

*Annual Comprehensive Financial Report*

**Fiscal Year**

**2022**

*Relaunch*

*Town of*  
**Morrisville**

Town of Morrisville

100 Town Hall Drive

Morrisville, NC 27560

(919) 463-6200

[www.townofmorrisville.org](http://www.townofmorrisville.org)



# Town of Morrisville North Carolina

Annual Comprehensive Financial Report

For the Fiscal Year  
Ended June 30, 2022



Prepared by:  
Town of Morrisville Finance Department

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# Introductory Section

This section, which is unaudited, introduces the reader to the report and to the Town. It includes the letter of transmittal and listings of Town officials, as well as other information regarding the Town of Morrisville.





## TOWN OF MORRISVILLE

100 Town Hall Drive  
Morrisville, NC 27560

October 28, 2022

The Honorable Mayor TJ Cawley  
Members of the Town Council and Stakeholders  
Town of Morrisville  
100 Town Hall Drive  
Morrisville, North Carolina 27560

Dear Mayor, Members of the Town Council, and Stakeholders:

The Annual Comprehensive Financial Report (ACFR) of the Town of Morrisville, North Carolina, for the fiscal year ended June 30, 2022, is submitted for your review and use. This report has been prepared by the Town's Finance Department, and it is the comprehensive publication of the Town's financial position and results of operations for the fiscal year. North Carolina general statutes require each unit of local government to publish a complete set of financial statements within four months after the close of the fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended June 30, 2022, and to provide further accountability to citizens and other parties by providing a more comprehensive report in lieu of the minimum basic financial statement requirements.

Town management is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town. All necessary disclosures to enable the reader to obtain an understanding of the Town's financial activities have been included.

This report includes financial statements and supplementary schedules audited by Cherry Bekaert LLP, Certified Public Accountants. The financial section of this document includes the auditor's report conveying their unmodified ("clean") opinion that the financial statements present fairly in conformity

with GAAP, in all material respects, the financial position and changes in financial position for the Town of Morrisville, North Carolina, as of June 30, 2022. The independent auditor’s report on the basic financial statements is located at the beginning of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Morrisville’s MD&A can be found immediately following the independent auditor’s report.

The Town’s system of internal accounting controls is designed to provide reasonable assurance that assets are safeguarded, that transactions are executed in accordance with state statutes, authorization of the Town Council and GAAP, and that financial records are a reliable basis for preparation of both interim and annual financial statements. Because the cost of internal controls should not outweigh their benefits, the Town’s controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge, this financial report is complete and reliable in all material respects.

## **PROFILE OF THE TOWN**

Founded in 1852, the Town of Morrisville is a dynamic community full of growing companies, young families, multigenerational families, energetic professionals, and diverse individuals. Morrisville is well known in the region for its ideal central location in the heart of the Triangle, educated workforce, diverse culture, and strong economic base. Located in Wake and Durham Counties, just west of Raleigh, Morrisville is part of the dynamic Raleigh-Cary metropolitan statistical area. Morrisville is adjacent to Research Triangle Park (RTP) and Raleigh Durham International Airport (RDU). Morrisville is the home to the Wake Technical Community College RTP Campus and is surrounded by higher education: Duke University, NC State University, UNC Chapel Hill, and NC Central University are all within a 20-minute drive. In just 10 square miles, Morrisville hosts a vast array of outstanding commercial and residential offerings. The Town has immediate access to Interstates 40, 85, and 540, and is expected to be home to a transit station for a regional light rail system. With a growing population, the Town strategically leverages investments to stay on the cutting edge of community advancement.

In September 2022, Fortune Well, a living and wellness subsidiary of Fortune.com named the Town of Morrisville as one of the top 5 best places to live for families. This list ranking highlights areas of the United States where multigenerational families (known as the “sandwich generation”) are most likely to have access to critical resources, community support, and financial well-being. This ranking focused on families who are shouldering the responsibilities of raising their own children while caring for aging parents.

In recognition of the impactful work being completed by the Town, Morrisville was declared an All-America City by the National Civic League for 2021. The All-America City award recognizes Morrisville’s inclusive civic engagement to build equity and create stronger connections among residents, businesses, non-profits, and government leaders. Morrisville won the 2021 Smart Cities Global Readiness Challenge, and the 2021 Cleantech Innovation Award. In March 2022, Morrisville won the 2022 IDC Smart Cities North America award elevating our Morrisville Smart City brand on the national level.

Morrisville operates under a Council-Manager form of government. The Town Council is a seven-member governing board and is comprised of the Mayor, four District Council Members from designated districts and two At-Large members. Each of the council members and the mayor serve four-year staggered terms. The Council members serve as the Town's policymaking body, responsible for adopting an annual balanced budget, establishing legislative direction for the Town, and hiring a professional Town Manager to serve as chief executive officer and to direct the daily activities and operations of the Town's departments. The Town Council utilizes several appointed boards and committees in the development of policy decisions.

The Town provides its community with a full range of services, including police and fire protection, recreational activities, land use development, solid waste collection and disposal, stormwater management, transportation planning, inspections, code enforcement, general administration and management, and the construction and maintenance of streets, curbs, gutters, sidewalks, and other infrastructure. This report includes all the Town's activities in delivering and administering these services.

The Morrisville Town Council is required to adopt a balanced annual operating budget for the general fund, including each of its consolidated sub-funds, and proprietary fund by July 1 of each year. Furthermore, the Town has adopted multi-year grant and project ordinances governing the Town's major special revenue fund and each of its capital project funds excluding the Parkland Payment-In-Lieu Capital Project Fund, which is not required to be budgeted. The Town is empowered to levy a property tax on both real and personal property located within its boundaries. The Town's budget ordinance creates a legal limit on spending authorizations and serves as the foundation for Morrisville's financial planning and control. The Town Manager is authorized by the budget ordinance to make certain limited transfers within funds to facilitate budget execution consistent with Council's intent.

### **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Morrisville operates.

Parks and Recreation facilities and programs continued to be impacted by the ongoing pandemic conditions. The Town's relatively conservative approach to forecasting revenues helped mitigate these effects. Resulting influences of the pandemic are also observed in inflation, cost of goods and services, availability of and access to workers, vendor timelines, and supply delays. Fortunately, sales tax revenues have been less influenced by the virtual shut-down than anticipated, and Morrisville's development activity has continued at a relatively normal pace. The FY2022 budget recognized Coronavirus State and Local Recovery Funds received that helped to mitigate pandemic related revenue losses and allowed for support of some proposed expenditures that without these funds, the expenditures would have likely been deferred or foregone.

### **LOCAL ECONOMY**

Within the greater Triangle area, Morrisville and the surrounding communities continue to be the hub of a strong regional economy. The Town's location relative to several facilities is integral to its economic vitality:

- In January 2022, two real estate firms partnered and announced plans for Spark LS, a 109-acre advanced life science campus in Morrisville. It will feature approximately 1.5 million square feet of cutting-edge lab and bio-manufacturing. Upon full completion, Spark LS will represent nearly \$1 billion in total investment and include 12-15 buildings, connected green spaces, retail, restaurants, a STEM Education and Amenity Center, and several multi-use outdoor recreational areas. Spark LS will be located at the corner of McCrimmon Parkway and Airport Boulevard. It is expected to be one of the premier life science campuses in the county and the largest development of its kind in the Southeast.
- The Town is adjacent to Research Triangle Park (RTP), which was established in 1959 and is one of the largest research parks in the United States (7,000 acres). There are currently more than 300 global research and development-related companies in RTP employing approximately 55,000 workers. Firms doing business in RTP include biotech, electronic/nanotechnology, financial services, environmental science, pharmaceuticals, and communications. Hub RTP recently broke ground and is planning to include a 150-room boutique hotel, a 275-room full-service hotel, 1,200 apartment units, and 228,000 square feet of lab space.
- The Town and State have continued to partner to add and improve transportation facilities in, around and through Morrisville to manage traffic growth and enhance the quality of life through connectivity and mobility. Morrisville has received both federal and state funding (approximately a \$10 million project with \$7 million in reimbursable grants) for the Morrisville-Carpenter Road Widening Project. Phase 2 project work was completed in September and Phase 3 is currently underway. This project remains in budget scope and is projected to be substantially completed in January 2023. Phase 1 of the Airport Boulevard Extension Project, managed by NCDOT, is in design with construction expected to begin in 2023 and be completed by 2025. This \$9 million project is being funded by CAMPO and GO bond proceeds. The Airport Boulevard Sidewalk project is in conjunction with NCDOT and is being funded with an 80/20 split (NCDOT 80% and Morrisville 20%) and managed by the Town. There are several other sidewalk projects currently underway where the Town is partnering with NCDOT. The Town's portion of the transportation projects are primarily being funded with the recent GO bond issuance. The Town began its free Smart Shuttle service in October 2021 and serves 15 nodes (or stops) in Town and one just outside Town at the regional transit center. The service is being provided in cooperation with GoCary and Wake Transit and has been well received by the public.
- The number of total passengers at Raleigh Durham International Airport (RDU) is ticking up since the height of the pandemic, but not quite where it was pre-pandemic. In 2019 RDU saw more than 14.2 million passengers come through its gates, compared to 4.9 million in 2020, and 8.8 million in 2021. The number of nonstop destinations out of RDU as of May 2022 is 51 compared to 57 before COVID-19. There are 11 major airlines which include the return of international flights (Paris, London, Cancun, Montreal, Toronto, Reykjavik) compared to 2 international

destinations earlier in the year and a new destination to the Bahamas is scheduled to launch flights in November. There are now over 600 daily flights compared to 400 flights each day in March 2022.

- Wake Technical Community College (WTCC) is part of the North Carolina System of community colleges and owns 94 acres in the Town for its RTP campus located in Morrisville. Plans for the estimated \$200 million project include up to nine instructional buildings with the capacity to serve as many as 7,000 students. The first building officially opened in August 2018, and a second building, the Lilly Science and Technology Center opened in March 2022. This \$47 million project has 23 classroom and labs, a microbiology and biochemistry lab, an aseptic suite, co-laboratory space where professors and students can collaborate and houses the Wake Early College of Information and Biotechnologies. The Lilly Center will be the go-to place for hands-on training and industry collaboration.
- Wake County Public School Systems (WCPSS) partnered with WTCC to utilize the WTCC campus in Morrisville for a Cooperative Innovation High School Initiative and the development of the Wake Early College of Information and Biotechnologies where enrolled students will earn a High School Diploma and college credits towards an Associate of Applied Science Degree.
- The Town has entered a partnership with WCPSS and WTCC that will lead to a new high school and 18 acres of parkland and open space in Morrisville. WTCC agreed to sell to WCPSS roughly 34 acres for approximately \$3.7 million at its RTP campus and lease 18 acres to Morrisville. The future Morrisville high school could be open by the fall of 2027. The Town will be evaluating appropriate uses of this parkland and is in alignment with the Town’s Parks and Recreation Comprehensive Master Plan goal on acquiring parkland.
- In August 2021, Town Council approved an incentive agreement with Wake Competition Center (WCC). The WCC Project is a 30-acre indoor and outdoor multi-use indoor sports facility consisting of two National Hockey League regulation ice rinks with seating for 1,250 + spectators, a volleyball facility with at least eight professional grade indoor courts and four outdoor courts, and a gymnastics facility (with practice space and rooms for physical therapy). As of July 2021, the assessed value of the real property is more than \$25,000,000 and generates over \$90,000 of property tax revenue for the Town of Morrisville. The project has also created both full-time and part-time jobs for the community. WCC has plans to expand the Wake Competition Center Project to include additional athletic and/or recreation facilities that will further increase both the real value and sustained job creation for Morrisville and the occupancy tax and prepared food and beverage for the Wake County Facilities Fund. Future improvements are anticipated to be \$5,000,000 or more and may provide future opportunities for collaboration by the Town with Wake Competition Center on parks and recreation programming strategic goals.

- In February 2022, Major League Cricket (MLC) and the Town announced a multi-million-dollar public-private partnership to jointly invest in the expansion of Church Street Park, upgrading the facility into an international-quality cricket venue.

The Town continued to invest significant money in capital projects in anticipation of a bond referendum. The early summer months of FY2022 were spent in active public education and public awareness of bond referendum projects in advance of the November 2021 ballot. The Morrisville Chamber of Commerce was the Town's advocacy partner, resulting in the successful approval of \$37 million in public safety (\$8 million allowing for construction of the Harris Mill Road Fire Station) parks and recreation and amenity improvements (\$17.3 million allowing for the improvement and expansion of passive and active parks including Morrisville Community Park Phase 3 project and Crabtree Creek Nature Park), and streets/sidewalks connectivity projects (\$11.7 million allowing for the financing of Phase 1 of the Airport Boulevard Extension and sidewalk and greenway connectivity enhancements). The bond approval was supported by a \$0.03 cent tax increment dedicated exclusively to the debt service necessary to pay for these projects and will not be used to support increased operational capacity. The bond proceeds will be used to finance several capital projects that will impact the future of the growing Morrisville community for years to come.

Morrisville continues to be committed to the development of a mixed-use Town Center Core that complements the existing quality of life and character of the Town. The full Town Center project is envisioned to be approximately 25 acres to be constructed in phases. The Town has proactively invested in the Town Hall Drive traffic circle, the Morrisville Library (in collaboration with Wake County), the Town Center Stormwater Control Device (on Town Hall Drive) and property acquisition. This project is a Public Private Partnership involving the Town and its selected development partner. The Phase I concept investment is currently estimated at \$74 million. The current concept plan includes 230 apartments and 24 townhomes, a parking deck with 425 spaces with the bottom floor of 80 spaces reserved for public access to the Town Center amenities, more than 20,000 square feet of boutique retail space, approximately 14,000 square feet of commercial space, a 4.5-acre Town Green with open space that includes an educational pavilion, gathering space, a walking path surrounding it, and a stage for concerts and performances for our community for an audience of 3,000. The Development Plan has been endorsed by Council; the next step in the Town Center project process is the creation of the Development Services Agreement for the first phase which is anticipated to be completed by the end of 2022.

In FY2022 the Town issued 105 new building permits totaling approximately \$40 million in additional tax valuation for Morrisville. Of the 105 permits, 92 were for residential development with a tax value of approximately \$21 million. There were three significant projects for commercial development this fiscal year – Urban Air Adventure Park, a 41,412 square foot indoor entertainment facility that includes an aero lab wind tunnel, Rush Hour Karting, an indoor go kart track with a total of 47,472 square feet, and WoodSpring Suites, a 4-story 122 room hotel conveniently located near the Raleigh-Durham Airport (RDU).

Other notable capital projects for FY2022 include the Old Fire Station One upfit, the Church Street Park Amenity Expansion and Southern Lot project where the Town has partnered with American Cricket Enterprises regarding the design and construction. There are several sidewalk improvement projects underway including Church Street Sidewalks, Morrisville Community Park Sidewalks, and Louis Stephens Sidewalks (all partnered with NCDOT), the Franklin Upchurch Sr. Street Dog Park project, the Public Works/Wake County Convenience Center Facility project, the Shiloh Park Renovation Construction project, and the second phase of the touchless fixture installation. The Town completed scheduled land acquisitions and is evaluating other properties to meet goals for the future development of the Town Center Core Project and the preservation of open space.

Other key programs and initiatives that were underway in FY2022 include Master Sustainability Plan Development, pop up programming opportunities for disc golf and a temporary dog park, Stewardship Program Expansion, re-establishment of a Traffic Safety Unit, Cultural Program Expansion, and Small Business Support. These projects and other community initiatives capitalize on the work already underway as part of the Town's Strategic Plan and the initiative to build capacity.

## **LONG-TERM FINANCIAL PLANNING**

The Town Council is committed to key goals and initiatives. These goals and initiatives, along with Town accomplishments, are discussed in the Town's annual budget document and on the Town's website at [www.townofmorrisville.org](http://www.townofmorrisville.org).

Morrisville's long-range forecasting and community investment planning provides a framework to strategically develop subsequent annual operating and capital budgets to achieve a long-term financial goal of sustainability, including the main goals of flexibility, efficiency, risk management, sufficiency, and credibility. The long-range forecasting for the Town's Capital Investment Plan (CIP) provides for reporting of multi-year financial performance, casting a 5-year budget forecast. Every four years, the Town will complete a major update on a 5-Year CIP and a projection of capital needs and expenditures. Council and Staff completed policy development to establish guidance to pursue key priority initiative strategic goals. The Town periodically reviews the financial policies including internal controls to ensure the safeguard of assets and provide reasonable assurance of proper recording of financial transactions which are ultimately reported in the Annual Comprehensive Financial Report.

The Town maintains an unassigned fund balance sufficient to maintain consistent cash flow and eliminate the need for short-term borrowings and provides flexibility for unanticipated opportunities and needs during emergencies or disasters. In addition, fiscally responsible budgeting has been a factor in maintaining and improving the Town's outstanding bond ratings. As of the end of this fiscal year, the Town of Morrisville maintained its AAA bond rating with *Standards and Poor's*, *Fitch*, and *Aaa* by *Moody's*.

There continues to be a public demand for government transparency, especially concerning budgeting and financial management. Morrisville embraces the concept and continues to improve its transparency of financial information and public vetting of the budget and long-range financial planning processes.

## **RISK MANAGEMENT**

The Town is fully insured for property, general liability, and workers' compensation. An appointed safety committee reviews workers' compensation accidents and injuries and discusses remedies to eliminate repetition of such accidents and injuries. The committee also receives, and reviews reports of independent safety inspectors such as OSHA to ensure a safe and healthful environment for all employees and the community. In addition, various risk control techniques, including but not limited to employee accident prevention training have been implemented to minimize accident-related losses. A full-time safety, health and risk management manager administers the safety and risk management program and is responsible for administering American Disability Act rules and regulations. Costs associated with risk management are recorded in the general fund. Since 2015, the Town has received NC Labor's Public Sector SHARP recognition for its Parks, Recreation and Cultural Resources, Police, Public Works, and Fire/Rescue departments. The Town is one of only 12 public sector programs to hold this Safety and Health Achievement Recognition designation. Additional information on the Town's risk management activity can be found in the notes to the financial statements.

## **AWARDS AND ACKNOWLEDGEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Town of Morrisville, North Carolina for the *Annual Comprehensive Financial Report* for the fiscal year ended June 30, 2021. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. The Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements. The Town of Morrisville has received this prestigious award for 28 consecutive years. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We appreciate the assistance and dedication of the Finance Department staff throughout the year and for their preparation of this comprehensive annual financial report. The cooperation of each department is appreciated as we work together to conduct the Town's financial operations. In addition, we express our appreciation to the Mayor and Town Council for their continued support and leadership in planning and conducting the financial activities of the Town in a responsible and progressive manner.



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Martha Paige, Town Manager



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Nancy H. B. Emslie, Finance Director





Government Finance Officers Association

Certificate of Achievement for Excellence  
in Financial Reporting

Presented to

**Town of Morrisville North Carolina**

For its Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2021

# Town Council



TJ Cawley  
Mayor



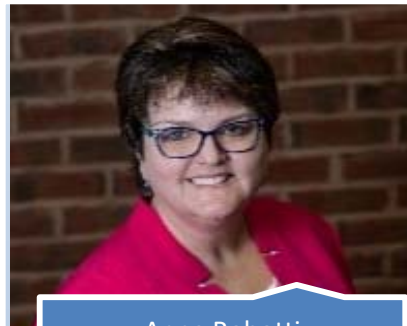
Liz Johnson  
Mayor Pro-Tem (District 3)



Satish Garimella  
Council Member (At-Large)



Steve Rao  
Council Member ( At-Large)



Anne Robotti  
Council Member (District 1)



Donna Fender  
Council Member (District 2)



Vicki Scroggins-Johnson  
Council Member (District 4)



Martha Paige  
Town Manager

- **Frank Gray, Town Attorney**
- **Brandon Zuidema, Deputy Town Manager**
- **Giselle Rodriguez, Assistant Town Manager**
- **Eric Smith, Town Clerk**

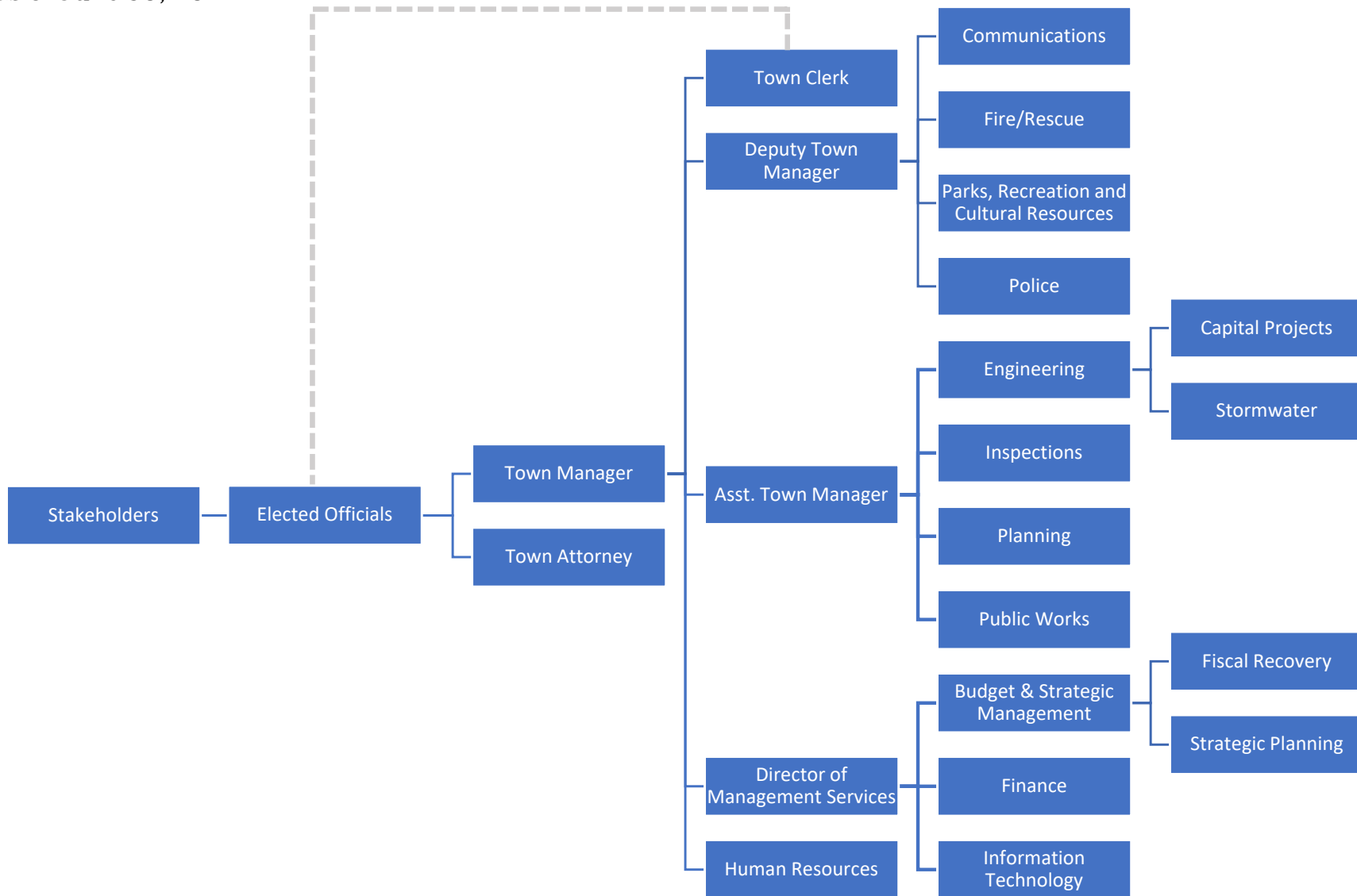
# Appointed and Administrative Positions

|                         |   |
|-------------------------|---|
| Martha Paige .....      | Town Manager*                                     |
| Frank Gray .....        | Town Attorney*                                    |
| Brandon Zuidema .....   | Deputy Town Manager                               |
| Giselle Rodriguez ..... | Assistant Town Manager                            |
| Jeanne Hooks .....      | Director of Management Services                   |
| Rick Ralph .....        | Chief Information Officer                         |
| Wil Glenn .....         | Communications & Outreach Director                |
| Nancy Emslie .....      | Finance Director                                  |
| Scott Criddle .....     | Fire Chief  |
| Lauri Shedlick .....    | Human Resources Director                          |
| Shandy Padgett .....    | Inspections Director                              |
| Randy Little .....      | Parks, Recreation and Cultural Resources Director |
| Michele Stegall .....   | Planning Director                                 |
| Pete Acosta .....       | Police Chief                                      |
| Steven Spruill .....    | Interim Public Works Director                     |
| Ben Mills .....         | Stormwater Engineering Manager                    |
| Erin Hudson .....       | Strategic Performance Manager                     |
| Eric Smith .....        | Town Clerk*                                       |
| Mark Spanioli .....     | Director of Engineering/Town Engineer             |

*\*Appointed by Town Council*

*As of June 30, 2022*

# Town of Morrisville Organizational Chart as of June 30, 2022



# Financial Section

This section includes the report of independent auditor, the management's discussion and analysis, the basic financial statements (government-wide and fund financial statements), notes to the financial statements and required supplementary information other than management's discussion and analysis (budget to actual comparison of major governmental funds and pension schedules).

## Report of Independent Auditor

To the Honorable Mayor and Town Council  
Town of Morrisville  
Morrisville, 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 Morrisville, North Carolina (the “Town”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements as listed in the table of contents.

In our opinion, the 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

### ***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 required part of the basic financial statements, is required by the *Governmental Accounting Standards* Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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 accompanying combining and individual fund financial statements and schedules, other schedules, as listed in the table of contents, and schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, other schedules, and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other 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 28, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
October 28, 2022



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Morrisville, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with the transmittal letter in the front of this report, the basic financial statements, and accompanying notes to the financial statements, which follow this narrative.

### **FINANCIAL HIGHLIGHTS**

- The Town's assets and deferred outflows exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$185,545,360 (*net position*). Of this amount, \$19,682,231 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$11,712,010 in fiscal year 2022 which is primarily due to the purchase of land for capital projects, capital projects that were completed, and capital projects that are currently under construction.
- Increase in Stormwater Business-type activities of \$708,752 in fiscal year 2022.
- As of the close of fiscal year 2022 the Town of Morrisville's governmental funds reported a combined ending fund balance of \$61,020,929, an increase of \$17,066,705 over the prior year. Approximately 22.47% of total governmental funds fund balance, or \$13,711,989 is available for spending at the Town's discretion (*Unassigned fund balance*).
- The total fund balance in the General Fund decreased by \$1,435,173. At the end of fiscal year 2022, the unassigned fund balance for the General Fund was \$13,711,989 or 36.34% of total general fund expenditures. The Town's policy is to maintain a minimum of 25% of expenditures in unassigned fund balance with a fund balance maximum range target of 45%.
- The Town's total outstanding debt increased by \$15,709,011 in fiscal year 2022 due to the issuance of GO Bonds in April.
- The Town received \$4,596,573 from the Coronavirus State and Local Recovery Fund as a result of the American Rescue Plan Act (ARPA) and established a special revenue fund and allocated \$2,045,300 that replaced lost revenue and help offset some expenditures.
- As of the end of this fiscal year, the Town of Morrisville maintained its AAA bond rating with Standards and Poor's and Fitch, and its Aaa rating by Moody's.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

## **Basic Financial Statements**

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. The next section of the basic financial statements is the **Notes to the Financial Statements**. The notes explain in detail some of the data contained in those statements. The **Required Supplementary Information** contains additional information required by generally accepted accounting principles. After the notes and the required supplementary information, other supplementary information is provided showing details about the Town's individual funds, including budgetary information required by North Carolina General Statutes.

## **Government-wide Financial Statements**

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

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

The government-wide financial statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities of the Town include general government, development services, public safety, public works, and culture and recreation. Property taxes and unrestricted state funds finance most of these activities. The business-type activities of the Town consist of Stormwater activities.

In accordance with the Governmental Accounting Standards Board criteria for inclusion in the reporting entity, the Town of Morrisville has no component units that are included in this report.

## **Fund Financial Statements**

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

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

During the fiscal year ending June 30, 2022, the Town of Morrisville utilized 17 individual governmental funds: the General Fund [which includes the Fire Apparatus Capital Reserve Fund, Roadway and Transportation Capital Reserve Fund, Capital Investment Plan Capital Reserve Fund, Parks and Recreation Capital Reserve Fund, (new for FY2022) Municipal Service District Fund, and Debt Service Fund, which are consolidated in the General Fund in accordance with GASB 54] and 15 Capital Project Funds (to account for construction projects spanning more than one annual budget year). The General Fund, American Rescue Plan Act Special Revenue Fund (new for FY2022), Church Street Park Expansion Capital Project Fund, Public Safety Improvements Capital Project Fund, and Morrisville Carpenter Road Capital Project Fund are the only governmental funds considered to be major funds. The other governmental funds are considered non-major, and their information is presented in the aggregate.

The Town of Morrisville adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the residents of the Town, management, and the decisions of the Town Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether the Town of Morrisville succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the council; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

The basic governmental fund financial statements can be found on Exhibits 3 through 5. Governmental funds considered to be non-major are presented as a single column in these statements.

**Proprietary Funds:** The Town of Morrisville has one proprietary fund that is an enterprise-type fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Morrisville uses an enterprise fund to account for its stormwater activities. This enterprise fund is the same as what is shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

The basic proprietary fund financial statements can be found on Exhibits 6 through 8 of this report.

**Notes to the Financial Statements**

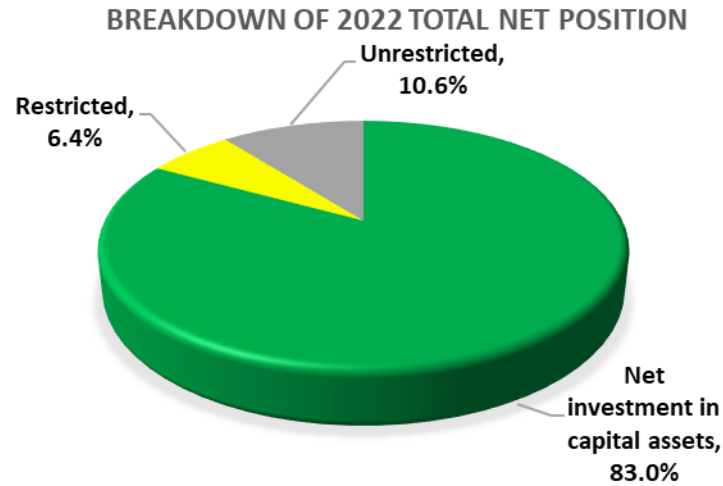
The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements are located on pages 28-76 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town's progress in funding its obligations to provide benefits to its employees. Required supplementary information begins on page 77 of this report.

**Town of Morrisville's Net Position**

|                                       | Governmental<br>Activities |                       | Business-type<br>Activities |                     | Total                 |                       |
|---------------------------------------|----------------------------|-----------------------|-----------------------------|---------------------|-----------------------|-----------------------|
|                                       | <u>2022</u>                | <u>2021</u>           | <u>2022</u>                 | <u>2021</u>         | <u>2022</u>           | <u>2021</u>           |
| Current and other assets              | \$ 70,348,749              | \$ 46,986,229         | \$ 2,044,858                | \$ 1,869,653        | \$ 72,393,607         | \$ 48,855,882         |
| Capital assets                        | 177,616,840                | 166,122,895           | 1,135,523                   | 634,555             | 178,752,363           | 166,757,450           |
| Other long-term assets                | 1,312,605                  | -                     | -                           | -                   | 1,312,605             | -                     |
| <b>Total assets</b>                   | <u>249,278,194</u>         | <u>213,109,124</u>    | <u>3,180,381</u>            | <u>2,504,208</u>    | <u>252,458,575</u>    | <u>215,613,332</u>    |
| <b>Deferred outflows of resources</b> | <u>7,155,449</u>           | <u>6,328,569</u>      | <u>95,436</u>               | <u>84,314</u>       | <u>7,250,885</u>      | <u>6,412,883</u>      |
| Long-term debt outstanding            | 53,857,185                 | 40,140,318            | 142,055                     | 253,240             | 53,999,240            | 40,393,558            |
| Other liabilities                     | 13,876,299                 | 6,635,364             | 47,618                      | 20,117              | 13,923,917            | 6,655,481             |
| <b>Total liabilities</b>              | <u>67,733,484</u>          | <u>46,775,682</u>     | <u>189,673</u>              | <u>273,357</u>      | <u>67,923,157</u>     | <u>47,049,039</u>     |
| <b>Deferred inflows of resources</b>  | <u>6,161,039</u>           | <u>1,126,149</u>      | <u>79,904</u>               | <u>17,677</u>       | <u>6,240,943</u>      | <u>1,143,826</u>      |
| Net position:                         |                            |                       |                             |                     |                       |                       |
| Net investment in capital assets      | 152,861,140                | 141,253,092           | 1,135,523                   | 634,555             | 153,996,663           | 141,887,647           |
| Restricted                            | 11,866,466                 | 20,773,823            | -                           | -                   | 11,866,466            | 20,773,823            |
| Unrestricted                          | 17,811,514                 | 9,508,947             | 1,870,717                   | 1,662,933           | 19,682,231            | 11,171,880            |
| <b>Total net position</b>             | <u>\$ 182,539,120</u>      | <u>\$ 171,535,862</u> | <u>\$ 3,006,240</u>         | <u>\$ 2,297,488</u> | <u>\$ 185,545,360</u> | <u>\$ 173,833,350</u> |



As noted earlier, net position may serve over time as one useful indicator of the Town’s financial condition. The assets and deferred outflows of resources for the Town of Morrisville exceeded liabilities and deferred inflows of resources by \$185,545,360 as of June 30, 2022. The Town’s net position increased by \$11,712,010 for the fiscal year ended June 30, 2022. The largest portion, \$153,996,663 (83.0%), of net position reflects the Town’s net investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The Town of Morrisville uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the Town’s net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town’s net position, \$11,866,466 (6.4%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$19,682,231 (10.6%) of the Town’s net position is unrestricted and may be used to meet the Town’s ongoing obligations to citizens and creditors.

**Town of Morrisville's Changes in Net Position**

|                                       | Governmental          |                       | Business-type       |                     | Total                 |                       |
|---------------------------------------|-----------------------|-----------------------|---------------------|---------------------|-----------------------|-----------------------|
|                                       | Activities            |                       | Activities          |                     |                       |                       |
|                                       | 2022                  | 2021                  | 2022                | 2021                | 2022                  | 2021                  |
| Revenues:                             |                       |                       |                     |                     |                       |                       |
| Program revenues:                     |                       |                       |                     |                     |                       |                       |
| Charges for services                  | \$ 2,341,431          | \$ 2,720,674          | \$ 1,171,039        | \$ 948,467          | \$ 3,512,470          | \$ 3,669,141          |
| Operating grants and contributions    | 2,141,609             | 1,174,575             | -                   | -                   | 2,141,609             | 1,174,575             |
| Capital grants and contributions      | 9,235,319             | 6,770,876             | -                   | -                   | 9,235,319             | 6,770,876             |
| General revenues:                     |                       |                       |                     |                     |                       |                       |
| Property taxes                        | 23,118,819            | 22,328,175            | -                   | -                   | 23,118,819            | 22,328,175            |
| Other taxes and licenses              | 4,121,466             | 3,932,968             | -                   | -                   | 4,121,466             | 3,932,968             |
| Local option sales taxes              | 8,824,518             | 6,977,453             | -                   | -                   | 8,824,518             | 6,977,453             |
| Unrestricted investment earnings      | 99,877                | 31,420                | 2,573               | 1,115               | 102,450               | 32,535                |
| Miscellaneous                         | 755,999               | 408,778               | 24,130              | -                   | 780,129               | 408,778               |
| Parkland payment in lieu              | 508,204               | 34,610                |                     |                     | 508,204               | 34,610                |
| Total revenues                        | <u>51,147,242</u>     | <u>44,379,529</u>     | <u>1,197,742</u>    | <u>949,582</u>      | <u>52,344,984</u>     | <u>45,329,111</u>     |
| Expenses:                             |                       |                       |                     |                     |                       |                       |
| General government                    | 9,792,132             | 9,010,060             | -                   | -                   | 9,792,132             | 9,010,060             |
| Development services                  | 3,641,353             | 3,252,330             | -                   | -                   | 3,641,353             | 3,252,330             |
| Public safety                         | 13,662,345            | 12,760,247            | -                   | -                   | 13,662,345            | 12,760,247            |
| Public works - Streets and sanitation | 8,929,163             | 24,748,340            | -                   | -                   | 8,929,163             | 24,748,340            |
| Cultural and recreation               | 3,130,020             | 2,789,059             | -                   | -                   | 3,130,020             | 2,789,059             |
| Interest on long-term debt            | 988,971               | 833,379               | -                   | -                   | 988,971               | 833,379               |
| Stormwater                            | -                     | -                     | 488,990             | 702,507             | 488,990               | 702,507               |
| Total expenses                        | <u>40,143,984</u>     | <u>53,393,415</u>     | <u>488,990</u>      | <u>702,507</u>      | <u>40,632,974</u>     | <u>54,095,922</u>     |
| Changes in net position               |                       |                       |                     |                     |                       |                       |
| transfers                             | <u>11,003,258</u>     | <u>(9,013,886)</u>    | <u>708,752</u>      | <u>247,075</u>      | <u>11,712,010</u>     | <u>(8,766,811)</u>    |
| Net position, July 1                  | 171,535,862           | 180,549,778           | 2,297,488           | 2,050,413           | 173,833,380           | 182,600,191           |
| Net position, June 30                 | <u>\$ 182,539,120</u> | <u>\$ 171,535,892</u> | <u>\$ 3,006,240</u> | <u>\$ 2,297,488</u> | <u>\$ 185,545,390</u> | <u>\$ 173,833,380</u> |

**GOVERNMENTAL ACTIVITIES:** Governmental activities increased the Town’s net position by \$11,003,258. Overall, revenues related to governmental activities increased this fiscal year compared to fiscal year 2021 by \$6,767,743 or 15.25%, along with a decrease in expenses of \$13,249,431 or 24.81% less compared to fiscal year 2021. Key elements of this change in net position are as follows:

- Local option sales taxes increased 21.99% in fiscal year 2022 or \$1,923,238 over fiscal year 2021 compared to a 11.63% increase in fiscal year 2020 which has been impacted by the 2020 census results.
- Ad valorem taxes increased 3.2% or \$721,904 over fiscal year 2021 which is primarily due to the increase in the tax base from new residential and commercial activity. Town Council approved the property tax rate remain at \$0.36 for fiscal year 2022.
- Permits and fees decreased by \$335,444 from \$2,284,327 in fiscal year 2021 to \$1,938,238 in fiscal year 2022 due to a decrease in new permit activity (179 new permits in fiscal year 2021 compared to 105 in fiscal year 2022).
- The Town recognized \$508,204 in the current year for Parkland Payment-in-Lieu revenues which will be used for recreational improvements.
- In fiscal year 2022, the Town added thirteen new full-time new staff positions and an additional three-quarter position for MAFC. Two full-time positions were implemented for one-half of the year (January 2022).

**BUSINESS-TYPE ACTIVITIES:** Stormwater business-type activities increased the Town of Morrisville’s net position by \$708,752. This increase is primarily due to a decrease in expenditures.

### **FINANCIAL ANALYSIS OF THE TOWN’S FUNDS**

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

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

On June 30, 2022, the governmental funds of the Town of Morrisville reported a combined fund balance of \$61,020,929, an increase of \$17,066,705 compared to the prior year. This change in fund balance is primarily due to the purchase of land for current and future capital projects, investments in infrastructure, and capital projects currently under construction.

The General Fund is the chief operating fund of the Town of Morrisville. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$13,711,989 while total fund balance for the General Fund was \$31,119,593. As a measure of the General Fund’s liquidity, it



may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 36.34% of total General Fund expenditures, while total fund balance represents 82.48% of that same amount (compared to 99.15% in 2021).

