139	1,851,608	--	532,880	532,880
HR Flooring *	GG6708	48,348	--	48,348	48,348
Jordan Hall/Fire Admin Relocation	GG6710	250,000	--	62,369	62,369
Land and Site Acquisition	GG1176	7,000,000	3,805,374	49,379	3,854,753
Land-4224 Green Level West	GG5030	550,000	492,456	93	492,549
Land-8616-8854 Chapel Hill Road *	GG5028	17,300	17,300	--	17,300
Land-Land Banking (Main)	GG5000	1,605,546	--	--	--
Land-Rankine Property *	GG5027	264,301	264,301	--	264,301
Police Body Cameras *	GG1165	161,399	--	92,676	92,676
Police Department Cubicles & Flooring	GG6703	500,000	--	432,320	432,320
Salesforce 2	GG1180	178,473	--	--	--
Sanitation and Recycling Truck Replacement	GG1075	6,157,005	965,658	1,123,511	2,089,169
Solar Ready Initiative	GG1185	800,000	--	326,908	326,908
STM -200 Carrousel	GG6510	50,000	30,146	--	30,146
STM- E Chatham Meridian	GG6517	573,000	--	--	--
STM-1112 Highland Trail *	GG6014	70,596	70,596	--	70,596
STM-112 Summer Lakes Dr *	GG6006	861,813	861,813	--	861,813
STM-1203 Belhaven Culvert Rehab	GG6507	150,000	120,220	--	120,220
STM-307 Fairfield	GG7027	50,000	--	--	--

**GENERAL GOVERNMENT PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 7

		PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
<u>Asset-Related Projects (cont'd)</u>	<u>Project #</u>				
STM-800 Cozy Oak	GG6502	151,340	102,843	--	102,843
STM-809 Ellynn *	GG6501	39,467	39,468	--	39,468
STM-Audreystone Rehab	GG6513	130,000	62,184	--	62,184
STM-Cedar Street	GG6503	570,000	42,858	25,769	68,627
STM-Copperleaf *	GG6015	145,029	142,328	2,701	145,029
STM-Devonhall Lining	GG6514	55,000	42,857	--	42,857
STM-Dixon Ave Wetland	GG6520	80,000	--	16,115	16,115
STM-Duncansby Queensferry	GG6512	85,000	64,285	--	64,285
STM-Dunham Park	GG6021	165,000	71,430	29,133	100,563
STM-GIS As Builts	GG6504	290,000	26,239	123,078	149,317
STM-James Jackson Culvert	GG6511	20,000	5,146	--	5,146
STM-Lake Pine Culvert Improvements	GG6521	250,000	--	52,793	52,793
STM-Lions Park GSI	GG6519	65,000	--	12,223	12,223
STM-Palph Dr Culvert Repair	GG6523	25,000	--	7,504	7,504
STM-Parkthrough St	GG6016	583,000	65,180	--	65,180
STM-Pirates Cove BFC	GG6522	50,000	--	30,363	30,363
STM-S Walker Street *	GG6013	498,724	498,724	--	498,724
STM-Storm Drainage - MAIN	GG6000	357,295	--	--	--
STM-Stormwater Condition Assessment Main	GG6500	96,193	--	--	--
STM-Swift Creek	GG6518	900,000	--	37,655	37,655
STM-Urban Park SCM	GG6506	50,000	19,303	--	19,303
STM-W Dynasty BCGW	GG6509	130,000	98,499	--	98,499
STM-W Dynasty Poolside	GG6510	115,000	98,306	--	98,306
STM-Walker St Outfall	GG6511	595,000	444,347	1,309	445,656
STM-Westhigh near Jodhpur *	GG6512	555,358	555,358	--	555,358
STM-Wicklow FES Replacement	GG6513	22,000	10,718	--	10,718
Stormwater IOT	GG6514	562,000	263,635	85,645	349,280
The Cary 2nd Floor Renovations *	GG6515	83,019	--	83,019	83,019
The Center	GG6516	3,000,000	30,000	1,655,911	1,685,911
TMO-Legal Office Space Renovation	GG6517	1,700,000	--	6,722	6,722
Town Building Improvements - Parent Project	GG6518	831,633	--	--	--
Town Hall & NCWRF Conference Room Upfits	GG6519	940,000	--	625,862	625,862
Town Hall Building B Breakroom Renovations	GG6520	100,000	--	3,722	3,722
Town Hall Pedestrian Bridge	GG6521	1,040,000	250,424	143,937	394,361
Town Website Overhaul FY 2016	GG6522	505,000	440,128	--	440,128
Town Wi-Fi	GG6523	800,000	144,716	585,481	730,197
Trolley Purchases FY 2023	GG6524	600,000	--	521,596	521,596
Work Order Management/311 (Salesforce) *	GG6525	850,000	823,267	-	823,267
Total Expenditures		48,246,765	11,828,078	9,257,191	21,085,269
Less: Completed Projects (noted by *)		(8,860,598)	(4,912,302)	(1,888,333)	(6,800,635)
Construction-in-Progress		39,386,167	6,915,776	7,368,858	14,284,634

**GENERAL GOVERNMENT PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 7

		PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
<u>Expense Projects</u>	<u>Project #</u>				
ADA Improvements - Town Facilities	GG1149	2,530,950	1,471,108	558,292	2,029,400
Adaptive Stormwater Grant from Southeast Sustainable Communities Fund *	GG1164	300,000	297,977	2,023	300,000
Affordable Housing Capital Projects	GG4001	3,250,124	1,744,025	215,961	1,959,986
ARPA-Affordable Housing	GG4050	5,000,000	--	--	--
Carpenter Village Sidewalks	GG1189	50,000	--	--	--
Dams, Lakes & Ponds Maintenance	GG1188	150,000	--	2,838	2,838
DT - Downtown Rehabilitation and Facade	GG4002	693,591	477,480	--	477,480
Electric Vehicle Project Studies	GG1187	150,000	--	1,865	1,865
Facilities Long Term O&M Plans	GG1168	350,000	227,600	77,800	305,400
Facility Painting Interior & Exterior	GG3200	390,000	257,521	90,101	347,622
Facility Security	GG1178	750,000	--	--	--
FENTON - General Government	GG2500	-	746,698	513	747,211
Historic Preservation - Character Structures	GG1170	2,379,161	537,073	495,944	1,033,017
Housing Administration	GG4004	1,949,145	47,832	--	47,832
HVAC Replacements & Major Maintenance	GG3300	543,000	396,609	61,280	457,889
Imagine Cary Act Stories *	GG1157	75,000	10,980	--	10,980
Internal Roads Surfacing *	GG1171	1,178,082	858,740	244,221	1,102,961
Internal Security	GG1179	654,000	210,988	129,164	340,152
Minimum Housing	GG4005	202,000	54,989	--	54,989
Operations Center Roof Replacement	GG1147	4,075,000	1,794,913	148,503	1,943,416
Parking Lot Resurfacing & Renovations	GG3400	142,000	--	42,365	42,365
Parking Lot Resurfacing & Renovations FY22	GG3401	325,000	192,791	129,300	322,091
STM- GG7025 Beaver Pond Assessment	GG7025	27,000	--	--	--
STM-Bonner Assessment	GG7023	28,000	--	--	--
STM-Griffis Street Drainage Study	GG7026	30,000	--	11,484	11,484
STM-Joel Ct @ Bayoak Drive *	GG7015	582,083	582,083	--	582,083
STM-Manchester	GG7021	60,000	28,960	--	28,960
STM-Storm Drainage - Private - MAIN	GG7000	925,421	11,693	--	11,693
STM-Westhigh Near Jodphur *	GG7016	85,630	85,630	--	85,630
STM-Wyatt Pond Rd Assessment	GG7024	36,000	--	18,485	18,485
Stormwater Condition Assessment - GIS Tool	GG1130	2,147,000	1,305,581	110,469	1,416,050
Temporary 911 Backup	GG1182	825,000	20,365	13,410	33,775
The Cary Roof Replacement	GG1192	420,000	--	--	--
The Cary, 3rd Floor Renovation	GG6704	180,000	--	10,762	10,762
West Cary Facility	GG1177	1,900,000	202,462	210,922	413,384
Total Expenditures		32,383,187	11,564,098	2,575,702	14,139,800
Less: Completed Projects (noted by *)		(2,220,795)	(1,835,411)	(246,243)	(2,081,654)
Other Projects-in-Progress		30,162,392	9,728,687	2,329,459	12,058,146

GENERAL GOVERNMENT PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 7

	PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
TOTAL EXPENDITURES	80,629,952	23,392,176	11,832,893	35,225,069
Total Completed Projects	(11,081,393)	(6,747,713)	(2,134,576)	(8,882,289)
TOTAL PROJECTS IN PROGRESS	69,548,559	16,644,463	9,698,317	26,342,780
Revenues Under Expenditures, Net of Completed Projects	(68,242,164)	(15,884,131)	(9,693,578)	(25,577,709)
OTHER FINANCING SOURCES (USES)				
Reimbursement from Utility Fund	81,771	81,771	--	81,771
Installment Purchase Proceeds	2,000,000	--	--	--
Transfers In, Net				
General Fund	56,774,283	40,220,751	16,553,534	56,774,285
Capital Reserve Sub-Fund, Net	15,165,268	14,462,768	702,500	15,165,268
ARPA Special Revenue Fund	5,000,000	5,000,000	--	5,000,000
Utility System Enterprise Fund	2,235	2,235	--	2,235
TOTAL OTHER FINANCING SOURCES	79,023,557	59,767,525	17,256,034	77,023,559
Less: Completed Projects	(10,781,393)	(9,272,408)	491,013	(8,781,395)
Total Other Financing Sources, Net of Completed Projects	68,242,164	50,495,117	17,747,047	68,242,164
Increase	--	34,610,986	8,053,469	42,664,455
Adjustment for Completed Projects	--	2,824,697	(2,824,697)	--
FUND BALANCE	\$ -	\$ 37,435,683	\$ 5,228,772	\$ 42,664,455

GENERAL CAPITAL RESERVE SUB-FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE 8

	2023			2022
	Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Vehicle Licenses	\$ 2,626,000	\$ 2,748,156	\$ 122,156	\$ 2,644,926
Powell Bill	3,365,779	4,704,749	1,338,970	4,707,673
Wake Interlocal Agreement	3,000,000	3,000,000	--	7,318,696
Payments in Lieu of Recreation				
Land and Greenway Dedications	--	5,208,061	5,208,061	4,134,183
Payments in Lieu of Streets	--	1,435,499	1,435,499	765,550
Utility Sales Tax	544,500	508,182	(36,318)	591,969
Transportation Development Fees	990,000	1,103,583	113,583	1,528,458
Investment Earnings, Net of Market Adjustment	731,194	1,723,671	992,477	(5,490,886)
Miscellaneous	181,467	128,027	(53,440)	313,706
TOTAL REVENUES	11,438,940	20,559,928	9,120,988	16,514,275
OTHER FINANCING SOURCES (USES)				
Transfers In (Out), Net				
General Fund	--	--	--	--
Street Project Sub-Fund	(8,763,000)	(7,567,577)	1,195,423	(8,404,014)
Downtown Project Sub-Fund	(1,000,000)	(999,999)	1	--
Parks, Recreation and Cultural Resources Sub-Fund	(2,170,000)	(1,455,345)	714,655	(8,836,953)
Fire Project Sub-Fund	(592,508)	(592,508)	--	(253,500)
General Governmental Project Sub-Fund	(702,500)	(503,394)	199,106	(3,938,555)
General Obligations Bonds Issued	--	--	--	4,481,069
Sale of Assets	--	--	--	--
Appropriation from Fund Balance	1,789,068	--	(1,789,068)	--
TOTAL OTHER FINANCING USES, NET	(11,438,940)	(11,118,823)	320,117	(16,951,953)
Revenues and Other Sources Over Expenditures and Other Uses	\$ -	9,441,105	\$ 9,441,105	(437,678)
FUND BALANCE - BEGINNING OF YEAR		35,488,097		35,925,775
FUND BALANCE - END OF YEAR		\$ 44,929,202		\$ 35,488,097



UTILITY SYSTEM ENTERPRISE FUND

THE UTILITY SYSTEM ENTERPRISE FUND CONSISTS OF FOUR SUB-FUNDS: UTILITY SYSTEM OPERATIONS FUND, WATER PROJECT FUND, SEWER PROJECT FUND, AND THE UTILITY SYSTEM CAPITAL RESERVE FUND. THESE FUNDS ARE COMBINED AND TREATED AS ONE FUND IN THE BASIC FINANCIAL STATEMENTS. THE FOLLOWING STATEMENTS ARE INCLUDED AS SUPPLEMENTARY INFORMATION.

COMBINING STATEMENT OF NET POSITION

Sub-fund breakdown of balance sheet information from the Basic Financial Statements.

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

Sub-fund breakdown of information from the Basic Financial Statements.

UTILITY SYSTEM OPERATIONS SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION

Budget to actual comparison (non-GAAP) of the operations sub-fund with a reconciliation to the full accrual combining statement.

WATER AND SEWER PROJECT SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION

Detail of multi-year projects and the associated revenue and expenditure budgets to actual comparisons (non-GAAP) with a reconciliation to the full accrual combining statement. Each sub-fund is presented separately.

UTILITY SYSTEM CAPITAL RESERVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION

Budget to actual comparison (non-GAAP) for the annually budgeted Capital Reserve Fund with a reconciliation to the full accrual combining statement.

UTILITY SYSTEMS ENTERPRISE FUND - SUB-FUND COMBINING SCHEDULE OF NET POSITION

CARY, NORTH CAROLINA

JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR JUNE 30, 2022

Schedule 9

	UTILITY SYSTEM OPERATIONS		WATER PROJECTS		SEWER PROJECTS		UTILITY SYSTEM CAPITAL RESERVE		JUNE 30,			
									2023	2022		
ASSETS												
Current Assets												
Equity in Pooled Cash and Investments	\$	80,261,091	\$	63,530,798	\$	61,448,966	\$	53,678,568	\$	258,919,423	\$	265,035,470
Accrued Interest on Investments		284,347		--		--		615,669		900,016		809,123
Accounts Receivable, net of allowance for doubtful accounts		14,138,274		344,154		94,000		39,374		14,615,802		12,997,721
Equity in Pooled Cash and Investments-Restricted		1,999,308		--		--		137,957		2,137,265		2,079,846
TOTAL CURRENT ASSETS		96,683,020		63,874,952		61,542,966		54,471,568		276,572,506		280,922,160
Non-Current Assets												
Capital Assets												
Land, Land Improvements and Construction in Progress		36,332,011		127,116,242		84,328,215		--		247,776,468		257,278,693
Other Capital Assets, net of accumulated depreciation/amortization		676,020,120		--		--		--		676,020,120		642,247,790
Total Capital Assets, net		712,352,131		127,116,242		84,328,215		--		923,796,588		899,526,483
TOTAL NON-CURRENT ASSETS, NET		712,352,131		127,116,242		84,328,215		-		923,796,588		899,526,483
TOTAL ASSETS		809,035,151		190,991,194		145,871,181		54,471,568		1,200,369,094		1,180,448,643
DEFERRED OUTFLOW OF RESOURCES												
Deferred Contributions to Pension Plans		6,351,838		--		--		--		6,351,838		3,506,088
Deferred Contributions to OPEB		5,776,637		--		--		--		5,776,637		7,058,484
Deferred Charge on Debt Refundings		567,982		--		--		--		567,982		1,696,568
TOTAL DEFERRED OUTFLOW OF RESOURCES		12,696,457		-		-		-		12,696,457		12,261,140
LIABILITIES AND NET ASSETS												
Current liabilities												
Accounts Payable and Accrued Liabilities		2,092,191		1,705,672		1,057,433		137,957		4,993,253		4,639,801
Debt Payable		11,259,721		--		--		--		11,259,721		10,885,571
Accrued Debt Interest Payable		813,605		--		--		--		813,605		876,543
Retainage Payable		--		189,229		821,524		--		1,010,753		385,758
Compensated Absences		1,757,940		--		--		--		1,757,940		1,498,490
Developer Fee Credits		--		--		--		96,000		96,000		52,000
Subscription Liability		26,434		--		--		--		26,434		--
Advance from Customers		--		--		--		(2,895)		(2,895)		(2,895)
Miscellaneous		--		--		--		20,000		20,000		84,263
TOTAL CURRENT LIABILITIES		15,949,891		1,894,901		1,878,957		251,062		19,974,811		18,419,531

UTILITY SYSTEMS ENTERPRISE FUND - SUB-FUND COMBINING SCHEDULE OF NET POSITION

CARY, NORTH CAROLINA

JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR JUNE 30, 2022

Schedule 9	UTILITY SYSTEM				JUNE 30,	
	OPERATIONS	WATER PROJECTS	SEWER PROJECTS	CAPITAL RESERVE	2023	2022
Non-Current liabilities						
Debt Payable, net of deferred premium/discount	232,928,936	--	--	--	232,928,936	245,999,804
Deposits	1,864,147	--	--	--	1,864,147	1,866,156
Unearned Revenue	337,405	40,000	--	--	377,405	442,689
Compensated Absences	--	--	--	--	-	25,604
Developer Fee Credits	--	--	--	1,981,533	1,981,533	2,126,648
Subscription Liability	182,602	--	--	--	182,602	--
Net Pension Obligation	10,075,071	--	--	--	10,075,071	1,344,368
Net Other Post-Employment Benefits	28,211,238	--	--	--	28,211,238	30,573,323
TOTAL OTHER LIABILITIES	273,599,399	40,000	-	1,981,533	275,620,932	282,378,592
TOTAL LIABILITIES	289,549,290	1,934,901	1,878,957	2,232,595	295,595,743	300,798,123
DEFERRED INFLOW OF RESOURCES						
Pension Deferrals	524,250	--	--	--	524,250	5,315,557
OPEB Deferrals	13,532,019	--	--	--	13,532,019	11,135,217
TOTAL DEFERRED INFLOW OF RESOURCES	14,056,269	-	-	-	14,056,269	16,450,774
TOTAL NET POSITION	518,126,049	189,056,293	143,992,224	52,238,973	903,413,539	875,460,888
Adjustment for Internal Service Fund Activities	1,392,174	--	--	--	1,392,174	1,525,716
TOTAL NET POSITION - BUSINESS-TYPE ACTIVITIES	\$ 519,518,223	\$ 189,056,293	\$ 143,992,224	\$ 52,238,973	\$ 904,805,713	\$ 876,986,604

UTILITY SYSTEMS ENTERPRISE FUND - SUB-FUND COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

Schedule 10

	UTILITY SYSTEM				JUNE 30,	
	OPERATIONS	WATER PROJECTS	SEWER PROJECTS	UTILITY SYSTEM CAPITAL RESERVE	2023	2022
OPERATING REVENUES						
Charges for Services	\$ 86,858,163	\$ --	\$ --	\$ --	\$ 86,858,163	\$ 84,215,302
Other Operating Revenues	2,140,555	--	--	--	2,140,555	2,201,580
TOTAL OPERATING REVENUES	88,998,718	-	-	-	88,998,718	86,416,882
OPERATING EXPENSES						
Administrative	19,255,011	--	--	--	19,255,011	14,728,641
Field Operations	10,542,925	--	--	--	10,542,925	10,600,141
Utility Systems Management	3,693,640	--	--	--	3,693,640	3,509,500
Water Reclamation Facilities	9,532,756	--	--	--	9,532,756	8,978,138
Cary/Apex Water Treatment Plant	9,611,094	--	--	--	9,611,094	8,492,763
Miscellaneous Utility System Projects	-	1,306,889	2,478,623	--	3,785,512	4,736,641
Depreciation	21,092,298	--	--	--	21,092,298	20,267,903
Amortization	30,566	--	--	--	30,566	-
TOTAL OPERATING EXPENSES	73,758,290	1,306,889	2,478,623	-	77,543,802	71,313,727
OPERATING INCOME (LOSS)	15,240,428	(1,306,889)	(2,478,623)	-	11,454,916	15,103,155
NONOPERATING REVENUES (EXPENSES)						
Water and Sewer Development Fees	-	--	--	9,874,472	9,874,472	9,763,294
Investment Earnings, net of market adjustment	748,495	--	--	1,876,535	2,625,030	(8,601,438)
Reimbursements	72,315	--	--	--	72,315	82,588
Miscellaneous Revenue	-	--	--	301,107	301,107	536,731
Reimbursement to Governmental Activities for Open Space	(755,729)	--	--	--	(755,729)	(726,663)
Interest Expense	(6,096,469)	--	--	--	(6,096,469)	(6,449,150)
Bond Service Expense	(9,400)	--	--	--	(9,400)	(10,000)
Bond Refunding Loss Amortization	(1,128,587)	--	--	--	(1,128,587)	(993,756)
Sale of Capital Assets	17,122	--	--	--	17,122	154,417
TOTAL NONOPERATING REVENUE (EXPENSE)	(7,152,253)	-	-	12,052,114	4,899,861	(6,243,978)
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	8,088,175	(1,306,889)	(2,478,623)	12,052,114	16,354,777	8,859,177
Capital Contributions	12,527,874	--	--	--	12,527,874	10,060,890
Transfers Out	(1,000,000)	--	--	--	(1,000,000)	(1,000,000)
Transfers In	70,000	--	--	--	70,000	70,000
Transfers between Sub-Funds, net	(12,598,338)	11,618,849	15,281,090	(14,301,601)	--	--
CHANGE IN NET POSITION	7,087,711	10,311,960	12,802,467	(2,249,487)	27,952,651	17,990,067
Adjustment for Internal Service Activities	(133,542)	--	--	--	(133,542)	(88,122)
CHANGE IN NET POSITION - BUSINESS-TYPE ACTIVITIES	6,954,169	10,311,960	12,802,467	(2,249,487)	27,819,109	17,901,945
NET POSITION - BEGINNING OF YEAR, BUSINESS-TYPE ACTIVITIES	471,520,725	208,510,925	142,466,494	54,488,460	876,986,604	859,084,659
Reclassifications:						
Reclassification of Capital Assets Transferred from Construction-in-Progress	41,043,329	(29,766,592)	(11,276,737)	--	--	--
TOTAL NET POSITION - END OF YEAR, BUSINESS-TYPE ACTIVITIES	\$ 519,518,223	\$ 189,056,293	\$ 143,992,224	\$ 52,238,973	\$ 904,805,713	\$ 876,986,604

UTILITY SYSTEM OPERATIONS SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION BUDGET AND ACTUAL (NON-GAAP)

CARY, NORTH CAROLINA
 FOR THE YEAR ENDED JUNE 30, 2023
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

Schedule 11

	2023			2022
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
REVENUES				
Operating Revenues				
Charges for Services				
Water	\$ 33,227,490	\$ 34,651,232	\$ 1,423,742	\$ 33,299,587
Sewer	51,203,573	52,422,737	1,219,164	50,904,210
TOTAL CHARGES FOR SERVICES	84,431,063	87,073,969	2,642,906	84,203,797
Other Operating Revenues				
Connection Fees	843,241	692,448	(150,793)	860,195
Inspection Fees	100,000	96,747	(3,253)	176,722
Non-Payment Fees	350,000	436,481	86,481	500,060
Pretreatment Program Fees	220,000	235,967	15,967	196,055
Cross Connection Inspection Fees	275,000	283,350	8,350	274,050
Penalties	255,000	273,037	18,037	276,424
Biosolids product	38,802	29,208	(9,594)	38,794
Miscellaneous Revenues	95,200	93,314	(1,886)	(120,719)
TOTAL OTHER OPERATING REVENUES	2,177,243	2,140,552	(36,691)	2,201,581
TOTAL OPERATING REVENUES	86,608,306	89,214,521	2,606,215	86,405,378
NON-OPERATING REVENUES				
Investment Earnings	707,480	1,199,636	492,156	933,937
Market Adjustment	-	(451,141)	(451,141)	(3,500,183)
Investment Earnings, net	707,480	748,495	41,015	(2,566,246)
TOTAL REVENUES	87,315,786	89,963,016	2,647,230	83,839,132
EXPENDITURES				
ADMINISTRATIVE				
Utility Administration (7010)				
Personnel Services	560,696	445,480	115,216	408,035
Operations & Maintenance	200,773	141,352	59,421	71,106
TOTAL	761,469	586,832	174,637	479,141

UTILITY SYSTEM OPERATIONS SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION BUDGET AND ACTUAL (NON-GAAP)

CARY, NORTH CAROLINA
 FOR THE YEAR ENDED JUNE 30, 2023
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

Schedule 11

	2023			2022
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
Pretreatment (7012)				
Personnel Services	497,270	430,913	66,357	390,733
Operations & Maintenance	160,318	112,503	47,815	103,780
Capital Outlays	74,148	46,507	27,641	-
TOTAL	731,736	589,923	141,813	494,514
Utility Accounts (4440, 4441)				
Personnel Services	1,446,200	1,945,020	(498,820)	1,017,083
Operations & Maintenance	3,004,765	2,286,497	718,268	1,536,652
Capital Outlays	-	46,115	46,115	-
TOTAL	4,450,965	4,277,632	265,563	2,553,735
Utility Engineering (7014)				
Personnel Services	2,027,615	1,884,838	142,777	1,680,148
Operations & Maintenance	615,679	420,207	195,472	302,289
TOTAL	2,643,294	2,305,045	338,249	1,982,437
Other Administrative Costs				
Payment to Health Internal Service Fund	115,878	115,878	-	112,503
Payment to General Fund for Self Insurance	966,184	968,776	(2,592)	934,849
Payment to General Fund for Indirect Costs	5,182,198	4,865,892	316,306	4,678,742
Allocation Accounts (Utilities and Phones)	3,661,442	3,377,492	283,950	2,713,891
Reimbursement from Apex for Indirect Costs	-	(11,303)	11,303	(40,412)
TOTAL, NET	9,925,702	9,316,735	608,967	8,399,573
TOTAL ADMINISTRATIVE, NET	18,513,166	17,076,167	1,529,229	13,909,399
FIELD OPERATIONS				
Water Distribution and Wastewater Collection (7020)				
Personnel Services	7,276,079	6,688,321	587,758	6,996,230
Operations & Maintenance	3,801,147	3,776,147	25,000	3,654,949
Capital Outlays	342,294	562,657	(220,363)	425,871
TOTAL FIELD OPERATIONS, NET	11,419,520	11,027,125	392,395	11,077,050
UTILITY SYSTEMS MANAGEMENT				
Water and Wastewater Pumping (7030)				
Personnel Services	1,692,404	1,529,885	162,519	1,472,035
Operations & Maintenance	3,151,899	1,463,630	1,688,269	1,193,828
Capital Outlays	738,572	713,206	25,366	186,893
TOTAL	5,582,875	3,706,721	1,876,154	2,852,756

