



2023 POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2023

CARY, NORTH CAROLINA

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CARY MAYOR & COUNCILMEMBERS



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

WELCOME



DEAR CITIZENS OF CARY, NC:

I am delighted to present to you a friendly easy-to-understand read of the Annual Comprehensive Financial Report (ACFR). For the first time ever, Cary staff transformed the ACFR into a non-technical version, more formally known as the Popular Annual Financial Report (PAFR). The overall purpose of the PAFR is to bring about an awareness of the financial condition of Cary. In addition, this report strives to provide a snapshot into Cary's finances and operations that illustrates why Cary is a desirable destination to work, live, and play. This PAFR is intended to simplify, not replace, the objective of the ACFR.

Cary continues to demonstrate excellent fiscal management. Cary's commitment to financial responsibility is evident in its AAA credit rating and the ability to sustain encouraging fund balance levels. This year's report focuses on summarizing the General and Utility Funds to reflect the first full year recovery since the impact of COVID-19. As a result, Cary was able to have primary investments in major initiatives like our state-of-the-art Downtown Park, staffing, housing, stormwater, and the environment.

Cary has seen continued economic growth, fostering a vibrant community. Notable achievements in economic development, namely within the downtown district, and community projects have contributed to Cary's reputation of continuing to inspire residents by investing in modern and futuristic endeavors.

In summary, this PAFR is a crucial tool for promoting transparency and engagement in the financial affairs of Cary. If you would like more detailed information on Cary and its various departments, please visit Cary's website at carync.gov.

Kimberly Branch, CPA
Finance Director



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.

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

CARY COMMUNITY PLAN

Cary's comprehensive long-range plan, "Imagine Cary", is based on the values, needs, and aspirations of our citizens. Imagine Cary sets out a long-term vision, policies, and strategic actions with a time horizon out to 2040. The foundations of Imagine Cary are highlighted throughout this document; Act, Work, Engage, Serve, Shape, Move, Live, and Shop.



ACT

**ACTION PLAN TO
ACHIEVE VISION**



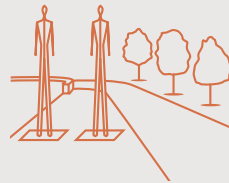
SHAPE

**LAND PLANNING;
CHARACTER OF
GROWTH**



WORK

**ECONOMY;
WORKPLACES**



MOVE

**TRANSPORTATION
CHOICES**



ENGAGE

**HISTORIC PLACES,
PARKS, AND
CULTURE**



LIVE

**NEIGHBORHOODS;
HOUSING**



SERVE

**PUBLIC SERVICES;
FISCAL HEALTH**



SHOP

**PLACES TO SHOP
AND DINE**

BUDGET

WHY DOES CARY ADOPT A BUDGET?

Cary, like all municipalities in North Carolina, is required by state statute to adopt an annual balanced budget for its operating funds, like the General Fund. Town Council is required to adopt the budget by July 1 of each year, which is the first day of the fiscal year. A balanced budget means revenues and use of fund balance (savings) must equal expenditures.

ACT

Act refers to Cary's ongoing application of Imagine Cary's foundations, monitoring its effectiveness, and amending the Imagine Cary Community Plan as needed. An interdepartmental team monitors each foundation based upon established performance indicators and reports the plan status to Cary Town Council at least annually. Any amendments to the plan must include two public hearings before the Town Council and Zoning Board and conclude with a vote by Town Council.

\$443.6 MILLION
FY 2023 TOTAL ADOPTED BUDGET
FOR ALL FUNDS

BUDGET AWARD RECIPIENT
FOR 38 STRAIGHT YEARS!



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**Town of Cary
North Carolina**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morrell
Executive Director

The PAFR is a summary of key points found in the Annual Comprehensive Financial Report (ACFR). To read the full ACFR, visit carync.gov/ACFR.

The ACFR was prepared in conformity with Generally Accepted Accounting Principles (GAAP) and includes audited financial statements. The PAFR is not an audited document and does not include note disclosures and other financial statements required by GAAP.

GENERAL FUND

WHAT IS THE GENERAL FUND?

This is the primary operating fund for Cary. This fund houses property tax revenue and pays for general services such as parks and recreation and police and fire protection.

GENERAL FUND REVENUES AND EXPENDITURES

REVENUES: WHERE DOES CARY'S MONEY COME FROM?

