

# Annual Comprehensive Financial Report

*Fiscal Year Ended \* June 30, 2024*

*FY 2024*

STRONGER  
FOUNDATION



# Town of Morrisville North Carolina

Annual Comprehensive Financial Report

For the Fiscal Year  
Ended June 30, 2024



Prepared by:  
Town of Morrisville Finance Department

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**TABLE OF CONTENTS**

---

**INTRODUCTORY SECTION**

Letter of Transmittal ..... i-viii  
Certificate of Achievement for Excellence in Financial Reporting ..... ix  
Town Council ..... x  
Appointed and Administrative Positions ..... xi  
Organizational Chart .....xii

**FINANCIAL SECTION**

**REPORT OF INDEPENDENT AUDITOR** ..... 1-3  
**MANAGEMENT’S DISCUSSION AND ANALYSIS** .....4-17

**BASIC FINANCIAL STATEMENTS**

**Government-Wide Financial Statements**

Exhibit 1 - Statement of Net Position ..... 18  
Exhibit 2 - Statement of Activities ..... 19

**Fund Financial Statements**

Exhibit 3 - Balance Sheet – Governmental Funds ..... 20  
Exhibit 3 - Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position ..... 21  
Exhibit 4 - Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds ..... 22  
Exhibit 4 - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities ..... 23  
Exhibit 5 - Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund ..... 24  
Exhibit 6 - Statement of Net Position – Proprietary Fund ..... 25  
Exhibit 7 - Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund ..... 26  
Exhibit 8 - Statement of Cash Flows – Proprietary Fund ..... 27  
Notes to the Basic Financial Statements .....28-78

# TOWN OF MORRISVILLE, NORTH CAROLINA

## TABLE OF CONTENTS

---

### REQUIRED SUPPLEMENTARY INFORMATION

Law Enforcement Officers' Special Separation Allowance:	
Exhibit A-1 - Schedule of Changes in Total Pension Liability .....	79
Exhibit A-2 - Schedule of Total Pension Liability as a Percentage of Covered Employee Payroll .....	80
Other Postemployment Benefits:	
Exhibit A-3 - Schedule of Changes in the Total OPEB Liability and Related Ratios.....	81
Local Government Employees' Retirement System:	
Exhibit A-4 - Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Contributions.....	82
Firefighters' and Rescue Squad Workers' Pension Fund:	
Exhibit A-5 - Schedule of the Proportionate Share of the Net Pension Liability.....	83

### COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Sub-Fund: General Fund	
Schedule 1 - Combining Balance Sheet.....	84
Schedule 2 - Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances .....	85
Major Governmental Funds:	
Schedule 3 - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund (Sub-Fund).....	86-91
Schedule 4 - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Fire Apparatus Capital Reserve Fund (Sub-Fund).....	92
Schedule 5 - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Roadway and Transportation Capital Reserve Fund (Sub-Fund).....	93
Schedule 6 - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – CIP Capital Reserve Fund (Sub-Fund) .....	94
Schedule 7 - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Parks and Recreation Capital Reserve Fund (Sub-Fund) .....	95
Schedule 8 - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Municipal Service District Fund (Sub-Fund).....	96
Schedule 9 - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Healthcare Premium (Sub-Fund) .....	97
Schedule 10 - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund (Sub-Fund) .....	98
Schedule 11 - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – American Rescue Plan Act Special Revenue Fund .....	99
Schedule 12 - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Public Safety Improvements Capital Project Fund.....	100

# TOWN OF MORRISVILLE, NORTH CAROLINA

## TABLE OF CONTENTS

---

### Non-Major Governmental Funds:

Schedule 13 - Combining Balance Sheet for Non-Major Governmental Funds.....	101
Schedule 14 - Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Non-Major Governmental Funds .....	102
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Schedule 15 - Town Center Capital Project Fund .....	103
Schedule 16 - Sewer Capital Project Fund .....	104
Schedule 17 - Public Works Renovation Capital Project Fund .....	105
Schedule 18 - Morrisville Carpenter Road Capital Project Fund.....	106
Schedule 19 - Sidewalk and Pedestrian Enhancement Capital Project Fund .....	107
Schedule 20 - NC54 Congestion Mitigation Capital Project Fund.....	108
Schedule 21 - International Drive Capital Project Fund .....	119
Schedule 22 - Intersection Improvements Capital Project Fund .....	110
Schedule 23 - Parkland Payment-In-Lieu Capital Project Fund.....	111
Schedule 24 - Crabtree Hatcher Creek Greenway Capital Project Fund.....	112
Schedule 25 - Parks and Greenways Capital Project Fund .....	113
Schedule 26 - Land and Parkland Acquisition Capital Project Fund.....	114
Schedule 27 - Church Street Park Expansion Capital Project Fund .....	115

### Proprietary Funds:

Schedule 28 - Schedule of Revenues, Expenditures, and Changes in Fund Net Position – Budget and Actual (NON-GAAP) – Stormwater Fund .....	116-117
Schedule 29 - Schedule of Revenues, Expenditures, and Changes in Fund Net Position – Budget and Actual (NON-GAAP) – Green Drive and Fairview Avenue Stormwater Capital Project Fund .....	118

### OTHER SCHEDULES

Schedule 30 - Schedule of Ad Valorem Taxes Receivable.....	119
Schedule 31 - Analysis of Current Tax Levy .....	120
Schedule 32 - General Obligation Debt Service Requirements and Maturity Schedule .....	121

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**TABLE OF CONTENTS**

---

**STATISTICAL SECTION**

Table 1 – Net Position by Component .....	122
Table 2 – Changes in Net Position .....	123-125
Table 3 – Fund Balances, Governmental Funds .....	126
Table 4 – Changes in Fund Balances – Governmental Funds .....	127
Table 5 – Government-wide Revenues .....	128
Table 6 – General Government Revenues by Source .....	129
Table 7 – Assessed Value of Taxable Property .....	130
Table 8 – Property Tax Rates – Direct and Overlapping Governments .....	131
Table 9 – Principal Property Taxpayers .....	132
Table 10 – Property Tax Levies and Collections .....	133
Table 11 – Ratios of Outstanding Debt by Type .....	134
Table 12 – Ratio of Gross Bonded Debt to Assessed Value and Gross/Net Bonded Debt Per Capita .....	135
Table 13 – Computation of Legal Debt Margin .....	136
Table 14 – Computation of Direct and Overlapping Bonded Debt General Obligation Bonds .....	137
Table 15 – Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Government Expenditures .....	138
Table 16 – Demographic and Economic Statistics .....	139
Table 17 – Principal Employers .....	140
Table 18 – New Commercial and New Residential Activity .....	141
Table 19 – General Governmental Expenditures by Function .....	142
Table 20 – Employee Position Authorization by Department .....	143
Table 21 – Operating Indicators by Function .....	144
Table 22 – Capital Assets by Function .....	145

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**TABLE OF CONTENTS**

---

**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* ..... 146-147

Report of Independent Auditor on Compliance for Each Major Federal Program and on  
Internal Control over Compliance in Accordance with the OMB Uniform Guidance ..... 148-150

Report of Independent Auditor on Compliance with Requirements Applicable to  
Each Major State Program and Internal Control over Compliance in Accordance  
with OMB Uniform Guidance and the State Single Audit Implementation Act..... 151-153

Schedule of Expenditures of Federal and State Awards ..... 154

Schedule of Findings and Questioned Costs ..... 155-157

Schedule of Prior Year Findings ..... 158



## TOWN OF MORRISVILLE

100 Town Hall Drive  
Morrisville, NC 27560

October 21, 2024

Members of the Town Council, Community Stakeholders, and Government Citizens  
Town of Morrisville  
100 Town Hall Drive  
Morrisville, North Carolina 27560

Dear Town Council, Community Stakeholders, and Government Citizens :

The Annual Comprehensive Financial Report (ACFR) of the Town of Morrisville, North Carolina, for the fiscal year ended June 30, 2024, 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, 2024, and to provide further accountability to residents 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, 2024. The report of the independent auditor 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 report of the independent auditor.

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**

The Town of Morrisville was incorporated in 1852 and is well known for its geographic location at the heart of the Research Triangle. Morrisville’s business-friendly climate and enviable workforce attract not only Fortune 500 businesses in biomanufacturing, life sciences, and technology, it also provides support for start-ups in a range of industries. While retaining its small-town appeal, Morrisville boasts a highly educated workforce and is in close proximity to both Raleigh-Durham International Airport and the largest and most respected research park in the nation, Research Triangle Park (RTP). Morrisville’s exceptional quality of life contributes to its popularity. Morrisville continues to exemplify its mantra “Live Connected. Live Well”.

In September 2022, Fortune Well named the Town of Morrisville as one of the top 5 best places to live for families. In October 2022, Morrisville received a \$300,000 grant from the Small Business Administration to support small businesses and COVID recovery. In April 2023, the Town was recognized as one of the top 10 best small cities in the country to start a business by WalletHub, a leading personal finance education website. In May 2023 Morrisville launched its Morrisville Means Business program that provides grant funding and professional guidance for small businesses.

In May 2023, the Town of Morrisville received two Smart 50 awards, for both its new mobile application and its connected parks initiative. These awards honor the most innovative and influential municipal-scale projects throughout the world. Morrisville’s mobile app provides information about local events and meetings, allows residents to quickly report concerns, book free rides on the Morrisville Smart Shuttle, get emergency notifications, and more. Morrisville’s connected parks initiative provides real-time data about local parks, including whether courts or fields are available for play, average temperatures, and precipitation, to name a few. The program makes it easier for residents to access local amenities. In March 2024, the Town of Morrisville was named a recipient of the prestigious CIO 100 award recognizing

organizations that use information technology in innovative ways to deliver business value. The Town of Morrisville continues to be one of the best places in the country to live, work, play and learn.

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 authorized 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.

The Town received a total of approximately \$9.2 million American Rescue Plan Act (ARPA) funds in FY 2022, used to complete \$7.8 million, to date, in key projects and initiatives prioritized by Town Council and aligned with community input. Remaining ARPA funding will be used to complete remaining initiatives in FY 2025. Revenues continued to be projected conservatively for FY 2024, as a re-organization of the Parks Department has resulted in new and expanding revenue opportunities. Sales tax revenues remain robust despite lingering pandemic impacts. Anticipated commercial property development in the McCrimmon Parkway Extension area has been underway which will add to real property growth for the next several years. Development Services permits and fees have remained strong in this fiscal year.

## LOCAL ECONOMY

Within the greater Triangle area, Morrisville and the surrounding communities continue to be the hub of a strong regional economy.

- 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. This project was completed in April 2023 and widened the road (2 to 4 lanes) from Davis Drive to NC 54 and included a landscaped center median, intersection improvements to Town Hall Drive, new roadway connection at Franklin Upchurch Sr Street, streetlights, and sidewalks with new pedestrian crosswalks. Town staff continue to work with the North Carolina Department of Transportation (NCDOT) regarding the design and future construction of the Airport Boulevard Extension Phase 1 Project, (managed by NCDOT) which will extend Airport Boulevard from Garden Square Lane to Church Street. The project includes a new 4-lane roadway with 10-foot multi-use path and pedestrian activated signal at a greenway crossing and is in design with construction expected to begin in late 2025 and is expected to be completed by 2027. The Town is currently working with NCDOT to provide betterments to upcoming projects impacting Chapel Hill Road (NC54) and McCrimmon Parkway that are expected to start construction by 2025. There are several sidewalk projects currently underway, some where the Town is partnering with NCDOT and others where the Town is funding improvements and additional sidewalk segments. The Town's portion of the transportation projects are primarily funded with the 2022 GO bond issuance and other dedicated Town funds.
- Morrisville has a robust and diverse economic ecosystem hosting industries of high caliber supporting longevity and growth for new and existing companies. This includes a wide range of operational models with employers ranging from global, startups, existing industry, and new emerging industry clusters like bio-manufacturing and life sciences. Spark LS is actively underway constructing a new 109-acre campus located on the McCrimmon Parkway corridor. This represents nearly a \$1 billion investment in the community bringing a premier cutting-edge lab and bio-manufacturing facility to Town. Southport Innovation Center, one of Morrisville's longstanding business centers with an existing 912,000 square feet of space, has rebranded its image around life sciences and technology environments essentially reinvesting in the Morrisville community.
- 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 375 global research and development-related companies in RTP employing approximately 60,000 workers. Research Triangle Park has three main sections: Frontier RTP, Boxyard RTP, and HUB RTP. Frontier RTP was created in 2021 to provide a supportive community and approximately 100 companies are located on this campus, including the Research Triangle Foundation's headquarters. Boxyard RTP has become a bustling gathering place for food

and drinks and there are currently 15 dining places in the development. Hub RTP has started to open new amenities and will have more than 1 million square feet of office and lab space and 16 acres of parks and green space when fully built out.

- The number of total passengers at Raleigh Durham International Airport (RDU) has continued to increase and has now exceeded pre-pandemic levels. In 2019 RDU saw more than 14.2 million passengers come through its gates, compared to 4.9 million in 2020, 8.8 million in 2021 and 11.8 million in 2022. In 2023, RDU saw a total of 14.5M passengers. The number of nonstop destinations out of RDU as of June 2024 is 69 which is above the 57 non-stop flights before COVID-19. There are 16 major airlines which include non-stop international flights (Paris, London, Cancun, Montreal, Toronto, Reykjavik, Freeport) and a new destination to Frankfurt, Germany is scheduled to launch flights in June 2024. There are now over 720 daily flights compared to 400 flights each day in March 2022. RDU is moving beyond the recovery from the pandemic and towards sustained and reliable growth. Increasing passenger traffic, more airlines and new routes make it even more critical for the airport to pursue the Vision 2040 projects that will help RDU meet future demand. In October 2023, RDU had a ceremonial groundbreaking for their new primary runway which will replace the existing runway.
- The Town entered a partnership with Wake County Public School Systems (WCPSS) and Wake Tech Community College (WTCC) that will lead to a new high school and 18 acres of parkland and open space in Morrisville. There is also the possibility of adding a middle school in Morrisville through this partnership. The new Morrisville High School is tentatively scheduled to open in fall 2026 with a determination on the middle school still to be finalized. The Town, WCPSS, and WTCC continue to collaborate on this work.
- The Morrisville Chamber of Commerce contracts with the Town to provide support to the Town’s economic development program, particularly with small business services. In April 2023, the Town engaged a consultant to assist with an economic development strategy to inform and align the Town and the Chamber on actions, strategies, and programs to ensure smart and sustainable growth for Morrisville. The Town will be hiring its first Economic Development Director in fall 2024 and will also employ a Small Business Specialist that will work closely with Chamber staff in support of our “Morrisville Means Business” small business support program.
- The Town continues to work in partnership with American Cricket Enterprises (ACE) to bring Major and Minor League Cricket to Morrisville at our Church Street Park facility. As a part of that agreement, the Town and ACE recently concluded enhancements in Church Street Park, upgrading the facility to better align with international-quality cricket venue standards. Construction is currently concluding for the Southern Lot project. The Southern Lot project will have cricket practice wickets, a parking lot, shelter/restroom building, multi-sport courts, and infrastructure improvements.

FY 2024 was a year of accomplishment in advancing and completing major projects and laying groundwork for many others. The Harris Mill Fire Station construction project was funded last year with \$8 million in GO bonds. This state-of-the-art facility became operational in August 2023 and held its ribbon cutting ceremony in September 2023. Station 3 now enhances the Town's fire response model providing improved service to our residents while supporting the Town's collaboration with the Town of Apex, the Town of Cary, and Wake County. The Town's first Dog Park has final construction documents and construction will begin in fall 2024. Once open, it will provide a one acre area of active space for dogs of any size to safely play. The Shiloh Park renovation project was completed in spring 2024 and included a new playground and a fully renovated basketball court. Both transformative projects are funded using ARP funds.

Morrisville continues to be committed to the creation of the "Town Center", a mixed-use planned development that complements the existing quality of life and character of the Town. The full Town Center project is envisioned to be approximately 25 acres and will be constructed in phases. Phase 1, which is currently in the design phase, is anticipated to begin construction by spring 2025 and will include multi-family residential, traditional retail, cottage retail, and a Town Green that can accommodate up to 2,500 visitors for performances. This project is a public private partnership and the Town has selected Singh Development, LLC as its development partner. The Town anticipates funding for the Phase 1 public investment will be a combination of General Obligation Bond proceeds (proposed series 2024) and Town Pay-Go reserves.

Other notable capital projects for FY 2024 include the completion of the Harris Mill Fire Station to further enhance the Fire Department's response model and level of service, the addition of tennis courts, pickleball courts, and a greenway trail expansion at Morrisville Community Park, construction of a new basketball court and new playground equipment and lighting at Shiloh Park, and the completion of the Wolfsnare Lane Culvert replacement.

Other key programs and initiatives that were underway with many being completed in FY 2024 include a new Sponsorship & Naming Rights Policy, a Mural Pilot Program to celebrate cultural enrichment and inclusivity, and the adoption of a Language Access Program to enrich the Town's commitment to inclusivity, continuation of the Small Business program funded through a Federal earmark appropriation through support from the Office of U.S. Congresswoman Deborah Ross, smart shuttle enhancements, and additional solar and EV charging station installations.

In FY 2024 the Town issued 42 new building permits totaling approximately \$37 million in additional tax valuation for Morrisville. Of the 42 permits, 37 were for residential development with a tax value of approximately \$12.1 million. There were two significant commercial development projects completed: the 25,116 square-foot SPARK Multi-Story Amenity Building and the three-story, 35,400 square-foot Slater Office facility.



## **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.morrisvillenc.gov](http://www.morrisvillenc.gov).

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 capital policy updates and project prioritizations to adopt a new 5-year CIP with the FY 2024 budget that establishes guidance and alignment to strategic goals for future investments. 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.

To further assist in understanding future investments and operational impacts, the Town has developed a long-range staffing forecast. This along with other strategic long-term planning tools such as key equipment replacement plans enable the town to understand and plan for opportunities while mitigating and preparing for unforeseen challenges making informed decisions in the use of public funds.

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* and *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,

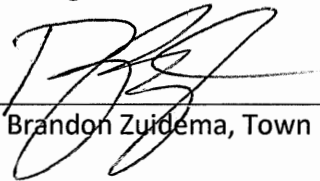
Recreation and Cultural Resources, Police, Public Works, and Fire/Rescue departments. The Town is one of only 14 public sector programs to hold this Safety and Health Achievement Recognition designation. Additional information on the Town’s risk management activity can be found in the notes to the financial 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, 2023. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

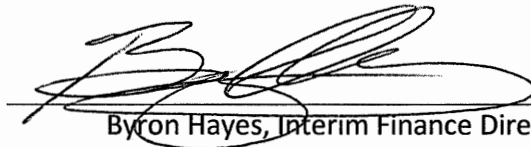
To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. The Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements. The Town of Morrisville has received this prestigious award for 30 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 annual comprehensive 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.