UTILITY SYSTEM OPERATIONS SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION BUDGET AND ACTUAL (NON-GAAP)

CARY, NORTH CAROLINA
 FOR THE YEAR ENDED JUNE 30, 2023
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

Schedule 11

	2023			2022
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
Reclaimed Water (7031)				
Personnel Services	189,773	230,169	(40,396)	211,804
Operations & Maintenance	651,325	443,851	207,474	468,640
Capital Outlays	-	67,038	67,038	-
TOTAL	841,098	741,058	234,116	680,444
TOTAL UTILITY SYSTEMS MANAGEMENT, NET	6,423,973	4,447,779	2,110,270	3,533,200
WASTEWATER TREATMENT FACILITIES				
North Cary Wastewater Treatment Facility (7051)				
Personnel Services	1,652,895	1,669,637	(16,742)	1,790,448
Operations & Maintenance	2,915,683	1,549,655	1,366,028	1,417,299
Capital Outlays	197,374	157,460	39,914	104,960
TOTAL	4,765,952	3,376,752	1,389,200	3,312,707
South Cary Wastewater Treatment Facility (7052)				
Personnel Services	2,192,691	2,210,383	(17,692)	2,043,154
Operations & Maintenance	2,763,376	1,493,654	1,269,722	1,293,762
Capital Outlays	426,248	393,519	32,729	155,092
TOTAL	5,382,315	4,097,556	1,284,759	3,492,008
Western Wake Regional Water Reclamation Facility (7055)				
Personnel Services	2,107,741	2,026,567	81,174	1,961,270
Operations & Maintenance	2,761,321	3,173,649	(412,328)	2,493,999
Reimbursement from Apex	(1,489,362)	(2,585,339)	1,095,977	(2,171,500)
TOTAL, NET	3,379,700	2,614,877	764,823	2,283,769
TOTAL WASTEWATER TREATMENT FACILITIES, NET	13,527,967	10,089,185	3,438,782	9,088,483
WATER TREATMENT PLANT (7053)				
Personnel Services	2,806,072	2,936,964	(130,892)	2,733,451
Operations & Maintenance	9,276,349	8,783,467	492,882	7,692,299
Capital Outlays	357,244	240,797	116,447	60,484
Reimbursement from Apex	(2,266,223)	(2,754,887)	488,664	(2,322,027)
TOTAL WATER TREATMENT PLANT, NET	10,173,442	9,206,341	967,101	8,164,207

UTILITY SYSTEM OPERATIONS SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION BUDGET AND ACTUAL (NON-GAAP)

CARY, NORTH CAROLINA
 FOR THE YEAR ENDED JUNE 30, 2023
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

Schedule 11

	2023			2022
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
REMOTE WATER INFRASTRUCTURE (7054)				
Personnel Services	292,136	261,103	31,033	198,067
Operations & Maintenance	434,622	286,991	147,631	147,744
TOTAL REMOTE WATER INFRASTRUCTURE	726,758	548,094	178,664	345,810
DEBT SERVICE				
Long-term Debt Principal Payment	10,950,855	10,950,853	2	12,939,062
Partner Loan Reimbursements	–	(65,284)	65,284	(63,670)
Net Principal Payment	10,950,855	10,885,569	65,286	12,875,392
Interest Expense	7,970,553	7,970,553	–	8,549,189
Partner Loan Reimbursements	–	(7,031)	7,031	(18,917)
Net Interest Expense	7,970,553	7,963,522	7,031	8,530,272
TOTAL CARY DEBT SERVICE, NET	18,921,408	18,849,091	72,317	21,405,664
Paid to General Fund for Open Space Debt Service	704,251	755,729	51,478	726,663
TOTAL DEBT SERVICE	19,625,659	19,604,820	123,795	22,132,327
TOTAL EXPENDITURES	80,410,485	71,999,511	8,740,236	68,250,478
Revenues Over Expenditures	6,905,301	17,963,505	11,058,204	15,588,654
OTHER REVENUES (EXPENDITURES)				
Transfers Out, net				
Sewer Project Sub-Fund	(5,608,338)	(5,608,338)	–	(3,772,867)
Water Project Sub-Fund	(6,990,000)	(6,990,000)	–	(9,707,494)
Health Insurance Fund	(1,000,000)	(1,000,000)	–	(1,000,000)
Transfer from General Fund	70,000	70,000	–	70,000
Bond Service Expenses	(33,075)	(9,400)	23,675	(10,000)
Debt Issuance Costs & Expenses	–	–	–	–
Debt Refundings Issued	–	–	–	–
Payment to Escrow for Advance Defeasance of Debt	–	–	–	–
Receipts from Sale of Assets	10,000	198,151	188,151	154,416
Appropriation from Fund Balance	6,646,112	–	(6,646,112)	–
TOTAL OTHER EXPENDITURES, NET	(6,905,301)	(13,339,587)	(6,434,286)	(14,265,945)

UTILITY SYSTEM OPERATIONS SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION BUDGET AND ACTUAL (NON-GAAP)

CARY, NORTH CAROLINA
 FOR THE YEAR ENDED JUNE 30, 2023
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

Schedule 11

	2023			2022
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
Revenues Over Expenditures (Including Other Expenditures)	\$ -	4,623,918	\$ 4,623,918	1,322,709
ADJUSTMENT TO ACCRUAL BASIS				
Add (Deduct)				
Revenue Adjustments:				
Charge Refunds (Durham Water Revenue)		(215,800)		11,505
Contributed Assets		12,527,874		10,060,890
Expenditure Adjustments:				
Unfunded Other Post-Employment Expense		(1,316,565)		(1,405,880)
Pension Expense Credit		(1,093,646)		562,729
Capital Outlays		2,143,686		709,327
Depreciation		(21,092,298)		(20,267,903)
Amortization		(30,566)		-
Loss on Sale of Assets		(181,030)		-
Decrease in Compensated Absences Liability		(233,846)		(57,205)
Subscription Expense, net		259,267		-
Debt Related Adjustments:				
Long-term Debt Principal Payment (gross)		10,950,853		12,939,062
Bond Premium Amortization & Adjustment		1,811,146		2,012,048
Deferred Loss on Refunding Amortization		(1,128,587)		(993,755)
Decrease in Debt Interest Payable		63,305		87,990
Total Accrual Adjustment		2,463,793		3,658,807
CHANGE IN NET POSITION		7,087,711		4,981,516
Adjustment for Internal Service Activities		(133,542)		(88,121)
CHANGE IN NET POSITION - BUSINESS-TYPE ACTIVITIES		6,954,169		4,893,395
NET POSITION - BEGINNING OF YEAR, BUSINESS-TYPE ACTIVITIES		471,520,725		449,619,019
Reclassification Between Utility Sub-Funds, net		41,043,329		17,008,311
NET POSITION - END OF YEAR, BUSINESS-TYPE ACTIVITIES	\$	519,518,223	\$	471,520,725

WATER PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 12

	PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
REVENUES				
Investment Earnings	\$ 56,214	\$ 335,718	\$ -	\$ 335,718
Federal and State Grants	40,000	--	--	--
Raleigh Reimbursement	411,932	349,982	--	349,982
Reimbursement - Fenton	--	1,065,428	--	1,065,428
Sub-total	508,146	1,751,128	--	1,751,128
Less: Completed Projects	--	--	--	--
TOTAL REVENUES	508,146	1,751,128	--	1,751,128

EXPENDITURES

<u>Asset-Related Projects</u>	<u>Project #</u>				
Aquastar Additional Infrastructure	WT1228	125,000	--	--	--
Cary Parkway Southwest Water Line Extension	WT1161	3,650,000	562,755	10,740	573,495
Cary/Apex Water Treatment Facility - Phase III Expansion	WT1148	78,375,000	76,951,959	87,980	77,039,939
Cary/Apex Water Treatment Facility - Biofiltration Phase 1	WT1324	1,750,000	--	730,376	730,376
Cary/Apex Water Treatment Facility - Heavy Duty Equipment *	WT1290	21,560	--	--	--
Cary/Apex Water Treatment Facility - Jenks Road 30" and 42" Interconnection	WT1318	650,000	--	--	--
Cary/Apex Water Treatment Facility - Laboratory Equipment	WT3550	127,564	--	79,408	79,408
Cary/Apex Water Treatment Facility - Laboratory Information Management System	WT1270	175,000	114,314	21,618	135,932
Cary/Apex Water Treatment Facility - Maintenance Facility w/Solar Rooftop	WT1315	1,714,000	92,454	1,491,267	1,583,721
Cary/Apex Water Treatment Facility - Mass Spectrometer *	WT3551	124,936	124,917	--	124,917
Cary/Apex Water Treatment Facility - Raw Water Transmission Pipeline	WT1194	21,536,000	21,016,941	161,829	21,178,770
Cary/Apex Water Treatment Facility - Residuals Transfer Pump Replacements *	WT1221	400,000	392,289	--	392,289
Cary/Apex Water Treatment Facility - Security Upgrades *	WT1293	250,000	223,388	26,444	249,832
Cary/Apex Water Treatment Facility Improvements - Structural & Process Improvements - Chemical and Biofiltration	WT1306	2,500,000	99,535	27,455	126,990
Cary/Apex Water Treatment Facility - Surge Tanks *	WT1272	920,000	909,412	--	909,412
Cary/Apex Water Treatment Facility - Surge Tanks, Raw Water	WT1319	300,000	--	--	--
Cary/Apex Water Treatment Facility - Water System Radio Software and Antennas	WT1273	400,000	7,336	--	7,336
Cary/Apex Water Treatment Facility - Water Line Improvements	WT1316	500,000	--	--	--
Cary/Apex Water Treatment Facility - Fiber Optic Line to Facility	WT1311	300,000	10,009	9,976	19,985
Cary/Apex Water Treatment Facility - Future Expansion	WT1289	700,000	615,748	55,175	670,923
Crossroads Ground Storage Tank and Booster Pump Station	WT1242	3,211,188	3,207,380	3,807	3,211,187
ERP Replacement - Water	WT1400	2,250,000	--	414,465	414,465
Extend and Relocate Water Mains and Install Valves	WT3100	1,200,000	--	--	--
Extend Water Mains - FY 2017 *	WT1259	306,216	297,622	--	297,622
Fenton Water Line Improvements Reimbursement	WT1317	505,006	--	--	--
Green Level West Road Water Line - Phase III *	WT1212	2,400,000	1,757,559	--	1,757,559
Green Level West Road Water Line Phase I *	WT1129	3,571,000	3,218,261	--	3,218,261
Harrison Elevated Water Tank Renovation	WT1314	700,000	--	--	--
Heavy Equipment Replacement - Water *	WT1275	551,451	--	--	--

WATER PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 12

		PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
<u>Asset-Related Projects (cont'd)</u>	<u>Project #</u>				
Higgins Phase 4 Water Line Replacement	WT3307	277,803	--	34,388	34,388
Holly Brook Subdivision Water Lines	WT1244	2,076,439	1,959,012	--	1,959,012
Holt Road to Davis Drive Water Line Connection *	WT1166	2,340,000	2,232,186	--	2,232,186
Howland Avenue Water Main Replacement	WT3101	2,000,000	--	145,242	145,242
Infrastructure GIS Asset Data - Water	WT1276	600,000	330,578	1,004	331,582
Intersection Improvement Water Mains	WT3304	542,500	--	303,763	303,763
Jenks-Carpenter/Holt Road Water Line Reinforcement	WT1178	5,428,000	281,001	13,490	294,491
Kildaire Farm Road Water Line Reinforcement - Central	WT1245	12,700,000	1,490,686	295,237	1,785,923
Kilmayne Water Storage Tank	WT1214	7,600,000	7,447,236	--	7,447,236
Kit Creek Road Water Line Connection	WT1223	1,075,000	72,085	300	72,385
Louis Stephens Drive Water Line Extension	WT1295	500,000	75,853	330,835	406,688
Maynard Road Waterline Reinforcement Phase II	WT1278	4,408,812	204,665	46,636	251,301
Meridian East Chatham Street Water Line	WT3360	750,000	--	--	--
Morrisville Parkway Water Line Connections *	WT1279	850,000	235,021	81,404	316,425
NC-540 Western Wake Parkway Water Conflicts *	WT1171	4,606,460	4,507,135	--	4,507,135
NC-540/Morrisville Parkway Water Line	WT1288	750,000	463,532	--	463,532
NC-55 Water Line Extension - Phase II *	WT1097	2,337,000	2,313,449	--	2,313,449
NCDOT I-5700 Airport Blvd. Utility Relocation	WT1310	1,743,627	22,373	200,000	222,373
Old Apex Road Water Line Reinforcement	WT1172	2,694,000	196,876	846	197,722
Optimist Farm Rd Water Line - West	WT1300	578,000	9,937	29,070	39,007
South Triangle Expressway (I-540) Water Line Conflicts	WT1308	1,000,000	22,118	19,293	41,411
Stephenson Road & TenTen Road Water Main *	WT1297	700,000	331,942	(23,745)	308,197
Upgrade Water Lines	WT3300	(83,509)	(11,517)	(71,992)	(83,509)
Upgrade Water Lines - FY 2016	WT1247	4,949,419	4,949,418	--	4,949,418
Water Line Oversizings - FY 2018	WT1283	117,500	82,012	--	82,012
Water Line Oversizings and Related Infrastructure	WT3400	756,000	--	--	--
Water Line Oversizings - FY 2019 *	WT1299	6,706	--	--	--
Water Line Upgrades - FY 2018 *	WT1282	4,976,345	4,976,344	--	4,976,344
Water Line Upgrades - FY 2017 *	WT1265	4,982,794	4,982,794	--	4,982,794
Water Line Upgrades - FY 2019 *	WT1298	4,970,867	4,970,866	--	4,970,866
Water Main Extensions - FY 2016	WT1243	302,777	283,416	--	283,416
Water Main Extensions & Valve Replacements - FY 2019	WT1294	801,310	395,327	--	395,327
Water Main Replacement Project - FY 2020	WT3302	5,153,584	3,730,725	1,345,755	5,076,480
Water Main Replacement Project - FY 2021	WT3301	4,376,808	3,914,810	325,954	4,240,764
Water Main Replacement Project - FY 2022	WT3303	4,664,799	262,037	1,273,096	1,535,133
Water Main Replacement Project - FY 2023	WT3305	4,481,090	--	249,968	249,968
Watershed Protection	WT3150	2,295,000	150,539	55,785	206,324
Western Cary Water Storage Tank (Good Hope Tank)	WT1189	9,310,000	8,963,396	--	8,963,396
White Oak Church Road Water Line	WT1284	1,711,294	151,589	695,841	847,430

WATER PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 12

		PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
<u>Asset-Related Projects (cont'd)</u>					
	<u>Project #</u>				
Wimberly Road Water Line	WT1142	4,306,000	3,918,340	910	3,919,250
Less: Local Government Reimbursements		(26,514,520)	(24,305,853)	(434,158)	(24,740,011)
Total Expenditures		216,335,826	149,211,807	8,039,462	157,251,269
Less: Completed Projects (noted by *)		(32,309,608)	(30,056,987)	(78,040)	(30,135,027)
Construction in Progress		184,026,218	119,154,820	7,961,422	127,116,242
<u>Expense Projects</u>					
	<u>Project #</u>				
Aquastar - Meter & Radio Replacements	WT3250	148,266	--	--	--
Aquastar - Meter & Radio Replacements - FY2022 *	WT3252	998,428	904,742	93,685	998,427
Aquastar - Meter & Radio Replacements - FY2021 *	WT3251	631,518	631,518	--	631,518
Aquastar - Meter & Radio Replacements - FY2023	WT3253	1,645,000	8,141	96,368	104,509
Cary/Apex Water Treatment Facility - Basin Rehabilitation	WT1312	3,000,000	--	--	--
Cary/Apex Water Treatment Facility - Caustic Tank Replacement	WT1303	600,000	--	--	--
Cary/Apex Water Treatment Facility - Generator Gear Switch Upgrade	WT1292	250,000	227,298	15,102	242,400
Cary/Apex Water Treatment Facility - Ozone Generator Replacement *	WT1304	4,500,000	3,236,540	--	3,236,540
Cary/Apex Water Treatment Facility - Process Basin Rehabilitation/Restoration	WT1241	2,100,000	1,456,481	--	1,456,481
Cary/Apex Water Treatment Facility - Raw Water Pump Station Powder	WT1302	250,000	--	--	--
Cary/Apex Water Treatment Facility - Residuals Facility Polymer System	WT1313	300,000	53,141	7,778	60,919
Cary/Apex Water Treatment Facility - Roof Assessment & Rehabilitation FY 2022	WT3202	54,565	--	--	--
Cary/Apex Water Treatment Facility - Filter Pipe Gallery Piping Removal	WT1269	150,000	--	--	--
Chapel Hill Road Valve Replacement *	WT3501	127,740	115,427	12,313	127,740
Fenton - Water	WT2500	--	1,065,429	--	1,065,429
Carpenter Elevated Water Tank Repaintng *	WT1301	900,000	836,664	--	836,664
Holly Springs Road Hydrants and Automatic Flushers	WT1307	100,000	92,843	--	92,843
Meter Replacements - FY 2023	WT3263	576,788	--	150,562	150,562
NCDOT Nelson Road Water Utility Relocation	WT3351	36,414	12,045	15,135	27,180
Nelson Road Insertion Valve *	WT3502	19,500	--	19,500	19,500
Remote Water System Programmable Logic Controller Replacements and SCADA Upgrades	WT1233	150,000	168,807	--	168,807
Roof Assessments & Rehabilitation - Water	WT1296	85,000	61,464	--	61,464
Roof Assessments & Rehabilitation - FY 2021 *	WT3201	40,435	40,435	--	40,435
Roof Assessments & Rehabilitation - Water	WT3200	251,000	--	--	--
Sec & Cumul Master Mitigation Plan	WT1320	150,000	--	--	--
Triangle Water Supply Partnership (former Jordan Lake Partnership)	WT1177	407,500	211,189	--	211,189
Water Main Condition Assessment Program	WT1191	475,000	184,331	202,309	386,640
Water System - Protection Study	WT1322	200,000	--	--	--
Water System - Air Release Valve Replacements FY 2023	WT1323	100,000	--	--	--
Water System - Critical Line Locating and Testing	WT3450	525,000	189,949	82,951	272,900
Water System - DOT Relocation	WT3350	1,169,959	--	--	--
Water System - Lead and Copper Assessment	WT1321	250,000	--	--	--
Water System - Valve Replacements	WT3500	352,760	--	--	--

WATER PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CARY, NORTH CAROLINA
 FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 12

		PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
<i>Expense Projects (cont'd)</i>					
Water System Master Plan	WT1287	350,000	50,635	248,015	298,650
Water System Valve Replacements - FY 2016 *	WT1251	125,000	85,019	--	85,019
Less: Local Government Reimbursements		(2,811,600)	(1,143,947)	(5,262)	(1,149,209)
Total Expenditures		<u>18,208,273</u>	<u>8,488,151</u>	<u>938,456</u>	<u>9,426,607</u>
Less: Completed Projects (noted by *)		(6,307,621)	(5,105,889)	(125,498)	(5,231,387)
Other Projects-in-Progress		<u>11,900,652</u>	<u>3,382,262</u>	<u>812,958</u>	<u>4,195,220</u>
TOTAL EXPENDITURES		<u>234,544,099</u>	<u>157,699,958</u>	<u>8,977,918</u>	<u>166,677,876</u>
Total Completed Projects		(38,617,229)	(35,162,876)	(203,538)	(35,366,414)
TOTAL PROJECTS IN PROGRESS		<u>195,926,870</u>	<u>122,537,082</u>	<u>8,774,380</u>	<u>131,311,462</u>
Revenues Under Expenditures		(195,418,724)	(120,785,954)	(8,774,380)	(129,560,334)
OTHER FINANCING SOURCES					
Debt Issued		72,682,835	68,882,835	--	68,882,835
Revenue Bonds (refinanced State Revolving Loan)		2,617,514	2,499,183	--	2,499,183
Transfers In, Net					
Utility System Operations Sub-Fund		46,509,217	39,519,217	6,990,000	46,509,217
Capital Reserve Sub-Fund		112,226,387	104,346,710	7,879,675	112,226,385
TOTAL OTHER FINANCING SOURCES		<u>234,035,953</u>	<u>215,247,945</u>	<u>14,869,675</u>	<u>230,117,620</u>
Less: Completed Projects		(38,617,229)	(38,622,790)	5,550	(38,617,240)
Total Other Financing Sources, Net of Completed Projects		<u>195,418,724</u>	<u>176,625,155</u>	<u>14,875,225</u>	<u>191,500,380</u>
Increase		--	55,839,201	6,100,845	61,940,046
Adjustment for Closed Projects		--	3,459,914	(3,459,914)	--
FUND BALANCE		<u>\$ -</u>	<u>\$ 59,299,115</u>	2,640,931	<u>\$ 61,940,046</u>
ADJUSTMENT TO ACCRUAL BASIS					
Add (Deduct)					
				8,039,462	
				(368,433)	
					10,311,960
NET POSITION - BEGINNING OF YEAR, BUSINESS-TYPE ACTIVITIES					<u>208,510,925</u>
				(29,766,592)	
NET POSITION - END OF YEAR, BUSINESS-TYPE ACTIVITIES					<u>\$ 189,056,293</u>

SEWER PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CARY, NORTH CAROLINA
 FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 13

	PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
Intergovernmental Grants	\$ 100,000	\$ 100,000	\$ --	\$ 100,000
Investment Earnings	76,630	90,739	--	90,739
Fenton Reimbursement	--	1,055,878	--	1,055,878
TOTAL REVENUES	176,630	1,246,617	--	1,246,617
Less: Completed Projects	(103,963)	(118,071)	--	(118,071)
Total Revenues, Net of Completed Projects	72,667	1,128,546	--	1,128,546

REVENUES

EXPENDITURES

Asset-Related Projects

	Project #				
Basin S1, S2, S3/ Walnut Creek Improv	SW1363	250,000	7,810	210,310	218,120
Beaver Creek Pump Station Expansion Master Plan	SW1377	250,000	--	--	--
Blanche Drive Area Sewer Improvements *	SW1257	175,000	2,166	--	2,166
Carystone Pump Station Elimination	SW1184	410,000	58,565	--	58,565
Copperelaf Reclaimed Extension	SW1378	350,000	--	--	--
Crabtree Interceptor Parallel Force Main	SW1354	75,000	--	--	--
ERP Replacement - Sewer	SW1400	2,250,000	--	804,354	804,354
Extend Reclaimed Water Mains	SW3100	689,055	--	--	--
Force Main Inspection & Rehabilitation - FY 2008	SW1156	3,600,000	3,273,076	(222)	3,272,854
Force Main Inspection and Rehabilitation - FY 2010	SW1202	2,500,000	879,603	350,843	1,230,446
Green Level Sewer Interceptor Odor Control	SW1339	600,000	--	97,800	97,800
Heavy Equipment Replacement - Sewer *	SW1321	978,932	--	474,758	474,758
I-40 Pump Station Improvements	SW1322	1,747,731	1,208,808	524,453	1,733,261
Infrastructure GIS Asset Data - Wastewater	SW1340	658,000	258,150	--	258,150
Jack Branch Interceptor	SW1269	1,150,000	6,940	--	6,940
Kit Creek Pump Station & Morris Branch Regional Pump Station Parallel Force Main	SW1323	4,800,000	184,670	56,718	241,388
Meridian East Chatham Street - Sewer	SW3560	250,000	--	--	--
NCWRF - Aeration Improvements Project	SW1290	18,474,415	17,653,714	319,776	17,973,490
NCWRF - Ferric Tank Replacement	SW1380	100,000	--	71,465	71,465
NCWRF - Gate Replacement	SW1381	250,000	--	--	--
NCWRF - Inductively Coupled Mass Spectrometer Replacement	SW1364	175,000	156,849	--	156,849
NCWRF - Bandscreens Improvements	SW3201	18,292	--	--	--
<u>Asset-Related Projects (cont'd)</u>	<u>Project #</u>				
NCWRF - Fuel Storage Tank Installation	SW1355	200,000	199,922	--	199,922
Old Apex Road Sewer Improvements	SW1382	350,000	--	--	--
Paramount Pump Station Improvement	SW1191	2,310,000	382,133	66,143	448,276

SEWER PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CARY, NORTH CAROLINA
 FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 13