The Town of Morrisville has adopted a minimum fund balance policy for the General Fund, which states that the unassigned fund balance shall be no less than three months operating expenditures or 25% of the total budgeted operating expenditures. If unassigned fund balance available exceeds 45%, the Town Council may appropriate the excess for one-time capital expenditures, economic development related expenditures, or transfer the excess to the Capital Reserve Fund. For fiscal year 2022, the Town originally appropriated \$2,574,550 of fund balance to balance the budget.

The total fund balance of the Town's general fund decreased by \$1,435,173 during fiscal year 2022. Key components of this change are as follows:

- Ad valorem taxes received increased by \$721,904 which is primarily due to increase in the tax base from new residential and commercial activity and prior year discoveries and adjustments.
- Sales tax revenues increased by \$2,777,491 due to an increase in consumer spending (\$8,824,518 compared to \$6,767,743 in fiscal year 2021).
- General fund expenditures were 88.68% of budgeted amounts representing a variance of \$4,817,914. Some of these variances were related to the following:
  - 1) Several in progress projects/items which resulted in outstanding purchase orders in the amount of \$1,008,878 were rolled over to fiscal year 2023 which mainly consisted of fleet purchases (\$252,877), land use plan update (\$158,000), fire and police equipment (\$104,067), sustainability initiatives (\$103,625), affordable housing initiatives (\$80,000), miscellaneous operating costs (\$74,722), street paving (\$62,671), veterans memorial design (\$43,035), equipment software (\$41,400), repairs and maintenance paving (\$33,018), and other contracted/consulting services (executive coaching, wayfinding sign program, and miscellaneous consulting/professional services for departments (\$55,463).
  - 2) Personnel cost savings of \$1,255,509 (as compared to budget) is mainly due to lapse salaries.
  - 3) Several departments spent less than budgeted for their operating expenditures. Examples include fuel, repairs, maintenance, professional services and overall general operation expenditures which totaled approximately \$1,718,000.

The Capital Project Funds reported at the end of fiscal year 2022 had a total fund balance of \$29,901,336, an increase of \$18,501,878 from the prior year. In FY2022 the Town issued \$17,610,000 GO bonds (voted and two-thirds) to fund several capital projects.

**General Fund Budgetary Highlights - Fiscal Year 2022:** During the fiscal year, the Town revised the budget on several occasions recognizing unrealized revenue and appropriating fund balance. Generally, budget amendments are made to recognize new funding amounts from external sources, such as federal and state grants or to increase appropriations from fund balance to maintain or expand services. During the current fiscal year, there was a total increase in the original budget of \$6,424,725 (\$227,523 from recognized revenues and \$6,187,202 appropriation of fund balance) to the final amended budget at year-end. The additional appropriations from budget amendments during the year included: 1) \$44,682 recognized for insurance claims 2) \$21,315 Department of Justice proceeds 3) \$159,526 for additional Powell Bill funds received and 4) \$2,000 for Police and Fire grant funds received. The fund balance appropriations included: 1) \$3,314,350 for property acquisition 2) \$2,525,652

PO Rollover 3) \$163,300 amending the Airport Boulevard sidewalk project 4) \$150,000 for old Fire Station upfit and 5) \$43,900 for the Veterans Memorial site plan. The Town has adopted a minimum fund balance policy for the General Fund, which states that the unassigned fund balance shall be no less than three months operating expenditures or 25% of the total budgeted operating expenditures. If unassigned fund balance available exceeds 45%, the Town Council may appropriate the excess for one-time capital expenditures, economic development related expenditures, or transfer the excess to a Capital Reserve Fund. As of June 30, 2022, the Town's unassigned fund balance was 36.34% of total general fund expenditures or \$13,711,989 in unassigned fund balance for the General Fund.

**Proprietary Funds:** The Town of Morrisville's Proprietary Fund provides the same type of information found in the government-wide statements but in more detail. The Enterprise Fund, at the end of the fiscal year, reported a total ending net position of \$3,006,240. The change in net position for the enterprise funds was an increase of \$708,752. The Stormwater Fund, previously reported in the General Fund, was established in fiscal year 2016 as an enterprise fund and is used to account for the activities related to the Town's Stormwater Management Program.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets:** The Town of Morrisville's capital assets for its governmental and business-type activities as of June 30, 2022, totaled \$179,571,053 (net of accumulated depreciation and amortization). These assets include land, streets and sidewalks, buildings, machinery and equipment, vehicles, park facilities, construction in progress, and right to use leased assets.

Major capital asset transactions during the year included the following:

- Building assets used in governmental activities increased by \$137,028 primarily due to the completion of renovation for relocation of Fire Administration.
- Land assets used in governmental activities increased by \$3,365,348 due to land purchases for Parks and Recreation Greenways, the Town Center Core project, and donated land for streets and sidewalks.
- Infrastructure assets used in governmental activities increased by \$4,868,823 due to donated streets and sidewalks.
- The Town placed new equipment into service with \$271,671 in governmental activities and \$15,200 in business activities.
- Other improvements increases in governmental activities were \$703,006 and include completion of the Church Street Park Improvements and the History Church Parking Lot capital projects.
- The Town placed new vehicles into service, totaling \$1,741,104 in the governmental activities including a new ladder truck for the Fire Department, and five (5) new vehicles for the Police Department.
- Construction in progress additions in the governmental activities totaled \$6,951,799 and included ongoing projects for street improvements, sidewalks, parks and greenways, building improvements, and vehicles and equipment.

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

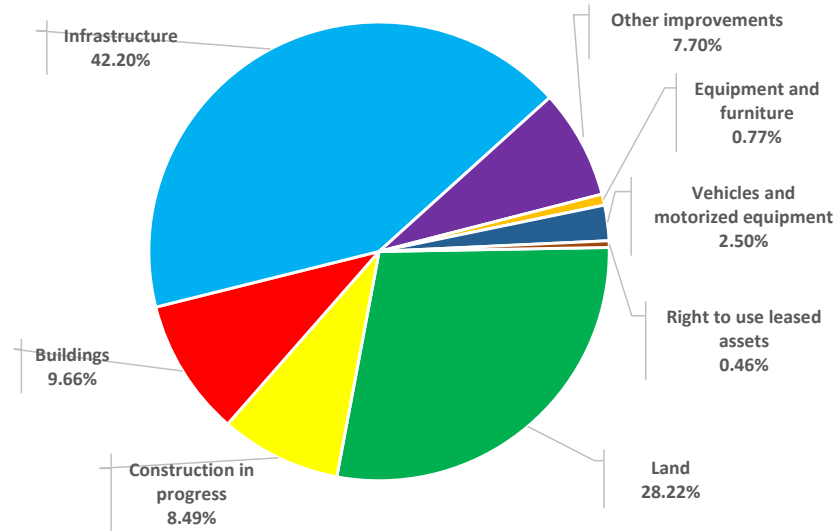
**Town of Morrisville's Capital Assets  
(net of depreciation)**

|                                  | Governmental<br>Activities |                       | Business-type<br>Activities |                   | Total                 |                       |
|----------------------------------|----------------------------|-----------------------|-----------------------------|-------------------|-----------------------|-----------------------|
|                                  | 2022                       | 2021                  | 2022                        | 2021              | 2022                  | 2021                  |
| Land                             | \$ 50,487,886              | \$ 47,122,538         | \$ 200,410                  | \$ 200,410        | \$ 50,688,296         | \$ 47,322,948         |
| Construction in progress         | 14,592,584                 | 10,388,952            | 644,099                     | 137,647           | 15,236,683            | 10,526,599            |
| Buildings                        | 17,338,569                 | 17,637,902            | -                           | -                 | 17,338,569            | 17,637,902            |
| Infrastructure                   | 75,643,763                 | 72,745,295            | 143,457                     | 150,002           | 75,787,220            | 72,895,297            |
| Other improvements               | 13,695,834                 | 13,363,133            | 130,004                     | 141,047           | 13,825,838            | 13,504,180            |
| Equipment and furniture          | 1,363,217                  | 1,373,887             | 16,590                      | 3,438             | 1,379,807             | 1,377,325             |
| Vehicles and motorized equipment | 4,494,987                  | 3,491,188             | 963                         | 2,011             | 4,495,950             | 3,493,199             |
| Right to use leases assets (1)   | 818,690                    | -                     | -                           | -                 | 818,690               | -                     |
| <b>Total assets</b>              | <b>\$ 178,435,530</b>      | <b>\$ 166,122,895</b> | <b>\$ 1,135,523</b>         | <b>\$ 634,555</b> | <b>\$ 179,571,053</b> | <b>\$ 166,757,450</b> |

Note:

(1) Fiscal year 2021 was not restated for the effect of GASB Statement No. 87 - *Leases*.

**Government-Wide Capital Assets**



**Long-term Debt:** As of June 30, 2022, the Town of Morrisville had total general obligation bonded debt (including premiums) outstanding of \$41,835,407, and installment purchase related debt of \$2,635,000. The Town’s total outstanding debt increased by \$16,722,549 in the current fiscal year due to the issuance of \$17,610,000 general obligation bonds with premiums and the impact of debt payments on outstanding debt.

As mentioned in the financial highlights sections of this document, as of the end of this fiscal year, the Town of Morrisville maintained its AAA bond rating with Standards and Poor’s and Fitch and Aaa by Moody’s. In April 2022, the Town was awarded AAA ratings from all three major bond rating agencies following meetings with *Standards and Poor’s*, *Moody’s* and *Fitch*. The ratings are associated with the issuance of \$17,610,000 in general obligation bonds that were sold on April 26, 2022.

**Town of Morrisville's Outstanding Debt  
General Obligation Bonds and Installment Purchases**

|                          | Governmental<br>Activities  |                             | Business-type<br>Activities |                    | Total                       |                             |
|--------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------|-----------------------------|-----------------------------|
|                          | <u>2022</u>                 | <u>2021</u>                 | <u>2022</u>                 | <u>2021</u>        | <u>2022</u>                 | <u>2021</u>                 |
| General Obligation Bonds | \$ 38,815,000               | \$ 22,875,000               | \$ -                        | \$ -               | \$ 38,815,000               | \$ 22,875,000               |
| Installment Purchases    | 2,635,000                   | 2,866,021                   | -                           | -                  | 2,635,000                   | 2,866,021                   |
| Premiums                 | 3,020,407                   | 2,006,837                   | -                           | -                  | 3,020,407                   | 2,006,837                   |
| <b>Total</b>             | <b><u>\$ 44,470,407</u></b> | <b><u>\$ 27,747,858</u></b> | <b><u>\$ -</u></b>          | <b><u>\$ -</u></b> | <b><u>\$ 44,470,407</u></b> | <b><u>\$ 27,747,858</u></b> |

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for the Town of Morrisville is \$469,840,626.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The following factors were considered in preparing the Town of Morrisville's budget for fiscal year 2023:

- Fiscal Year 2022 property tax increased from \$0.36 to \$0.39 per \$100 of property valuation and is estimated at \$21,756,360.
- Some Coronavirus State and Local Fiscal Recovery Funds have been recognized to mitigate pandemic related revenue losses and allow for support of some proposed expenditures.
- The property tax collection rate is trending at over 99% and overall revenues are approximately 3% over fiscal year 2022 estimated actuals.
- The unemployment rate for the Raleigh-Cary Metropolitan area as of June 2022 was 3.4% which is 1.8% less than a year ago at 4.2%. The unemployment rate compares favorably to the state's average unemployment rate in June 2022 of 3.4%. North Carolina has seen a steady decrease in the unemployment rate of 4.2% reported as of June 2021.

## **BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2023**

- A 3-cent tax increment to support the voter approved debt for various capital projects underway.
- Conservative revenue projections with adjustments/decreases in revenue streams due to the pandemic's impact on economic conditions.
- Moderate user fee adjustments were made where market comparisons supported changes.
- Maintain the stability of existing core programs and services, including significant programmatic additions from FY2022, including Smart Shuttle, Smart Cities and Sustainability planning.
- New debt service payments from the issuance of \$16,500,000 of the \$37 million in voter approved bonds in FY2022.
- The fiscal year 2023 General Fund budget reflects a fund balance appropriation of \$1,841,400 (approximately 4% of expenditures) to support operational non-recurring or one-time expenses.
- Approved appropriation to the Roadway & Transportation Reserve Fund (\$650,000), approved appropriation to the Fire Apparatus Reserve Fund (\$750,000), approved appropriation for Parks and Recreation Reserve Fund (\$650,000); approved a transfer to Municipal Service District Fund (\$110,000).
- Addition of 2 full-time positions for an additional Assistant Town Manager position authorized in FY2022 and a Stormwater Engineer, an estimated 4.5% merit increase for eligible employees, and a 2% market conditions pay adjustment.

## **REQUESTS FOR INFORMATION**

This report is designed to provide a general overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Nancy Emslie, Finance Director, Town of Morrisville, 100 Town Hall Drive, Morrisville, NC, 27560, (919) 463-6178 or [nemslie@townofmorrisville.org](mailto:nemslie@townofmorrisville.org).

Basic

Financial Statements

|   | Governmental<br>Activities | Business-type<br>Activities | Total                 |
|---|----------------------------|-----------------------------|-----------------------|
| <b>ASSETS</b>                                   |                            |                             |                       |
| Current assets:                                 |                            |                             |                       |
| Cash and cash equivalents                       | \$ 33,418,002              | \$ 2,036,958                | \$ 35,454,960         |
| Receivables:                                    |                            |                             |                       |
| Taxes   | 30,413                     | -                           | 30,413                |
| Accounts  | 1,155,951                  | 2,701                       | 1,158,652             |
| Lease - current portion                         | 379,215                    | -                           | 379,215               |
| Interest  | 166                        | -                           | 166                   |
| Due from other governments                      | 4,558,568                  | 5,199                       | 4,563,767             |
| Prepaid expenses                                | 20,485                     | -                           | 20,485                |
| Restricted cash and cash equivalents            | 30,785,949                 | -                           | 30,785,949            |
| Non-current assets:                             |                            |                             |                       |
| Lease receivable due in more than one year      | 493,915                    | -                           | 493,915               |
| Capital assets:                                 |                            |                             |                       |
| Land, improvements and construction in progress | 65,080,470                 | 844,509                     | 65,924,979            |
| Other capital assets, net of depreciation       | 112,536,370                | 291,014                     | 112,827,384           |
| Right to use leased assets, net of amortization | 818,690                    | -                           | 818,690               |
| Total assets                                    | <u>249,278,194</u>         | <u>3,180,381</u>            | <u>252,458,575</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                            |                             |                       |
| Pension deferrals                               | 5,930,492                  | 77,861                      | 6,008,353             |
| OPEB deferrals                                  | 1,154,109                  | 17,575                      | 1,171,684             |
| Deferred charge on refunding                    | 70,848                     | -                           | 70,848                |
| Total deferred outflows of resources            | <u>7,155,449</u>           | <u>95,436</u>               | <u>7,250,885</u>      |
| <b>LIABILITIES</b>                              |                            |                             |                       |
| Accounts payable and accrued expenses           | 4,569,801                  | 26,661                      | 4,596,462             |
| Accrued interest                                | 423,658                    | -                           | 423,658               |
| Unearned revenue                                | 4,343,851                  | -                           | 4,343,851             |
| Due within one year:                            |                            |                             |                       |
| Compensated absences                            | 1,279,099                  | 20,957                      | 1,300,056             |
| Bonds and notes payable                         | 2,970,679                  | -                           | 2,970,679             |
| Leases  | 289,211                    | -                           | 289,211               |
| Due in more than one year:                      |                            |                             |                       |
| Total OPEB liability                            | 6,158,679                  | 93,787                      | 6,252,466             |
| Total LEOSSA pension liability                  | 2,495,620                  | -                           | 2,495,620             |
| Compensated absences                            | 142,122                    | 2,329                       | 144,451               |
| Net LGERS pension liability                     | 3,016,652                  | 45,939                      | 3,062,591             |
| Bonds and notes payable                         | 41,499,728                 | -                           | 41,499,728            |
| Leases  | 544,384                    | -                           | 544,384               |
| Total liabilities                               | <u>67,733,484</u>          | <u>189,673</u>              | <u>67,923,157</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                            |                             |                       |
| Prepaid taxes and fees                          | 12,777                     | -                           | 12,777                |
| Leases  | 864,727                    | -                           | 864,727               |
| Pension deferrals                               | 4,396,133                  | 66,390                      | 4,462,523             |
| OPEB deferrals                                  | 887,402                    | 13,514                      | 900,916               |
| Total deferred inflows of resources             | <u>6,161,039</u>           | <u>79,904</u>               | <u>6,240,943</u>      |
| <b>NET POSITION</b>                             |                            |                             |                       |
| Net investment in capital assets                | 152,861,140                | 1,135,523                   | 153,996,663           |
| Restricted for:                                 |                            |                             |                       |
| Stabilization by State statute                  | 4,442,732                  | -                           | 4,442,732             |
| Recreation improvements                         | 4,326,657                  | -                           | 4,326,657             |
| Street improvements                             | 3,075,778                  | -                           | 3,075,778             |
| Public safety operations and activities         | 21,299                     | -                           | 21,299                |
| Unrestricted                                    | 17,811,514                 | 1,870,717                   | 19,682,231            |
| Total net position                              | <u>\$ 182,539,120</u>      | <u>\$ 3,006,240</u>         | <u>\$ 185,545,360</u> |

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



**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

**Exhibit 2**

| Functions/Programs                         | Program Revenues     |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                       |
|--|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|
|  | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-type Activities | Total                 |
| Governmental activities:                   |                      |                      |                                    |                                  |   |                          |                       |
| General government                         | \$ 9,792,132         | \$ 282,831           | \$ 1,119,300                       | \$ -                             | \$ (8,390,001)                                    | \$ -                     | \$ (8,390,001)        |
| Development services                       | 3,641,353            | 1,379,860            | 262,023                            | -                                | (1,999,470)                                       | -                        | (1,999,470)           |
| Public safety                              | 13,662,345           | 64,425               | 2,000                              | 356,403                          | (13,239,517)                                      | -                        | (13,239,517)          |
| Public works                               | 8,929,163            | -                    | 758,286                            | 8,807,688                        | 636,811   | -                        | 636,811               |
| Culture and recreation                     | 3,130,020            | 614,315              | -                                  | 71,228                           | (2,444,477)                                       | -                        | (2,444,477)           |
| Interest on long-term debt                 | 988,971              | -                    | -                                  | -                                | (988,971)   | -                        | (988,971)             |
| Total governmental activities              | 40,143,984           | 2,341,431            | 2,141,609                          | 9,235,319                        | (26,425,625)                                      | -                        | (26,425,625)          |
| Business-type activity:                    |                      |                      |                                    |                                  |   |                          |                       |
| Stormwater                                 | 488,990              | 1,171,039            | -                                  | -                                | -   | 682,049                  | 682,049               |
| Total government                           | <u>\$ 40,632,974</u> | <u>\$ 3,512,470</u>  | <u>\$ 2,141,609</u>                | <u>\$ 9,235,319</u>              | <u>(26,425,625)</u>                               | <u>682,049</u>           | <u>(25,743,576)</u>   |
| General revenues:                          |                      |                      |                                    |                                  |   |                          |                       |
| Taxes:                                     |                      |                      |                                    |                                  |   |                          |                       |
| Property taxes levied for general purposes |                      |                      |                                    |                                  | 23,118,819  | -                        | 23,118,819            |
| Local option sales taxes                   |                      |                      |                                    |                                  | 8,824,518   | -                        | 8,824,518             |
| Other taxes and licenses                   |                      |                      |                                    |                                  | 4,121,466   | -                        | 4,121,466             |
| Investment earnings                        |                      |                      |                                    |                                  | 99,877  | 2,573                    | 102,450               |
| Miscellaneous                              |                      |                      |                                    |                                  | 755,999   | 24,130                   | 780,129               |
| Parkland payments in lieu                  |                      |                      |                                    |                                  | 508,204   | -                        | 508,204               |
| Total general revenues                     |                      |                      |                                    |                                  | 37,428,883  | 26,703                   | 37,455,586            |
| Change in net position                     |                      |                      |                                    |                                  | 11,003,258  | 708,752                  | 11,712,010            |
| Net position - beginning                   |                      |                      |                                    |                                  | 171,535,862                                       | 2,297,488                | 173,833,350           |
| Net position - ending                      |                      |                      |                                    |                                  | <u>\$ 182,539,120</u>                             | <u>\$ 3,006,240</u>      | <u>\$ 185,545,360</u> |

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

TOWN OF MORRISVILLE, NORTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

Exhibit 3

|  | Major Funds          |   |   |   |   |                      | Total<br>Governmental<br>Funds |
|--|----------------------|---|---|---|---|----------------------|--------------------------------|
|  | General              | American<br>Rescue Plan Act<br>Special Revenue Fund | Church Street<br>Park Expansion<br>Capital Project Fund | Public Safety<br>Improvements<br>Capital Project Fund | Morrisville<br>Carpenter Road<br>Capital Project Fund | Nonmajor<br>Funds    |                                |
| <b>Assets</b>  |                      |   |   |   |   |                      |                                |
| Cash and cash equivalents  | \$ 26,895,751        | \$ -  | \$ 2,703,612  | \$ -  | \$ -  | \$ 3,818,639         | \$ 33,418,002                  |
| Receivables  |                      |   |   |   |   |                      |                                |
| Taxes  | 30,413               | -   | -   | -   | -   | -                    | 30,413                         |
| Accounts receivable  | 105,951              | -   | 1,050,000   | -   | -   | -                    | 1,155,951                      |
| Lease receivable   | 873,130              | -   | -   | -   | -   | -                    | 873,130                        |
| Due from other governments   | 3,514,871            | 7,397   | -   | 17,253  | 948,193   | 70,854               | 4,558,568                      |
| Prepaid expenses   | 20,485               | -   | -   | -   | -   | -                    | 20,485                         |
| Restricted cash and cash equivalents                               | 3,090,998            | 3,155,255   | -   | 9,695,648   | 1,634,203   | 13,209,845           | 30,785,949                     |
| Total assets   | <u>\$ 34,531,599</u> | <u>\$ 3,162,652</u>                                 | <u>\$ 3,753,612</u>                                     | <u>\$ 9,712,901</u>                                   | <u>\$ 2,582,396</u>                                   | <u>\$ 17,099,338</u> | <u>\$ 70,842,498</u>           |
| <b>Liabilities</b>   |                      |   |   |   |   |                      |                                |
| Accounts payable and accrued liabilities                           | \$ 2,504,089         | \$ 36,201   | \$ 27,019   | \$ 17,672   | \$ 1,351,954  | \$ 632,866           | \$ 4,569,801                   |
| Unearned revenue   | -                    | 3,120,870   | 1,222,981   | -   | -   | -                    | 4,343,851                      |
| Total liabilities  | <u>2,504,089</u>     | <u>3,157,071</u>                                    | <u>1,250,000</u>  | <u>17,672</u>   | <u>1,351,954</u>                                      | <u>632,866</u>       | <u>8,913,652</u>               |
| <b>Deferred inflows of resources</b>                               |                      |   |   |   |   |                      |                                |
| Taxes receivable   | 30,413               | -   | -   | -   | -   | -                    | 30,413                         |
| Prepaid taxes and fees   | 12,777               | -   | -   | -   | -   | -                    | 12,777                         |
| Lease receivable   | 864,727              | -   | -   | -   | -   | -                    | 864,727                        |
| Total deferred inflows of resources                                | <u>907,917</u>       | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>-</u>             | <u>907,917</u>                 |
| <b>Fund balances</b>   |                      |   |   |   |   |                      |                                |
| Nonspendable:  |                      |   |   |   |   |                      |                                |
| Prepaid expenses   | 20,485               | -   | -   | -   | -   | -                    | 20,485                         |
| Leases   | 8,403                | -   | -   | -   | -   | -                    | 8,403                          |
| Restricted:  |                      |   |   |   |   |                      |                                |
| Stabilization by State statute                                     | 4,442,732            | -   | -   | -   | -   | -                    | 4,442,732                      |
| Street improvements  | 3,069,699            | -   | -   | -   | 1,230,442   | 4,507,354            | 8,807,495                      |
| Recreation improvements  | -                    | -   | -   | -   | -   | 8,558,475            | 8,558,475                      |
| Public safety operations and activities                            | 21,299               | -   | -   | 9,695,229   | -   | -                    | 9,716,528                      |
| Committed:   |                      |   |   |   |   |                      |                                |
| General governmental capital                                       | 2,482,960            | -   | -   | -   | -   | -                    | 2,482,960                      |
| Debt service   | 992,760              | -   | -   | -   | -   | -                    | 992,760                        |
| LEOSSA pension liability   | 345,150              | -   | -   | -   | -   | -                    | 345,150                        |
| OPEB liability   | 4,180,217            | -   | -   | -   | -   | -                    | 4,180,217                      |
| American Rescue Plan Act projects                                  | -                    | 5,581   | -   | -   | -   | -                    | 5,581                          |
| Capital projects   | 12                   | -   | 2,503,612   | -   | -   | 3,400,643            | 5,904,267                      |
| Assigned:  |                      |   |   |   |   |                      |                                |
| Fire operations and activities                                     | 2,487                | -   | -   | -   | -   | -                    | 2,487                          |
| Subsequent year's expenditures                                     | 1,841,400            | -   | -   | -   | -   | -                    | 1,841,400                      |
| Unassigned   | 13,711,989           | -   | -   | -   | -   | -                    | 13,711,989                     |
| Total fund balances  | <u>31,119,593</u>    | <u>5,581</u>  | <u>2,503,612</u>  | <u>9,695,229</u>                                      | <u>1,230,442</u>                                      | <u>16,466,472</u>    | <u>61,020,929</u>              |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 34,531,599</u> | <u>\$ 3,162,652</u>                                 | <u>\$ 3,753,612</u>                                     | <u>\$ 9,712,901</u>                                   | <u>\$ 2,582,396</u>                                   | <u>\$ 17,099,338</u> | <u>\$ 70,842,498</u>           |

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

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Exhibit 3**

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

JUNE 30, 2022

|   |                     |                       |
|---|---------------------|-----------------------|
| Total fund balances - governmental funds  |                     | \$ 61,020,929         |
| Amounts reported for governmental activities in the Statement of Net Position are different because:  |                     |                       |
| Capital assets, exclusive of leased assets, used in governmental activities are not financial resources and, therefore, are not reported in the funds |                     |                       |
| Governmental capital assets, exclusive of leased assets   | \$ 231,271,440      |                       |
| Less accumulated depreciation   | <u>(53,654,600)</u> | 177,616,840           |
| Right to use leased assets used in government activities are not financial resources and, therefore, are not reported in the funds                    |                     |                       |
| Right to use leased assets  | 1,058,815           |                       |
| Less accumulated amortization   | <u>(240,125)</u>    | 818,690               |
| Deferred outflows of resources related to pensions are not reported in the funds  |                     |                       |
| Deferred outflows of resources related to OPEB are not reported in the funds  |                     | 5,930,492             |
|   |                     | 1,154,109             |
| Deferred charge on refunding is not available or due in the current period, and, therefore, is not reported in the funds                              |                     |                       |
|   |                     | 70,848                |
| Long-term liabilities used in governmental activities are not due and payable in the current period and, therefore, are not reported in the funds     |                     |                       |
| Total other postemployment benefits liability   | (6,158,679)         |                       |
| Total LEOSA pension liability   | (2,495,620)         |                       |
| Government bonds and notes payable  | (41,450,000)        |                       |
| Deferred bond premium   | (3,020,407)         |                       |
| Compensated absences  | (1,421,221)         |                       |
| Net LGERS pension liability   | (3,016,652)         |                       |
| Leases  | <u>(833,595)</u>    | (58,396,174)          |
| Earned revenues are considered deferred inflows of resources in fund statements and are susceptible to full accrual on the entity-wide statements     |                     |                       |
| Deferred inflows of resources for taxes   |                     | 30,413                |
| Pension related deferrals   |                     |                       |
| OPEB related deferrals  |                     | (4,396,133)           |
|   |                     | (887,402)             |
| Other receivables and liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds            |                     |                       |
| Accrued interest receivable   |                     | 166                   |
| Accrued interest payable  |                     | <u>(423,658)</u>      |
| Net position of governmental activities   |                     | <u>\$ 182,539,120</u> |

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

TOWN OF MORRISVILLE, NORTH CAROLINA

Exhibit 4

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2022

|  | Major Funds   |   |   |   |   |               | Nonmajor Funds | Total Governmental Funds |
|--|---------------|---|---|---|---|---------------|----------------|--------------------------|
|  | General       | American Rescue Plan Act Special Revenue Fund | Church Street Park Expansion Capital Project Fund | Public Safety Improvements Capital Project Fund | Morrisville Carpenter Road Capital Project Fund |               |                |                          |
| <b>Revenues</b>  |               |   |   |   |   |               |                |                          |
| Ad valorem taxes   | \$ 23,094,896 | \$ -  | \$ -  | \$ -  | \$ -  | \$ -          | \$ -           | \$ 23,094,896            |
| Other taxes and licenses   | 613,440       | -   | -   | -   | -   | -             | -              | 613,440                  |
| Unrestricted intergovernmental                                   | 12,332,544    | -   | -   | -   | -   | -             | -              | 12,332,544               |
| Restricted intergovernmental                                     | 1,022,309     | 1,475,703                                     | -   | -   | -   | 2,246,127     | 225,513        | 4,969,652                |
| Permits and fees   | 1,440,679     | -   | -   | -   | -   | -             | 508,204        | 1,948,883                |
| Sales and services   | 897,146       | -   | -   | -   | -   | -             | -              | 897,146                  |
| Investment earnings  | 45,696        | 5,581   | 3,612   | 16,042  | 5,139   | -             | 23,807         | 99,877                   |
| Miscellaneous  | 546,371       | -   | 27,019  | -   | -   | -             | 266,188        | 839,578                  |
| Total revenues   | 39,993,081    | 1,481,284                                     | 30,631  | 16,042  | 2,251,266                                       | 1,023,712     |                | 44,796,016               |
| <b>Expenditures</b>  |               |   |   |   |   |               |                |                          |
| Current  |               |   |   |   |   |               |                |                          |
| General government   | 7,307,058     | -   | -   | -   | -   | 291,680       | -              | 7,598,738                |
| Development services   | 3,573,342     | -   | -   | -   | -   | -             | -              | 3,573,342                |
| Public safety  | 12,212,734    | -   | -   | -   | -   | -             | -              | 12,212,734               |
| Public works   | 8,629,721     | 194,547                                       | -   | -   | -   | -             | -              | 8,824,268                |
| Culture and recreation   | 2,401,529     | -   | -   | -   | -   | -             | -              | 2,401,529                |
| Capital outlay   | 526,077       | 161,856                                       | 27,019  | 516,010   | 4,152,738                                       | 3,499,635     | -              | 8,883,335                |
| Debt service   |               |   |   |   |   |               |                |                          |
| Principal  | 2,126,241     | -   | -   | -   | -   | -             | -              | 2,126,241                |
| Interest   | 953,398       | -   | -   | -   | -   | -             | -              | 953,398                  |
| Total expenditures   | 37,730,100    | 356,403                                       | 27,019  | 516,010   | 4,152,738                                       | 3,791,315     |                | 46,573,585               |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | 2,262,981     | 1,124,881                                     | 3,612   | (499,968)                                       | (1,901,472)                                     | (2,767,603)   |                | (1,777,569)              |
| <b>Other financing sources (uses)</b>                            |               |   |   |   |   |               |                |                          |
| General obligation bonds issued                                  | -             | -   | -   | 9,110,000                                       | -   | 8,500,000     | -              | 17,610,000               |
| Premiums on general obligation bonds issued                      | -             | -   | -   | 624,551   | -   | 609,723       | -              | 1,234,274                |
| Transfers in   | 1,149,496     | -   | 2,500,000   | -   | -   | 2,347,650     | -              | 5,997,146                |
| Transfers out  | (4,847,650)   | (1,119,300)                                   | -   | -   | -   | (30,196)      | -              | (5,997,146)              |
| Total other financing sources (uses)                             | (3,698,154)   | (1,119,300)                                   | 2,500,000   | 9,734,551                                       | -   | 11,427,177    | -              | 18,844,274               |
| <b>Net change in fund balance</b>                                | (1,435,173)   | 5,581   | 2,503,612   | 9,234,583                                       | (1,901,472)                                     | 8,659,574     |                | 17,066,705               |
| <b>Fund balances, beginning</b>                                  | 32,554,766    | -   | -   | 460,646   | 3,131,914                                       | 7,806,898     |                | 43,954,224               |
| <b>Fund balances, ending</b>                                     | \$ 31,119,593 | \$ 5,581                                      | \$ 2,503,612                                      | \$ 9,695,229                                    | \$ 1,230,442                                    | \$ 16,466,472 | \$             | \$ 61,020,929            |

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

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Exhibit 4**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022

|   |                    |                      |
|---|--------------------|----------------------|
| Total net change in fund balances - governmental funds  |                    | \$ 17,066,705        |
| Amounts reported for governmental activities in the Statement of Activities are different because:  |                    |                      |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense and amortization   |                    |                      |
| Expenditures for capital and right to use assets  | \$ 8,883,335       |                      |
| Less current year depreciation and amortization expense   | <u>(3,995,269)</u> | 4,888,066            |
| The net effects of disposals of capital assets is to decrease the change in net position in the statement of activities   |                    |                      |
| Proceeds on disposal of capital assets  | (76,921)           |                      |
| Loss on sale of capital assets  | <u>35,398</u>      | (41,523)             |
| Contributions to the LGERS pension plan in the current fiscal year are not included on the Statement of Activities  |                    | 1,715,825            |
| Benefit payments made for LEOSSA in the current fiscal year are not included on the Statement of Activities   |                    | 80,696               |
| OPEB benefit payments made in the current fiscal year are not included in the Statement of Activities   |                    | 58,785               |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. |                    |                      |
| Debt issued:  |                    |                      |
| General obligation bonds  | (17,610,000)       |                      |
| Plus premium  | (1,234,274)        |                      |
| Principal repayments:   |                    |                      |
| General obligation debt and leases  | <u>2,126,241</u>   | (16,718,033)         |
| Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds   |                    |                      |
| Change in accrued interest receivable   | 166                |                      |
| Donated capital assets  | 6,407,276          |                      |
| Change in reserve for taxes receivable  | <u>23,923</u>      | 6,431,365            |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds  |                    |                      |
| Amortization of bond premiums   | 220,705            |                      |
| Amortization of deferred charge on refunding  | (16,670)           |                      |
| Change in accrued interest payable  | (66,373)           |                      |
| Change in compensated absences  | (106,411)          |                      |
| OPEB plan expense   | (493,759)          |                      |
| Pension expense   | <u>(2,016,120)</u> | <u>(2,478,628)</u>   |
| Change in net position of governmental activities   |                    | <u>\$ 11,003,258</u> |

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

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Exhibit 5**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 YEAR ENDED JUNE 30, 2022

|  | Original<br>Budget | Final<br>Budget    | Actual               | Variance<br>Positive<br>(Negative) |
|--|--------------------|--------------------|----------------------|------------------------------------|
| <b>Revenues</b>  |                    |                    |                      |                                    |
| Ad valorem taxes   | \$ 22,872,000      | \$ 22,872,000      | \$ 23,094,896        | \$ 222,896                         |
| Other taxes and licenses   | 600,000            | 600,000            | 613,440              | 13,440                             |
| Unrestricted intergovernmental                                       | 10,339,200         | 10,339,200         | 12,332,544           | 1,993,344                          |
| Restricted intergovernmental   | 906,350            | 1,067,876          | 1,022,309            | (45,567)                           |
| Permits and fees   | 1,448,350          | 1,448,350          | 1,440,679            | (7,671)                            |
| Sales and services   | 1,262,510          | 1,262,510          | 897,146              | (365,364)                          |
| Investment earnings  | 27,220             | 27,220             | 45,696               | 18,476                             |
| Miscellaneous  | 471,740            | 520,028            | 546,371              | 26,343                             |
| Total revenues   | <u>37,927,370</u>  | <u>38,137,184</u>  | <u>39,993,081</u>    | <u>1,855,897</u>                   |
| <b>Expenditures</b>  |                    |                    |                      |                                    |
| Current  |                    |                    |                      |                                    |
| General government   | 7,679,600          | 8,041,198          | 7,307,058            | 734,140                            |
| Development services   | 4,260,006          | 4,335,711          | 3,573,342            | 762,369                            |
| Public safety  | 12,738,507         | 12,839,135         | 12,212,734           | 626,401                            |
| Public works   | 7,241,885          | 9,088,758          | 8,629,721            | 459,037                            |
| Culture and recreation   | 2,747,608          | 2,792,678          | 2,401,529            | 391,149                            |
| Capital outlay   | 1,837,950          | 2,370,887          | 526,077              | 1,844,810                          |
| Debt Service   |                    |                    |                      |                                    |
| Principal  | 2,094,972          | 2,126,242          | 2,126,241            | 1                                  |
| Interest   | 953,405            | 953,405            | 953,398              | 7                                  |
| Total expenditures   | <u>39,553,933</u>  | <u>42,548,014</u>  | <u>37,730,100</u>    | <u>4,817,914</u>                   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <u>(1,626,563)</u> | <u>(4,410,830)</u> | <u>2,262,981</u>     | <u>6,673,811</u>                   |
| <b>Other financing sources (uses)</b>                                |                    |                    |                      |                                    |
| Transfers in   | 1,119,300          | 1,144,725          | 1,149,496            | 4,771                              |
| Transfers out  | (200,000)          | (4,851,005)        | (4,847,650)          | 3,355                              |
| Fund balance appropriated  | 707,263            | 8,117,110          | -                    | (8,117,110)                        |
| Total other financing sources (uses)                                 | <u>1,626,563</u>   | <u>4,410,830</u>   | <u>(3,698,154)</u>   | <u>(8,108,984)</u>                 |
| <b>Net change in fund balance</b>                                    | <u>\$ -</u>        | <u>\$ -</u>        | <u>(1,435,173)</u>   | <u>\$ (1,435,173)</u>              |
| <b>Fund balance, beginning</b>                                       |                    |                    | <u>32,554,766</u>    |                                    |
| <b>Fund balance, ending</b>  |                    |                    | <u>\$ 31,119,593</u> |                                    |

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

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2022

Exhibit 6

|   | <u>Stormwater<br/>Fund</u> |
|---|----------------------------|
| <b>Assets</b>                                   |                            |
| Current assets                                  |                            |
| Cash and cash equivalents                       | \$ 2,036,958               |
| Receivables- accounts                           | 2,701                      |
| Due from other governments                      | 5,199                      |
| Total current assets                            | <u>2,044,858</u>           |
| Non-current assets                              |                            |
| Capital assets                                  |                            |
| Land, improvements and construction in progress | 844,509                    |
| Other capital assets, net of depreciation       | 291,014                    |
| Total non-current assets                        | <u>1,135,523</u>           |
| Total assets                                    | <u>3,180,381</u>           |
| <b>Deferred outflows of resources</b>           |                            |
| Pension deferrals                               | 77,861                     |
| OPEB deferrals                                  | 17,575                     |
| Total deferred outflows of resources            | <u>95,436</u>              |
| <b>Liabilities</b>                              |                            |
| Current liabilities                             |                            |
| Accounts payable and accrued expenses           | 26,661                     |
| Compensated absences                            | 20,957                     |
| Total current liabilities                       | <u>47,618</u>              |
| Non-current liabilities                         |                            |
| Total OPEB liability                            | 93,787                     |
| Compensated absences                            | 2,329                      |
| Net LGERS pension liability                     | 45,939                     |
| Total non-current liabilities                   | <u>142,055</u>             |
| Total liabilities                               | <u>189,673</u>             |
| <b>Deferred inflows of resources</b>            |                            |
| Pension deferrals                               | 66,390                     |
| OPEB deferrals                                  | 13,514                     |
| Total deferred inflows of resources             | <u>79,904</u>              |
| <b>Net position</b>                             |                            |
| Net investment in capital assets                | 1,135,523                  |
| Unrestricted                                    | 1,870,717                  |
| Total net position - business-type activities   | <u>\$ 3,006,240</u>        |

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

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUND  
 YEAR ENDED JUNE 30, 2022

**Exhibit 7**

|  | <u>Stormwater<br/>Fund</u> |
|--|----------------------------|
| <b>Operating revenues</b>              |                            |
| Permits and fees                       | \$ 596,571                 |
| Stormwater ERU charges                 | <u>574,468</u>             |
| Total operating revenues               | <u>1,171,039</u>           |
| <b>Operating expenses</b>              |                            |
| Stormwater operations                  | 468,306                    |
| Depreciation                           | <u>20,684</u>              |
| Total operating expenses               | <u>488,990</u>             |
| <b>Operating income</b>                | 682,049                    |
| <b>Nonoperating revenues</b>           |                            |
| Miscellaneous                          | 24,130                     |
| Investment earnings                    | <u>2,573</u>               |
| Total nonoperating revenues            | <u>26,703</u>              |
| <b>Change in net position</b>          | <u>708,752</u>             |
| <b>Net position, beginning of year</b> | <u>2,297,488</u>           |
| <b>Net position, end of year</b>       | <u><u>\$ 3,006,240</u></u> |

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



TOWN OF MORRISVILLE, NORTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2022

Exhibit 8

|  | <u>Stormwater<br/>Fund</u> |
|--|----------------------------|
| <b>Cash flows from operating activities</b>  |                            |
| Cash received from Stormwater charges  | \$ 1,171,125               |
| Cash paid to or on behalf of employees for services  | (328,523)                  |
| Cash paid for goods and services   | (177,379)                  |
|  | <hr/>                      |
| Net cash from operating activities   | 665,223                    |
|  | <hr/>                      |
| <b>Cash flows from capital and related financing activities</b>                                    |                            |
| Cash received from interlocal agreements   | 24,130                     |
| Acquisition and construction of capital assets   | (521,652)                  |
|  | <hr/>                      |
| Net cash from capital and related financing activities   | (497,522)                  |
|  | <hr/>                      |
| <b>Cash flows from investing activities</b>  |                            |
| Investment earnings  | 2,573                      |
|  | <hr/>                      |
| Net increase in cash and cash equivalents  | 170,274                    |
|  | <hr/>                      |
| <b>Cash and cash equivalents, beginning of year</b>  | 1,866,684                  |
|  | <hr/>                      |
| <b>Cash and cash equivalents, end of year</b>  | <u>\$ 2,036,958</u>        |
|  | <hr/>                      |
| <b>Reconciliation of operating income to net cash from operating activities:</b>                   |                            |
| Operating income   | \$ 682,049                 |
| Adjustments to reconcile operating income to net cash provided by operating activities             |                            |
| Depreciation   | 20,684                     |
| Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources: |                            |
| Decrease in accounts receivable  | 86                         |
| Increase in due from other governments   | (5,017)                    |
| Increase in deferred outflows of resources - pensions  | (14,345)                   |
| Decrease in deferred outflows of resources - OPEB  | 3,223                      |
| Decrease in accounts payable and accrued expenses  | (31,303)                   |
| Increase in OPEB liability   | 723                        |
| Increase in compensated absences   | 933                        |
| Decrease in LGERS pension liability  | (54,036)                   |
| Increase in deferred inflows of resources - pensions   | 65,179                     |
| Decrease in deferred inflows of resources - OPEB   | (2,952)                    |
|  | <hr/>                      |
| <b>Net cash provided by operating activities</b>   | <u>\$ 665,223</u>          |

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

**Note 1 – Summary of significant accounting policies**

The accounting policies of the Town of Morrisville conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting entity**

The Town of Morrisville (the “Town”), a political subdivision of the state of North Carolina in Wake County, is a municipal corporation that is governed by an elected Mayor and a six-member Town Council. There are no component units which are required to be included in these financial statements.