Cary receives money from multiple sources with property and sales tax being the largest sources of revenue. Cary also receives revenues from permits and fees, grants from other government agencies, and charges for Cary provided services such as garbage collection.

\$271.4 MILLION

BUDGETED REVENUE

\$235.7 MILLION

ACTUAL REVENUE

\$271.4 MILLION

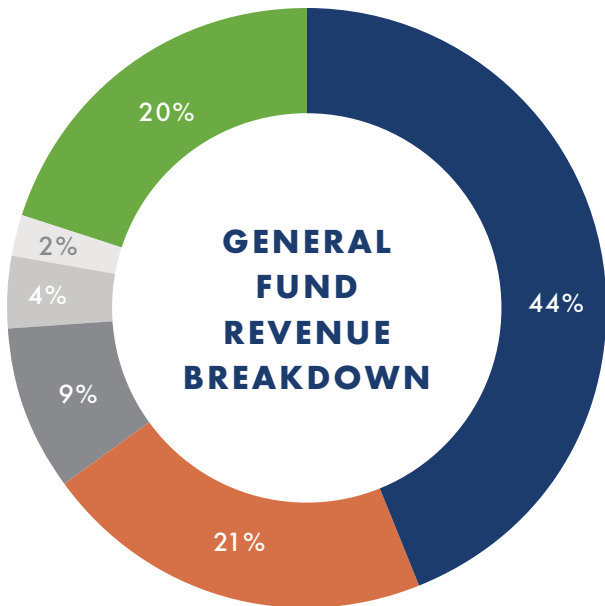
BUDGETED EXPENDITURES

\$260.7 MILLION

ACTUAL EXPENDITURES

FUN FACT

CARY'S PROPERTY TAX RATE IS \$.345 WHICH IS THE LOWEST TAX RATE OF ANY MUNICIPALITY IN WAKE COUNTY.



■ PROPERTY TAX: \$119.4M	■ SALES & SERVICES: \$24.3M
■ OTHER TAXES & LICENSES: \$56.1M	■ INTERGOVERNMENTAL REVENUES: \$11.1M
■ OTHER: \$54.0M	■ PERMITS & FEES: \$5.9M

EXPENDITURES: HOW WAS CARY'S MONEY SPENT?

Every tax dollar paid to Cary is allocated as follows:



ENGAGE

IVEY-ELLINGTON HOUSE ON THE MOVE

PHOTOGRAPHED BELOW

Built in the 1870s, the Ivey-Ellington House is historically significant as a rare example of the Carpenter Gothic architectural style and demonstrates the diffusion of styles and ideas from urban to rural areas. In 2019, Cary entered into a development agreement that required the relocation of the Ivey-Ellington House. Coinciding with this agreement, Council adopted a resolution to ensure every effort was made to preserve the house. After several years of planning, constant communication, and collaboration among various departments and organizations, the historic house finally made the 12-hour, ¼-mile trip from its original site on Chatham Street to its new home on Academy Street on Feb. 20. Now that the house is settled at the new site, the rehabilitation process will begin.



UTILITY FUND

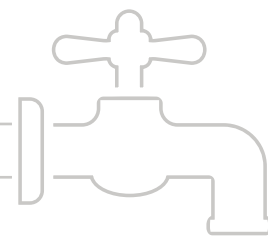
WHAT IS THE UTILITY FUND?

The Utility Fund supports Cary's water and sewer operations. Cary's Utility Fund includes the Field Operations and Utility System Management divisions which are responsible for maintaining water and sewer lines and the distribution systems. Cary also maintains one water treatment facility and three wastewater treatment facilities.

UTILITY FUND REVENUES AND EXPENSES

REVENUES: WHERE DOES THE UTILITY FUND'S MONEY COME FROM?

The main source of income for the Utility Fund is payments from citizens for utility services.



EXPENSES: HOW IS YOUR UTILITY PAYMENT SPENT?

Reflects an average residential utility bill assuming 5,000 gallons of water used per month.