		ACTUAL			
		PROJECT	PRIOR	CURRENT	TOTAL
		AUTHORIZATION	YEARS	YEAR	TO DATE
Reclaimed Water Main Extensions - FY 2019	SW1338	147,746	5,663	2,427	8,090
Reclaimed Water Line Oversizings - FY 2019	SW1342	175,849	--	--	--
Reclaimed Water Main Oversizings	SW3200	566,812	--	--	--
Rocky Branch Pump Station, Interceptor & Force Main	SW1370	1,000,000	--	--	--
Sanitary Sewer Oversizings - FY 2019	SW1344	200,000	--	--	--
Sanitary Sewer Oversizings and Related Infrastructure Acceptance Requirements	SW3400	850,000	--	--	--
SCADA at Pump Stations	SW3700	650,000	9,174	--	9,174
SCADA Tier 2 Wastewater Pump Station	SW1345	750,000	622,029	56,243	678,272
SCWRF - Facility Improvements Project *	SW1266	435,000	328,524	106,245	434,769
SCWRF - Generator (GEN500) Replacement	SW1383	250,000	--	11,484	11,484
SCWRF - Programmable Logic Controller Replacements	SW1365	500,000	--	--	--
SCWRF - Replace Dust Bagger with Wet Scrubber	SW1356	100,000	--	--	--
SCWRF - Solar Facility Acquisitions *	SW1376	475,000	--	475,000	475,000
SCWRF - Solar Field Upgrades	SW1384	225,000	--	--	--
SCWRF - Thermal Biosolids Dryer - Dewatered Cake Pump	SW1301	225,000	89,238	--	89,238
SCWRF - Thermal Biosolids Dryer - Rotary Drum Replacement	SW1302	1,200,000	56,556	103,692	160,248
SCWRF - Underground Fuel Storage Closeout and Above Ground Fuel Storage	SW1357	200,000	199,310	--	199,310
Sewer Flow Management Modeling Scenarios	SW1264	700,000	688,361	--	688,361
Sewer Rehabilitation FY 2021	SW3501	13,749,707	4,181,393	7,882,699	12,064,092
Sewer Rehabilitation FY 2022	SW3502	515,000	10,121	--	10,121
Sewer System Repair/Rehabilitation	SW3500	7,766,787	--	--	--
Sewer System Repair/Rehabilitation - FY 2016 *	SW1303	2,583,407	2,561,780	--	2,561,780
Sewer System Repair/Replacement - FY 2018 *	SW1334	5,428,112	5,274,066	69,212	5,343,278
Swift Creek Pump Station Improvements Phase 2	SW1389	1,450,000	--	--	--
Swift Creek Regional Pumping Station Improvements (Existing Equipment Improvements)	SW1171	1,538,239	1,378,800	18,485	1,397,285
TCAP - Streetscape Sewer Upgrade *	SW1177	767,383	725,374	--	725,374
Terrace II Pump Station Elimination	SW1287	250,000	11,572	--	11,572
Walnut Creek Pump Station Improvements	SW1385	200,000	--	20,400	20,400
Wastewater Pump Station Improvements	SW1349	750,000	711,772	26,267	738,039
Wastewater Pump Station Parallel Force Main - FY 2017	SW1320	4,922,721	858,247	187,847	1,046,094

SEWER PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CARY, NORTH CAROLINA
 FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 13

		ACTUAL			
		PROJECT	PRIOR	CURRENT	TOTAL
		AUTHORIZATION	YEARS	YEAR	TO DATE
<u>Asset-Related Projects (cont'd)</u>		<u>Project #</u>			
Wastewater Pump Station Parallel Force Main - FY 2019	SW1350	341,000	--	--	--
Wastewater Pump Station Parallel Force Mains	SW1176	7,154,548	5,855,026	1,207,289	7,062,315
Wastewater SCADA *	SW1121	1,266,694	1,245,747	16,033	1,261,780
West Cary Northern Force Main Conversion to Reclaimed Water	SW1359	1,000,000	--	--	--
Winding Pine Pump Station	SW3504	2,201,213	--	--	--
Winding Pine Regional Pump Station, Gravity Sewer and Force Main	SW1284	20,359,000	1,484,268	9,396,073	10,880,341
WWRWRF - Beaver Creek Dumpster & Bar Screen	SW1352	825,000	528,979	259,411	788,390
WWRWRF - Beaver Creek Pump Station	SW1146	19,623,938	16,049,839	270,736	16,320,575
WWRWMF - Phase 2 Expansion to 30 MGD	SW1388	500,000	--	--	--
WWRWMF - W Cary Pump Station Upgrade	SW1143	11,279,482	9,249,718	6,063	9,255,781
Less: Local Government Reimbursements		(4,603,852)	(3,790,089)	(92,758)	(3,882,847)
Total Expenditures		151,130,211	72,607,874	22,999,246	95,607,120
Less: Completed Projects (noted by *)		(11,605,354)	(10,137,657)	(1,141,248)	(11,278,905)
Construction in Progress		139,524,857	62,470,217	21,857,998	84,328,215
<u>Expense Projects</u>		<u>Project #</u>			
Airport Blvd Sewer Inspection	SW3353	100,000	--	--	--
Cleaning & Video Surveying of Sewer Interceptors - FY 2022 - FY 2026	SW3602	1,945,000	--	673,011	673,011
Cleaning & Video Surveying of Sewer Interceptors - FY2021 *	SW3601	40,505	40,505	--	40,505
Cleaning & Video Surveying of Sewer Interceptors - Main	SW3600	14,495	--	--	--
Cleaning & Video Surveying of Sewer Interceptors - Multi-Year	SW1203	3,984,500	3,957,383	--	3,957,383
Fenton - Sewer	SW2500	--	1,055,878	--	1,055,878
Force Main - Easement Surveying & Clearing	SW3650	100,000	--	46,500	46,500
Force Main Condition Assessment & Maintenance	SW3550	1,500,000	--	--	--
Miscellaneous Pump Station Grinder & Rebuild FY 2018	SW1336	150,000	134,621	--	134,621
Morris Branch Pump Station Improvements	SW1379	150,000	-	-	-
NCDOT Nelson Road Sewer Utility Relocation	SW3351	55,831	7,863	43,636	51,499
NCWRF - Clarifier Equipment Repair and Replacement	SW1291	550,000	539,104	--	539,104
NCWRF - Band Screen and Compactor Replacement - FY 2022	SW1374	850,000	54,170	41,046	95,216
NCWRF - Continuous Three Train Operation	SW1325	50,000	47,433	--	47,433
NCWRF - Submersible Influent Pump Replacement	SW1369	450,000	35,850	324,036	359,886
NCWRF - HVAC Replacements FY 2019	SW1353	30,000	14,340	--	14,340
Oxford Creek Aerial Sewer Stabilization	SW3503	207,000	--	181,984	181,984
Pump Station Grinder Rebuild/Replacement - FY2021	SW1368	200,000	5,865	--	5,865
Pump Station Variable Frequency Drive Replacements	SW1296	500,000	263,168	--	263,168

SEWER PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CARY, NORTH CAROLINA
 FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 13

		ACTUAL			
		PROJECT	PRIOR	CURRENT	TOTAL
		AUTHORIZATION	YEARS	YEAR	TO DATE
<u>Expense Projects (cont'd)</u>	<u>Project #</u>				
Reclaimed Water System Blowoff Metering *	SW1276	210,000	207,607	--	207,607
Roof Assessments & Rehabilitation - Sewer	SW1343	120,000	102,891	--	102,891
Roof Assessments & Rehabilitation - Sewer - FY2022	SW3301	405,000	5,408	17,212	22,620
SCWRF - Aeration Basin and Air Header Repairs	SW1280	425,000	176,577	247,101	423,678
SCWRF - Aeration Basin Recycle Pump Replacements	SW1329	240,000	141,389	--	141,389
SCWRF - Bio-Filter Media	SW1371	250,000	84,000	70,333	154,333
SCWRF - Clarifier Equipment Repair and Replacement	SW1311	500,000	353,088	--	353,088
SCWRF - Demolition of Lagoons	SW1251	325,000	66,811	--	66,811
SCWRF - Dryer Centrifuge Rebuild	SW1375	200,000	--	67,156	67,156
SCWRF - Generator Automated Transfer Switch Replacement	SW1312	140,000	9,000	1,950	10,950
SCWRF - Gravity Belt Thickener Rebuild *	SW1331	150,000	132,857	17,105	149,962
SCWRF - Headworks Equipment Improvement	SW1372	350,000	--	--	--
SCWRF - Plant Drain Pump Station Improvements	SW1346	125,000	35,214	23,529	58,743
SCWRF - Polish Pond Liner Replacement	SW1347	250,000	--	--	--
SCWRF - Return Activated Sludge (RAS) / Waste Activated Sludge (WAS) Pump Station Improvement	SW1366	250,000	26,276	--	26,276
SCWRF - Ultraviolet Redundancy Engineering Study *	SW1367	150,000	109,795	39,422	149,217
SCWRF - Variable Frequency Drive Replacement	SW1333	600,000	62,394	101,463	163,857
Sewer Monitor - Bloomberg Grant *	SW1337	100,000	78,909	--	78,909
Sewer System - NCDOT Aviation Parkway	SW3352	182,575	--	182,575	182,575
Swift Creek Regional Pumping Station Improvements (Existing Equipment Improvements)	SW1171	51,761	33,973	--	33,973
West Cary Pump Station Dumpster Enclosure *	SW1351	75,000	13,116	--	13,116
Wastewater Collection System Master Plan Update	SW1335	750,000	105,051	66,000	171,051
Wastewater System - DOT Relocations	SW3350	1,011,594	--	--	--
Wastewater System Flow Monitoring - Flow Meters	SW1373	275,000	--	--	--
West Cary & Beaver Creek Pump Station Piping Evaluations	SW1358	200,000	43,450	11,360	54,810
WWRWRF - Rebuild Jet Aeration Pump	SW3453	79,727	79,727	--	79,727
WWRWRF - Aeration Basin Maintenance	SW3450	3,848	--	--	--
WWRWRF - Biofilter Media Replacement for Odor Control	SW1386	300,000	--	247,760	247,760
WWRWRF - NRCY & ARCY Pump Rebuild / Replacement	SW1387	75,000	--	49,410	49,410
WWRWRF - Rebuild / Replace Mixer	SW3452	222,000	120,895	96,466	217,361
WWRWRF - Rebuild Jet & Post Aeration Pumps	SW3451	182,425	82,128	98,637	180,765
Less: Local Government Reimbursements		(336,020)	(110,908)	(171,235)	(282,143)
Total Expenditures		18,740,241	8,115,828	2,476,457	9,878,769
Less: Completed Projects (noted by *)		(725,505)	(582,789)	(56,527)	(639,316)
Other Projects-in-Progress		18,014,736	7,533,039	2,419,930	9,239,453
TOTAL EXPENDITURES		169,870,452	80,723,702	25,475,703	106,199,405
Total Completed Projects		(12,330,859)	(10,720,446)	(1,197,775)	(11,918,221)

SEWER PROJECT SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CARY, NORTH CAROLINA
 FROM INCEPTION TO JUNE 30, 2023

SCHEDULE 13

	PROJECT AUTHORIZATION	PRIOR YEARS	ACTUAL CURRENT YEAR	TOTAL TO DATE
TOTAL PROJECTS IN PROGRESS	157,539,593	70,003,256	24,277,928	94,281,184
Revenues Under Expenditures	(157,466,926)	(68,874,710)	(24,277,928)	(93,152,638)
OTHER FINANCING SOURCES (USES)				
Revenue Bonds (refinanced State Revolving Loan)	41,644	41,645	--	41,645
Debt Issued (includes budgeted, but not issued)	38,132,273	33,481,987	--	33,481,987
Transfers In, net				
Utility System Operations Sub-Fund	34,775,678	29,167,340	5,608,337	34,775,677
Capital Reserve Sub-Fund	96,744,227	86,644,723	10,099,501	96,744,224
TOTAL OTHER FINANCING SOURCES	169,693,822	149,335,695	15,707,838	165,043,533
Less: Completed Projects	(12,226,896)	(12,241,391)	14,493	(12,226,898)
Total Other Financing Sources, Net of Completed Projects	157,466,926	137,094,304	15,722,331	152,816,635
Increase	--	68,219,594	(8,555,597)	59,663,997
Adjustment for Closed Projects	--	1,639,016	(1,639,016)	--
FUND BALANCE	\$ -	\$ 69,858,610	(10,194,613)	\$ 59,663,997

ADJUSTMENT TO ACCRUAL BASIS

	Add (Deduct)	
	Construction-in-Progress Current Year	22,999,246
	Construction-in-Progress Write-Off & Other Adj	(2,166)
	CHANGE IN NET POSITION	12,802,467
NET POSITION - BEGINNING OF YEAR, BUSINESS-TYPE ACTIVITIES		142,466,494
Reclassification Between Utility Sub-Funds, Net		(11,276,737)
NET POSITION - END OF YEAR, BUSINESS-TYPE ACTIVITIES		\$ 143,992,224

UTILITY SYSTEM CAPITAL RESERVE SUB-FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION BUDGET AND ACTUAL (NON-GAAP)
 CARY, NORTH CAROLINA
 FOR THE YEAR ENDED JUNE 30, 2023
 WITH COMPARATIVE TOTALS FOR JUNE 30, 2022

Schedule 14

	2023			2022
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
REVENUES				
Water Development Fees	\$ 3,905,760	\$ 4,617,738	\$ 711,978	\$ 4,187,990
Sewer Development Fees	5,241,876	5,155,620	(86,256)	4,946,447
Reclaimed Water Development Fees	-	-	-	-
Investment Earnings, Net of Market Adjustment	1,049,926	1,876,535	826,609	(6,035,193)
Miscellaneous	-	301,104	301,104	-
TOTAL REVENUES	10,197,562	11,950,997	1,753,435	3,099,244
OTHER FINANCING SOURCES (USES)				
Transfers (Out), Net				
Transfer to Water Project Sub-Fund	(7,939,350)	(4,628,849)	3,310,501	(4,039,204)
Transfer to Sewer Project Sub-Fund	(11,599,500)	(9,672,751)	1,926,749	(12,702,728)
Appropriation from Fund Balance	9,341,288	-	(9,341,288)	-
TOTAL OTHER FINANCING USES, NET	(10,197,562)	(14,301,600)	(4,104,038)	(16,741,932)
Revenues Over (Under) Other Financing Uses	\$ -	(2,350,603)	\$ (2,350,603)	(13,642,688)
ADJUSTMENT TO ACCRUAL BASIS				
Add				
Development Fee Credits Used		101,115		628,856
CHANGE IN NET POSITION		(2,249,488)		(13,013,832)
NET POSITION - BEGINNING OF YEAR		54,488,460		67,502,292
NET POSITION - END OF YEAR		\$ 52,238,973		\$ 54,488,460



INTERNAL SERVICE FUND

COMBINING STATEMENT OF NET POSITION

Breakdown of balance sheet information from the Basic Financial Statements.

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

Breakdown of information from the Basic Financial Statements.

COMBINING STATEMENT OF CASH FLOWS

Breakdown of information from the Basic Financial Statements.

FLEET MANAGEMENT INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION

Budget to actual comparison (non-GAAP) of the Town's internal service fund that accounts for fleet management.

HEALTH INSURANCE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION

Budget to actual comparison (non-GAAP) of the Town's internal service fund that accounts for employee health and dental insurance premiums and claims.

INTERNAL SERVICE FUNDS - COMBINING SCHEDULE OF NET POSITION

CARY, NORTH CAROLINA
JUNE 30, 2023

Schedule 15

	Fleet Management	Health Insurance	Total
ASSETS			
Current Assets			
Equity in Pooled Cash and Investments	\$ 498,601	\$ 22,393,299	\$ 22,891,900
Accrued Interest on Investments	853	--	853
Accounts Receivable, Net of Allowance for Doubtful Accounts	--	158,300	158,300
Due from Other Funds	300,000	--	300,000
Inventories	68,371	--	68,371
TOTAL CURRENT ASSETS	867,825	22,551,599	23,419,424
Non-Current Assets			
Capital Assets, Net of Accumulated Depreciation	1,143,803	--	1,143,803
TOTAL ASSETS	2,011,628	22,551,599	24,563,227
DEFERRED OUTFLOW OF RESOURCES			
Deferred Contributions to Pension Plans	464,611	--	464,611
Deferred Contributions to OPEB	309,707	--	309,707
TOTAL DEFERRED OUTFLOW OF RESOURCES	774,318	-	774,318
LIABILITIES			
Current liabilities			
Accounts Payable and Accrued Liabilities	247,311	5,831	253,142
Compensated Absences	92,343	--	92,343
TOTAL CURRENT LIABILITIES	339,654	5,831	345,485
Non-Current liabilities			
Deposits	--	--	--
Compensated Absences	--	--	--
Claims Incurred But Not Reported	--	3,610,828	3,610,828
Net Pension Obligation	692,841	--	692,841
Net Other Post-Employment Benefits	1,511,933	--	1,511,933
TOTAL NON-CURRENT LIABILITIES	2,204,774	3,610,828	5,815,602
TOTAL LIABILITIES	2,544,428	3,616,659	6,161,087
DEFERRED INFLOW OF RESOURCES			
Pension Deferrals	--	--	--
OPEB Deferrals	762,232	--	762,232
TOTAL DEFERRED INFLOW OF RESOURCES	762,232	-	762,232
NET POSITION			
Invested in Capital Assets, Net of Related Debt	1,143,803	--	1,143,803
Unrestricted Net Position	(1,664,517)	18,934,940	17,270,423
TOTAL NET POSITION	\$ (520,714)	\$ 18,934,940	\$ 18,414,226

INTERNAL SERVICE FUNDS - COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 CARY, NORTH CAROLINA
 FOR THE YEAR ENDED JUNE 30, 2023

Schedule 16

	Fleet Management	Health Insurance	Total
OPERATING REVENUES			
Charges for Services	\$ 4,154,168	--	\$ 4,154,168
Health and Dental Premiums	--	20,216,600	20,216,600
TOTAL OPERATING REVENUES	4,154,168	20,216,600	24,370,768
OPERATING EXPENSES			
Fleet Management Expense	4,750,955	--	4,750,955
Insurance Claims & Administrative Fees	--	25,387,141	25,387,141
Depreciation	159,683	--	159,683
TOTAL OPERATING EXPENSES	4,910,638	25,387,141	30,297,779
OPERATING INCOME	(756,470)	(5,170,541)	(5,927,011)
NONOPERATING REVENUES			
Investment Earnings, net of market adjustment	889	--	889
TOTAL NONOPERATING REVENUE	889	-	889
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(755,581)	(5,170,541)	(5,926,122)
Capital Contributions	203,875	--	203,875
Transfer from General Fund	--	1,000,000	1,000,000
Transfers In from American Rescue Plan Act Fund	--	2,000,000	2,000,000
Transfer from Utility Fund	--	1,000,000	1,000,000
CHANGE IN NET POSITION	(551,706)	(1,170,541)	(1,722,247)
TOTAL NET POSITION - BEGINNING OF YEAR	30,992	20,105,481	20,136,473
TOTAL NET POSITION - END OF YEAR	\$ (520,714)	\$ 18,934,940	\$ 18,414,226

INTERNAL SERVICE FUNDS - COMBINING STATEMENT OF CASH FLOWS

CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

Schedule 17

	Fleet Management	Health Insurance	Total
OPERATING ACTIVITIES			
Cash Received from Customers	\$ 4,154,168	\$ 20,216,600	\$ 24,370,768
Cash Paid for Goods and Services	(3,448,744)	--	(3,448,744)
Cash Paid To or On Behalf of Employees for Services & Benefits	(1,207,786)	--	(1,207,786)
Cash Paid for Health and Dental Claims	--	(24,048,967)	(24,048,967)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(502,362)	(3,832,367)	(4,334,729)
NONCAPITAL FINANCING ACTIVITIES			
Transfers In	-	4,000,000	4,000,000
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	-	4,000,000	4,000,000
CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(102,500)	--	(102,500)
Proceeds Received from Sale of Assets	--	--	--
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(102,500)	-	(102,500)
NET CASH USED IN INVESTING ACTIVITIES			
Investment Earnings Received, Net of Unrealized Loss	1,176	--	1,176
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,176	--	1,176
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(603,686)	167,633	(436,053)
CASH AND INVESTMENTS AT BEGINNING OF YEAR	1,102,287	22,225,666	23,327,953
CASH AND INVESTMENTS AT END OF YEAR	\$ 498,601	\$ 22,393,299	\$ 22,891,900

INTERNAL SERVICE FUNDS - COMBINING STATEMENT OF CASH FLOWS

CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

Schedule 17

	Fleet Management	Health Insurance	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	(756,470)	(5,170,541)	(5,927,011)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities			
Depreciation	159,683	--	159,683
Adjustment for LGERS Pension Expense	63,309	--	63,309
Adjustment for Unfunded Other Post Employment Benefits	76,211	--	76,211
Changes in Assets and Liabilities -			
(Increase) in Inventory	30,964	--	30,964
(Decrease) in Accounts Payable and Accrued Liabilities	(96,298)	(33,128)	(129,426)
Increase in Compensated Absences Liability	20,239	--	20,239
Increase in Miscellaneous Liability	--	1,371,302	1,371,302
TOTAL ADJUSTMENTS	254,108	1,338,174	1,592,282
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (502,362)	\$ (3,832,367)	\$ (4,334,729)
NONCASH TRANSACTIONS			
Capital Contributions	\$ (203,875)	\$ -	\$ (203,875)
TOTAL NONCASH TRANSACTIONS	\$ (203,875)	\$ -	\$ (203,875)

FLEET MANAGEMENT INTERNAL SERVICE FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION BUDGET AND ACTUAL (NON-GAAP)

CARY, NORTH CAROLINA
 FOR THE YEAR ENDED JUNE 30, 2023
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

Schedule 18

	2023			2022
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
REVENUES				
Vehicle Maintenance & Repair	\$ 4,656,631	\$ 4,154,168	\$ (502,463)	\$ 3,990,462
Investment Earnings, net of market adjustment	1,620	889	(731)	(11,218)
TOTAL REVENUES	4,658,251	4,155,057	(503,194)	3,979,244
EXPENDITURES (5660)				
Personnel Services	1,389,261	1,222,686	166,575	1,126,756
Operations & Maintenance	2,991,060	3,362,606	(371,546)	2,843,189
Capital Outlays	266,930	102,499	164,431	40,768
Allocation Accounts	11,000	5,905	5,095	14,935
TOTAL EXPENDITURES	4,658,251	4,693,696	(35,445)	4,025,648
Revenues Under Expenditures	--	(538,639)	(538,639)	(46,404)
OTHER FINANCING SOURCES				
Proceeds from Sale of Assets	--	--	--	32,601
TOTAL OTHER FINANCING SOURCES	-	-	-	32,601
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>(538,639)</u>	<u>\$ (538,639)</u>	<u>(13,803)</u>
ADJUSTMENT TO ACCRUAL BASIS				
Add (Deduct)				
Capital Outlays		102,499		35,802
Depreciation Expense		(159,683)		(192,092)
Capital Contributions		203,875		--
Miscellaneous Revenue		--		--
Increase in Compensated Absences Liability		(20,238)		17,876
Unfunded Other Post-Employment Expense		(76,211)		(81,381)
Pension Expense Adjustment		(63,309)		32,574
Total Accrual Adjustment		(13,067)		(187,221)
CHANGE IN NET POSITION		<u>(551,706)</u>		<u>(201,024)</u>
NET POSITION - BEGINNING OF YEAR		<u>30,992</u>		<u>232,016</u>
NET POSITION - END OF YEAR		<u>\$ (520,714)</u>		<u>\$ 30,992</u>

HEALTH INSURANCE INTERNAL SERVICE FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION BUDGET AND ACTUAL (NON-GAAP)

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

Schedule 19

	2023			2022
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
REVENUES				
Health Insurance Premiums -				
Employees	\$ 14,880,815	\$ 14,605,189	\$ (275,626)	\$ 14,162,555
Spouse and Dependents	3,800,000	3,879,530	79,530	3,748,199
Retirees	1,815,000	283,467	(1,531,533)	313,052
Cobra	--	40,577	40,577	10,724
Total Health Premiums	20,495,815	18,808,763	(1,687,052)	18,234,530
Dental Insurance Premiums -				
Employees	800,000	528,678	(271,322)	502,083
Spouse and Dependents	800,000	780,868	(19,132)	758,843
Retirees	204,679	94,029	(110,650)	95,038
Cobra	--	4,262	4,262	2,394
Total Dental Premiums	1,804,679	1,407,837	(396,842)	1,358,358
TOTAL REVENUES	22,300,494	20,216,600	(2,083,894)	19,592,888
EXPENDITURES				
Health Expenditures				
Employees and Families Claims	16,373,454	16,653,717	(280,263)	16,214,613
Retiree Claims	2,688,683	2,972,461	(283,778)	2,719,204
Retirees Medicare Premiums Paid	688,993	636,338	52,655	479,287
Total Health Expenditures	19,751,130	20,262,516	(511,386)	19,413,104
Dental Expenditures				
Employees and Families Claims	1,308,659	1,589,727	(281,068)	1,369,050
Retiree Claims	302,431	212,252	90,179	207,814
Total Dental Expenditures	1,611,090	1,801,979	(190,889)	1,576,864
Flexible Spending Benefit Paid by Town	--	29,686	(29,686)	292,374
Administration	2,507,573	2,558,747	(51,174)	2,321,100
Contracted Services	163,311	182,803	(19,492)	(11,515)
Reimbursements from Operating Funds for Certain				
Administrative Expenses	(732,610)	(732,610)	--	(1,068,500)
TOTAL EXPENDITURES, NET	23,300,494	24,103,121	(802,627)	22,523,427
Revenues Over (Under) Expenditures	(1,000,000)	(3,886,521)	(2,886,521)	(2,930,539)

**HEALTH INSURANCE INTERNAL SERVICE FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
NET POSITION BUDGET AND ACTUAL (NON-GAAP)**