---

Brandon Zuidema, Town Manager



---

Byron Hayes, Interim Finance Director

# 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.



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, 2023

*Christopher P. Morill*

Executive Director/CEO

# Town Council



TJ Cawley  
Mayor



Satish Garimella  
Mayor Pro Tem



Anne Robotti  
Council Member (District 1)



Donna Fender  
Council Member (District 2)



Liz Johnson  
Council Member (District 3)



Vicki Scroggins-Johnson  
Council Member (District 4)



Steve Rao  
Council Member ( At-Large)



Brandon Zuidema  
Town Manager

- **Frank Gray, Town Attorney**
- **Giselle Rodriguez, Deputy Town Manager**
- **John Letteney, Assistant Town Manager**
- **Jeanne Hooks, Director of Management Services**
- **Patricia Spillane, Town Clerk**



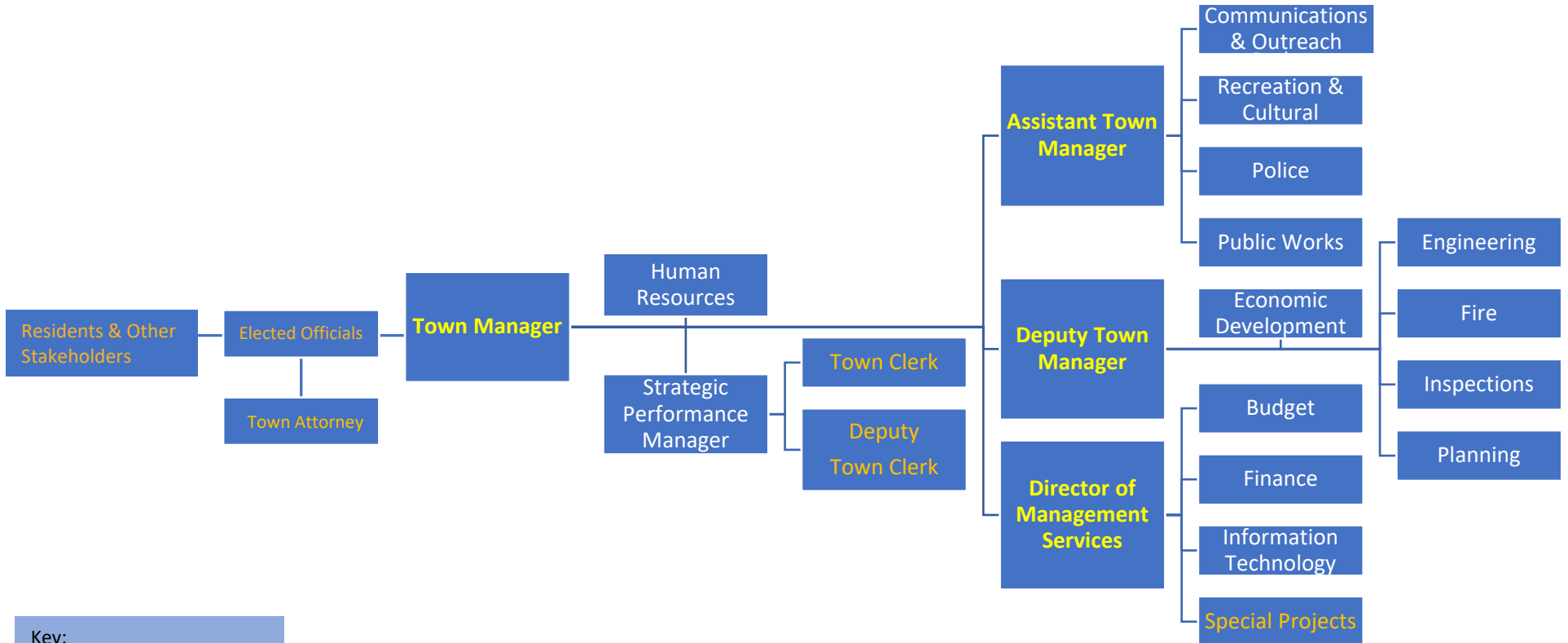
# Appointed and Administrative Positions

Brandon Zuidema .....	Town Manager*
Frank Gray .....	Town Attorney*
Giselle Rodriguez .....	Deputy Town Manager
John Letteney .....	Assistant Town Manager
Jeanne Hooks .....	Director of Management Services
Rick Ralph .....	Chief Information Officer
Wil Glenn .....	Communications & Outreach Director
Byron Hayes .....	Budget Director/ Interim Finance Director
Nathan Lozinsky .....	Fire Chief
Nate Mayer .....	Interim Human Resources Director
Shandy Padgett .....	Inspections Director
Mary Faucette .....	Parks, Recreation and Cultural Resources Director
Michele Stegall .....	Planning Director
Pete Acosta .....	Police Chief
Jeffery Brown .....	Public Works Director
Erin Hudson .....	Strategic Performance Manager
Patricia Spillane .....	Town Clerk*
Mark Spanioli .....	Director of Engineering/Town Engineer

*\*Appointed by Town Council*

*As of June 30, 2024*

Town of Morrisville Organizational Chart  
as of June 30, 2024



Key:  
 Yellow = Sr Leadership Team  
 White = Leadership Team  
 Orange = Other

# 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 and other supplementary information (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, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the 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) and State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements 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, as listed in the table of contents, 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 21, 2024, on our consideration of the County'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 County'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 County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Cherry Bekaert LLP".

Raleigh, North Carolina October 21, 2024

## 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, 2024. 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 \$227,055,814 (*net position*). Of this amount, \$27,075,744 (*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 \$17,369,521 in fiscal year 2024 which is primarily due to the continuation of work on several capital projects occurring in the town.
- Increase in net position for Stormwater Business-type activities is \$412,217 in fiscal year 2024.
- As of the close of fiscal year 2024 the Town of Morrisville's governmental funds reported a combined ending fund balance of \$60,802,477, a increase of \$5,946,383 over the prior year. Approximately 26.52% of total governmental funds fund balance, or \$16,125,381 is available for spending at the Town's discretion (*Unassigned fund balance*).
- The total fund balance in the General Fund increased by \$8,071,912. At the end of fiscal year 2024, the unassigned fund balance for the General Fund was \$16,577,124 or 37.94% 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 decreased by \$3,199,266 in fiscal year 2024 due to debt payments on outstanding debt. The Town issued no new debt in fiscal year 2024.
- 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, 2024, the Town of Morrisville utilized 16 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, Municipal Service District Fund, and Debt Service Fund, which are consolidated in the General Fund in accordance with GASB 54] and 14 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, and Public Safety Improvements 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 28-78 of this report.

## **Other Information**

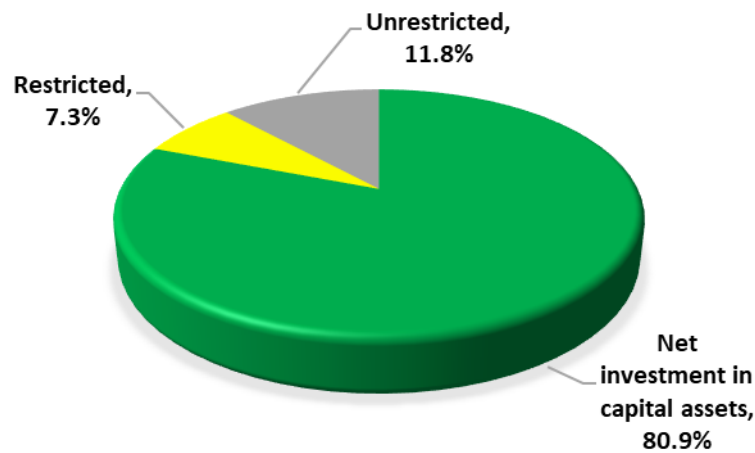
In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town's progress in funding its obligations to provide benefits to its employees. Required supplementary information begins on page 79 of this report.



**Town of Morrisville's Net Position**

	Governmental Activities		Business-type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 66,754,731	\$ 65,043,152	\$ 2,807,119	\$ 2,759,585	\$ 69,561,850	\$ 67,802,737
Capital assets	216,115,153	206,711,874	1,628,905	1,192,485	217,744,058	207,904,359
Other long-term assets	2,220,847	2,174,362	-	-	2,220,847	2,174,362
<b>Total assets</b>	<u>285,090,731</u>	<u>273,929,388</u>	<u>4,436,024</u>	<u>3,952,070</u>	<u>289,526,755</u>	<u>277,881,458</u>
<b>Deferred outflows of resources</b>	<u>9,404,202</u>	<u>9,372,246</u>	<u>172,810</u>	<u>152,416</u>	<u>9,577,012</u>	<u>7,250,885</u>
Long-term debt outstanding	55,995,186	57,778,080	355,069	292,936	56,350,255	58,071,016
Other liabilities	11,606,861	15,410,731	81,502	55,496	11,688,363	15,466,227
<b>Total liabilities</b>	<u>67,602,047</u>	<u>73,188,811</u>	<u>436,571</u>	<u>348,432</u>	<u>68,038,618</u>	<u>73,537,243</u>
<b>Deferred inflows of resources</b>	<u>3,968,807</u>	<u>4,156,048</u>	<u>29,988</u>	<u>26,536</u>	<u>3,998,795</u>	<u>4,182,584</u>
Net position:						
Net investment in capital assets	181,865,474	169,577,275	1,628,905	1,192,485	183,494,379	170,769,760
Restricted	16,485,691	15,251,843	-	-	16,485,691	15,251,843
Unrestricted	24,562,914	21,127,657	2,512,830	2,537,033	27,075,744	23,664,690
<b>Total net position</b>	<u>\$ 222,914,079</u>	<u>\$ 205,956,775</u>	<u>\$ 4,141,735</u>	<u>\$ 3,729,518</u>	<u>\$ 227,055,814</u>	<u>\$ 209,686,293</u>

**BREAKDOWN OF 2024 TOTAL NET POSITION**



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 \$227,055,814 as of June 30, 2024. The Town's net position increased by \$17,369,521 for the fiscal year ended June 30, 2024. The largest portion, \$183,494,379 (80.9%), of net position reflects the Town's net investment in capital assets (e.g. land, buildings, infrastructure, machinery, equipment, right to use lease and subscription assets). 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, \$16,485,691 (7.3%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$27,075,744 (11.8%) 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			
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 4,796,781	\$ 5,031,718	\$ 1,187,356	\$ 1,226,749	\$ 5,984,137	\$ 6,258,467
Operating grants and contributions	4,399,296	1,882,056	-	-	4,399,296	1,882,056
Capital grants and contributions	3,692,712	12,772,879	-	-	3,692,712	12,772,879
General revenues:						
Property taxes	27,621,186	26,079,036	-	-	27,621,186	26,079,036
Local option sales taxes	10,382,571	9,967,798	-	-	4,581,608	9,967,798
Other taxes and licenses	4,581,608	4,245,150	-	-	10,382,571	4,245,150
Unrestricted investment earnings	3,008,850	2,335,432	121,120	53,223	3,129,970	2,388,655
Miscellaneous	2,333,781	445,856	251,800	-	2,585,581	445,856
Parkland payment in lieu	-	1,262,033	-	-	-	1,262,033
<b>Total revenues</b>	<b>60,816,785</b>	<b>64,021,958</b>	<b>1,560,276</b>	<b>1,279,972</b>	<b>62,377,061</b>	<b>65,301,930</b>
Expenses:						
General government	9,316,736	8,796,877	-	-	9,316,736	8,796,877
Development services	5,115,212	4,494,764	-	-	5,115,212	4,494,764
Public safety	16,234,148	15,289,590	-	-	16,234,148	15,289,590
Public works - Streets and sanitation	8,351,275	7,471,162	-	-	8,351,275	7,471,162
Cultural and recreation	3,682,757	3,173,918	-	-	3,682,757	3,173,918
Interest on long-term debt	1,204,953	1,377,992	-	-	1,204,953	1,377,992
Stormwater	-	-	1,102,459	556,694	1,102,459	556,694
<b>Total expenses</b>	<b>43,905,081</b>	<b>40,604,303</b>	<b>1,102,459</b>	<b>556,694</b>	<b>45,007,540</b>	<b>41,160,997</b>
Changes in net position before transfers						
	16,911,704	23,417,655	457,817	723,278	17,369,521	24,140,933
Transfers	45,600	-	(45,600)	-	-	-
<b>Increase in Net Position</b>	<b>16,957,304</b>	<b>23,417,655</b>	<b>412,217</b>	<b>723,278</b>	<b>17,369,521</b>	<b>24,140,933</b>
Net position, July 1	205,956,775	182,539,120	3,729,518	3,006,240	209,686,293	185,545,390
<b>Net position, June 30</b>	<b>\$ 222,914,079</b>	<b>\$ 205,956,775</b>	<b>\$ 4,141,735</b>	<b>\$ 3,729,518</b>	<b>\$ 227,055,814</b>	<b>\$209,686,293</b>

**GOVERNMENTAL ACTIVITIES:** Governmental activities increased the Town's net position by \$16,957,304. Overall, revenues related to governmental activities decreased this fiscal year compared to fiscal year 2023 by \$3,205,173 or (5.00%), along with an increase in expenses of \$3,300,788 or 8.12% more compared to fiscal year 2023. Key elements of this change in net position are as follows:

- Local option sales taxes increased 0.46% in fiscal year 2024 or \$414,773 over fiscal year 2023, primarily due to growth in the overall economy slowing compared to the previous year.
- Ad valorem taxes increased 5.91% or \$1,542,150 over fiscal year 2023 which is primarily due to the increase in the tax base from new residential and commercial activity. For fiscal year 2024 the tax rate remained at \$.39, with three-cents dedicated to bond projects approved by voters in November 2021.
- Permits and fees increased by \$1,107,737 from \$2,323,094 in fiscal year 2023 to \$3,430,831 in fiscal year 2024 due to an increase in Streets-Payment-in-Lieu revenue.
- The Town recognized \$1,262,033 in the previous year for Parkland Payment-in-Lieu revenues which was used for recreational improvements.
- In fiscal year 2024, the Town added four new full-time new staff positions – an Athletics Maintenance Technician III to support expanded park operations, especially cricket at Church Street Park, a Senior Capital Projects Manager to help manage and promote work on the town's extensive capital projects portfolio, and conversion of two existing part-time positions (one 30-hour and one part-time) to provide for program capacity needs at Cedar Fork Community Center and for the Morrisville Aquatics and Fitness Center pool operations.

**BUSINESS-TYPE ACTIVITIES:** Stormwater business-type activities increased the Town of Morrisville's net position by \$412,217. This increase is primarily due to the timing of expenditures in the current fiscal year.

### **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, 2024, the governmental funds of the Town of Morrisville reported a combined fund balance of \$60,802,477, an increase of \$5,905,083 compared to the prior year. This change in fund balance is primarily due to the completion of capital projects.

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 \$16,577,124 while total fund balance for the General Fund was \$46,462,882. 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 37.94% of total General Fund expenditures, while total fund balance represents 106.35% of that same amount (compared to 95.73% in 2023).

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 2024, the Town originally appropriated \$845,604 of fund balance to balance the budget.

The total fund balance of the Town's general fund increased by \$8,071,912 during fiscal year 2024. Key components of this change are as follows:

Ad valorem taxes received increased by \$1,385,165 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 \$414,773 due to an increase in consumer spending \$10,382,571 compared to \$9,967,798 in fiscal year 2023.
- General fund expenditures were 89.3% of budgeted amounts representing a variance of \$5,236,572. 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 \$1,292,616 were rolled over to fiscal year 2025.
  - 2) Personnel cost savings of \$706,610 (as compared to budget) is mainly due to lapse salaries and turnover during the fiscal year.
  - 3) Several departments spent less than budgeted for their operating expenditures. Examples include repairs, maintenance, professional services, and overall general operation expenditures which totaled approximately \$1,760,526.

The Capital Project Funds reported at the end of fiscal year 2024 had a total fund balance of \$13,857,433 a decrease of \$2,304,948 from the prior year. The decrease is due to the substantial completion of several capital projects and closeout of the Hatcher Creek Greenway Fund. The Public Safety Capital Project Fund had a decrease in fund balance of \$1,751,419 due to the completion of Fire Station 3 and purchase of a radio system.

**General Fund Budgetary Highlights - Fiscal Year 2024:** 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 fiscal year 2024, there was a total increase in the original budget of \$4,084,447 (\$368,803 from recognized revenues and \$3,175,644 from appropriation of fund balance) to the final amended budget at year-end. The additional appropriations from budget amendments during the year included additional grant revenue recognized for solar projects, Police Department accreditation, and arts programming, as well as revenue received for various

insurance claims related to town vehicles. The fund balance appropriations included: 1) \$1,255,000 for intersection improvements 2) \$430,000 for additional town center design and development 3) \$235,000 for Crabtree Creek Nature Park design 4) \$41,135 for re-appropriation of drug proceeds and Police Department grant funding 5) \$226,186 for re-appropriation of Small Business grant funding 6) \$704,847 for re-appropriation of funding for fleet replacements 6) \$68,000 for re-appropriation of sustainability funding, and 7) \$844,519 for the rollover of open purchase orders. 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, 2024, the Town's unassigned fund balance was 37.95% of total general fund expenditures or \$16,577,124 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 \$4,141,735. The change in net position for the enterprise funds was an increase of \$412,217. The Stormwater Fund, previously reported in the General Fund, was established in FY 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, 2024, totaled \$217,744,058 (net of accumulated depreciation and amortization). These assets include land, streets and sidewalks, buildings, machinery and equipment, vehicles, park facilities, construction in progress, intangible right-to-use lease assets and Subscription-Based IT Arrangements (SBITAs).

Major capital asset transactions during the year included the following:

- Building assets used in governmental activities increased by \$227,784 primarily due to the completion of additional solar panel installations on town facilities.
- Land assets used in governmental activities increased by \$2,189,846 due to land purchases for future parks, the Town Center project, and donated land for streets and sidewalks.
- Infrastructure assets increased by \$2,817,604 due to donated streets and sidewalks, as well as the completion of greenway assets.
- The Town placed no new vehicles into service, due to the supply chain issues occurring in the fiscal year.
- Construction in progress additions in the governmental activities totaled \$8,430,648 and included ongoing projects for street improvements, sidewalks, parks and greenways, building improvements, and vehicles and equipment.

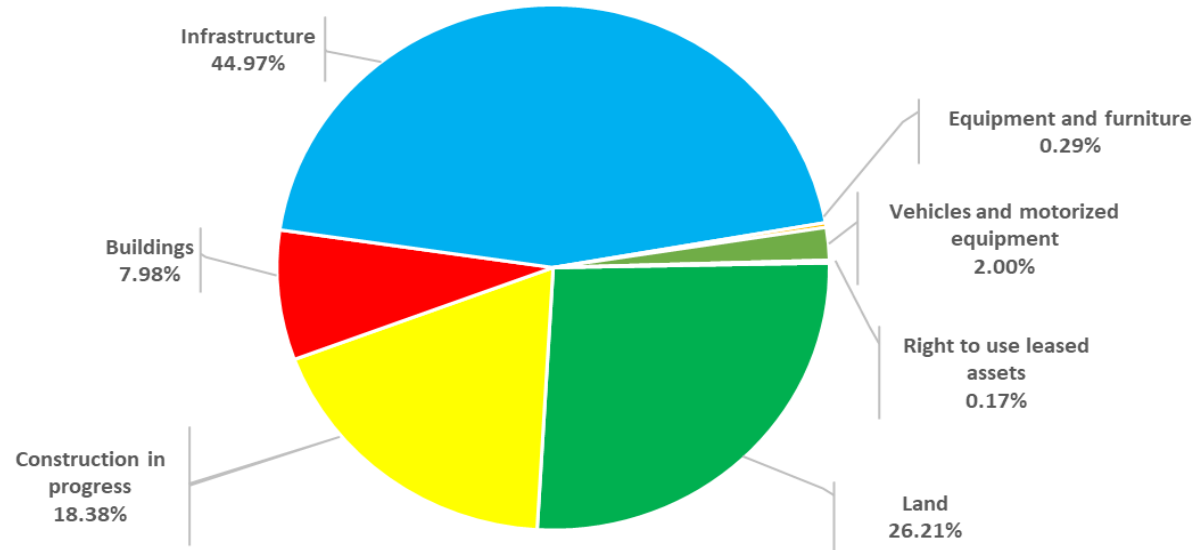
Additional information on the Town's capital assets can be found in Note 5 of the Basic Financial Statements.



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

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Land	\$ 56,860,272	\$ 54,670,426	\$ 200,410	\$ 200,410	\$ 57,060,682	\$ 54,870,836
Construction in progress	39,949,195	34,054,113	68,053	686,210	40,017,248	34,740,323
Buildings	17,385,945	17,340,099	-	-	17,385,945	17,340,099
Infrastructure	96,591,362	94,273,544	1,317,194	289,831	97,908,556	94,563,375
Equipment and furniture	616,803	873,643	13,550	15,070	630,353	888,713
Vehicles and motorized equipment	4,358,273	4,925,793	29,698	963	4,387,971	4,926,756
Right to use leases assets	353,303	574,255	-	-	353,303	574,255
<b>Total assets</b>	<b>\$216,115,153</b>	<b>\$206,711,873</b>	<b>\$ 1,628,905</b>	<b>\$ 1,192,485</b>	<b>\$217,744,058</b>	<b>\$207,904,358</b>

**Government-Wide Capital Assets**



**Long-term Debt:** As of June 30, 2024, the Town of Morrisville had total general obligation bonded debt (including premiums) outstanding of \$36,199,049, and installment purchase related debt of \$2,325,000. The Town’s total outstanding debt decreased by \$2,975,679 in the current fiscal year due to the paydown of debt and amortization of the premium.

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 September 2024, the Town’s AAA ratings were reaffirmed by all three major bond rating agencies following meetings with *Standards and Poor’s*, *Moody’s* and *Fitch*. The ratings will be associated with the issuance of \$20,500,000 in general obligation bonds that were sold in FY 2025. For more detailed information on long-term debt activity please refer to the notes disclosures starting on page 71.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
General Obligation Bonds	\$ 33,690,000	\$ 36,255,000	\$ -	\$ -	\$ 33,690,000	\$ 36,255,000
Installment Purchases	2,325,000	2,480,000	-	-	2,325,000	2,480,000
Premiums	2,509,049	2,764,728	-	-	2,509,049	2,764,728
<b>Total</b>	<u>\$ 38,524,049</u>	<u>\$ 41,499,728</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,524,049</u>	<u>\$ 41,499,728</u>

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 \$524,021,293 or .075% of the assessed value of taxable property.