**B. Basis of presentation**

**Government-wide Financial Statements** - The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information on all of the activities of the Town. Eliminations have been made to minimize the double counting of internal activities with the exception of interfund services provided and used, which are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

**Fund Financial Statements** - The fund financial statements provide information about the Town’s funds. Separate statements for each fund category – governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

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

Separate financial statements are provided for governmental funds and proprietary funds.

**Note 1 – Summary of significant accounting policies (continued)**

**B. Basis of presentation (continued)**

The Town reports the following major governmental funds:

*General Fund* - The General Fund is the general operating fund of the Town. The General Fund is used to account for all financial resources of the general government except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and various other taxes. The primary expenditures are for public safety, public works, culture and recreation, development services and general governmental services. Additionally, the Town has legally adopted four Capital Reserve Funds, a Debt Service Fund, and a Municipal Service District Fund as consolidated sub-funds of the General Fund.

*American Rescue Plan Act Special Revenue Fund* - The American Rescue Plan Act (ARPA) Special Revenue Fund is used to account for financial resources to be used for the provision of government services amidst the coronavirus pandemic and to make investments that support long-term growth and opportunity in the community.

*Church Street Park Expansion Capital Project Fund* - The Church Street Park Expansion Capital Project Fund is used to account for the design and construction of new amenity expansions and upgrades for the Church Street Park facility.

*Public Safety Improvements Capital Project Fund* – Public Safety Improvements Capital Project Fund is used to account for financial resources to be used for construction of a fire station.

*Morrisville Carpenter Road Capital Project Fund* – The Morrisville Carpenter Road Capital Project Fund is used to account for financial resources to be used for the widening and improving of Morrisville Carpenter Road.

The Town reports the following nonmajor governmental funds:

*Parkland Payment-In-Lieu Capital Project Fund* – The Parkland Payment-In-Lieu Capital Project Fund is used to account for financial resources to be used for recreation improvements.

*Land and Parkland Acquisition Capital Project Fund* – The Land and Parkland Acquisition Capital Project Fund is used to account for financial resources to be used for land and parkland acquisitions.

*Church Street Park Capital Project Fund* - The Church Street Park Capital Project Fund is used to account for financial resources to be used for improvements to Church Street Park. This project is expected to be completed in fiscal year 2023.

**Note 1 – Summary of significant accounting policies (continued)**

**B. Basis of presentation (continued)**

*Morrisville Aquatics & Fitness Center Renovation Capital Project Fund* – The Morrisville Aquatics & Fitness Center Renovation Capital Project Fund is used to account for the redesign and reconstruction of the Morrisville Aquatics and Fitness Center. This project was completed during fiscal year 2022.

*Town Center Capital Project Fund* – The Town Center Capital Project Fund is used to account for the financial resources to be used for the design and construction of public improvements associated with the Town Center project.

*Historic Christian Church Parking Lot Expansion Capital Project Fund* – The Historic Christian Church Parking Lot Expansion Capital Project Fund is used to account for the design and construction of a parking lot that will enhance safety, expand program uses and address space needs. This project was completed during fiscal year 2022.

*Sewer Capital Project Fund* – The Sewer Capital Project Fund is used to account for the design and construction of a sanitary sewer line in the undeveloped Shiloh area of the Town. At the completion of the project, the Town will transfer the project's assets to the Town of Cary, the provider of water and sewer services in the Town of Morrisville.

*Sidewalk and Pedestrian Enhancement Capital Project Fund* – The Sidewalk & Pedestrian Enhancement Capital Project Fund is used to account for the design and construction of sidewalk and/or other pedestrian connectivity betterments throughout the Town.

*Public Works Renovation Capital Project Fund* – The Public Works Renovation Capital Project Fund is used to account for the design and construction of an expanded public works facility.

*Crabtree Hatcher Creek Greenway Capital Project Fund* - The Crabtree Hatcher Creek Greenway Capital Project Fund is used to account for financial resources to be used for the development of the Crabtree Hatcher Creek Greenway.

*Parks and Greenway Improvements Capital Project Fund* – The Parks and Greenway Improvements Capital Project Fund is used to account for financial resources to be used for improvements to the Town's Parks and Greenway System.

*NC 54 Congestion Mitigation Capital Project Fund* – The NC 54 Congestion Mitigation Capital Project Fund is used to account for financial resources to be used for infrastructure improvements along the NC 54 Corridor in Morrisville, which includes the Airport Boulevard Extension project.

The Town reports the following major proprietary fund:

*Stormwater Fund* – The Stormwater Fund is used to account for the activities related to the Town's Stormwater Management System. The Stormwater Fund is comprised of 3 sub funds: Stormwater Operations, the Kit Creek Reach 5-1 and the Green Drive/Fairview Avenue Capital Project Funds.

**Note 1 – Summary of significant accounting policies (continued)**

**C. Measurement focus and basis of accounting**

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue source of the Town's Stormwater Fund is charges for Stormwater Equivalent Residential Units ("ERU"), which are generally levied and collected by Wake County. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

**Note 1 – Summary of significant accounting policies (continued)**

**C. Measurement focus and basis of accounting (continued)**

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

**D. Budgetary data**

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Proprietary Fund. All annual appropriations lapse at fiscal year-end. Project ordinances, which may cover more than one year, are adopted for the special revenue fund, the capital project funds and proprietary capital project funds. The proprietary fund's projects are consolidated with the operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the multi-year funds.

The Town Manager/Budget Officer is authorized to reallocate any appropriations within departments and may execute contracts for construction or repair projects, which do not require formal competitive bid procedures. They may execute contracts for: (1) purchase of apparatus, supplies, and materials or equipment, which are within budgeted departmental appropriations; and (2) leases of personal property for one-year duration and within budgeted departmental appropriations. They may execute grant agreements to or from public and nonprofit organizations, which are within budgeted appropriations, unless a grantor organization requires execution by the Town Council. Also, they may execute contracts, as the lessor or lessee of real property, for a maximum duration of five years or less, provided funds allocated are within budgeted appropriations. They shall be authorized to appropriate funding received as cost share reimbursements for fire protection services, fire protection equipment, facility maintenance services, and direct said funds back to the appropriate department. The budget ordinance must be adopted by July 1 of the fiscal year or the Town Council must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**Note 1 – Summary of significant accounting policies (continued)**

**E. Assets, liabilities, deferred outflows/inflows of resources and fund equity**

**1. Deposits and investments**

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

State law (G.S. 159.30 (c)) authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high-quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust ("NCCMT"). The Town's investments are reported at fair value. The NCCMT - Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

**2. Cash and cash equivalents**

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

**3. Restricted cash and cash equivalents**

The unexpended bond proceeds for the Morrisville Carpenter Road capital project, streets/sidewalks and connectivity capital projects, public safety improvements capital projects, and parks and recreation acquisitions/amenities capital projects are completely restricted in their respective funds to the purpose for which the bonds were originally issued. Unexpended revenues received for parks and recreation improvements that are restricted by revenue source are classified as restricted cash and cash equivalents. Unexpended revenues received for street/transportation improvements that are restricted by revenue source are classified as restricted cash and cash equivalents. Unexpended revenues received for the Coronavirus State and Local Fiscal Recovery Fund under the American Rescue Plan Act that are restricted by revenue source are also classified as restricted cash and cash equivalents. Unexpended cash received from Federal and State seizures are classified as restricted cash and cash equivalents for public safety operations and activities. Powell Bill funds are also classified as restricted cash and cash equivalents because they can only be expended for the purposes outlined in the general statutes.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 1 – Summary of significant accounting policies (continued)**

**E. Assets, liabilities, deferred outflows/inflows of resources and fund equity (continued)**

**3. Restricted cash and cash equivalents (continued)**

Governmental activities:

|  |                             |
|--|-----------------------------|
| General Fund - Street improvements   | \$ 3,069,699                |
| General Fund - Public safety operations and activities                             | 21,299                      |
| Major fund – Morrisville Carpenter Road Capital Project Fund-unspent bond proceeds | 1,634,203                   |
| Major fund – Public Safety Improvements Capital Project Fund-unspent bond proceeds | 9,695,648                   |
| Major fund – American Rescue Plan Act Special Revenue Fund                         | 3,155,255                   |
| Nonmajor funds - Recreation Improvements   | 8,702,491                   |
| Nonmajor funds – Street Improvements   | <u>4,507,354</u>            |
| Total restricted cash and cash equivalents   | <u><u>\$ 30,785,949</u></u> |

**4. Ad valorem taxes receivable**

In accordance with State laws (G.S. 105-347 and G.S. 159-13(a)), the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2021.

**5. Allowance for doubtful accounts**

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

**6. Lease receivable**

The Town leases space on its water tower to several communications companies as a lessor. The Town's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A corresponding deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. As payments are received, the principal portion of the lease payment relieves the lease receivable and interest income is recorded as an inflow of resources. The deferred inflow of resources is recognized into revenue on a straight-line basis over the term of the lease. There are no variable components under the lease agreements.



**Note 1 – Summary of significant accounting policies (continued)**

**E. Assets, liabilities, deferred outflows/inflows of resources and fund equity (continued)**

**7. Prepaid items**

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

**8. Capital assets**

Capital assets, which include land, buildings, equipment, vehicles and infrastructure assets (roads, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 for equipment and fixtures, \$10,000 for vehicles, \$50,000 for buildings, \$50,000 for other improvements, and \$100,000 for infrastructure, or more, and a useful life in excess of one year. Donated capital assets are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, are reported at estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

| <u>Asset Class</u>               | <u>Estimated<br/>Useful Lives</u> |
|----------------------------------|-----------------------------------|
| Infrastructure                   | 30-50 years                       |
| Buildings and improvements       | 20-50 years                       |
| Equipment and furniture          | 3-10 years                        |
| Vehicles and motorized equipment | 3-10 years                        |
| Other improvements               | 10-30 years                       |

The Town has recorded right to use lease assets as a result of implementing GASB Statement No. 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related leases.

**Note 1 – Summary of significant accounting policies (continued)**

**E. Assets, liabilities, deferred outflows/inflows of resources and fund equity (continued)**

**9. Deferred outflows/inflows of resources**

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and, therefore, will not be recognized as an expense or expenditure until then. The Town has three items that meet this criterion – pension deferrals, other postemployment benefits (OPEB) deferrals and deferrals related to charges for bond defeasance for general obligation refunding bonds. In addition to liabilities, the statements of net position and governmental funds' balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and, therefore, will not be recognized as revenue until then. The Town has four items that meet the criterion for this category – prepaid taxes and fees, leases, pension deferrals and OPEB deferrals. Additionally, on the governmental funds' balance sheet the Town has deferred the portion of taxes receivable that are not available to be used in the current period in *deferred inflows of resources*.

**10. Long-term obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the reporting period in which they are 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 proceeds received, are reported as debt service expenditures.

**Note 1 – Summary of significant accounting policies (continued)**

**E. Assets, liabilities, deferred outflows/inflows of resources and fund equity (continued)**

**11. Compensated absences**

The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. The Town also allows employees to accrue compensatory time for hours worked in excess of a regular workweek. Non-exempt employees may accumulate this time and then use it at a later date in lieu of using vacation time or they will be paid for these hours when leaving the Town's employment. Exempt employees accumulate compensatory time of 80 hours at the beginning of the calendar year. Exempt employees lose any compensatory time not used by the year of the calendar and are not paid for accumulated compensatory time upon leaving service. The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town has no obligation for the accumulated sick leave, no provision has been made for this in the accompanying government-wide financial statements. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

For the Town's government-wide funds and proprietary fund types in the fund financial statements, an expense and a liability for compensated absences and salary-related payments are recorded as the leave is earned. In the governmental fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and government-wide presentations.

**12. Reimbursements for pandemic-related expenditures**

In Fiscal Year 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Fund to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The Town was allocated \$9,193,147 of fiscal recovery funds to be paid in two equal installments. The first installment of \$4,596,573 was received in July 2021. The second installment was received in July 2022. Staff and Town Council have elected to use \$1,475,703 of the ARPA funds during the fiscal year ended June 30, 2022 to provide governmental services to support parks and recreation programs and improvements and capital projects for sustainability and smart solution initiatives under the Revenue Replacement component of the Act.

**13. Net position/fund balances**

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

**Note 1 – Summary of significant accounting policies (continued)**

**E. Assets, liabilities, deferred outflows/inflows of resources and fund equity (continued)**

**13. Net position/fund balances (continued)**

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

The governmental fund types classify fund balances as follows:

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

Prepaid expenses – portion of fund balance that is not an available resource because it represents the year end balances of prepaid items which are not spendable resources

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

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

*Restricted for Stabilization by State Statute* – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute." *Appropriated fund balance in 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 prepaids and leases 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 Recreation Improvements* – portion of fund balance restricted by revenue source for parks and recreation improvements.

*Restricted for Street Improvements* – portion of fund balance restricted by revenue source for street improvements.

**Note 1 – Summary of significant accounting policies (continued)**

**E. Assets, liabilities, deferred outflows/inflows of resources and fund equity (continued)**

**13. Net position/fund balances (continued)**

*Restricted for Public Safety Operations and Activities* – portion of fund balance that represents unspent drug forfeiture funds, unspent unauthorized substance tax receipts, and unspent bond proceeds.

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

*Committed for General Governmental Capital* – portion of fund balance in the General Fund committed by Town Council for large capital expenditures.

*Committed for Debt Service* – portion of fund balance in the General Fund committed by Town Council for future debt service.

*Committed for LEOSSA Pension Liability* – portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance obligations.

*Committed for OPEB Liability* – portion of fund balance that will be used for the other postemployment benefit obligations.

*Committed for American Rescue Plan projects* – portion of fund balance committed for use for the provision of governmental services and for investments in projects aimed at supporting long term growth and opportunity in the community.

*Committed for Capital Projects* - portion of fund balance committed by Town Council for each capital project fund.

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

*Assigned for Fire Operations and Activities* – portion of fund balance that is assigned for specific fire operations and activities.

*Subsequent Year's Expenditures* – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The Town Council approves the appropriation. Budget amendments requiring additional appropriations must receive Town Council approval in the form of a Budget Ordinance Amendment unless the Annual Budget Ordinance authorizes otherwise.

**Note 1 – Summary of significant accounting policies (continued)**

**E. Assets, liabilities, deferred outflows/inflows of resources and fund equity (continued)**

**13. Net position/fund balances (continued)**

**Unassigned Fund Balance** – The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that may report an unassigned fund balance amount. In other governmental funds, it is inappropriate to report a positive unassigned fund balance due to the purposes of those funds.

For projects that include multiple revenue sources, the Town’s standard practice is that resources will be used in the following hierarchy: bond proceeds, federal funds, state funds, local non-town funds, town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed, assigned and lastly unassigned fund balance. The Finance Director or appointee has the authority to deviate from this policy in order to comply with grant agreements, bond orders or if it is in the best interest of the Town.

The Town of Morrisville has adopted a minimum fund balance policy for the General Fund which states that the unassigned fund balance shall be no less than three months operating expenditures or 25% of the total budgeted operating expenditures. In the event of an extreme emergency, the Town Council may utilize unassigned fund balance that will reduce fund balance below the 25% policy. If fund balance falls below 25%, the Town Council will adopt a written plan as part of the following year’s budget process to restore the fund balance available to the policy level within 24 months from the date of the budget adoption. If unassigned fund balance available is in excess of 45%, the Town Council may appropriate the excess for one-time capital expenditures, economic development related expenditures, or transfer the excess to a Capital Reserve Fund.

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

|   |                     |
|---|---------------------|
| Total fund balance-General Fund         | \$31,119,593        |
| Less:                                   |                     |
| Nonspendable                            | 28,888              |
| Stabilization                           | 4,442,732           |
| Street improvements                     | 3,069,699           |
| Public safety operations and activities | 21,299              |
| General government capital              | 2,482,960           |
| Debt service                            | 992,760             |
| LEOSSA pension liability                | 345,150             |
| OPEB liability                          | 4,180,217           |
| Capital projects                        | 12                  |
| Fire operations and activities          | 2,487               |
| Subsequent year’s expenditures          | 1,841,400           |
| Remaining fund balance-General Fund     | <u>\$13,711,989</u> |

**Note 1 – Summary of significant accounting policies (continued)**

**E. Assets, liabilities, deferred outflows/inflows of resources and fund equity (continued)**

**13. Net position/fund balances (continued)**

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. The following represents encumbrances outstanding as of June 30, 2022:

|   |              |
|---|--------------|
| Encumbrances:                                     |              |
| General Fund                                      | \$ 1,008,878 |
| American Rescue Plan Act Special Revenue Fund     | 251,884      |
| Church Street Park Expansion Capital Project Fund | 103,836      |
| Public Safety Improvements Capital Project Fund   | 8,928,585    |
| Morrisville Carpenter Capital Project Fund        | 1,631,494    |
| Non-Major Funds                                   | 2,347,741    |

**14. Defined benefit cost-sharing plans**

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

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

**Note 2 – Cash and investments**

**A. Deposits**

All of the Town's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Town's agent in the Town's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in the Town's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2022, the Town's deposits had a carrying amount of \$25,218,464 and a bank balance of \$25,678,839. Of the bank balance, \$500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2022, the Town's petty cash fund totaled \$2,371.

**B. Investments**

At June 30, 2022, the Town had \$41,020,074 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's (S&P) and AAA-mf by Moody's Investment Services as of June 30, 2022.

*Credit Risk* – The Town has a formal policy that addresses the management of credit risk in various ways, including its compliance with NC G.S. 159-30. The Town's investment policy restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated.



**TOWN OF MORRISVILLE, NORTH CAROLINA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
*JUNE 30, 2022*

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**Note 3 – Receivables – allowance for doubtful accounts**

The amounts presented in the Balance Sheet and the Statement of Net Position are net of an allowance for doubtful accounts in the General Fund of \$191,780 for ad valorem and motor vehicle decal taxes receivable.

**Note 4 – Lease receivable**

On February 21, 2014, the Town entered into a 120-month lease as the lessor for space on its water tower to a communications company. An initial lease receivable was recorded in the amount of \$300,326. As of June 30, 2022, the value of the lease receivable is \$272,600. The lessee is required to make monthly fixed payments of \$2,427 and has an interest rate of 0.2370%. The value of the deferred inflow of resources as of June 30, 2022, was \$270,293, and the Town recognized lease revenue of \$30,033 during the fiscal year. The lessee has five extension options, each for 60 months.

On September 16, 2016, the Town entered into a 120-month lease as the lessor for space on its water tower to a communications company. An initial lease receivable was recorded in the amount of \$266,594. The lease term was extended by sixty month's beginning September 1, 2021. As of June 30, 2022, the value of the lease receivable is \$242,515. The lessee is required to make monthly fixed payments of \$2,101 and the lease has an interest rate of 0.2370%. The value of the deferred inflow of resources as of June 30, 2022, was \$239,935, and the Town recognized lease revenue of \$26,659 during the fiscal year. The lessee has five extension options, each for 60 months.

On September 1, 2018, the Town entered into a 120-month lease as the lessor for space on its water tower to a communications company. An initial lease receivable was recorded in the amount of \$393,888. As of June 30, 2022, the value of the lease receivable is \$358,015. The lessee is required to make monthly fixed payments of \$3,101 and the lease has an interest rate of 0.2370%. The value of the deferred inflow of resources as of June 30, 2022, was \$354,499, and the Town recognized lease revenue of \$39,389 during the fiscal year. The lessee has five extension options, each for 60 months.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

**Note 5 – Capital assets**

**A. Governmental capital assets**

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

|   | <u>Beginning<br/>Balance</u> | <u>Increases &amp;<br/>Transfers</u> | <u>Decreases</u>   | <u>Ending<br/>Balance</u> |
|---|------------------------------|--------------------------------------|--------------------|---------------------------|
| <b><u>Governmental activities:</u></b>                    |                              |                                      |                    |                           |
| Capital assets not being depreciated and amortized:       |                              |                                      |                    |                           |
| Land  | \$ 47,122,538                | \$ 3,365,348                         | \$ -               | \$ 50,487,886             |
| Construction in progress                                  | 10,388,952                   | 6,951,799                            | (2,748,167)        | 14,592,584                |
| Total capital assets not being depreciated and amortized  | <u>57,511,490</u>            | <u>10,317,147</u>                    | <u>(2,748,167)</u> | <u>65,080,470</u>         |
| Capital assets being depreciated:                         |                              |                                      |                    |                           |
| Buildings   | 24,567,259                   | 137,028                              | -                  | 24,704,287                |
| Infrastructure  | 102,508,646                  | 4,868,823                            | -                  | 107,377,469               |
| Other improvements  | 17,825,455                   | 703,006                              | -                  | 18,528,461                |
| Equipment and furniture                                   | 4,917,416                    | 271,671                              | (581,090)          | 4,607,997                 |
| Vehicles and motorized equipment                          | 9,520,141                    | 1,741,104                            | (288,489)          | 10,972,756                |
| Total capital assets being depreciated and amortized      | <u>159,338,917</u>           | <u>7,721,632</u>                     | <u>(869,579)</u>   | <u>166,190,970</u>        |
| Right to use leased assets being amortized:               |                              |                                      |                    |                           |
| Leased buildings  | -                            | 557,605                              | -                  | 557,605                   |
| Leased computers and equipment                            | -                            | 501,210                              | -                  | 501,210                   |
| Total right to use leased assets being amortized          | <u>-</u>                     | <u>1,058,815</u>                     | <u>-</u>           | <u>1,058,815</u>          |
| Less accumulated depreciation for:                        |                              |                                      |                    |                           |
| Buildings   | 6,929,357                    | 436,361                              | -                  | 7,365,718                 |
| Infrastructure  | 29,763,351                   | 1,970,355                            | -                  | 31,733,706                |
| Other improvements  | 4,462,322                    | 370,305                              | -                  | 4,832,627                 |
| Equipment and furniture                                   | 3,543,529                    | 278,150                              | (576,899)          | 3,244,780                 |
| Vehicles and motorized equipment                          | 6,028,953                    | 699,973                              | (251,157)          | 6,477,769                 |
| Total accumulated depreciation                            | <u>50,727,512</u>            | <u>3,755,144</u>                     | <u>(828,056)</u>   | <u>53,654,600</u>         |
| Less accumulated amortization for:                        |                              |                                      |                    |                           |
| Leased buildings  | -                            | 164,978                              | -                  | 164,978                   |
| Leased computers and equipment                            | -                            | 75,147                               | -                  | 75,147                    |
| Total accumulated amortization                            | <u>-</u>                     | <u>240,125</u>                       | <u>-</u>           | <u>240,125</u>            |
| Total capital assets being depreciated and amortized, net | <u>108,611,405</u>           |                                      |                    | <u>113,355,060</u>        |
| Governmental activities capital assets, net               | <u>\$ 166,122,895</u>        |                                      |                    | <u>\$ 178,435,530</u>     |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
*JUNE 30, 2022*

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**Note 5 – Capital assets (continued)**

**A. Governmental capital assets (continued)**

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

|                            |                     |
|----------------------------|---------------------|
| General government         | \$ 2,231,091        |
| Development services       | 16,304              |
| Public safety              | 928,813             |
| Public works               | 111,150             |
| Cultural and recreation    | <u>707,911</u>      |
| Total depreciation expense | <u>\$ 3,995,269</u> |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

**Note 5 – Capital assets (continued)**

**B. Business-type capital assets**

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

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|------------------|------------------|---------------------------|
| <b><u>Business-type activities:</u></b>      |                              |                  |                  |                           |
| <b>Stormwater Fund</b>                       |                              |                  |                  |                           |
| Capital assets not being depreciated:        |                              |                  |                  |                           |
| Land   | \$ 200,410                   | \$ -             | \$ -             | \$ 200,410                |
| Construction in progress                     | 137,647                      | 506,452          | -                | 644,099                   |
| Total capital assets not being depreciated   | <u>338,057</u>               | <u>506,452</u>   | <u>-</u>         | <u>844,509</u>            |
| Capital assets being depreciated:            |                              |                  |                  |                           |
| Infrastructure                               | 203,563                      | -                | -                | 203,563                   |
| Other improvements                           | 234,485                      | -                | -                | 234,485                   |
| Equipment and furniture                      | 22,054                       | 15,200           | -                | 37,254                    |
| Vehicles and motorized equipment             | 22,548                       | -                | -                | 22,548                    |
| Total capital assets being depreciated       | <u>482,650</u>               | <u>15,200</u>    | <u>-</u>         | <u>497,850</u>            |
| Less accumulated depreciation for:           |                              |                  |                  |                           |
| Infrastructure                               | 53,561                       | 6,545            | -                | 60,106                    |
| Other improvements                           | 93,438                       | 11,043           | -                | 104,481                   |
| Equipment and furniture                      | 18,616                       | 2,048            | -                | 20,664                    |
| Vehicles and motorized equipment             | 20,537                       | 1,048            | -                | 21,585                    |
| Total accumulated depreciation               | <u>186,152</u>               | <u>20,684</u>    | <u>-</u>         | <u>206,836</u>            |
| Total capital assets being depreciated, net  | <u>296,498</u>               |                  |                  | <u>291,014</u>            |
| Business-type activities capital assets, net | <u>\$ 634,555</u>            |                  |                  | <u>\$ 1,135,523</u>       |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

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**Note 5 – Capital assets (continued)**

**C. Construction commitments**

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

| Project                                 | Spent to Date | Remaining<br>Commitment |
|---|---------------|-------------------------|
| Public Safety Improvements              | \$ 3,206,656  | \$ 8,928,585            |
| Morrisville Carpenter Road Improvements | 8,609,963     | 1,631,494               |
| Sidewalk & Pedestrian Enhancements      | 882,223       | 286,756                 |
| Park & Greenway Improvements            | 7,594,506     | 1,837,505               |
| Church Street Park Improvements         | 27,019        | 103,836                 |
|   | \$ 20,320,367 | \$ 12,788,176           |

**Note 6 – Pension plan and postemployment obligations**

**A. Local Governmental Employees' Retirement System**

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

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

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

*Contributions* - Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Morrisville employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Morrisville's contractually required contribution rate for the year ended June 30, 2022, was 12.04% of compensation for law enforcement officers and 11.39% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan by the Town of Morrisville were \$1,743,725 for the year ended June 30, 2022.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

**Note 6 – Pension plan and postemployment obligations (continued)**

**A. Local Governmental Employees’ Retirement System (continued)**

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

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

At June 30, 2022, the Town reported a liability of \$3,062,591 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021 (the measurement date), the Town’s proportion was 0.1997%, which was an increase of 0.02484% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Town recognized pension expense of \$1,687,174. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between expected and actual experience  | \$ 974,320                                | \$ -                                     |
| Changes of assumptions  | 1,924,090                                 | -  |
| Net difference between projected and actual earnings on pension plan investments                          | -   | 4,375,523                                |
| Changes in proportion and differences between Town contributions and proportionate share of contributions | 548,582                                   | 50,456                                   |
| Town contributions subsequent to the measurement date   | 1,743,725                                 | -  |
| Total   | <u>\$ 5,190,717</u>                       | <u>\$ 4,425,979</u>                      |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

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**Note 6 – Pension plan and postemployment obligations (continued)**

**A. Local Governmental Employees’ Retirement System (continued)**

\$1,743,725 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ended</u><br><u>June 30,</u> |    |                    |
|--------------------------------------|----|--------------------|
| 2023                                 | \$ | 526,814            |
| 2024                                 |    | 45,482             |
| 2025                                 |    | (212,345)          |
| 2026                                 |    | <u>(1,338,938)</u> |
|                                      | \$ | <u>(978,987)</u>   |

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

|                           |  |
|---------------------------|--|
| Inflation                 | 2.50%  |
| Salary increases          | 3.25%, including inflation and productivity factor                 |
| Investment rate of return | 6.50%, net of pension plan investment expense, including inflation |

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

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

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



**Note 6 – Pension plan and postemployment obligations (continued)**

**A. Local Governmental Employees’ Retirement System (continued)**

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

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

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 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 2.50%. All rates of return and inflation are annualized.

**Note 6 – Pension plan and postemployment obligations (continued)**

**A. Local Governmental Employees’ Retirement System (continued)**

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

*Sensitivity of the Town’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* - The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Town’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

|   | <b>1% Decrease<br/>(5.50%)</b> | <b>Discount Rate<br/>(6.50%)</b> | <b>1% Increase<br/>(7.50%)</b> |
|---|--------------------------------|----------------------------------|--------------------------------|
| Town's proportionate share of the net pension liability (asset) | <u>\$ 11,888,724</u>           | <u>\$ 3,062,591</u>              | <u>\$ (4,200,803)</u>          |

*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.

**Note 6 – Pension plan and postemployment obligations (continued)**

**B. Law enforcement officers’ special separation allowance**

*Plan Description* - The Town of Morrisville administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the Town’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

|  |                  |
|--|------------------|
| Retirees receiving benefits  | 6                |
| Terminated plan members entitled to but not yet receiving benefits | -                |
| Active plan members  | <u>40</u>        |
| Total  | <u><u>46</u></u> |

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

The Separation Allowance has no assets accumulated in a trust.

**Note 6 – Pension plan and postemployment obligations (continued)**

**B. Law enforcement officers’ special separation allowance (continued)**

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

|                            |                |
|----------------------------|----------------|
| Inflation                  | 2.5%           |
| Projected salary increases | 3.25% to 7.75% |
| Discount rate              | 2.06%          |

The discount rate is based on the yield of The Bond Buyer 20-Bond GO Index as of December 31, 2021.

Mortality rates are based on the Pub-2010 amount-weighted tables and projected from 2010 using generational improvement with Scale MP-2019.

*Contributions* - The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$80,696 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, 2022, the Town reported a total pension liability of \$2,495,620. The total pension liability was measured as of December 31, 2021 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the Town recognized pension expense of \$354,127.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

**Note 6 – Pension plan and postemployment obligations (continued)**

**B. Law enforcement officers’ special separation allowance (continued)**

|  | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| Changes of assumptions and other inputs  | \$ 496,200                                | \$ 36,544                                |
| Differences between expected and actual experience                                 | 283,908                                   | -  |
| Benefit payments and administrative expenses<br>subsequent to the measurement date | <u>37,528</u>                             | <u>-</u>                                 |
| Total  | <u>\$ 817,636</u>                         | <u>\$ 36,544</u>                         |

\$37,528 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease to the total pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ended June 30,</u> |                   |
|----------------------------|-------------------|
| 2023                       | \$ 216,272        |
| 2024                       | 200,287           |
| 2025                       | 179,358           |
| 2026                       | 151,511           |
| Thereafter                 | <u>(3,864)</u>    |
| Total                      | <u>\$ 743,564</u> |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

**Note 6– Pension plan and postemployment obligations (continued)**

**B. Law enforcement officers’ special separation allowance (continued)**

*Sensitivity of the Town’s Total Pension Liability to Changes in the Discount Rate* - The following presents the Town’s total pension liability calculated using the discount rate of 2.06%, as well as what the Town’s total pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.06%) or one percentage point higher (3.06%) than the current rate:

|                         | <b>1% Decrease<br/>(1.06%)</b> | <b>Discount Rate<br/>(2.06%)</b> | <b>1% Increase<br/>(3.06%)</b> |
|-------------------------|--------------------------------|----------------------------------|--------------------------------|
| Total pension liability | \$ 2,687,705                   | \$ 2,495,620                     | \$ 2,317,410                   |

**Schedule of Changes in Total Pension Liability – Law Enforcement Officers’ Special Separation Allowance**

|   | <b>2022</b>         |
|---|---------------------|
| Beginning balance                       | \$ 2,468,521        |
| Changes for the year:                   |                     |
| Service cost                            | 68,679              |
| Interest                                | 47,256              |
| Changes of assumptions and other inputs | 2,017               |
| Benefit payments                        | (90,853)            |
| Ending balance                          | <u>\$ 2,495,620</u> |

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

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

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

**Note 6 – Pension plan and postemployment obligations (continued)**

**B. Law enforcement officers’ special separation allowance (continued)**

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

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

|   | <b>LGERS</b> | <b>LEOSSA</b> | <b>Total</b> |
|---|--------------|---------------|--------------|
| Pension Expense   | \$ 1,687,174 | \$ 354,127    | \$ 2,041,301 |
| Pension Liability   | 3,062,591    | 2,495,620     | 5,558,211    |
| Proportionate share of the net pension liability  | 0.1997%      |               |              |
| <b>Deferred Outflows of Resources</b>   |              |               |              |
| Differences between expected and actual experience  | 974,320      | 283,908       | 1,258,228    |
| Changes of assumptions  | 1,924,090    | 496,200       | 2,420,290    |
| Net difference between projected and actual earnings on plan investments                                | -            | -             | -            |
| Changes in proportion and differences between contributions and proportionate share                     | 548,582      | -             | 548,582      |
| Benefit payments and administrative costs paid subsequent to the measurement date                       | 1,743,725    | 37,528        | 1,781,253    |
| <b>Deferred Inflows of Resources</b>  |              |               |              |
| Differences between expected and actual experience  | -            | -             | -            |
| Changes of assumptions  | -            | 36,544        | 36,544       |
| Net difference between projected and actual earnings on plan investments                                | 4,375,523    | -             | 4,375,523    |
| Change in proportion and differences between Town contributions and proportionate share of contribution | 50,456       | -             | 50,456       |

**Note 6 – Pension plan and postemployment obligations (continued)**

**C. Supplemental retirement income plan for law enforcement officers**

*Plan Description* - The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy* - Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may also make voluntary contributions to the plan. The Town made contributions of \$158,137 for the reporting year. No amounts were forfeited.

**D. Supplemental retirement income plan for employees other than law enforcement officers**

*Plan Description* - All other permanent full-time employees of the Town (excluding law enforcement officers) also participate in the Supplemental Retirement Income Plan, a defined contribution pension plan as described above.

*Funding Policy* - The Town contributes each month an amount equal to five percent of each employee's (excluding law enforcement officers) salary, and all amounts contributed are vested immediately. These employees may also make voluntary contributions to the plan. The Town made contributions of \$595,656 for the reporting year.

**E. Firefighters' and rescue squad workers' pension fund**

*Plan Description* - The State of North Carolina contributes, on behalf of the Town of Morrisville, to the Firefighters' and Rescue Squad Workers' Pension Fund (Fund), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers who have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Firefighters' and Rescue Squad Workers' Pension Fund is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for the Firefighters' and Rescue Squad Workers' Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454 or at [www.osc.nc.gov](http://www.osc.nc.gov).



**Note 6 – Pension plan and postemployment obligations (continued)**

**E. Firefighters' and rescue squad workers' pension fund (continued)**

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

*Contributions* - Plan members are required to contribute \$10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The Town does not contribute to the Plan. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2022, the State contributed \$19,002,000 to the plan. The Town's proportionate share of the State's contribution is \$19,871.

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

***Pension (Assets) Liabilities, Pension (Revenue) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2022, the Town reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the Town through its appropriations to the Fund. The total portion of the net pension asset that was associated with the Town and supported by the State was \$29,208. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension (asset) liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net asset was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the Town is not projected to make any future contributions to the plan, its proportionate share at June 30, 2022 and at June 30, 2021 was 0%.

For the year ended June 30, 2022, the Town recognized pension expense of (\$3,217) and revenue of (\$3,217) for support provided by the State. At June 30, 2022, the Town reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

**Note 6 – Pension plan and postemployment obligations (continued)**

**E. Firefighters’ and rescue squad workers’ pension fund (continued)**

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

|                           |   |
|---------------------------|---|
| Inflation                 | 2.5%  |
| Salary increases          | Not applicable  |
| Investment rate of return | 6.5%, net of pension plan investment expense, including inflation |

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

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

*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.

**F. Other postemployment benefits – healthcare benefits**

*Plan Description* - Under the terms of a Town resolution adopted July 24, 2006, the Town administers a single-employer defined benefit Healthcare Benefits Plan (“HCB Plan”). The Town Council may amend the benefit provisions. No assets are accumulated in a trust. However, the Town sets aside cash resources, which are not considered contributions to an OPEB trust, to help pay the cost of providing these benefits. During the year ended June 30, 2022, the Town set aside \$445,064. The Town’s General Fund and Stormwater Fund have net position committed for retiree healthcare postemployment benefits at June 30, 2022 of \$4,180,217 and \$66,659 respectively.