CARY, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

Schedule 19

	2023			2022
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
OTHER FINANCING SOURCE (USE)				
Transfers Out			--	
Transfers In from General Fund	1,000,000	1,000,000	--	1,000,000
Transfers In from American Rescue Plan Act Fund	2,000,000	2,000,000	--	--
Transfers In from Utility Fund	1,000,000	1,000,000	--	1,000,000
Appropriation to Fund Balance	(3,000,000)	--	3,000,000	--
TOTAL OTHER FINANCING SOURCE	1,000,000	4,000,000	3,000,000	2,000,000
Excess of Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	113,479	<u>\$ 113,479</u>	(930,539)
ADJUSTMENT TO ACCRUAL BASIS				
Deduct				
Increase in Claims Incurred But Not Reported		(1,284,020)		(30,000)
Increase in Accounts Receivable		--		--
Total Accrual Adjustment		(1,284,020)		(30,000)
CHANGE IN NET POSITION		(1,170,541)		(960,539)
NET POSITION - BEGINNING OF YEAR		20,105,481		21,066,020
NET POSITION - END OF YEAR	\$	18,934,940		\$ 20,105,481

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND - BUDGETARY COMPARISON SCHEDULE - MULTI-YEAR

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

Schedule 20

		TOTAL BUDGET AUTHORIZATION	PRIOR YEARS ACTUAL	CURRENT YEAR ACTUAL	ACTUALS TO DATE	VARIANCE POSITIVE (NEGATIVE)
REVENUES						
Community Development Block Grant -						
2017 Authorization		\$ 38,500	\$ 11,853	\$ --	\$ 11,853	\$ (26,647)
2018 Authorization		356,641	89,266	--	89,266	(267,375)
2019 Authorization		1,300,000	469,202	--	469,202	(830,798)
2020 Authorization		1,303,243	404,584	133,403	537,987	(765,256)
2021 Authorization		455,000	481,409	30,034	511,443	56,443
2022 Authorization		663,200	--	336,269	336,269	(326,931)
Community Development Block Grant		4,116,584	1,456,314	499,706	1,956,020	(2,160,564)
Program Income		1,514,878	1,524,642	4,230	1,528,872	13,994
Interest Earnings		207	317	--	317	110
Total Revenue, Net		5,631,669	2,981,273	503,936	3,485,209	(2,146,460)
EXPENDITURES						
	<i>Project #</i>					
Program Administration	CD1018	104,000	35,300	--	35,300	68,700
Administration and Planning	CD1019	53,000	22,495	4,360	26,855	26,145
Administration and Planning	CD1020	96,000	25,723	--	25,723	70,277
Administration and Planning	CD1021	109,921	23,861	52,339	76,200	33,721
Administration and Planning	CD1022	132,640	--	64,746	64,746	67,894
Total Program Administration		495,561	107,379	121,445	228,824	266,737
Public Outreach	CD0219	10,000	--	--	--	10,000
Public Outreach	CD0220	10,000	--	--	--	10,000
Habitat for Humanity	CD0319	100,000	20,000	--	20,000	80,000
Resource for Seniors	CD1917	30,000	11,853	--	11,853	18,147
Resource for Seniors	CD1918	30,000	13,967	--	13,967	16,033
Resource for Seniors	CD1919	50,000	--	--	--	50,000
Resource for Seniors	CD1920	50,000	--	--	--	50,000
Dorcus Ministries	CD2018	30,000	--	--	--	30,000
Caring Place Shelter	CD2221	200,000	200,000	--	200,000	--
Caring Place Shelter	CD2222	325,000	--	325,000	325,000	--
White Oak Foundation-Public Services	CD2519	75,000	74,270	--	74,270	730
Laurel Street Multi-Family Development	CD2610	205,000	187,792	--	187,792	17,208
Passage Home Workforce Dev Program	CD2721	75,000	16,439	49,542	65,981	9,019
Passage Home Workforce Dev Program	CD2722	87,000	--	--	--	87,000
Caring Place Homelessness Transitional Housing	CD2821	100,000	100,000	--	100,000	--

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND - BUDGETARY COMPARISON SCHEDULE - MULTI-YEAR

CARY, NORTH CAROLINA
FROM INCEPTION TO JUNE 30, 2023

Schedule 20

		TOTAL BUDGET	PRIOR YEARS	CURRENT YEAR	ACTUALS	VARIANCE
		AUTHORIZATION	ACTUAL	ACTUAL	TO DATE	POSITIVE (NEGATIVE)
Cary First Christian Senior Center	CD2921	150,000	--	--	--	150,000
Mayton Inn HUD 108 Loan	CD3013	1,407,500	1,407,500	--	1,407,500	--
HUD 108 Loan Payment	CD3117	133,179	89,510	--	89,510	43,669
HUD 108 Loan Payment	CD3118	98,785	102,295	--	102,295	(3,510)
HUD 108 Loan Payment	CD3119	107,000	95,132	--	95,132	11,868
HUD 108 Loan Payment	CD3120	101,000	73,997	--	73,997	27,003
HUD 108 Loan Payment	CD3121	86,000	73,651	--	73,651	12,349
HUD 108 Loan Payment	CD3122	105,000	--	104,950	104,950	50
Tammy Lynn Rehabilitation	CD3220	35,000	--	35,000	35,000	--
White Oak Foundation	CD3319	75,000	75,000	--	75,000	--
White Oak Foundation	CD3320	50,000	50,000	--	50,000	--
White Oak Foundation	CD3321	150,000	66,139	83,861	150,000	--
Rebuilding Together	CD3418	40,000	40,000	--	40,000	--
Rebuilding Together	CD3419	50,000	42,814	--	42,814	7,186
Rebuilding Together	CD3420	50,000	50,000	--	50,000	--
Rebuilding Together	CD3421	50,000	19,966	30,034	50,000	--
Rebuilding Together	CD3422	118,560	--	--	--	118,560
Transitions LifeCare	CD3519	35,000	35,000	--	35,000	-
Transitions LifeCare	CD3520	40,000	40,000	--	40,000	-
Transitions LifeCare	CD3521	40,000	--	--	--	40,000
Dorcas Ministries	CD3618	150,000	--	--	--	150,000
Dorcas Ministries	CD3619	500,000	--	--	--	500,000
Dorcas Expansion	CD3720	250,000	--	--	--	250,000
Kirk of Kildaire - Covid	CD3820	75,000	74,622	--	74,622	378
Kirk of Kildaire - Covid	CD3821	50,000	50,000	--	50,000	--
Town of Cary EM Assistance - Covid	CD3920	100,000	--	--	--	100,000
Town of Cary EM Assistance - Covid	CD3921	100,000	--	--	--	100,000
Reserve		32,670	--	--	--	32,670
TOTAL EXPENDITURES		6,052,255	3,117,326	749,832	3,867,158	2,185,097
Revenue Over (Under) Expenditures		(420,586)	(136,053)	(245,896)	(381,949)	38,637
OTHER FINANCING SOURCES						
Transfers In from General Fund		420,586	315,586	105,000	420,586	-
TOTAL OTHER FINANCING SOURCES		420,586	315,586	105,000	420,586	-
Increase (Decrease)		-	179,533	(140,896)	38,637	38,637
NET CHANGE IN FUND BALANCE		\$ -	\$ 179,533	\$ (140,896)	\$ 38,637	\$ 38,637

ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND - BUDGETARY COMPARISON SCHEDULE - MULTI-YEAR
 CARY, NORTH CAROLINA
 FROM INCEPTION TO JUNE 30, 2023

Schedule 21

		TOTAL BUDGET AUTHORIZATION	PRIOR YEARS ACTUAL	CURRENT YEAR ACTUAL	ACTUALS TO DATE	VARIANCE POSITIVE (NEGATIVE)
RESTRICTED REVENUES						
Department of Commerce Grant		\$ 273,700	\$ 181,500	\$ -	\$ 181,500	\$ (92,200)
EXPENDITURES						
	<i>Project #</i>					
Economic Development Administration	ED1000	3,316,500	2,787,800	450,000	3,237,800	78,700
<i>Specific Development Projects -</i>						
HCL America	ED1001	247,400	138,000	--	138,000	109,400
Met Life	ED1002	2,251,522	2,095,156	--	2,095,156	156,366
Proto Labs	ED1004	300,000	225,000	--	225,000	75,000
Trillant	ED1007	19,000	9,500	--	9,500	9,500
Xerox	ED1008	210,717	--	--	--	210,717
PennyMac	ED1009	65,000	--	--	--	65,000
TOTAL EXPENDITURES		6,410,139	5,255,456	450,000	5,705,456	704,683
PROJECTS IN PROGRESS		6,410,139	5,255,456	450,000	5,705,456	704,683
Revenue Under Expenditures		(6,136,439)	(5,073,956)	(450,000)	(5,523,956)	612,483
OTHER FINANCING SOURCES						
Transfers In from General Fund		6,136,439	5,486,439	650,000	6,136,439	--
TOTAL OTHER FINANCING SOURCES		6,136,439	5,486,439	650,000	6,136,439	-
Increase (Decrease)		--	412,483	200,000	612,483	612,483
NET CHANGE IN FUND BALANCE		\$ -	\$ 412,483	\$ 200,000	\$ 612,483	\$ 612,483



STATISTICAL SECTION

THIS PART OF THE TOWN OF CARY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT PRESENTS DETAILED INFORMATION AS A CONTEXT FOR UNDERSTANDING WHAT THE INFORMATION IN THE FINANCIAL INFORMATION, NOTE DISCLOSURES, AND REQUIRED SUPPLEMENTARY INFORMATION SAYS ABOUT THE GOVERNMENT'S OVERALL FINANCIAL HEALTH.

FINANCIAL TRENDS

These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

REVENUE CAPACITY

These tables contain information to help the reader assess the government's most significant local revenue source, the property tax.

DEBT CAPACITY

These tables 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

These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

OPERATING INFORMATION

These tables 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.





FINANCIAL TRENDS INFORMATION

NET POSITION BY COMPONENT ⁽¹⁾

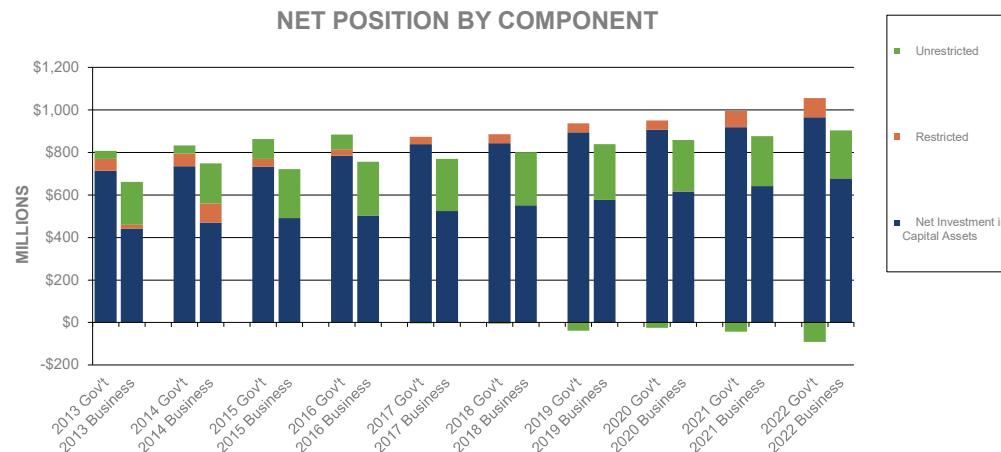
CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

TABLE 1

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 714.6	\$ 735.8	\$ 734.4	\$ 785.3	\$ 839.0	\$ 844.1	\$ 895.0	\$ 907.8	\$ 919.5	\$ 966.6
Restricted	55.3	59.6	36.4	30.6	34.4	42.2	41.8	43.5	76.4	90.4
Unrestricted	37.8	37.3	92.4	69.3	(4.4)	(5.9)	(39.4)	(24.4)	(43.4)	(91.5)
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	807.7	832.7	863.2	885.2	869.0	880.4	897.4	926.9	952.5	965.5
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	441.7	469.9	491.8	503.8	524.4	552	578	617.2	642.2	677.9
Restricted	17.9	91.2	--	--	0.1	--	--	0.1	0.1	0.1
Unrestricted	201.8	188.3	230.7	252.5	246.3	250.3	261.2	241.8	234.7	226.8
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	661.4	749.4	722.5	756.3	770.8	802.1	838.7	859.1	877.0	904.8
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	1,156.3	1,205.7	1,226.2	1,289.1	1,363.4	1,396	1,473	1,525.0	1,561.7	1,644.5
Restricted	73.2	150.8	36.4	30.6	34.5	42.2	41.8	43.6	76.5	90.5
Unrestricted	239.6	225.6	323.1	321.8	241.9	244.4	221.8	217.4	191.3	135.3
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 1,469.1	\$ 1,582.1	\$ 1,585.7	\$ 1,641.5	\$ 1,639.8	\$ 1,682.5	\$ 1,736.1	\$ 1,786.0	\$ 1,829.5	\$ 1,870.3

NOTES:

⁽¹⁾ This table was prepared using the accrual basis of accounting and is displayed in millions.



CHANGES IN NET POSITION ^{(1) (3)}

CARY, NORTH CAROLINA
Last Ten Fiscal Years

TABLE 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EXPENSES										
Governmental Activities:										
General Government	\$ 18,826,506	\$ 19,153,478	\$ 20,833,719	\$ 21,736,606	\$ 28,956,230	\$ 35,195,525	\$ 38,591,370	\$ 39,789,507	\$ 45,707,813	\$ 65,577,106
Public Safety	45,546,267	46,280,026	49,039,555	52,004,616	51,561,522	55,140,843	61,395,884	60,667,615	63,177,366	74,895,201
Public Works	29,210,079	27,910,623	29,815,695	32,806,255	31,996,047	32,942,987	36,221,844	34,055,459	37,784,551	42,661,380
Parks, Recreation and Cultural Arts	17,213,506	18,169,806	19,549,293	20,540,759	20,836,664	23,397,917	25,345,254	21,082,151	25,144,097	30,947,681
Development ⁽²⁾	7,406,335	8,418,518	7,500,918	8,692,837	11,430,564	9,335,982	10,229,636	9,752,508	11,367,109	12,210,079
Infrastructure ⁽²⁾	32,106,589	37,033,027	41,756,708	41,632,137	53,800,825	74,647,471	56,745,241	56,420,417	57,925,353	64,028,914
Interest Expense	2,531,856	3,923,208	3,410,347	3,146,884	3,914,795	3,798,550	4,052,489	3,023,109	5,725,957	5,840,052
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	152,841,138	160,888,686	171,906,235	180,560,094	202,496,647	234,459,275	232,581,718	224,790,766	246,832,246	296,160,413
TOTAL BUSINESS-TYPE ACTIVITY — UTILITY SYSTEM	63,176,378	63,979,689	62,544,328	69,473,670	74,441,693	77,010,011	78,738,515	84,934,024	79,498,830	85,667,529
TOTAL PRIMARY GOVERNMENT EXPENSES	216,017,516	224,868,375	234,450,563	250,033,764	276,938,340	311,469,286	311,320,233	309,724,790	326,331,076	381,827,942
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services										
General Governmental	1,461,503	1,336,807	1,837,556	1,591,229	1,381,774	2,241,575	3,646,110	3,056,309	2,474,262	2,743,333
Public Safety	286,424	378,204	336,926	506,885	450,928	691,933	563,494	952,577	1,277,431	1,490,446
Public Works	8,926,987	8,836,566	9,837,676	10,516,875	10,204,188	11,461,751	12,718,053	13,113,177	13,707,312	15,659,262
Parks, Recreation and Cultural Arts	8,733,411	9,429,792	11,747,875	11,567,217	12,249,099	12,479,836	6,088,938	8,119,568	10,816,943	13,320,843
Development ⁽²⁾	4,958,274	3,747,472	4,577,949	5,131,461	5,275,593	4,669,308	3,768,924	4,241,830	5,089,522	3,935,013
Infrastructure ⁽²⁾	5,087,765	4,081,071	4,287,823	4,450,810	5,765,749	4,341,712	3,099,896	4,435,803	3,668,071	4,109,563
Operating Grants and Contributions										
General Governmental	1,324,904	15,000	15,000	1,597,672	113,982	76,952	781,474	2,978,068	8,243,402	8,238,036
Public Safety	1,171,265	1,242,202	1,077,893	905,047	1,547,030	1,567,743	893,934	394,230	578,631	812,401
Public Works	96,640	106,253	110,422	113,842	118,407	128,066	137,821	144,930	159,834	157,388
Parks, Recreation and Culture	94,594	89,966	474,644	510,240	754,136	563,186	744,792	734,996	890,876	512,298
Development ⁽²⁾	263,124	725,629	281,355	335,855	1,079,250	557,878	419,380	2,096	1,311,132	502,913
Infrastructure ⁽²⁾	2,757,353	2,718,991	2,934,744	3,131,082	3,356,586	4,670,602	5,970,901	6,055,600	3,593,850	9,226,607
Capital Grants and Contributions										
General Governmental	421,160	430,542	(235)	3,652,891	(5,756)	25,260	(267,347)	3,975,685	591,492	(202,844)
Public Safety	7,988	--	--	--	--	36,823	26,333	50	16	3
Cultural and Recreational	1,589,724	3,401,058	1,789,715	3,254,884	7,853,804	5,592,973	5,333,852	1,503,483	10,454,327	1,984,771
Infrastructure ⁽²⁾	21,833,148	34,201,284	27,259,686	27,217,844	50,505,616	40,716,664	46,093,135	25,712,448	30,918,135	42,868,655
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	59,014,264	70,740,837	66,569,029	74,483,834	100,650,386	89,822,262	90,019,690	75,420,850	93,775,236	105,358,688
BUSINESS-TYPE ACTIVITY (Utility System):										
Charges for Services	78,870,326	79,084,816	82,930,977	90,671,401	93,554,711	93,346,513	93,879,504	91,810,821	96,180,179	99,246,612
Capital Grants and Contributions	12,967,026	13,003,281	9,505,943	11,945,486	8,814,674	4,479,730	9,661,931	16,161,311	10,060,890	12,527,873
Total Business-type Activity Program Revenues	91,837,352	92,088,097	92,436,920	102,616,887	102,369,385	97,826,243	103,541,435	107,972,132	106,241,069	111,774,485
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	150,851,616	162,828,934	159,005,949	177,100,721	203,019,771	187,648,505	193,561,125	183,392,982	200,016,305	217,133,173

CHANGES IN NET POSITION ^{(1) (3)}

CARY, NORTH CAROLINA
Last Ten Fiscal Years

TABLE 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NET REVENUE (Expense)										
Governmental Activities	(93,826,874)	(90,147,849)	(105,337,206)	(106,076,260)	(101,846,261)	(144,637,013)	(142,562,028)	(149,369,916)	(153,057,010)	(190,801,725)
Business-type Activity	28,660,974	28,108,408	29,892,592	33,143,217	27,927,692	20,816,232	24,802,920	23,038,108	26,742,239	26,106,956
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	(65,165,900)	(62,039,441)	(75,444,614)	(72,933,043)	(73,918,569)	(123,820,781)	(117,759,108)	(126,331,808)	(126,314,771)	(164,694,769)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Ad Valorem Taxes	78,879,037	79,820,733	87,222,479	89,995,124	92,315,794	94,444,979	97,047,340	116,663,132	116,900,644	119,939,095
Sales Tax	25,894,844	28,211,446	30,522,315	32,234,818	33,772,686	36,382,033	37,752,049	43,543,986	52,350,407	57,056,910
Occupancy Tax	931,852	1,035,772	1,130,099	1,198,422	1,267,356	1,433,904	1,134,060	753,275	1,422,573	1,793,929
ABC Revenue	655,502	758,564	854,257	909,067	969,988	1,106,714	1,162,825	1,222,160	1,428,476	1,386,113
Privilege License Revenue	1,665,233	1,534,910	--	--	--	--	--	--	--	--
Other Taxes	100,529	109,979	112,277	145,850	837,004	1,773,969	1,964,217	2,652,158	3,197,312	5,360,252
Unrestricted Intergovernmental	8,418,689	11,140,351	11,303,283	11,239,928	11,366,443	11,602,243	11,023,464	10,987,106	11,772,568	12,152,614
Investment Earnings, net of market adjustment	1,263,991	1,363,057	2,674,110	635,198	1,217,658	8,870,589	8,891,025	261,914	(9,408,266)	4,217,163
Gain (Loss) on Sale of Capital Assets	43,412	95,399	505,465	229,437	239,691	409,021	138,739	(2,168,581)	102,536	779,679
Miscellaneous Revenue	162,417	78,097	44,082	47,201	104,977	(14,886)	433,476	31,506	3,232	197,502
Transfers In, net	--	--	--	--	--	--	--	4,930,000	930,000	930,000
TOTAL GOVERNMENTAL ACTIVITIES	118,015,506	124,148,308	134,368,367	136,635,045	142,091,597	156,008,566	159,547,195	178,876,656	178,699,482	203,813,257
BUSINESS-TYPE ACTIVITY:										
Investment Earnings, net of market adjustment	1,385,781	1,454,440	2,726,503	517,213	1,387,496	10,603,919	11,073,770	418,437	(8,601,439)	2,625,030
Gain on Sale of Capital Assets	16,355	41,123	107,387	57,777	95,201	125,069	39,272	247,757	154,417	17,121
Miscellaneous Revenue	53,495	724,934	--	7,948	224,770	(224,770)	729,264	1,569,002	536,731	---
Transfers In, net	--	--	--	--	--	--	--	(4,930,000)	(930,000)	(930,000)
Total Business-type Activity	1,455,631	2,220,497	2,833,890	582,938	1,707,467	10,504,218	11,842,306	(2,694,804)	(8,840,291)	1,712,151
TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	119,471,137	126,368,805	137,202,257	137,217,983	143,799,064	166,512,784	171,389,501	176,181,852	169,859,191	205,525,408
CHANGE IN NET POSITION										
Governmental Activities	24,188,632	34,000,459	29,031,161	30,558,785	40,245,336	11,371,553	16,985,167	29,506,740	25,642,472	13,011,532
Business type Activity	30,116,605	30,328,905	32,726,482	33,726,155	29,635,159	31,320,450	36,645,226	20,343,304	17,901,948	27,819,107
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 54,305,237	\$ 64,329,364	\$ 61,757,643	\$ 64,284,940	\$ 69,880,495	\$ 42,692,003	\$ 53,630,394	\$ 49,850,044	\$ 43,544,420	\$ 40,830,639

NOTES:

(1) This table was prepared using the accrual basis of accounting.

(2) A departmental reorganization occurred in FY 2014.

(3) Does not include prior period adjustments.

FUND BALANCES, GOVERNMENTAL FUNDS ⁽¹⁾

CARY, NORTH CAROLINA

LAST TEN FISCAL YEARS

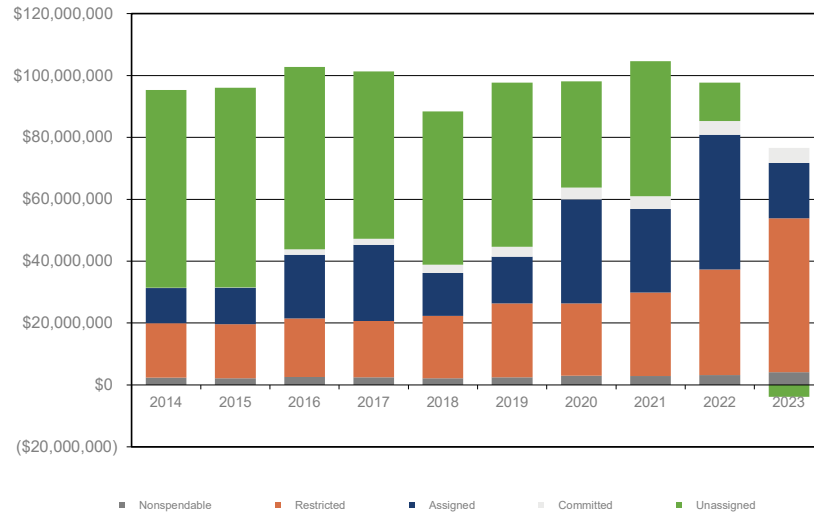
TABLE 3

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GENERAL FUND										
Nonspendable	\$ 2,353,177	\$ 2,148,248	\$ 2,589,095	\$ 2,488,768	\$ 2,136,410	\$ 2,465,256	\$ 2,940,163	\$ 2,877,494	\$ 3,200,933	\$ 4,152,442
Restricted	17,571,257	17,479,883	18,921,593	18,215,234	20,228,830	23,902,554	23,358,773	26,964,263	34,061,232	49,699,734
Committed	83,826	91,329	1,727,093	1,936,389	2,630,104	3,247,942	3,791,835	4,180,575	4,496,468	4,897,373
Assigned	11,362,363	11,786,098	20,564,421	24,599,187	13,825,737	15,066,068	33,702,109	27,001,182	43,540,137	17,877,294
Unassigned	63,977,908	64,510,499	58,942,846	54,111,060	49,606,737	52,976,987	34,296,676	43,632,881	12,414,568	(3,854,843)
TOTAL GENERAL FUND	\$ 95,348,531	\$ 96,016,057	\$ 102,745,048	\$ 101,350,638	\$ 88,427,818	\$ 97,658,807	\$ 98,089,556	\$ 104,656,395	\$ 97,713,338	\$ 72,772,000
ALL OTHER GOVERNMENTAL FUNDS										
Capital Project										
Restricted	\$ 36,782,100	\$ 41,066,144	\$ 16,506,067	\$ 12,543,644	\$ 30,829,109	\$ 22,948,223	\$ 21,641,904	\$ 13,221,540	\$ 118,360,217	\$ 77,063,694
Committed	87,730,782	87,104,640	104,866,598	112,969,890	127,442,664	121,182,612	110,376,883	115,219,433	142,637,776	133,533,939
Special Revenue										
Restricted	674,456	830,320	554,965	199,051	1,250,029	2,459,192	2,682,389	3,213,666	4,910,312	3,696,819
Committed	1,018,761	1,761,957	2,553,576	1,107,628	785,259	(780,061)	1,219,666	837,878	(31,466)	(777,459)
Unassigned	--	--	(1,200,435)	--	(116,820)	--	--	(249,400)	--	--
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 126,206,099	\$ 130,763,061	\$ 123,280,771	\$ 126,820,213	\$ 160,190,241	\$ 145,809,966	\$ 135,920,842	\$ 132,243,117	\$ 265,876,839	\$ 213,516,993

NOTES:

⁽¹⁾ This table was prepared using the modified accrual basis of accounting.