## **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 2025:

- Fiscal Year 2024 property tax remains at \$0.39 per \$100 of property valuation and is estimated at \$27,289,733.
- The revaluation process saw each cent of the tax rate is projected to generate approximately \$950,000 of revenue for the Town in FY 2025 (as compared to \$685,000 in FY 2024).
- The property tax collection rate is trending at over 99% and overall revenues are approximately 8.8% over fiscal year 2023 actuals.
- The unemployment rate for the Raleigh-Cary Metropolitan area as of June 2024 was 3.3% which is 0.1% less than a year ago at 3.2%. The unemployment rate compares favorably to the state's average unemployment rate in June 2024 of 3.6%.

## **BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2025**

- Conservative revenue projections with adjustments/decreases in revenue streams that recognize the need to supplant revenue lost from programs with ARPA funds.
- Moderate user fee adjustments were made where market comparisons supported changes.
- Maintain the stability of existing core programs and services, including operational cost increases.
- Based on an approximately 40% increase in assessed property values after revaluation, a new property tax rate of \$0.35 per \$100 of property valuation will generate approximately \$32,975,100 in ad-valorem tax revenue in FY 2025.
- The fiscal year 2025 General Fund budget reflects a fund balance appropriation of \$1,571,000 (approximately 2.7% of expenditures) to support operational non-recurring or one-time expenses.
- Approved appropriation to the Roadway & Transportation Reserve Fund (\$950,000), approved appropriation to the Fire Apparatus Reserve Fund (\$850,000), approved appropriation for Parks and Recreation Reserve Fund (\$950,000), approved appropriation for Land Acquisition Reserve Fund (\$950,000), as well as an approved transfer to Municipal Service District Fund (\$110,000).
- Addition of 11 new full-time positions- one Economic Development Director and one Small Business Specialist the Administration Department, an additional Management & Budget Analyst in the Budget Department, one Battalion Chief and three additional firefighter positions in the Fire Department, two Ground Maintenance Technicians in the Public Works Department, one civilian Quartermaster and an additional Detective for the Police Department.

## **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 Byron Hayes, Budget Director/Interim Finance Director, Town of Morrisville, 100 Town Hall Drive, Morrisville, NC, 27560, (919) 463-1604 or [bhayes@morrisvillenc.gov](mailto:bhayes@morrisvillenc.gov).

Basic

Financial Statements

TOWN OF MORRISVILLE, NORTH CAROLINA  
STATEMENT OF NET POSITION  
JUNE 30, 2024

Exhibit 1

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 45,802,949	\$ 2,795,206	\$ 48,598,155
Receivables:			
Taxes	179,418	-	179,418
Accounts	1,241,684	5,731	1,247,415
Lease - current portion	23,099	-	23,099
Interest	5,434	-	5,434
Due from other governments	4,039,045	6,182	4,045,227
Prepaid expenses	-	-	-
Restricted cash and cash equivalents	15,463,102	-	15,463,102
Non-current assets:			
Lease receivable	2,220,847	-	2,220,847
Capital assets:			
Land, improvements and construction in progress	96,809,467	268,463	97,077,930
Other capital assets, net of depreciation	118,952,383	1,360,442	120,312,825
Intangible right to use assets, net of amortization	353,303	-	353,303
Total assets	<u>285,090,731</u>	<u>4,436,024</u>	<u>289,526,755</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	8,443,875	154,397	8,598,272
OPEB deferrals	922,819	17,873	940,692
Deferred charge on refunding	37,508	-	37,508
Total deferred outflows of resources	<u>9,404,202</u>	<u>172,270</u>	<u>9,576,472</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued expenses	3,928,587	44,279	3,972,866
Accrued interest	471,630	-	471,630
Unearned revenue	1,945,802	-	1,945,802
Due within one year:			
OPEB liability	570,899	11,057	581,956
LEOSSA liability	219,215	-	219,215
Compensated absences	1,299,443	26,166	1,325,609
Bonds and notes payable	2,975,679	-	2,975,679
Leases and IT subscriptions	205,606	-	205,606
Non-current liabilities:			
Due in more than one year:			
OPEB liability	5,138,091	99,515	5,237,606
LEOSSA pension liability	1,972,933	-	1,972,933
Compensated absences	144,382	2,907	147,289
Net LGERS pension liability	13,044,526	252,647	13,297,173
Bonds and notes payable	35,548,370	-	35,548,370
Leases and IT subscriptions	146,884	-	146,884
Total liabilities	<u>67,612,047</u>	<u>436,571</u>	<u>68,048,618</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes and fees	3,583	-	3,583
Leases	2,110,277	-	2,110,277
OPEB deferrals	1,338,531	25,925	1,364,456
Pension deferrals	516,416	4,063	520,479
Total deferred inflows of resources	<u>3,968,807</u>	<u>29,988</u>	<u>3,998,795</u>
<b>NET POSITION</b>			
Net investment in capital assets	181,865,474	1,628,905	183,494,379
Restricted for:			
Stabilization by State statute	5,478,316	-	5,478,316
Recreation improvements	5,611,294	-	5,611,294
Street improvements	5,345,930	-	5,345,930
Public safety operations and activities	50,151	-	50,151
Unrestricted	24,562,914	2,512,830	27,075,744
Total net position	<u>\$ 222,914,079</u>	<u>\$ 4,141,735</u>	<u>\$ 227,055,814</u>

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

TOWN OF MORRISVILLE, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024

Exhibit 2

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 9,316,736	\$ 18,234	\$ 2,856,259	\$ 1,089,233	\$ (5,353,010)	\$ -	\$ (5,353,010)
Development services	5,115,212	3,228,899	566,058	906,425	(413,830)	-	(413,830)
Public safety	16,234,148	482,425	42,011	300,000	(15,409,712)	-	(15,409,712)
Public works	8,351,275	-	934,968	10,000	(7,406,307)	-	(7,406,307)
Culture and recreation	3,682,757	1,067,223	-	1,387,054	(1,228,481)	-	(1,228,481)
Interest on long-term debt	1,204,953	-	-	-	(1,204,953)	-	(1,204,953)
Total governmental activities	43,905,081	4,796,781	4,399,296	3,692,712	(31,016,293)	-	(31,016,293)
Business-type activity:							
Stormwater	1,102,459	1,187,356	-	-	-	84,897	84,897
Total government	\$ 45,007,540	\$ 5,984,137	\$ 4,399,296	\$ 3,692,712	(31,016,293)	84,897	(30,931,396)
General revenues:							
Taxes:							
Property taxes levied for general purposes					27,621,186	-	27,621,186
Local option sales taxes					10,382,571	-	10,382,571
Other taxes and licenses					4,581,608	-	4,581,608
Investment earnings					3,008,851	121,120	3,129,971
Miscellaneous					2,333,781	251,800	2,585,581
Transfers					45,600	(45,600)	-
Total general revenues					47,973,597	327,320	48,300,917
Change in net position					16,957,304	412,217	17,369,522
Net position - beginning					205,956,775	3,729,518	209,686,293
Net position - ending					\$ 222,914,079	\$ 4,141,735	\$ 227,055,815

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

TOWN OF MORRISVILLE, NORTH CAROLINA  
BALANCE SHEET  
GOVERNMENT FUNDS  
JUNE 30, 2024

Exhibit 3

	Major Funds				Total Governmental Funds
	General	American Rescue Plan Act Special Revenue Fund	Public Safety Improvements Capital Project Fund	Nonmajor Funds	
<b>Assets</b>					
Cash and cash equivalents	\$ 38,954,605	\$ -	\$ -	\$ 6,848,344	\$ 45,802,949
Receivables					
Taxes	179,418	-	-	-	179,418
Accounts receivable	268,039	-	123,171	850,474	1,241,684
Lease receivable	2,243,946	-	-	-	2,243,946
Due from other governments	3,921,246	29,333	49,974	38,492	4,039,045
Restricted cash and cash equivalents	5,942,503	2,628,487	26,249	6,865,863	15,463,102
Total assets	<u>\$ 51,509,757</u>	<u>\$ 2,657,820</u>	<u>\$ 199,394</u>	<u>\$ 14,603,173</u>	<u>\$ 68,970,144</u>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 2,457,544	\$ 525,919	\$ 651,137	\$ 293,987	\$ 3,928,587
Unearned revenue	296,053	1,649,749	-	-	1,945,802
Total liabilities	<u>2,753,597</u>	<u>2,175,668</u>	<u>651,137</u>	<u>293,987</u>	<u>5,874,389</u>
<b>Deferred inflows of resources</b>					
Taxes receivable	179,418	-	-	-	179,418
Prepaid taxes and fees	3,583	-	-	-	3,583
Lease receivable	2,110,277	-	-	-	2,110,277
Total deferred inflows of resources	<u>2,293,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,293,278</u>
<b>Fund balances</b>					
Nonspendable:					
Leases	133,669	-	-	-	133,669
Restricted:					
Stabilization by State statute	5,478,316	-	-	-	5,478,316
Street improvements	3,425,709	-	-	1,920,221	5,345,930
Recreation improvements	-	-	-	5,611,294	5,611,294
Public safety operations and activities	50,151	-	-	-	50,151
Committed:					
General governmental capital	8,909,388	-	-	-	8,909,388
Debt service	3,812,622	-	-	-	3,812,622
LEOSSA pension liability	347,213	-	-	-	347,213
OPEB liability	5,429,211	-	-	-	5,429,211
Healthcare premium	725,292	-	-	-	725,292
American Rescue Plan Act projects	-	482,152	-	-	482,152
Capital projects	-	-	-	6,777,671	6,777,671
Assigned:					
Fire operations and activities	2,487	-	-	-	2,487
Subsequent year's expenditures	1,571,700	-	-	-	1,571,700
Unassigned	16,577,124	-	(451,743)	-	16,125,381
Total fund balances	<u>46,462,882</u>	<u>482,152</u>	<u>(451,743)</u>	<u>14,309,186</u>	<u>60,802,477</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 51,509,757</u>	<u>\$ 2,657,820</u>	<u>\$ 199,394</u>	<u>\$ 14,603,173</u>	<u>\$ 68,970,144</u>

The notes to 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, 2024

Total fund balances - governmental funds		60,802,477
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	\$ 270,987,114	
Less accumulated depreciation	<u>(55,225,264)</u>	215,761,850
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	1,208,866	
Less accumulated amortization	<u>(855,563)</u>	353,303
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		7,971,786
		922,819
Deferred charge on refunding is not available or due in current period, and, therefore, is not reported in the fund		
		37,508
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	(5,708,990)	
Total LEOSA pension liability	(2,192,148)	
Government bonds and notes payable	(36,015,000)	
Deferred bond premium	(2,509,049)	
Compensated absences	(1,443,825)	
Net LGERS pension liability	(13,044,526)	
Lease and IT subscriptions	<u>(352,490)</u>	(61,266,028)
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		179,418
Pension related deferrals		
OPEB related deferrals		(44,327)
		(1,338,531)
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		5,434
Accrued interest payable		<u>(471,630)</u>
Net position of governmental activities		<u>\$ 222,914,079</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, 2024

	Major Funds				Total Governmental Funds
	General	American Rescue Plan Act Special Revenue Fund	Public Safety Improvements Capital Project Fund	Nonmajor Funds	
<b>Revenues</b>					
Ad valorem taxes	\$ 27,468,191	\$ -	\$ -	\$ -	\$ 27,468,191
Other taxes and licenses	639,570	-	-	-	639,570
Unrestricted intergovernmental	14,324,609	-	300,000	-	14,624,609
Restricted intergovernmental	1,539,411	3,940,492	-	906,425	6,386,328
Permits and fees	3,430,831	-	-	-	3,430,831
Sales and services	1,435,457	-	-	-	1,435,457
Investment earnings	1,811,681	179,419	57,263	960,488	3,008,851
Miscellaneous	2,121,552	-	123,171	89,058	2,333,781
Total revenues	<u>52,771,302</u>	<u>4,119,911</u>	<u>480,434</u>	<u>1,955,971</u>	<u>59,327,618</u>
<b>Expenditures</b>					
Current					
General government	8,430,556	-	-	-	8,430,556
Development services	4,685,090	-	-	-	4,685,090
Public safety	14,662,753	-	-	-	14,662,753
Public works	7,113,313	981,530	-	-	8,094,843
Culture and recreation	3,203,190	66,628	-	-	3,269,818
Capital outlay	1,048,955	1,089,233	2,231,853	5,391,066	9,761,107
Debt service					
Principal	3,043,079	-	-	-	3,043,079
Interest	1,502,688	-	-	-	1,502,688
Total expenditures	<u>43,689,624</u>	<u>2,137,392</u>	<u>2,231,853</u>	<u>5,391,066</u>	<u>53,449,935</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>9,081,678</u>	<u>1,982,519</u>	<u>(1,751,419)</u>	<u>(3,435,096)</u>	<u>5,877,683</u>
<b>Other Financing sources (uses)</b>					
Premiums on general obligation bonds issued	-	-	-	(41,300)	(41,300)
Transfers in	11,295,585	-	-	3,774,650	15,070,235
Transfers out	(12,328,450)	(1,803,100)	-	(893,084)	(15,024,634)
Issuance of debt/leases	23,099	-	-	-	23,099
Total other financing sources (uses)	<u>(1,009,766)</u>	<u>(1,803,100)</u>	<u>-</u>	<u>2,840,266</u>	<u>27,400</u>
<b>Net change in fund balance</b>	8,071,912	179,419	(1,751,419)	(594,829)	5,905,083
<b>Fund balance, beginning</b>	<u>38,390,970</u>	<u>302,733</u>	<u>1,299,676</u>	<u>14,904,015</u>	<u>54,897,394</u>
<b>Fund balance, ending</b>	<u>\$ 46,462,882</u>	<u>\$ 482,152</u>	<u>\$ (451,743)</u>	<u>\$ 14,309,186</u>	<u>\$ 60,802,477</u>

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

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024

Exhibit 4

Total net change in fund balances - governmental funds		\$ 5,905,083
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	7,057,638	
Less current year depreciation and amortization expense	<u>(1,559,287)</u>	5,498,351
The net effects of disposals of capital assets is to decrease the change in net position in the statement of activities		
Disposal of capital assets		(307,413)
Contributions to the LGERS pension plan in the current fiscal year are not included on the Statement of Activities		2,328,802
Benefit payments made for LEOSSA in the current fiscal year are not included on the Statement of Activities		86,018
OPEB benefit payments made in the current fiscal year are not included in the Statement of Activities		87,768
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.		
Principal repayments:		
General obligation debt, installment notes and right to use		3,019,980
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	(5,273)	
Donated capital assets	4,252,341	
Change in reserve for taxes receivable	<u>152,995</u>	4,400,063
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	255,679	
Amortization of deferred charge on refunding	(16,670)	
Change in accrued interest payable	43,962	
Change in compensated absences	168,780	
OPEB plan expense	(434,216)	
Pension expense	<u>(4,078,884)</u>	(4,061,349)
Change in net position of governmental activities		<u>\$ 16,957,304</u>

The notes to the financial statements are an intergrial 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

JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Ad valorem taxes	\$ 27,064,200	\$ 27,064,200	\$ 27,468,191	\$ 403,991
Other taxes and licenses	635,000	635,000	639,570	4,570
Unrestricted intergovernmental	13,648,160	13,648,160	14,324,609	676,449
Restricted intergovernmental	802,000	967,220	1,539,411	572,191
Permits and fees	1,320,750	1,320,750	3,430,831	2,110,081
Sales and services	1,359,000	1,359,000	1,435,457	76,457
Investment earnings	385,930	385,930	1,811,681	1,425,751
Miscellaneous	541,240	744,823	2,121,552	1,376,729
Total revenues	<u>45,756,280</u>	<u>46,125,083</u>	<u>52,771,302</u>	<u>6,646,219</u>
<b>Expenditures</b>				
Current				
General government	8,662,717	9,024,473	8,430,556	593,917
Development services	5,098,671	5,371,241	4,685,090	686,151
Public safety	15,426,998	15,326,637	14,662,753	663,884
Public works	8,309,836	8,745,020	7,113,313	1,631,707
Culture and recreation	2,987,450	3,204,585	3,203,190	1,395
Capital Outlay	1,595,600	2,705,855	1,048,955	1,656,900
Debt Service				
Principal	3,043,079	3,043,079	3,043,079	-
Interest	1,505,308	1,505,308	1,502,688	2,620
Total expenditures	<u>46,629,659</u>	<u>48,926,198</u>	<u>43,689,624</u>	<u>5,236,574</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(873,379)</u>	<u>(2,801,115)</u>	<u>9,081,678</u>	<u>11,882,793</u>
<b>Other financing sources (uses)</b>				
Transfers in	11,788,070	11,792,629	11,295,585	(497,044)
Transfers out	(11,760,295)	(13,967,319)	(12,328,450)	1,638,869
Right to use proceeds	-	45,754	23,099	(22,655)
Fund balance appropriated	845,604	4,930,051	-	(4,930,051)
Total other financing sources (uses)	<u>873,379</u>	<u>2,801,115</u>	<u>(1,009,766)</u>	<u>(3,810,881)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>8,071,912</u>	<u>\$ 8,071,912</u>
<b>Fund balance, beginning</b>			<u>38,390,970</u>	
<b>Fund balance, ending</b>			<u>\$ 46,462,882</u>	

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

TOWN OF MORRISVILLE, NORTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2024

Exhibit 6

	<b>Stormwater Fund</b>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 2,795,206
Receivables- accounts	5,731
Due from other governments	6,182
Total current assets	<u>2,807,119</u>
Noncurrent assets	
Capital assets	
Land, improvements and construction in progress	268,463
Other capital assets, net of depreciation	1,360,442
Total non-current assets	<u>1,628,905</u>
Total assets	<u>4,436,024</u>
<b>Deferred outflows of resources</b>	
Pension deferrals	154,397
OPEB deferrals	17,873
Total deferred outflows of resources	<u>172,270</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable and accrued liabilities	44,279
OPEB liability	11,057
Compensated absences	26,166
Total current liabilities	<u>81,502</u>
Non-current liabilities	
OPEB liability	99,515
Compensated absences	2,907
Net LGERS pension liability	252,647
Total non-current liabilities	<u>355,069</u>
Total liabilities	<u>436,571</u>
<b>Deferred inflows of resources</b>	
Pension deferrals	4,063
OPEB deferrals	25,925
Total deferred inflows of resources	<u>29,988</u>
<b>Net position</b>	
Net investment in capital assets	1,628,905
Unrestricted	2,512,830
Total net position - business-type activities	<u>\$ 4,141,735</u>

The notes to 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 END JUNE 30, 2024**

**Exhibit 7**

	<b>Stormwater Fund</b>
<b>Operating revenues</b>	
Permits and fees	\$ 8,314
Stormwater ERU charges	<u>1,179,042</u>
Total operating revenues	<u>1,187,356</u>
<b>Operating expenses</b>	
Stormwater operations	1,069,046
Depreciation	<u>33,413</u>
Total operating expenses	<u>1,102,459</u>
<b>Operating income</b>	84,897
<b>Nonoperating revenues</b>	
Investment earnings	121,120
Miscellaneous Revenue	<u>251,800</u>
Total non-operating revenues	<u>372,920</u>
<b>Income before contributions and transfers</b>	457,817
<b>Transfers (out) to Governmental Activities</b>	(45,600)
<b>Change in net position</b>	<u>412,217</u>
<b>Net position, beginning of year</b>	<u>\$ 3,729,518</u>
<b>Net position, end of year</b>	<u><u>\$ 4,141,735</u></u>

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

TOWN OF MORRISVILLE, NORTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2024

Exhibit 8

	<u>Stormwater Fund</u>
<b>Cash flows from operating activities</b>	
Cash received from Stormwater charges	\$ 1,187,356
Cash paid to or on behalf of employees for services	(873,035)
Cash paid for good and services	<u>(252,011)</u>
Net cash from operating activities	<u>62,310</u>
<b>Cash flows from non capital financing activities</b>	
Transfers (out) to Governmental activities	<u>(45,600)</u>
Net cash from used by noncapital financing activities	(45,600)
<b>Cash flows from capital and related financing activities</b>	
Cash received from interlocal agreements	251,800
Acquisition and construction of capital assets	<u>(347,487)</u>
Net cash from investing activities	<u>(95,687)</u>
<b>Cash flows from investing activities</b>	
Investment earnings	<u>121,120</u>
Net cash from investing activities	<u>121,120</u>
Net increase in cash and cash equivalents	42,143
<b>Cash and cash equivalents, beginning of year</b>	<u>2,753,063</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 2,795,206</u>
<b>Reconciliation of operating income to net cash from operating activities:</b>	
Operating income	84,897
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	33,413
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Decrease in accounts receivable	(929)
Increase in due from other governments	(4,462)
Increase in deferred outflows of resources - pensions	(20,827)
Increase in deferred outflows of resources - OPEB	(599)
Decrease in accounts payable and accrued expenses	(19,353)
Increase in OPEB liability	18,644
Decrease in compensated absences liability	(4,894)
Increase in net pension liability	55,036
Decrease in deferred inflows of resources - pensions	(79,304)
Increase in deferred inflows of resources - OPEB	<u>688</u>
<b>Net cash provided by operating activities</b>	<u>\$ 62,310</u>

The notes to 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.