**Note 6 – Pension plan and postemployment obligations (continued)**

**F. Other postemployment benefits – healthcare benefits (continued)**

*Benefits Provided* – The HCB Plan covers retirees of the Town who participate in the North Carolina Local Government Employees’ Retirement System (“System”) and have at least fifteen years of creditable service with the Town. The Town has elected to partially pay the future overall cost of coverage for these benefits. Also, retirees can purchase coverage for their dependents at the Town’s group rates at full cost to the retiree. The HCB Plan is available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. The Town Council established the eligibility of an employee who meets the conditions set forth under the provision of the North Carolina Local Government Employees’ Retirement System (“NCLGERS”) may elect to retire and receive all benefits earned under the retirement plan. An employee who retires directly from the Town may elect to continue on the Town’s group health insurance plan if requested within 30 days of the retirement date. Employees hired April 10, 2006 and later are required to have 15 consecutive years of Town service. When a retiree reaches Medicare coverage age, the retiree will no longer be eligible for coverage under the Town’s group health insurance. The Town will subsidize the cost of the health insurance premiums for the retiree as follows:

- 15 years of service: 50% subsidy
- An additional 2.5% subsidy added for every year up to 35 years of consecutive Town service.

An employee hired on or before April 10, 2006 who retires with the Local Government Retirement System with between five and fourteen years of consecutive Town service will be eligible to remain on the Town’s group health insurance at full cost to the employee. If the employee has fifteen or more years of consecutive service with the Town, the group rate will be subsidized at the percentages noted above. The Town obtains healthcare coverage through private insurers. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

|  | <b>General<br/>Employees</b> | <b>Law Enforcement<br/>Employees</b> |
|--|------------------------------|--------------------------------------|
| Retirees receiving benefits  | 8                            | 3                                    |
| Terminated plan members entitled to but not yet receiving benefits | -                            | -                                    |
| Active plan members  | 144                          | 40                                   |
| Total  | 152                          | 43                                   |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

**Note 6 – Pension plan and postemployment obligations (continued)**

**F. Other postemployment benefits – healthcare benefits (continued)**

***Total OPEB Liability***

The Town's total OPEB liability of \$6,252,466 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

|                                       |   |
|---------------------------------------|---|
| Inflation                             | 2.50%   |
| Real wage growth                      | 1.00%   |
| Salary increases, including inflation | General employees – 3.50% - 7.75%                             |
|                                       | Firefighters – 3.50% – 7.75%                                  |
|                                       | Law enforcement officers – 3.50% - 7.35%                      |
| Discount rate                         | 2.16%   |
| Healthcare cost trend rates           | 7.00% for 2020 decreasing to an ultimate rate of 4.5% by 2030 |

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

***Schedule of Changes in the Total OPEB Liability***

|  | <b><u>Total OPEB Liability</u></b> |
|--|------------------------------------|
| Balance at June 30, 2020 (measurement date)        | \$ 5,816,474                       |
| Changes for the year                               |                                    |
| Service cost                                       | 340,930                            |
| Interest   | 127,808                            |
| Changes of benefit terms                           | -                                  |
| Differences between expected and actual experience | -                                  |
| Changes in assumptions or other inputs             | 33,906                             |
| Benefit payments and implicit subsidy credit       | (66,652)                           |
| Net changes  | <u>435,992</u>                     |
| Balance at June 30, 2021 (measurement date)        | <u>\$ 6,252,466</u>                |

**Note 6 – Pension plan and postemployment obligations (continued)**

**F. Other postemployment benefits – healthcare benefits (continued)**

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% to 2.16%

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014, adopted by the LGERS Board

The remaining actuarial assumptions used in the June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current discount rate:

|                      | <b>1% Decrease</b><br><b>(1.16%)</b> | <b>Discount Rate</b><br><b>(2.16%)</b> | <b>1% Increase</b><br><b>(3.16%)</b> |
|----------------------|--------------------------------------|--|--------------------------------------|
| Total OPEB liability | \$ 6,934,291                         | \$ 6,252,466                           | \$ 5,636,711                         |

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates* - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

|                      | <b>1% Decrease</b> | <b>Current Rate</b> | <b>1% Increase</b> |
|----------------------|--------------------|---------------------|--------------------|
| Total OPEB liability | \$ 5,461,660       | \$ 6,252,466        | \$ 7,188,354       |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

**Note 6 – Pension plan and postemployment obligations (continued)**

**F. Other postemployment benefits – healthcare benefits (continued)**

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

For the year ended June 30, 2022, the Town recognized OPEB expense of \$505,446. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|--|---|--|
| Differences between expected and actual experience                                   | \$ 318,455                                    | \$ 777,716                               |
| Changes of assumptions or other inputs   | 793,549                                       | 123,200                                  |
| Benefit payments and administrative costs made<br>subsequent to the measurement date | 59,680  | -  |
| Total  | <u>\$ 1,171,684</u>                           | <u>\$ 900,916</u>                        |

\$59,680 reported as deferred outflows of resources related to other postretirement benefits resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to other postretirement benefits will be recognized in OPEB expense as follows:

| <b>Year<br/>Ended June 30:</b> |                   |
|--------------------------------|-------------------|
| 2023                           | \$ 36,708         |
| 2024                           | 36,708            |
| 2025                           | 36,708            |
| 2026                           | 36,708            |
| 2027                           | 44,579            |
| Thereafter                     | 19,677            |
|                                | <u>\$ 211,088</u> |

**Note 7 – Other employment benefits**

Group Term Life Insurance is offered to all eligible active employees only. Once an active employee separates from service (resignation, retirement or etc.), they are no longer covered under the Town's group term life insurance policy. The coverage is 1.5 times the employee's annual salary, with a maximum of \$100,000.

Local Government Death Benefit – The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Government Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after termination of service or retirement and have at least one year of contributing membership service in the System at the time of death are eligible to receive 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; however, the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, The Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

**Note 8 – Deferred outflows and inflows of resources**

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

|  | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> |
|--|------------------------------------|-------------------------------------|
| Pension deferrals - LGERS                | \$ 5,112,856                       | \$ 77,861                           |
| Pension deferrals - Separation Allowance | 817,636                            | -                                   |
| OPEB deferrals                           | 1,154,109                          | 17,575                              |
| Deferred charge on refunding             | 70,848                             | -                                   |
|  | <hr/>                              | <hr/>                               |
| Total                                    | <b>\$ 7,155,449</b>                | <b>\$ 95,436</b>                    |

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

|  | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Governmental<br/>Funds</b> |
|--|------------------------------------|-------------------------------------|-------------------------------|
| Taxes receivable, net                    | \$ -                               | \$ -                                | \$ 30,413                     |
| Leases receivable                        | 864,727                            | -                                   | 864,727                       |
| Prepaid taxes and fees                   | 12,777                             | -                                   | 12,777                        |
| Pension deferrals - LGERS                | 4,359,589                          | 66,390                              | -                             |
| Pension deferrals - Separation Allowance | 36,544                             | -                                   | -                             |
| OPEB deferrals                           | 887,402                            | 13,514                              | -                             |
|  | <hr/>                              | <hr/>                               | <hr/>                         |
| Total                                    | <b>\$ 6,161,039</b>                | <b>\$ 79,904</b>                    | <b>\$ 907,917</b>             |



**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

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**Note 9 – Risk management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial coverage for these and for all other risks of loss. There have been no significant reductions in insurance coverage between the current and prior years. Settled claims from these risks have not exceeded coverage in any of the past three years.

Major policies and their limits of coverage include the following:

|  |              |
|--|--------------|
| Building and personal property           | \$25,444,368 |
| Comprehensive general liability:         |              |
| Per occurrence                           | 1,000,000    |
| Aggregate                                | 2,000,000    |
| Business auto                            | 1,000,000    |
| Equipment                                | 648,637      |
| Comprehensive electronic data processing | 1,055,000    |
| Cyber Liability                          | 1,000,000    |
| Law enforcement liability                | 2,000,000    |
| Public officials' liability              | 2,000,000    |
| Public official bond:                    |              |
| Finance Director                         | 100,000      |
| Wake County Tax Collector                | 100,000      |
| Durham County Tax Collector              | 10,000       |
| Umbrella                                 | 4,000,000    |
| Public employees' crime/theft coverage   | 100,000      |
| Earthquake                               | 1,000,000    |
| Flood                                    | 5,000,000    |
| Workers compensation                     | 1,000,000    |
| Employment-Related Practices Liability   | 2,000,000    |

In accordance with G.S. 159-29, the Town's employees whose duties include the collection or processing of cash are performance bonded with a crime insurance policy with theft coverage of \$100,000. The Finance Director and the Wake County Tax Collector are individually bonded for \$100,000. The Durham County Tax Collector is bonded for \$10,000.

**Note 10 – Long-term obligations**

**A. Leases**

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

On September 1, 2018, the Town entered into a 36-month lease as lessee for the use of office space which was extended by 12 months. An initial lease liability was recorded in the amount of \$168,436. As of June 30, 2022, the value of the lease liability is \$124,977. The Town is required to make monthly fixed payments of \$3,648. The lease has an interest rate of 0.2370%.

On July 12, 2019, the Town entered into a 60-month lease as lessee for the use of copier equipment. An initial lease liability was recorded in the amount of \$96,286. As of June 30, 2022, the value of the lease liability is \$64,377. The Town is required to make monthly fixed payments of \$2,701. The lease has an interest rate of 0.6480%.

On February 1, 2020, the Town entered into a 60-month lease as lessee for the use of computer equipment. An initial lease liability was recorded in the amount of \$25,260. As of June 30, 2022, the value of the lease liability is \$16,851. The Town is required to make annual fixed payments of \$8,529. The lease has an interest rate of 0.8140%. The Town has the option to purchase the computer equipment for \$23,434.

On February 6, 2020, the Town entered into a 60-month lease as lessee for office space and community programming space. An initial lease liability was recorded in the amount of \$340,089. As of June 30, 2022, the value of the lease liability is \$253,977. The Town is required to make monthly fixed payments of \$7,336. The lease has an interest rate of 0.8140%.

On May 26, 2020, the Town entered into a 60-month lease as lessee for the use of computer equipment. An initial lease liability was recorded in the amount of \$13,175. As of June 30, 2022, the value of the lease liability is \$8,813. The Town is required to make annual fixed payments of \$4,460. The lease has an interest rate of 0.8140%. The Town has the option to purchase the computer equipment for \$12,397.

On September 1, 2020, the Town entered into a 60-month lease as lessee for the use of computer equipment. An initial lease liability was recorded in the amount of \$5,801. As of June 30, 2022, the value of the lease liability is \$4,339. The Town is required to make annual fixed payments of \$1,470. The lease has an interest rate of 0.8140%. The Town has the option to purchase the Computer Equipment for \$3,693.

On January 1, 2021, the Town entered into a 60-month lease as lessee for the use of computer equipment. An initial lease liability was recorded in the amount of \$37,236. As of June 30, 2022, the value of the lease liability is \$29,764. The Town is required to make annual fixed payments of \$8,599. The lease has an interest rate of 6.0500%.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

**Note 10 – Long-term obligations (continued)**

**A. Leases (continued)**

On June 1, 2021, the Town entered into a 60-month lease as lessee for the use of computer equipment. An initial lease liability was recorded in the amount of \$33,257. As of June 30, 2022, the value of the lease liability is \$25,395. The Town is required to make annual fixed payments of \$9,243. The lease has an interest rate of 4.5300%.

On October 18, 2021, the Town entered into a 12-month lease as lessee for the use of office space. An initial lease liability was recorded in the amount of \$49,080. As of June 30, 2022, the value of the lease liability is \$32,743. The Town is required to make monthly fixed payments of \$2,050. The lease has an interest rate of 0.2450%. The Town has two 12-month extension options which the Town expects to exercise.

On January 1, 2022, the Town entered into a 60-month lease as lessee for the use of computer equipment. An initial lease liability was recorded in the amount of \$67,583. As of June 30, 2022, the value of the lease liability is \$52,956. The Town is required to make annual fixed payments of \$14,627. The lease has an interest rate of 4.1100%.

On February 16, 2022, the Town entered into a 63-month lease as lessee for the use of copier equipment. An initial lease liability was recorded in the amount of \$222,612. As of June 30, 2022, the value of the lease liability is \$219,404. Town is required to make monthly fixed payments of \$3,809. The lease has an interest rate of 1.6200%.

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

| Year Ending<br>June 30 | Principal<br>Payments | Interest<br>Payments | Total             |
|------------------------|-----------------------|----------------------|-------------------|
| 2023                   | \$ 289,211            | \$ 10,952            | \$ 300,163        |
| 2024                   | 282,404               | 7,682                | 290,086           |
| 2025                   | 149,923               | 4,540                | 154,463           |
| 2026                   | 66,743                | 2,194                | 68,937            |
| 2027                   | 45,314                | 399                  | 45,713            |
|                        | <u>\$ 833,595</u>     | <u>\$ 25,767</u>     | <u>\$ 859,362</u> |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

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**Note 10 – Long-term obligations (continued)**

**B. Installment note indebtedness**

The Town has one direct placement installment note for capital projects and equipment. Installment notes payable at June 30, 2022 are comprised of the following:

Serviced by the General Fund:

\$3,100,000 direct placement installment obligation for road improvements on Morrisville-Carpenter Road and for renovation of the Morrisville Aquatics & Fitness Center issued on October 18, 2018; annual payments of \$155,000 plus interest at 3.349%, secured by the Morrisville Aquatics & Fitness Center building.

\$ 2,635,000

Annual debt service payments of the direct placement installment notes as of June 30, 2022, including \$794,215 of interest, are as follows:

| <b>Fiscal Year Ending<br/>June 30,</b> | <b>Principal</b>    | <b>Interest</b>   |
|--|---------------------|-------------------|
| 2023                                   | \$ 155,000          | \$ 88,246         |
| 2024                                   | 155,000             | 83,055            |
| 2025                                   | 155,000             | 77,864            |
| 2026                                   | 155,000             | 72,673            |
| 2027                                   | 155,000             | 67,482            |
| 2028-2032                              | 775,000             | 259,548           |
| 2033-2037                              | 775,000             | 129,774           |
| 2038-2042                              | 310,000             | 15,573            |
| Total                                  | <u>\$ 2,635,000</u> | <u>\$ 794,215</u> |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

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**Note 10 – Long-term obligations (continued)**

**C. General obligation bond indebtedness**

The Town’s general obligation bonds serviced by the governmental funds were issued for the construction of public safety facilities and improvements, street improvements, and for parks and recreation improvement and expansion projects. All general obligation bonds are collateralized by the full faith, credit and taxing power of the Town. In the event of a default, the Town agrees to pay the purchaser, on demand, interest on any and all amounts due and owing by the Town under the related agreements. Principal and interest requirements are appropriated when due. Bonds payable at June 30, 2022 are comprised of the following individual issues:

**Serviced by the General Fund:**

|  |                                    |
|--|------------------------------------|
| \$4,000,000 July 3, 2013 parks and recreation bonds due in annual installments of \$200,000 plus interest through August 2033; interest at varying rates from 2.0% to 3.0%                                   | \$ 2,400,000                       |
| \$10,000,000 October 4, 2016 street improvement bonds due in annual installments of \$500,000 plus interest through October 2036; interest at varying rates from 2.0% to 5.0%                                | 7,500,000                          |
| \$4,320,000 October 4, 2016 public improvement (refunding) bonds due in annual installments ranging from \$430,000 to \$440,000 plus interest through June 2027; interest at varying rates from 4.0% to 5.0% | 2,180,000                          |
| \$10,000,000 October 25, 2018 public improvement bonds due in annual installments ranging from \$290,000 to \$540,000 plus interest through August 2038; interest at varying rates from 4.0% to 5.0%         | 9,125,000                          |
| \$1,110,000 May 17, 2022 public safety Improvements bonds due in annual installments of \$370,000 plus interest through February 2025; interest rate 5.0%  | 1,110,000                          |
| \$16,500,000 May 18, 2022 public improvement bonds due in annual installments ranging from \$510,000 to \$880,000 plus interest through February 2042; interest at varying rates from 3.2% to 5.0%           | <u>16,500,000</u>                  |
| <b>Total</b>   | <b><u><u>\$ 38,815,000</u></u></b> |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

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**Note 10 – Long-term obligations (continued)**

**C. General obligation bond indebtedness (continued)**

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

| <u>Fiscal Year<br/>Ending<br/>June 30,</u> | <u>Principal</u>     | <u>Interest</u>     |
|--|----------------------|---------------------|
| 2023                                       | \$ 2,560,000         | \$1,307,693         |
| 2024                                       | 2,565,000            | 1,410,625           |
| 2025                                       | 2,555,000            | 1,294,775           |
| 2026                                       | 2,555,000            | 1,181,375           |
| 2027                                       | 2,555,000            | 1,067,875           |
| 2028-2032                                  | 10,580,000           | 3,887,463           |
| 2033-2037                                  | 9,975,000            | 1,862,854           |
| 2038-2042                                  | 5,470,000            | 501,500             |
| Total                                      | <u>\$ 38,815,000</u> | <u>\$12,514,160</u> |

At June 30, 2022, the Town had a legal debt margin of \$469,840,626.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

**Note 10 – Long-term obligations (continued)**

**D. Changes in long-term liabilities**

|  | <b>Balances at<br/>July 1,<br/>2021</b> | <b>Increases</b>     | <b>Decreases</b>    | <b>Balances at<br/>June 30,<br/>2022</b> | <b>Current<br/>Portion</b> |
|--|---|----------------------|---------------------|--|----------------------------|
| <u>Governmental activities</u>                 |   |                      |                     |  |                            |
| Bonds payable                                  |   |                      |                     |  |                            |
| General obligation bonds                       | \$ 22,875,000                           | \$ 17,610,000        | \$ 1,670,000        | \$ 38,815,000                            | \$ 2,560,000               |
| Premiums on issuance                           | 2,006,837                               | 1,234,275            | 220,705             | 3,020,407                                | 255,679                    |
| Total bonds payable                            | <u>24,881,837</u>                       | <u>18,844,275</u>    | <u>1,890,705</u>    | <u>41,835,407</u>                        | <u>2,815,679</u>           |
| Leases   | -                                       | 1,058,815            | 225,220             | 833,595                                  | 289,211                    |
| Direct placement installment notes             | 2,866,021                               | -                    | 231,021             | 2,635,000                                | 155,000                    |
| Compensated absences                           | 1,314,809                               | 1,219,641            | 1,113,229           | 1,421,221                                | 1,279,099                  |
| Total OPEB liability                           | 5,723,410                               | 435,269              | -                   | 6,158,679                                | -                          |
| Net pension liability (LGRS)                   | 6,148,517                               | -                    | 3,131,865           | 3,016,652                                | -                          |
| Total pension liability (LEO)                  | <u>2,468,521</u>                        | <u>27,099</u>        | <u>-</u>            | <u>2,495,620</u>                         | <u>-</u>                   |
| Governmental activities long-term liabilities  | <u>\$ 43,403,115</u>                    | <u>\$ 21,585,099</u> | <u>\$ 6,592,040</u> | <u>\$ 58,396,174</u>                     | <u>\$ 4,538,989</u>        |
| <u>Business-type activities</u>                |   |                      |                     |  |                            |
| Compensated Absences                           | \$ 22,353                               | \$ 16,858            | \$ 15,925           | \$ 23,286                                | \$ 20,957                  |
| Total OPEB liability                           | 93,064                                  | 723                  | -                   | 93,787                                   | -                          |
| Net pension liability (LGRS)                   | 99,976                                  | -                    | 54,037              | 45,939                                   | -                          |
| Business-type activities long-term liabilities | <u>\$ 215,393</u>                       | <u>\$ 17,581</u>     | <u>\$ 69,962</u>    | <u>\$ 163,012</u>                        | <u>\$ 20,957</u>           |

For the governmental activities, compensated absences, pension and OPEB liabilities are generally liquidated in the General Fund.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

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**Note 11 – Net investment in capital assets**

The following table provides detail information of the net investment in capital assets that is presented in the government-wide financial statements:

|  | <u>Governmental</u>   | <u>Business-Type</u> |
|--|-----------------------|----------------------|
| Capital assets, net of depreciation and amortization | \$ 178,435,530        | \$ 1,135,523         |
| Less: Long-term debt and lease liabilities           | 42,283,595            | -                    |
| Unamortized Liabilities related to Capital           | 3,020,407             | -                    |
| Add: Unspent debt proceeds                           | 19,658,764            | -                    |
| Deferred charging on refunding                       | 70,848                | -                    |
|  | <u>\$ 152,861,140</u> | <u>\$ 1,135,523</u>  |

**Note 12 – Summary disclosure of significant contingencies**

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

Claims, Judgments and Contingent Liabilities - From time to time, the Town is a defendant in assorted lawsuits. At June 30, 2022, in the opinion of the Town's management and the Town's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.



**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2022*

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**Note 13 – Interfund transfer activity**

Transfers to and from other funds for the fiscal year ended June 30, 2022, consists of the following:

|   |                     |
|---|---------------------|
| From the General Fund to the Church Street Park Expansion Capital Project Fund to accumulate resources for the design and construction of amenity expansions and upgrades to the Church Street Park facility. | \$ 2,500,000        |
| From the American Rescue Plan Act Special Revenue Fund to the General Fund as reimbursement for general government expenditures permitted as lost revenue under the provisions of the Act.                    | 1,119,300           |
| From the General Fund - Roadway and Transportation Capital Reserve sub-fund to the NC 54 Congestion Mitigation Capital Project Fund to supplement other funding sources for financing the project.            | 240,000             |
| From the General Fund - Parks and Recreation Capital Reserve sub-fund to the Land and Parkland Acquisition Capital Project Fund to supplement other funding sources for financing the project.                | 620,000             |
| From the General Fund to the Land and Parkland Acquisition Capital Project Fund to supplement other funding sources for financing the project.  | 977,650             |
| From the Morrisville Aquatics & Fitness Center Renovation Capital Project Fund to the General Fund - CIP Capital Reserve sub-fund for residual project funds at project close out.                            | 5,834               |
| From the General Fund - CIP Capital Reserve sub-fund to the Town Center Capital Project Fund to supplement other funding sources for financing the project.   | 310,000             |
| From the Historic Church Parking Lot Expansion Capital Project Fund to the General fund - CIP Capital Reserve sub-fund for residual project funds at project close out.                                       | 24,362              |
| From the General Fund to Shiloh Sewer Capital Project Fund to supplement other funding sources for financing the project.   | 200,000             |
| Total   | <u>\$ 5,997,146</u> |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
*JUNE 30, 2022*

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**Note 14 – Subsequent events**

The Town has evaluated subsequent events through October 28, 2022, in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.

# Required Supplementary Information

**TOWN OF MORRISVILLE, NORTH CAROLINA****Exhibit A-1**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY  
LAST SIX FISCAL YEARS\*

|   | <u>2022</u>         | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         | <u>2017</u>         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total pension liability, beginning balance        | \$ 2,468,521        | \$ 1,508,609        | \$ 1,260,670        | \$ 1,164,414        | \$ 1,014,588        | \$ 1,011,856        |
| Changes for the year:                             |                     |                     |                     |                     |                     |                     |
| Service cost                                      | 68,679              | 66,517              | 56,285              | 64,043              | 51,158              | 45,324              |
| Interest  | 47,256              | 48,221              | 44,593              | 36,107              | 38,474              | 35,158              |
| Difference between expected and actual experience | -                   | 243,617             | 186,034             | 90,216              | 24,497              | -                   |
| Changes of assumptions and other inputs           | 2,017               | 696,748             | 43,120              | (50,528)            | 71,425              | (23,656)            |
| Benefit payments                                  | (90,853)            | (95,191)            | (82,093)            | (43,582)            | (35,728)            | (54,094)            |
| Total pension liability, ending balance           | <u>\$ 2,495,620</u> | <u>\$ 2,468,521</u> | <u>\$ 1,508,609</u> | <u>\$ 1,260,670</u> | <u>\$ 1,164,414</u> | <u>\$ 1,014,588</u> |

The amounts presented were determined as of the prior fiscal year ending December 31.

\* Information is not available for years prior those presented.

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Exhibit A-2**

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL

JUNE 30, 2022

LAST SIX FISCAL YEARS\*

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|   | <u>2022</u>  | <u>2021</u>  | <u>2020</u>  | <u>2019</u>  | <u>2018</u>  | <u>2017</u>  |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Total pension liability   | \$ 2,495,620 | \$ 2,468,521 | \$ 1,508,609 | \$ 1,260,670 | \$ 1,164,414 | \$ 1,014,588 |
| Covered-employee payroll  | 2,526,515    | 2,526,615    | 2,208,445    | 2,246,153    | 2,128,913    | 1,905,496    |
| Total pension liability as a percentage of covered-employee payroll | 98.78%       | 97.70%       | 68.31%       | 56.13%       | 54.70%       | 53.25%       |

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

\* Information is not available for years prior to those presented.

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Exhibit A-3**

OTHER POSTEMPLOYMENT BENEFITS

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

JUNE 30, 2022

LAST FIVE FISCAL YEARS\*

|  | <u>2022</u>         | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total OPEB Liability</b>                                      |                     |                     |                     |                     |                     |
| Service cost   | \$ 340,930          | \$ 333,558          | \$ 308,721          | \$ 259,192          | \$ 278,691          |
| Interest   | 127,808             | 205,469             | 189,499             | 141,652             | 117,208             |
| Differences between expected and actual experience               | -                   | (981,574)           | 1,978               | 538,082             | 8,586               |
| Changes in assumptions or other inputs                           | 33,906              | 749,738             | 226,799             | 23,223              | (254,545)           |
| Benefit payments   | <u>(66,652)</u>     | <u>(54,881)</u>     | <u>(67,918)</u>     | <u>(71,491)</u>     | <u>(58,472)</u>     |
| Net change in total OPEB liability                               | 435,992             | 252,310             | 659,079             | 890,658             | 91,468              |
| Total OPEB liability - beginning                                 | <u>5,816,474</u>    | <u>5,564,164</u>    | <u>4,905,085</u>    | <u>4,014,427</u>    | <u>3,922,959</u>    |
| Total OPEB liability - ending                                    | <u>\$ 6,252,466</u> | <u>\$ 5,816,474</u> | <u>\$ 5,564,164</u> | <u>\$ 4,905,085</u> | <u>\$ 4,014,427</u> |
| Covered-employee payroll   | \$ 11,909,267       | \$ 11,909,267       | \$ 9,526,195        | \$ 9,526,195        | \$ 8,241,429        |
| Total OPEB liability as a percentage of covered-employee payroll | 52.50%              | 48.84%              | 58.41%              | 51.49%              | 48.71%              |

**Notes to the required schedule:**

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

\* Information is not available for years prior to those presented.

Changes of assumptions: Changes of assumptions or other inputs reflect the effects of changes in the discount rate of each period. The following is the discount rate used in each period:

| <u>Fiscal year</u> | <u>Rate</u> |
|--------------------|-------------|
| 2022               | 2.16%       |
| 2021               | 2.21%       |
| 2020               | 3.50%       |
| 2019               | 3.89%       |
| 2018               | 3.56%       |

Schedule of Proportionate Share of Net Pension Liability (Asset) and Contributions

|   | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016       | 2015           | 2014         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|------------|----------------|--------------|
| Town's proportion of the net pension liability (asset) (%)  | 0.1997%      | 0.1749%      | 0.1638%      | 0.1738%      | 0.1696%      | 0.1667%      | 0.1937%    | (0.1924%)      | (0.0018%)    |
| Town's proportion of the net pension liability (asset) (\$)   | \$ 3,062,591 | \$ 6,248,493 | \$ 4,472,158 | \$ 4,122,419 | \$ 2,590,713 | \$ 3,536,870 | \$ 869,493 | \$ (1,134,613) | \$ 2,221,523 |
| Town's covered payroll  | 13,222,889   | 11,780,772   | 10,745,653   | 10,266,112   | 9,514,872    | 9,692,159    | 9,218,986  | 8,826,890      | 8,448,530    |
| Town's proportionate share of the net pension liability (asset)<br>as a percentage of its covered payroll | 23.16%       | 53.04%       | 41.62%       | 40.16%       | 27.23%       | 36.49%       | 9.43%      | (12.31)%       | 25.20%       |
| Plan fiduciary net position as a percentage of the total pension liability                                | 106.41%      | 88.61%       | 90.68%       | 91.63%       | 94.18%       | 99.07%       | 98.09%     | 102.64%        | 94.35%       |

Schedule of Contributions

|  | 2022          | 2021          | 2020          | 2019          | 2018          | 2017         | 2016         | 2015         | 2014       |
|--|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|------------|
| Contractually required contribution                                  | \$ 1,743,725  | \$ 1,408,352  | \$ 1,141,887  | \$ 852,915    | \$ 789,462    | \$ 708,703   | \$ 614,882   | \$ 664,606   | \$ 627,967 |
| Contributions in relation to the contractually required contribution | 1,743,725     | 1,408,352     | 1,141,887     | 852,915       | 789,462       | 708,703      | 614,882      | 664,606      | 627,967    |
| Contribution deficiency (excess)                                     | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -       |
| Town's covered payroll   | \$ 14,855,235 | \$ 13,222,889 | \$ 11,780,772 | \$ 10,745,653 | \$ 10,266,112 | \$ 9,514,872 | \$ 9,692,159 | \$ 9,218,986 | 8,826,890  |
| Contributions as a percentage of covered payroll                     | 11.7%         | 10.7%         | 9.7%          | 7.9%          | 7.7%          | 7.4%         | 6.3%         | 7.2%         | 7.1%       |

\* Information is not available for years prior to those presented.

Schedule of Proportionate Share of Net Pension (Asset) Liability

|  | <u>2022</u>        | <u>2021</u>      | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      |
|--|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Town's proportionate share of the net pension (asset) liability (%)                                    | 0.00%              | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%            |
| Town's proportionate share of the net pension (asset) liability (\$)                                   | \$ -               | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             |
| State's proportionate share of the net pension (asset) liability associated with the Town              | <u>(29,208)</u>    | <u>50,383</u>    | <u>44,377</u>    | <u>62,645</u>    | <u>50,289</u>    | <u>34,813</u>    | <u>48,890</u>    | <u>40,887</u>    |
| Total  | <u>\$ (29,208)</u> | <u>\$ 50,383</u> | <u>\$ 44,377</u> | <u>\$ 62,645</u> | <u>\$ 50,289</u> | <u>\$ 34,813</u> | <u>\$ 48,890</u> | <u>\$ 40,887</u> |
| Town's covered payroll   | \$ 4,505,184       | \$ 4,109,164     | \$ 3,822,741     | \$ 3,373,603     | \$ 3,025,462     | \$ 2,757,188     | \$ 2,939,216     | \$ 2,729,868     |
| Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll | -0.65%             | 1.23%            | 1.16%            | 1.86%            | 1.66%            | 1.26%            | 1.66%            | 1.50%            |
| Plan fiduciary net position as a percentage of the total pension (asset) liability                     | 105.58%            | 92.58%           | 89.69%           | 89.35%           | 84.94%           | 91.40%           | 93.42%           | 92.76%           |

\* Information is not available for years prior to those presented.



# Combining and Individual Fund Statements and Schedules

This section contains additional information on the Governmental (includes sub-funds of the General Fund) and Proprietary Funds (budget to actual comparison) and other schedules (ad-valorem taxes receivable, current tax levy and general obligation debt service requirements and maturity schedule).

TOWN OF MORRISVILLE, NORTH CAROLINA  
SUB-FUND COMBINING BALANCE SHEET  
GENERAL FUND  
JUNE 30, 2022

Schedule 1

|   | Sub-Funds            |   |  |   |  |                                       |                      | Total<br>General<br>Fund |
|---|----------------------|---|--|---|--|---------------------------------------|----------------------|--------------------------|
|   | General<br>Fund      | Fire Apparatus<br>Capital Reserve<br>Fund | Roadway and<br>Transportation<br>Capital Reserve<br>Fund | Capital<br>Investment Plan<br>Capital Reserve<br>Fund | Parks and<br>Recreation<br>Capital Reserve<br>Fund | Municipal<br>Service District<br>Fund | Debt Service<br>Fund |                          |
| <b>Assets</b>   |                      |   |  |   |  |                                       |                      |                          |
| Cash and cash equivalents   | \$ 22,763,199        | \$ 765,519                                | \$ 1,628,808   | \$ 88,633   | \$ 12  | \$ 656,820                            | \$ 992,760           | \$ 26,895,751            |
| Receivables   |                      |   |  |   |  |                                       |                      |                          |
| Taxes   | 30,413               | -   | -  | -   | -  | -                                     | -                    | 30,413                   |
| Accounts  | 105,951              | -   | -  | -   | -  | -                                     | -                    | 105,951                  |
| Lease   | 873,130              | -   | -  | -   | -  | -                                     | -                    | 873,130                  |
| Due from other governments  | 3,512,782            | -   | -  | 424   | -  | 905                                   | 760                  | 3,514,871                |
| Prepaid expenses  | 20,485               | -   | -  | -   | -  | -                                     | -                    | 20,485                   |
| Street improvements   | 3,090,998            | -   | -  | -   | -  | -                                     | -                    | 3,090,998                |
| <b>Total assets</b>   | <b>\$ 30,396,958</b> | <b>\$ 765,519</b>                         | <b>\$ 1,628,808</b>                                      | <b>\$ 89,057</b>                                      | <b>\$ 12</b>                                       | <b>\$ 657,725</b>                     | <b>\$ 993,520</b>    | <b>\$ 34,531,599</b>     |
| <b>Liabilities</b>  |                      |   |  |   |  |                                       |                      |                          |
| Accounts payable and accrued liabilities                                      | \$ 2,504,089         | \$ -                                      | \$ -   | \$ -  | \$ -   | \$ -                                  | \$ -                 | \$ 2,504,089             |
| Total liabilities   | 2,504,089            | -   | -  | -   | -  | -                                     | -                    | 2,504,089                |
| <b>Deferred inflows of resources</b>  |                      |   |  |   |  |                                       |                      |                          |
| Taxes receivable  | 30,413               | -   | -  | -   | -  | -                                     | -                    | 30,413                   |
| Prepaid taxes and fees  | 12,777               | -   | -  | -   | -  | -                                     | -                    | 12,777                   |
| Leases  | 864,727              | -   | -  | -   | -  | -                                     | -                    | 864,727                  |
| Total deferred inflows of resources   | 907,917              | -   | -  | -   | -  | -                                     | -                    | 907,917                  |
| <b>Fund balances</b>  |                      |   |  |   |  |                                       |                      |                          |
| Nonspendable:   |                      |   |  |   |  |                                       |                      |                          |
| Prepaid expenses  | 20,485               | -   | -  | -   | -  | -                                     | -                    | 20,485                   |
| Leases  | 8,403                | -   | -  | -   | -  | -                                     | -                    | 8,403                    |
| Restricted:   |                      |   |  |   |  |                                       |                      |                          |
| Stabilization by State statute  | 4,440,643            | -   | -  | 424   | -  | 905                                   | 760                  | 4,442,732                |
| Street improvements   | 3,069,699            | -   | -  | -   | -  | -                                     | -                    | 3,069,699                |
| Public safety operations and activities                                       | 21,299               | -   | -  | -   | -  | -                                     | -                    | 21,299                   |
| Committed:  |                      |   |  |   |  |                                       |                      |                          |
| General governmental capital  | -                    | 765,519                                   | 1,628,808  | 88,633  | -  | -                                     | -                    | 2,482,960                |
| Parks and recreation capital  | -                    | -   | -  | -   | 12   | -                                     | -                    | 12                       |
| Debt service  | -                    | -   | -  | -   | -  | -                                     | 992,760              | 992,760                  |
| LEOSSA pension liability  | 345,150              | -   | -  | -   | -  | -                                     | -                    | 345,150                  |
| OPEB liability  | 4,180,217            | -   | -  | -   | -  | -                                     | -                    | 4,180,217                |
| Assigned:   |                      |   |  |   |  |                                       |                      |                          |
| Fire operations and activities  | 2,487                | -   | -  | -   | -  | -                                     | -                    | 2,487                    |
| Subsequent year's expenditures  | 1,841,400            | -   | -  | -   | -  | -                                     | -                    | 1,841,400                |
| Unassigned  | 13,055,169           | -   | -  | -   | -  | 656,820                               | -                    | 13,711,989               |
| Total fund balances   | 26,984,952           | 765,519                                   | 1,628,808  | 89,057  | 12   | 657,725                               | 993,520              | 31,119,593               |
| <b>Total liabilities, deferred inflows of resources<br/>and fund balances</b> | <b>\$ 30,396,958</b> | <b>\$ 765,519</b>                         | <b>\$ 1,628,808</b>                                      | <b>\$ 89,057</b>                                      | <b>\$ 12</b>                                       | <b>\$ 657,725</b>                     | <b>\$ 993,520</b>    | <b>\$ 34,531,599</b>     |

TOWN OF MORRISVILLE, NORTH CAROLINA

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

GENERAL FUND

YEAR ENDED JUNE 30, 2022

|   | Sub-Funds            |   |  |   |  |                                       |                      | Total<br>General<br>Fund |
|---|----------------------|---|--|---|--|---------------------------------------|----------------------|--------------------------|
|   | General<br>Fund      | Fire Apparatus<br>Capital Reserve<br>Fund | Roadway and<br>Transportation<br>Capital Reserve<br>Fund | Capital<br>Investment Plan<br>Capital Reserve<br>Fund | Parks and<br>Recreation<br>Capital Reserve<br>Fund | Municipal<br>Service District<br>Fund | Debt Service<br>Fund |                          |
| <b>Revenues</b>                             |                      |   |  |   |  |                                       |                      |                          |
| Ad valorem taxes                            | \$ 22,976,741        | \$ -                                      | \$ -   | \$ -  | \$ -   | \$ 118,155                            | \$ -                 | \$ 23,094,896            |
| Other taxes and licenses                    | 613,440              | -   | -  | -   | -  | -                                     | -                    | 613,440                  |
| Unrestricted intergovernmental              | 12,332,544           | -   | -  | -   | -  | -                                     | -                    | 12,332,544               |
| Restricted intergovernmental                | 1,022,309            | -   | -  | -   | -  | -                                     | -                    | 1,022,309                |
| Permits and fees                            | 1,440,679            | -   | -  | -   | -  | -                                     | -                    | 1,440,679                |
| Sales and services                          | 897,146              | -   | -  | -   | -  | -                                     | -                    | 897,146                  |
| Investment earnings                         | 38,196               | 1,070                                     | 2,488  | 315   | 12   | 878                                   | 2,737                | 45,696                   |
| Miscellaneous                               | 546,371              | -   | -  | -   | -  | -                                     | -                    | 546,371                  |
| <b>Total revenues</b>                       | <b>39,867,426</b>    | <b>1,070</b>                              | <b>2,488</b>   | <b>315</b>  | <b>12</b>  | <b>119,033</b>                        | <b>2,737</b>         | <b>39,993,081</b>        |
| <b>Expenditures</b>                         |                      |   |  |   |  |                                       |                      |                          |
| Current                                     |                      |   |  |   |  |                                       |                      |                          |
| General government                          | 7,133,823            | -   | -  | -   | -  | -                                     | 173,235              | 7,307,058                |
| Development services                        | 3,573,342            | -   | -  | -   | -  | -                                     | -                    | 3,573,342                |
| Public safety                               | 12,212,734           | -   | -  | -   | -  | -                                     | -                    | 12,212,734               |
| Public works                                | 8,629,499            | -   | -  | -   | -  | 222                                   | -                    | 8,629,721                |
| Culture and recreation                      | 2,401,529            | -   | -  | -   | -  | -                                     | -                    | 2,401,529                |
| Capital outlay                              | 526,077              | -   | -  | -   | -  | -                                     | -                    | 526,077                  |
| Debt service                                |                      |   |  |   |  |                                       |                      |                          |
| Principal                                   | 225,220              | -   | -  | -   | -  | -                                     | 1,901,021            | 2,126,241                |
| Interest                                    | 6,432                | -   | -  | -   | -  | -                                     | 946,966              | 953,398                  |
| <b>Total expenditures</b>                   | <b>34,708,656</b>    | <b>-</b>                                  | <b>-</b>   | <b>-</b>  | <b>-</b>   | <b>222</b>                            | <b>3,021,222</b>     | <b>37,730,100</b>        |
| <b>Excess of revenues over expenditures</b> | <b>5,158,770</b>     | <b>1,070</b>                              | <b>2,488</b>   | <b>315</b>  | <b>12</b>  | <b>118,811</b>                        | <b>(3,018,485)</b>   | <b>2,262,981</b>         |
| <b>Other financing sources (uses)</b>       |                      |   |  |   |  |                                       |                      |                          |
| Transfers in                                | 1,119,300            | 750,000                                   | 620,000  | 30,196  | 620,000  | 110,000                               | 3,657,500            | 6,906,996                |
| Transfers out                               | (9,435,150)          | -   | (240,000)  | (310,000)   | (620,000)  | -                                     | -                    | (10,605,150)             |
| <b>Total other financing sources (uses)</b> | <b>(8,315,850)</b>   | <b>750,000</b>                            | <b>380,000</b>   | <b>(279,804)</b>                                      | <b>-</b>   | <b>110,000</b>                        | <b>3,657,500</b>     | <b>(3,698,154)</b>       |
| <b>Net change in fund balance</b>           | <b>(3,157,080)</b>   | <b>751,070</b>                            | <b>382,488</b>   | <b>(279,489)</b>                                      | <b>12</b>  | <b>228,811</b>                        | <b>639,015</b>       | <b>(1,435,173)</b>       |
| <b>Fund balances, beginning</b>             | <b>30,142,032</b>    | <b>14,449</b>                             | <b>1,246,320</b>   | <b>368,546</b>  | <b>-</b>   | <b>428,914</b>                        | <b>354,505</b>       | <b>32,554,766</b>        |
| <b>Fund balances, ending</b>                | <b>\$ 26,984,952</b> | <b>\$ 765,519</b>                         | <b>\$ 1,628,808</b>                                      | <b>\$ 89,057</b>                                      | <b>\$ 12</b>                                       | <b>\$ 657,725</b>                     | <b>\$ 993,520</b>    | <b>\$ 31,119,593</b>     |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - GENERAL FUND (SUB-FUND)  
 YEAR ENDED JUNE 30, 2022