GENERAL FUND - FUND BALANCE BY FISCAL YEAR



CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS ⁽¹⁾

TABLE 4

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES										
Ad Valorem Taxes	\$ 78,687,433	\$79,900,162	\$ 87,300,410	\$89,973,487	\$ 92,316,526	\$94,482,047	\$ 97,059,900	\$ 116,669,579	\$ 116,938,159	\$ 120,044,303
Other Taxes and Licenses	30,572,864	32,517,592	33,142,090	35,004,780	37,540,111	41,390,297	42,588,618	48,418,912	58,584,185	65,878,311
Unrestricted Intergovernmental	8,418,689	11,140,351	11,303,283	11,239,928	11,366,443	11,602,243	11,023,464	10,987,107	11,772,570	12,152,613
Restricted Intergovernmental	9,023,082	8,850,316	8,447,748	11,584,259	15,747,777	13,480,647	14,309,461	15,205,064	31,575,655	23,667,645
Permits and Fees	11,953,112	11,288,290	14,253,928	14,497,021	16,407,020	15,531,017	10,913,513	16,863,289	15,757,900	15,928,464
Sales and Services	15,837,834	16,238,536	17,603,449	18,256,142	19,234,855	20,399,433	18,577,153	17,032,923	21,797,904	24,449,349
Investment Earnings, net of market adjustment	1,257,048	1,356,546	2,611,866	574,475	1,328,512	9,204,814	9,131,045	261,277	(9,305,046)	5,224,557
Reimbursements	247,970	350,966	--	3,647,100	--	--	--	--	--	---
Miscellaneous	1,779,020	1,589,846	2,624,845	4,144,788	2,174,577	3,694,913	4,852,405	8,850,577	3,428,263	3,603,023
TOTAL REVENUES	157,777,052	163,232,605	177,287,619	188,921,980	196,115,821	209,785,411	208,455,559	234,288,728	250,549,590	270,948,265
EXPENDITURES										
Current:										
General Government	28,428,269	22,547,334	24,983,488	26,785,122	36,093,937	46,351,524	37,946,764	46,121,025	45,395,223	73,280,547
Public Safety	43,657,794	46,483,094	48,815,112	48,991,357	48,954,822	55,322,700	59,134,799	55,046,556	61,071,862	68,604,004
Public Works	26,889,770	26,695,624	26,977,758	29,721,025	30,589,874	30,213,417	31,673,712	29,691,990	35,100,498	38,239,989
Parks, Recreation and Culture	17,936,667	21,078,002	28,201,161	26,648,242	29,123,094	25,411,732	38,123,029	39,725,666	52,025,211	82,954,212
Development ⁽²⁾	6,905,274	8,335,750	9,080,598	8,636,900	9,553,009	8,805,422	9,324,626	8,677,628	10,693,484	11,086,800
Infrastructure ⁽²⁾	15,707,351	20,147,407	29,566,219	32,672,644	38,799,090	39,442,598	39,210,490	35,571,098	38,766,821	45,882,852
Debt service:										
Principal	13,298,770	10,417,753	10,555,953	11,175,613	12,423,432	12,366,132	12,843,014	13,785,372	13,803,498	19,551,706
Interest	2,803,642	3,978,512	3,612,236	3,312,564	3,889,883	4,133,199	4,102,943	3,416,338	4,924,120	7,287,579
Bond Service Charges	464,899	227,895	283,401	184,862	470,809	273,664	358,626	312,729	620,995	133,932
Reimbursement for Open Space	(946,012)	(918,229)	(890,446)	(862,663)	(822,264)	(794,469)	(766,647)	(744,543)	(726,663)	(755,729)
Non Department Allocation Accounts	49	230	--	--	(7,506)	5,358,854	5,497,397	5,853,090	5,772,376	8,439,274
TOTAL EXPENDITURES	155,146,473	158,993,372	181,185,480	187,265,666	209,068,180	226,884,773	237,448,753	237,456,949	267,447,425	354,705,166
REVENUES OVER (UNDER) EXPENDITURES	2,630,579	4,239,233	(3,897,861)	1,656,314	(12,952,359)	(17,099,362)	(28,993,194)	(3,168,221)	(16,897,835)	(83,756,901)

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS ⁽¹⁾

TABLE 4

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OTHER FINANCING SOURCES (USES)										
Transfers In	23,397,447	15,171,967	20,495,545	22,136,656	27,122,835	10,144,514	12,352,216	31,535,514	35,424,532	33,672,074
Transfers Out	(23,435,668)	(15,171,967)	(20,495,545)	(23,136,656)	(28,553,995)	(10,144,514)	(12,352,216)	(31,605,514)	(36,494,532)	(36,742,074)
Sale of Assets	180,536	219,439	591,684	309,959	296,798	565,605	280,726	1,425,882	186,366	830,305
Capital Lease Obligations Issued ⁽⁴⁾	1,157,013	765,816	1,039,101	1,178,759	850,457	2,909,471	1,425,807	3,676,522	---	---
Installment Purchase Contracts	--	--	--	--	--	8,475,000	--	875,600	---	---
Lease Obligations Issued	--	--	--	--	--	--	--	--	1,825,379	8,695,411
General Obligation Bonds Issued	32,915,000	--	13,702,041	--	48,077,667	--	17,571,914	---	125,000,000	---
Premium Received on General Obligation Bonds	3,084,372	--	--	--	2,555,299	--	256,372	15,447,395	17,646,750	---
Payment to Escrow for Advanced Defeasance of Debt	--	--	(13,659,660)	--	(16,949,494)	--	--	(15,298,064)	---	---
TOTAL OTHER FINANCING SOURCES, NET	37,298,700	985,255	1,673,166	488,718	33,399,567	11,950,076	19,534,819	6,057,335	143,588,495	6,455,716
NET CHANGE IN FUND BALANCE	\$ 39,929,279	\$ 5,224,488	\$ (2,224,695)	\$ 2,145,032	\$ 20,447,208	\$ (5,149,286)	\$ (9,458,375)	\$ 2,889,114	\$ 126,690,660	\$ (77,301,185)
Debt Service as a percentage of non-capital expenditures	11.3%	10.2%	8.4%	9.1%	9.0%	8.2%	7.6%	8.4%	8.0%	7.6%

NOTES:

⁽¹⁾ This table was prepared using the modified accrual basis of accounting.

⁽²⁾ A departmental reorganization occurred during FY 2014.

⁽³⁾ Beginning in FY 2014, capital project expenditures are included in the functional areas.

⁽⁴⁾ In FY 2022, Cary implemented GASB 87 which made capital leases obsolete. Agreements that meet the criteria of a lease under GASB 87 are included in Lease and Subscription Obligations Issued.

GOVERNMENTAL FUND EXPENDITURES BY FUNCTION ^{(9) (10)}

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

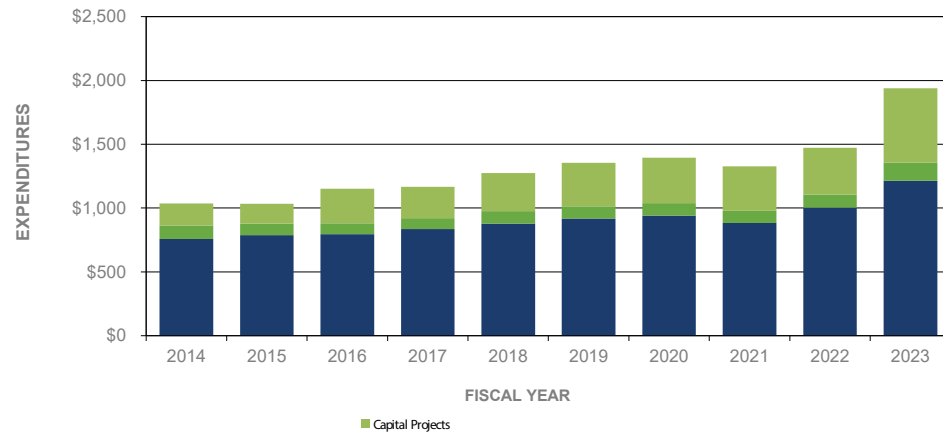
TABLE 5

Fiscal Year	General Government ^{(1) (11)}	Public Safety ^{(2) (11)}	Public Works ⁽³⁾	Parks, Recreation and Culture ^{(4) (11)}	Development ⁽⁵⁾	Infrastructure ^{(6) (11)}	Non-Department Expenditure Accounts ⁽¹²⁾	Debt Service ⁽⁷⁾	Capital Projects ⁽⁸⁾	Fiscal Year Total	Per Capita Expenditures
2023	\$ 54,273,573	\$ 68,347,493	\$ 38,239,989	\$ 22,271,534	\$ 11,086,800	\$ 19,629,026	\$ 8,439,274	\$ 26,217,488	\$ 106,199,985	\$ 354,705,166	\$ 1,938
2022	38,498,403	59,316,348	35,100,498	17,192,341	10,693,484	15,535,757	5,772,376	18,621,950	66,716,267	267,447,425	1,474
2021	33,098,135	53,256,870	29,691,990	13,883,678	8,677,628	13,801,750	5,853,090	16,769,896	62,423,912	237,456,949	1,327
2020	29,846,425	53,781,000	31,673,712	16,515,586	9,324,626	13,665,529	5,497,397	16,537,936	60,606,542	237,448,753	1,394
2019	29,038,677	49,672,087	30,213,417	17,073,057	8,805,422	13,761,534	5,358,854	15,978,526	56,983,199	226,884,773	1,354
2018	26,007,228	47,823,245	30,589,874	16,829,819	9,553,009	13,079,570	--	15,961,860	49,223,575	209,068,180	1,275
2017	20,618,594	46,515,157	29,721,025	15,993,137	8,636,900	12,516,921	--	13,810,376	39,453,556	187,265,666	1,168
2016	17,950,841	45,610,735	26,977,758	14,332,313	9,080,598	11,025,587	--	13,561,144	42,646,504	181,185,480	1,152
2015	16,848,734	44,094,581	26,695,624	14,612,652	8,335,750	10,686,628	--	13,705,931	24,013,472	158,993,372	1,033
2014	16,635,615	41,680,461	26,889,770	13,795,424	6,905,274	7,835,464	--	15,621,299	25,875,375	155,238,682	1,036

NOTES:

- ⁽¹⁾ Includes Legislative, Town Clerk, Legal, Administrative, Information Technology Finance, Purchasing, Human Resources, Disaster Management, 311 Center, Economic Development and Self-Insurance.
- ⁽²⁾ Includes Police, Fire and the Emergency Telephone System.
- ⁽³⁾ Includes Public Works Administration, Facilities Management, Field Operations, Solid Waste, Recycling and Yard Waste.
- ⁽⁴⁾ Includes Parks, Recreation and Cultural Resources Administration, Recreational Programs, Athletics, Cultural Arts, Amphitheatre operations, Skate Park, Tennis Park, Soccer Park, USA Baseball National Training Complex at Thomas Brooks Park, and the Cary Arts Center.
- ⁽⁵⁾ Includes Planning, Affordable Housing, Inspection & Permits and Development Support.
- ⁽⁶⁾ Includes Transportation & Facilities, Stormwater Management, Transit, CAMPO and Parking.
- ⁽⁷⁾ Includes all principal, interest, and service charges paid through the General Fund for bonded debt and installment purchases, net of reimbursements from other funds.
- ⁽⁸⁾ Includes project expenditures from all of the Capital Project Fund sub-funds (street, downtown, parks, fire and general governmental projects).
- ⁽⁹⁾ This table was prepared using the modified accrual basis of accounting.
- ⁽¹⁰⁾ A departmental reorganization occurred during FY 2014.
- ⁽¹¹⁾ Capital project expenditures are not included and presented in a separate column.
- ⁽¹²⁾ Non Department Allocation accounts include utilities & insurance and bonds.

GENERAL GOVERNMENTAL EXPENDITURES - PER CAPITA



UTILITY SYSTEM ENTERPRISE FUND EXPENDITURES BY FUNCTION ^{(1) (2)}

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

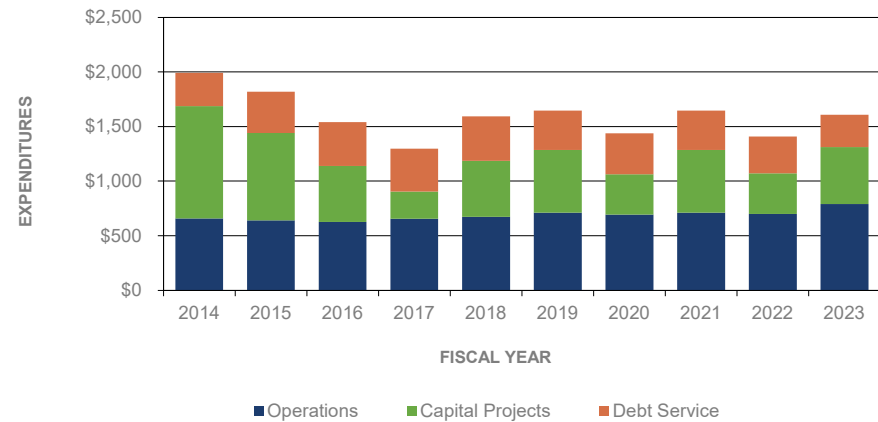
TABLE 6

Fiscal Year	Administrative ⁽²⁾	Field Operations	Utility Systems Management	Wastewater Treatment Facilities	Water Treatment Plant, net	Other Expenditures (not including transfers) ⁽³⁾	Debt Service ⁽⁴⁾	Capital Projects	Fiscal Year Total	Per Customer Expenditures
2023	\$ 17,076,167	\$ 11,027,125	\$ 4,447,779	\$ 10,089,185	\$ 9,754,435	\$ 9,400	\$ 19,604,820	\$ 34,453,621	\$ 106,462,532	1,606
2022	13,909,399	11,077,050	3,533,201	9,088,483	8,510,018	10,000	22,132,327	24,625,273	92,885,751	1,408
2021	13,779,064	9,941,386	4,145,899	9,303,371	8,174,401	871,013	23,315,462	37,451,430	106,982,026	1,645
2020	14,742,024	8,462,009	4,163,897	8,886,162	8,054,227	10,790	23,932,848	23,606,535	91,858,492	1,438
2019	13,288,903	10,574,329	3,895,979	7,970,554	8,069,917	12,165	24,240,467	37,537,721	105,590,035	1,670
2018	9,291,134	10,265,790	4,188,553	9,832,307	7,370,226	796,893	25,242,674	31,819,551	98,807,128	1,592
2017	8,459,059	9,791,207	3,991,963	10,727,206	6,423,836	443,135	23,883,026	15,237,431	78,956,863	1,296
2016	8,319,942	9,264,631	3,444,121	10,024,070	6,240,410	43,999	23,897,931	30,741,357	91,976,461	1,540
2015	7,577,816	9,617,352	3,224,896	11,178,461	5,724,272	6,199	22,060,528	46,599,746	105,989,270	1,818
2014	8,926,053	8,127,485	2,858,198	11,448,438	5,738,271	317,056	17,341,937	58,450,005	113,207,443	1,992

NOTES:

- ⁽¹⁾ This table was prepared using the modified accrual basis of accounting.
- ⁽²⁾ Division includes administration, water conservation and pretreatment. Due to departmental reorganization in FY 2014, water resources was added to this total.
- ⁽³⁾ Does not include any payments to escrow related to the advanced defeasance of debt.
- ⁽⁴⁾ Includes debt service paid to Morrisville for their utility debt as part of the 2006 merger agreement.

UTILITY EXPENDITURES - PER CUSTOMER



GOVERNMENTAL FUND REVENUES BY SOURCE ⁽⁷⁾

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

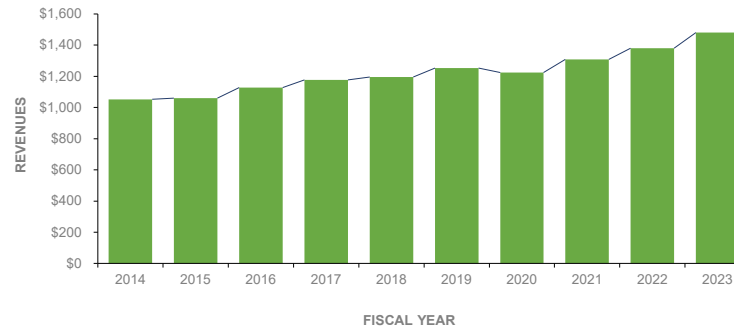
TABLE 7

Fiscal Year	Taxes & Licenses(1)	Permits and Fees(2)	Inter-Governmental(3)	Sales and Service(4)	Investment Earnings(5)	Reimbursements and Miscellaneous(6)	Fiscal Year Total	Per Capita Revenues
2023	\$ 185,922,614	\$ 15,928,464	\$ 35,820,258	\$ 24,449,349	\$ 5,224,557	\$ 3,603,023	\$ 270,948,265	\$ 1,481
2022	175,522,344	15,757,900	43,348,225	21,797,904	(9,305,046)	3,428,263	250,549,590	1,380
2021	165,088,491	16,863,289	26,192,171	17,032,923	261,277	8,850,577	234,288,728	1,309
2020	139,648,513	10,913,513	25,332,925	18,577,153	9,131,045	4,852,410	208,455,559	1,224
2019	135,872,344	15,531,017	25,082,890	20,399,433	9,204,814	3,694,913	209,785,411	1,252
2018	129,856,637	16,407,020	27,114,220	19,234,855	1,328,512	2,174,577	196,115,821	1,196
2017	124,978,267	14,497,021	22,824,187	18,257,806	572,811	7,791,888	188,921,980	1,178
2016	120,442,500	14,253,928	19,751,031	17,605,194	2,610,121	2,624,845	177,287,619	1,127
2015	112,417,754	11,288,290	19,990,667	16,238,536	1,356,546	1,940,812	163,232,605	1,061
2014	109,260,297	11,953,112	17,441,771	14,717,859	1,257,048	3,146,965	157,777,052	1,053

NOTES:

- (1) Includes all ad valorem taxes, penalties and interest, Wake County sales tax, animal and business licenses and ABC revenues.
- (2) Includes building permits, plan review fees, inspection fees, traffic impact analysis fees, grading permits, development fees and vehicle license fees.
- (3) Includes revenue sharing entitlements, wine and beer tax, utility & piped natural gas sales tax, and federal, state and local grants.
- (4) Includes sanitation fees, recreation fees, athletic fees, cultural art fees and facility rentals. Starting in FY 2015 cell tower leases, recycled goods and festival revenues were reclassified from miscellaneous to sales and service.
- (5) Includes interest earned on all governmental fund cash balances.
- (6) Includes developer and intergovernmental reimbursements, fines, donations, and miscellaneous revenues. Totals prior to FY 2015 also include cell tower lease proceeds, recycled goods sales and festival revenues, which were reclassified in FY 2015 to sales and service.
- (7) This table was prepared using the modified accrual basis of accounting.

GENERAL GOVERNMENT REVENUES - PER CAPITA



UTILITY SYSTEM ENTERPRISE FUND REVENUES BY SOURCE ⁽¹⁾

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

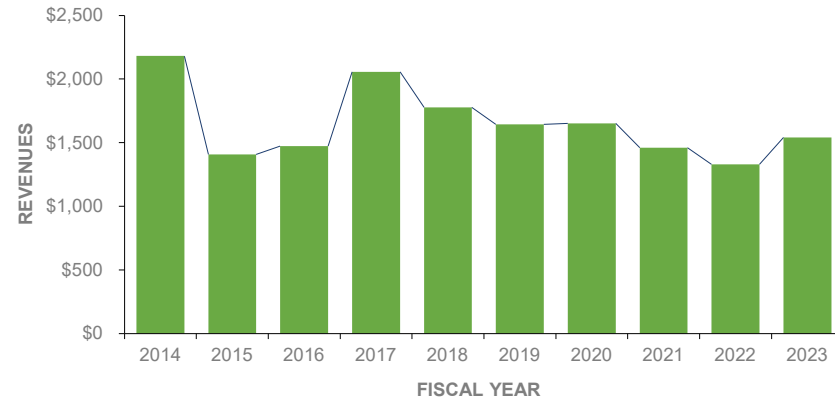
TABLE 8

Fiscal Year	Charge for Services	Other Operating Revenues	Investment Earnings ⁽²⁾	Debt Proceeds ⁽³⁾	Other Revenues & Reimbursements ⁽⁴⁾	Development Fees	Total	Per Customer Revenues
2023	\$ 87,073,969	\$ 2,140,555	\$ 2,625,030	--	\$ 499,255	\$ 9,773,357	\$ 102,112,166	\$ 1,541
2022	84,203,798	2,201,580	(8,601,438)	-	761,149	9,134,437	87,699,526	1,329
2021	80,211,991	1,705,271	418,437	897,759	1,886,761	9,751,295	94,871,514	1,458
2020	83,607,028	1,707,450	11,073,770	--	768,535	8,384,434	105,541,217	1,652
2019	80,229,848	2,287,406	10,603,919	--	125,069	10,665,928	103,912,170	1,644
2018	79,753,854	1,991,851	1,387,496	9,791	15,826,184	11,302,497	110,271,673	1,777
2017	74,415,810	2,164,793	517,213	35,129,920	65,725	12,926,567	125,220,028	2,056
2016	70,279,268	2,294,731	2,726,503	1,787,840	471,718	10,333,229	87,893,289	1,471
2015	66,027,145	2,234,105	1,454,440	--	1,617,402	10,749,949	82,083,041	1,408
2014	62,365,850	2,103,578	1,385,781	43,969,775	117,897	14,002,711	123,945,592	2,181

NOTES:

- ⁽¹⁾ This table was prepared using the modified accrual basis of accounting.
- ⁽²⁾ Includes interest earned on all utility funds, net of market adjustment.
- ⁽³⁾ Includes net proceeds related to refinancings, as well as premium proceeds.
- ⁽⁴⁾ Includes proceeds from the sale of assets, non-operational grants, and miscellaneous non-operating revenues and reimbursements.

UTILITY REVENUES - PER CUSTOMER



INSPECTIONS AND PERMITS REVENUE RECOVERY

CARY, NORTH CAROLINA
LAST FISCAL YEAR⁽¹⁾

TABLE 9

	2023
REVENUES	
Building Permits	\$ 2,726,203
TOTAL REVENUES	2,726,203
EXPENDITURES	
Inspections and Permits ⁽²⁾ :	
Personnel	4,695,377
Operations and Maintenance	339,713
Capital Outlay	1,034
TOTAL EXPENDITURES	\$ 5,036,124

Notes:

⁽¹⁾ This information is required beginning in FY 2023. This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

⁽²⁾ The expenditures reported on this schedule are not the total expenditures for the Inspections and Permits department. The expenditures represented are a subset of the department, and only staff whose work is associated with the North Carolina building code are included. In addition, indirect costs were excluded from this schedule.



REVENUE CAPACITY INFORMATION

ASSESSED VALUE OF TAXABLE PROPERTY
 CARY, NORTH CAROLINA
 LAST TEN FISCAL YEARS

TABLE 10

ASSESSED VALUE ⁽¹⁾

Fiscal Year	Wake County				Chatham County				Durham County				Total Taxable Assessed Value	Property Tax Rate (Per \$100 Assessed Value)	Percent Increase in Value ⁽²⁾
	Real Property	Personal Value ⁽³⁾	Public Service Companies	Total	Real Property	Personal Value ⁽³⁾	Public Service Companies	Total	Real Property	Personal Value ⁽³⁾	Public Service Companies	Total			
2023	\$ 30,156,399,233	\$ 3,299,214,037	\$ 254,514,694	\$ 33,710,127,964	\$ 1,045,267,681	\$ 72,149,646	\$ 1,341,948	\$ 1,118,759,275	\$ 808,553	\$ 22,051	\$ -	\$ 830,604	\$ 34,829,717,843	\$0.345	3%
2022	29,572,001,216	3,073,380,936	234,709,702	32,880,091,854	985,272,075	63,764,677	1,483,264	1,050,520,016	1,156,768	-	-	1,156,768	33,931,768,638	0.345	1%
2021	29,343,813,016	3,113,140,013	222,625,920	32,679,578,949	865,272,766	64,297,405	1,495,646	931,065,817	-	-	-	-	33,610,644,766	0.35	21%
2020	23,835,085,815	2,874,694,267	198,296,990	26,908,077,072	795,200,829	54,620,256	1,299,965	851,121,050	-	-	-	-	27,759,198,122	0.35	3%
2019	23,224,740,118	2,827,914,406	192,199,077	26,244,853,601	727,696,069	51,932,638	47,106	779,675,813	-	-	-	-	27,024,529,414	0.35	2%
2018	22,739,106,503	2,764,856,646	194,211,864	25,698,175,013	669,113,654	45,669,157	1,132,137	715,914,948	-	-	-	-	26,414,089,961	0.35	2%
2017	22,422,150,417	2,652,703,877	200,394,135	25,275,248,429	531,841,234	43,829,037	908,409	576,578,680	-	-	-	-	25,851,827,109	0.35	9%
2016	20,447,660,798	2,464,112,857	205,463,503	23,117,237,158	496,266,808	40,374,537	951,164	537,592,509	-	-	-	-	23,654,829,667	0.37	4%
2015	19,737,556,962	2,394,339,390	158,833,736	22,290,730,088	472,674,584	36,044,703	986,703	509,705,990	-	-	-	-	22,800,436,078	0.35	1%
2014	19,253,499,683	2,651,269,323	162,771,304	22,067,540,310	435,659,172	49,167,191	394,609	485,220,972	-	-	-	-	22,552,761,282	0.35	11%

NOTES:

⁽¹⁾ Assessed Value is established by Wake, Chatham, and Durham counties Assessors' office. Assessed valuations are established at 100% of estimated market value for real property and 100% of actual value for personal property.