*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 and installation of new radio system.

The Town reports the following nonmajor governmental funds:

*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.

*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.

*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.

*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.

*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.



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

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

*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.

*International Drive Extension Capital Project Fund* – The International Drive Extension Capital Project Fund is used to account for financial resources to be used for enhanced east/west connectivity.

*Intersection Improvements Capital Project Fund* – The Intersection Improvements Capital Project Fund is used to account for financial resources to be used for intersection improvements.

*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.

*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. This fund was closed in fiscal year 2024.

*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.

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

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 2 sub funds: Stormwater Operations and the Stormwater Capital Project Fund.

**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 and IT subscriptions 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. 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, 2023, 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, bond proceeds, 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 within a capital project of the same fund, 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 classified as restricted cash and cash equivalents because they can only be expended for the purposes outlined in the general statutes. Unexpended Federal and State Grant proceeds are also classified as restricted cash and cash equivalents because they can only be expended for the purposes outlined in the grant agreements.

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

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

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

Governmental activities:

General Fund - Street improvements	\$ 3,425,709
General Fund - Small Business Administration Program	46,035
General Fund - Office of State Budget & Management Grant	250,000
General Fund - Public safety operations and activities	50,151
Major fund – American Rescue Plan Act Special Revenue Fund	2,628,487
Major fund – Public Safety Improvements Capital Project Fund	26,249
Nonmajor funds - Recreation Improvements	2,110,811
Nonmajor funds - Recreation Improvements-unspent bond proceeds	3,545,805
Nonmajor funds – Street Improvements	2,032,509
Nonmajor funds – Street Improvements-unspent bond proceeds	<u>1,347,346</u>
Total governmental activities	<u>15,463,102</u>
Total restricted cash and cash equivalents	<u>\$ 15,463,102</u>

**5. 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, 2023.

**6. 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.

**7. 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

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

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

**7. Lease receivable (continued)**

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.

**8. 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.

**9. Capital assets**

Capital assets, which include land, buildings, equipment, vehicles, right to use leases and subscriptions based information technology arrangements 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, certain other intangible assets (including software) with a cost/value greater than \$25,000, 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:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
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
Software and other intangible assets	based on the individual useful life of the asset

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

**9. Capital assets (continued)**

The Town has recorded right to use lease and IT subscriptions assets. These right to use lease assets arise in association with agreements where the Town reports a lease (only applies when the Town is the lessee) or agreements where the Town reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively. The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use lease assets are amortized on a straight-line basis over the life of the related leases or the useful life of the asset, whichever is shorter.

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

**10. 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*.

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

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

**11. 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.

**12. 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.



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

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

**13. 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 \$3,940,492 of the ARPA funds during the fiscal year ended June 30, 2024, 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.

**14. Net position/fund balances**

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

*Fund 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.

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.

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

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

**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.

*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.

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

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

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

**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 Healthcare Premium*- portion of fund balance that will be used for future healthcare premium obligations.

*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)**

**14. 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.

**Deficit in Fund Balance of Individual Funds**

The major Public Safety Improvements capital project fund is reporting a deficit fund balance of \$451,743 due to a project that is intended to be partially reimbursed by Wake County. The receivable is intended to be issued in Fiscal Year 2025, at which time the fund will no longer operate at a deficit.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2024*

---

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

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

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

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	\$ 46,462,882
Less:	
Nonspendable	133,669
Stabilization	5,478,316
Street improvements	3,425,709
Public safety operations and activities	50,151
General government capital	8,909,388
Debt service	3,812,622
LEOSSA pension liability	347,213
OPEB liability	5,429,211
Healthcare premium	725,292
Fire operations and activities	2,487
Subsequent year's expenditures	1,571,700
Remaining fund balance-General Fund	<u>\$ 16,577,124</u>

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

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

**14. 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, 2024:

Encumbrances:	
General Fund	\$ 1,298,116
American Rescue Plan Act Special Revenue Fund	727,184
Public Safety Improvements Capital Project Fund	718,413
Non-Major Funds	4,710,259
Stormwater Funds	342,023

**F. 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, 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, 2024, the Town's deposits had a carrying amount of \$24,860,314 and a bank balance of \$25,661,496. 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, 2024, the Town's petty cash fund totaled \$2,250.

**B. Investments**

At June 30, 2024, the Town had \$39,198,693 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, 2024.

*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, 2024*

---

**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 \$111,693 for ad valorem and motor vehicle decal taxes receivable.

**Note 4 – Lease receivable**

As of June 30, 2024, Town of Morrisville, NC had 3 active leases. The leases have receipts that range from \$26,616 to \$39,292 and interest rates that range from 3.0620% to 3.0990%. As of 06/30/2024, the total combined value of the lease receivable is \$2,243,946, the total combined value of the short-term lease receivable is \$30,143, and the combined value of the deferred inflow of resources is \$2,110,278.



**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**Note 5 – Capital assets**

**A. Governmental capital assets**

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases &amp; Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b><u>Governmental activities:</u></b>				
Capital assets not being depreciated and amortized:				
Land	\$ 54,670,426	\$ 2,189,846	\$ -	\$ 56,860,272
Construction in progress	34,054,113	8,430,648	(2,535,566)	39,949,195
Total capital assets not being depreciated and amortized	<u>88,724,539</u>	<u>10,620,494</u>	<u>(2,535,566)</u>	<u>96,809,467</u>
Capital assets being depreciated and amortized:				
Buildings	24,882,953	227,784	-	25,110,737
Infrastructure	112,644,042	2,817,604	-	115,461,646
Other improvements	18,540,860	-	-	18,540,860
Equipment and furniture	4,085,238	80,367	(199,088)	3,966,517
Vehicles and motorized equipment	11,206,212	-	(108,325)	11,097,887
Right-to-use- buildings	557,605	48,841	-	606,446
Right-to-use- computers and equipment	513,813	6,792	-	520,605
Right-to-use- IT subscriptions	78,108	43,664	(39,957)	81,815
Total intangible right to use assets being amortized	<u>172,508,831</u>	<u>3,225,052</u>	<u>(347,370)</u>	<u>175,386,513</u>
Less accumulated depreciation and amortization for:				
Buildings	7,542,854	181,938	-	7,724,792
Infrastructure	32,012,799	432,924	-	32,445,723
Other improvements	4,898,559	66,862	-	4,965,421
Equipment and furniture	3,211,595	138,119	-	3,349,714
Vehicles and motorized equipment	6,280,419	459,195	-	6,739,614
Right-to-use- buildings	337,251	172,111	-	509,362
Right-to-use- computers and equipment	190,166	117,535	-	307,701
Right-to-use- IT subscriptions	47,854	30,603	(39,957)	38,500
Total accumulated depreciation and amortization	<u>54,521,497</u>	<u>1,599,287</u>	<u>(39,957)</u>	<u>56,080,827</u>
Total capital assets being depreciated and amortized, net	<u>117,987,334</u>			<u>119,305,686</u>
Governmental activities capital assets, net	<u>\$ 206,711,873</u>			<u>\$ 216,115,153</u>

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2024*

---

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

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

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

General Government	\$	675,553
Development Services		11,942
Public Safety		450,729
Public Works		63,052
Culture and Recreation		358,011
	\$	<u>1,559,287</u>

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2024*

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

**C. Business-type capital assets**

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending 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	686,210	68,052	(686,209)	68,053
Total capital assets not being depreciated	<u>886,620</u>	<u>68,052</u>	<u>(686,209)</u>	<u>268,463</u>
Capital assets being depreciated:				
Infrastructure & Other Improvements	454,983	1,056,926	-	1,511,909
Equipment and furniture	37,254	-	-	37,254
Vehicles and motorized equipment	22,548	31,065	-	53,613
Total capital assets being depreciated	<u>514,785</u>	<u>1,087,991</u>	<u>-</u>	<u>1,602,776</u>
Less accumulated depreciation for:				
Infrastructure & Other Improvements	165,152	29,563	-	194,715
Equipment and furniture	22,184	1,520	-	23,704
Vehicles and motorized equipment	21,585	2,330	-	23,915
Total accumulated depreciation	<u>208,921</u>	<u>33,413</u>	<u>-</u>	<u>242,334</u>
Total capital assets being depreciated, net	<u>305,864</u>			<u>1,360,442</u>
Business-type activities capital assets, net	<u>\$ 1,192,485</u>			<u>\$ 1,628,905</u>

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2024*

---

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

**D. Construction commitments**

The government has active construction projects as of June 30, 2024. At year-end, the government’s commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Town Center	\$ 7,212,410	\$ 1,378,081
Public Safety Improvements	13,692,802	718,413
Public Works Renovation	643,198	939,286
Morrisville Carpenter Road Improvements	11,233,491	843,031
Sidewalk & Pedestrian Enhancements	1,938,097	366,704
Park & Greenway Improvements	3,163,295	140,229
Church Street Park Improvements	5,381,672	1,042,929
	<u>\$ 43,264,965</u>	<u>\$ 5,428,673</u>

**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, 2024, was 14.04% of

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

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

compensation for law enforcement officers and 12.88% 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 \$2,328,802 for the year ended June 30, 2024.

*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, 2024, the Town reported a liability of \$13,297,173 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, utilizing update procedures incorporating the actuarial assumptions. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 (measurement date), the Town’s proportion was .20077%, which was a decrease of 0.00528% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of \$3,872,210. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,481,699	\$ 31,898
Changes of assumptions	565,053	-
Net difference between projected and actual earnings on pension plan investments	3,558,905	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	191,724	181,927
Town contributions subsequent to the measurement date	2,328,802	-
Total	\$ 8,126,183	\$ 213,825

---

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

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

\$2,328,802 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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June, 30	
2025	\$ 2,115,483
2026	983,500
2027	2,334,084
2028	150,489
	<u>\$ 5,583,556</u>

*Actuarial Assumptions* - The total pension liability in the December 31, 2022, 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, 2022 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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33%	0.9%
Global Equity	38%	6.5%
Real Estate	8%	5.9%
Alternatives	8%	8.2%
Opportunistic Fixed Income	7%	5.0%
Inflation Sensitive	6%	2.7%
	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 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 2.25%. 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:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's Proportionate share of the net Pension liability (asset)	<u>\$ 23,036,828</u>	<u>\$ 13,297,173</u>	<u>\$ 5,278,575</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 June 30, 2022, the valuation date, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	5
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>44</u>
Total	<u><u>49</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 June 30, 2022, valuation. The total pension liability in the June 30, 2022, 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%
Discount rate	3.77%

The discount rate is based on the yield of The Fidelity GO AA Bond Index as of December 31, 2023.

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 \$101,719 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, 2024, the Town reported a total pension liability of \$2,192,148. The total pension liability was measured as of December 31, 2023 based on a June 30, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the Town recognized pension expense of \$285,082.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2024*

---

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions and other inputs	\$ 268,461	\$ 199,836
Differences between expected and actual experience	117,610	106,818
Benefit payment and administrative expenses subsequent to the measurement date	86,018	
Total	<u>\$ 472,089</u>	<u>\$ 306,654</u>

\$86,018 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, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2025	\$ 98,547
2026	70,700
2027	(84,675)
2028	(7,197)
Thereafter	<u>2,042</u>
Total	<u>\$ 79,417</u>

**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 3.77%, 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 (2.77%) or one percentage point higher (4.77%) than the current rate:

	1% Decrease <u>2.77%</u>	Discount Rate <u>3.77%</u>	1% Increase <u>4.77%</u>
Total pension liability	\$ 2,351,528	\$ 2,192,148	\$ 2,045,121

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

Beginning balance	\$ 2,069,993
Changes for the year:	
Service costs	83,457
Interest	82,150
Changes of assumptions and other inputs	58,267
Benefit payments	<u>(101,719)</u>
Ending Balance	<u><u>\$ 2,192,148</u></u>

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

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2024*

**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:

	LGERS	LEOSSA	Total
Pension Expense	\$ 3,872,210	\$ 285,082	\$ 4,157,292
Pension Liability	13,297,173	2,192,148	15,489,321
Proportionate share of the net pension liability	0.20077%		
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	1,481,699	117,610	1,599,309
Changes of assumptions	565,053	268,461	833,514
Net difference between projected and actual earnings on plan investments	3,558,095	-	3,558,095
Changes in proportion and differences between contributions and proportionate share of contributions	191,724	-	191,724
Benefit payments and administrative costs paid subsequent to the measurement date	2,328,802	86,018	2,414,820
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	31,898	106,818	138,716
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on plan investments	-	199,836	199,836
Change in proportion and differences between Town contributions and proportionate share of contribution	181,927	-	181,927

**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 \$186,719 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 \$700,358 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, 2024, the State contributed \$19,702,208 to the plan. The Town's proportionate share of the State's contribution is \$26,866.

*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, 2024, 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 liability that was associated with the Town and supported by the State was \$12,694. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension (asset) liability was then rolled forward to the measurement date of June 30, 2023, 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, 2024 and at June 30, 2023 was 0%.

For the year ended June 30, 2024, the Town recognized pension expense of \$13,164 and revenue of \$13,164 for support provided by the State. At June 30, 2024, 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, 2022 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, 2024, the Town set aside \$526,996. The Town’s General Fund and Stormwater Fund have net position committed for retiree healthcare postemployment benefits at June 30, 2024 of \$5,429,211 and \$81,438 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, 2024, the date of the latest actuarial valuation:

	<b>General Employees</b>	<b>Law Enforcement Employees</b>
Retirees receiving benefits	7	3
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	184	44
Total	191	49

**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 \$5,819,562 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2022 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	3.25%	
Salary increases, including inflation		General employees – 3.30% - 8.30%
		Firefighters – 3.30% - 8.00%
		Law enforcement officers – 3.30% - 7.80%
Discount rate	3.86%	
Healthcare cost trend rates	7.50% for 2024 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***

	<u>Total OPEB Liability</u>
Balance at June 30, 2023	\$ 5,407,528
Changes for the year	
Service cost	433,940
Interest	197,283
Changes of benefit terms	
Differences between expected and actual experience	(11,109)
Changes in assumptions of other inputs	(96,954)
Benefits payments and implicit subsidy credit	(111,126)
Net Changes	<u>412,034</u>
Balance at June 30, 2024	<u>\$ 5,819,562</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 3.69% to 3.86% resulting in an inflow.

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, 2022 valuation were based on the results of an actuarial experience study for the period January 2015 through December 2019, adopted by the LGERS Board.

The remaining actuarial assumptions used in the June 30, 2022 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 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 (2.86%) or one percentage point higher (4.86%) than the current discount rate:

1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
\$ 6,420,804	\$ 5,819,562	\$ 5,279,379

*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:

1% Decrease	Current Rate	1% Increase
\$ 5,134,408	\$ 5,819,562	\$ 6,630,524

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2024*

**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, 2024, the Town recognized OPEB expense of \$566,798. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual	\$ 203,699	\$ 652,442
Changes of assumptions or other inputs	578,493	712,014
Benefit payments and administrative costs made subsequent to the measurement date	-	
	158,500	
Total	<u>\$ 940,692</u>	<u>\$ 1,364,456</u>

\$158,500 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, 2025. Other amounts reported as deferred outflows and inflows of resources related to other postretirement benefits will be recognized in OPEB expense as follows:

Year Ended June 30,	
2025	(64,425)
2026	(64,425)
2027	(56,554)
2028	(64,877)
2029	(108,289)
Thereafter	(223,694)
	<u>\$ (582,264)</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, 2024*

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

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

	Governmental Activities	Business-Type Activities
Pension deferrals - LGERS	\$ 7,971,786	\$ 154,397
Pension deferrals -Separation Allowance	472,089	-
OPEB deferrals	922,819	17,873
Deferred charge on refunding	37,508	-
Total	<u>\$ 9,404,202</u>	<u>\$ 172,270</u>

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

	Governmental Activities	Business-Type Activities	Governmental Funds
Taxes receivable, net	\$ -	\$ -	\$ 179,418
Leases receivable	2,110,277	-	2,110,277
Prepaid taxes and fees	3,583	-	3,583
Pension deferrals - LGERS	209,762	4,063	-
Pension deferrals -Separation Allowance	306,654	-	-
OPEB deferrals	1,338,531	25,925	-
Total	<u>\$ 3,968,807</u>	<u>\$ 29,988</u>	<u>\$ 2,293,278</u>

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2024*

---

**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	\$ 25,911,380
Comprehensive general liability:	
Per occurrence	1,000,000
Aggregate	2,000,000
Business auto	1,000,000
Equipment	637,132
Comprehensive electronic data processing	1,055,000
Cyber Liability	2,000,000
Law enforcement liability	2,000,000
Public officials' liability	2,000,000
Public official bond:	
Finance Director	1,000,000
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 is individually bonded for \$1,000,000. The Wake County Tax Collector is individually bonded for \$100,000 and the Durham County Tax Collector is bonded for \$10,000.



**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2024*

---

**Note 10 – Long-term obligations**

**A. Leases**

As of June 30, 2024, Town of Morrisville, NC had 13 active leases. The leases have payments that range from \$1,470 to \$97,248 and interest rates that range from 0.2370% to 10.9520%. As of 06/30/2024, the total combined value of the lease liability is \$307,393, the total combined value of the short-term lease liability is \$177,888. The combined value of the right to use asset, as of 06/30/2024 of \$1,127,052 with accumulated amortization of \$817,064 is included within the Lease Class activities table found below. The leases had \$0 of Variable Payments and \$0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, are as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total Payments
2025	\$ 177,888	\$ 5,734	\$ 183,623
2026	78,658	3,039	81,697
2027	49,356	915	50,271
2028	1,492	163	1,655
	\$ 307,394	\$ 9,851	\$ 317,246

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2024*

---

**Note 10 – Long-term obligations**

**B. Installment note indebtedness**

The Town has one direct placement installment note for capital projects and equipment. Installment notes payable at June 30, 2024 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. \$ 2,325,000

Annual debt service payments of the direct placement installment notes as of June 30, 2024, including \$622,912 of interest, are as follows:

<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>
<u>June 30,</u>		
2025	\$ 155,000	\$ 77,864
2026	155,000	72,673
2027	155,000	67,482
2028	155,000	62,291
2029	155,000	57,100
2030-2034	775,000	207,638
2035-2039	775,000	77,864
Total	<u>\$ 2,325,000</u>	<u>\$ 622,912</u>

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, 2024 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%	\$ 2,000,000
\$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%	6,500,000
\$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%	1,305,000
\$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%	8,045,000
\$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%	370,000
\$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>15,470,000</u>
<b>Total</b>	<b><u><u>\$ 33,690,000</u></u></b>

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2024*

---

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

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

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

<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>
<u>June 30,</u>		
2025	\$ 2,555,000	\$ 1,294,775
2026	2,555,000	1,181,375
2027	2,555,000	1,067,875
2028	2,120,000	954,275
2029	2,115,000	863,200
2030-2034	10,575,000	3,024,325
2035-2039	8,575,000	1,225,218
2040-2044	2,640,000	184,800
	<u>\$ 33,690,000</u>	<u>\$ 9,795,843</u>

At June 30, 2024, the Town had a legal debt margin of \$524,021,293.