**Schedule 3**

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|   | <b>Final<br/>Budget</b> | <b>Actual</b>     | <b>Variance<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|-------------------|---|
| <b>Revenues</b>                                   |                         |                   |   |
| Ad valorem taxes                                  |                         |                   |   |
| Current year                                      | \$ 22,703,000           | \$ 22,892,107     | \$ 189,107                                  |
| Prior years                                       | 25,000                  | 53,548            | 28,548                                      |
| Penalties and interest                            | 25,000                  | 31,086            | 6,086                                       |
| Total ad valorem taxes                            | <u>22,753,000</u>       | <u>22,976,741</u> | <u>223,741</u>                              |
| Other taxes and licenses                          |                         |                   |   |
| Motor vehicle decal tax                           | <u>600,000</u>          | <u>613,440</u>    | <u>13,440</u>                               |
| Unrestricted intergovernmental                    |                         |                   |   |
| Local option sales taxes                          | 6,980,700               | 8,824,518         | 1,843,818                                   |
| Rental vehicle tax                                | 107,600                 | 41,381            | (66,219)                                    |
| Utilities sales tax                               | 1,656,400               | 1,805,067         | 148,667                                     |
| Telecommunication and video programming sales tax | 659,500                 | 650,382           | (9,118)                                     |
| Beer and wine tax                                 | 119,000                 | 118,766           | (234)                                       |
| Wake County fire tax                              | 782,000                 | 869,867           | 87,867                                      |
| Fire reimbursements                               | 15,000                  | -                 | (15,000)                                    |
| Solid waste disposal tax                          | 19,000                  | 22,563            | 3,563                                       |
| Total unrestricted intergovernmental              | <u>10,339,200</u>       | <u>12,332,544</u> | <u>1,993,344</u>                            |
| Restricted intergovernmental                      |                         |                   |   |
| Powell Bill allocation                            | 749,526                 | 749,526           | -   |
| Grants  | 318,350                 | 272,783           | (45,567)                                    |
| Total restricted intergovernmental                | <u>1,067,876</u>        | <u>1,022,309</u>  | <u>(45,567)</u>                             |
| Permits and fees                                  |                         |                   |   |
| Building permits                                  | 924,600                 | 1,187,120         | 262,520                                     |
| Planning fees                                     | 115,000                 | 143,505           | 28,505                                      |
| Engineering fees                                  | 330,000                 | 49,235            | (280,765)                                   |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - GENERAL FUND (SUB-FUND)  
 YEAR ENDED JUNE 30, 2022

**Schedule 3**

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|   | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-------------------|---|
| Permits and fees (continued)                  |                         |                   |   |
| Officer fees and civil police                 | \$ 15,000               | \$ 15,572         | \$ 572                                      |
| Fire permits                                  | 63,750                  | 45,247            | (18,503)                                    |
| Total permits and fees                        | <u>1,448,350</u>        | <u>1,440,679</u>  | <u>(7,671)</u>                              |
| Sales and services                            |                         |                   |   |
| Recreation                                    | 995,350                 | 614,315           | (381,035)                                   |
| Rents   | 267,160                 | 282,831           | 15,671                                      |
| Total Sales and services                      | <u>1,262,510</u>        | <u>897,146</u>    | <u>(365,364)</u>                            |
| Investment earnings                           | <u>27,220</u>           | <u>38,196</u>     | <u>10,976</u>                               |
| Miscellaneous                                 |                         |                   |   |
| ABC revenue                                   | 212,400                 | 273,620           | 61,220                                      |
| Surplus property                              | 80,000                  | 115,831           | 35,831                                      |
| Wake County Landfill                          | 60,000                  | 29,238            | (30,762)                                    |
| Miscellaneous                                 | 156,522                 | 124,076           | (32,446)                                    |
| Fines and forfeitures                         | 3,606                   | 3,606             | -   |
| Contributions and donations - private sources | 7,500                   | -                 | (7,500)                                     |
| Total miscellaneous                           | <u>520,028</u>          | <u>546,371</u>    | <u>26,343</u>                               |
| Total revenues                                | <u>38,018,184</u>       | <u>39,867,426</u> | <u>1,849,242</u>                            |
| <b>Expenditures</b>                           |                         |                   |   |
| General government                            |                         |                   |   |
| Governing body                                |                         |                   |   |
| Personnel costs                               | 97,758                  | 95,647            | 2,111                                       |
| Contract and professional services            | 357,264                 | 232,535           | 124,729                                     |
| Other operating                               | 96,700                  | 85,237            | 11,463                                      |
| Subtotal                                      | <u>551,722</u>          | <u>413,419</u>    | <u>138,303</u>                              |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND (SUB-FUND)

YEAR ENDED JUNE 30, 2022

**Schedule 3**

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|                                     | Final<br>Budget  | Actual           | Variance<br>Positive<br>(Negative) |
|-------------------------------------|------------------|------------------|------------------------------------|
| Administration                      |                  |                  |                                    |
| Personnel costs                     | \$ 1,222,813     | \$ 1,191,934     | \$ 30,879                          |
| Contract and professional services  | 21,432           | 7,352            | 14,080                             |
| Other operating                     | 801,430          | 800,230          | 1,200                              |
| Debt service - principal retirement | 16,337           | 16,337           | -                                  |
| Debt service - interest             | 63               | 63               | -                                  |
| Subtotal                            | <u>2,062,075</u> | <u>2,015,916</u> | <u>46,159</u>                      |
| Communications & Outreach           |                  |                  |                                    |
| Personnel costs                     | 492,059          | 474,785          | 17,274                             |
| Contract and professional services  | 122,900          | 89,092           | 33,808                             |
| Other operating                     | 210,667          | 164,791          | 45,876                             |
| Subtotal                            | <u>825,626</u>   | <u>728,668</u>   | <u>96,958</u>                      |
| Information technology              |                  |                  |                                    |
| Personnel costs                     | 1,020,786        | 958,148          | 62,638                             |
| Contract and professional services  | 225,311          | 208,685          | 16,626                             |
| Other operating                     | 1,630,518        | 1,343,954        | 286,564                            |
| Debt service - principal retirement | 79,313           | 79,313           | -                                  |
| Debt service - interest             | 3,830            | 3,830            | -                                  |
| Subtotal                            | <u>2,959,758</u> | <u>2,593,930</u> | <u>365,828</u>                     |
| Finance                             |                  |                  |                                    |
| Personnel costs                     | 636,067          | 611,036          | 25,031                             |
| Contract and professional services  | 217,475          | 201,501          | 15,974                             |
| Other operating                     | 34,020           | 13,497           | 20,523                             |
| Subtotal                            | <u>887,562</u>   | <u>826,034</u>   | <u>61,528</u>                      |
| Human resources                     |                  |                  |                                    |
| Personnel costs                     | 492,237          | 480,435          | 11,802                             |
| Contract and professional services  | 143,026          | 143,759          | (733)                              |
| Other operating                     | 45,500           | 31,205           | 14,295                             |
| Subtotal                            | <u>680,763</u>   | <u>655,399</u>   | <u>25,364</u>                      |
| Total general government            | <u>7,967,506</u> | <u>7,233,366</u> | <u>734,140</u>                     |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND (SUB-FUND)

YEAR ENDED JUNE 30, 2022

**Schedule 3**

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|                                    | Final<br>Budget  | Actual           | Variance<br>Positive<br>(Negative) |
|------------------------------------|------------------|------------------|------------------------------------|
| Development services               |                  |                  |                                    |
| Engineering                        |                  |                  |                                    |
| Personnel costs                    | \$ 946,185       | \$ 923,119       | \$ 23,066                          |
| Contract and professional services | 124,740          | 87,677           | 37,063                             |
| Other operating                    | 22,200           | 20,186           | 2,014                              |
| Capital outlay                     | 150,000          | 137,028          | 12,972                             |
| Subtotal                           | <u>1,243,125</u> | <u>1,168,010</u> | <u>75,115</u>                      |
| Inspections                        |                  |                  |                                    |
| Personnel costs                    | 982,645          | 848,889          | 133,756                            |
| Other operating                    | 64,500           | 48,988           | 15,512                             |
| Subtotal                           | <u>1,047,145</u> | <u>897,877</u>   | <u>149,268</u>                     |
| Planning                           |                  |                  |                                    |
| Personnel costs                    | 1,231,976        | 1,110,721        | 121,255                            |
| Contract and professional services | 889,465          | 490,450          | 399,015                            |
| Other operating                    | 74,000           | 43,312           | 30,688                             |
| Capital outlay                     | 90,917           | 78,415           | 12,502                             |
| Subtotal                           | <u>2,286,358</u> | <u>1,722,898</u> | <u>563,460</u>                     |
| Total development services         | <u>4,576,628</u> | <u>3,788,785</u> | <u>787,843</u>                     |
| Public safety                      |                  |                  |                                    |
| Police                             |                  |                  |                                    |
| Personnel costs                    | 4,842,368        | 4,559,350        | 283,018                            |
| Contract and professional services | 214,400          | 189,726          | 24,674                             |
| Other operating                    | 423,632          | 359,960          | 63,672                             |
| Subtotal                           | <u>5,480,400</u> | <u>5,109,036</u> | <u>371,364</u>                     |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND (SUB-FUND)

YEAR ENDED JUNE 30, 2022

**Schedule 3**

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|                                    | <b>Final<br/>Budget</b> | <b>Actual</b>     | <b>Variance<br/>Positive<br/>(Negative)</b> |
|------------------------------------|-------------------------|-------------------|---|
| Public safety (continued)          |                         |                   |   |
| Fire and rescue                    |                         |                   |   |
| Personnel costs                    | \$ 6,423,938            | \$ 6,266,208      | \$ 157,730                                  |
| Contract and professional services | 134,262                 | 112,893           | 21,369                                      |
| Other operating                    | 800,535                 | 724,597           | 75,938                                      |
| Capital outlay                     | 48,676                  | 48,676            | -   |
| Subtotal                           | <u>7,407,411</u>        | <u>7,152,374</u>  | <u>255,037</u>                              |
| Total public safety                | <u>12,887,811</u>       | <u>12,261,410</u> | <u>626,401</u>                              |
| Public works                       |                         |                   |   |
| Personnel costs                    | 1,956,403               | 1,757,891         | 198,512                                     |
| Contract and professional services | 2,158,809               | 1,995,606         | 163,203                                     |
| Other operating                    | 3,490,963               | 3,515,599         | (24,636)                                    |
| Capital outlay                     | 1,070,664               | 241,922           | 828,742                                     |
| Subtotal                           | <u>8,676,839</u>        | <u>7,511,018</u>  | <u>1,165,821</u>                            |
| Powell Bill                        |                         |                   |   |
| Other operating                    | <u>1,482,583</u>        | <u>1,360,403</u>  | <u>122,180</u>                              |
| Total public works                 | <u>10,159,422</u>       | <u>8,871,421</u>  | <u>1,288,001</u>                            |



**TOWN OF MORRISVILLE, NORTH CAROLINA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - GENERAL FUND (SUB-FUND)  
 YEAR ENDED JUNE 30, 2022

**Schedule 3**

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|   | <b>Final<br/>Budget</b> | <b>Actual</b>         | <b>Variance<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|-----------------------|---|
| Culture and recreation                    |                         |                       |   |
| Personnel costs                           | \$ 2,213,617            | \$ 2,025,180          | \$ 188,437                                  |
| Contract and professional services        | 144,100                 | 103,743               | 40,357                                      |
| Other operating                           | 434,961                 | 272,606               | 162,355                                     |
| Capital outlay                            | 31,630                  | 20,036                | 11,594                                      |
| Debt service - principal retirement       | 129,570                 | 129,570               | -   |
| Debt service - interest                   | 2,539                   | 2,539                 | -   |
| Total culture and recreation              | <u>2,956,417</u>        | <u>2,553,674</u>      | <u>402,743</u>                              |
| Total expenditures                        | <u>38,547,784</u>       | <u>34,708,656</u>     | <u>3,839,128</u>                            |
| <b>Revenues over (under) expenditures</b> | <u>(529,600)</u>        | <u>5,158,770</u>      | <u>5,688,370</u>                            |
| <b>Other financing sources (uses)</b>     |                         |                       |   |
| Transfers in (out)                        |                         |                       |   |
| American Rescue Plan Special Revenue Fund | 1,119,300               | 1,119,300             | -   |
| Municipal Service District Fund           | (110,000)               | (110,000)             | -   |
| Capital Reserve Funds                     | (1,990,000)             | (1,990,000)           | -   |
| Capital Project Funds                     | (3,677,650)             | (3,677,650)           | -   |
| Debt Service Fund                         | (3,657,500)             | (3,657,500)           | -   |
| Fund balance appropriated                 | 8,845,450               | -                     | (8,845,450)                                 |
| Total other financing sources (uses)      | <u>529,600</u>          | <u>(8,315,850)</u>    | <u>(8,845,450)</u>                          |
| <b>Net change in fund balance</b>         | <u>\$ -</u>             | <u>\$ (3,157,080)</u> | <u>\$ (3,157,080)</u>                       |
| <b>Fund balance, beginning</b>            |                         | <u>30,142,032</u>     |   |
| <b>Fund balance, ending</b>               |                         | <u>\$ 26,984,952</u>  |   |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 4**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - FIRE APPARATUS CAPITAL RESERVE FUND (SUB-FUND)  
 YEAR ENDED JUNE 30, 2022

|   | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-------------------|---|
| <b>Revenues</b>                           |                         |                   |   |
| Investment earnings                       | \$ -                    | \$ 1,070          | \$ 1,070                                    |
| <b>Expenditures</b>                       |                         |                   |   |
| Capital outlay                            | 750,000                 | -                 | 750,000                                     |
| <b>Revenues over (under) expenditures</b> | (750,000)               | 1,070             | 751,070                                     |
| <b>Other financing sources</b>            |                         |                   |   |
| Transfers in - General Fund               | 750,000                 | 750,000           | -   |
| <b>Net change in fund balance</b>         | <u>\$ -</u>             | 751,070           | <u>\$ 751,070</u>                           |
| <b>Fund balance, beginning</b>            |                         | <u>14,449</u>     |   |
| <b>Fund balance, ending</b>               |                         | <u>\$ 765,519</u> |   |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 5**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - ROADWAY AND TRANSPORTATION CAPITAL RESERVE FUND (SUB-FUND)  
 YEAR ENDED JUNE 30, 2022

|  | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|---------------------|---|
| <b>Revenues</b>                            |                         |                     |   |
| Investment earnings                        | \$ -                    | \$ 2,488            | \$ 2,488                                    |
| <b>Expenditures</b>                        |                         |                     |   |
| Roadway and transportation capital reserve | 620,000                 | -                   | 620,000                                     |
| <b>Revenues over (under) expenditures</b>  | (620,000)               | 2,488               | 622,488                                     |
| <b>Other financing sources</b>             |                         |                     |   |
| Transfers in (out)                         |                         |                     |   |
| General Fund                               | 620,000                 | 620,000             | -   |
| Capital Projects                           | (240,000)               | (240,000)           | -   |
| Fund balance appropriated                  | 240,000                 | -                   | (240,000)                                   |
| Total other financing sources (uses)       | 620,000                 | 380,000             | (240,000)                                   |
| <b>Net change in fund balance</b>          | <u>\$ -</u>             | <u>382,488</u>      | <u>\$ 382,488</u>                           |
| <b>Fund balance, beginning</b>             |                         | <u>1,246,320</u>    |   |
| <b>Fund balance, ending</b>                |                         | <u>\$ 1,628,808</u> |   |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 6**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - CAPITAL INVESTMENT PLAN CAPITAL RESERVE FUND (SUB-FUND)  
 YEAR ENDED JUNE 30, 2022

|   | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|------------------|---|
| <b>Revenues</b>                           |                         |                  |   |
| Investment earnings                       | \$ -                    | \$ 315           | \$ 315                                      |
| <b>Expenditures</b>                       |                         |                  |   |
| Capital improvement project reserve       | 25,425                  | -                | 25,425                                      |
| <b>Revenues over (under) expenditures</b> | <u>(25,425)</u>         | <u>315</u>       | <u>25,740</u>                               |
| <b>Other financing sources (uses)</b>     |                         |                  |   |
| Transfers in (out)                        |                         |                  |   |
| Closed capital project funds              | 25,425                  | 30,196           | 4,771                                       |
| Capital Projects                          | (313,355)               | (310,000)        | 3,355                                       |
| Fund balance appropriated                 | <u>313,355</u>          | <u>-</u>         | <u>(313,355)</u>                            |
| Total other financing sources (uses)      | <u>25,425</u>           | <u>(279,804)</u> | <u>(305,229)</u>                            |
| <b>Net change in fund balance</b>         | <u>\$ -</u>             | <u>(279,489)</u> | <u>\$ (279,489)</u>                         |
| <b>Fund balance, beginning</b>            |                         | <u>368,546</u>   |   |
| <b>Fund balance, ending</b>               |                         | <u>\$ 89,057</u> |   |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 7**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - PARKS AND RECREATION CAPITAL RESERVE FUND (SUB-FUND)  
 YEAR ENDED JUNE 30, 2022

|   | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|---------------------|---|
| <b>Revenues</b>                           |                         |                     |   |
| Investment earnings                       | \$ -                    | \$ 12               | \$ 12                                       |
| <b>Expenditures</b>                       |                         |                     |   |
| Parks and recreation reserve              | 620,000                 | -                   | 620,000                                     |
| <b>Revenues over (under) expenditures</b> | <u>(620,000)</u>        | <u>12</u>           | <u>620,012</u>                              |
| <b>Other financing sources (uses)</b>     |                         |                     |   |
| Transfers in (out)                        |                         |                     |   |
| General Fund                              | 620,000                 | 620,000             | -   |
| Capital Projects                          | (620,000)               | (620,000)           | -   |
| Fund balance appropriated                 | <u>620,000</u>          | <u>-</u>            | <u>(620,000)</u>                            |
| Total other financing sources (uses)      | <u>620,000</u>          | <u>-</u>            | <u>(620,000)</u>                            |
| <b>Net change in fund balance</b>         | <u><u>\$ -</u></u>      | <u><u>12</u></u>    | <u><u>\$ 12</u></u>                         |
| <b>Fund balance, beginning</b>            |                         | <u>-</u>            |   |
| <b>Fund balance, ending</b>               |                         | <u><u>\$ 12</u></u> |   |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 8**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - MUNICIPAL SERVICE DISTRICT FUND (SUB-FUND)  
 YEAR ENDED JUNE 30, 2022

|   | <b>Final<br/>Budget</b> | <b>Actual</b>     | <b>Variance<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|-------------------|---|
| <b>Revenues</b>                           |                         |                   |   |
| Ad valorem taxes                          | \$ 119,000              | \$ 118,155        | \$ (845)                                    |
| Investment earnings                       | -                       | 878               | 878   |
| Total revenues                            | <u>119,000</u>          | <u>119,033</u>    | <u>33</u>                                   |
| <b>Expenditures</b>                       |                         |                   |   |
| Contract and professional services        | -                       | 222               | (222)                                       |
| Capital outlay                            | 229,000                 | -                 | 229,000                                     |
| Total expenditures                        | <u>229,000</u>          | <u>222</u>        | <u>228,778</u>                              |
| <b>Revenues over (under) expenditures</b> | (110,000)               | 118,811           | 228,811                                     |
| <b>Other financing sources</b>            |                         |                   |   |
| Transfers in - General Fund               | 110,000                 | 110,000           | -   |
| <b>Net change in fund balance</b>         | <u>\$ -</u>             | <u>228,811</u>    | <u>\$ 228,811</u>                           |
| <b>Fund balance, beginning</b>            |                         | <u>428,914</u>    |   |
| <b>Fund balance, ending</b>               |                         | <u>\$ 657,725</u> |   |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 9**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - DEBT SERVICE FUND (SUB-FUND)  
 YEAR ENDED JUNE 30, 2022

|   | Final<br>Budget | Actual            | Positive<br>(Negative) |
|---|-----------------|-------------------|------------------------|
| <b>Revenues</b>                           |                 |                   |                        |
| Investment earnings                       | \$ -            | \$ 2,737          | \$ 2,737               |
| <b>Expenditures</b>                       |                 |                   |                        |
| Bond issuance costs                       | 173,235         | 173,235           | -                      |
| Debt reserve                              | 636,270         | -                 | 636,270                |
| Debt service                              |                 |                   |                        |
| Principal                                 | 1,901,022       | 1,901,021         | 1                      |
| Interest                                  | 946,973         | 946,966           | 7                      |
| Total expenditures                        | 3,657,500       | 3,021,222         | 636,278                |
| <b>Revenues over (under) expenditures</b> | (3,657,500)     | (3,018,485)       | 639,015                |
| <b>Other financing sources</b>            |                 |                   |                        |
| Transfers in - General Fund               | 3,657,500       | 3,657,500         | -                      |
| <b>Net change in fund balance</b>         | <u>\$ -</u>     | 639,015           | <u>\$ 639,015</u>      |
| <b>Fund balance, beginning</b>            |                 | <u>354,505</u>    |                        |
| <b>Fund balance, ending</b>               |                 | <u>\$ 993,520</u> |                        |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 10**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND

FROM INCEPTION TO JUNE 30, 2022

|  | Project<br>Authorization | Actual      |                 |                 |
|--|--------------------------|-------------|-----------------|-----------------|
|  |                          | Prior Years | Current Year    | Total to Date   |
| <b>Revenues</b>                            |                          |             |                 |                 |
| American Rescue Plan relief funds          | \$ 2,045,300             | \$ -        | \$ 1,475,703    | \$ 1,475,703    |
| Investment earnings                        | -                        | -           | 5,581           | 5,581           |
| Total revenues                             | 2,045,300                | -           | 1,481,284       | 1,481,284       |
| <b>Expenditures</b>                        |                          |             |                 |                 |
| Maintenance, contracted services and other | 478,271                  | -           | 145,431         | 145,431         |
| Professional services                      | 240,000                  | -           | 135,363         | 135,363         |
| Capital outlay                             | 207,729                  | -           | 75,609          | 75,609          |
| Total expenditures                         | 926,000                  | -           | 356,403         | 356,403         |
| Revenues over (under) expenditures         | 1,119,300                | -           | 1,124,881       | 1,124,881       |
| <b>Other financing uses</b>                |                          |             |                 |                 |
| Transfers out - General Fund               | (1,119,300)              | -           | (1,119,300)     | (1,119,300)     |
| <b>Net change in fund balance</b>          | <b>\$ -</b>              | <b>\$ -</b> | <b>5,581</b>    | <b>\$ 5,581</b> |
| <b>Fund balance, beginning</b>             |                          |             | -               |                 |
| <b>Fund balance, ending</b>                |                          |             | <b>\$ 5,581</b> |                 |



**TOWN OF MORRISVILLE, NORTH CAROLINA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 CHURCH STREET PARK EXPANSION CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2022

|                                    | Project<br>Authorization | Actual      |                     |                     |
|------------------------------------|--------------------------|-------------|---------------------|---------------------|
|                                    |                          | Prior Years | Current Year        | Total to Date       |
| <b>Revenues</b>                    |                          |             |                     |                     |
| Investment earnings                | \$ -                     | \$ -        | \$ 3,612            | \$ 3,612            |
| Contributions                      | 1,250,000                | -           | 27,019              | 27,019              |
| Total revenues                     | 1,250,000                | -           | 30,631              | 30,631              |
| <b>Expenditures</b>                |                          |             |                     |                     |
| Professional services              | 500,000                  | -           | 27,019              | 27,019              |
| Capital outlay                     | 3,250,000                | -           | -                   | -                   |
| Total expenditures                 | 3,750,000                | -           | 27,019              | 27,019              |
| Revenues over (under) expenditures | (2,500,000)              | -           | 3,612               | 3,612               |
| <b>Other financing sources</b>     |                          |             |                     |                     |
| Transfers in<br>General Fund       | 2,500,000                | -           | 2,500,000           | 2,500,000           |
| <b>Net change in fund balance</b>  | <u>\$ -</u>              | <u>\$ -</u> | 2,503,612           | <u>\$ 2,503,612</u> |
| <b>Fund balance, beginning</b>     |                          |             | -                   |                     |
| <b>Fund balance, ending</b>        |                          |             | <u>\$ 2,503,612</u> |                     |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 12**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 PUBLIC SAFETY IMPROVEMENTS CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2022

|   | Project<br>Authorization | Actual            |                     |                     |
|---|--------------------------|-------------------|---------------------|---------------------|
|   |                          | Prior Years       | Current Year        | Total to Date       |
| <b>Revenues</b>                                 |                          |                   |                     |                     |
| Investment earnings                             | \$ -                     | \$ 1,292          | \$ 16,042           | \$ 17,334           |
| Charges for services                            | 1,411,244                | -                 | -                   | -                   |
| Total revenues                                  | 1,411,244                | 1,292             | 16,042              | 17,334              |
| <b>Expenditures</b>                             |                          |                   |                     |                     |
| Professional services                           | 300,000                  | 271,344           | 275,700             | 547,044             |
| Capital outlay                                  | 9,761,244                | 89,876            | 240,310             | 330,186             |
| Land acquisition                                | 2,500,000                | 2,329,426         | -                   | 2,329,426           |
| Total expenditures                              | 12,561,244               | 2,690,646         | 516,010             | 3,206,656           |
| Revenues under expenditures                     | (11,150,000)             | (2,689,354)       | (499,968)           | (3,189,322)         |
| <b>Other financing sources</b>                  |                          |                   |                     |                     |
| General obligation bonds issued                 | 8,000,000                | -                 | 9,110,000           | 9,110,000           |
| Premiums on general obligation bonds issued     | -                        | -                 | 624,551             | 624,551             |
| Transfers in                                    |                          |                   |                     |                     |
| CIP Capital Reserve Fund                        | 2,800,000                | 2,800,000         | -                   | 2,800,000           |
| Roadway and Transportation Capital Reserve Fund | 350,000                  | 350,000           | -                   | 350,000             |
| Total other financing sources                   | 11,150,000               | 3,150,000         | 9,734,551           | 12,884,551          |
| <b>Net change in fund balance</b>               | <u>\$ -</u>              | <u>\$ 460,646</u> | 9,234,583           | <u>\$ 9,695,229</u> |
| <b>Fund balance, beginning</b>                  |                          |                   | 460,646             |                     |
| <b>Fund balance, ending</b>                     |                          |                   | <u>\$ 9,695,229</u> |                     |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 13**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

MORRISVILLE CARPENTER ROAD CAPITAL PROJECT FUND

FROM INCEPTION TO JUNE 30, 2022

|                                   | Project<br>Authorization | Actual              |                     |                     |
|-----------------------------------|--------------------------|---------------------|---------------------|---------------------|
|                                   |                          | Prior Years         | Current Year        | Total to Date       |
| <b>Revenues</b>                   |                          |                     |                     |                     |
| Grants                            | \$ 6,300,000             | \$ 2,174,157        | \$ 2,246,127        | \$ 4,420,284        |
| Investment earnings               | -                        | 161,956             | 5,139               | 167,095             |
| Total revenues                    | 6,300,000                | 2,336,113           | 2,251,266           | 4,587,379           |
| <b>Expenditures</b>               |                          |                     |                     |                     |
| Bond issue costs                  | -                        | 990                 | -                   | 990                 |
| Professional services             | 1,157,327                | 1,168,936           | -                   | 1,168,936           |
| Land acquisition                  | 1,248,173                | 1,203,952           | -                   | 1,203,952           |
| Capital outlay                    | 9,147,500                | 2,083,347           | 4,152,738           | 6,236,085           |
| Total expenditures                | 11,553,000               | 4,457,225           | 4,152,738           | 8,609,963           |
| Revenues under expenditures       | (5,253,000)              | (2,121,112)         | (1,901,472)         | (4,022,584)         |
| <b>Other financing sources</b>    |                          |                     |                     |                     |
| Bond proceeds                     | 745,000                  | 745,000             | -                   | 745,000             |
| Premium on bonds issued           | 37,300                   | 37,359              | -                   | 37,359              |
| Installment debt proceeds         | 2,066,700                | 2,066,667           | -                   | 2,066,667           |
| Transfers in                      |                          |                     |                     |                     |
| General Fund                      | 2,404,000                | 2,404,000           | -                   | 2,404,000           |
| Total other financing sources     | 5,253,000                | 5,253,026           | -                   | 5,253,026           |
| <b>Net change in fund balance</b> | <b>\$ -</b>              | <b>\$ 3,131,914</b> | <b>(1,901,472)</b>  | <b>\$ 1,230,442</b> |
| <b>Fund balance, beginning</b>    |                          |                     | <b>3,131,914</b>    |                     |
|                                   |                          |                     | <b>\$ 1,230,442</b> |                     |

|  | Capital Projects                                       |   |   |  |  |  |                                  |  |  |  |  |   |  |
|--|--|---|---|--|--|--|----------------------------------|--|--|--|--|---|--|
|  | Parkland<br>Payment-In-Lieu<br>Capital<br>Project Fund | Land & Parkland<br>Acquisition<br>Capital<br>Project Fund | Church Street<br>Park Capital<br>Project Fund | Morrisville<br>Aquatics &<br>Fitness Center<br>Renovation<br>Capital<br>Project Fund | Town Center<br>Capital<br>Project Fund | Historic Christian<br>Church Parking<br>Lot Expansion<br>Capital<br>Project Fund | Sewer<br>Capital<br>Project Fund | Sidewalk and<br>Pedestrian<br>Enhancement<br>Capital<br>Project Fund | Public<br>Works<br>Renovation<br>Capital<br>Project Fund | Crabtree<br>Hatcher Creek<br>Greenway<br>Capital<br>Project Fund | Parks &<br>Greenway<br>Improvements<br>Capital<br>Project Fund | NC54<br>Congestion<br>Mitigation<br>Capital<br>Project Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
| <b>Assets</b>                              |  |   |   |  |  |  |                                  |  |  |  |  |   |  |
| Cash and cash equivalents                  | \$ -   | \$ -  | \$ 332,392                                    | \$ -   | \$ 480,783                             | \$ -   | \$ 1,455,545                     | \$ 192,642   | \$ 1,188,279   | \$ 168,875   | \$ -   | \$ 123  | \$ 3,818,639                               |
| Due from other governments                 | -  | -   | 218   | -  | 13                                     | -  | -                                | 66,652   | -  | -  | 3,971  | -   | 70,854                                     |
| Restricted cash and cash equivalents       | 3,919,509  | 2,088,354   | -   | -  | -                                      | -  | -                                | 1,305,943  | -  | -  | 2,694,628  | 3,201,411   | 13,209,845                                 |
| <b>Total assets</b>                        | <b>\$ 3,919,509</b>                                    | <b>\$ 2,088,354</b>                                       | <b>\$ 332,610</b>                             | <b>\$ -</b>  | <b>\$ 480,796</b>                      | <b>\$ -</b>  | <b>\$ 1,455,545</b>              | <b>\$ 1,565,237</b>  | <b>\$ 1,188,279</b>                                      | <b>\$ 168,875</b>  | <b>\$ 2,698,599</b>  | <b>\$ 3,201,534</b>   | <b>\$ 17,099,338</b>                       |
| <b>Liabilities</b>                         |  |   |   |  |  |  |                                  |  |  |  |  |   |  |
| Accounts payable and accrued liabilities   | \$ -   | \$ -  | \$ -  | \$ -   | \$ -                                   | \$ -   | \$ 144,248                       | \$ 251,573   | \$ -   | \$ 89,058  | \$ 147,987   | \$ -  | \$ 632,866                                 |
| <b>Total liabilities</b>                   | <b>-</b>   | <b>-</b>  | <b>-</b>                                      | <b>-</b>   | <b>-</b>                               | <b>-</b>   | <b>144,248</b>                   | <b>251,573</b>   | <b>-</b>   | <b>89,058</b>  | <b>147,987</b>   | <b>-</b>  | <b>632,866</b>                             |
| <b>Fund balances (deficits)</b>            |  |   |   |  |  |  |                                  |  |  |  |  |   |  |
| Restricted                                 |  |   |   |  |  |  |                                  |  |  |  |  |   |  |
| Recreation improvements                    | 3,919,509  | 2,088,354   | -   | -  | -                                      | -  | -                                | -  | -  | -  | 2,550,612  | -   | 8,558,475                                  |
| Street improvements                        | -  | -   | -   | -  | -                                      | -  | -                                | 1,305,943  | -  | -  | -  | 3,201,411   | 4,507,354                                  |
| Committed                                  |  |   |   |  |  |  |                                  |  |  |  |  |   |  |
| Capital projects                           | -  | -   | 332,610                                       | -  | 480,796                                | -  | 1,311,297                        | 7,721  | 1,188,279  | 79,817   | -  | 123   | 3,400,643                                  |
| Unassigned                                 | -  | -   | -   | -  | -                                      | -  | -                                | -  | -  | -  | -  | -   | -  |
| <b>Total fund balances</b>                 | <b>3,919,509</b>                                       | <b>2,088,354</b>  | <b>332,610</b>                                | <b>-</b>   | <b>480,796</b>                         | <b>-</b>   | <b>1,311,297</b>                 | <b>1,313,664</b>   | <b>1,188,279</b>   | <b>79,817</b>  | <b>2,550,612</b>   | <b>3,201,534</b>  | <b>16,466,472</b>                          |
| <b>Total liabilities and fund balances</b> | <b>\$ 3,919,509</b>                                    | <b>\$ 2,088,354</b>                                       | <b>\$ 332,610</b>                             | <b>\$ -</b>  | <b>\$ 480,796</b>                      | <b>\$ -</b>  | <b>\$ 1,455,545</b>              | <b>\$ 1,565,237</b>  | <b>\$ 1,188,279</b>                                      | <b>\$ 168,875</b>  | <b>\$ 2,698,599</b>  | <b>\$ 3,201,534</b>   | <b>\$ 17,099,338</b>                       |

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2022

|   | Capital Projects                              |  |   |   |                                  |  |                            |  |  |  |  |  | Total Nonmajor Governmental Funds |
|---|---|--|---|---|----------------------------------|--|----------------------------|--|--|--|--|--|-----------------------------------|
|   | Parkland Payment-In-lieu Capital Project Fund | Land & Parkland Acquisition Capital Project Fund | Church Street Park Capital Project Fund | Morrisville Aquatics & Fitness Center Renovation Capital Project Fund | Town Center Capital Project Fund | Historic Christian Church Parking Lot Expansion Capital Project Fund | Sewer Capital Project Fund | Sidewalk and Pedestrian Enhancement Capital Project Fund | Public Works Renovation Capital Project Fund | Crabtree Hatcher Creek Greenway Capital Project Fund | Parks & Greenway Improvements Capital Project Fund | NC 54 Congestion Mitigation Capital Project Fund |                                   |
| <b>Revenues</b>                             |   |  |   |   |                                  |  |                            |  |  |  |  |  |                                   |
| Grants                                      | \$ -  | \$ -   | \$ -                                    | \$ -  | \$ -                             | \$ -   | \$ 1,182                   | \$ -   | \$ 71,228                                    | \$ -   | \$ -   | \$ -   | \$ 72,410                         |
| Investment earnings                         | 1,501   | 4,115  | 463                                     | -   | 19                               | 25   | 1,941                      | 5,481  | 1,710  | 249  | 6,892  | 1,411  | 23,807                            |
| Contributions                               | -   | -  | -                                       | -   | -                                | -  | -                          | 153,103  | -  | -  | -  | -  | 153,103                           |
| Miscellaneous                               | -   | -  | -                                       | -   | -                                | -  | 266,188                    | -  | -  | -  | -  | -  | 266,188                           |
| Parkland payments in lieu                   | 508,204                                       | -  | -                                       | -   | -                                | -  | -                          | -  | -  | -  | -  | -  | 508,204                           |
| <b>Total revenues</b>                       | <b>509,705</b>                                | <b>4,115</b>                                     | <b>463</b>                              | <b>-</b>  | <b>19</b>                        | <b>25</b>  | <b>268,129</b>             | <b>159,766</b>   | <b>1,710</b>                                 | <b>71,477</b>  | <b>6,892</b>                                       | <b>1,411</b>                                     | <b>1,023,712</b>                  |
| <b>Expenditures</b>                         |   |  |   |   |                                  |  |                            |  |  |  |  |  |                                   |
| Settlements                                 | -   | -  | -                                       | -   | -                                | -  | 291,680                    | -  | -  | -  | -  | -  | 291,680                           |
| Capital projects                            | -   | 1,528,395  | 9,338                                   | -   | 289,469                          | 21,464   | -                          | 608,323  | 40,644                                       | -  | 762,002  | 240,000  | 3,499,635                         |
| <b>Total expenditures</b>                   | <b>-</b>                                      | <b>1,528,395</b>                                 | <b>9,338</b>                            | <b>-</b>  | <b>289,469</b>                   | <b>21,464</b>  | <b>291,680</b>             | <b>608,323</b>   | <b>40,644</b>                                | <b>-</b>   | <b>762,002</b>                                     | <b>240,000</b>                                   | <b>3,791,315</b>                  |
| Revenues over (under) expenditures          | 509,705                                       | (1,524,280)                                      | (8,875)                                 | -   | (289,450)                        | (21,439)   | (23,551)                   | (448,557)  | (38,934)                                     | 71,477   | (755,110)  | (238,589)  | (2,767,603)                       |
| <b>Other financing sources (uses)</b>       |   |  |   |   |                                  |  |                            |  |  |  |  |  |                                   |
| General obligation bonds issued             | -   | 2,300,000  | -                                       | -   | -                                | -  | -                          | 1,000,000  | -  | -  | 2,000,000  | 3,200,000  | 8,500,000                         |
| Premiums on general obligation bonds issued | -   | 164,984  | -                                       | -   | -                                | -  | -                          | 301,275  | -  | -  | 143,464  | -  | 609,723                           |
| Transfers in                                |   |  |   |   |                                  |  |                            |  |  |  |  |  |                                   |
| General Fund                                | -   | 977,650  | -                                       | -   | -                                | -  | 200,000                    | -  | -  | -  | -  | -  | 1,177,650                         |
| CIP Capital Reserve Fund                    | -   | -  | -                                       | -   | 310,000                          | -  | -                          | -  | -  | -  | -  | -  | 310,000                           |
| Parks and Recreation Capital Reserve        | -   | 620,000  | -                                       | -   | -                                | -  | -                          | -  | -  | -  | -  | -  | 620,000                           |
| Roadway and Transportation Capital Reserve  | -   | -  | -                                       | -   | -                                | -  | -                          | -  | -  | -  | -  | 240,000  | 240,000                           |
| Land and Parkland Acquisition Fund          | -   | -  | -                                       | -   | 450,000                          | -  | -                          | -  | -  | -  | -  | -  | 450,000                           |
| Transfers out                               |   |  |   |   |                                  |  |                            |  |  |  |  |  |                                   |
| CIP Capital Reserve Fund                    | -   | -  | -                                       | (5,834)   | -                                | (24,362)   | -                          | -  | -  | -  | -  | -  | (30,196)                          |
| Town Center Capital Project Fund            | -   | (450,000)  | -                                       | -   | -                                | -  | -                          | -  | -  | -  | -  | -  | (450,000)                         |
| <b>Total other financing sources (uses)</b> | <b>-</b>                                      | <b>3,612,634</b>                                 | <b>-</b>                                | <b>(5,834)</b>  | <b>760,000</b>                   | <b>(24,362)</b>  | <b>200,000</b>             | <b>1,301,275</b>   | <b>-</b>                                     | <b>-</b>   | <b>2,143,464</b>                                   | <b>3,440,000</b>                                 | <b>11,427,177</b>                 |
| <b>Net change in fund balance</b>           | <b>509,705</b>                                | <b>2,088,354</b>                                 | <b>(8,875)</b>                          | <b>(5,834)</b>  | <b>470,550</b>                   | <b>(45,801)</b>  | <b>176,449</b>             | <b>852,718</b>   | <b>(38,934)</b>                              | <b>71,477</b>  | <b>1,388,354</b>                                   | <b>3,201,411</b>                                 | <b>8,659,574</b>                  |
| <b>Fund balances, beginning</b>             | <b>3,409,804</b>                              | <b>-</b>   | <b>341,485</b>                          | <b>5,834</b>  | <b>10,246</b>                    | <b>45,801</b>  | <b>1,134,848</b>           | <b>460,946</b>   | <b>1,227,213</b>                             | <b>8,340</b>   | <b>1,162,258</b>                                   | <b>123</b>                                       | <b>7,806,898</b>                  |
| <b>Fund balances, ending</b>                | <b>\$ 3,919,509</b>                           | <b>\$ 2,088,354</b>                              | <b>\$ 332,610</b>                       | <b>\$ -</b>   | <b>\$ 480,796</b>                | <b>\$ -</b>  | <b>\$ 1,311,297</b>        | <b>\$ 1,313,664</b>                                      | <b>\$ 1,188,279</b>                          | <b>\$ 79,817</b>                                     | <b>\$ 2,550,612</b>                                | <b>\$ 3,201,534</b>                              | <b>\$ 16,466,472</b>              |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 16**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