⁽²⁾ A revaluation of all property is required every eight years by state statute. A revaluation occurred in 2020 in Wake County and 2021 in Chatham County. Durham County's next revaluation will occur in 2025.

⁽³⁾ Includes vehicles.

COMPARISON OF TOWN OF CARY AND COUNTY ASSESSED VALUES

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

TABLE 11

Fiscal Year	Wake County Assessed Value			Chatham County Assessed Value			Durham County Assessed Value		
	Town of Cary	Wake County ⁽¹⁾	Ratio of Town to County	Town of Cary	Chatham County ⁽²⁾	Ratio of Town to County	Town of Cary	Durham County ⁽³⁾	Ratio of Town to County
2023	\$ 33,710,127,964	\$ 200,029,113,686	16.85 %	\$ 1,118,759,275	\$ 14,532,663,068	7.70 %	\$ 830,604	\$ 49,973,473,172	0.002 %
2022	32,880,091,854	193,625,550,070	16.98	1,050,520,016	14,369,560,447	7.31	1,156,768	47,076,348,233	0.002
2021	32,679,578,949	189,588,285,100	17.24	931,065,817	12,165,785,392	7.65	-	-	-
2020	26,908,077,072	153,227,532,019	17.56	851,121,050	11,612,453,783	7.33	-	-	-
2019	26,244,853,601	148,627,572,143	17.66	779,675,813	11,521,066,198	6.77	-	-	-
2018	25,698,175,013	144,219,213,822	17.82	715,914,948	10,686,458,421	6.70	-	-	-
2017	25,275,248,429	141,411,010,294	17.87	576,578,680	10,062,280,684	5.73	-	-	-
2016	23,117,237,158	131,950,999,915	17.52	537,592,509	9,737,933,280	5.52	-	-	-
2015	22,290,730,088	127,947,523,008	17.42	509,705,990	9,418,243,039	5.41	-	-	-
2014	22,067,540,310	127,426,491,226	17.32	485,220,972	9,376,365,069	5.17	-	-	-

NOTES:

⁽¹⁾ 2014 - 2023 data from Wake County Finance Department.

⁽²⁾ 2014 - 2023 data from Chatham County Finance Department.

⁽³⁾ 2022 - 2023 data from Durham County Finance Department.

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 CARY, NORTH CAROLINA
 LAST TEN FISCAL YEARS

Table 12

Fiscal Year	Town of Cary	Wake County ⁽¹⁾	Chatham County ⁽²⁾	Durham County ⁽³⁾	Combined Tax Rate per \$100 of Assessed Value		
					Wake County	Chatham County	Durham County
2023	\$0.345	\$0.620	\$0.665	\$0.722	\$0.965	\$1.010	\$1.067
2022	0.345	0.600	0.665	0.722	0.945	1.010	1.067
2021	0.35	0.600	0.670	--	0.950	1.020	--
2020	0.35	0.721	0.670	--	1.071	1.020	--
2019	0.35	0.654	0.628	--	1.004	0.978	--
2018	0.35	0.615	0.628	--	0.965	0.978	--
2017	0.35	0.600	0.634	--	0.950	0.984	--
2016	0.37	0.615	0.622	--	0.985	0.992	--
2015	0.35	0.578	0.622	--	0.928	0.972	--
2014	0.35	0.534	0.622	--	0.884	0.972	--

NOTES:

⁽¹⁾ A revaluation of all property is required every eight years by state statute. A revaluation occurred in January 2020 (FY 2020) in Wake County. Chatham County's last revaluation occurred in January 2021 (FY 2021). Durham County's next revaluation will occur in 2025.

⁽²⁾ In April 1995, the Town expanded into Chatham County.

⁽³⁾ In March 2021, the Town expanded into Durham County.

PRINCIPAL PROPERTY TAXPAYERS

CARY, NORTH CAROLINA

NINE YEARS AGO AND CURRENT YEAR⁽³⁾

TABLE 13

Taxpayer	Type of Enterprise	2014			2023		
		Total Assessed Valuation	Rank	Percentage of Total Town Assessed Valuation	Total Assessed Valuation ⁽¹⁾	Rank	Percentage of Total Town Assessed Valuation
SAS Institute, Inc.	Computer Software	\$ 426,184,421	1	1.89 %	\$ 630,619,917	1	1.81 %
Highwoods Realty Limited Partnership	Real Estate Investments	54,394,591	9	.24	310,684,120	2	.89
WMCI Raleigh LLC	Real Estate Development	93,265,800	3	.41	164,144,215	3	.47
Kellogg/Austin Quality Foods, Inc.	Baked Goods	50,056,638	11	.22	122,011,912	4	.35
USEF HCG Fenton	Real Estate Development	(2)	--	--	118,159,103	5	.34
Alston Manor Investors JV LLC	Real Estate Investments	(2)	--	--	109,043,348	6	.31
TLBH Gregory Owner LP	Real Estate Investments	(2)	--	--	102,626,729	7	.29
Bradford Spe LLC	Real Estate Development	(2)	--	--	90,670,046	8	.26
MCI Communication Services Inc.	Telecommunications	(2)	--	--	89,477,606	9	.26
Crossroads Plaza 1743 LP	Real Estate Investments	(2)	--	--	86,428,351	10	.25
KRG Parkside LLC	Real Estate Development	(2)	--	--	82,032,945	11	.24
Cary Senior Housing - Propco LLC	Real Estate Investments	(2)	--	--	80,373,167	12	.23
MLC Automotive LLC	Automotive	(2)	--	--	71,832,711	13	.21
Duke Energy Progress	Electric Utility	48,539,865	13	.22	67,835,613	14	.19
Crossroads Apartment Owner LLC	Real Estate Investments	75,482,867	4	.33	67,394,940	15	.19
Cary Venture Limited Partnership	Real Estate Investments	107,841,296	2	.48	(2)	--	--
Duke Realty, LP	Real Estate Development	68,846,712	5	.31	(2)	--	--
Four Star Ventures LLC	Real Estate Development	64,188,688	6	.28	(2)	--	--
PFRS Crossroads Corp	Real Estate Investments	60,190,795	7	.27	(2)	--	--
G&I V LP	Real Estate Development	58,486,218	8	.26	(2)	--	--
Intercontinental Fund III Regency Lakeview	Real Estate Investments	50,405,632	10	.22	(2)	--	--
WRI LLC	Real Estate Investments	48,888,429	12	.22	(2)	--	--
HRLP NC-VA LP	Real Estate Investments	47,976,273	14	.21	(2)	--	--
KIR Cary Limited Partnership	Real Estate Investments	45,252,564	15	.20	(2)	--	--
TOTAL		\$ 1,300,000,789		5.76 %	\$ 2,193,334,723		6.29 %

NOTES:

⁽¹⁾ Assessed valuation represents taxes assessed and due in the fiscal year ended June 30, 2023

⁽²⁾ Not within top fifteen ranking.

⁽³⁾ Source: Wake County, North Carolina Revenue Department

PROPERTY TAX LEVIES AND COLLECTIONS

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

TABLE 14

Fiscal Year	Net Levy	Collected within the Fiscal Year of Tax Levy		Percent of Levy	Collections in Subsequent Years ⁽¹⁾	Total Collections to Date	
		Amount	Percent of Levy			Amount	Percent of Levy
2023	\$ 120,098,252	\$ 119,870,491	99.8 %	\$ --	\$ 119,870,491	99.8 %	
2022	116,878,060	116,748,575	99.8	71,901	116,820,476	99.9	
2021	116,538,892	116,359,307	99.8	139,552	116,498,859	99.9	
2020	97,044,539	96,838,452	99.7	168,317	97,006,769	99.9	
2019	94,471,557	94,343,279	99.8	103,578	94,446,857	99.9	
2018	91,830,568	91,759,631	99.9	63,779	91,823,410	99.9	
2017	89,914,221	89,284,084	99.3	608,795	89,892,879	99.9	
2016	87,321,107	86,712,014	99.3	581,123	87,293,137	99.9	
2015	79,856,172	79,254,550	99.2	589,940	79,844,490	99.9	
2014	78,746,669	78,031,508	99.0	715,161	78,746,669	100.0	

NOTES:

⁽¹⁾ Includes writeoffs.

AD VALOREM TAXES RECEIVABLE

CARY, NORTH CAROLINA
CURRENT AND LAST NINE FISCAL YEARS

TABLE 15

Fiscal Year	Balance June 30, 2022	Current Net Levy	Collections and Credits ⁽¹⁾	Balance June 30, 2023
2023	\$ --	\$ 120,098,252	\$ (119,870,491)	\$ 227,761
2022	129,485	--	(71,901)	57,584
2021	57,354	--	(17,321)	40,033
2020	44,308	--	(6,538)	37,770
2019	26,899	--	(2,199)	24,700
2018	7,527	--	(369)	7,158
2017	21,549	--	(207)	21,342
2016	28,042	--	(72)	27,970
2015	11,734	--	(52)	11,682
2014	20,881	--	(20,881)	--
TOTAL	\$ 347,779	\$ 120,098,252	\$ (119,990,031)	456,000

Less: Allowance for uncollectable
ad valorem taxes receivable (164,391)

Ad valorem taxes receivable, net \$ 291,609

NOTES:

⁽¹⁾ Includes collections of taxes, rebates from Wake and Chatham Counties and other adjustments to reconcile to the respective county records.

ANALYSIS OF CURRENT TAX LEVY

CARY, NORTH CAROLINA
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

TABLE 16

	Town-Wide		Total Levy		
	Property		Total	Property	Registered
	Valuation	Rate	Levy	Excluding	Registered
				Motor	Motor
				Vehicles	Vehicles
ORIGINAL LEVY:					
Property Taxed at Current Year's Rate	\$ 34,778,527,583	\$ 0.345	\$ 119,991,188	\$ 112,122,856	\$ 7,868,332
Penalties	--		71,160	71,160	--
TOTAL	34,778,527,583		120,062,348	112,194,016	7,868,332
DISCOVERIES					
Current Year Taxes	--	0.345	--	--	--
Prior Year Taxes	51,190,260		170,127	170,127	--
TOTAL	34,829,717,843		120,232,475	112,364,143	7,868,332
Abatements	--		(134,223)	(107,396)	(26,827)
TOTAL PROPERTY VALUATION	\$ 34,829,717,843				
NET LEVY			120,098,252	112,256,747	7,841,505
Uncollected at June 30, 2023			(227,761)	(227,761)	--
CURRENT YEAR TAXES COLLECTED, NET			\$ 119,870,491	\$ 112,028,986	\$ 7,841,505
CURRENT LEVY COLLECTION PERCENTAGE			99.81%	99.80%	100.00%
SECONDARY MARKET DISCLOSURE:					
Assessed Valuation:					
Assessment Ratio				100.00%	
Real Property			\$ 31,202,475,467		
Personal Property			3,371,385,734		
Public Service Companies			255,856,642		
TOTAL ASSESSED VALUATION			\$ 34,829,717,843		
Tax Rate per \$100				0.345	
LEVY (includes discoveries, releases and abatements)			\$ 120,232,475		

NOTES:

(1) Percentage of appraised value has been established by statute.

(2) Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

(3) The levy includes interest and penalties.



DEBT CAPACITY INFORMATION

RATIOS OF OUTSTANDING DEBT BY TYPE

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

TABLE 17

Fiscal Year	Governmental Activities			Business-Type Activities			State Revolving Loan ⁽²⁾	Total Primary Government	Per Capita ⁽³⁾⁽⁴⁾
	General Obligation Bonds ⁽¹⁾	COPS, LOBS & Installment Financing ⁽¹⁾	Leases	General Obligation Bonds ⁽¹⁾	Revenue Bonds ^(1,2)				
2023	\$ 217,715,676	\$ 6,915,480	\$ 4,295,574	\$ 42,965,792	\$ 201,222,867	\$ --	\$ 473,115,389	2,585	
2022	235,839,280	9,939,106	5,012,905	46,264,561	210,620,816	---	507,676,668	2,797	
2021	105,407,528	13,002,735	4,781,690	51,889,985	219,882,830	---	394,964,768	2,207	
2020	116,446,942	15,138,204	3,017,294	55,998,767	195,897,729	28,785,709	415,284,645	2,438	
2019	109,129,280	18,184,273	3,151,980	62,234,279	201,172,555	31,202,222	425,074,589	2,537	
2018	119,839,834	12,215,342	1,522,714	68,843,077	206,238,334	33,618,735	442,278,036	2,698	
2017	96,723,543	14,913,239	1,639,470	75,429,422	210,923,117	36,508,975	436,137,766	2,719	
2016	105,764,918	17,641,223	1,470,629	82,140,373	179,661,192	39,399,218	426,077,553	2,709	
2015	113,782,157	20,394,115	1,477,266	88,104,516	183,337,148	40,539,461	447,634,663	2,909	
2014	121,912,725	23,162,090	1,738,674	94,247,417	143,640,339	43,494,973	428,196,218	2,857	

NOTES:

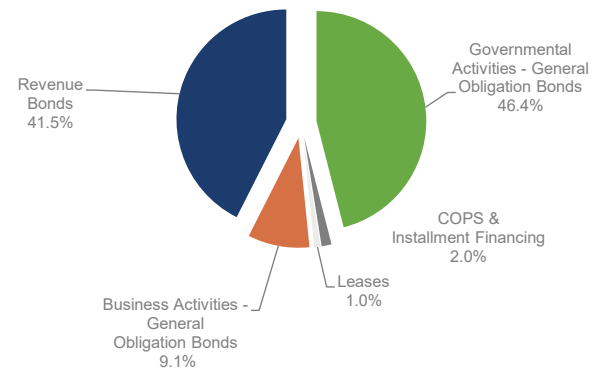
⁽¹⁾ Debt is net of any related premiums or discounts.

⁽²⁾ All state revolving loans were refinanced in November 2020 with the Series 2020B Revenue Refunding Bonds. As of FY 2021, revenue bonds is net of a long-term receivable relating to interlocal agreements with the Town of Apex for its portion of the Western Wake Regional Wastewater Management Facility loan according to their respective partner percentages for the various regional plant projects.

⁽³⁾ See Table 22 for population data.

⁽⁴⁾ % of Personal Income cannot be calculated because separate personal income data is not available for Cary. See Table 22 for further explanation.

FISCAL YEAR 2023 OUTSTANDING DEBT
TOTAL PRIMARY GOVERNMENT



RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND BONDED DEBT PER CAPITA

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

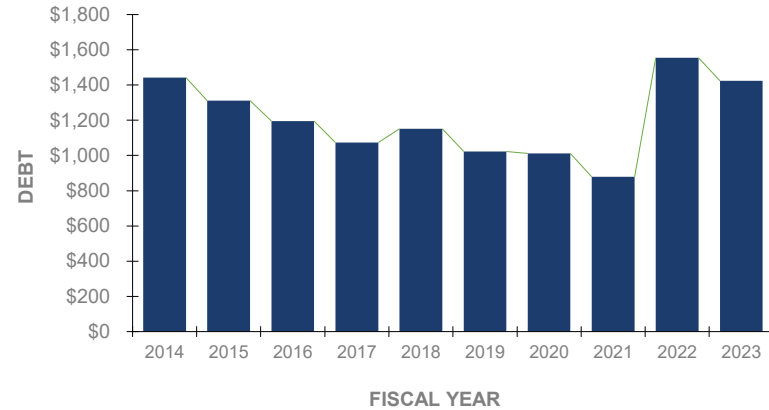
TABLE 18

Fiscal Year	Population ⁽¹⁾	Assessed Value	General Bonded Debt ⁽²⁾	Allowable Statutory Deductions ⁽³⁾	Net Bonded Debt ⁽⁴⁾	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Gross Bonded Debt Per Capita
2023	183,000	\$ 34,829,717,843	\$ 260,681,468	\$ -	\$ 260,681,468	.75 %	\$ 1,424	\$ 1,424
2022	181,500	33,931,768,638	282,103,840	-	282,103,840	.83 %	1,554	1,554
2021	179,000	33,610,644,766	157,297,513	2,365,000	154,932,513	.46 %	866	879
2020	170,322	27,759,198,122	172,445,709	5,760,000	166,685,709	.60	979	1,012
2019	167,547	27,024,529,414	171,363,559	9,190,000	162,173,559	.60	968	1,023
2018	163,930	26,414,089,961	188,682,911	12,650,000	176,032,911	.67	1,074	1,151
2017	160,390	25,851,827,109	172,152,965	16,140,000	156,012,965	.60	973	1,073
2016	157,259	23,654,829,667	187,905,291	19,660,000	168,245,291	.71	1,070	1,195
2015	153,868	22,800,436,078	201,886,673	23,210,000	178,676,673	.78	1,161	1,312
2014	149,851	22,552,761,282	216,160,142	26,590,000	189,570,142	.84	1,265	1,443

NOTES:

- (1) All data is estimated by Cary's Planning Department.
- (2) General bonded debt includes all general obligation bonds (general and utility). Amount does not include revenue bonds. See Table 17 for details.
- (3) Deductions are made for gross debt incurred for water per statutory requirements. Amount is also used in the calculation for debt applicable to debt limit in Table 19.
- (4) Net bonded debt equals general bonded debt less allowable statutory deductions.

GROSS BONDED DEBT - PER CAPITA



COMPUTATION OF LEGAL DEBT MARGIN

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

TABLE 19

Fiscal Year	Assessed Value	Debt Limit 8% of Total Assessed Value	Less: Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Net Debt as a % of Debt Limit
2023	\$ 34,829,717,843	\$ 2,786,377,427	\$ (371,892,522)	\$ 2,414,484,905	13.35%
2022	33,931,768,638	2,714,541,491	(397,055,851)	2,317,485,640	14.63%
2021	33,610,644,766	2,688,851,581	(397,716,938)	2,291,134,643	14.79%
2020	27,759,198,122	2,220,735,850	(409,841,207)	1,810,894,643	18.46%
2019	27,024,529,414	2,161,962,353	(199,559,812)	1,962,402,541	9.23%
2018	26,414,089,961	2,113,127,197	(205,820,967)	1,907,306,230	9.74%
2017	25,851,827,109	2,068,146,169	(219,650,674)	1,848,495,495	10.62%
2016	23,654,829,667	1,892,386,373	(234,442,143)	1,657,944,230	12.39%
2015	22,800,436,078	1,824,034,886	(291,228,054)	1,532,806,832	15.97%
2014	22,552,761,282	1,804,220,903	(305,150,906)	1,499,069,997	16.91%

NOTES:

(1) Calculation for Net Debt Applicable to Debt Limit:

Governmental General Obligation Bonds (includes related premium & discount)	\$ 217,715,676
Utility General Obligation Bonds (includes related premium & discount)	42,965,792
General Obligation Bonds Authorized, Not Issued ⁽²⁾	100,000,000
Certificates of Participation, Limited Obligation Bonds and Installment Purchases	6,915,480
Leases	4,295,574
Gross Bonded Debt	371,892,522
Statutory Deductions:	
Bonded Debt Included in Gross Debt Incurred for Water	-
Total Net Debt Applicable to Debt Limit	\$ 371,892,522

(2) General Obligation Bonds Authorized, Not Issued for FY 2023

Description	Date Approved	
Transportation	10/8/2019	\$ 78,000,000
Parks	10/8/2019	22,000,000
		\$ 100,000,000

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

CARY, NORTH CAROLINA

JUNE 30, 2023

TABLE 20

	Governmental Activities Debt	Percentage Applicable to Town of Cary ⁽²⁾	Amount Applicable to Town of Cary
DIRECT DEBT:			
Town of Cary	\$ 228,926,730 ⁽¹⁾	100.000%	\$ 228,926,730
OVERLAPPING DEBT ⁽³⁾ :			
County of Wake	2,630,348,368	16.853%	443,282,372
County of Chatham	216,796,971	7.698%	16,689,551
County of Durham	589,541,292	0.002%	9,799
TOTAL OVERLAPPING DEBT	3,436,686,631		459,971,924
TOTAL	\$ 3,665,613,361		\$ 688,898,654

NOTES:

⁽¹⁾ Includes all Governmental Activities debt. See Table 17.

⁽²⁾ Allocated based on assessed valuation.

⁽³⁾ Overlapping debt is owed in total by Wake, Chatham, and Durham counties and benefits all areas within the respective counties, including cities and towns. Payment of this debt is the responsibility of Wake and Chatham counties. Overlapping for Wake County debt does not include debt of the Special Airport District of Durham and Wake County, as these bonds are payable by the Airport Authority out of Airport revenues.

BOND COVERAGE - COMBINED ENTERPRISE SYSTEM BONDS

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

TABLE 21

Fiscal Year	Revenue		Income		Total			15% of Utility		Revenue Bond	
	Available for Debt Service ⁽¹⁾	Current Expenses ⁽²⁾	Available for Debt Service	Total Debt Service	Principal ⁽³⁾	Interest ⁽³⁾	Coverage ⁽⁵⁾	Unrestricted Net Position	Debt Service	Coverage ⁽⁴⁾⁽⁵⁾	
2023	\$ 91,924,855	\$ 50,491,095	\$ 41,433,760	\$ 18,921,407	\$ 10,950,853	\$ 7,970,553	2.19	\$ 33,808,354	\$ 14,764,673	5.10	
2022	78,352,175	45,370,142	32,982,033	21,488,252	12,939,062	8,549,189	1.53	34,983,919	14,819,605	4.59	
2021	83,893,191	48,169,444	35,723,747	22,647,540	12,959,628	9,687,912	1.58	36,024,879	12,229,794	5.87	
2020	97,249,101	44,044,213	53,204,888	23,256,519	12,808,944	10,447,575	2.29	38,944,766	11,779,006	7.82	
2019	92,957,329	43,232,004	49,725,325	23,537,980	12,615,825	10,922,155	2.11	37,328,468	11,717,481	7.43	
2018	84,359,493	41,505,542	42,853,951	24,514,055	12,959,082	11,554,973	1.75	36,755,220	11,907,118	6.69	
2017	77,105,764	41,995,022	35,110,742	23,115,672	12,063,987	11,051,685	1.52	37,763,376	10,206,980	7.14	
2016	75,300,502	36,557,203	38,743,299	23,104,457	11,804,553	11,299,904	1.68	34,545,458	9,876,857	7.42	
2015	71,291,969	39,017,865	32,274,104	21,080,510	10,685,108	10,395,402	1.53	28,159,226	7,977,206	7.58	
2014	65,959,873	40,868,133	25,091,740	16,226,874	8,020,108	8,206,766	1.55	30,205,589	7,838,238	7.05	

NOTES:

⁽¹⁾ Includes charges for services, other operating revenues, investment earnings, and miscellaneous revenues in the utility systems enterprise fund.

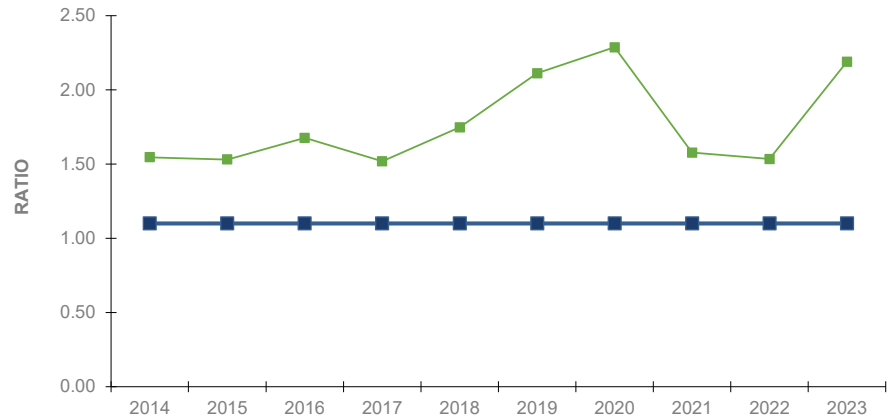
⁽²⁾ Includes administrative, field operations, utility systems maintenance, water reclamation facilities, and Cary/Apex water treatment plant in the utility systems enterprise fund. Excludes reimbursement to general fund for indirect costs, depreciation, interest expense and other debt related expenses.

⁽³⁾ Debt service does not include the reduction for the portion of the Series 2020B Revenue Refunding bonds reimbursed by interlocal partners.

⁽⁴⁾ Income available for debt service plus 15% utility operations fund balance over revenue bond debt service.

⁽⁵⁾ Debt management policy states coverage ratios for the Combined Enterprise System debt will be maintained at 1.4 times for revenue bond debt service and 1.1 times for total debt. This is above levels required in the debt covenants of 1.2 times for revenue bonds and 1.0 times for total debt.