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2024*

---

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

**D. Subscriptions**

As of June 30, 2024, Town of Morrisville, NC had 5 active subscriptions. The subscriptions have payments that range from \$1,357 to \$10,000 and interest rates that range from 1.5800% to 3.1210%. As of June 30, 2024, the total combined value of the subscription liability is \$45,097, and the total combined value of the short-term subscription liability is \$27,718. The combined value of the right to use asset, as of June 30, 2024 of \$81,815 with accumulated amortization of \$38,499 is included within the Subscription Class activities table found below.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2024, are as follows:

For Year Ending June 30,	Principal Payments	Interest Payments	Total Payments
2025	\$ 27,718	\$ 778	\$ 28,496
2026	17,378	275	17,653
	<u>\$ 45,096</u>	<u>\$ 1,053</u>	<u>\$ 46,149</u>

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2024*

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

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

Changes in long-term liabilities

	<b>Balances at July 1, 2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances at June 30, 2024</b>	<b>Current Portion</b>
<u>Governmental activities</u>					
Bonds payable					
General obligation bonds	\$ 36,255,000	\$ -	\$ 2,565,000	\$ 33,690,000	\$ 2,555,000
Premiums on issuance	2,764,728	-	255,679	2,509,049	255,679
Total bonds payable	<u>39,019,728</u>	-	<u>2,820,679</u>	<u>36,199,049</u>	<u>2,810,679</u>
Subscription based IT	21,997	23,099	-	45,096	27,718
Leases	554,080	-	246,686	307,394	177,888
Direct placement installment notes	2,480,000	-	155,000	2,325,000	155,000
Compensated absences	1,612,605	-	168,780	1,443,825	1,299,443
Total OPEB liability	5,315,600	393,390	-	5,708,990	570,899
Net pension liability (LGERS)	11,426,551	1,617,974	-	13,044,525	-
Total pension liability (LEO)	<u>2,069,993</u>	<u>122,155</u>	<u>-</u>	<u>2,192,148</u>	<u>219,215</u>
Governmental activities long-term liabilities	<u>\$ 62,500,554</u>	<u>\$ 2,156,618</u>	<u>\$ 3,391,145</u>	<u>\$ 61,266,028</u>	<u>\$ 5,260,841</u>
<u>Business-type activities</u>					
Compensated Absences	\$ 33,967	\$ -	\$ 4,894	29,073	\$ 26,166
Total OPEB liability	91,928	18,644	-	110,572	11,057
Net pension liability (LGERS)	<u>197,611</u>	<u>55,036</u>	<u>-</u>	<u>252,647</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 323,506</u>	<u>\$ 73,680</u>	<u>\$ 4,894</u>	<u>\$ 392,292</u>	<u>\$ 37,223</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, 2024*

---

**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:

	Governmental	Business-Type
Capital assets, net of depreciation and amortization	\$ 216,115,153	\$ 1,628,905
Less: Long-term debt and intangible right to use liabilities	36,367,490	-
Unamortized Liabilities related to Capital	2,509,049	-
Add: Unspent debt proceeds	4,589,352	-
Deferred charging on refunding	37,508	-
	\$ 181,865,474	\$ 1,628,905

**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, 2024, 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, 2024*

**Note 13 – Interfund transfer activity**

Transfers to and from other funds for the fiscal year ended June 30, 2024, consists of the following:

**Interfund Balances and Transfer Activity**

**Governmental Activities:**

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.	\$ 763,100
From the American Rescue Plan Act Special Revenue Fund to the Parks and Greenways Improvements Capital Project Fund to supplement other funding sources for financing the project.	1,040,000
From Parks and Recreation Capital Reserve sub-fund to the Parks and Greenways Capital Project Fund to supplement other funding sources for Crabtree Creek Nature Park.	35,000
From Parks and Recreation Capital Reserve sub-fund to the Town Center Capital Project Fund to supplement other funding sources for financing the project.	430,000
From Capital Investment Plan Capital Reserve sub-fund to the Parks and Greenways Capital Project Fund to supplement other funding sources for financing the project.	200,000
From the General Fund to the Morrisville Carpenter Road Capital Project Fund to supplement other funding sources for financing the project.	15,450
From the Parkland Payment-in-Lieu Capital Project Fund to the Land and Parkland Acquisition Capital Project Fund to accumulate resources for the design and construction of amenity expansions and upgrades.	799,200
From Hatcher Creek Greenway Capital Project Fund to the Capital Investment Plan Capital Reserve Fund to close the project.	93,885
From the Streets Payment-in-lieu Capital Project Fund to Intersection Improvements Capital Project Fund to supplement other funding sources for financing the project.	1,255,000
From the General Fund to the General Fund Sub-Funds to supplement other funding sources and increase reserve balances.	10,393,000
Subtotal Transfers within Governmental Activities	15,024,635
<b>Business-Type Activities:</b>	
From the Stormwater Fund to the General Fund Sub-Funds to supplement other funding sources.	45,600
Subtotal Transfers to Governmental Activities	45,600
<b>Total Transfers</b>	<b>\$ 15,070,235</b>



**Note 14 – Subsequent events**

The Town has evaluated subsequent events through October 21, 2024, 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**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**  
**LAST EIGHT FISCAL YEARS\***

**Exhibit A-1**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability, beginning balance	\$ 2,069,993	\$ 2,495,620	\$ 2,468,521	\$ 1,508,609	\$ 1,260,670	\$ 1,164,414	\$ 1,014,588	\$ 1,011,856
Changes for the year:								
Service cost	83,457	72,054	68,679	66,517	56,285	64,043	51,158	45,324
Interest	82,150	50,709	47,256	48,221	44,593	36,107	38,474	35,158
Difference between expected and actual experience	18,532	(173,254)	-	243,617	186,034	90,216	24,497	-
Changes of assumptions and other inputs	39,735	(305,228)	2,017	696,748	43,120	(50,528)	71,425	(23,656)
Benefit payments	(101,719)	(69,908)	(90,853)	(95,191)	(82,093)	(43,582)	(35,728)	(54,094)
Total pension liability, ending balance	<u>\$ 2,192,148</u>	<u>\$ 2,069,993</u>	<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 to 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, 2024

LAST EIGHT FISCAL YEARS\*

---

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 2,192,148	\$ 2,069,993	\$ 2,495,620	\$ 2,468,521	\$ 1,508,609	\$ 1,260,670	\$ 1,164,414	\$ 1,014,588
Covered-employee payroll	2,998,966	2,998,966	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	73.10%	69.02%	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**

OTHER POSTEMPLOYMENT BENEFITS

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

JUNE 30, 2024

LAST SEVEN FISCAL YEARS\*

Exhibit A-3

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>							
Service cost	\$ 433,940	\$ 360,484	\$ 340,930	\$ 333,558	\$ 308,721	\$ 259,192	\$ 278,691
Interest	197,283	134,539	127,808	205,469	189,499	141,652	117,208
Differences between expected and actual experience	(11,109)	(88,341)	-	(981,574)	1,978	538,082	8,586
Changes in assumptions or other inputs	(96,954)	(713,791)	33,906	749,738	226,799	23,223	(254,545)
Plan amendment	-	(490,221)	-	-	-	-	-
Benefit payments	(111,126)	(47,608)	(66,652)	(54,881)	(67,918)	(71,491)	(58,472)
Net change in total OPEB liability	412,034	(844,938)	435,992	252,310	659,079	890,658	91,468
Total OPEB liability - beginning	5,407,528	6,252,466	5,816,474	5,564,164	4,905,085	4,014,427	3,922,959
Total OPEB liability - ending	<u>\$ 5,819,562</u>	<u>\$ 5,407,528</u>	<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	\$ 14,853,923	\$ 14,853,923	\$ 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	39.18%	36.40%	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.

The Town of Morrisville has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

\* 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>
2024	3.86%
2023	3.69%
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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Town's proportion of the net pension liability (asset) (%)	0.2008%	0.2061%	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) (\$)	\$ 13,297,173	\$ 11,624,162	\$ 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	15,439,867	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	8,448,530
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	86.12%	78.25%	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	82.49%	84.14%	106.41%	88.61%	90.68%	91.63%	94.18%	99.07%	98.09%	102.64%	94.35%

Schedule of Contributions

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 2,328,802	\$ 2,037,870	\$ 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	2,328,802	2,037,870	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	\$ 17,411,118	\$ 15,439,867	\$ 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	13.4%	13.2%	11.7%	10.7%	9.7%	7.9%	7.7%	7.4%	6.3%	7.2%	7.1%

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

Schedule of Proportionate Share of Net Pension (Asset) Liability

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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%	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	12,694	27,859	(29,208)	50,383	44,377	62,645	50,289	34,813	48,890	40,887
Total	\$ 12,694	\$ 27,859	\$ (29,208)	\$ 50,383	\$ 44,377	\$ 62,645	\$ 50,289	\$ 34,813	\$ 48,890	\$ 40,887
Town's covered payroll	\$ 5,120,337	\$ 4,719,801	\$ 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	0.25%	0.59%	-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	98.16%	96.07%	105.58%	92.58%	89.69%	89.35%	84.94%	91.40%	93.42%	92.76%

# 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).



	Subfunds								Total General Fund
	General Fund	Fire Apparatus Capital Reserve Fund	Roadway and Transportation Capital Reserve Fund	Capital Investment Plan Capital Reserve Fund	Parks and Recreation Capital Reserve Fund	Municipal Service District Fund	Health Fund	Debt Service Fund	
<b>Assets</b>									
Cash and cash equivalents	\$ 27,560,588	\$ 2,496,685	\$ 2,091,159	\$ 176,236	\$ 920,204	\$ 1,055,919	\$ 841,192	\$ 3,812,622	\$ 38,954,605
Receivables									
Taxes	179,418	-	-	-	-	-	-	-	179,418
Accounts	268,039	-	-	-	-	-	-	-	268,039
Lease	2,243,946	-	-	-	-	-	-	-	2,243,946
Due from other governments	3,920,509	-	-	-	-	737	-	-	3,921,246
Restricted cash	3,771,895	-	2,075,572	-	-	95,036	-	-	5,942,503
<b>Total assets</b>	<b>\$ 37,944,395</b>	<b>\$ 2,496,685</b>	<b>\$ 4,166,731</b>	<b>\$ 176,236</b>	<b>\$ 920,204</b>	<b>\$ 1,056,656</b>	<b>\$ 841,192</b>	<b>\$ 3,812,622</b>	<b>\$ 51,509,757</b>
<b>Liabilities</b>									
Accounts payable and accrued liabilities	\$ 2,340,239	\$ -	\$ -	\$ -	\$ -	\$ 1,405	\$ 115,900	\$ -	\$ 2,457,544
Unearned revenue	296,035	-	-	-	-	18	-	-	296,053
<b>Total liabilities</b>	<b>2,636,274</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,423</b>	<b>115,900</b>	<b>-</b>	<b>2,753,597</b>
<b>Deferred inflows of resources</b>									
Taxes receivable	179,418	-	-	-	-	-	-	-	179,418
Prepaid taxes and fees	3,583	-	-	-	-	-	-	-	3,583
Leases	2,110,277	-	-	-	-	-	-	-	2,110,277
<b>Total deferred inflows of resources</b>	<b>2,293,278</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,293,278</b>
<b>Fund balances</b>									
<b>Nonspendable:</b>									
Prepaid expenses	-	-	-	-	-	-	-	-	-
Leases	133,669	-	-	-	-	-	-	-	133,669
<b>Restricted:</b>									
Stabilization by State statute	5,477,579	-	-	-	-	737	-	-	5,478,316
Street improvements	3,425,709	-	-	-	-	-	-	-	3,425,709
Public safety operations and activities	50,151	-	-	-	-	-	-	-	50,151
<b>Committed:</b>									
General governmental capital	-	2,496,685	4,166,731	176,236	920,204	1,149,532	-	-	8,909,388
Debt service	-	-	-	-	-	-	-	3,812,622	3,812,622
LEOSA pension liability	347,213	-	-	-	-	-	-	-	347,213
OPEB liability	5,429,211	-	-	-	-	-	-	-	5,429,211
Healthcare premium	-	-	-	-	-	-	725,292	-	725,292
<b>Assigned:</b>									
Fire operations and activities	2,487	-	-	-	-	-	-	-	2,487
Subsequent year's expenditures	1,571,700	-	-	-	-	-	-	-	1,571,700
Unassigned	16,577,124	-	-	-	-	-	-	-	16,577,124
<b>Total fund balances</b>	<b>33,014,843</b>	<b>2,496,685</b>	<b>4,166,731</b>	<b>176,236</b>	<b>920,204</b>	<b>1,150,269</b>	<b>725,292</b>	<b>3,812,622</b>	<b>46,462,882</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 37,944,395</b>	<b>\$ 2,496,685</b>	<b>\$ 4,166,731</b>	<b>\$ 176,236</b>	<b>\$ 920,204</b>	<b>\$ 1,151,692</b>	<b>\$ 841,192</b>	<b>\$ 3,812,622</b>	<b>\$ 51,509,757</b>

TOWN OF MORRISVILLE, NORTH CAROLINA  
SUB-FUND COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND  
YEAR ENDED JUNE 30, 2024

Schedule 2

	Sub-Funds							Total General Fund	
	General Fund	Fire Apparatus Capital Reserve Fund	Roadway and Transportation Capital Reserve Fund	Capital Investment Plan Capital Reserve Fund	Parks and Recreation Capital Reserve Fund	Municipal Service District Fund	Healthcare Premium Fund		Debt Service Fund
<b>Revenues</b>									
Ad valorem taxes	\$ 27,349,470	\$ -	\$ -	\$ -	\$ -	\$ 118,721	\$ -	\$ -	\$ 27,468,191
Other taxes and licenses	639,570	-	-	-	-	-	-	-	639,570
Unrestricted intergovernmental	14,324,609	-	-	-	-	-	-	-	14,324,609
Restricted intergovernmental	1,529,411	-	10,000	-	-	-	-	-	1,539,411
Permits and fees	1,355,259	-	2,075,572	-	-	-	-	-	3,430,831
Sales and services	1,435,457	-	-	-	-	-	-	-	1,435,457
Investment earnings	1,140,372	102,015	183,909	2,591	38,244	46,873	81,548	216,130	1,811,681
Miscellaneous	2,121,552	-	-	-	-	-	-	-	2,121,552
<b>Total revenues</b>	<b>49,895,700</b>	<b>102,015</b>	<b>2,269,481</b>	<b>2,591</b>	<b>38,244</b>	<b>165,594</b>	<b>81,548</b>	<b>216,130</b>	<b>52,771,302</b>
<b>Expenditures</b>									
Current									
General government	8,008,588	-	-	-	-	-	421,968	-	8,430,556
Development services	4,313,946	-	-	-	-	-	371,144	-	4,685,090
Public safety	13,510,433	-	-	-	-	-	1,152,320	-	14,662,753
Public works	6,892,542	-	-	-	-	28,696	192,075	-	7,113,313
Culture and recreation	2,969,420	-	-	-	-	-	233,770	-	3,203,190
Capital Outlay	1,048,955	-	-	-	-	-	-	-	1,048,955
Debt service									
Principal	323,079	-	-	-	-	-	-	2,720,000	3,043,079
Interest	9,008	-	-	-	-	-	-	1,493,680	1,502,688
<b>Total expenditures</b>	<b>37,075,971</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,696</b>	<b>2,371,277</b>	<b>4,213,680</b>	<b>43,689,624</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>12,819,729</b>	<b>102,015</b>	<b>2,269,481</b>	<b>2,591</b>	<b>38,244</b>	<b>136,898</b>	<b>(2,289,729)</b>	<b>(3,997,550)</b>	<b>9,081,678</b>
<b>Other financing sources (uses)</b>									
Transfers in	763,100	850,000	685,000	93,885	685,000	110,000	2,553,600	5,555,000	11,295,585
Transfers out	(10,408,450)	-	(1,255,000)	(200,000)	(465,000)	-	-	-	(12,328,450)
Lease Receivable	23,099	-	-	-	-	-	-	-	23,099
<b>Total other financing sources (uses)</b>	<b>(9,622,251)</b>	<b>850,000</b>	<b>(570,000)</b>	<b>(106,115)</b>	<b>220,000</b>	<b>110,000</b>	<b>2,553,600</b>	<b>5,555,000</b>	<b>(1,009,766)</b>
<b>Net change in fund balances</b>	<b>3,197,478</b>	<b>952,015</b>	<b>1,699,481</b>	<b>(103,524)</b>	<b>258,244</b>	<b>246,898</b>	<b>263,871</b>	<b>1,557,450</b>	<b>8,071,912</b>
<b>Fund balances, beginning</b>	<b>29,817,365</b>	<b>1,544,670</b>	<b>2,467,250</b>	<b>279,760</b>	<b>661,960</b>	<b>903,371</b>	<b>461,422</b>	<b>2,255,172</b>	<b>38,390,970</b>
<b>Fund balances, ending</b>	<b>\$ 33,014,843</b>	<b>\$ 2,496,685</b>	<b>\$ 4,166,731</b>	<b>\$ 176,236</b>	<b>\$ 920,204</b>	<b>\$ 1,150,269</b>	<b>\$ 725,292</b>	<b>\$ 3,812,622</b>	<b>\$ 46,462,882</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, 2024**

**Schedule 3**  
Page 1 of 6

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Ad valorem taxes			
Current year	26,886,400	27,272,076	385,676
Prior years	25,000	37,334	12,334
Penalties and interest	30,000	40,060	10,060
Total ad valorem taxes	<u>26,941,400</u>	<u>27,349,470</u>	<u>408,070</u>
Other taxes and licenses			
Motor vehicle decal tax	<u>635,000</u>	<u>639,570</u>	<u>4,570</u>
Investment earnings	<u>385,930</u>	<u>1,140,372</u>	<u>754,442</u>
Unrestricted intergovernmental			
Local option sales taxes	10,199,660	10,382,571	182,911
Rental vehicle tax	31,500	26,515	(4,985)
Utilities sales tax	1,755,000	2,223,396	468,396
Telecommunication and video programming sales tax	637,500	586,034	(51,466)
Beer and wine tax	123,600	156,696	33,096
Wake County fire tax	875,100	887,461	12,361
Fire reimbursements	18,000	43,309	25,309
Solid waste disposal tax	25,800	18,627	(7,173)
Total unrestricted intergovernmental	<u>13,666,160</u>	<u>14,324,609</u>	<u>658,449</u>
Restricted intergovernmental			
Powell Bill allocation	871,341	871,341	-
Grants	95,879	658,070	562,191
Total restricted intergovernmental	<u>967,220</u>	<u>1,529,411</u>	<u>562,191</u>
Permits and fees			
Building permits	1,182,000	1,034,663	(147,337)
Planning fees	501,400	87,356	(414,044)
Engineering fees	150,000	50,815	(99,185)
Officer fees and civil police	50,000	44,190	(5,810)
Fire permits	90,000	138,235	48,235
Total permits and fees	<u>1,973,400</u>	<u>1,355,259</u>	<u>(618,141)</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, 2024**

**Schedule 3**  
Page 2 of 6

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues (continued)</b>			
<b>Sales and services</b>			
Recreation	\$ 1,009,000	\$ 1,067,223	\$ 58,223
Rents	350,000	368,234	18,234
Total sales and services	<u>1,359,000</u>	<u>1,435,457</u>	<u>76,457</u>
<b>Miscellaneous</b>			
ABC revenue	252,340	226,876	(25,464)
Surplus property	50,000	7,587	(42,413)
Wake County Landfill	50,000	102,781	52,781
Miscellaneous	168,084	1,584,907	1,416,823
Fines and forfeitures	-	-	-
Contributions and donations- private sources	85,499	1,500	(83,999)
Rents, Eng fees, NSF fees	138,900	197,901	59,001
Total miscellaneous	<u>744,823</u>	<u>2,121,552</u>	<u>1,376,729</u>
Total revenues	<u>46,672,933</u>	<u>49,895,700</u>	<u>3,222,767</u>
<b>Expenditures</b>			
<b>General government</b>			
<b>Governing body</b>			
Personnel costs	101,700	94,591	7,109
Contract and professional services	299,146	160,481	138,665
Other operating	172,203	210,388	(38,185)
Subtotal	<u>573,049</u>	<u>465,460</u>	<u>107,589</u>
<b>Administration</b>			
Personnel costs	1,008,133	1,001,815	6,318
Contract and professional services	25,000	4,319	20,681
Other operating	729,821	731,559	(1,738)
Debt service - principal retirement	146,725	146,725	-
Debt service - interest	7,480	7,480	-
Subtotal	<u>1,917,159</u>	<u>1,891,898</u>	<u>25,261</u>
<b>Communications &amp; Outreach</b>			
Personnel costs	489,152	460,519	28,633
Contract and professional services	57,500	45,354	12,146
Other operating	234,508	189,089	45,419
Subtotal	<u>781,160</u>	<u>694,962</u>	<u>86,198</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, 2024**

**Schedule 3**  
Page 3 of 6

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>General government (continued)</b>			
Information technology			
Personnel costs	\$ 1,113,302	\$ 1,089,481	\$ 23,821
Contract and professional services	69,000	59,365	9,635
Other operating	1,646,012	1,566,491	79,521
Capital outlay	-	-	-
Debt service-principal retirement	20,564	20,564	-
Debt service-Interest	476	476	-
Subtotal	<u>2,849,354</u>	<u>2,736,377</u>	<u>112,977</u>
Finance			
Personnel costs	677,006	661,408	15,598
Contract and professional services	335,507	311,359	24,148
Other operating	26,000	16,932	9,068
Subtotal	<u>1,038,513</u>	<u>989,699</u>	<u>48,814</u>
Human resources			
Personnel costs	545,302	438,471	106,831
Contract and professional services	57,972	123,623	(65,651)
Other operating	45,600	74,051	(28,451)
Subtotal	<u>648,874</u>	<u>636,145</u>	<u>12,729</u>
Budget & Strategic Management			
Personnel costs	622,530	479,693	142,837
Contract and professional services	217,478	240,244	(22,766)
Other operating	84,759	49,353	35,406
Subtotal	<u>924,767</u>	<u>769,290</u>	<u>155,477</u>
Total general government	<u>8,732,876</u>	<u>8,183,831</u>	<u>549,045</u>
<b>Development services</b>			
Engineering			
Personnel costs	1,166,915	1,034,446	132,469
Contract and professional services	70,000	52,764	17,236
Other operating	55,900	51,051	4,849
Capital outlay	-	-	-
Subtotal	<u>1,292,815</u>	<u>1,138,261</u>	<u>154,554</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, 2024**