DEBT: \$16.99

CAPITAL: \$17.60

OPERATIONS: \$50.75

\$114.5 MILLION
TOTAL REVENUE

\$86.7 MILLION
TOTAL EXPENSES



UTILITY CAPITAL PROJECTS

INVESTING IN THE FUTURE

The Cary Apex Water Treatment Facility (CAWTF) provides high-quality drinking water for Cary, Apex, Morrisville, RDU Airport, and portions of the Research Triangle Park. Safe and reliable water service is supported by an extensive water treatment maintenance program that provides complex predictive, preventive, and corrective maintenance. The CAWTF is undergoing planned maintenance to expand to provide more space to serve the growing population. In addition, the facility was equipped with a solar rooftop, which supports Cary's commitment to sustainable energy practices. The solar rooftop is expected to provide power for all electric energy requirements of this new facility. This project started during FY 2023 and is expected to finish by December 2023.

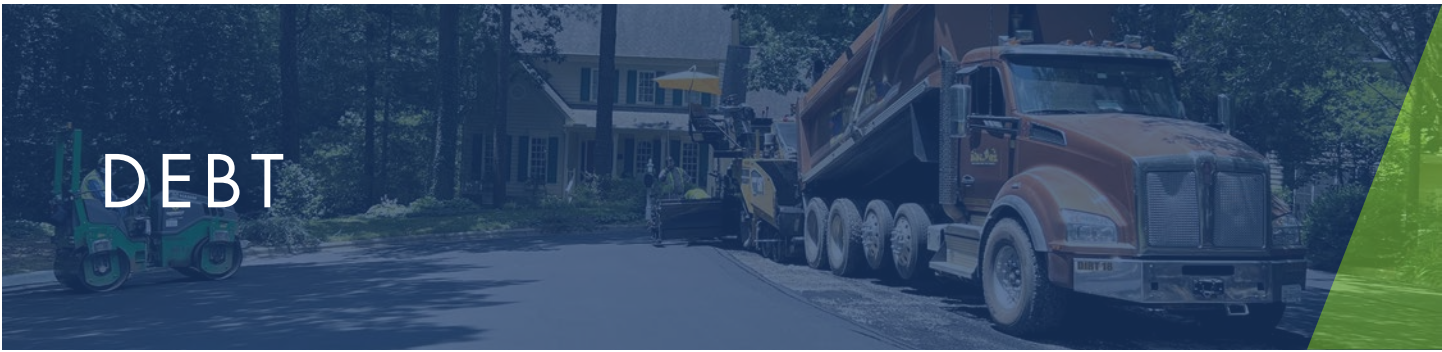
SERVE



ESTABLISHED IN 2011

Aquastar is Cary's innovative, advanced meter infrastructure system that replaced monthly manual meter reads with a wireless system that collects multiple remote meter reads per day. Because of this technology, Cary has reduced its carbon emissions by taking meter readers off the road. Prior to implementing Aquastar, 10 meter readers drove 71,000 miles and used 7,000 gallons of fuel in one year.

Citizens can view their daily usage and setup alerts to detect leaks in Aquastar by signing into their DigiPay account. For more information on Aquastar or DigiPay, visit carync.gov or dial 311 within Cary town limits.



WHY DOES CARY ISSUE DEBT?

Cary is in excellent financial health. However, Cary doesn't want to use all of its reserves to pay for necessary capital projects, and issuing debt allows Cary to maintain the high level of service citizens expect. Financing capital projects over several years also allows future citizens who will benefit from the projects to contribute to them.

CARY'S DEBT PORTFOLIO

- **General Obligation Bonds or GO bonds** are the cheapest financing option and can only be issued with citizen approval. Cary's taxing power is pledged to repay these bonds.
- **Installment Purchases** are used to pay for projects under \$10 million and uses the property that is financed as collateral for the debt.
- **Revenue Bonds** are used to finance water- and sewer-related projects and pledges utility revenue to pay back the debt.

SHAPING CARY'S TOMORROW: 2019 BOND REFERENDUM

In 2019, Cary voters approved the issuance of **Shaping Cary's Tomorrow** GO bonds of up to \$225 million for parks and transportation projects, most notably **the Downtown Park**.