DEBT SERVICE COVERAGE - TOTAL DEBT



RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR BONDED DEBT TO TOTAL GENERAL EXPENDITURES

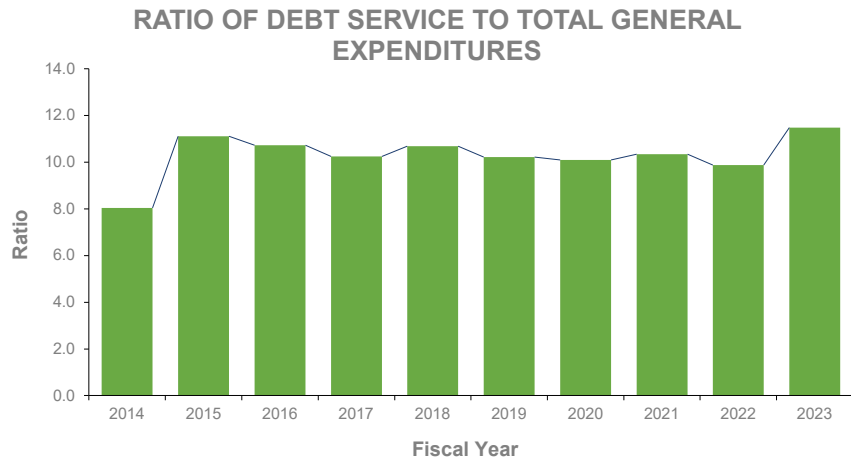
CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

TABLE 22

Fiscal Year	Principal	Interest	Total Debt Service ⁽¹⁾	Total General Expenditures	Ratio of Debt Service to Total General Expenditures
2023	\$ 19,551,706	\$ 7,287,579	\$ 26,839,285	\$ 233,913,910	11.5 %
2022	13,803,498	4,924,120	18,727,618	189,545,075	9.9
2021	13,785,372	3,416,338	17,201,710	166,316,042	10.3
2020	12,843,014	4,102,943	16,945,957	167,797,788	10.1
2019	12,366,132	4,133,199	16,499,331	161,547,108	10.2
2018	12,423,432	3,889,883	16,313,315	152,646,226	10.7
2017	11,175,613	3,312,564	14,488,177	141,481,720	10.2
2016	10,555,953	3,612,236	14,168,189	132,161,940	10.7
2015	10,417,753	3,978,512	14,396,265	129,627,217	11.1
2014	7,268,770	2,768,004	10,036,774	124,815,402	8.0

NOTES:

⁽¹⁾ Includes installment purchases; does not include leases.
Includes General Fund debt only.







DEMOGRAPHIC AND ECONOMIC INFORMATION

DEMOGRAPHIC CHARACTERISTICS

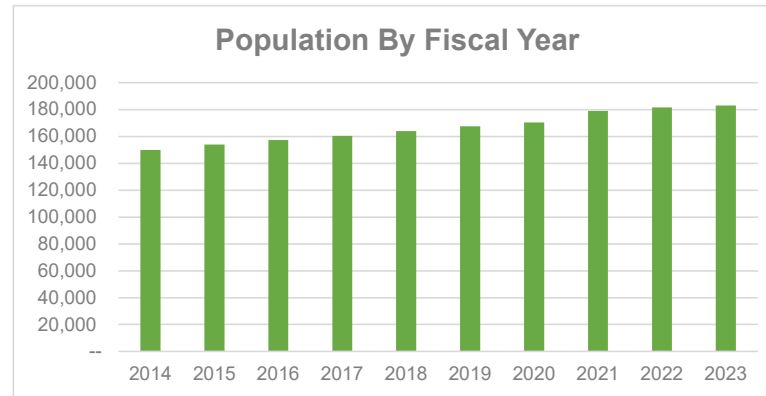
CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

TABLE 23

Fiscal Year	Population ⁽¹⁾	Change in Population (%)	Per Capita Personal Income ⁽²⁾	Median Age ⁽³⁾	Wake County Unemployment Rate (%) ⁽⁴⁾	Cary Unemployment Rate (%) ⁽⁴⁾
2023	183,000	0.83	\$ 61,921	40.0	3.2	2.9
2022	181,500	1.40	58,024	39.6	3.4	3.0
2021	179,000	5.10	54,151	39.9	4.1	3.5
2020	170,322	1.60	47,656	36.6	7.1	5.7
2019	167,547	2.21	45,681	36.6	3.9	3.5
2018	163,930	2.21	43,925	36.6	3.6	3.2
2017	160,390	1.99	41,985	36.6	3.6	3.3
2016	157,259	2.20	41,785	36.6	4.3	3.6
2015	153,868	2.68	41,785	36.6	5.0	4.1
2014	149,851	3.36	41,785	36.6	5.0	3.9

NOTES:

- (1) Data for 2012 - 2021 is as of June 30 as estimated by Cary's Planning Department.
- (2) 2012 - 2021 data is from the American Community Survey. Separate personal income data for Cary is unavailable from the U.S Department of Commerce, Bureau of Economic Analysis.
- (3) 2012 through 2021 data is from the U.S. Census Bureau, Census 2010.
- (4) Data is from the U.S. Department of Labor, Bureau of Labor Statistics for the month of June.



PRINCIPAL EMPLOYERS

CARY, NORTH CAROLINA

NINE YEARS AGO AND CURRENT YEAR

TABLE 24

Employer	(2) 2014			(1) 2023		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
SAS Institute, Inc.	5,209	1	6.50 %	4,024	1	4.07 %
Met Life	(4)		--	3,100	2	3.13
Verizon Business	1,700	3	2.12	2,000	T-3	2.02
Siemens Medical Solutions USA	700	8	.87	2,000	T-3	2.02
HCL Technologies	507	10	.63	1,600	5	1.62
Town of Cary	1,222	5	1.53	1,152	6	1.16
Precision Walls	(4)		--	1,073	7	1.08
ABB, Inc.	(4)		--	1,000	T-8	1.01
Global Knowledge Training	(4)		--	1,000	T-8	1.01
American Airlines Reservation Center	1,300	6	1.62	964	10	.97
Fidelity Investments	2,200	2	2.75	(4)		--
WakeMed Cary Hospital	1,185	4	1.48	(4)		--
Wake County Public Schools Administration	801	7	1.00	(4)		--
Austin Quality Foods/Kelloggs	684	9	.85	(4)		--
TOTAL	15,508		19.35 %	17,913		18.09 %
TOTAL EMPLOYMENT⁽³⁾	80,108			98,957		

NOTES:

(1) From "Major Employers 250 Employees or More" January 2023, Wake County Economic Development website.

(2) From Cary's Annual Operating Budget FY 2015, approved June 2014.

(3) Total employment is from the U.S. Department of Labor, Bureau of Labor Statistics for the month of June.

(4) Not within top ten ranking.

Commercial Activity

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

TABLE 25

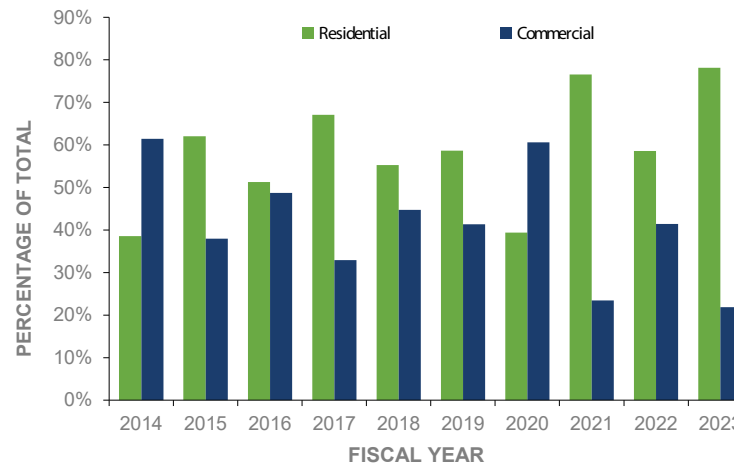
Fiscal Year	Commercial		Residential		Total		Bank Deposits at June 30 ⁽²⁾
	Number	Value	Number	Value	Number	Value	
2023	449	\$ 132,678,781	2,022	\$ 474,083,877	2,471	606,762,658	\$ 5,815,116,000
2022	497	293,712,486	2,783	415,169,997	3,280	708,882,483	5,978,203,000
2021	414	196,859,961	2,896	642,157,387	3,310	839,017,348	6,032,275,000
2020	563	413,209,280	2,379	268,349,647	2,942	681,558,927	5,040,270,000
2019	525	206,974,111	2,464	293,285,610	2,989	500,259,721	4,500,535,000
2018	596	296,255,531	2,905	366,377,168	3,501	662,632,699	4,205,292,000
2017	638	172,195,683	2,882	350,395,583	3,520	522,591,266	3,922,424,000
2016	628	288,778,925	2,741	303,625,699	3,369	592,404,624	3,506,831,000
2015	535	169,945,449	2,423	277,886,584	2,958	447,832,033	3,264,182,000
2014	558	519,999,528	2,659	326,078,101	3,217	846,077,629	3,138,957,000

NOTES:

⁽¹⁾ Compiled by Cary's Permits and Inspections Department. Numbers represent new construction and additions. Residential includes multi-family construction.

⁽²⁾ Federal Deposit Insurance Corporation Summary of Deposits data.

GROWTH MIX - BUILDING PERMIT VALUES





OPERATING INFORMATION

EMPLOYEE POSITION AUTHORIZATION BY DEPARTMENT ⁽¹⁾

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS ⁽²⁾

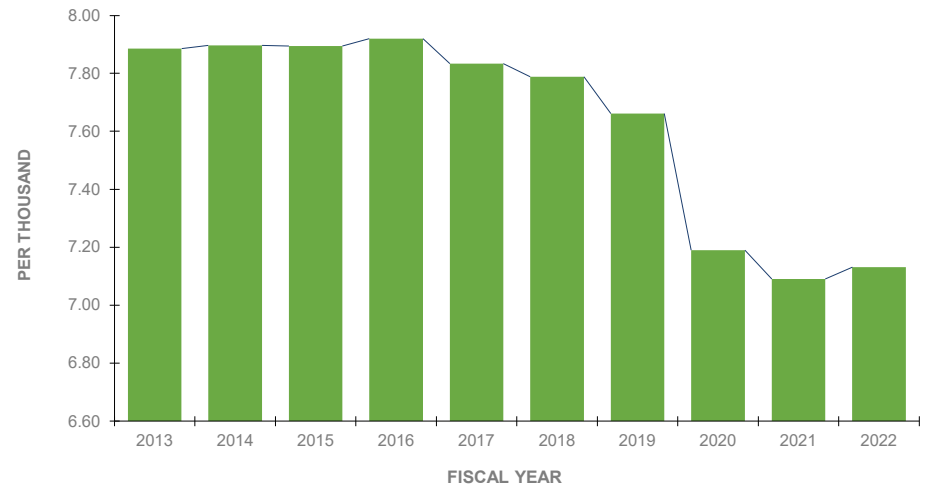
TABLE 26

Fiscal Year	Town Clerk	Legal	Town Manager	Information Technology	Finance	Human Resources	Planning	Transportation & Facilities	Water Resources	Development Services	Inspections & Permits	Police	Fire	Public Works	Utilities	Parks, Recreation and Culture	Fiscal Year Total	Employees Per Thousand Population
2023	3.00	4.00	71.00	34.00	47.00	18.00	17.00	35.00	--	13.00	52.00	236.00	239.00	315.00	133.00	88.00	1,305.00	7.13
2022	3.00	4.00	71.00	34.69	47.03	16.63	16.00	37.00	--	13.00	47.00	231.50	239.00	326.38	123.75	77.00	1,286.98	7.09
2021	3.00	4.00	71.00	34.69	47.03	16.63	16.00	37.00	--	13.00	47.00	231.50	239.00	326.38	123.75	77.00	1,286.98	7.19
2020	3.00	4.00	69.00	34.69	47.02	15.63	17.00	38.00	--	15.00	44.00	243.50	245.00	327.75	123.38	78.00	1,304.97	7.66
2019	4.00	4.00	23.69	31.00	48.52	14.63	26.00	49.00	41.63	20.00	38.00	243.50	240.00	330.50	107.50	83.00	1,304.97	7.79
2018	4.00	4.00	21.69	31.00	49.52	14.63	27.00	48.00	42.63	15.00	43.00	243.50	222.00	330.00	107.25	81.00	1,284.22	7.83
2017	4.00	4.00	24.69	31.00	44.53	14.63	27.00	48.00	42.63	15.00	43.00	230.50	222.00	331.00	107.25	81.00	1,270.23	7.92
2016	4.00	4.00	23.69	29.00	43.55	14.63	26.00	47.00	40.63	14.00	43.00	225.50	219.00	322.00	107.00	78.50	1,241.50	7.89
2015	4.00	4.00	23.69	25.00	43.50	13.63	26.00	43.00	38.50	11.63	42.00	223.50	216.00	318.50	106.75	75.25	1,214.95	7.90
2014	3.75	3.00	21.63	25.00	43.50	13.63	24.00	42.00	38.50	11.63	39.00	217.50	216.00	312.50	102.75	67.25	1,181.64	7.89

NOTES:

- ⁽¹⁾ Regular full and part-time employees only, expressed as full time equivalents.
Does not include temporary employees.
- ⁽²⁾ As of June 30 of the fiscal year. Data provided by Cary's Finance Department.
- ⁽³⁾ Overhires are budgeted in Public Safety to accommodate staffing transitions.

EMPLOYEES PER THOUSAND POPULATION



OPERATING INDICATORS BY FUNCTION/PROGRAM ⁽¹³⁾

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

TABLE 27

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FUNCTION/PROGRAM										
PUBLIC SAFETY										
Police										
Number of Part I Crimes ⁽¹⁾	2,122	2,132	2,089	1,873	1,994	1,970	1,886	1,786	2,011	2,285
Number of Part II Crimes ⁽²⁾	2,581	2,525	2,650	2,757	2,900	2,664	2,593	2,377	3,008	2,829
Number of Arrests (Adults-18 years of age and over) ⁽³⁾	1,707	1,537	1,462	1,225	1,533	1,512	1,047	1,085	1,345	1,397
Number of Arrests Juvenile ⁽³⁾	121	92	61	85	68	74	93	63	87	110
Fire										
Total Fire Loss in Dollars	3,027,046	2,094,333	2,742,675	1,948,851	6,344,669	3,079,659	1,601,846	1,334,439	4,987,680	1,298,503
Dollar Loss Per Capita	20.51	13.58	17.82	12.24	38.70	18.79	9.40	7.45	27.48	7.10
% Emergency Calls Responded to within 5 minutes	90.5%	90.1%	91.0%	90.9%	90.9%	89.7%	90.0%	90.5%	90.5%	90.7%
DEVELOPMENT AND INFRASTRUCTURE										
Inspections and Permits										
Certificates of Occupancy ⁽⁴⁾	3,713	3,271	3,579	3,718	3,321	3,376	2,998	2,602	2,773	2,656
Number of Inspections	73,344	73,852	75,830	79,982	77,239	73,457	64,023	59,800	75,216	73,128
Number of Permits Issued	8,339	7,743	9,192	8,749	8,769	8,573	8,226	8,900	9,539	8,907
Transportation & Facilities										
Streets Resurfaced (miles)	19.00	21.00	19.60	20.08	15.00	28.78	17.30	18.50	22.04	20.66
Streets Maintained (miles)	458.44	466.30	470.80	475.54	485.25	492.12	500.51	503.57	507.52	513.83
Transit										
Annual Ridership	342,864	317,167	290,268	224,386	249,546	269,353	240,457	208,659	279,799	383,718
PARKS, RECREATION AND CULTURE ⁽¹²⁾										
Athletic Program Participants ⁽⁵⁾	63,986	61,382	59,839	67,403	73,278	68,910	41,005	12,720	29,398	31,654
Special Events	102	115	115	122	133	131	143	106	94	135
Cultural Arts Program Participants ⁽⁶⁾	133,321	145,044	217,133	239,726	238,299	237,445	172,490	2,136	79,324	407,167
Concerts & Performances	120	159	217	429	432	405	207	115	371	486
Recreation Program Participants	75,759	75,769	76,173	80,688	80,359	80,310	49,659	6,741	32,688	50,271
Facility Rental Hours	11,966	23,233	28,961	32,076	32,271	32,330	22,619	15,343	30,307	71,190

OPERATING INDICATORS BY FUNCTION/PROGRAM ⁽¹³⁾

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

TABLE 27

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FUNCTION/PROGRAM										
PUBLIC WORKS AND UTILITIES										
Refuse Collection										
Refuse Collected (tons per year)	32,050	33,383	34,724	35,457	35,548	36,460	37,407	39,671	38,123	37,340
Recyclables Collected (tons per year)	11,781	11,983	11,662	11,431	11,242	11,512	11,715	13,084	11,836	11,248
Yard Waste Composted	20,147	21,680	22,171	20,860	19,210	18,377	20,128	20,740	21,316	20,676
Water										
Number of Utility Customers ⁽⁷⁾	56,839	58,307	59,743	60,905	62,050	63,226	63,887	65,050	65,980	66,276
Average Daily Water Production ⁽⁸⁾	16.84	17.51	18.21	18.69	20.91	20.48	20.79	21.60	22.19	23.23
Annual Peak Day Production ⁽⁸⁾	24.87	26.53	29.11	24.95	34.77	32.30	31.79	30.37	30.21	31.02
Wastewater - Average Daily Flow										
South Cary Water Reclamation Facility ⁽⁹⁾	5.43	5.26	5.44	5.03	4.66	5.39	4.92	5.65	5.04	5.11
North Cary Water Reclamation Facility ⁽¹⁰⁾	6.49	6.55	6.54	6.38	6.36	7.03	6.06	6.31	6.23	6.10
Western Wake Water Reclamation Facility ⁽¹¹⁾	--	4.58	4.84	4.44	5.00	5.77	5.90	6.59	6.56	6.73

NOTES:

- (1) Part I Crimes: Murder, Rape Robbery, Aggravated Assault, Burlary, Larceny, Auto Theft, Arson
- (2) Part II Crimes: All others, including vandalism, drug violations, etc.
- (3) Juvenile age raised from 16 to 17 on December 1, 2019.
- (4) Includes residential and commercial building certificates of occupancy for new construction, alterations & additions.
- (5) Method of reporting participants was modified to capture actual participation at Cary Tennis Park and other athletic programs. In FY2014, Cary Tennis Park social group use was down.
- (6) In FY2014, method for tracking program participants changed.
- (7) Includes Morrisville customers.
- (8) Total capacity is 40 million gallons per day. Cary owns 77% of the plant or 30.8 million gallons per day capacity.
- (9) 12.8 million gallons per day capacity.
- (10) 12.0 million gallons per day capacity.
- (11) Western Wake Water Reclamation Facility began operation on July 28, 2014. Total capacity of the plant is 18.0 million gallons per day. Cary owns 66% of the plant or 11.9 million gallons per day.
- (12) Due to the COVID-19 pandemic, all Parks, Recreation and Cultural activities were cancelled beginning in March, 2020 through the end of the 2020 fiscal year.
- (13) Data provided by Town Staff.

CAPITAL ASSETS BY FUNCTION/PROGRAM ⁽¹⁾

CARY, NORTH CAROLINA
LAST TEN FISCAL YEARS

TABLE 28

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FUNCTION/PROGRAM										
PUBLIC SAFETY										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	8	8	8	9	9	9	9	9	9	9
PARKS, RECREATION AND CULTURE										
# of Parks	27	28	32	32	34	34	34	34	34	42
Park Acres	2,542	2,552	2,700	2,700	2,688	2,690	2,690	2,690	2,690	2,690
# of Parks with Trail Systems	17	17	12	12	14	14	14	14	14	20
Park Trail Mileage ⁽⁴⁾	10.9	11.0	12.0	12.0	12.0	12	14	14	14	14
Number of Greenways	42	42	44	44	45	45	46	51	51	51
Greenway Miles ⁽⁴⁾	71.3	74.0	85.0	85.0	92.0	92.0	93.5	92.0	92.0	92.0
Community Centers/Facilities	16	16	16	16	16	16	16	16	16	13
Number of Ballfields	31	31	31	31	31	31	31	31	31	36
Number of Soccer Fields ⁽¹⁾	25	25	25	25	25	25	25	25	25	26
UTILITIES										
Water Treatment Plants	1	1	1	1	1	1	1	1	1	1
Wastewater Treatment Plants ⁽³⁾	2	3	3	3	3	3	3	3	3	3
Miles of Sewer Lines ⁽²⁾	834	847	862	913	925	939	940	940	940	978
Miles of Water Lines ⁽²⁾	992	1,018	1,048	933	950	968	975	975	975	1,014
PUBLIC WORKS										
Refuse Collection Trucks and Recycling Trucks	39	37	38	41	44	41	47	42	42	48

NOTES:

⁽¹⁾ Data provided by Town Staff.

⁽²⁾ Beginning in Fiscal Year 2006, includes addition of Morrisville water and sewer lines due to utility merger on 4/1/2006.
Prior to FY 2017, included some proposed and private lines. FY 2017 through FY 2021 includes only existing lines and pressurized sewer mains.

⁽³⁾ The Western Wake Regional Water Reclamation Facility began treating wastewater in July, 2014.

⁽⁴⁾ In FY 2014, a change to the method of calculating park trail mileage and greenway mileage occurred.

INSURANCE IN FORCE⁽¹⁾⁽²⁾

CARY, NORTH CAROLINA
 JULY 1, 2022 - JUNE 30, 2023

TABLE 29

Real and Personal Property and EDP:	
Blanket policy - Includes buildings such as Town Hall facilities, fire stations, library, public works facilities, parks and recreation areas, etc. and personal property owned by the Town including electronic data processing equipment.	\$827,807,250
Equipment Breakdown	100,000,000
Earthquake	10,000,000
Flood	10,000,000
Business Income and Extra Expense at Specified Locations:	5,000,000
Town Hall A	
Town Hall B	(Blanket for all
Operations Center (Buildings A and B)	three sites)
Inland Marine:	
Emergency Service Equipment	228,123
Scheduled Equipment	8,416,622
Computer Equipment	13,471,049
Water and Sewer	Included in Sched. Equip.
Communications Equipment	Included in Computer Equip.
Leased/Rented Equipment	450,000
Equipment in Transit	500,000
Data, Media & Computer Programs in Transit	500,000
Extra Expense	500,000
Animal Floater	50,000
Commercial General Liability:	
General Liability Each Occurrence	1,000,000
General Liability Aggregate	2,000,000
Products Aggregate	2,000,000
Personal & Advertising Injury	1,000,000
Commercial Automobile Liability & Physical Damage:	
Liability:	1,000,000
Physical Damage:	
Owned Auto Physical Damage (vehicles valued at \$40,001-\$100,000):	
Comprehensive - \$5,000 deductible	Actual Cash Value
Collision - \$5,000 deductible	Actual Cash Value
Owned Auto Physical Damage (vehicles valued at \$100,001 & up):	
Comprehensive - \$10,000 deductible	Actual Cash Value
Collision - \$10,000 deductible	Actual Cash Value

INSURANCE IN FORCE⁽¹⁾⁽²⁾CARY, NORTH CAROLINA
JULY 1, 2022 - JUNE 30, 2023

TABLE 29

Owned Auto Physical Damage (Motorcycles):	
Comprehensive - \$1,000 deductible	Actual Cash Value
Collision - \$1,000 deductible	Actual Cash Value
Catastrophic Physical Damage (vehicles valued less than \$40,001):	
Comprehensive - \$25,000 deductible	Actual Cash Value
Hired Auto Physical Damage:	
Collision - \$1,000 deductible	Actual Cash Value or \$80,000, whichever is less

Tort Liability:

Public Officials Liability - Each Wrongful Act	\$1,000,000
Public Officials Liability - Aggregate	3,000,000
Law Enforcement Liability - Per Claim	1,000,000
Law Enforcement Liability - Aggregate	3,000,000
Employment Practices Liability - Per Claim	1,000,000
Employment Practices Liability - Aggregate	3,000,000

Excess Liability:

General/Auto/Public Official/Employment Practices/Law Enforcement	9,000,000
---	-----------

Crime:

Employee Theft	2,000,000
Forgery or Alteration	1,000,000
Computer Fraud	1,000,000
Funds Transfer Fraud	1,000,000
Inside - Theft of Money & Securities	20,000
Outside the Premises	20,000
Social Engineering	100,000

Cyber Liability:

Media Contents Liability	5,000,000
Security and Privacy Liability	5,000,000
Network Interruption	5,000,000
Event Management	5,000,000
Cyber Extortion	2,500,000
Reputation Guard	50,000
Systems Failure	5,000,000

Drone Liability

Each Occurrence	1,000,000
Aggregate	1,000,000

INSURANCE IN FORCE⁽¹⁾⁽²⁾CARY, NORTH CAROLINA
JULY 1, 2022 - JUNE 30, 2023

TABLE 29

Underground Storage Tank/Pollution Liability		
Each Storage Tank Incident		1,000,000
Aggregate		1,000,000
Public Official Bonds:		
Finance Director		1,000,000
Financial Strategy and Analysis Director		1,000,000
Wake County Tax Collector		100,000
Chatham County Revenue Collector		100,000
Workers Compensation:		
Regular Employees	Statutory Limit	
Police Officers/Firefighters	Statutory Limit	
Specific Self-Insured Retention		
Each Accident		
Regular Employees	\$600,000	
Police Officers/Firefighters	750,000	
Each Employee for Disease		
Regular Employees	600,000	
Police Officers/Firefighters	750,000	
Employers Liability		
Specific Limit Each Accident	1,000,000	
Specific Limit Each Employee for Disease	1,000,000	
Aggregate Limit	1,000,000	
Aggregate Excess Insurance		
Loss Fund Percentage for the Liability Period		202%
Minimum Loss Fund for the Liability Period		3,279,004
Maximum Limit of Indemnity of the CORPORATION for the Liability Period		1,000,000

NOTES:

- (1) Represents insurance in force on July 1, 2020. Insurance was renewed on July 1, 2022 for the fiscal year ended June 30, 2023.
- (2) Data provided by Town Staff.