PARKLAND PAYMENT-IN-LIEU CAPITAL PROJECT FUND

FROM INCEPTION TO JUNE 30, 2022

|   | Project<br>Authorization | Actual              |                     |                     |
|---|--------------------------|---------------------|---------------------|---------------------|
|   |                          | Prior Years         | Current Year        | Total to Date       |
| <b>Revenues</b>                                     |                          |                     |                     |                     |
| Investment earnings                                 | \$ -                     | \$ 259,038          | \$ 1,501            | \$ 260,539          |
| Parkland payments in lieu                           | -                        | 8,120,568           | 508,204             | 8,628,772           |
| <b>Total revenues</b>                               | <b>-</b>                 | <b>8,379,606</b>    | <b>509,705</b>      | <b>8,889,311</b>    |
| <b>Other financing sources (uses)</b>               |                          |                     |                     |                     |
| Transfers in (out)                                  |                          |                     |                     |                     |
| General Fund  | -                        | 1,272,517           | -                   | 1,272,517           |
| Capital Reserve Fund                                | -                        | 1,684,257           | -                   | 1,684,257           |
| Northwest Park Capital Project Fund                 | -                        | (1,747,903)         | -                   | (1,747,903)         |
| Northwest Park Capital Project Fund                 | -                        | 32,956              | -                   | 32,956              |
| Shiloh Greenway Capital Project Fund                | -                        | (1,110,712)         | -                   | (1,110,712)         |
| NC 54 Multi-Use Path Capital Project Fund           | -                        | (249,040)           | -                   | (249,040)           |
| Church Street Park Project Fund                     | -                        | (1,083,047)         | -                   | (1,083,047)         |
| Indian Creek Greenway Capital Project Fund          | -                        | (1,041,860)         | -                   | (1,041,860)         |
| Morrisville Aquatics and Fitness Center Renovations | -                        | (363,874)           | -                   | (363,874)           |
| Hatcher Creek Greenway Capital Project Fund         | -                        | (538,196)           | -                   | (538,196)           |
| Parks and Greenways Capital Project Fund            | -                        | (1,824,900)         | -                   | (1,824,900)         |
| <b>Total other financing sources (uses)</b>         | <b>-</b>                 | <b>(4,969,802)</b>  | <b>-</b>            | <b>(4,969,802)</b>  |
| <b>Net change in fund balance</b>                   | <b>\$ -</b>              | <b>\$ 3,409,804</b> | <b>509,705</b>      | <b>\$ 3,919,509</b> |
| <b>Fund balance, beginning</b>                      |                          |                     | <b>3,409,804</b>    |                     |
| <b>Fund balance, ending</b>                         |                          |                     | <b>\$ 3,919,509</b> |                     |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 17**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 LAND AND PARKLAND ACQUISITION CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2022

|   | Project<br>Authorization | Actual      |                     |                     |
|---|--------------------------|-------------|---------------------|---------------------|
|   |                          | Prior Years | Current Year        | Total to Date       |
| <b>Revenues</b>                             |                          |             |                     |                     |
| Investment earnings                         | \$ -                     | \$ -        | \$ 4,115            | \$ 4,115            |
| <b>Expenditures</b>                         |                          |             |                     |                     |
| Professional services                       | 217,500                  | -           | 79,508              | 79,508              |
| Land acquisition                            | 3,066,850                | -           | 1,448,887           | 1,448,887           |
| Total expenditures                          | 3,284,350                | -           | 1,528,395           | 1,528,395           |
| Revenues under expenditures                 | (3,284,350)              | -           | (1,524,280)         | (1,524,280)         |
| <b>Other financing sources (uses)</b>       |                          |             |                     |                     |
| General obligation bonds issued             | 2,300,000                | -           | 2,300,000           | 2,300,000           |
| Premiums on general obligation bonds issued | -                        | -           | 164,984             | 164,984             |
| Transfers out                               |                          |             |                     |                     |
| Town Center Capital Project Fund            | (450,000)                | -           | (450,000)           | (450,000)           |
| Transfers in                                |                          |             |                     |                     |
| Parks and Recreation Capital Reserve Fund   | 620,000                  | -           | 620,000             | 620,000             |
| General Fund                                | 814,350                  | -           | 977,650             | 977,650             |
| Total other financing sources (uses)        | 3,284,350                | -           | 3,612,634           | 3,612,634           |
| <b>Net change in fund balance</b>           | <u>\$ -</u>              | <u>\$ -</u> | 2,088,354           | <u>\$ 2,088,354</u> |
| <b>Fund balance, beginning</b>              |                          |             | -                   |                     |
| <b>Fund balance, ending</b>                 |                          |             | <u>\$ 2,088,354</u> |                     |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 18**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

CHURCH STREET PARK CAPITAL PROJECT FUND

FROM INCEPTION TO JUNE 30, 2022

|   | Project<br>Authorization | Actual            |                   |                   |
|---|--------------------------|-------------------|-------------------|-------------------|
|   |                          | Prior Years       | Current Year      | Total to Date     |
| <b>Revenues</b>                               |                          |                   |                   |                   |
| Grants  | \$ 1,796,703             | \$ 1,796,703      | \$ -              | \$ 1,796,703      |
| Investment earnings                           | 8,503                    | 32,349            | 463               | 32,812            |
| Parkland payments in lieu                     | -                        | 92,491            | -                 | 92,491            |
| Total revenues                                | 1,805,206                | 1,921,543         | 463               | 1,922,006         |
| <b>Expenditures</b>                           |                          |                   |                   |                   |
| Professional services                         | 464,877                  | 420,843           | -                 | 420,843           |
| Capital outlay                                | 4,332,612                | 4,110,380         | 9,338             | 4,119,718         |
| Land acquisition                              | 1,781,022                | 1,781,022         | -                 | 1,781,022         |
| Total expenditures                            | 6,578,511                | 6,312,245         | 9,338             | 6,321,583         |
| Revenues under expenditures                   | (4,773,305)              | (4,390,702)       | (8,875)           | (4,399,577)       |
| <b>Other financing sources (uses)</b>         |                          |                   |                   |                   |
| Transfers in (out)                            |                          |                   |                   |                   |
| General Fund                                  | 1,067,429                | 1,067,429         | -                 | 1,067,429         |
| General Fund                                  | (587,429)                | (587,429)         | -                 | (587,429)         |
| Parkland Payment-in-Lieu Capital Project Fund | 264,283                  | 223,165           | -                 | 223,165           |
| Bonds issued                                  | 4,000,000                | 4,000,000         | -                 | 4,000,000         |
| Bond premium                                  | 29,022                   | 29,022            | -                 | 29,022            |
| Total other financing sources                 | 4,773,305                | 4,732,187         | -                 | 4,732,187         |
| <b>Net change in fund balance</b>             | <b>\$ -</b>              | <b>\$ 341,485</b> | <b>(8,875)</b>    | <b>\$ 332,610</b> |
| <b>Fund balance, beginning</b>                |                          |                   | 341,485           |                   |
| <b>Fund balance, ending</b>                   |                          |                   | <b>\$ 332,610</b> |                   |



**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 19**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

MORRISVILLE AQUATICS & FITNESS CENTER RENOVATION CAPITAL PROJECT FUND

FROM INCEPTION TO JUNE 30, 2022

|   | Project<br>Authorization | Actual          |                |               |
|---|--------------------------|-----------------|----------------|---------------|
|   |                          | Prior Years     | Current Year   | Total to Date |
| <b>Revenues</b>                               |                          |                 |                |               |
| Investment earnings                           | \$ 5,834                 | \$ 206,727      | \$ -           | \$ 206,727    |
| <b>Expenditures</b>                           |                          |                 |                |               |
| Bond issue costs                              | -                        | 22,780          | -              | 22,780        |
| Professional services                         | 747,500                  | 730,877         | -              | 730,877       |
| Capital outlay                                | 7,021,743                | 7,035,696       | -              | 7,035,696     |
| Contingency                                   | 644,757                  | 90,579          | -              | 90,579        |
| Total expenditures                            | 8,414,000                | 7,879,932       | -              | 7,879,932     |
| Revenues under expenditures                   | (8,408,166)              | (7,673,205)     | -              | (7,673,205)   |
| <b>Other financing sources</b>                |                          |                 |                |               |
| Bonds issued                                  | 5,700,000                | 5,700,000       | -              | 5,700,000     |
| Premium on bonds issued                       | 581,725                  | 581,832         | -              | 581,832       |
| Installment financing proceeds                | 1,000,000                | 1,033,333       | -              | 1,033,333     |
| Transfers out                                 |                          |                 |                |               |
| CIP Capital Reserve Fund                      | (5,834)                  |                 | (5,834)        | (5,834)       |
| Transfers in                                  |                          |                 |                |               |
| General Fund                                  | 600,000                  | -               | -              | -             |
| Parkland Payment-in-Lieu Capital Project Fund | 532,275                  | 363,874         | -              | 363,874       |
| Total other financing sources                 | 8,408,166                | 7,679,039       | (5,834)        | 7,673,205     |
| <b>Net change in fund balance</b>             | <u>\$ -</u>              | <u>\$ 5,834</u> | <u>(5,834)</u> | <u>\$ -</u>   |
| <b>Fund balance, beginning</b>                |                          |                 | <u>5,834</u>   |               |
| <b>Fund balance, ending</b>                   |                          |                 | <u>\$ -</u>    |               |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 20**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

TOWN CENTER CAPITAL PROJECT FUND

FROM INCEPTION TO JUNE 30, 2022

|                                    | Project<br>Authorization | Actual           |                   |                   |
|------------------------------------|--------------------------|------------------|-------------------|-------------------|
|                                    |                          | Prior Years      | Current Year      | Total to Date     |
| <b>Revenues</b>                    |                          |                  |                   |                   |
| Investment earnings                | \$ 81,455                | \$ 81,454        | \$ 19             | \$ 81,473         |
| <b>Expenditures</b>                |                          |                  |                   |                   |
| Professional services              | 740,275                  | 614,884          | 287,169           | 902,053           |
| Capital outlay                     | 6,558,942                | 5,914,086        | 2,300             | 5,916,386         |
| Total expenditures                 | 7,299,217                | 6,528,970        | 289,469           | 6,818,439         |
| Revenues under expenditures        | (7,217,762)              | (6,447,516)      | (289,450)         | (6,736,966)       |
| <b>Other financing sources</b>     |                          |                  |                   |                   |
| Transfers in                       |                          |                  |                   |                   |
| General Fund                       | 4,300,000                | 4,300,000        | -                 | 4,300,000         |
| CIP Capital Reserve Fund           | 1,711,862                | 1,401,862        | 310,000           | 1,711,862         |
| Land and Parkland Acquisition Fund | 450,000                  | -                | 450,000           | 450,000           |
| Stormwater Fund                    | 755,900                  | 755,900          | -                 | 755,900           |
| Total other financing sources      | 7,217,762                | 6,457,762        | 760,000           | 7,217,762         |
| <b>Net change in fund balance</b>  | <u>\$ -</u>              | <u>\$ 10,246</u> | 470,550           | <u>\$ 480,796</u> |
| <b>Fund balance, beginning</b>     |                          |                  | 10,246            |                   |
| <b>Fund balance, ending</b>        |                          |                  | <u>\$ 480,796</u> |                   |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 21**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

HISTORIC CHRISTIAN CHURCH PARKING LOT EXPANSION CAPITAL PROJECT FUND

FROM INCEPTION TO JUNE 30, 2022

|                                   | Project<br>Authorization | Actual           |                    |               |
|-----------------------------------|--------------------------|------------------|--------------------|---------------|
|                                   |                          | Prior Years      | Current Year       | Total to Date |
| <b>Revenues</b>                   |                          |                  |                    |               |
| Investment earnings               | \$ 17,568                | \$ 17,546        | \$ 25              | \$ 17,571     |
| <b>Expenditures</b>               |                          |                  |                    |               |
| Professional services             | 95,124                   | 95,124           | -                  | 95,124        |
| Capital outlay                    | 581,435                  | 559,971          | 21,464             | 581,435       |
| Total expenditures                | 676,559                  | 655,095          | 21,464             | 676,559       |
| Revenues under expenditures       | (658,991)                | (637,549)        | (21,439)           | (658,988)     |
| <b>Other financing sources</b>    |                          |                  |                    |               |
| Transfers out                     |                          |                  |                    |               |
| CIP Capital Reserve Fund          | (24,359)                 | -                | (24,362)           | (24,362)      |
| Transfers in                      |                          |                  |                    |               |
| General Fund                      | 455,000                  | 455,000          | -                  | 455,000       |
| Stormwater Fund                   | 228,350                  | 228,350          | -                  | 228,350       |
| Total other financing sources     | 658,991                  | 683,350          | (24,362)           | 658,988       |
| <b>Net change in fund balance</b> | <u>\$ -</u>              | <u>\$ 45,801</u> | <u>\$ (45,801)</u> | <u>\$ -</u>   |
| <b>Fund balance, beginning</b>    |                          |                  | 45,801             |               |
| <b>Fund balance, ending</b>       |                          |                  | <u>\$ -</u>        |               |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 22**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 SEWER CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2022

|                                      | Project<br>Authorization | Actual              |                     |                     |
|--------------------------------------|--------------------------|---------------------|---------------------|---------------------|
|                                      |                          | Prior Years         | Current Year        | Total to Date       |
| <b>Revenues</b>                      |                          |                     |                     |                     |
| Investment earnings                  | \$ 197,166               | \$ 263,589          | \$ 1,941            | \$ 265,530          |
| Miscellaneous                        | 273,323                  | 7,135               | 266,188             | 273,323             |
| <b>Total revenues</b>                | <b>470,489</b>           | <b>270,724</b>      | <b>268,129</b>      | <b>538,853</b>      |
| <b>Expenditures</b>                  |                          |                     |                     |                     |
| Settlements                          | 466,188                  | -                   | 291,680             | 291,680             |
| Professional services                | 138,847                  | 49,203              | -                   | 49,203              |
| Property acquisition                 | 17,398                   | 16,470              | -                   | 16,470              |
| Capital outlay                       | 1,876,219                | 900,283             | -                   | 900,283             |
| <b>Total expenditures</b>            | <b>2,498,652</b>         | <b>965,956</b>      | <b>291,680</b>      | <b>1,257,636</b>    |
| Revenues under expenditures          | (2,028,163)              | (695,232)           | (23,551)            | (718,783)           |
| <b>Other financing sources</b>       |                          |                     |                     |                     |
| Transfers in                         |                          |                     |                     |                     |
| General Fund                         | 200,000                  | -                   | 200,000             | 200,000             |
| Water/Sewer Capital Reserve          | 1,562,500                | 1,562,500           | -                   | 1,562,500           |
| Cape Fear Capital Project Fund       | 265,663                  | 265,663             | -                   | 265,663             |
| Water and Sewer Fund                 | -                        | 1,917               | -                   | 1,917               |
| <b>Total other financing sources</b> | <b>2,028,163</b>         | <b>1,830,080</b>    | <b>200,000</b>      | <b>2,030,080</b>    |
| <b>Net change in fund balance</b>    | <b>\$ -</b>              | <b>\$ 1,134,848</b> | <b>176,449</b>      | <b>\$ 1,311,297</b> |
| <b>Fund balance, beginning</b>       |                          |                     | <b>1,134,848</b>    |                     |
| <b>Fund balance, ending</b>          |                          |                     | <b>\$ 1,311,297</b> |                     |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 SIDEWALK AND PEDESTRIAN ENHANCEMENT CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2022

|   | Project<br>Authorization | Actual            |                     |                     |
|---|--------------------------|-------------------|---------------------|---------------------|
|   |                          | Prior Years       | Current Year        | Total to Date       |
| <b>Revenues</b>                             |                          |                   |                     |                     |
| Investment earnings                         | \$ -                     | \$ 17,810         | \$ 5,481            | \$ 23,291           |
| Contributions                               | -                        | -                 | 153,103             | 153,103             |
| Grants                                      | 1,049,000                | 174,036           | 1,182               | 175,218             |
| Total revenues                              | 1,049,000                | 191,846           | 159,766             | 351,612             |
| <b>Expenditures</b>                         |                          |                   |                     |                     |
| Professional services                       | 541,750                  | 135,351           | 2,279               | 137,630             |
| Capital outlay                              | 2,329,150                | 138,549           | 606,044             | 744,593             |
| Total expenditures                          | 2,870,900                | 273,900           | 608,323             | 882,223             |
| Revenues under expenditures                 | (1,821,900)              | (82,054)          | (448,557)           | (530,611)           |
| <b>Other financing sources</b>              |                          |                   |                     |                     |
| General obligation bonds issued             | 1,071,700                | -                 | 1,000,000           | 1,000,000           |
| Premiums on general obligation bonds issued | -                        | -                 | 301,275             | 301,275             |
| Transfers in<br>General Fund                | 750,200                  | 543,000           | -                   | 543,000             |
| Total other financing sources               | 1,821,900                | 543,000           | 1,301,275           | 1,844,275           |
| <b>Net change in fund balance</b>           | <b>\$ -</b>              | <b>\$ 460,946</b> | <b>852,718</b>      | <b>\$ 1,313,664</b> |
| <b>Fund balance, beginning</b>              |                          |                   | <b>460,946</b>      |                     |
| <b>Fund balance, ending</b>                 |                          |                   | <b>\$ 1,313,664</b> |                     |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 24**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 PUBLIC WORKS RENOVATION CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2022

|                                   | Project<br>Authorization | Actual              |                     |                     |
|-----------------------------------|--------------------------|---------------------|---------------------|---------------------|
|                                   |                          | Prior Years         | Current Year        | Total to Date       |
| <b>Revenues</b>                   |                          |                     |                     |                     |
| Investment earnings               | \$ -                     | \$ 29,436           | \$ 1,710            | \$ 31,146           |
| <b>Expenditures</b>               |                          |                     |                     |                     |
| Professional services             | 1,300,000                | 102,223             | 40,644              | 142,867             |
| Revenues under expenditures       | (1,300,000)              | (72,787)            | (38,934)            | (111,721)           |
| <b>Other financing sources</b>    |                          |                     |                     |                     |
| Transfers in<br>General Fund      | 1,300,000                | 1,300,000           | -                   | 1,300,000           |
| <b>Net change in fund balance</b> | <u>\$ -</u>              | <u>\$ 1,227,213</u> | <u>(38,934)</u>     | <u>\$ 1,188,279</u> |
| <b>Fund balance, beginning</b>    |                          |                     | <u>1,227,213</u>    |                     |
| <b>Fund balance, ending</b>       |                          |                     | <u>\$ 1,188,279</u> |                     |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 25**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

CRABTREE HATCHER CREEK GREENWAY CAPITAL PROJECT FUND

FROM INCEPTION TO JUNE 30, 2022

|   | Project<br>Authorization | Actual          |                  |                  |
|---|--------------------------|-----------------|------------------|------------------|
|   |                          | Prior Years     | Current Year     | Total to Date    |
| <b>Revenues</b>                               |                          |                 |                  |                  |
| Grants  | \$ 4,903,602             | \$ 4,761,428    | \$ 71,228        | \$ 4,832,656     |
| Investment earnings                           | -                        | 28,291          | 249              | 28,540           |
| Total revenues                                | 4,903,602                | 4,789,719       | 71,477           | 4,861,196        |
| <b>Expenditures</b>                           |                          |                 |                  |                  |
| Professional services                         | 867,323                  | 855,903         | -                | 855,903          |
| Capital outlay                                | 5,654,051                | 5,243,248       | -                | 5,243,248        |
| Land acquisition                              | 69,802                   | 69,802          | -                | 69,802           |
| Total expenditures                            | 6,591,176                | 6,168,953       | -                | 6,168,953        |
| Revenues over (under) expenditures            | (1,687,574)              | (1,379,234)     | 71,477           | (1,307,757)      |
| <b>Other financing sources</b>                |                          |                 |                  |                  |
| Transfers in                                  |                          |                 |                  |                  |
| Parkland Payment-in-Lieu Capital Project Fund | 1,687,574                | 1,387,574       | -                | 1,387,574        |
| <b>Net change in fund balance</b>             | <u>\$ -</u>              | <u>\$ 8,340</u> | 71,477           | <u>\$ 79,817</u> |
| <b>Fund balance, beginning</b>                |                          |                 | <u>8,340</u>     |                  |
| <b>Fund balance, ending</b>                   |                          |                 | <u>\$ 79,817</u> |                  |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 26**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

PARKS AND GREENWAYS CAPITAL PROJECT FUND

FROM INCEPTION TO JUNE 30, 2022

|   | Project<br>Authorization | Actual              |                     |                     |
|---|--------------------------|---------------------|---------------------|---------------------|
|   |                          | Prior Years         | Current Year        | Total to Date       |
| <b>Revenues</b>   |                          |                     |                     |                     |
| Investment earnings   | \$ -                     | \$ 909              | \$ 6,892            | \$ 7,801            |
| Grants  | 45,000                   | -                   | -                   | -                   |
| Total revenues  | 45,000                   | 909                 | 6,892               | 7,801               |
| <b>Expenditures</b>   |                          |                     |                     |                     |
| Professional services   | 1,037,330                | 388,777             | 184,760             | 573,537             |
| Capital outlay  | 2,832,570                | 274,774             | 577,242             | 852,016             |
| Total expenditures  | 3,869,900                | 663,551             | 762,002             | 1,425,553           |
| Revenues under expenditures                                   | (3,824,900)              | (662,642)           | (755,110)           | (1,417,752)         |
| <b>Other financing sources</b>                                |                          |                     |                     |                     |
| General obligation bonds issued                               | 2,000,000                | -                   | 2,000,000           | 2,000,000           |
| Premiums on general obligation bonds issued                   | -                        | -                   | 143,464             | 143,464             |
| Transfers in<br>Parkland Payment-in-Lieu Capital Project Fund | 1,824,900                | 1,824,900           | -                   | 1,824,900           |
| Total other financing sources                                 | 3,824,900                | 1,824,900           | 2,143,464           | 3,968,364           |
| <b>Net change in fund balance</b>                             | <u>\$ -</u>              | <u>\$ 1,162,258</u> | 1,388,354           | <u>\$ 2,550,612</u> |
| <b>Fund balance, beginning</b>                                |                          |                     | <u>1,162,258</u>    |                     |
| <b>Fund balance, ending</b>                                   |                          |                     | <u>\$ 2,550,612</u> |                     |



**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 27**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 NC 54 CONGESTION MITIGATION CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2022

|   | Project<br>Authorization | Actual        |                     |                     |
|---|--------------------------|---------------|---------------------|---------------------|
|   |                          | Prior Years   | Current Year        | Total to Date       |
| <b>Revenues</b>   |                          |               |                     |                     |
| Investment earnings   | \$ -                     | \$ 123        | \$ 1,411            | \$ 1,534            |
| <b>Expenditures</b>   |                          |               |                     |                     |
| Land acquisition  | 240,000                  | -             | 240,000             | 240,000             |
| Professional services   | 1,000,000                | 1,000,000     | -                   | 1,000,000           |
| Capital outlay  | 3,200,000                | -             | -                   | -                   |
| Total expenditures  | 4,440,000                | 1,000,000     | 240,000             | 1,240,000           |
| Revenues under expenditures                                     | (4,440,000)              | (999,877)     | (238,589)           | (1,238,466)         |
| <b>Other financing sources</b>                                  |                          |               |                     |                     |
| General obligation bonds issued                                 | 3,200,000                | -             | 3,200,000           | 3,200,000           |
| Transfers in<br>Roadway and Transportation Capital Reserve Fund | 1,240,000                | 1,000,000     | 240,000             | 1,240,000           |
| Total other financing sources                                   | 4,440,000                | 1,000,000     | 3,440,000           | 4,440,000           |
| <b>Net change in fund balance</b>                               | <u>\$ -</u>              | <u>\$ 123</u> | 3,201,411           | <u>\$ 3,201,534</u> |
| <b>Fund balance, beginning</b>                                  |                          |               | 123                 |                     |
| <b>Fund balance, ending</b>                                     |                          |               | <u>\$ 3,201,534</u> |                     |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 28**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION -

Page 1 of 2

BUDGET AND ACTUAL (NON-GAAP)

STORMWATER FUND

YEAR ENDED JUNE 30, 2022

|  | Final<br>Budget | Actual           | Variance<br>Positive<br>(Negative) |
|--|-----------------|------------------|------------------------------------|
| <b>Revenues</b>  |                 |                  |                                    |
| Permits and fees   | \$ 45,000       | \$ 596,571       | \$ 551,571                         |
| Stormwater ERU charges                                     | 570,000         | 574,468          | 4,468                              |
| Investment earnings  | 10,000          | 2,340            | (7,660)                            |
| <b>Total revenues</b>                                      | <b>625,000</b>  | <b>1,173,379</b> | <b>548,379</b>                     |
| <b>Expenditures</b>  |                 |                  |                                    |
| Stormwater operations                                      |                 |                  |                                    |
| Personnel costs  | 341,958         | 331,433          | 10,525                             |
| Professional services                                      | 171,339         | 42,924           | 128,415                            |
| Other operating  | 158,800         | 95,225           | 63,575                             |
| Capital outlay   | 66,000          | 32,135           | 33,865                             |
| <b>Total expenditures</b>                                  | <b>738,097</b>  | <b>501,717</b>   | <b>236,380</b>                     |
| Revenues over (under) expenditures                         | (113,097)       | 671,662          | 784,759                            |
| <b>Other financing sources (uses)</b>                      |                 |                  |                                    |
| Fund balance appropriated                                  | 113,097         | -                | (113,097)                          |
| <b>Total other financing sources (uses)</b>                | <b>113,097</b>  | <b>-</b>         | <b>(113,097)</b>                   |
| <b>Revenues and other sources (uses) over expenditures</b> | <b>\$ -</b>     | <b>671,662</b>   | <b>\$ 671,662</b>                  |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION -

BUDGET AND ACTUAL (NON-GAAP)

STORMWATER FUND

YEAR ENDED JUNE 30, 2022

**Schedule 28**

Page 2 of 2

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**Reconciliation from budgetary basis (modified accrual) to full accrual:**

|  |                     |
|--|---------------------|
| Add (deduct):  |                     |
| Increase in compensated absences liability                               | (933)               |
| Increase in deferred outflows of resources - pensions                    | 14,345              |
| Decrease in deferred outflows of resources - OPEB                        | (3,223)             |
| Decrease in net pension liability  | 54,037              |
| Increase in OPEB liability   | (723)               |
| Increase in deferred inflows of resources - pensions                     | (65,179)            |
| Decrease in deferred inflows of resources - OPEB                         | 2,952               |
| Capital outlay   | 32,135              |
| Depreciation expense   | (20,684)            |
| Transfer of net position of completed capital project to Stormwater Fund | 100,319             |
|  | <hr/>               |
| <b>Change in net position</b>  | <b>784,708</b>      |
|  | <hr/>               |
| <b>Net position, beginning of year</b>                                   | <b>1,596,390</b>    |
|  | <hr/>               |
| <b>Net position, end of year</b>   | <b>\$ 2,381,098</b> |
|  | <hr/> <hr/>         |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 29**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION -  
 BUDGET AND ACTUAL (NON-GAAP)  
 KIT CREEK 5-1 STORMWATER RETROFIT CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2022

|  | Project<br>Authorization | Actual           |                  |               |
|--|--------------------------|------------------|------------------|---------------|
|  |                          | Prior Years      | Current Year     | Total to Date |
| <b>Revenues</b>  |                          |                  |                  |               |
| Investment earnings  | \$ 489                   | \$ 479           | \$ 11            | \$ 490        |
| Grants   | 90,087                   | 90,086           | -                | 90,086        |
| Total revenues   | 90,576                   | 90,565           | 11               | 90,576        |
| <b>Expenditures</b>  |                          |                  |                  |               |
| Supplies   | 2,500                    | 1,279            | -                | 1,279         |
| Professional services  | 32,602                   | 33,823           | -                | 33,823        |
| Construction   | 66,496                   | 66,496           | -                | 66,496        |
| Total expenditures   | 101,598                  | 101,598          | -                | 101,598       |
| Revenues over (under) expenditures   | (11,022)                 | (11,033)         | 11               | (11,022)      |
| <b>Other financing sources (uses)</b>  |                          |                  |                  |               |
| Transfer out   |                          |                  |                  |               |
| Green Drive and Fairview Avenue Stormwater Capital Project Fund                | (12,901)                 | -                | (12,901)         | (12,901)      |
| Transfer in  |                          |                  |                  |               |
| Stormwater Fund  | 23,923                   | 23,923           | -                | 23,923        |
| Total other financing sources (uses)   | 11,022                   | 23,923           | (12,901)         | 11,022        |
| <b>Revenues and other sources (uses) over expenditures</b>                     | <b>\$ -</b>              | <b>\$ 12,890</b> | <b>(12,890)</b>  | <b>\$ -</b>   |
| <b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b> |                          |                  |                  |               |
| Less - Transfer of net position of completed project to Stormwater Fund        |                          |                  | (100,319)        |               |
| <b>Change in net position</b>  |                          |                  | <b>(113,209)</b> |               |
| <b>Net position, beginning of year</b>   |                          |                  | <b>113,209</b>   |               |
| <b>Net position, end of year</b>   |                          |                  | <b>\$ -</b>      |               |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 30**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION -  
 BUDGET AND ACTUAL (NON-GAAP)  
 GREEN DRIVE AND FAIRVIEW AVENUE STORMATER CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2022

|  | Project<br>Authorization | Actual            |                   |                  |
|--|--------------------------|-------------------|-------------------|------------------|
|  |                          | Prior Years       | Current Year      | Total to Date    |
| <b>Revenues</b>  |                          |                   |                   |                  |
| Investment earnings  | \$ 10,250                | \$ 10,389         | \$ 222            | \$ 10,611        |
| Miscellaneous  | 24,130                   | -                 | 24,130            | 24,130           |
| Total revenues   | 34,380                   | 10,389            | 24,352            | 34,741           |
| <b>Expenditures</b>  |                          |                   |                   |                  |
| Professional services  | 84,031                   | 37,330            | 801               | 38,131           |
| Land acquisition   | 6,250                    | 6,230             | -                 | 6,230            |
| Construction   | 534,500                  | -                 | 488,716           | 488,716          |
| Total expenditures   | 624,781                  | 43,560            | 489,517           | 533,077          |
| Revenues under expenditures  | (590,401)                | (33,171)          | (465,165)         | (498,336)        |
| <b>Other financing sources</b>   |                          |                   |                   |                  |
| Transfer in  |                          |                   |                   |                  |
| Kit Creek Reach 5-1 Stormwater Retrofit Capital Project Fund                   | 12,901                   | -                 | 12,901            | 12,901           |
| Stormwater Fund  | 577,500                  | 577,500           | -                 | 577,500          |
| Total other financing sources  | 590,401                  | 577,500           | 12,901            | 590,401          |
| <b>Revenues and other sources over expenditures</b>                            | <b>\$ -</b>              | <b>\$ 544,329</b> | <b>(452,264)</b>  | <b>\$ 92,065</b> |
| <b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b> |                          |                   |                   |                  |
| Add - Capital outlay   |                          |                   | 489,517           |                  |
| <b>Change in net position</b>  |                          |                   | 37,253            |                  |
| <b>Net position, beginning of year</b>   |                          |                   | 587,889           |                  |
| <b>Net position, end of year</b>   |                          |                   | <b>\$ 625,142</b> |                  |

# Other Schedules

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**JUNE 30, 2022**

**Schedule 31**

| <u>Fiscal Year</u>                          | <u>Balance<br/>June 30, 2021</u> | <u>Current Levy</u>  | <u>Collection<br/>Adjustments<br/>and Releases</u> | <u>Balance<br/>June 30, 2022</u> |
|---|----------------------------------|----------------------|--|----------------------------------|
| 2021 - 2022                                 | \$ -                             | \$ 22,950,673 (1)    | \$ 22,892,932 (2)                                  | \$ 57,741                        |
| 2020 - 2021                                 | 45,941                           | -                    | 27,396   | 18,545                           |
| 2019 - 2020                                 | 20,107                           | -                    | 3,623  | 16,484                           |
| 2018 - 2019                                 | 5,348                            | -                    | 755  | 4,593                            |
| 2017 - 2018                                 | 3,321                            | -                    | 135  | 3,186                            |
| 2016 - 2017                                 | 2,549                            | -                    | 65   | 2,484                            |
| 2015 - 2016                                 | 2,217                            | -                    | -  | 2,217                            |
| 2014 - 2015                                 | 504                              | -                    | -  | 504                              |
| 2013 - 2014                                 | 4,812                            | -                    | 60   | 4,752                            |
| 2012 - 2013                                 | 7,847                            | -                    | 173  | 7,674                            |
| 2011 - 2012                                 | 9,447                            | -                    | 9,447  | -                                |
|   | <u>\$ 102,093</u>                | <u>\$ 22,950,673</u> | <u>\$ 22,934,586</u>                               | 118,180                          |
| Less allowance for uncollectible taxes      |                                  |                      |  | <u>(94,250)</u>                  |
| Ad valorem taxes receivable, net            |                                  |                      |  | <u>\$ 23,930 (3)</u>             |
| <b>Reconciliation to revenues:</b>          |                                  |                      |  |                                  |
| Ad valorem taxes, General Fund              |                                  |                      | \$ 22,976,741 (4)                                  |                                  |
| Reconciling items;                          |                                  |                      |  |                                  |
| Penalties and interest received             |                                  |                      | (31,086)   |                                  |
| Releases, rebates and adjustments           |                                  |                      | (20,516)   |                                  |
| Taxes written off                           |                                  |                      | 9,447  |                                  |
| Total collections, adjustments and releases |                                  |                      | <u>\$ 22,934,586</u>                               |                                  |

Note (1) and (2) - The Town's taxes are collected by Wake County and a small percentage from Durham County.

Note (3) - Ad valorem taxes receivable only; does not include decal tax receivable of \$32,013 net of an allowance of \$25,530.

Note (4) - Does not include Municipal Service District taxes of \$118,155.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
ANALYSIS OF CURRENT TAX LEVY  
YEAR ENDED JUNE 30, 2022

Schedule 32

|                                       | Town-Wide               |          |                      | Total Levy                                   |                           |
|---------------------------------------|-------------------------|----------|----------------------|--|---------------------------|
|                                       | Property Valuation      | Tax Rate | Total Levy           | Property Excluding Registered Motor Vehicles | Registered Motor Vehicles |
| <b>Original Levy</b>                  |                         |          |                      |  |                           |
| Property taxed at current year's rate | \$ 6,377,487,592        | \$ 0.36  | \$ 22,958,955        | \$ 21,779,885                                | \$ 1,179,070              |
| Penalties                             | -                       |          | 29,389               | 29,389                                       | -                         |
| Total                                 | 6,377,487,592           |          | 22,988,344           | 21,809,274                                   | 1,179,070                 |
| <b>Discoveries</b>                    |                         |          |                      |  |                           |
| Prior year's taxes                    | 13,655,235              |          | 50,475               | 50,475                                       | -                         |
| Less - Abatements                     | -                       |          | (88,146)             | (88,146)                                     | -                         |
| Total property valuation              | <u>\$ 6,391,142,827</u> |          |                      |  |                           |
| Net levy                              |                         |          | 22,950,673           | 21,771,603                                   | 1,179,070                 |
| Uncollected taxes at June 30, 2022    |                         |          | 57,741               | 57,741                                       | -                         |
| Current year's taxes collected        |                         |          | <u>\$ 22,892,932</u> | <u>\$ 21,713,862</u>                         | <u>\$ 1,179,070</u>       |
| Current levy collection percentage    |                         |          | <u>99.75%</u>        | <u>99.73%</u>                                | <u>100.00%</u>            |

Note: The Town's taxes are collected by Wake County, the North Carolina Vehicle Tax System and a small percentage from Durham County.