CARY'S LEGAL DEBT MARGIN

\$2.4 BILLION

CARY'S CALCULATED LEGAL DEBT LIMIT PER NC GENERAL STATUTES

\$239 MILLION

CARY'S OUTSTANDING GO BONDS

MOVE



In 2023, Cary became the Lead Planning Agency for the Capital Area Metropolitan Planning Organization (CAMPO). CAMPO serves as a coordinating agency among local governments, the North Carolina Department of Transportation, the Federal Highway Administration, and the Federal Transit Administration for the metropolitan area. It accounts for and distributes funds to help local governments fund transportation projects like street improvements. CAMPO allows collaboration among its member governments and improves connectivity for the citizens of the Capital area.

DEMOGRAPHICS

CARY BY THE NUMBERS



183,000
ESTIMATED
POPULATION



40.0
MEDIAN AGE



39
PARKS



183
MILES TO
THE MOUNTAIN



95
MILES OF
GREENWAYS



150
MILES TO
THE BEACH



66,276
UTILITY
CUSTOMERS



69.5%
PERCENT OF PEOPLE WITH
A BACHELOR'S DEGREE
OR HIGHER



2.9%
UNEMPLOYMENT
RATE



AWARDS

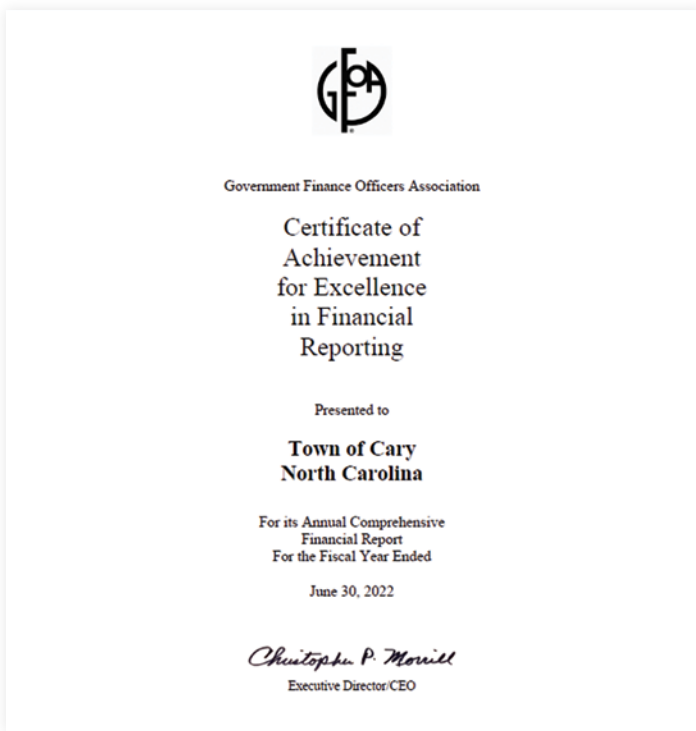
AND THE AWARD GOES TO...

Cary has been locally and nationally recognized in excellence within various departments throughout the year. We celebrate these achievements with staff and citizens as we continue to work for best results in every area.

The National Fleet Management Association's Green Fleet Award (pictured here) recognizes peak-performing fleet sustainability efforts and honors fleets who have enhanced practices to make a positive impact on the environment. Cary proudly received this award for efforts in 2022.

The Government Finance Officers Association (GFOA) awards the Certificate of Achievement for Excellence (pictured here) in Financial Reporting (COA) to state and local governments that go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure. Cary has received this accolade from GFOA for the last 38 years.

Each year, the Carolina Recycling Association honors top performers that advance waste reduction and recycling in North and South Carolina. In 2022, Cary received an award for its Permanent Food Waste Drop-Off Program — a pilot program for a food waste recycling drop-off area. In just one year, Cary's collection totaled 40 tons, exceeding its goal of 16 tons by 150%. All material is composted by a local facility and some of that finished compost is returned to the earth at Good Hope Farm. With citizen demand for this service and in a continued effort to reduce waste, Cary is opening a second drop-off location soon.





**THIS DOCUMENT WAS COMPILED BY
THE FINANCIAL REPORTING DIVISION
OF THE FINANCE DEPARTMENT.**

Jessica Murphy-Rhem, CPA
Financial Reporting Manager

Preeta Nayak, CPA
Senior Accountant

Joe Tarlton, CPA
Senior Accountant

Kim Moser
Marketing and Communications Coordinator

CONTACT:

Any questions or comments regarding this document may be directed to Kimberly Branch at kimberly.branch@carync.gov or (919) 469-4048.

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KEEPING CARY CARY

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