**Schedule 3**  
Page 4 of 6

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Development services (continued)</b>			
<b>Inspections</b>			
Personnel costs	\$ 1,120,851	\$ 1,030,055	\$ 90,796
Other operating	73,500	59,141	14,359
Subtotal	<u>1,194,351</u>	<u>1,089,196</u>	<u>105,155</u>
<b>Planning</b>			
Personnel costs	1,309,615	1,221,837	87,778
Contract and professional services	1,176,169	825,434	350,735
Other operating	71,500	39,218	32,282
Capital	37,600	-	37,600
Subtotal	<u>2,594,884</u>	<u>2,086,489</u>	<u>508,395</u>
Total development services	<u>5,082,050</u>	<u>4,313,946</u>	<u>768,104</u>
<b>Public safety</b>			
<b>Police</b>			
Personnel costs	5,385,033	5,238,510	146,523
Contract and professional services	220,900	180,385	40,515
Other operating	638,922	477,618	161,304
Capital	42,000	21,902	20,098
Subtotal	<u>6,286,855</u>	<u>5,918,415</u>	<u>368,440</u>
<b>Fire and rescue</b>			
Personnel costs	6,814,208	6,656,162	158,046
Contract and professional services	117,600	119,216	(1,616)
Other operating	848,792	838,544	10,248
Subtotal	<u>7,780,600</u>	<u>7,613,922</u>	<u>166,678</u>
Total public safety	<u>14,067,455</u>	<u>13,532,337</u>	<u>535,118</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, 2024**

**Schedule 3**  
Page 5 of 6

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public works			
Personnel costs	\$ 2,135,338	\$ 1,935,884	\$ 199,454
Contract and professional services	2,219,583	2,097,348	122,235
Other operating	2,776,680	2,350,375	426,305
Capital outlay	1,776,255	1,027,053	749,202
Subtotal	<u>8,907,856</u>	<u>7,410,660</u>	<u>1,497,196</u>
Powell Bill			
Other operating	<u>871,341</u>	<u>508,935</u>	<u>362,406</u>
Total public works	<u>9,779,197</u>	<u>7,919,595</u>	<u>1,859,602</u>
Culture and recreation			
Personnel costs	2,307,904	2,252,171	55,733
Contract and professional services	91,097	130,116	(39,019)
Other operating	627,922	587,133	40,789
Debt service-principal retirement	155,790	155,790	-
Debt service-Interest	<u>1,052</u>	<u>1,052</u>	<u>-</u>
Total culture and recreation	<u>3,183,765</u>	<u>3,126,262</u>	<u>57,503</u>
Total expenditures	<u>40,845,343</u>	<u>37,075,971</u>	<u>3,769,372</u>
<b>Revenue over (under) expenditures</b>	<u>5,827,590</u>	<u>12,819,729</u>	<u>6,992,139</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, 2024

Schedule 3  
 Page 6 of 6

	Final Budget	Actual	Variance Positive (Negative)
<b>Other financing sources (uses)</b>			
Issuance of debt/leases	23,099	23,099	-
Transfers in (out)			
American Rescue Plan Special Revenue Fund	763,100	763,100	-
Municipal Service District Fund	(110,000)	(110,000)	-
Healthcare Premium Fund	(2,508,000)	(2,508,000)	-
Capital Reserve Funds	(2,220,000)	(2,220,000)	-
Capital Project Funds	538,227	(15,450)	-
Debt Service Fund	(5,555,000)	(5,555,000)	-
Fund balance appropriated	3,233,940	-	(3,233,940)
Total other financing sources (uses)	(5,834,634)	(9,622,251)	(3,787,617)
<b>Net change in fund balance</b>	<u>\$ (7,044)</u>	3,197,478	<u>\$ 3,204,522</u>
<b>Fund balance, beginning</b>		<u>29,817,365</u>	
<b>Fund balance, ending</b>		<u>\$ 33,014,843</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, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Investment earnings	\$ -	\$ 102,015	\$ 102,015
<b>Expenditures</b>			
Capital outlay	850,000	-	850,000
<b>Revenues over (under) expenditures</b>	(850,000)	102,015	952,015
<b>Other financing sources</b>			
Transfers in - General Fund	850,000	850,000	-
<b>Net change in fund balance</b>	<u>\$ -</u>	952,015	<u>952,015</u>
<b>Fund balance, beginning</b>		<u>1,544,670</u>	
<b>Fund balance, ending</b>		<u>\$ 2,496,685</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, 2024

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Restricted intergovernmental	\$ -	\$ 10,000	\$ 10,000
Investment earnings	-	183,909	183,909
Permits and fees	-	2,075,572	2,075,572
<b>Total revenue</b>	<b>-</b>	<b>2,269,481</b>	<b>2,269,481</b>
<b>Expenditures</b>			
Roadway and transportation capital reserve	685,000	-	685,000
<b>Revenues over (under) expenditures</b>	<b>55,725</b>	<b>2,269,481</b>	<b>2,954,481</b>
<b>Other financing sources</b>			
Transfers in (out)			
General Fund	685,000	685,000	-
Capital Projects	(1,255,000)	(1,255,000)	-
Fund balance appropriated	1,255,000		(1,255,000)
<b>Total other financing sources (uses)</b>	<b>685,000</b>	<b>(570,000)</b>	<b>(1,255,000)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>1,699,481</b>	<b>\$ 1,699,481</b>
<b>Fund balance, beginning</b>		<b>2,467,250</b>	
<b>Fund balance, ending</b>		<b>\$ 4,166,731</b>	

**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, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Investment earnings	\$ -	\$ 2,591	\$ 2,591
<b>Expenditures</b>			
Capital improvement project reserve	188,924	-	188,924
Revenues over (under) expenditures	(188,924)	2,591	191,515
<b>Other financing sources (uses)</b>			
Transfers in (out)			
Closed capital project funds		93,885	-
Capital project funds	(484,319)	(200,000)	284,319
Fund balance appropriated	673,243	-	(673,243)
Total other financing sources (uses)	188,924	(106,115)	(295,039)
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>(103,524)</u>	<u>\$ (103,524)</u>
<b>Fund balance, beginning</b>		<u>279,760</u>	
<b>Fund balance, ending</b>		<u>\$ 176,236</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, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Investment earnings	\$ -	\$ 38,244	\$ 38,244
<b>Expenditures</b>			
Parks and recreation reserve	185,000	-	185,000
<b>Revenue over (under) expenditures</b>	<u>(185,000)</u>	<u>38,244</u>	<u>223,244</u>
<b>Other financing sources (uses)</b>			
Transfers in (out)			
General Fund	650,000	685,000	-
Capital projects	<u>(465,000)</u>	<u>(465,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>185,000</u>	<u>220,000</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>258,244</u>	<u>\$ 258,244</u>
<b>Fund balance, beginning</b>		<u>661,960</u>	
<b>Fund balance, ending</b>		<u>\$ 920,204</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, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Ad valorem taxes	\$ 122,800	\$ 118,721	\$ (4,079)
Investment earnings	-	46,873	46,873
Total revenues	<u>122,800</u>	<u>165,594</u>	<u>42,794</u>
<b>Expenditures</b>			
Capital outlay	<u>232,800</u>	<u>28,696</u>	<u>204,104</u>
Total expenditures	<u>232,800</u>	<u>28,696</u>	<u>204,104</u>
<b>Revenue over (under) expenditures</b>	(110,000)	136,898	246,898
<b>Other financing sources (uses)</b>			
Transfers in-General Fund	<u>110,000</u>	<u>110,000</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>246,898</u>	<u>\$ 246,898</u>
<b>Fund balance, beginning</b>		<u>903,371</u>	
<b>Fund balance, ending</b>		<u>\$ 1,150,269</u>	

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 9**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - HEALTHCARE PREMIUM (SUB-FUND)  
 YEAR ENDED JUNE 30, 2024

	<b>Final Budget</b>	<b>Actual</b>	<b>Positive (Negative)</b>
<b>Revenues</b>			
Investment earnings	\$ -	\$ 81,548	\$ 81,548
<b>Expenditures</b>			
General government	421,968	421,968	-
Development services	553,467	371,144	182,323
Public safety	1,152,320	1,152,320	-
Public works	192,075	192,075	-
Culture and recreation	233,770	233,770	-
Total expenditures	2,553,600	2,371,277	182,323
<b>Revenue over (under) expenditures</b>	(2,553,600)	(2,289,729)	263,871
<b>Other financing sources</b>			
Transfers in			
General Fund	2,508,000	2,508,000	-
Stormwater Fund	45,600	45,600	-
Total Other financing sources (uses)	2,553,600	2,553,600	-
<b>Net change in fund balance</b>	<u>\$ -</u>	263,871	<u>\$ 263,871</u>
<b>Fund balance, beginning</b>		461,422	
<b>Fund balance, ending</b>		<u>\$ 725,293</u>	

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 10**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL - DEBT SERVICE FUND (SUB-FUND)

YEAR ENDED JUNE 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
<b>Revenues</b>			
Investment earnings	\$ -	\$ 216,130	\$ 216,130
<b>Expenditures</b>			
Debt reserve	1,338,700	-	1,338,700
Debt service			
Principal	2,720,000	2,720,000	-
Interest	1,496,300	1,493,680	2,620
Total expenditures	<u>5,555,000</u>	<u>4,213,680</u>	<u>1,341,320</u>
<b>Revenue over (under) expenditures</b>	(5,555,000)	(3,997,550)	1,557,450
<b>Other financing sources</b>			
Transfers in			
General Fund	5,555,000	5,555,000	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>1,557,450</u>	<u>\$ 1,557,450</u>
<b>Fund balance, beginning</b>		<u>2,255,172</u>	
<b>Fund balance, ending</b>		<u>\$ 3,812,622</u>	

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 11**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND  
 FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
American Rescue Plan relief funds	\$ 9,190,819	\$ 3,602,905	\$ 3,940,492	\$ 7,543,397
Investment earnings	338,981	302,734	179,419	482,153
<b>Total revenues</b>	<b>9,529,800</b>	<b>3,905,639</b>	<b>4,119,911</b>	<b>8,025,550</b>
<b>Expenditures</b>				
Maintenance, contractual services and other	2,359,148	468,576	981,530	1,450,107
Professional services	754,887	357,259	66,628	423,887
Capital outlay	2,013,065	177,471	1,089,233	1,266,704
<b>Total expenditures</b>	<b>5,127,100</b>	<b>1,003,306</b>	<b>2,137,392</b>	<b>3,140,698</b>
Revenues over (under) expenditures	4,402,700	2,902,333	1,982,519	4,884,852
<b>Other financing sources (uses)</b>				
Transfers out				
General Fund	(2,462,700)	(1,699,600)	(763,100)	(2,462,700)
Town Center Capital Project Fund	(1,602,000)	(900,000)	-	(900,000)
Capital Project Funds	(338,000)	-	(1,040,000)	(1,040,000)
<b>Total other financing sources (uses)</b>	<b>(4,402,700)</b>	<b>(2,599,600)</b>	<b>(1,803,100)</b>	<b>(4,402,700)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ 302,733</b>	<b>179,419</b>	<b>\$ 482,152</b>
<b>Fund balance - beginning</b>			<b>302,733</b>	
<b>Fund balance - ending</b>			<b>\$ 482,152</b>	



**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, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Investment earnings	\$ 368,077	\$ 482,746	\$ 57,263	\$ 540,009
Charges for services	1,411,244	47,439	300,000	347,439
Miscellaneous Revenue	-	-	123,171	123,171
<b>Total revenues</b>	<b>1,779,321</b>	<b>530,185</b>	<b>480,434</b>	<b>1,010,619</b>
<b>Expenditures</b>				
Professional services	719,009	684,370	19,191	703,561
Capital outlay	11,650,736	9,136,564	2,212,662	11,349,226
Land acquisition	2,329,426	2,329,426	-	2,329,426
<b>Total expenditures</b>	<b>14,699,171</b>	<b>12,150,360</b>	<b>2,231,853</b>	<b>14,382,213</b>
Revenues over (under) expenditures	(12,919,850)	(11,620,175)	(1,751,419)	(13,371,594)
<b>Other financing sources</b>				
General obligation bonds issued	9,110,000	9,110,000	-	9,110,000
Premiums on general obligation bonds issued	624,550	624,551	-	624,551
Transfers in				
General Fund	35,300	35,300	-	35,300
Roadway and Transportation Capital Reserve Fund	350,000	350,000	-	350,000
CIP Capital Reserve Fund	2,800,000	2,800,000	-	2,800,000
<b>Total other financing sources</b>	<b>12,919,850</b>	<b>12,919,851</b>	<b>-</b>	<b>12,919,851</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ 1,299,676</b>	<b>(1,751,419)</b>	<b>\$ (451,743)</b>
<b>Fund balance - beginning</b>			<b>1,299,676</b>	
<b>Fund balance - ending</b>			<b>\$ (451,743)</b>	

	Capital Projects													Total Nonmajor Capital Project Funds
	Town Center Capital Project Fund	Sewer Capital Project Fund	Public Works Renovation Capital Project Fund	Morrisville Carpenter Road Capital Project Fund	Sidewalk and Pedestrian Enhancements Capital Project Fund	NC54 Congestion Mitigation Capital Project Fund	International Drive Capital Project Drive	Intersection Improvements Capital Project Fund	Parkland Payment-in- Lieu Capital Project Fund	Crabtree Hatcher Creek Greenway Capital Project Fund	Parks and Greenways Improvements Capital Project Fund	Land and Parkland Acquisition Capital Project Fund	Church Street Park Expansion Capital Project Fund	
<b>Assets</b>														
Cash and cash equivalents	\$ 1,543,801	\$ 1,550,069	\$ 758,943	\$ 1	\$ -	\$ -	\$ 443,261	\$ 1,401,991	\$ -	\$ -	\$ -	\$ -	\$ 1,150,278	
Due from other governments	-	-	-	416	-	-	-	-	-	-	1,549	-	36,527	
Restricted cash and cash equivalents	-	-	-	-	1,188,396	20,851	-	-	2,302,761	-	2,581,018	772,837	-	
Accounts receivable	-	-	-	823,623	-	-	-	-	-	-	-	-	26,851	
<b>Total assets</b>	<b>\$ 1,543,801</b>	<b>\$ 1,550,069</b>	<b>\$ 758,943</b>	<b>\$ 824,040</b>	<b>\$ 1,188,396</b>	<b>\$ 20,851</b>	<b>\$ 443,261</b>	<b>\$ 1,401,991</b>	<b>\$ 2,302,761</b>	<b>\$ -</b>	<b>\$ 2,582,567</b>	<b>\$ 772,837</b>	<b>\$ 1,213,656</b>	<b>\$ 14,603,173</b>
<b>Liabilities</b>														
Accounts payable and accrued liabilities	\$ -	\$ 144,248	\$ -	\$ 67,687	\$ 24,528	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,871	\$ -	\$ 10,653	\$ 293,987
<b>Total liabilities</b>	<b>-</b>	<b>144,248</b>	<b>-</b>	<b>67,687</b>	<b>24,528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,871</b>	<b>-</b>	<b>10,653</b>	<b>293,987</b>
<b>Fund Balances (deficits)</b>														
Restricted														
American Rescue Plan Act	-	-	-	-	-	-	-	-	-	-	-	-	-	
Recreation improvements	-	-	-	-	-	-	-	-	2,302,761	-	2,535,696	772,837	-	
Street improvements	-	-	-	756,353	1,163,868	-	-	-	-	-	-	-	-	
Committed														
Capital Projects	1,543,801	1,405,821	758,943	-	-	20,851	443,261	1,401,991	-	-	-	-	1,203,003	
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total fund balances</b>	<b>1,543,801</b>	<b>1,405,821</b>	<b>758,943</b>	<b>756,353</b>	<b>1,163,868</b>	<b>20,851</b>	<b>443,261</b>	<b>1,401,991</b>	<b>2,302,761</b>	<b>-</b>	<b>2,535,696</b>	<b>772,837</b>	<b>1,203,003</b>	<b>14,309,186</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,543,801</b>	<b>\$ 1,550,069</b>	<b>\$ 758,943</b>	<b>\$ 824,040</b>	<b>\$ 1,188,396</b>	<b>\$ 20,851</b>	<b>\$ 443,261</b>	<b>\$ 1,401,991</b>	<b>\$ 2,302,761</b>	<b>\$ -</b>	<b>\$ 2,582,567</b>	<b>\$ 772,837</b>	<b>\$ 1,213,656</b>	<b>\$ 14,603,173</b>

	Capital Projects													Total Nonmajor Capital Project Funds
	Town Center Capital Project Fund	Sewer Capital Project Fund	Public Works Renovation Capital Project Fund	Morrisville Carpenter Road Capital Project Fund	Sidewalk and Pedestrian Enhancements Capital Project Fund	NCS4 Congestion Mitigation Capital Project Fund	International Drive Capital Project Drive	Intersection Improvements Capital Project Fund	Parkland Payment-in- Lieu Capital Project Fund	Crabtree Hatcher Creek Greenway Capital Project Fund	Parks and Greenways Improvements Capital Project Fund	Land and Parkland Acquisition Capital Project Fund	Church Street Park Expansion Capital Project Fund	
<b>Revenues</b>														
Grants	\$ -	\$ -	\$ -	\$ 812,717	\$ 93,708	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 906,425
Investment earnings	65,556	65,308	47,144	20,363	185,588	4,931	13,030	4,321	125,298	-	285,804	34,328	108,817	960,488
Miscellaneous	-	-	-	-	-	-	-	-	-	89,058	-	-	-	89,058
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parkland payments in lieu	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>65,556</b>	<b>65,308</b>	<b>47,144</b>	<b>833,080</b>	<b>279,296</b>	<b>4,931</b>	<b>13,030</b>	<b>4,321</b>	<b>125,298</b>	<b>89,058</b>	<b>285,804</b>	<b>34,328</b>	<b>108,817</b>	<b>1,955,971</b>
<b>Expenditures</b>														
Capital projects	150,833	-	500,331	209,064	264,960	-	-	-	-	-	170,036	860,166	3,235,676	5,391,066
<b>Total expenditures</b>	<b>150,833</b>	<b>-</b>	<b>500,331</b>	<b>209,064</b>	<b>264,960</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170,036</b>	<b>860,166</b>	<b>3,235,676</b>	<b>5,391,066</b>
Revenues over (under) expenditures	(85,277)	65,308	(453,187)	624,016	14,336	4,931	13,030	4,321	125,298	89,058	115,768	(825,838)	(3,126,859)	(3,435,096)
<b>Other Financing Sources (Uses)</b>														
Premiums on general obligation bonds issued	-	-	-	-	-	-	-	(41,300)	-	-	-	-	-	(41,300)
Transfers in														
American Rescue Plan Act Special Revenue Fund	-	-	-	-	-	-	-	-	-	-	1,075,000	-	-	1,075,000
Roadway and Transportation Capital Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Streets PIL	-	-	-	-	-	-	-	1,255,000	-	-	-	-	-	1,255,000
Capital Project Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sidewalk and Pedestrian Enhancement Capital Project Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CIP Capital Reserve Fund	430,000	-	-	-	-	-	-	-	-	-	200,000	-	-	630,000
General Fund	-	-	-	15,450	-	-	-	-	-	-	-	-	-	15,450
Parkland Payment-in-Lieu Capital Project Fund	-	-	-	-	-	-	-	-	-	-	-	799,200	-	799,200
Transfers out														
Capital Reserve Funds	-	-	-	-	-	-	-	-	-	(93,884)	-	-	-	(93,884)
Capital Project Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parks and Greenways Capital Project Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intersection Improvements Capital Project Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Church Street Park Expansion Capital Project Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land and Parkland Acquisition	-	-	-	-	-	-	-	-	(799,200)	-	-	-	-	(799,200)
<b>Total other financing sources (uses)</b>	<b>430,000</b>	<b>-</b>	<b>-</b>	<b>15,450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,213,700</b>	<b>(799,200)</b>	<b>(93,884)</b>	<b>1,275,000</b>	<b>799,200</b>	<b>-</b>	<b>2,840,266</b>
<b>Net change in fund balance</b>	<b>344,723</b>	<b>65,308</b>	<b>(453,187)</b>	<b>639,466</b>	<b>14,336</b>	<b>4,931</b>	<b>13,030</b>	<b>1,218,021</b>	<b>(673,902)</b>	<b>(4,826)</b>	<b>1,390,768</b>	<b>(26,638)</b>	<b>(3,126,859)</b>	<b>(594,829)</b>
<b>Fund balance - beginning</b>	<b>1,199,078</b>	<b>1,340,513</b>	<b>1,212,130</b>	<b>116,887</b>	<b>1,149,532</b>	<b>15,920</b>	<b>430,231</b>	<b>183,970</b>	<b>2,976,663</b>	<b>4,826</b>	<b>1,144,928</b>	<b>799,475</b>	<b>4,329,862</b>	<b>14,904,015</b>
<b>Fund balance - ending</b>	<b>\$ 1,543,801</b>	<b>\$ 1,405,821</b>	<b>\$ 758,943</b>	<b>\$ 756,353</b>	<b>\$ 1,163,868</b>	<b>\$ 20,851</b>	<b>\$ 443,261</b>	<b>\$ 1,401,991</b>	<b>\$ 2,302,761</b>	<b>\$ -</b>	<b>\$ 2,535,696</b>	<b>\$ 772,837</b>	<b>\$ 1,203,003</b>	<b>\$ 14,309,186</b>