**TOWN OF MORRISVILLE, NORTH CAROLINA**

Schedule 33

## GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS AND MATURITY SCHEDULE

JUNE 30, 2022

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| <u>Fiscal<br/>Year</u> | <u>Principal</u>     | <u>Principal<br/>and Interest</u> |
|------------------------|----------------------|-----------------------------------|
| 2022 - 2023            | 2,560,000            | 3,867,693                         |
| 2023 - 2024            | 2,565,000            | 3,975,625                         |
| 2024 - 2025            | 2,555,000            | 3,849,775                         |
| 2025 - 2026            | 2,555,000            | 3,736,375                         |
| 2026 - 2027            | 2,555,000            | 3,622,875                         |
| 2027 - 2028            | 2,120,000            | 3,074,275                         |
| 2028 - 2029            | 2,115,000            | 2,978,200                         |
| 2029 - 2030            | 2,115,000            | 2,891,850                         |
| 2030 - 2031            | 2,115,000            | 2,805,100                         |
| 2031 - 2032            | 2,115,000            | 2,718,038                         |
| 2032 - 2033            | 2,115,000            | 2,633,338                         |
| 2033 - 2034            | 2,115,000            | 2,551,000                         |
| 2034 - 2035            | 1,915,000            | 2,279,838                         |
| 2035 - 2036            | 1,915,000            | 2,218,090                         |
| 2036 - 2037            | 1,915,000            | 2,155,590                         |
| 2037 - 2038            | 1,415,000            | 1,598,900                         |
| 2038 - 2039            | 1,415,000            | 1,547,800                         |
| 2039 - 2040            | 880,000              | 972,400                           |
| 2040 - 2041            | 880,000              | 941,600                           |
| 2041 - 2042            | 880,000              | 910,800                           |
|                        | <hr/>                | <hr/>                             |
| Total                  | <u>\$ 38,815,000</u> | <u>\$ 51,329,160</u>              |

# Statistical Section

This part of the Town of Morrisville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. This section is the chief source of information regarding a government's economic condition and is organized around the following five specific objectives:

**Financial Trends** – *These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.*

**Revenue Capacity** - *These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property and sales taxes.*

**Debt Capacity** - *These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.*

**Demographic and Economic Information** – *These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.*

**Operating Information** - *These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and activities it performs.*

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

**Table 1**

|  | <b>2013</b>           | <b>2014</b>           | <b>2015</b>           | <b>2016</b>           | <b>2017</b>           | <b>2018</b>           | <b>2019</b>           | <b>2020</b>           | <b>2021</b>           | <b>2022</b>           |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Governmental activities</b>                     |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets                   | \$ 88,628,766         | \$ 93,088,451         | \$ 99,549,312         | \$ 103,511,580        | \$ 114,455,319        | \$ 128,402,016        | \$ 139,308,614        | \$ 144,793,657        | \$ 141,253,092        | 152,861,140           |
| Restricted   | 4,059,415             | 5,701,761             | 5,131,025             | \$ 13,141,913         | \$ 19,999,993         | \$ 21,205,023         | \$ 24,173,484         | \$ 26,339,022         | \$ 20,773,823         | 11,866,466            |
| Unrestricted                                       | 12,780,461            | 14,499,006            | 17,799,963            | \$ 14,329,050         | \$ 12,290,712         | \$ 13,689,017         | \$ 11,644,171         | \$ 9,417,099          | \$ 9,508,947          | 17,811,514            |
| <b>Total governmental activities net position</b>  | <b>105,468,642</b>    | <b>113,289,218</b>    | <b>122,480,300</b>    | <b>\$ 130,982,543</b> | <b>\$ 146,746,024</b> | <b>\$ 163,296,056</b> | <b>\$ 175,126,269</b> | <b>\$ 180,549,778</b> | <b>\$ 171,535,862</b> | <b>\$ 182,539,120</b> |
| <b>Business-type activities</b>                    |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets                   | 2,040,473             | 650,551               | 805,551               | \$ 1,468,020          | \$ 650,915            | \$ 643,220            | \$ 668,769            | \$ 648,338            | \$ 634,555            | 1,135,523             |
| Unrestricted                                       | (15,849)              | 1,375,949             | 1,239,024             | \$ 2,141,019          | \$ 1,259,908          | \$ 1,815,987          | \$ 2,061,346          | \$ 1,402,075          | \$ 1,662,933          | 1,870,717             |
| <b>Total business-type activities net position</b> | <b>2,024,624</b>      | <b>2,026,500</b>      | <b>2,044,575</b>      | <b>\$ 3,609,039</b>   | <b>\$ 1,910,823</b>   | <b>\$ 2,459,207</b>   | <b>\$ 2,730,115</b>   | <b>\$ 2,050,413</b>   | <b>\$ 2,297,488</b>   | <b>\$ 3,006,240</b>   |
| <b>Primary government</b>                          |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets                   | 89,434,031            | 93,739,002            | 100,354,863           | \$ 104,979,600        | \$ 115,106,234        | \$ 129,045,236        | \$ 139,977,383        | \$ 145,441,995        | \$ 141,887,647        | 153,996,663           |
| Restricted   | 4,059,415             | 5,701,761             | 5,131,025             | \$ 13,141,913         | \$ 19,999,993         | \$ 21,205,023         | \$ 24,173,484         | \$ 26,339,022         | \$ 20,773,823         | 11,866,466            |
| Unrestricted                                       | 13,999,820            | 15,874,955            | 19,038,987            | \$ 16,470,069         | \$ 13,550,620         | \$ 15,505,004         | \$ 13,705,517         | \$ 10,819,174         | \$ 11,171,880         | 19,682,231            |
| <b>Total primary government net position</b>       | <b>\$ 107,493,266</b> | <b>\$ 115,315,718</b> | <b>\$ 124,524,875</b> | <b>\$ 134,591,582</b> | <b>\$ 148,656,847</b> | <b>\$ 165,755,263</b> | <b>\$ 177,856,384</b> | <b>\$ 182,600,191</b> | <b>\$ 173,833,350</b> | <b>\$ 185,545,360</b> |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**CHANGES IN NET POSITION <sup>(1)</sup>**  
**LAST TEN FISCAL YEARS**

**Table 2**  
**Page 1 of 3**

|   | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Expenses</b>                                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Governmental activities:</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government                                    | \$ 5,809,595         | \$ 6,105,290         | \$ 5,724,056         | \$ 5,012,357         | \$ 6,203,972         | \$ 6,417,384         | \$ 6,912,016         | \$ 7,974,256         | \$ 9,010,060         | \$ 9,792,132         |
| Public safety   | 7,808,292            | 8,324,497            | 9,274,703            | 8,510,593            | 9,189,668            | 9,583,725            | 10,567,399           | 11,803,079           | 12,760,247           | 13,662,345           |
| Public works  | 3,433,293            | 3,768,812            | 4,805,597            | 5,186,053            | 6,133,623            | 5,469,939            | 5,100,632            | 5,389,681            | 24,748,340           | 8,929,163            |
| Development services                                  | 2,264,328            | 2,552,421            | 2,900,259            | 1,874,840            | 2,259,598            | 2,380,560            | 3,011,772            | 3,021,941            | 3,252,330            | 3,641,353            |
| Culture and recreation                                | 1,990,604            | 2,086,939            | 2,315,218            | 1,797,070            | 2,002,012            | 2,156,751            | 2,018,990            | 2,120,532            | 2,789,059            | 3,130,020            |
| Interest on long-term debt                            | 451,847              | 419,214              | 379,060              | 367,433              | 433,651              | 534,806              | 765,140              | 1,006,023            | 833,379              | 988,971              |
| <b>Total governmental activities expenses</b>         | <b>21,757,959</b>    | <b>23,257,173</b>    | <b>25,398,893</b>    | <b>22,748,346</b>    | <b>26,222,524</b>    | <b>26,543,165</b>    | <b>28,375,949</b>    | <b>31,315,512</b>    | <b>53,393,415</b>    | <b>40,143,984</b>    |
| <b>Business-type activities:</b>                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Stormwater  | -                    | -                    | -                    | 475,490              | 488,053              | 382,035              | 526,434              | 494,551              | 702,507              | 488,990              |
| Water and sewer                                       | 42,470               | 13,606               | 5,425                | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>Total business-type activities expenses</b>        | <b>42,470</b>        | <b>13,606</b>        | <b>5,425</b>         | <b>475,490</b>       | <b>488,053</b>       | <b>382,035</b>       | <b>526,434</b>       | <b>494,551</b>       | <b>702,507</b>       | <b>488,990</b>       |
| <b>Total primary government expenses</b>              | <b>\$ 21,800,429</b> | <b>\$ 23,270,779</b> | <b>\$ 25,404,318</b> | <b>\$ 23,223,836</b> | <b>\$ 26,710,577</b> | <b>\$ 26,925,200</b> | <b>\$ 28,902,383</b> | <b>\$ 31,810,063</b> | <b>\$ 54,095,922</b> | <b>\$ 40,632,974</b> |
| <b>Program revenues</b>                               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Governmental activities:</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Charges for services</b>                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government                                    | \$ 164,670           | \$ 275,713           | \$ 254,375           | \$ 253,233           | \$ 242,190           | \$ 247,394           | \$ 291,552           | \$ 199,120           | \$ 245,333           | \$ 282,831           |
| Public safety   | 50,202               | 64,120               | 71,221               | 91,033               | 83,602               | 105,182              | 134,371              | 93,470               | 45,055               | 64,425               |
| Development services                                  | 1,480,815            | 1,813,936            | 2,028,806            | 1,677,208            | 1,757,021            | 1,751,994            | 1,791,348            | 2,321,098            | 2,204,662            | 1,379,860            |
| Culture and recreation                                | 867,187              | 835,626              | 912,401              | 855,610              | 901,261              | 831,737              | 547,450              | 225,601              | 225,624              | 614,315              |
| <b>Operating grants and contributions</b>             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government                                    | -                    | -                    | -                    | 105,804              | -                    | -                    | -                    | -                    | -                    | -                    |
| Public safety   | 8,429                | 8,394                | 5,946                | 5,092                | 29,688               | -                    | 500                  | 39,887               | 546,645              | 1,119,300            |
| Public works  | 458,759              | 489,215              | 502,929              | 546,237              | 659,753              | 809,664              | 605,779              | 589,678              | 582,737              | 2,000                |
| Development services                                  | -                    | -                    | -                    | -                    | 4,000                | 125,530              | -                    | -                    | 45,193               | 758,286              |
| Culture and recreation                                | -                    | -                    | -                    | -                    | -                    | -                    | 8,250                | 2,000                | -                    | 262,023              |
| <b>Capital grants and contributions</b>               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Public safety   | 76,819               | -                    | 6,309                | 24,427               | 9,905                | 2,956                | 33,488               | 20,226               | -                    | 356,403              |
| Public works  | 13,846,086           | 3,904,328            | 7,597,616            | 3,189,718            | 10,008,117           | 8,436,652            | 3,883,672            | 386,646              | 6,697,188            | 8,807,688            |
| Culture and recreation                                | 399,532              | 1,401,342            | 23,407               | 22,342               | 731,526              | 3,020,197            | 714,779              | 328,075              | 73,688               | 71,228               |
| <b>Total governmental activities program revenues</b> | <b>17,352,499</b>    | <b>8,792,674</b>     | <b>11,403,010</b>    | <b>6,770,704</b>     | <b>14,427,063</b>    | <b>15,331,306</b>    | <b>8,011,189</b>     | <b>4,205,801</b>     | <b>10,666,125</b>    | <b>13,718,359</b>    |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**CHANGES IN NET POSITION <sup>(1)</sup>**  
**LAST TEN FISCAL YEARS**

**Table 2**  
**Page 2 of 3**

|  | <u>2013</u>           | <u>2014</u>            | <u>2015</u>            | <u>2016</u>            | <u>2017</u>            | <u>2018</u>            | <u>2019</u>            | <u>2020</u>            | <u>2021</u>            | <u>2022</u>            |
|--|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Stormwater   |                       |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Charges for services   | \$ -                  | \$ -                   | \$ -                   | \$ 834,314             | \$ 718,165             | \$ 794,371             | \$ 694,201             | \$ 772,877             | \$ 948,467             | \$ 1,171,039           |
| Operating grants and contributions                           | -                     | -                      | -                      | 54,985                 | 10,449                 | 14,308                 | 10,344                 | -                      | -                      | -                      |
| Total business-type activities program revenues              | -                     | -                      | -                      | 889,299                | 728,614                | 808,679                | 704,545                | 772,877                | 948,467                | 1,171,039              |
| Total primary government program revenues                    | <u>\$ 17,352,499</u>  | <u>\$ 8,792,674</u>    | <u>\$ 11,403,010</u>   | <u>\$ 7,660,003</u>    | <u>\$ 15,155,677</u>   | <u>\$ 16,139,985</u>   | <u>\$ 8,715,734</u>    | <u>\$ 4,978,678</u>    | <u>\$ 11,614,592</u>   | <u>\$ 14,889,398</u>   |
| Net (Expense) Revenue  |                       |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                                      | \$ (4,405,460)        | \$ (14,464,499)        | \$ (13,995,883)        | \$ (15,977,642)        | \$ (11,795,461)        | \$ (11,211,859)        | \$ (20,364,760)        | \$ (27,098,266)        | \$ (42,727,290)        | (26,425,625)           |
| Business-type activities                                     | (42,470)              | (13,606)               | (5,425)                | 413,809                | 240,561                | 426,644                | 178,111                | 278,326                | 245,960                | 682,049                |
| Total primary government net expense                         | <u>\$ (4,447,930)</u> | <u>\$ (14,478,105)</u> | <u>\$ (14,001,308)</u> | <u>\$ (15,563,833)</u> | <u>\$ (11,554,900)</u> | <u>\$ (10,785,215)</u> | <u>\$ (20,186,649)</u> | <u>\$ (26,819,940)</u> | <u>\$ (42,481,330)</u> | <u>\$ (25,743,576)</u> |
| General revenues and other changes in net assets             |                       |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities:                                     |                       |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Property taxes   | \$ 12,949,904         | \$ 14,577,176          | \$ 14,745,618          | \$ 16,380,456          | \$ 17,600,497          | \$ 17,973,513          | \$ 18,937,524          | \$ 19,702,688          | \$ 22,327,775          | \$ 23,118,819          |
| Other taxes and licenses                                     | 1,509,323             | 1,753,968              | 1,724,212              | 273,725                | 285,897                | 289,261                | 527,459                | 569,225                | 612,630                | 8,824,518              |
| Unrestricted intergovernmental revenues                      | 5,346,806             | 5,574,758              | 6,563,000              | 7,964,820              | 8,296,852              | 8,660,926              | 9,227,535              | 9,401,957              | 10,297,761             | 4,121,466              |
| Unrestricted investment earnings                             | 31,760                | 27,487                 | 22,745                 | 81,621                 | 232,552                | 503,909                | 1,150,628              | 679,457                | 31,820                 | 99,877                 |
| Miscellaneous  | 220,266               | 224,459                | 296,522                | 411,923                | 342,517                | 325,730                | 351,008                | 482,295                | 408,778                | 755,999                |
| Gain (Loss) on disposition of capital assets                 | 93,808                | 127,227                | (41,118)               | -                      | -                      | (137,467)              | -                      | -                      | -                      | -                      |
| Parkland payment in lieu                                     | -                     | -                      | 551,487                | 640,609                | 412,778                | 1,051,737              | 2,058,619              | 701,903                | 34,610                 | 508,204                |
| Transfers  | -                     | -                      | -                      | (126,200)              | (112,983)              | (126,000)              | (57,800)               | 984,250                | -                      | -                      |
| Special item: settlement                                     | (349,000)             | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Total governmental activities                                | <u>19,802,867</u>     | <u>22,285,075</u>      | <u>23,862,466</u>      | <u>25,626,954</u>      | <u>27,058,110</u>      | <u>28,541,609</u>      | <u>32,194,973</u>      | <u>32,521,775</u>      | <u>33,713,374</u>      | <u>37,428,883</u>      |
| Business-type activities:                                    |                       |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Unrestricted investment earnings                             | 28,102                | 15,482                 | 21,615                 | 4,275                  | 4,917                  | 15,831                 | 34,997                 | 26,222                 | 1,115                  | 2,573                  |
| Miscellaneous  | -                     | -                      | 1,885                  | -                      | -                      | -                      | -                      | -                      | -                      | 24,130                 |
| Special item: loss on transfer of assets to the Town of Cary | (2,100,241)           | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Transfers  | -                     | -                      | -                      | 126,200                | 112,983                | 126,000                | 57,800                 | (984,250)              | -                      | -                      |
| Total business-type activities                               | <u>(2,072,139)</u>    | <u>15,482</u>          | <u>23,500</u>          | <u>130,475</u>         | <u>117,900</u>         | <u>141,831</u>         | <u>92,797</u>          | <u>(958,028)</u>       | <u>1,115</u>           | <u>26,703</u>          |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**CHANGES IN NET POSITION <sup>(1)</sup>**  
**LAST TEN FISCAL YEARS**

**Table 2**  
**Page 3 of 3**

|                          | <u>2013</u>          | <u>2014</u>         | <u>2015</u>         | <u>2016</u>          | <u>2017</u>          | <u>2018</u>          | <u>2019</u>          | <u>2020</u>         | <u>2021</u>           | <u>2022</u>          |
|--------------------------|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|---------------------|-----------------------|----------------------|
| Total primary government | \$ 17,730,728        | \$ 22,300,557       | \$ 23,885,966       | \$ 25,757,429        | \$ 27,176,010        | \$ 28,683,440        | \$ 32,287,770        | \$ 31,563,747       | \$ 33,714,489         | \$ 37,455,586        |
| Change in net position   |                      |                     |                     |                      |                      |                      |                      |                     |                       |                      |
| Governmental activities  | 15,397,407           | 7,820,576           | 9,866,583           | 9,649,312            | 15,262,649           | 17,329,750           | 11,830,213           | 5,423,509           | (9,013,916)           | 11,003,258           |
| Business-type activities | (2,114,609)          | 1,876               | 18,075              | 544,284              | 358,461              | 568,475              | 270,908              | (679,702)           | 247,075               | 708,752              |
| Total primary government | <u>\$ 13,282,798</u> | <u>\$ 7,822,452</u> | <u>\$ 9,884,658</u> | <u>\$ 10,193,596</u> | <u>\$ 15,621,110</u> | <u>\$ 17,898,225</u> | <u>\$ 12,101,121</u> | <u>\$ 4,743,807</u> | <u>\$ (8,766,841)</u> | <u>\$ 11,712,010</u> |

Notes:

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

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

**Table 3**

|   | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable:                             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Prepays                                   | \$ 4,458             | \$ 1,383             | \$ 13,326            | \$ 40,263            | \$ 8,886             | \$ 13,990            | \$ 9,742             | \$ 19,216            | \$ -                 | \$ 20,485            |
| Leases                                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 8,403                |
| Total Nonspendable                        | 4,458                | 1,383                | 13,326               | 40,263               | 8,886                | 13,990               | 9,742                | 19,216               | -                    | 28,888               |
| Restricted:                               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Stabilization by State statute            | 1,443,902            | 3,820,617            | 3,690,527            | 5,544,570            | 5,763,023            | 7,250,961            | 9,297,398            | 7,593,866            | 5,498,323            | 4,442,732            |
| Stormwater                                | 78,630               | 127,750              | 542,679              | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Street improvements                       | 41,336               | -                    | 978,545              | 1,563,938            | 1,599,108            | 2,191,782            | 2,796,975            | 4,199,303            | 4,529,378            | 3,069,699            |
| Public safety operations and activities   | -                    | -                    | -                    | 24,918               | 22,678               | 5,335                | 28,401               | 12,719               | 17,693               | 21,299               |
| Total Restricted                          | 1,563,868            | 3,948,367            | 5,211,751            | 7,133,426            | 7,384,809            | 9,448,078            | 12,122,774           | 11,805,888           | 10,045,394           | 7,533,730            |
| Committed:                                |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General governmental capital              | 1,190,373            | 496,830              | 747,441              | 602,704              | 1,902,254            | 1,807,952            | 6,639,957            | 1,595,166            | 1,629,315            | 2,482,960            |
| Debt service                              | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 353,621              | 992,760              |
| LEOSSA pension liability                  | -                    | -                    | -                    | 328,296              | 344,103              | 373,598              | 383,218              | 364,354              | 344,924              | 345,150              |
| OPEB pension liability                    | -                    | -                    | -                    | -                    | -                    | 2,804,999            | 3,128,971            | 3,476,841            | 3,819,953            | 4,180,217            |
| Capital projects                          | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 12                   |
| Total Committed                           | 1,190,373            | 496,830              | 747,441              | 931,000              | 2,246,357            | 4,986,549            | 10,152,146           | 5,436,361            | 6,147,813            | 8,001,099            |
| Assigned:                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Fire operations and activities            | -                    | -                    | -                    | -                    | -                    | 2,487                | 2,487                | 2,487                | 2,487                | 2,487                |
| Subsequent year's expenditures            | 526,368              | 1,155,254            | 1,106,219            | 2,305,000            | 2,823,000            | 5,395,000            | 945,000              | 1,367,200            | 2,574,550            | 1,841,400            |
| Total Assigned                            | 526,368              | 1,155,254            | 1,106,219            | 2,305,000            | 2,823,000            | 5,397,487            | 947,487              | 1,369,687            | 2,577,037            | 1,843,887            |
| Unassigned                                | 11,118,066           | 11,680,455           | 14,173,439           | 15,257,586           | 15,254,649           | 10,233,745           | 11,388,203           | 12,176,024           | 13,784,522           | 13,711,989           |
| <b>Total General Fund</b>                 | <b>14,403,133</b>    | <b>17,282,289</b>    | <b>21,252,176</b>    | <b>25,667,275</b>    | <b>27,717,701</b>    | <b>30,079,849</b>    | <b>34,620,352</b>    | <b>30,807,176</b>    | <b>32,554,766</b>    | <b>31,119,593</b>    |
| <b>All Other Governmental Funds</b>       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Restricted:                               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Stabilization by State statute            | -                    | -                    | 757,506              | 3,135,257            | 10,195,584           | 8,501,860            | 8,124,543            | 3,616,204            | 7,318,625            | -                    |
| Recreation improvements                   | 2,495,547            | 1,753,394            | 2,017,903            | 2,873,230            | 2,419,600            | 3,255,085            | 4,817,105            | 4,018,028            | 3,409,804            | 8,558,475            |
| Public safety operations and activities   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 9,695,229            |
| Street improvements                       | -                    | -                    | -                    | -                    | -                    | 4,933,104            | 8,875,328            | 6,898,902            | -                    | 5,737,796            |
| Total Restricted                          | 2,495,547            | 1,753,394            | 2,775,409            | 6,008,487            | 12,615,184           | 16,690,049           | 21,816,976           | 14,533,134           | 10,728,429           | 23,991,500           |
| Committed:                                |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Capital projects                          | -                    | -                    | -                    | 165,073              | 3,228,906            | 3,899,407            | 4,699,422            | 4,250,486            | 2,628,540            | 5,904,255            |
| American Rescue Plan projects             | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 5,581                |
| Total Committed                           | -                    | -                    | -                    | 165,073              | 3,228,906            | 3,899,407            | 4,699,422            | 4,250,486            | 2,628,540            | 5,909,836            |
| Assigned:                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Subsequent year's expenditures            | 366,493              | 3,380,941            | 2,430,001            | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Unassigned                                | -                    | -                    | (1,138,919)          | (3,073,459)          | (2,278,917)          | (5,173,492)          | (2,694,802)          | 3,589,762            | (1,957,511)          | -                    |
| <b>Total All Other Governmental Funds</b> | <b>2,862,040</b>     | <b>5,134,335</b>     | <b>4,066,491</b>     | <b>3,100,101</b>     | <b>13,565,173</b>    | <b>15,415,964</b>    | <b>23,821,596</b>    | <b>22,373,382</b>    | <b>11,399,458</b>    | <b>29,901,336</b>    |
| <b>Total Governmental Fund Balances</b>   | <b>\$ 17,265,173</b> | <b>\$ 22,416,624</b> | <b>\$ 25,318,667</b> | <b>\$ 28,767,376</b> | <b>\$ 41,282,874</b> | <b>\$ 45,495,813</b> | <b>\$ 58,441,948</b> | <b>\$ 53,180,558</b> | <b>\$ 43,954,224</b> | <b>\$ 61,020,929</b> |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (1)**  
**LAST TEN FISCAL YEARS**

**Table 4**

|  | <b>2013</b>       | <b>2014</b>         | <b>2015</b>         | <b>2016</b>         | <b>2017</b>          | <b>2018</b>         | <b>2019</b>          | <b>2020</b>           | <b>2021</b>           | <b>2022</b>          |
|--|-------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|-----------------------|-----------------------|----------------------|
| <b>REVENUES</b>  |                   |                     |                     |                     |                      |                     |                      |                       |                       |                      |
| Ad valorem taxes   | \$ 12,947,896     | \$ 14,603,628       | \$ 14,784,833       | \$ 16,397,410       | \$ 17,620,181        | \$ 17,951,167       | \$ 18,937,833        | \$ 19,680,070         | \$ 22,372,592         | \$ 23,094,896        |
| Other taxes and licenses                                 | 1,505,393         | 1,761,048           | 1,731,430           | 277,630             | 288,953              | 292,135             | 528,334              | 569,225               | 612,630               | 613,440              |
| Unrestricted intergovernmental                           | 5,346,806         | 5,574,758           | 6,563,000           | 7,964,820           | 8,296,852            | 8,660,926           | 9,227,535            | 9,401,957             | 10,297,761            | 12,332,544           |
| Restricted intergovernmental                             | 1,002,662         | 1,710,823           | 823,293             | 573,671             | 1,420,967            | 3,829,861           | 1,598,686            | 1,357,731             | 3,043,657             | 4,969,652            |
| Permits and fees   | 1,830,710         | 2,717,451           | 2,651,514           | 2,408,850           | 2,253,401            | 2,908,913           | 3,984,338            | 3,116,471             | 2,284,327             | 1,948,883            |
| Sales and services                                       | 1,031,857         | 1,111,339           | 1,166,776           | 1,108,843           | 1,143,451            | 1,079,131           | 839,002              | 424,721               | 470,957               | 897,146              |
| Investment earnings                                      | 29,736            | 24,133              | 22,745              | 81,621              | 232,462              | 503,909             | 1,150,628            | 679,457               | 31,820                | 99,877               |
| Miscellaneous  | 404,864           | 351,686             | 302,603             | 542,152             | 346,207              | 487,099             | 455,032              | 538,490               | 437,130               | 839,578              |
| <b>TOTAL REVENUES</b>                                    | <b>24,099,924</b> | <b>27,854,866</b>   | <b>28,046,194</b>   | <b>29,354,997</b>   | <b>31,602,474</b>    | <b>35,713,141</b>   | <b>36,721,388</b>    | <b>35,768,122</b>     | <b>39,550,874</b>     | <b>44,796,016</b>    |
| <b>EXPENDITURES</b>                                      |                   |                     |                     |                     |                      |                     |                      |                       |                       |                      |
| Current:   |                   |                     |                     |                     |                      |                     |                      |                       |                       |                      |
| General government                                       | 3,206,886         | 3,153,654           | 3,115,978           | 3,541,976           | 4,302,843            | 4,524,451           | 4,984,628            | 5,744,971             | 6,683,639             | 7,598,738            |
| Public safety  | 7,196,338         | 7,582,421           | 8,484,213           | 8,159,452           | 8,166,536            | 8,633,485           | 9,161,197            | 10,043,861            | 10,657,922            | 12,212,734           |
| Public works   | 3,272,849         | 3,614,871           | 4,869,772           | 5,206,847           | 5,925,474            | 5,381,532           | 4,961,776            | 5,158,313             | 5,754,330             | 8,824,268            |
| Development services                                     | 2,216,347         | 2,534,564           | 2,978,817           | 1,989,194           | 2,230,718            | 2,329,719           | 2,815,781            | 2,779,276             | 2,997,823             | 3,573,342            |
| Culture and recreation                                   | 1,665,116         | 1,771,664           | 1,889,020           | 1,618,153           | 1,728,506            | 1,889,507           | 1,609,312            | 1,600,483             | 2,097,864             | 2,401,529            |
| Capital outlay   | 3,739,631         | 6,333,562           | 4,000,792           | 3,590,493           | 7,194,189            | 8,942,317           | 12,916,507           | 13,194,792            | 17,441,801            | 8,883,335            |
| Debt service   |                   |                     |                     |                     |                      |                     |                      |                       |                       |                      |
| Principal  | 1,236,924         | 1,130,803           | 1,319,864           | 1,091,035           | 1,108,682            | 1,531,382           | 1,534,134            | 2,236,939             | 2,109,798             | 2,126,241            |
| Interest and other charges                               | 374,656           | 385,898             | 396,742             | 367,040             | 555,859              | 655,997             | 637,235              | 1,255,127             | 1,034,031             | 953,398              |
| <b>TOTAL EXPENDITURES</b>                                | <b>22,908,747</b> | <b>26,507,437</b>   | <b>27,055,198</b>   | <b>25,564,190</b>   | <b>31,212,807</b>    | <b>33,888,390</b>   | <b>38,620,570</b>    | <b>42,013,762</b>     | <b>48,777,208</b>     | <b>46,573,585</b>    |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>                | <b>1,191,177</b>  | <b>1,347,429</b>    | <b>990,996</b>      | <b>3,790,807</b>    | <b>389,667</b>       | <b>1,824,751</b>    | <b>(1,899,182)</b>   | <b>(6,245,640)</b>    | <b>(9,226,334)</b>    | <b>(1,777,569)</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |                   |                     |                     |                     |                      |                     |                      |                       |                       |                      |
| Issuance of debt   | -                 | -                   | -                   | -                   | -                    | -                   | 3,100,000            | -                     | -                     | -                    |
| Issuance of bonds  | -                 | 4,029,022           | -                   | -                   | 10,998,487           | -                   | 10,745,000           | -                     | -                     | 17,610,000           |
| Installment debt issuance proceeds                       | -                 | -                   | 1,000,000           | -                   | -                    | -                   | 1,058,117            | -                     | -                     | -                    |
| Premium on bonds issued                                  | -                 | -                   | -                   | -                   | -                    | -                   | -                    | -                     | -                     | 1,234,274            |
| Transfers in   | 584,336           | 1,651,084           | (587,429)           | 804,000             | 2,855,113            | 5,035,617           | 7,125,000            | 10,133,750            | 8,048,009             | 5,997,146            |
| Transfers out  | (584,336)         | (1,651,084)         | 587,429             | (930,200)           | (2,968,096)          | (5,161,617)         | (7,182,800)          | (9,149,500)           | (8,048,009)           | (5,997,146)          |
| Claims/settlements                                       | (349,000)         | (225,000)           | (7,008)             | -                   | -                    | -                   | -                    | -                     | -                     | -                    |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>              | <b>(349,000)</b>  | <b>3,804,022</b>    | <b>992,992</b>      | <b>(126,200)</b>    | <b>10,885,504</b>    | <b>(126,000)</b>    | <b>14,845,317</b>    | <b>984,250</b>        | <b>-</b>              | <b>18,844,274</b>    |
| <b>NET CHANGE IN FUND BALANCES</b>                       | <b>\$ 842,177</b> | <b>\$ 5,151,451</b> | <b>\$ 1,983,988</b> | <b>\$ 3,664,607</b> | <b>\$ 11,275,171</b> | <b>\$ 1,698,751</b> | <b>\$ 12,946,135</b> | <b>\$ (5,261,390)</b> | <b>\$ (9,226,334)</b> | <b>\$ 17,066,705</b> |
| Debt Service as a percentage of non-capital expenditures | 8.4%              | 7.5%                | 7.4%                | 6.6%                | 6.5%                 | 8.8%                | 8.4%                 | 12.1%                 | 10.0%                 | 8.2%                 |

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



**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**GOVERNMENT-WIDE REVENUES**  
*LAST TEN FISCAL YEARS*

**Table 5**

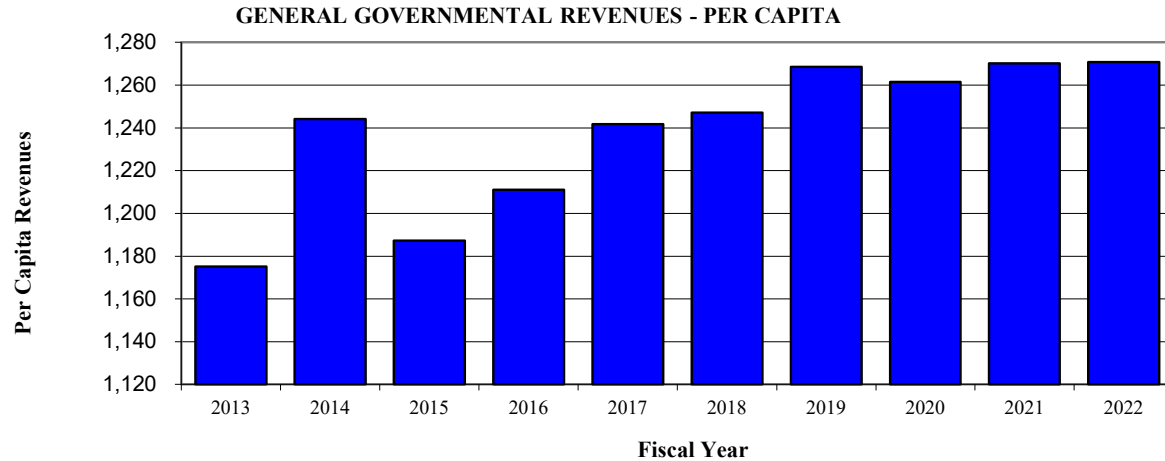
| Fiscal Year | GENERAL REVENUES |                          |                                |               |                          |                                  |   | PROGRAM REVENUES     |                                    |                                  |               | Fiscal Year Total |
|-------------|------------------|--------------------------|--------------------------------|---------------|--------------------------|----------------------------------|---|----------------------|------------------------------------|----------------------------------|---------------|-------------------|
|             | Property Taxes   | Other Taxes and Licenses | Unrestricted Intergovernmental | Miscellaneous | Parkland Payment in Lieu | Unrestricted Investment Earnings | Gain (Loss) on Disposal of Capital Assets | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Special Items |                   |
| 2013        | 12,949,904       | 1,509,323                | 5,346,806                      | 220,266       | -                        | 59,862                           | -   | 2,562,874            | 467,188                            | 14,322,437                       | (2,355,433)   | 35,083,227        |
| 2014        | 14,577,176       | 1,753,968                | 5,574,758                      | 351,686       | -                        | 42,969                           | -   | 2,989,395            | 497,609                            | 5,305,670                        | -             | 31,093,231        |
| 2015        | 14,745,618       | 1,724,212                | 6,563,000                      | 257,289       | 551,487                  | 44,360                           | -   | 3,266,803            | 508,875                            | 7,627,332                        | -             | 35,288,976        |
| 2016        | 16,380,456       | 273,725                  | 7,964,820                      | 411,923       | 640,609                  | 85,896                           | -   | 3,711,398            | 712,118                            | 3,236,487                        | -             | 33,417,432        |
| 2017        | 17,600,497       | 285,897                  | 8,296,852                      | 342,517       | 412,778                  | 237,469                          | -   | 3,702,239            | 703,890                            | 10,749,548                       | -             | 42,331,687        |
| 2018        | 17,973,513       | 289,261                  | 8,660,926                      | 325,730       | 1,051,737                | 519,740                          | (137,467)                                 | 3,730,678            | 949,502                            | 11,459,805                       | -             | 44,823,425        |
| 2019        | 18,937,524       | 527,459                  | 9,227,535                      | 351,008       | 2,058,619                | 1,185,625                        | -   | 3,458,922            | 624,873                            | 4,631,939                        | -             | 41,003,504        |
| 2020        | 19,702,688       | 569,225                  | 9,401,957                      | 482,295       | 701,903                  | 679,457                          | -   | 2,839,289            | 643,010                            | 734,947                          | -             | 35,754,771        |
| 2021        | 22,328,175       | 612,630                  | 10,297,761                     | 408,778       | 34,610                   | 31,420                           | -   | 2,720,674            | 1,174,575                          | 6,770,876                        | -             | 44,379,499        |
| 2022        | 23,118,819       | 8,824,518                | 4,121,466                      | 755,999       | 508,204                  | 99,877                           | -   | 2,341,431            | 2,141,609                          | 9,235,319                        | -             | 51,147,242        |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)**  
**LAST TEN FISCAL YEARS**

**Table 6**

| <b>Fiscal Year</b> | <b>Taxes</b> | <b>Intergovernmental</b> | <b>Licenses, Permits and Fees</b> | <b>Investment Earnings</b> | <b>Sales and Services</b> | <b>Miscellaneous</b> | <b>Fiscal Year Total</b> | <b>Per Capita Revenues (2)</b> |
|--------------------|--------------|--------------------------|-----------------------------------|----------------------------|---------------------------|----------------------|--------------------------|--------------------------------|
| 2013               | 14,453,155   | 6,249,629                | 1,531,017                         | 25,349                     | 1,031,857                 | 404,864              | 23,695,871               | 1,175                          |
| 2014               | 16,364,676   | 6,097,255                | 1,878,056                         | 17,069                     | 1,111,339                 | 351,686              | 25,820,081               | 1,244                          |
| 2015               | 16,516,263   | 7,101,077                | 2,100,027                         | 17,869                     | 1,166,776                 | 302,603              | 27,204,615               | 1,187                          |
| 2016               | 16,675,040   | 8,516,149                | 1,768,241                         | 72,091                     | 1,108,843                 | 542,152              | 28,682,516               | 1,211                          |
| 2017               | 17,909,134   | 8,986,293                | 1,840,623                         | 144,604                    | 1,143,451                 | 346,207              | 30,370,312               | 1,242                          |
| 2018               | 18,243,302   | 9,470,590                | 1,857,176                         | 341,622                    | 1,079,131                 | 487,099              | 31,478,920               | 1,247                          |
| 2019               | 19,466,167   | 9,794,759                | 1,925,719                         | 553,709                    | 839,002                   | 455,032              | 33,034,388               | 1,269                          |
| 2020               | 20,249,295   | 10,044,967               | 2,414,568                         | 354,302                    | 424,721                   | 538,490              | 34,026,343               | 1,261                          |
| 2021               | 22,985,622   | 11,472,336               | 2,249,717                         | 19,900                     | 470,957                   | 437,130              | 37,635,662               | 1,270                          |
| 2022               | 23,708,336   | 13,354,853               | 1,440,679                         | 45,696                     | 897,146                   | 546,371              | 39,993,081               | 1,271                          |

Notes:  
 This table was prepared using the modified accrual basis of reporting.  
 (1) Includes only the General Fund.  
 (2) See Table 12 for population data.



**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**ASSESSED VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

**Table 7**

| <u>Fiscal Year</u> | <u>Assessed Value (1)</u> |                                  |               | <u>Property Tax Rate<br/>(Per \$100 Assessed<br/>Value)</u> |
|--------------------|---------------------------|----------------------------------|---------------|---|
|                    | <u>Real Property</u>      | <u>Personal Property<br/>(3)</u> | <u>Total</u>  |   |
| 2013               | 2,968,527,049             | 552,879,301                      | 3,521,406,350 | .3665   |
| 2014               | 3,162,756,944             | 497,841,371                      | 3,660,598,315 | .39   |
| 2015               | 3,406,956,056             | 352,773,964                      | 3,759,730,020 | .39   |
| 2016 (2)           | 3,715,276,039             | 265,544,793                      | 3,980,820,832 | .41   |
| 2017               | 4,249,456,268             | 283,261,101                      | 4,532,717,369 | .39   |
| 2018               | 4,308,504,486             | 279,156,312                      | 4,587,660,798 | .39   |
| 2019               | 4,554,674,390             | 290,006,438                      | 4,844,680,828 | .39   |
| 2020 (2)           | 4,703,676,411             | 330,932,265                      | 5,034,608,676 | .39   |
| 2021               | 5,872,245,609             | 358,075,423                      | 6,230,321,032 | .36   |
| 2022               | 6,014,261,369             | 376,881,458                      | 6,391,142,827 | .36   |

**Notes:**

(1) Assessed value is established by Wake County Tax Department.

(2) A revaluation of all property is required every four (4) years by State statute. The most recent revaluation occurred in 2020.