TOP TEN UTILITY CUSTOMERS ^{(1) (2)}

CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

TABLE 30

Customer	Industry	Total Sales Revenue	% of Total Sales Revenue
RDU Airport	Airport	\$ 1,055,226	1.19 %
Biogen	Biotechnology	958,675	1.08
Wake County Schools	Public Schools	958,142	1.08
Fujifilm Diosynth	Biotechnology	693,812	0.78
WakeMed Cary Hospital	Hospital	403,014	0.45
Amberton at Stonewater	Multi-Family Residential	290,271	0.33
Alston Manor Investors JV LLC	Real Estate Investment	282,006	0.32
PRIII RTP8 Oaks at Weston	Multi-Family Residential	279,579	0.31
The Gregory North and South	Multi-Family Residential	278,177	0.31
Marquis on Cary Parkway	Multi-Family Residential	274,087	0.31
		\$ 5,472,989	6.15 %

NOTES:

⁽¹⁾ Data provided by Town Staff.

⁽²⁾ Metered sewer revenue was included in FY2023

UTILITY RATE INFORMATION

CARY, NORTH CAROLINA

FROM FISCAL YEAR APPROVED OPERATING BUDGET ORDINANCE

TABLE 31

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
WATER RATES										
Base Charges (flat monthly fee)										
Inside Corporate Limits										
5/8" & 3/4" meters	3.07	3.07	3.07	3.07	3.16	3.25	3.32	3.32	3.82	3.82
1" meters	6.61	6.61	6.61	3.07	3.16	3.25	3.32	3.32	3.82	3.82
1 1/2" meters	21.71	21.71	21.71	21.71	22.36	23.03	23.49	23.49	23.99	23.99
2" meters	26.41	26.41	26.41	26.41	27.20	28.02	28.58	28.58	29.08	29.08
3" meters	71.08	71.08	71.08	71.08	73.21	75.41	76.92	76.92	77.42	77.42
4" meters	107.70	107.70	107.70	107.70	110.93	114.26	116.55	116.55	117.05	117.05
6" meters	132.94	132.94	132.94	132.94	136.93	141.04	143.86	143.86	144.36	144.36
Outside Corporate Limits										
5/8" & 3/4" meters	9.21	9.21	9.21	9.21	9.48	9.76	4.98	4.98	5.73	5.73
1" meters	19.83	19.83	19.83	9.21	9.48	9.76	4.98	4.98	5.73	5.73
1 1/2" meters	65.13	65.13	65.13	65.13	67.08	69.09	35.24	35.24	35.99	35.99
2" meters	79.23	79.23	79.23	79.23	81.60	84.05	42.87	42.87	43.62	43.62
3" meters	213.24	213.24	213.24	213.24	219.63	226.22	115.38	115.38	116.13	116.13
4" meters	323.10	323.10	323.10	323.10	332.79	342.77	174.83	174.83	175.58	175.58
6" meters	398.82	398.82	398.82	398.82	410.79	423.11	215.79	215.79	216.54	216.54
Single Family/Residential										
Inside Corporate Limits										
Tier 1 (usage 0 - 5,000 gallons)	3.60	4.09	4.38	4.56	4.70	4.84	4.94	4.74	4.81	4.95
Tier 2 (usage 5,001 - 8,000 gallons)	4.08	4.64	4.90	5.11	5.26	5.42	5.53	5.31	5.39	5.55
Tier 3 (usage 8,001 - 23,000 gallons)										
or up to water budget amount	5.79	5.99	6.20	6.46	6.65	6.85	6.99	6.71	6.81	7.01
Tier 4 (usage > 23,000 gallons)										
or over to water budget amount	11.29	11.49	11.70	12.19	12.56	12.94	13.20	12.67	12.86	7.01

UTILITY RATE INFORMATION

CARY, NORTH CAROLINA

FROM FISCAL YEAR APPROVED OPERATING BUDGET ORDINANCE

TABLE 31

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Outside Corporate Limits										
Tier 5 (usage 0 - 5,000 gallons)	10.80	12.27	13.14	13.69	14.10	14.52	7.41	7.11	7.22	7.44
Tier 6 (usage 5,001 - 8,000 gallons)	12.24	13.92	14.70	15.32	15.78	16.25	8.30	7.97	8.09	8.33
Tier 7 (usage 8,001 - 23,000 gallons) or up to water budget amount	17.37	17.97	18.60	19.38	19.95	20.55	10.49	10.07	10.22	10.53
Tier 8 (usage > 23,000 gallons) or over to water budget amount	33.87	34.47	35.10	36.57	37.68	38.81	19.80	19.01	19.29	10.53
Government Rates										
Government Water use shall be billed at the same rate as Tier 1 Single Family Residential. Government irrigation use shall be billed at the same rate as non-residential Tier 1. Government sewer service shall be billed at the same rate for all customer types.										
Multi-Family/Non-Residential										
Inside Corporate Limits										
Tier 1 (charge per 1,000 gallons)	4.08	4.64	4.90	5.11	5.26	5.42	5.53	5.31	5.39	5.55
Outside Corporate Limits										
Tier 3 (charge per 1,000 gallons)	12.24	13.92	14.70	15.32	15.78	16.25	8.30	7.97	8.08	8.33
IRRIGATION RATES										
Base Charges (flat monthly fee)										
Inside Corporate Limits										
5/8" & 3/4" meters	3.07	3.07	3.07	3.07	3.16	3.25	3.32	3.32	3.82	3.82
1" meters	6.61	6.61	6.61	3.07	3.16	3.25	3.32	3.32	3.82	3.82
1 1/2" meters	21.71	21.71	21.71	21.71	22.36	23.03	23.49	23.49	23.99	23.99
2" meters	26.41	26.41	26.41	26.41	27.20	28.02	28.58	28.58	29.08	29.08
3" meters	71.08	71.08	71.08	71.08	73.21	75.41	76.92	76.92	77.42	77.42
4" meters	107.70	107.70	107.70	107.70	110.93	114.26	116.55	116.55	117.05	117.05
6" meters	132.94	132.94	132.94	132.94	136.93	141.04	143.86	143.86	144.36	144.36

UTILITY RATE INFORMATION

CARY, NORTH CAROLINA

FROM FISCAL YEAR APPROVED OPERATING BUDGET ORDINANCE

TABLE 31

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Outside Corporate Limits										
5/8" & 3/4" meters	9.21	9.21	9.21	9.21	9.48	9.76	4.98	4.98	5.73	5.73
1" meters	19.83	19.83	19.83	9.21	9.48	9.76	4.98	4.98	5.73	5.73
1 1/2" meters	65.13	65.13	65.13	65.13	67.08	69.09	35.24	35.24	35.99	35.99
2" meters	79.23	79.23	79.23	79.23	81.60	84.05	42.87	42.87	43.62	43.62
3" meters	213.24	213.24	213.24	213.24	219.63	226.22	115.38	115.38	116.13	116.13
4" meters	323.10	323.10	323.10	323.10	332.79	342.77	174.83	174.83	175.58	175.58
6" meters	398.82	398.82	398.82	398.82	410.79	423.11	215.79	215.79	216.54	216.54
Single Family/Residential										
Inside Corporate Limits										
Tier 1 (usage 0 - 15,000 gallons) or up to water budget amount	5.79	5.99	6.20	6.46	6.65	6.85	6.99	6.71	6.71	7.01
Tier 2 (usage > 15,000 gallons) or over to water budget amount	11.29	11.49	11.70	12.19	12.56	12.94	13.20	12.67	12.67	7.01
Outside Corporate Limits										
Tier 3 (usage 0 - 15,000 gallons) or up to water budget amount	17.37	17.97	18.60	19.38	19.95	20.55	10.49	10.07	10.07	10.52
Tier 4 (usage > 15,000 gallons) or over to water budget amount	33.87	34.47	35.10	36.57	37.68	38.81	19.80	19.01	19.01	10.52
Multi-Family/Non-Residential										
Inside Corporate Limits										
Tier 1 (usage 0 - Water Budget Amount)	6.38	6.38	6.38	6.46	6.65	6.85	6.99	6.71	6.71	7.01
Tier 2 (usage > than Water Budget Amount)	11.88	11.88	11.88	12.19	12.56	12.94	13.20	12.67	12.67	7.01
Outside Corporate Limits										
Tier 3 (usage 0 - Water Budget Amount)	19.14	19.14	19.14	19.38	19.95	20.55	10.49	10.07	10.07	7.01
Tier 4 (usage > than Water Budget Amount)	35.64	35.64	35.64	36.57	37.68	38.81	19.80	19.01	19.01	7.01
Reclaimed Water Rate										
Irrigation	3.60	3.60	3.60	3.75	3.86	3.98	4.06	3.90	3.90	4.02
Non-Irrigation (including Cooling Towers)	-	-	-	-	-	-	-	-	1.00	1.03

UTILITY RATE INFORMATION

CARY, NORTH CAROLINA

FROM FISCAL YEAR APPROVED OPERATING BUDGET ORDINANCE

TABLE 31

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
SEWER RATES										
Base Charges (flat monthly fee)										
Inside Corporate Limits										
5/8" & 3/4" meters	3.07	3.07	3.07	3.07	3.16	3.25	3.32	3.32	3.82	3.82
1" meters	6.61	6.61	6.61	3.07	3.16	3.25	3.32	3.32	3.82	3.82
1 1/2" meters	21.71	21.71	21.71	21.71	22.36	23.03	23.49	23.49	23.99	23.99
2" meters	26.41	26.41	26.41	26.41	27.20	28.02	28.58	28.58	29.08	29.08
3" meters	71.08	71.08	71.08	71.08	73.21	75.41	76.92	76.92	77.42	77.42
4" meters	107.70	107.70	107.70	107.70	110.93	114.26	116.55	116.55	117.05	117.05
6" meters	132.94	132.94	132.94	132.94	136.93	141.04	143.86	143.86	144.36	144.36
Outside Corporate Limits										
5/8" & 3/4" meters	9.21	9.21	9.21	9.21	9.48	9.76	4.98	4.98	5.73	5.73
1" meters	19.83	19.83	19.83	9.21	9.48	9.76	4.98	4.98	5.73	5.73
1 1/2" meters	65.13	65.13	65.13	65.13	67.08	69.09	35.24	35.24	35.99	35.99
2" meters	79.23	79.23	79.23	79.23	81.60	84.05	42.87	42.87	43.62	43.62
3" meters	213.24	213.24	213.24	213.24	219.63	226.22	115.38	115.38	116.13	116.13
4" meters	323.10	323.10	323.10	323.10	332.79	342.77	174.83	174.83	175.58	175.58
6" meters	398.82	398.82	398.82	398.82	410.79	423.11	215.79	215.79	216.54	216.54
Volume Charge: All Customer Types										
Tier 1: Customers Inside Cary or Morrisville										
Corporate Limits (charge per 1,000 gallons)	9.10	9.10	9.36	9.75	10.04	10.34	10.55	10.13	10.28	10.59
Tier 2: Customers Outside Cary or Morrisville										
Corporate Limits (charge per 1,000 gallons)	27.30	27.30	28.08	29.26	30.12	31.02	15.83	15.20	15.42	15.88
Volume Charge: Cooling Tower Type										
Towers utilizing potable water: Base charge plus										
(charge per 1,000 gallons)	9.10	9.10	9.36	9.75	10.04	10.34	10.55	10.13	10.28	10.59
Towers utilizing reclaimed water: No base charge plus										
(charge per 1,000 gallons)	27.30	27.30	28.08	29.26	30.12	31.02	15.83	15.20	15.42	15.88
*Metered service rate for solely non-irrigation usage										

NOTES:

(1) With the exception of base rates, all rates are per 1,000 gallons of usage

(2) The Town of Morrisville's water and sewer system officially merged with the Town of Cary system effective April 1, 2006.

DEVELOPMENT FEE REVENUE

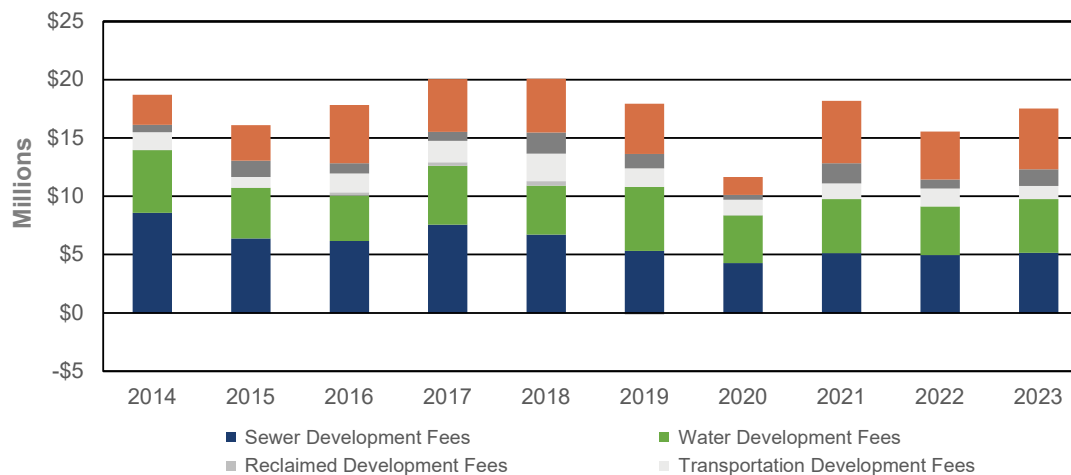
CARY, NORTH CAROLINA

LAST TEN FISCAL YEARS

TABLE 32

Fiscal Year	Sewer Development Fees	Water Development Fees	Reclaimed Development Fees	Transportation Development Fees	Payment in Lieu – Streets	Payment in Lieu – Parks	Total Development Fee Revenue
2023	\$ 5,155,620	\$ 4,617,738	\$ -	\$ 1,103,583	\$ 1,435,499	\$ 5,208,061	\$ 17,520,500
2022	4,946,446	4,187,992	-	1,528,459	765,550	4,134,183	15,562,629
2021	5,112,278	4,639,017	-	1,352,976	1,745,734	5,330,516	18,180,521
2020	4,262,137	4,089,216	33,083	1,317,936	406,165	1,546,122	11,654,659
2019	5,312,071	5,483,385	(129,528)	1,591,306	1,234,402	4,328,106	17,819,743
2018	6,702,037	4,217,596	382,864	2,364,445	1,795,456	4,623,330	20,085,728
2017	7,553,845	5,068,852	303,871	1,838,189	760,155	4,533,630	20,058,542
2016	6,155,747	3,906,259	271,223	1,620,360	884,693	5,004,277	17,842,559
2015	6,371,970	4,356,030	21,950	911,166	1,386,409	3,059,158	16,106,682
2014	8,584,202	5,382,286	36,225	1,485,900	647,765	2,577,810	18,714,188

DEVELOPMENT FEE REVENUE BY FISCAL YEAR



TOWN OF CARY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS

For the Year Ended June 30, 2023

Grantor/Pass-Through Grantor/Program Titles	Federal ALN Number	State/ Pass Through Grantor's Number	Federal Expenditures (Direct & Pass-Through)	State Expenditures	Pass-through to Subrecipients	Local Expenditures
FEDERAL GRANTS:						
U.S. Department of Housing and Urban Development Passed through the County of Wake, North Carolina Community Development Block Grant	14.218		\$656,150	--	523,437	--
U.S. Department of Justice Criminal Division Equitable Sharing Program	16.922		67,682	--	--	--
U.S. Department of Transportation Passed through North Carolina Department of Transportation:						
SAFE TEA-LU CMAQ Funds :						
Crabtree Creek Greenway	20.205	BL-0036	123,852			30,963
Higgins Greenway	20.205	C-5604ID	82,624	--	--	20,656
			206,476	--	--	51,619
STBDGA Funds:						
Reedy Creek Road Widening	20.205	U-5501A	467,555	--	--	467,555
Carpenter Fire Station Road Widening	20.205	U-6227	421,131	--	--	514,716
Connected Vehicle Project	20.205	U-5118IC	468,142	--	--	117,035
Cary Park Total STBDGA Funds	20.205	BL-0024	44,965	--	--	44,965
			1,401,793	--	--	1,144,271
Capital Area Metropolitan Planning Organization (STPDGA)	20.205		1,225,004	--	--	306,751
Capital Area Metropolitan Planning Organization (PL)	20.205		848,349	--	--	89,879
Federal Transit Cluster:						
2018 - 2019	20.507	NC-2022-022-00	42,864	--	--	--
Section 5307 ARP Act 2020 - 2021	20.507	NC-2022-038-00	2,918,425	--	--	--
TOTAL FEDERAL TRANSIT CLUSTER:			2,961,289	--	--	--
Total U.S. Department of Transportation			6,642,911	---	---	1,592,520
U.S. Department of Treasury COVID-19: Coronavirus State and Local Fiscal Recovery	21.027		3,555,145			
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$10,921,888	--	\$523,437	\$1,592,520

TOWN OF CARY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS

For the Year Ended June 30, 2023

Grantor/Pass-Through Grantor/Program Titles	Federal ALN Number	State/ Pass Through Grantor's Number	Federal Expenditures (Direct & Pass-Through)	State Expenditures	Pass-through to Subrecipients	Local Expenditures
STATE FINANCIAL ASSISTANCE:						
North Carolina Department of Environmental Quality Division of Environmental Assistance and Customer Service 2021 Community Waste Reduction and Recycling Grant		CW20698	--	10,901	--	
North Carolina Department of Transportation Division of highways Non-State System Street-Aid Allocation Fund (Powell Bill)		DOT-4/ WBS 32570	--	6,116,981	--	--
Public Transportation Division State Maintenance Assistance Program - C-Tran Transit Operations		DOT-9/ WBS 36234.34.7.1	--	241,523	--	--
TOTAL NORTH CAROLINA DEPARTMENT OF TRANSPORTATION			--	6,358,504	--	--
TOTAL STATE FINANCIAL ASSISTANCE			--	6,369,405	--	--
TOTAL FINANCIAL ASSISTANCE			\$ 10,921,888	\$ 6,369,405	\$ 523,437	\$ 1,592,520

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

1. GENERAL

The accompanying Schedule of Expenditures of Federal and State Awards (the Schedule) presents the activity of all federal and state financial award programs of Cary, North Carolina. All federal and state financial awards received directly from federal and state agencies as well as federal financial awards passed through other government agencies are included on the schedule. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. The Schedule presents only a selected portion of the operations of Cary, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Cary.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting, which is described in the notes to the Town's basic financial statements. Expenditures are recognized following the cost principles contained in the Uniform Guidance and the State Single Audit Implementation Act, wherein certain types of expenditures are not allowable or limited as to reimbursement. Cary has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

- a) State award revenues for Powell Bill of \$4.7 million are reported in Cary's basic financial statements in the Capital Project Funds. At June 30, 2023, \$7.8 million of unexpended Powell Bill Funds is included in the Capital Project Fund's fund balance as Restricted for Street Projects. The activity in this account for the year ended June 30, 2023 is as follows:

Balance of unexpended Powell Bill Funds at June 30, 2022	\$9,144,916
Revenues received	4,704,749
Interest earned on unexpended Powell Bill funds	113,000
Expenditures (including adjustments)	6,116,981
Balance of unexpended Powell Bill funds at June 30, 2023	<u>\$7,845,684</u>

4. PRIOR YEAR EXPENDITURES

Where allowed by grant agreement, prior year expenditures that have not been previously tested may be included in the Schedule of Awards at June 30, 2023. Generally this occurs when grants are awarded after the related project or program has started incurring expenses and retroactive reimbursement is allowed per the funding agreement or when corrections are made due to previous year(s) omissions.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cary, North Carolina (the "Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated October 27, 2023.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Raleigh, North Carolina
October 27, 2023

**Report of Independent Auditor on Compliance for
Each Major Federal Program on Internal Control over Compliance
Required by the Uniform Guidance and the
State Single Audit Implementation Act**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Cary, North Carolina (the “Town”), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town’s major federal programs for the year ended June 30, 2023. The Town’s major federal programs are identified in the *Summary of Auditor’s Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor’s Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town’s compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards required the auditor to perform limited procedures on the Town's response to the internal control over compliance findings identified in our compliance audit in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
October 27, 2023

**Report of Independent Auditor on Compliance with Requirements
Applicable to Each Major State Program and Internal Control
Required by the Uniform Guidance and the
State Single Audit Implementation Act**

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Town of Cary, North Carolina (the “Town”), compliance with the types of compliance requirements identified as subject to audit in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town’s major state programs for the year ended June 30, 2023. The Town’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor’s Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Town’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town’s state programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town’s compliance with the requirements of each major state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
October 27, 2023

TOWN OF CARY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2023

I – Summary of Auditor’s Results (continued)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

State Awards

Internal control over major state programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported
- Noncompliance material to state awards? yes X no

Type of auditor’s report issued on compliance for major state programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the *Audit Manual for Governmental Auditors in North Carolina*? yes X no

Identification of major state programs:

Names of State Program or Cluster

Powell Bill

II – Financial Statement Findings

None.

TOWN OF CARY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2023

III – Federal Award Findings and Questioned Costs

Finding 2023-001

Federal Agency:	U.S. Department of Treasury
Federal Program:	Coronavirus State and Local Fiscal Recovery Funds
ALN:	21.027
Compliance Requirement:	Reporting
Type of Finding:	Significant Deficiency
Repeat Find:	No

Criteria:

Title 2 U.S. Code of Federal Regulations Section 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition:

During testing of the Coronavirus State and Local Fiscal Recovery Funds reporting compliance requirement, it was noted that there was not a structured second level review process over the preparation of the report prior to being submitted to the U.S. Treasury.

Context:

The quarterly report that was to be submitted for the Coronavirus State and Local Fiscal Recovery program was prepared by a staff; however, it was not reviewed prior to submission.

Questioned Costs:

None noted.

Cause:

The Town did not have a structured second level review of the report prior to submission to the Treasury.

Effect:

Errors could be made and not detected on a timely basis and therefore, monthly and/or quarterly reports may contain errors.

Recommendations:

We recommend the Town implement a review process over the report prior to the submission of the report where staff prepares, and a manager reviews the report. Evidence of performance and review of these reports should be maintained.

Views of Responsible Officials:

Management agrees with the finding.

IV – State Award Findings and Questioned Costs

None.



October 27, 2022

Corrective Action Plan

Finding: 2023-001

Name of Contact Person: Kimberly Branch, Finance Director

Corrective Action: Cary has implemented a more formal review process over the report prior to submission, which includes evidence of the review. This has already been corrected with the recent quarterly report submission.

Proposed Completion Date: October 31, 2023

TOWN OF CARY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2023

No findings were reported for the year ended June 20, 2022.



Report of Independent Auditor on Revenue Bond Covenant

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

Opinion

We have audited the accompanying Revenue Bond Statement of Revenues Expenses, Debt Service, and Debt Service Coverage (the "Schedule") of the Town of Cary, North Carolina (the "Town") as of and for the year ended June 30, 2023, as defined in the official statement and amendment for the Combined Enterprise System Revenue Bonds, Series 2013, Series 2015, Series 2017, Series 2017B, Series 2020B, and Series 2020C (the "bonds").

In our opinion, the Schedule referred to above presents fairly, in all material respects, as described in the bonds referred to in the first paragraph, of the Town as of and for the year ended June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule

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

In preparing the Schedule, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the Town as of and for the year ended June 30, 2023, and our report thereon dated October 27, 2023, expressed as an unmodified opinion on those financial statements.

Restricted Use

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
October 27, 2023

REVENUE BOND STATEMENT OF REVENUES, EXPENSES, DEBT SERVICE, AND DEBT SERVICE COVERAGE

CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

Operating Revenues:	
Charges for Services	\$ 86,858,163
Other Operating Revenues	2,140,555
Total Operating Revenues	88,998,718
Operations and Maintenance Expenses	(56,420,938)
Operating Income Before Depreciation & Amortization	32,577,780
Less:	
Depreciation and Amortization Expense	(21,122,864)
OPERATING INCOME	11,454,916
Non-Operating Revenues	12,890,046
Non-Operating Expenses	(7,990,185)
NET INCOME	\$ 16,354,777

Determination of Income Available for Debt Service

Net Income	\$ 16,354,777
Adjustments:	
Depreciation and Amortization Expense	21,122,864
Water and Sewer Development Fees	(9,874,472)
Reimbursements	(72,315)
Sale of Capital Assets	(17,122)
Bond Interest Expense	6,096,469
Bond Refunding Loss	1,128,587
Payment to General Fund for Open Space	755,729
Administrative Costs Paid to the General Fund	5,939,243
Income Available for Debt Service	41,433,760
15% of Unrestricted Net Position	33,808,354
Income Available for Debt Service Plus 15% of Unrestricted Net Position	\$ 75,242,114

REVENUE BOND STATEMENT OF REVENUES, EXPENSES, DEBT SERVICE, AND DEBT SERVICE COVERAGE

CARY, NORTH CAROLINA
FOR THE YEAR ENDED JUNE 30, 2023

Debt Service Requirements and Coverage

Parity Debt Service:

Series 2013 Revenue Bonds	\$	1,476,000
Series 2015 Revenue Bonds		3,203,238
Series 2017 Revenue Bonds		1,454,331
Series 2017B Revenue Refunding Bonds		4,516,800
Series 2020B Revenue Refunding Bonds		2,859,963
Series 2020C Revenue Refunding Bonds		1,254,341
	\$	<u>14,764,673</u>

Debt Service Coverage - Parity Indebtedness **5.096**

Revenue Bond Covenant Requirement **1.200**

System GO. Debt Service:

2010A Refunding Bonds	\$	-
2014 Public Improvement Bonds		1,567,250
2017B Refunding Bonds		1,683,486
2020A Refunding Bonds		906,000
		<u>4,156,736</u>

Sum of Parity, Subordinated and GO Debt Service \$ 18,921,409

**Debt Service Coverage - Sum of Parity,
System GO and Subordinated Indebtedness** **2.190**

Revenue Bond Covenant Requirement **1.000**

CARY®

CARY®

CARY®

CARY
— LIVE INSPIRED —

CARY®

KEEPING CARY CARY

CARYNC.GOV

CARY®