**TOWN OF MORRISVILLE, NORTH CAROLINA**

Schedule 15

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-

BUDGET AND ACTUAL

TOWN CENTER CAPITAL PROJECT FUND

FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Investment earnings	\$ 122,975	\$ 92,893	\$ 65,556	\$ 158,449
Total revenues	122,975	92,893	65,556	158,449
<b>Expenditures</b>				
Professional services	2,772,275	1,089,809	150,833	1,240,642
Capital outlay	6,600,462	5,921,768	-	5,921,768
Total expenditures	9,372,737	7,011,577	150,833	7,162,410
Revenues over (under) expenditures	(9,249,762)	(6,918,684)	(85,277)	(7,003,961)
<b>Other Financing Sources</b>				
Transfers in				
General Fund	4,300,000	4,300,000	-	4,300,000
CIP Capital Reserve Fund	1,060,000	1,060,000	430,000	1,490,000
Parks and Recreation Capital Reserve Fund	1,081,862	651,862	-	651,862
Stormwater Fund	755,900	755,900	-	755,900
American Rescue Act Plan Special Revenue Fund	1,602,000	900,000	-	900,000
Land and Parkland Acquisition Fund	450,000	450,000	-	450,000
Payment-in-Lieu	-	-	-	-
Total other financing sources	9,249,762	8,117,762	430,000	8,547,762
<b>Net change in fund balance</b>	\$ -	\$ 1,199,078	344,723	\$ 1,543,801
<b>Fund balance - beginning</b>			1,199,078	
<b>Fund balance - ending</b>			\$ 1,543,801	

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 16**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 SEWER CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Investment earnings	\$ 197,166	\$ 294,746	\$ 65,308	\$ 360,054
Miscellaneous	273,323	273,323	-	273,323
Total revenues	470,489	568,069	65,308	633,377
<b>Expenditures</b>				
Settlements	466,188	291,680	-	291,680
Professional services	138,847	49,203	-	49,203
Capital Outlay	1,876,219	16,470	-	16,470
Land acquisition	17,398	900,283	-	900,283
Total expenditures	2,498,652	1,257,636	-	1,257,636
Revenues over (under) expenditures	(2,028,163)	(689,567)	65,308	(624,259)
<b>Other Financing Sources (Uses)</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
Total other financing sources (uses)	2,028,163	2,030,080	-	2,030,080
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 1,340,513</u>	65,308	<u>\$ 1,405,821</u>
<b>Fund balance - beginning</b>			1,340,513	
<b>Fund balance - ending</b>			<u>\$ 1,405,821</u>	

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 17**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 PUBLIC WORKS RENOVATION CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Investment earnings	\$ 67,233	\$ 54,997	\$ 47,144	\$ 102,141
Total revenues	67,233	54,997	47,144	102,141
<b>Expenditures</b>				
Professional services	1,676,693	142,867	500,331	643,198
Total expenditures	1,676,693	142,867	500,331	643,198
Revenues over (under) expenditures	(1,609,460)	(87,870)	(453,187)	(541,057)
<b>Other Financing Sources (Uses)</b>				
Transfers in				
General Fund	1,329,700	1,300,000	-	1,300,000
CIP Capital Reserve Fund	279,760	-	-	-
Total other financing sources (uses)	1,609,460	1,300,000	-	1,300,000
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 1,212,130</u>	<u>(453,187)</u>	<u>\$ 758,943</u>
<b>Fund balance - beginning</b>			<u>1,212,130</u>	
<b>Fund balance - ending</b>			<u>\$ 758,943</u>	

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 18**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 MORRISVILLE CARPENTER ROAD CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Grants	\$ 6,815,735	\$ 5,742,754	\$ 812,717	\$ 6,555,471
Investment earnings	-	208,722	20,363	229,085
Total revenues	6,815,735	5,951,476	833,080	6,784,556
<b>Expenditures</b>				
Bond issuance costs	-	990		990
Professional services	1,157,327	1,178,639	2,520	1,181,159
Land acquisition	1,248,173	1,203,952	12,194	1,216,146
Capital outlay	9,889,130	8,704,034	194,350	8,898,384
Total expenditures	12,294,630	11,087,615	209,064	11,296,679
Revenues over (under) expenditures	(5,478,895)	(5,136,139)	624,016	(4,512,123)
<b>Other Financing Sources</b>				
Bonds issued	745,000	745,000	-	745,000
Premium on bonds issued	37,300	37,359	-	37,359
Installment debt issued	2,066,700	2,066,667	-	2,066,667
Transfers in General Fund	2,404,000	2,404,000	15,450	2,419,450
Total other financing sources	5,253,000	5,253,026	15,450	5,268,476
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ 116,887</b>	<b>639,466</b>	<b>\$ 756,353</b>
<b>Fund balance - beginning</b>			<b>116,887</b>	
<b>Fund balance - ending</b>			<b>\$ 756,353</b>	

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 19**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 SIDEWALK AND PEDESTRIAN ENHANCEMENT CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Investment earnings	\$ 329,140	\$ 252,783	\$ 185,588	\$ 438,371
Contributions	153,103	153,103	-	153,103
Grants	1,049,000	540,627	93,708	634,335
Total revenues	<u>1,531,243</u>	<u>946,513</u>	<u>279,296</u>	<u>1,225,809</u>
<b>Expenditures</b>				
Professional services	801,750	282,855	132,679	415,534
Capital outlay	2,739,668	1,317,101	132,281	1,449,382
Total expenditures	<u>3,541,418</u>	<u>1,599,956</u>	<u>264,960</u>	<u>1,864,916</u>
Revenues over (under) expenditures	<u>(2,010,175)</u>	<u>(653,443)</u>	<u>14,336</u>	<u>(639,107)</u>
<b>Other Financing Sources (Uses)</b>				
General obligation bonds issued	1,071,700	1,000,000	-	1,000,000
Premiums on general obligation bonds issued	229,575	301,275	-	301,275
Transfers in				
General Fund	750,200	543,000	-	543,000
Transfers out				
Intersection Improvements	(41,300)	(41,300)	-	(41,300)
Total other financing sources (uses)	<u>2,010,175</u>	<u>1,802,975</u>	<u>-</u>	<u>1,802,975</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 1,149,532</u>	<u>14,336</u>	<u>\$ 1,163,868</u>
<b>Fund balance - beginning</b>			<u>1,149,532</u>	
<b>Fund balance - ending</b>			<u>\$ 1,163,868</u>	



**TOWN OF MORRISVILLE, NORTH CAROLINA**

Schedule 20

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 NC 54 CONGESTION MITIGATION CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Investment earnings	\$ 6,835	\$ 22,755	\$ 4,931	\$ 27,686
Total revenues	6,835	22,755	4,931	27,686
<b>Expenditures</b>				
Land acquisition	240,000	240,000	-	240,000
Professional services	1,000,000	1,000,000	-	1,000,000
Capital outlay	3,974,035	3,974,035	-	-
Total expenditures	5,214,035	5,214,035	-	5,214,035
Revenues over (under) expenditures	(5,207,200)	(5,191,280)	4,931	(5,186,349)
<b>Other Financing Sources</b>				
General obligation bonds issued	3,200,000	3,200,000	-	3,200,000
Transfers in				
Roadway and Transportation Capital Reserve Fund	2,007,200	2,007,200	-	2,007,200
Total other financing sources (uses)	5,207,200	5,207,200	-	5,207,200
<b>Net change in fund balance</b>	<u>-</u>	<u>15,920</u>	<u>4,931</u>	<u>20,851</u>
<b>Fund balance - beginning</b>			<u>15,920</u>	
<b>Fund balance - ending</b>			<u>\$ 20,851</u>	

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 21**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
INTERNATIONAL DRIVE CAPITAL PROJECT FUND  
FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 13,030	\$ 13,030
Total revenues	-	-	13,030	13,030
<b>Expenditures</b>				
Capital outlay	500,000	69,769	-	69,769
Total expenditures	500,000	-	-	69,769
Revenues over (under) expenditures	(500,000)	(69,769)	13,030	(56,739)
<b>Other Financing Sources (Uses)</b>				
Roadway and Transportation Capital Reserve Fund	500,000	500,000	-	500,000
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 430,231</u>	<u>\$ 13,030</u>	<u>\$ 443,261</u>
<b>Fund balance - beginning</b>			<u>430,231</u>	
<b>Fund balance - ending</b>			<u>\$ 443,261</u>	

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 22**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 INTERSECTION IMPROVEMENTS CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 4,321	\$ 4,321
Total revenues	-	-	4,321	4,321
<b>Expenditures</b>				
Professional services	200,000	-	-	-
Capital outlay	1,255,000	16,030	-	16,030
Total expenditures	1,455,000	16,030	-	16,030
<b>Other Financing Sources (Uses)</b>				
Premiums on general obligation bonds issued	41,300	-	(41,300)	(41,300)
Transfers in				-
Roadway and Transportation Capital Project Fund	1,255,000		1,255,000	1,255,000
Streets Payment-in-Lieu Capital Project Fund	158,700	158,700	-	158,700
Sidewalk and Pedestrian Enhancement Capital Project Fund	41,300	41,300	-	41,300
Total other financing sources (uses)	1,496,300	200,000	1,213,700	1,413,700
<b>Net change in fund balance</b>	-	\$ 183,970	1,218,021	\$ 1,401,991
<b>Fund balance - beginning</b>			183,970	
<b>Fund balance - ending</b>			\$ 1,401,991	

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 23**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 PARKLAND PAYMENT-IN-LIEU CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Investment earnings	\$ -	\$ 362,260	\$ 125,298	\$ 487,558
Parkland payments in lieu	-	9,890,805	-	9,890,805
<b>Total revenues</b>	-	10,253,065	125,298	10,378,363
<b>Other Financing Sources</b>				
Transfers in (out)				
Church Street Park Expansion Capital Project Fund	-	-	-	-
General Fund	-	(570,000)	-	(570,000)
Capital Reserve Fund	-	1,684,257	-	1,684,257
Parkland Payment-in-Lieu	-	1,871,447	-	1,871,447
Northwest Park Capital Project Fund	-	4,026	-	4,026
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	-	-	(799,200)	(799,200)
Capital Projects	-	(5,879,403)	-	(5,879,403)
<b>Total other financing sources (uses)</b>	-	(7,276,402)	(799,200)	(8,075,602)
<b>Net change in fund balance</b>	\$ -	\$ 2,976,663	(673,902)	\$ 2,302,761
<b>Fund balance - beginning</b>			2,976,663	
<b>Fund balance - ending</b>			\$ 2,302,761	

**TOWN OF MORRISVILLE, NORTH CAROLINA**

Schedule 24

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 CRABTREE HATCHER CREEK GREENWAY CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Grants	\$ 4,832,656	\$ 4,832,656	\$ -	\$ 4,832,656
Miscellaneous	-	-	89,058	89,058
Investment earnings	30,828	31,095	-	31,095
Total revenues	4,863,484	4,863,751	89,058	4,952,809
<b>Expenditures</b>				
Professional services	933,243	933,243	-	933,243
Capital outlay	5,243,454	5,243,454	-	5,243,454
Land acquisition	69,802	69,802	-	69,802
Total expenditures	6,246,499	6,246,499	-	6,246,499
Revenues over (under) expenditures	(1,383,015)	(1,382,748)	89,058	(1,293,690)
<b>Other Financing Sources</b>				
Transfers in				
Parkland Payment-in-Lieu Capital Project Fund	1,387,574	1,387,574	-	1,387,574
Transfers Out				
Capital Reserve Fund	(4,559)	-	(93,884)	(93,884)
Total other financing sources (uses)	1,383,015	1,387,574	(93,884)	1,293,690
<b>Net change in fund balance</b>	\$ -	\$ 4,826	(4,826)	\$ -
<b>Fund balance - beginning</b>			4,826	
<b>Fund balance - ending</b>			\$ -	

**TOWN OF MORRISVILLE, NORTH CAROLINA**

Schedule 25

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 PARKS AND GREENWAYS CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Investment earnings	\$ -	\$ 203,448	\$ 285,804	\$ 489,252
Grants	545,000	-	-	-
Total revenues	545,000	203,448	285,804	489,252
<b>Expenditures</b>				
Professional services	1,037,330	684,484	50,204	734,688
Capital outlay	3,567,570	2,199,000	119,832	2,318,832
Total expenditures	4,604,900	2,883,484	170,036	3,053,520
Revenues over (under) expenditures	(4,059,900)	(2,680,036)	115,768	(2,564,268)
<b>Other Financing Sources</b>				
General obligation bonds issued	2,000,000	2,000,000	-	2,000,000
Premiums on general obligation bonds issued	143,400	143,464	-	143,464
Transfers in (out)				-
Parkland Payment-in-Lieu Capital Project Fund	1,824,900	1,824,900	-	1,824,900
Parks and Recreation Capital Project Fund	35,000	-	-	-
American Rescue Plan Special Revenue Fund	-	-	1,075,000	1,075,000
CIP Capital Reserve Fund	200,000	-	200,000	200,000
Parks and Greenway Capital Project Fund	(143,400)	(143,400)	-	(143,400)
Total other financing sources (uses)	4,059,900	3,824,964	1,275,000	5,099,964
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 1,144,928</u>	1,390,768	<u>\$ 2,535,696</u>
<b>Fund balance - beginning</b>			1,144,928	
<b>Fund balance - ending</b>			<u>\$ 2,535,696</u>	

**TOWN OF MORRISVILLE, NORTH CAROLINA**

Schedule 26

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 LAND AND PARKLAND ACQUISITION CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Investment earnings	\$ 26,445	\$ 23,748	\$ 34,328	\$ 58,076
Total revenues	26,445	23,748	34,328	58,076
<b>Expenditures</b>				
Professional services	267,460	102,202	16,000	118,202
Land acquisition	3,866,050	2,734,705	844,166	3,578,871
Total expenditures	4,133,510	2,836,907	860,166	3,697,073
Revenues over (under) expenditures	(4,107,065)	(2,813,159)	(825,838)	(3,638,997)
<b>Other Financing Sources (Uses)</b>				
General obligation bonds issued	2,323,515	2,300,000	-	2,300,000
Premiums on general obligation bonds issued	-	164,984	-	164,984
Transfers in				
General Fund	814,350	977,650	-	977,650
Parkland Payment-in-lieu Capital Reserve Fund	799,200	-	799,200	799,200
Parks and Recreation Capital Reserve Fund	620,000	620,000	-	620,000
Transfers out				
Town Center Capital Project Fund	(450,000)	(450,000)	-	(450,000)
Total other financing sources (uses)	4,107,065	3,612,634	799,200	4,411,834
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ 799,475</b>	<b>(26,638)</b>	<b>\$ 772,837</b>
<b>Fund balance - beginning</b>			799,475	
<b>Fund balance - ending</b>			<b>\$ 772,837</b>	

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 27**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 CHURCH STREET PARK EXPANSION CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Investment earnings	\$ 96,141	\$ 65,545	\$ 108,817	\$ 174,362
Contributions	1,414,072	1,414,073	-	1,414,073
Total revenues	1,510,213	1,479,618	108,817	1,588,435
<b>Expenditures</b>				
Professional services	450,034	1,035,821	(636,739)	399,082
Construction	-	825	(825)	-
Capital outlay	6,045,179	1,098,110	3,873,240	4,971,350
Total expenditures	6,495,213	2,134,756	3,235,676	5,370,432
Revenues over (under) expenditures	(4,985,000)	(655,138)	(3,126,859)	(3,781,997)
<b>Other Financing Sources (Uses)</b>				
Premiums on general obligation bonds issued	143,400	-	-	-
Transfers in				
General Fund	2,500,000	2,500,000	-	2,500,000
Streets Payment-in-Lieu Capital Project Fund	2,306,600	2,306,600	-	2,306,600
Church Street Park Capital Project Fund	35,000	35,000	-	35,000
Parks and Greenways Capital Project Fund	-	143,400	-	143,400
Total other financing sources (uses)	4,985,000	4,985,000	-	4,985,000
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ 4,329,862</b>	<b>(3,126,859)</b>	<b>\$ 1,203,003</b>
<b>Fund balance - beginning</b>			<b>4,329,862</b>	
<b>Fund balance - ending</b>			<b>\$ 1,203,003</b>	



**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, 2024

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Permits and fees	\$ 87,800	\$ 8,314	\$ (79,486)
Stormwater ERU Charges	1,185,000	1,179,042	(5,958)
Investment earnings	17,200	107,740	90,540
Miscellaneous	-	1,800	1,800
	<u>1,290,000</u>	<u>1,296,896</u>	<u>6,896</u>
<b>Total revenues</b>			
	1,290,000	1,296,896	6,896
<b>Expenditures</b>			
Stormwater Operations			
Personnel costs	463,650	453,809	9,841
Professional services	75,618	39,419	36,199
Other operating	189,353	218,390	(29,037)
Capital outlay	31,577	31,065	512
	<u>760,198</u>	<u>742,683</u>	<u>17,515</u>
<b>Total expenditures</b>			
	760,198	742,683	17,515
<b>Revenues over (under) expenditures</b>	<u>529,802</u>	<u>554,213</u>	<u>24,411</u>
<b>Other Financing Sources (uses)</b>			
Transfers in (out)			
Capital Project Funds	(985,200)	(985,200)	-
Healthcare Premium Fund	(45,600)	(45,600)	-
Fund balance appropriated	500,998	-	(500,998)
	<u>(529,802)</u>	<u>(1,030,800)</u>	<u>(500,998)</u>
<b>Total other financing sources (uses)</b>			
	(529,802)	(1,030,800)	(500,998)
<b>Revenues and other sources (uses) over expenditures</b>	<u>\$ -</u>	<u>(476,587)</u>	<u>\$ (476,587)</u>

**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, 2024

**Schedule 28**

Page 2 of 2

---

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

Add (deduct):	
Decrease in compensated absences liability	4,894
Increase in deferred outflows of resources - pensions	20,827
Increase in deferred outflows of resources - OPEB	599
Increase in net pension liability	(55,036)
Increase in OPEB liability	(18,644)
Decrease in deferred inflows of resources - pensions	79,304
Increase in deferred inflows of resources - OPEB	(688)
Capital outlay	31,065
Depreciation expense	(33,413)
	<hr/>
<b>Change in net position</b>	<b>(447,679)</b>
	<hr/>
<b>Net position, beginning of year</b>	<b>3,103,279</b>
	<hr/>
<b>Net position, end of year</b>	<b>\$ 2,655,600</b>

**TOWN OF MORRISVILLE, NORTH CAROLINA**

**Schedule 29**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION-  
 BUDGET AND ACTUAL (NON-GAAP)  
 GREEN DRIVE AND FAIRVIEW AVENUE STORMWATER CAPITAL PROJECT FUND  
 FROM INCEPTION TO JUNE 30, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Investment earnings	\$ 10,250	\$ 11,708	\$ 13,380	\$ 25,088
Miscellaneous	274,130	24,130	250,000	274,130
Total revenues	284,380	35,838	263,380	299,218
<b>Expenditures</b>				
Professional services	612,281	97,175	147,169	244,344
Land acquisition	6,250	6,230	-	6,230
Construction	1,241,450	488,716	490,630	979,346
Total expenditures	1,859,981	592,121	637,799	1,229,920
Revenues over (under) expenditures	(1,575,601)	(556,283)	(374,419)	(930,702)
<b>Other Financing Sources (Uses)</b>				
Transfer in				
Closed capital project funds	12,901	12,901	-	12,901
Stormwater Fund	1,562,700	577,500	985,200	1,562,700
Total other financing sources (uses)	1,575,601	590,401	985,200	1,575,601
<b>Revenues and other sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 34,118</u>	610,781	<u>\$ 644,899</u>
<b>Reconciliation from budgerary basis (modified accrual) to full accrual:</b>				
Add: Capital outlay			249,115	
<b>Change in net position</b>			859,896	
<b>Net position, beginning of year</b>			626,239	
<b>Net position, end of year</b>			<u>\$ 1,486,135</u>	

# Other Schedules

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
*June 30, 2024*

**Schedule 30**

<u>Fiscal Year</u>	<u>Balance June 30, 2023</u>	<u>Current Levy</u>	<u>Collection Adjustments and Releases</u>	<u>Balance June 30, 2024</u>
2023 - 2024	\$ -	\$ 27,289,733 (1)	\$ 27,258,316 (2)	\$ 31,417
2022 - 2023	16,719	-	19,996	(3,277)
2021 - 2022	38,699	-	16,591	22,108
2020 - 2021	13,581	-	297	13,284
2019 - 2020	15,647	-	227	15,420
2018 - 2019	4,445	-	4	4,441
2017 - 2018	2,665	-	(19)	2,684
2016 - 2017	2,476	-	(12)	2,488
2015 - 2016	2,217	-	(71)	2,288
2014 - 2015	500	-	(154,042)	154,542
2013 - 2014	4,683	-	4,684	-
	<u>\$ 101,632</u>	<u>\$ 27,289,733</u>	<u>\$ 27,145,971</u>	245,395
Less allowance for uncollectible taxes				<u>(94,300)</u>
Ad valorem taxes receivable, net				<u>\$ 151,095 (3)</u>
<u>Reconciliation to revenues:</u>				
Ad valorem taxes, General Fund			27,349,470 (4)	
Reconciling items;				
Penalties and interest received			(40,060)	
Releases, rebates and adjustments			(184,415)	
Discoveries			16,292	
Taxes written off			<u>4,684</u>	
Total collections, adjustments and releases			<u>\$ 27,145,971</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 \$45,716 net of an allowance of \$17,393.