(3) Personal property includes Public Service values and vehicle values.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
*LAST TEN FISCAL YEARS*

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**Table 8**

| <u>Fiscal Year</u> | <u>Town of Morrisville</u> | <u>Wake County</u> | <u>Combined Tax Rate per \$100 of Assessed Value</u> |
|--------------------|----------------------------|--------------------|--|
| 2013               | .3665                      | 0.534              | 0.9005   |
| 2014               | .39                        | 0.534              | 0.924  |
| 2015               | .39                        | 0.578              | 0.968  |
| 2016               | .41                        | 0.6145             | 1.0245   |
| 2017               | .39                        | 0.6005             | 0.9905   |
| 2018               | .39                        | 0.615              | 1.005  |
| 2019               | .39                        | 0.6544             | 1.0444   |
| 2020               | .39                        | 0.7207             | 1.1107   |
| 2021               | .36                        | 0.60               | 0.96   |
| 2022               | .36                        | 0.6195             | 0.9795   |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

PRINCIPAL PROPERTY TAXPAYERS

CURRENT AND NINE YEARS AGO

**Table 9**

| Taxpayer                             | 2022                    |      |  | 2013                    |      |  |
|--------------------------------------|-------------------------|------|--|-------------------------|------|--|
|                                      | 2021 Assessed Valuation | Rank | Percentage of Total Assessed Valuation | 2012 Assessed Valuation | Rank | Percentage of Total Assessed Valuation |
| Raleigh 1 LP                         | \$ 268,294,537          | 1    | 4.2%                                   |                         |      |  |
| WMC1 Raleigh LLC                     | 148,568,477             | 2    | 2.3%                                   | 49,036,226              | 3    | 1.4%                                   |
| Park West Village Phase LLC          | 124,034,480             | 3    | 1.9%                                   | 36,109,657              | 7    | 1.0%                                   |
| Perimeter Park Offices LP            | 117,105,202             | 4    | 1.8%                                   |                         |      |  |
| SBP Officer Owner LP                 | 96,346,631              | 5    | 1.5%                                   | 90,191,702              | 2    | 2.6%                                   |
| Paramount Office LP                  | 74,854,833              | 6    | 1.2%                                   |                         |      |  |
| CEGM Morrisville LLC                 | 70,776,272              | 7    | 1.1%                                   |                         |      |  |
| Syneous Health NC LLC                | 63,160,236              | 8    | 1.0%                                   |                         |      |  |
| PRII RTP8 (Oaks at Weston) Owner LLC | 62,700,047              | 9    | 1.0%                                   |                         |      |  |
| CPUS Shiloh LP                       | 62,426,172              | 10   | 1.0%                                   |                         |      |  |
| Duke Realty LP                       |                         |      |  | 259,007,958             | 1    | 7.4%                                   |
| Duke Construction LP                 |                         |      |  | 46,314,553              | 4    | 1.3%                                   |
| Raleigh Flex Owner I LLC             |                         |      |  | 43,998,863              | 5    | 1.2%                                   |
| G&I VI Oaks at Weston LP             |                         |      |  | 42,082,481              | 6    | 1.2%                                   |
| DH Research Triangle LLC             |                         |      |  | 34,631,113              | 8    | 1.0%                                   |
| BES Preston Fund VII LLC             |                         |      |  | 33,119,650              | 9    | 0.9%                                   |
| Tekelec Inc.                         |                         |      |  | 32,737,872              | 10   | 0.9%                                   |
|                                      | <u>\$ 1,088,266,887</u> |      | <u>17.0%</u>                           | <u>\$ 667,230,075</u>   |      | <u>18.9%</u>                           |

Source: Wake County Revenue Department and 2013 ACFR.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
*LAST TEN FISCAL YEARS*

**Table 10**

| Fiscal Year | Original Levy | Adjustments | Total Adjusted Levy | Collected within the Fiscal Year of the Levy |                             | Collections in Subsequent Years | Total Collections to Date |                             |
|-------------|---------------|-------------|---------------------|--|-----------------------------|---------------------------------|---------------------------|-----------------------------|
|             |               |             |                     | Amount                                       | Percentage of Adjusted Levy |                                 | Amount                    | Percentage of Adjusted Levy |
| 2013        | 12,948,450    | -           | 12,948,450          | 12,859,051                                   | 99.3%                       | 75,552                          | 12,934,603                | 99.9%                       |
| 2014        | 14,424,648    | -           | 14,424,648          | 14,385,604                                   | 99.7%                       | 34,232                          | 14,419,836                | 100.0%                      |
| 2015        | 14,672,918    | -           | 14,672,918          | 14,657,124                                   | 99.9%                       | 15,290                          | 14,672,414                | 100.0%                      |
| 2016        | 16,269,228    | -           | 16,269,228          | 16,258,202                                   | 99.9%                       | 8,809                           | 16,267,011                | 100.0%                      |
| 2017        | 17,500,964    | -           | 17,500,964          | 17,487,652                                   | 99.9%                       | 10,763                          | 17,498,415                | 100.0%                      |
| 2018        | 17,851,012    | -           | 17,851,012          | 17,840,350                                   | 99.9%                       | 7,341                           | 17,847,691                | 100.0%                      |
| 2019        | 18,817,208    | -           | 18,817,208          | 18,803,670                                   | 99.9%                       | 8,190                           | 18,811,860                | 100.0%                      |
| 2020        | 19,620,857    | -           | 19,620,857          | 19,552,108                                   | 99.6%                       | 48,642                          | 19,600,750                | 99.9%                       |
| 2021        | 22,216,477    | -           | 22,216,477          | 22,170,536                                   | 99.8%                       | 27,396                          | 22,197,932                | 99.9%                       |
| 2022        | 22,950,673    | -           | 22,950,673          | 22,892,932                                   | 99.7%                       | -                               | 22,892,932                | 99.7%                       |

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
*LAST TEN FISCAL YEARS*

**Table 11**

| Fiscal Year | Governmental Activities  |                   | Business-Type Activities |                   | Total Primary Government | Percentage of Personal Income | (1) Debt per Capita |
|-------------|--------------------------|-------------------|--------------------------|-------------------|--------------------------|-------------------------------|---------------------|
|             | General Obligation Bonds | Installment Notes | General Obligation Bonds | Installment Notes |                          |                               |                     |
| 2013        | 6,960,000                | 2,528,661         | 410,000                  | -                 | 9,898,661                | 1.3                           | 491                 |
| 2014        | 10,423,832               | 1,987,856         | 155,000                  | -                 | 12,566,688               | 1.6                           | 606                 |
| 2015        | 9,670,357                | 2,417,992         | -                        | -                 | 12,088,349               | 1.3                           | 528                 |
| 2016        | 8,981,882                | 2,011,957         | -                        | -                 | 10,993,839               | 1.2                           | 464                 |
| 2017        | 19,330,301               | 1,603,275         | -                        | -                 | 20,933,576               | 2.1                           | 856                 |
| 2018        | 18,084,669               | 1,191,893         | -                        | -                 | 19,276,562               | 1.8                           | 764                 |
| 2019        | 28,598,640               | 3,877,759         | -                        | -                 | 32,476,399               | 2.9                           | 1,247               |
| 2020        | 26,742,739               | 3,305,820         | -                        | -                 | 30,048,559               | 2.6                           | 1,114               |
| 2021        | 24,881,837               | 2,866,021         | -                        | -                 | 27,747,858               | 2.1                           | 936                 |
| 2022        | 41,835,407               | 2,635,000         | -                        | -                 | 44,470,407               | 3.0                           | 1,413               |

Note:

(1) See Table 16 for population and personal income data.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**RATIO OF GROSS BONDED DEBT TO ASSESSED VALUE AND**  
**GROSS/NET BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

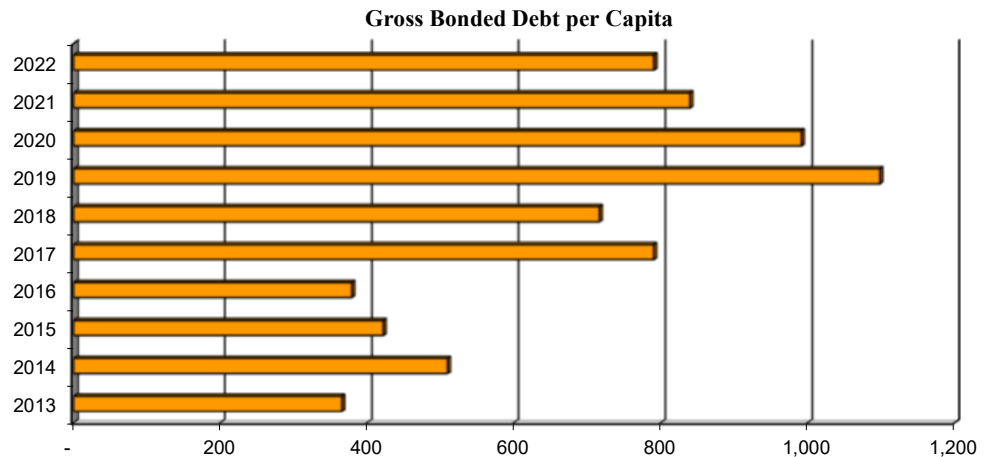
**Table 12**

| <b>Fiscal Year</b> | <b>(1)<br/>Population</b> | <b>Assessed Value</b> | <b>Gross Bonded<br/>Debt</b> | <b>Debt Payable<br/>From Enterprise<br/>Revenues</b> | <b>Net Bonded Debt</b> | <b>Ratio of Gross<br/>Bonded Debt to<br/>Assessed Value</b> | <b>Net Bonded<br/>Debt<br/>per Capita</b> | <b>Gross Bonded<br/>Debt<br/>per Capita</b> |
|--------------------|---------------------------|-----------------------|------------------------------|--|------------------------|---|---|---|
| 2013               | 20,164                    | 3,521,406,350         | 7,370,000                    | 410,000  | 6,960,000              | 0.21  | 345                                       | 366   |
| 2014               | 20,753                    | 3,660,598,315         | 10,578,832                   | 155,000  | 10,423,832             | 0.29  | 502                                       | 510   |
| 2015               | 22,914                    | 3,759,730,020         | 9,670,357                    | -  | 9,670,357              | 0.26  | 422                                       | 422   |
| 2016               | 23,682                    | 3,980,820,832         | 8,981,882                    | -  | 8,981,882              | 0.23  | 379                                       | 379   |
| 2017               | 24,456                    | 4,532,717,369         | 19,330,301                   | -  | 19,330,301             | 0.43  | 790                                       | 790   |
| 2018               | 25,242                    | 4,587,660,798         | 18,084,669                   | -  | 18,084,669             | 0.39  | 716                                       | 716   |
| 2019               | 26,041                    | 4,844,680,828         | 28,598,640                   | -  | 28,598,640             | 0.59  | 1,098                                     | 1,098                                       |
| 2020               | 26,973                    | 5,034,608,676         | 26,742,739                   | -  | 26,742,739             | 0.53  | 991                                       | 991   |
| 2021               | 29,630 (2)                | 6,230,321,032         | 24,881,837                   | -  | 24,881,837             | 0.40  | 840                                       | 840   |
| 2022               | 31,470                    | 6,391,142,827         | 41,835,407                   | -  | 41,835,407             | 0.65  | 1,329                                     | 791   |

Notes:

(1) North Carolina Office of State Planning -  
 Certified Population Estimate.

(2) US Census Bureau - as of April 1, 2020.





**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**LAST TEN FISCAL YEARS**

**Table 13**

| <b>Fiscal Year</b> | <b>Assessed Value</b> | <b>Debt Limit<br/>8% of Total<br/>Assessed<br/>Value</b> | <b>(1)<br/>Less:<br/>Amount of Debt<br/>Applicable to<br/>Debt Limit -<br/>Net Bonded Debt</b> | <b>Legal<br/>Debt<br/>Limit</b> |
|--------------------|-----------------------|--|--|---------------------------------|
| 2013               | 3,521,406,350         | 281,712,508  | (9,898,661)  | 271,813,847                     |
| 2014               | 3,660,598,315         | 292,847,865  | (12,512,856)   | 280,335,009                     |
| 2015               | 3,759,730,020         | 300,778,402  | (12,037,992)   | 288,740,410                     |
| 2016               | 3,980,820,832         | 318,465,667  | (10,946,957)   | 307,518,710                     |
| 2017               | 4,532,717,369         | 362,617,390  | (19,308,275)   | 343,309,115                     |
| 2018               | 4,587,660,798         | 367,012,864  | (17,776,893)   | 349,235,971                     |
| 2019               | 4,844,680,828         | 387,574,466  | (30,087,759)   | 357,486,707                     |
| 2020               | 5,034,608,676         | 402,768,694  | (27,850,820)   | 374,917,874                     |
| 2021               | 6,230,321,032         | 498,425,683  | (25,741,821)   | 472,683,862                     |
| 2022               | 6,391,142,827         | 511,291,426  | (41,450,800)   | 469,840,626                     |

Notes:

(1) Net Bonded Debt Calculation for FY 2022

|   |                      |
|---|----------------------|
| Total debt applicable to limitation:          |                      |
| Bonded debt:                                  |                      |
| Outstanding:                                  |                      |
| Public improvement bonds                      | \$ 38,815,000        |
| Installment obligations                       | 2,635,000            |
|   | <hr/>                |
| Total amount of debt applicable to debt limit | <u>\$ 41,450,800</u> |

**TOWN OF MORRISVILLE, NORTH CAROLINA**

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT -

GENERAL OBLIGATION BONDS

JUNE 30, 2022

**Table 14**

| <u>Jurisdiction</u>               | <u>Net General<br/>Obligation Bonded<br/>Debt Outstanding</u> | <u>Net Installment<br/>Note Debt<br/>Outstanding</u> | <u>Percentage Applicable<br/>to Town (1)</u> | <u>Amount Applicable to<br/>Town</u> |
|-----------------------------------|---|--|--|--------------------------------------|
| Direct:                           |   |  |  |                                      |
| Town of Morrisville (1)           | \$ 24,881,837   | \$ 2,866,021   | 100%   | \$ 27,747,858                        |
| Overlapping: (2)                  |   |  |  |                                      |
| Wake County                       | 2,524,929,498 (3)   | 2,278,115  | 3.11%  | <u>78,498,355</u>                    |
| Total direct and overlapping debt |   |  |  | <u>\$ 106,246,213</u>                |

Notes:

(1) Based on total assessed values.

(2) Overlapping debt does not include the debt of the Special Airport District of Durham and Wake Counties as these bonds are payable by the Airport Authority out of Airport revenue.

(3) Wake County Finance Department.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL**  
**BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**  
**LAST TEN FISCAL YEARS**

**Table 15**

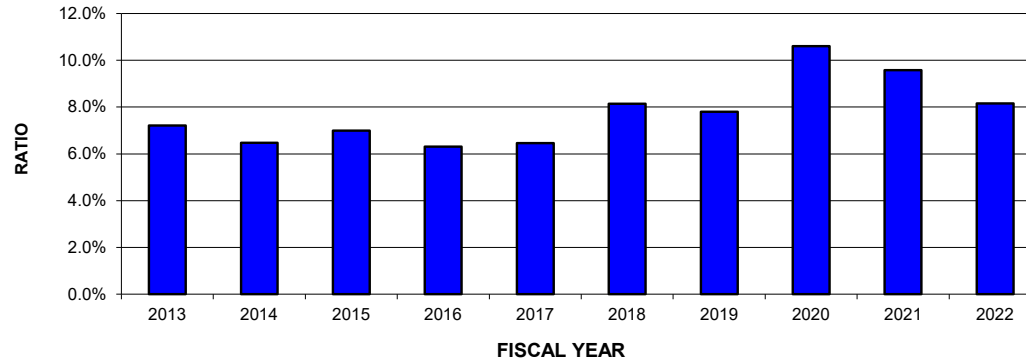
| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service (1)</u> | <u>Total General Governmental Expenditures (2)</u> | <u>Ratio of Debt Service to Total General Expenditures</u> |
|--------------------|------------------|-----------------|-------------------------------|--|--|
| 2013               | 1,236,924        | 374,656         | 1,611,580                     | 22,345,251   | 7.2%   |
| 2014               | 1,130,803        | 385,898         | 1,516,701                     | 23,417,539   | 6.5%   |
| 2015               | 1,319,864        | 396,742         | 1,716,606                     | 24,564,304   | 7.0%   |
| 2016               | 1,091,035        | 367,040         | 1,458,075                     | 23,121,319   | 6.3%   |
| 2017               | 1,108,682        | 555,859         | 1,664,541                     | 25,741,841   | 6.5%   |
| 2018               | 1,531,382        | 655,997         | 2,187,379                     | 26,854,577   | 8.1%   |
| 2019               | 1,534,134        | 596,280         | 2,130,414                     | 27,306,085   | 7.8%   |
| 2020               | 2,236,939        | 1,255,127       | 3,492,066                     | 32,928,919   | 10.6%  |
| 2021               | 2,109,798        | 1,034,031       | 3,143,829                     | 32,833,788   | 9.6%   |
| 2022               | 2,126,241        | 953,398         | 3,079,639                     | 37,730,100   | 8.2%   |

Note:

(1) Includes General Long Term debt and capitalized leases.

(2) Includes General Fund.

**RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES**



**TOWN OF MORRISVILLE, NORTH CAROLINA**  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS

**Table 16**

| <u>Fiscal Year</u> | <u>(1)<br/>Population</u> | <u>Per Capita<br/>Personal Income</u> | <u>(5) Median Age</u> | <u>(4) Wake County<br/>School<br/>Enrollment</u> | <u>(2)<br/>Unemployment<br/>Rate<br/>Percentage</u> |
|--------------------|---------------------------|---------------------------------------|-----------------------|--|---|
| 2013               | 20,164                    | 38,504                                | (6) 33.5              | (6) 149,508                                      | 7.5   |
| 2014               | 20,753                    | 38,856                                | (6) 33.4              | (6) 153,300                                      | 6.4   |
| 2015               | 22,914                    | 39,734                                | (7) 33.3              | (6) 155,184                                      | 5.8   |
| 2016               | 23,682                    | 39,229                                | (7) 32.9              | (6) 157,180                                      | 4.3   |
| 2017               | 24,456                    | 40,693                                | (7) 33.1              | (6) 159,549                                      | 3.7   |
| 2018               | 25,242                    | 41,523                                | (7) 33.5              | (6) 160,429                                      | 3.7   |
| 2019               | 26,041                    | 43,054                                | (7) 33.5              | (6) 160,471                                      | 3.6   |
| 2020               | 26,973                    | 43,058                                | (7) 33.4              | (6) 161,907                                      | 7.0   |
| 2021               | 29,630 (8)                | 45,453                                | (8) 33.8              | (8) 157,673                                      | 4.2   |
| 2022               | 31,470                    | 47,565                                | (7) 34.0              | (6) 159,802                                      | 3.4   |

**Notes and Data Sources:**

- (1) North Carolina Office of State Budget and Management - Certified Population Estimate. 2021 information is not available. Reported US Census Bureau as of April 1, 2020.
- (2) North Carolina State Employment Security Commission for the Raleigh-Cary, NC Metropolitan Statistical area.  
Separate figures for the Town are not available.
- (3) Information is unavailable.
- (4) Wake County Public School System Demographics Resource Center. Reporting may not be accurate due to issues related to the pandemic.
- (5) American FactFinder, U.S. Census Bureau estimates for the Raleigh-Cary, NC Metropolitan Statistical area.  
Separate figures for the Town were not available.
- (6) American FactFinder, U.S. Census Bureau estimates, 2012-2020 American Community Survey for Morrisville, NC.
- (7) US Census QuickFacts (2016-2020).
- (8) US Census Bureau.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**PRINCIPAL EMPLOYERS**  
**CURRENT AND NINE YEARS AGO**

**Table 17**

| Company/Institution                            | 2022                                |      |  | 2013                                |      |  |
|--|-------------------------------------|------|--|-------------------------------------|------|--|
|  | Approximate Number of Employees (1) | Rank | Percentage of Total Employment in the Raleigh-Cary Metropolitan Statistical Area (2) | Approximate Number of Employees (3) | Rank | Percentage of Total Employment in the Raleigh-Cary Metropolitan Statistical Area (3) |
| Lenovo   | 5,000                               | 1    | 0.68%  | 1,700                               | 1    | 0.28%  |
| Credit Suisse                                  | 2,700                               | 2    | 0.37%  |                                     |      |  |
| Syneos Health Inc.                             | 2,100                               | 3    | 0.28%  |                                     |      |  |
| Pharmaceutical Product Development, Inc. (PPD) | 2,000                               | 4    | 0.27%  | 1,338                               | 2    | 0.22%  |
| Oracle   | 549                                 | 5    | 0.07%  |                                     |      |  |
| Burt's Bees                                    | 527                                 | 6    | 0.07%  |                                     |      |  |
| Alliance Health                                | 521                                 | 7    | 0.07%  |                                     |      |  |
| Relias   | 510                                 | 8    | 0.07%  |                                     |      |  |
| Fujifilm Diosynth Biotechnologies US           | 432                                 | 9    | 0.06%  | 383                                 | 4    | 0.06%  |
| Emergys  | 400                                 | 10   | 0.05%  |                                     |      |  |
| Extreme Networks                               | 400                                 | 10   | 0.05%  |                                     |      |  |
| Tekelec Inc.                                   |                                     |      |  | 623                                 | 3    | 0.10%  |
| Catalent Pharma Solutions                      |                                     |      |  | 345                                 | 5    | 0.06%  |
| Wal-Mart                                       |                                     |      |  | 322                                 | 6    | 0.05%  |
| QBE First                                      |                                     |      |  | 300                                 | 7    | 0.05%  |
| MG Capital Maintenance, Inc.                   |                                     |      |  | 250                                 | 8    | 0.04%  |
| Value Options, Inc.                            |                                     |      |  | 242                                 | 9    | 0.04%  |
| URS Group, Inc.                                |                                     |      |  | 209                                 | 10   | 0.03%  |
| Totals   | 15,139                              |      | 2.39%  | 5,712                               |      | 0.95%  |

Notes and Data Sources:

- (1) Town of Morrisville Chamber of Commerce.
- (2) U.S. Bureau of Labor Statistics, Raleigh-Cary, NC.
- (3) Town of Morrisville FY2013 ACFR.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NEW COMMERCIAL AND NEW RESIDENTIAL ACTIVITY**  
**LAST TEN FISCAL YEARS**

**Table 18**

| Fiscal Year | Commercial            |                 | Residential           |                | Total                 |                |
|-------------|-----------------------|-----------------|-----------------------|----------------|-----------------------|----------------|
|             | Number of New Permits | Property Value  | Number of New Permits | Property Value | Number of New Permits | Property Value |
| 2013        | 24                    | 21,175,709 (1)  | 258                   | 36,753,611     | 282                   | 57,929,320     |
| 2014        | 8                     | 18,286,282 (1)  | 263                   | 40,857,029     | 271                   | 59,143,311     |
| 2015        | 26                    | 34,550,075 (1)  | 327                   | 43,134,691     | 353                   | 77,684,766     |
| 2016        | 11                    | 29,267,441 (1)  | 236                   | 27,998,196     | 247                   | 57,265,637     |
| 2017        | 31                    | 125,935,241 (1) | 171                   | 27,006,285     | 202                   | 152,941,526    |
| 2018        | 17                    | 63,009,729 (1)  | 113                   | 14,694,519     | 130                   | 77,704,248     |
| 2019        | 21                    | 57,285,552 (1)  | 161                   | 21,546,813     | 182                   | 78,832,365     |
| 2020        | 37                    | 125,974,413 (1) | 59                    | 8,951,175      | 96                    | 134,925,588    |
| 2021        | 10                    | 30,997,561 (1)  | 169                   | 29,784,554     | 179                   | 60,782,115     |
| 2022        | 13                    | 21,336,197 (1)  | 92                    | 18,734,890     | 105                   | 40,071,087     |

Notes:

(1) Includes multi-family.

Compiled by the Town of Morrisville Inspections Department.

**TOWN OF MORRISVILLE, NORTH CAROLINA**

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

LAST TEN FISCAL YEARS

**Table 19**

| <u>Fiscal Year</u> | <u>General Government</u> | <u>Public Safety</u> | <u>Public Works</u> | <u>Development Services</u> | <u>Culture and Recreation</u> | <u>(2) Capital Outlay</u> | <u>Debt Service</u> | <u>Fiscal Year Total</u> | <u>Per Capita Expenditures</u> |
|--------------------|---------------------------|----------------------|---------------------|-----------------------------|-------------------------------|---------------------------|---------------------|--------------------------|--------------------------------|
| 2013               | 3,206,886                 | 7,196,338            | 3,272,849           | 2,216,347                   | 1,665,116                     | 3,176,135                 | 1,611,580           | 22,345,251               | 1,151                          |
| 2014               | 3,153,654                 | 7,582,421            | 3,614,871           | 2,534,564                   | 1,771,664                     | 3,243,664                 | 1,516,701           | 23,417,539               | 1,161                          |
| 2015               | 3,115,978                 | 8,484,213            | 4,869,772           | 2,978,817                   | 1,889,020                     | 1,509,898                 | 1,716,606           | 24,564,304               | 1,072                          |
| 2016               | 3,541,976                 | 8,159,452            | 5,206,847           | 1,989,194                   | 1,618,153                     | 1,147,622                 | 1,458,075           | 23,121,319               | 976                            |
| 2017               | 4,302,843                 | 8,166,536            | 5,925,474           | 2,230,718                   | 1,728,506                     | 1,723,223                 | 1,664,541           | 25,741,841               | 1,053                          |
| 2018               | 4,524,451                 | 8,633,485            | 5,381,532           | 2,329,719                   | 1,889,507                     | 1,908,504                 | 2,187,379           | 26,854,577               | 1,064                          |
| 2019               | 4,984,628                 | 9,161,197            | 4,961,776           | 2,815,781                   | 1,609,312                     | 1,642,977                 | 2,130,414           | 27,306,085               | 1,049                          |
| 2020               | 5,744,971                 | 10,043,861           | 5,158,313           | 2,779,276                   | 1,600,483                     | 4,109,949                 | 3,492,066           | 32,928,919               | 1,221                          |
| 2021               | 6,658,639                 | 10,657,922           | 5,754,330           | 2,997,823                   | 2,097,864                     | 1,523,381                 | 3,143,829           | 32,833,788               | 1,108                          |
| 2022               | 7,307,058                 | 12,212,734           | 8,629,721           | 3,573,342                   | 2,401,529                     | 526,077                   | 3,079,639           | 37,730,100               | 1,199                          |

Notes:

Includes only the General Fund.

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

(2) Capital outlay is budgeted within departments and shown separate for this schedule.

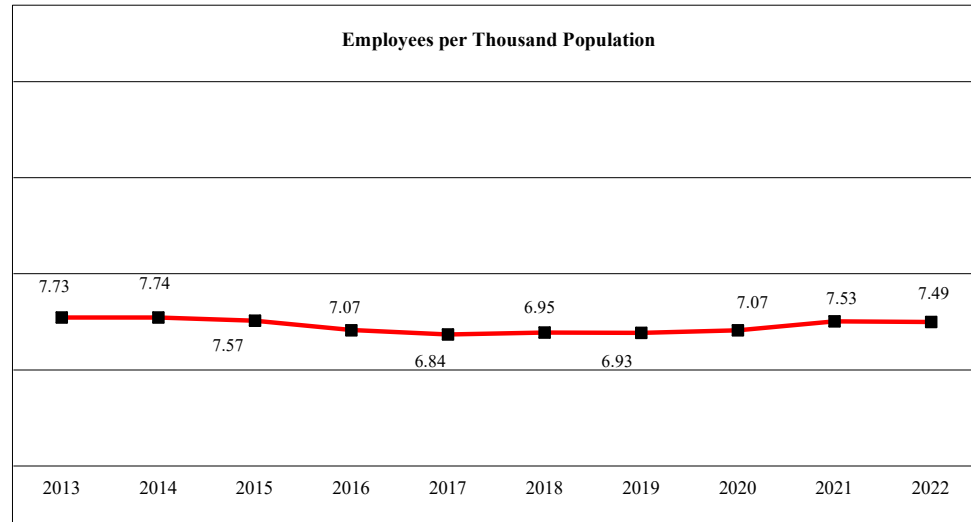
**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**EMPLOYEE POSITION AUTHORIZATION BY DEPARTMENT (1)**  
**LAST TEN FISCAL YEARS (2)**

**Table 20**

| Fiscal Year | (3) Administration | Planning, Engineering and Stormwater | Police | Inspections | Public Works | Parks and Recreation | Fire | Finance | Fiscal Year Total |
|-------------|--------------------|--------------------------------------|--------|-------------|--------------|----------------------|------|---------|-------------------|
| 2013        | 14                 | 15                                   | 35     | 6           | 20           | 13                   | 46   | 7       | 156               |
| 2014        | 15                 | 15                                   | 36     | 6           | 20           | 13                   | 46   | 6       | 157               |
| 2015        | 15                 | 16                                   | 36     | 6           | 21           | 13                   | 49   | 6       | 162               |
| 2016        | 16                 | 17                                   | 36     | 5           | 21           | 13                   | 49   | 5       | 162               |
| 2017        | 15                 | 20                                   | 41     | 6           | 21           | 13                   | 49   | 5       | 170               |
| 2018        | 15                 | 19                                   | 42     | 8           | 21           | 13                   | 52   | 5       | 175               |
| 2019        | 17                 | 21                                   | 45     | 8           | 21           | 13                   | 54   | 5       | 184               |
| 2020        | 18                 | 23                                   | 45     | 10          | 22           | 15                   | 58   | 5       | 196               |
| 2021        | 21                 | 23                                   | 46     | 10          | 23           | 16                   | 58   | 5       | 202               |
| 2022        | 24                 | 23                                   | 49     | 10          | 25           | 17                   | 61   | 6       | 215               |

Restated historical data based on authorized positions grouping as noted below.  
 Notes:

- (1) Regular full-time employees only per the annual operating budget, does not include part-time, temporary or seasonal employees.
- (2) As of July 1 of the fiscal year.
- (3) Includes Administration, Communications, Human Resources, and IT.





**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

**Table 21**

| <b>Function/Program</b>                           | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>General government</b>                         |             |             |             |             |             |             |             |             |             |             |
| Privilege licenses issued                         | 1,744       | 794         | 950         | -           | -           | -           | -           | -           | -           | -           |
| New building permits issued                       | 282         | 271         | 354         | 247         | 202         | 130         | 182         | 96          | 179         | 105         |
| <b>Police</b>                                     |             |             |             |             |             |             |             |             |             |             |
| Police calls for service                          | 8,044       | 9,949       | 9,905       | 11,611      | 18,198      | 11,970      | 27,453      | 33,725      | 41,578      | 52,383      |
| Physical arrests                                  | 133         | 212         | 262         | 308         | 247         | 148         | 322         | 236         | 133         | 136         |
| Traffic accidents reported                        | 494         | 432         | 500         | 745         | 708         | 446         | 823         | 940         | 514         | 860         |
| Traffic violations                                | 3,576       | 2,089       | 2,629       | 2,334       | 1,963       | 852         | 1,193       | 1,253       | 1,257       | 1,590       |
| Warrants served                                   | 175         | 72          | 87          | 61          | 184         | 133         | 27          | 29          | 47          | 21          |
| <b>Fire</b>                                       |             |             |             |             |             |             |             |             |             |             |
| Child safety seat inspections                     | 625         | 672         | 662         | 611         | 577         | 575         | 661         | 518         | 170         | 367         |
| Emergency responses                               | 1,864       | 1,944       | 2,020       | 2,316       | 2,225       | 2,377       | 2,432       | 3,026       | 2,545       | 3,258       |
| Fires extinguished                                | 71          | 40          | 57          | 43          | 46          | 37          | 52          | 59          | 67          | 121         |
| Property losses due to fire (dollars)             | \$1,784,225 | \$301,996   | \$290,400   | \$212,126   | \$403,226   | \$67,525    | \$149,655   | \$86,550    | \$502,039   | \$682,443   |
| Fire code violations corrected                    | 1,165       | 1,412       | 1,344       | 1,716       | 2,049       | 1,249       | 1,277       | 704         | 478         | 2,742       |
| <b>Streets</b>                                    |             |             |             |             |             |             |             |             |             |             |
| Miles of road maintained                          | 45          | 46          | 48          | 49          | 52          | 52          | 54          | 54          | 54          | 55          |
| <b>Environmental Protection</b>                   |             |             |             |             |             |             |             |             |             |             |
| Number of households served                       | 4,953       | 5,170       | 5,440       | 5,856       | 6,011       | 6,150       | 6,263       | 6,325       | 6,400       | 6,550       |
| Municipal solid waste collected (tons)            | 3,103       | 2,902       | 3,110       | 4,330       | 3,735       | 3,716       | 3,731       | 4,080       | 4,361       | 4,318       |
| Recycling collected (tons)                        | 943         | 1,050       | 998         | 1,249       | 1,276       | 1,273       | 1,347       | 1,432       | 1,543       | 1,372       |
| Yard waste collected (tons)                       | 212         | 202         | 240         | 222         | 231         | 181         | 264         | 302         | 309         | 274         |
| <b>Parks, Recreation and Cultural Resources</b>   |             |             |             |             |             |             |             |             |             |             |
| Youth program participants                        | 1,894       | 1,841       | 1,595       | 1,957       | 1,886       | 1,739       | 1,419       | 1,314       | 1,088       | 727         |
| Athletic program participants (youth and adult)   | 2,426       | 2,363       | 2,446       | 2,139       | 2,228       | 2,242       | 1,996       | 818         | 251         | 917         |
| Recreation program participants (youth and adult) | 1,285       | 1,270       | 975         | 983         | 1,876       | 1,731       | 2,725       | 1,247       | 1,299       | 1,000       |
| Senior program participants                       | 427         | 414         | 405         | 435         | 570         | 295         | 467         | 291         | 287         | 353         |
| Park and community center facility reservations   | 2,671       | 3,004       | 5,411       | 6,272       | 6,598       | 7,028       | 4,085       | 2,816       | 291         | 3,931       |

Source: Town of Morrisville - Finance, Inspections, Police, Fire, Parks, Recreation and Cultural Resources, and Public Works Departments.

Note: The Parks, Recreation and Cultural Resources statistics were affected by the pandemic.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**CAPITAL ASSETS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

**Table 22**

| <b>Function/Program</b>                         | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Police</b>                                   |             |             |             |             |             |             |             |             |             |             |
| Police stations                                 | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Patrol units                                    | 25          | 31          | 24          | 24          | 31          | 20          | 28          | 27          | 26          | 24          |
| Detective units                                 | 4           | 9           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| K-9 units                                       | 1           | 1           | 1           | 1           | 1           | 2           | 2           | 2           | 2           | 2           |
| Traffic units                                   |             |             |             |             |             |             |             |             |             | 4           |
| <b>Fire</b>                                     |             |             |             |             |             |             |             |             |             |             |
| Fire stations                                   | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           |
| Fire trucks/command vehicles                    | 8 / 5       | 8 / 5       | 8 / 5       | 8 / 5       | 8 / 3       | 8 / 4       | 8 / 4       | 9 / 4       | 9 / 3       | 8 / 3       |
| <b>Streets</b>                                  |             |             |             |             |             |             |             |             |             |             |
| Streets (miles)                                 | 44.94       | 46.47       | 48.28       | 49.17       | 51.98       | 51.98       | 54.00       | 54.00       | 54.00       | 55.00       |
| <b>Parks, Recreation and Cultural Resources</b> |             |             |             |             |             |             |             |             |             |             |
| Number of developed parks                       | 5           | 5           | 6           | 6           | 7           | 10          | 7           | 7           | 7           | 7           |
| Developed Park Acreage                          | 96          | 96          | 108         | 108         | 113         | 113         | 113         | 113         | 113         | 113         |
| Baseball fields                                 | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Tennis courts                                   | 3           | 3           | 6           | 6           | 6           | 6           | 3           | 3           | 5           | 5           |
| Racquetball courts                              | 2           | 2           | 2           | 2           | 2           | 2           | 0           | 0           | 2           | 2           |
| Community centers                               | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Aquatic centers                                 | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 0           | 1           | 1           |
| Greenway miles                                  | 9.02        | 11.08       | 11.98       | 11.98       | 12.14       | 14.40       | 16.35       | 16.90       | 17.15       | 17.76       |

Source: Town of Morrisville - Finance, Inspections, Police, Fire, Parks and Recreation, and Public Works Departments.

Note: The Morrisville Aquatics and Fitness Center was closed for renovations for FY20. The indoor racquet ball courts were not available due to the renovation in FY2019 and FY2020.

# Compliance Section

**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 Town Council  
Town of Morrisville  
Morrisville, 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 Morrisville, North Carolina (the “Town”), as of and for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated October 28, 2022.

**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 material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 result 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.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Raleigh, North Carolina  
October 28, 2022

**Report of Independent Auditor on Compliance for Each Major Federal Program  
and on Internal Control over Compliance in Accordance with the OMB Uniform Guidance  
and the State Single Audit Implementation Act**

To the Honorable Mayor and Town Council  
Town of Morrisville  
Morrisville, North Carolina

**Report on Compliance for the Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the Town of Morrisville, North Carolina's (the "Town"), compliance with the types of compliance requirements described 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 the Town's major federal programs for the year ended June 30, 2022. 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, 2022.

**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 Responsibility 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**

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 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.

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 28, 2022



**Report of Independent Auditor on Compliance for Each Major State Program  
and on Internal Control over Compliance in Accordance with the Uniform Guidance  
and the State Single Audit Implementation Act**

To the Honorable Mayor and Town Council  
Town of Morrisville  
Morrisville, North Carolina

**Report on Compliance for Each Major State Program**

**Opinion on Each Major State Program**

We have audited the Town of Morrisville, North Carolina's (the "Town"), compliance with the types of compliance requirements described 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 the Town's major state program for the year ended June 30, 2022. The Town's major state program is 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 its major state program for the year ended June 30, 2022.

**Basis for Opinion on Each Major State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; applicable sections of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), as described in the *Audit Manual for Governmental Auditors in North Carolina*, 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 Responsibility 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 federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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.

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 28, 2022

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED JUNE 30, 2022**

| Grantor/Pass-Through Grantor/Program Title                 | Federal<br>CFDA Number | State/Pass-Through<br>Grantor's Number | Federal Expenditures<br>(Direct and<br>Pass-Through) | State<br>Expenditures |
|--|------------------------|--|--|-----------------------|
| <b>Federal Grants</b>                                      |                        |  |  |                       |
| <u>U.S. Department of Transportation</u>                   |                        |  |  |                       |
| Passed Through North Carolina Department of Transportation |                        |  |  |                       |
| Highway Planning and Construction                          | 20.205                 | WBS 47167.2.1                          | \$ 10,906  | \$ -                  |
| Highway Planning and Construction                          | 20.205                 | WBS 47167.3.1                          | 2,666,535  | -                     |
| Highway Planning and Construction                          | 20.205                 | WBS 44666.1.1                          | 1,823  | -                     |
| Highway Planning and Construction                          | 20.205                 | WBS 44400.3.1                          | 55,462   | -                     |
| Total Highway Planning and Construction                    |                        |  | <u>2,734,726</u>                                     | -                     |
| Total U.S. Department of Transportation                    |                        |  | <u>2,734,726</u>                                     | -                     |
| <u>U.S. Department of Treasury</u>                         |                        |  |  |                       |
| Coronavirus State and Local Fiscal Recovery Funds          | 21.027                 |  | 1,475,703  | -                     |
| Total U.S. Department of Treasury                          |                        |  | <u>1,475,703</u>                                     | -                     |
| <b>State Grants</b>  |                        |  |  |                       |
| <u>North Carolina Department of Transportation</u>         |                        |  |  |                       |
| Powell Bill  | n/a                    | 1000006748                             | -  | 1,360,403             |
| Total North Carolina Department of Transportation          |                        |  | -  | <u>1,360,403</u>      |
| <u>North Carolina Department of Environmental Quality</u>  |                        |  |  |                       |
| Community Waste Reduction and Recycling Grant Program      | n/a                    | CW20899                                | -  | 8,760                 |
| Total North Carolina Department of Environmental Quality   |                        |  | -  | <u>8,760</u>          |
| Total Financial Assistance                                 |                        |  | <u>\$ 4,210,429</u>                                  | <u>\$ 1,369,163</u>   |

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

**Note 1 - Basis of Presentation**

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

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

The Town of Morrisville has not received any federally derived Personal Protective Equipment ("PPE"). (Unaudited)

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2022

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**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of Auditor’s Report Issued on whether the financial statements were prepared in accordance with GAAP:

*Unmodified*

Internal control over Financial Reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weaknesses?

\_\_\_\_\_ yes      X   no  
\_\_\_\_\_ yes      X   none reported  
\_\_\_\_\_ yes      X   no

Noncompliance material to financial statements noted?

**Federal Awards**

Internal control over major federal program:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weaknesses?

\_\_\_\_\_ yes      X   no  
\_\_\_\_\_ yes      X   none reported  
\_\_\_\_\_ yes      X   no

Noncompliance material to federal awards?

Type of auditor’s report issued on compliance for major federal programs:

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ yes      X   no

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

YEAR ENDED JUNE 30, 2022

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**Section I – Summary of Auditor’s Results (continued)**

Identification of major federal program:

ALN Number

20.205

21.027

Names of Federal Program or Cluster

U.S. Department of Transportation  
Highway Planning & Construction

Coronavirus State and Local Fiscal  
Recovery Funds

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes  X  no

**State Awards**

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weaknesses?

\_\_\_\_\_ yes  X  no

\_\_\_\_\_ yes  X  none reported

Noncompliance material to federal awards?

\_\_\_\_\_ yes  X  no

Type of auditor’s report issued on compliance for major federal programs:

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ yes  X  no

Identification of major state program:

Powell Bill

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

*YEAR ENDED JUNE 30, 2022*

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**Section II – Findings Related to the Audit of the Basic Financial Statements**

None.

**Section III – Federal Award Findings and Questioned Costs**

None.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**

*YEAR ENDED JUNE 30, 2022*

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None