Note (4) - Does not include Municipal Service District taxes of \$118,721

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY**  
*June 30, 2024*

**Schedule 31**

	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	\$ 6,989,365,915	\$ 0.39	\$ 27,283,726	\$ 25,736,861	\$ 1,546,865
Penalties	-		24,290	24,290	-
Total	6,989,365,915		27,308,015	25,761,150	1,546,865
<b>Discoveries</b>					
Prior year's Value	13,025,250		16,292	16,292	-
Less - Abatements	-		(34,724)	(34,724)	-
Total property valuation	<u>\$ 7,002,391,165</u>				
Net levy			27,289,733	25,742,868	1,546,865
Uncollected taxes at June 30, 2024			31,417	31,417	-
Current year's taxes collected			<u>\$ 27,258,316</u>	<u>\$ 25,711,451</u>	<u>\$ 1,546,865</u>
Current levy collection percentage			<u>99.88%</u>	<u>99.88%</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 32**

**GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS AND MATURITY SCHEDULE**

*JUNE 30, 2024*

---

<u>Fiscal Year</u>	<u>Principal</u>	<u>Principal and Interest</u>
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
Total	<u>\$ 33,690,000</u>	<u>\$ 43,485,843</u>

# Statistical Section

This part of the Town of Morrisville's annual comprehensive 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

**Table 1**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities</b>										
Net investment in capital assets	\$ 99,549,312	\$ 103,511,580	\$ 114,455,319	\$ 128,402,016	\$ 139,308,614	\$ 144,793,657	\$ 141,253,092	\$ 152,861,140	\$ 169,577,275	\$ 181,865,474
Restricted	5,131,025	13,141,913	19,999,993	21,205,023	24,173,484	26,339,022	20,773,823	11,866,466	15,251,843	16,485,691
Unrestricted	17,799,963	14,329,050	12,290,712	13,689,017	11,644,171	9,417,099	9,508,947	17,811,514	21,127,657	24,562,914
<b>Total governmental activities net position</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>205,956,775</b>	<b>222,914,079</b>
<b>Business-type activities</b>										
Net investment in capital assets	805,551	1,468,020	650,915	643,220	668,769	648,338	634,555	1,135,523	1,192,485	1,628,905
Unrestricted	1,239,024	2,141,019	1,259,908	1,815,987	2,061,346	1,402,075	1,662,933	1,870,717	2,537,033	2,512,830
<b>Total business-type activities net position</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>3,729,518</b>	<b>4,141,735</b>
<b>Primary government</b>										
Net investment in capital assets	100,354,863	104,979,600	115,106,234	129,045,236	139,977,383	145,441,995	141,887,647	153,996,663	170,769,760	183,494,379
Restricted	5,131,025	13,141,913	19,999,993	21,205,023	24,173,484	26,339,022	20,773,823	11,866,466	15,251,843	16,485,691
Unrestricted	19,038,987	16,470,069	13,550,620	15,505,004	13,705,517	10,819,174	11,171,881	19,682,231	23,664,690	27,075,744
<b>Total primary government net position</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>\$ 173,833,351</b>	<b>\$ 185,545,360</b>	<b>\$ 209,686,293</b>	<b>\$ 227,055,814</b>

TOWN OF MORRISVILLE, NORTH CAROLINA  
 CHANGES IN NET POSITION (1)  
 LAST TEN FISCAL YEARS

Table 2  
 Page 1 of 3

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 5,724,056	\$ 5,012,357	\$ 6,203,972	\$ 6,417,384	\$ 6,912,016	\$ 7,974,256	\$ 9,010,060	\$ 9,792,132	\$ 8,796,877	\$ 9,316,736
Development services	2,900,259	1,874,840	2,259,598	2,380,560	3,011,772	3,021,941	3,252,330	3,641,353	4,494,764	5,115,212
Public safety	9,274,703	8,510,593	9,189,668	9,583,725	10,567,399	11,803,079	12,760,247	13,662,345	15,289,590	16,234,148
Public works	4,805,597	5,186,053	6,133,623	5,469,939	5,100,632	5,389,681	24,748,340	8,929,163	7,471,162	8,351,275
Culture and recreation	2,315,218	1,797,070	2,002,012	2,156,751	2,018,990	2,120,532	2,789,059	3,130,020	3,173,918	3,682,757
Interest on long-term debt	379,060	367,433	433,651	534,806	765,140	1,006,023	833,379	988,971	1,377,992	1,204,953
<b>Total governmental activities expenses</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>40,604,303</b>	<b>43,905,081</b>
<b>Business-type activities:</b>										
Stormwater	-	475,490	488,053	382,035	526,434	494,551	702,507	488,990	556,694	1,102,459
<b>Total business-type activities expenses</b>	<b>-</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>556,694</b>	<b>1,102,459</b>
<b>Total primary government expenses</b>	<b>\$ 25,398,893</b>	<b>\$ 23,223,836</b>	<b>\$ 26,710,577</b>	<b>\$ 26,925,200</b>	<b>\$ 28,902,383</b>	<b>\$ 31,810,062</b>	<b>\$ 54,095,922</b>	<b>\$ 40,632,974</b>	<b>\$ 41,160,997</b>	<b>\$ 45,007,540</b>
<b>Program revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services</b>										
General government	\$ 254,375	\$ 253,233	\$ 242,190	\$ 247,394	\$ 291,552	\$ 199,120	\$ 245,333	\$ 282,831	\$ 429,423	\$ 18,234
Development services	2,028,806	1,677,208	1,757,021	1,751,994	1,791,348	2,321,098	2,204,662	1,379,860	3,560,614	3,228,899
Public works	502,929	-	-	-	-	-	-	-	-	482,425
Public safety	71,221	91,033	83,602	105,182	134,371	93,470	45,055	64,425	178,919	-
Culture and recreation	912,401	855,610	901,261	831,737	547,450	225,601	225,624	614,315	862,762	1,067,223
<b>Operating grants and contributions</b>										
General government	-	105,804	-	-	-	-	-	-	654,614	2,856,259
Development services	-	-	4,000	125,530	-	-	45,193	758,286	375,813	566,058
Public safety	5,946	5,092	29,688	-	500	39,887	546,645	1,119,300	15,583	42,012
Public works	502,929	546,237	659,753	809,664	605,779	589,678	582,737	2,000	836,046	934,968
Culture and recreation	-	-	-	-	8,250	2,000	-	262,023	-	-
<b>Capital grants and contributions</b>										
General government	-	-	-	-	-	-	-	-	900,000	1,089,233
Development services	2,028,806	-	-	-	-	-	-	-	-	906,425
Public safety	6,309	24,427	9,905	2,956	33,488	20,226	-	356,403	64,225	300,000
Public works	7,597,616	3,189,718	10,008,117	8,436,652	3,883,672	386,646	6,697,188	8,807,688	10,421,600	10,000
Culture and recreation	23,407	22,342	731,526	3,020,197	714,779	328,075	73,688	71,228	1,387,054	1,387,054
<b>Total governmental activities program revenues</b>	<b>13,934,745</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>	<b>19,686,653</b>	<b>12,888,789</b>

TOWN OF MORRISVILLE, NORTH CAROLINA  
 CHANGES IN NET POSITION (1)  
 LAST TEN FISCAL YEARS

Table 2  
 Page 2 of 3

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Business-type activities:</b>										
<b>Stormwater</b>										
Charges for services	\$ -	\$ 834,314	\$ 718,165	\$ 794,371	\$ 694,201	\$ 772,877	\$ 948,467	\$ 1,171,039	\$ 1,226,749	\$ 1,187,356
Operating grants and contributions	-	54,985	10,449	14,308	10,344	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>-</b>	<b>889,299</b>	<b>728,614</b>	<b>808,679</b>	<b>704,545</b>	<b>772,877</b>	<b>948,467</b>	<b>1,171,039</b>	<b>1,226,749</b>	<b>1,187,356</b>
<b>Total primary government program revenues</b>	<b>\$ 13,934,745</b>	<b>\$ 7,660,003</b>	<b>\$ 15,155,677</b>	<b>\$ 16,139,985</b>	<b>\$ 8,715,734</b>	<b>\$ 4,978,678</b>	<b>\$ 11,614,592</b>	<b>\$ 14,889,398</b>	<b>\$ 20,913,402</b>	<b>\$ 14,076,145</b>
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (13,995,883)	\$ (15,977,642)	\$ (11,795,461)	\$ (11,211,859)	\$ (20,364,760)	\$ (27,098,266)	\$ (42,727,290)	\$ (26,425,625)	\$ (20,917,650)	\$ (31,016,293)
Business-type activities	(5,425)	413,809	240,561	426,644	178,111	278,326	245,960	682,049	670,055	84,897
<b>Total primary government net expense</b>	<b>\$ (14,001,308)</b>	<b>\$ (15,563,833)</b>	<b>\$ (11,554,900)</b>	<b>\$ (10,785,215)</b>	<b>\$ (20,186,649)</b>	<b>\$ (26,819,939)</b>	<b>\$ (42,481,330)</b>	<b>\$ (25,743,576)</b>	<b>\$ (20,247,595)</b>	<b>\$ (30,931,396)</b>
<b>General revenues and other changes in net assets</b>										
<b>Governmental activities:</b>										
Property taxes	\$ 14,745,618	\$ 16,380,456	\$ 17,600,497	\$ 17,973,513	\$ 18,937,524	\$ 19,702,688	\$ 22,327,775	\$ 23,118,819	\$ 26,079,036	\$ 27,621,186
Other taxes and licenses	1,724,212	273,725	285,897	289,261	527,459	569,225	612,630	8,824,518	9,967,798	4,581,608
Unrestricted intergovernmental revenues	6,563,000	7,964,820	8,296,852	8,660,926	9,227,535	9,401,957	10,297,761	4,121,466	4,245,150	10,382,571
Unrestricted investment earnings	22,745	81,621	232,552	503,909	1,150,628	679,457	31,820	99,877	2,335,432	3,008,851
Miscellaneous	296,522	411,923	342,517	325,730	351,008	482,295	408,778	755,999	445,856	2,333,781
Gain (Loss) on disposition of capital assets	(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	1,262,033	-
Transfers	-	(126,200)	(112,983)	(126,000)	(57,800)	984,250	-	-	-	45,600
<b>Total governmental activities</b>	<b>23,862,466</b>	<b>25,626,954</b>	<b>27,058,110</b>	<b>28,541,609</b>	<b>32,194,973</b>	<b>32,521,775</b>	<b>33,713,374</b>	<b>37,428,883</b>	<b>44,335,305</b>	<b>47,973,597</b>
<b>Business-type activities:</b>										
Unrestricted investment earnings	21,615	4,275	4,917	15,831	34,997	26,222	1,115	2,573	53,223	121,120
Miscellaneous	1,885	-	-	-	-	-	-	24,130	-	251,800
Transfers	-	126,200	112,983	126,000	57,800	(984,250)	-	-	-	(45,600)
<b>Total business-type activities</b>	<b>23,500</b>	<b>130,475</b>	<b>117,900</b>	<b>141,831</b>	<b>92,797</b>	<b>(958,028)</b>	<b>1,115</b>	<b>26,703</b>	<b>53,223</b>	<b>327,320</b>

TOWN OF MORRISVILLE, NORTH CAROLINA  
 CHANGES IN NET POSITION (1)  
 LAST TEN FISCAL YEARS

Table 2  
 Page 3 of 3

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total primary government	\$ 23,885,966	\$ 25,757,429	\$ 27,176,010	\$ 28,683,440	\$ 32,287,770	\$ 31,563,747	\$ 33,714,489	\$ 37,455,586	\$ 44,388,528	\$ 48,300,917
Change in net position										
Governmental activities	9,866,583	9,649,312	15,262,649	17,329,750	11,830,213	5,423,509	(9,013,916)	11,003,258	23,417,655	16,957,304
Business-type activities	18,075	544,284	358,461	568,475	270,908	(679,702)	247,075	708,752	723,278	412,217
Total primary government	\$ 9,884,658	\$ 10,193,596	\$ 15,621,110	\$ 17,898,225	\$ 12,101,121	\$ 4,743,808	\$ (8,766,841)	\$ 11,712,010	\$ 24,140,933	\$ 17,369,521

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**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Fund</b>										
<b>Nonspendable:</b>										
Prepays	\$ 13,326	\$ 40,263	\$ 8,886	\$ 13,990	\$ 9,742	\$ 19,216	\$ -	\$ 20,485	\$ 22,607	\$ -
Leases	-	-	-	-	-	-	-	8,403	69,866	133,669
<b>Total Nonspendable</b>	<b>13,326</b>	<b>40,263</b>	<b>8,886</b>	<b>13,990</b>	<b>9,742</b>	<b>19,216</b>	<b>-</b>	<b>28,888</b>	<b>92,473</b>	<b>133,669</b>
<b>Restricted:</b>										
Stabilization by State statute	3,690,527	5,544,570	5,763,023	7,250,961	9,297,398	7,593,866	5,498,323	4,442,732	4,651,520	5,478,316
Stormwater	542,679	-	-	-	-	-	-	-	-	-
Street improvements	978,545	1,563,938	1,599,108	2,191,782	2,796,975	4,199,303	4,529,378	3,069,699	3,072,537	3,425,709
Public safety operations and activities	-	24,918	22,678	5,335	28,401	12,719	17,693	21,299	41,136	50,151
<b>Total Restricted</b>	<b>5,211,751</b>	<b>7,133,426</b>	<b>7,384,809</b>	<b>9,448,078</b>	<b>12,122,774</b>	<b>11,805,888</b>	<b>10,045,394</b>	<b>7,533,730</b>	<b>7,765,193</b>	<b>8,954,176</b>
<b>Committed:</b>										
General governmental capital	747,441	602,704	1,902,254	1,807,952	6,639,957	1,595,166	1,629,315	2,482,960	4,953,618	8,909,388
Debt service	-	-	-	-	-	-	353,621	992,760	2,255,143	3,812,622
LEOSSA pension liability	-	328,296	344,103	373,598	383,218	364,354	344,924	345,150	376,655	347,213
OPEB pension liability	-	-	-	2,804,999	3,128,971	3,476,841	3,819,953	4,180,217	4,686,953	5,429,211
Healthcare premium	-	-	-	-	-	-	-	-	453,578	725,292
Capital projects	-	-	-	-	-	-	-	12	-	-
<b>Total Committed</b>	<b>747,441</b>	<b>931,000</b>	<b>2,246,357</b>	<b>4,986,549</b>	<b>10,152,146</b>	<b>5,436,361</b>	<b>6,147,813</b>	<b>8,001,099</b>	<b>12,725,947</b>	<b>19,223,726</b>
<b>Assigned:</b>										
Fire operations and activities	-	-	-	2,487	2,487	2,487	2,487	2,487	2,487	2,487
Subsequent year's expenditures	1,106,219	2,305,000	2,823,000	5,395,000	945,000	1,367,200	2,574,550	1,841,400	1,238,800	1,571,700
<b>Total Assigned</b>	<b>1,106,219</b>	<b>2,305,000</b>	<b>2,823,000</b>	<b>5,397,487</b>	<b>947,487</b>	<b>1,369,687</b>	<b>2,577,037</b>	<b>1,843,887</b>	<b>1,241,287</b>	<b>1,574,187</b>
Unassigned	14,173,439	15,257,586	15,254,649	10,233,745	11,388,203	12,176,024	13,784,522	13,711,989	16,566,070	16,577,124
<b>Total General Fund</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>38,390,970</b>	<b>46,462,882</b>
<b>All Other Governmental Funds</b>										
<b>Restricted:</b>										
Stabilization by State statute	757,506	3,135,257	10,195,584	8,501,860	8,124,543	3,616,204	7,318,625	-	-	-
Street improvements	-	-	-	4,933,104	8,875,328	6,898,902	-	5,737,796	1,265,908	1,920,221
Recreation improvements	2,017,903	2,873,230	2,419,600	3,255,085	4,817,105	4,018,028	3,409,804	8,558,475	4,921,066	5,611,294
Public safety operations and activities	-	-	-	-	-	-	-	9,695,229	1,299,676	-
<b>Total Restricted</b>	<b>2,775,409</b>	<b>6,008,487</b>	<b>12,615,184</b>	<b>16,690,049</b>	<b>21,816,976</b>	<b>14,533,134</b>	<b>10,728,429</b>	<b>23,991,500</b>	<b>7,486,650</b>	<b>7,531,515</b>
<b>Committed:</b>										
Capital projects	-	165,073	3,228,906	3,899,407	4,699,422	4,250,486	2,628,540	5,904,255	7,816,530	6,777,671
American Rescue Plan projects	-	-	-	-	-	-	-	5,581	1,202,733	482,152
<b>Total Committed</b>	<b>-</b>	<b>165,073</b>	<b>3,228,906</b>	<b>3,899,407</b>	<b>4,699,422</b>	<b>4,250,486</b>	<b>2,628,540</b>	<b>5,909,836</b>	<b>9,019,263</b>	<b>7,259,823</b>
<b>Assigned:</b>										
Subsequent year's expenditures	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)	-	512	(451,743)
<b>Total All Other Governmental Funds</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>16,506,425</b>	<b>14,339,595</b>
<b>Total Governmental Fund Balances</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>	<b>\$ 54,897,395</b>	<b>\$ 60,802,477</b>

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

**Table 4**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>REVENUES</b>										
Ad valorem taxes	\$ 14,784,833	\$ 16,397,410	\$ 17,620,181	\$ 17,951,167	\$ 18,937,833	\$ 19,680,070	\$ 22,372,592	\$ 23,094,896	\$ 26,083,026	\$ 27,468,191
Other taxes and licenses	1,731,430	277,630	288,953	292,135	528,334	569,225	612,630	613,440	631,815	639,570
Unrestricted intergovernmental	6,563,000	7,964,820	8,296,852	8,660,926	9,227,535	9,401,957	10,297,761	12,332,544	13,628,572	14,624,609
Restricted intergovernmental	823,293	573,671	1,420,967	3,829,861	1,598,686	1,357,731	3,043,657	4,969,652	5,162,562	6,386,328
Permits and fees	2,651,514	2,408,850	2,253,401	2,908,913	3,984,338	3,116,471	2,284,327	1,948,883	4,929,505	3,430,831
Sales and services	1,166,776	1,108,843	1,143,451	1,079,131	839,002	424,721	470,957	897,146	1,292,185	1,435,457
Investment earnings	22,745	81,621	232,462	503,909	1,150,628	679,457	31,820	99,877	2,335,432	3,008,851
Miscellaneous	302,603	542,152	346,207	487,099	455,032	538,490	437,130	839,578	1,857,537	2,333,781
<b>TOTAL REVENUES</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>55,920,634</b>	<b>59,327,618</b>
<b>EXPENDITURES</b>										
Current:										
General government	3,115,978	3,541,976	4,302,843	4,524,451	4,984,628	5,744,971	6,683,639	7,598,738	7,936,900	8,430,556
Development services	2,978,817	1,989,194	2,230,718	2,329,719	2,815,781	2,779,276	2,997,823	3,573,342	4,241,293	4,685,090
Public safety	8,484,213	8,159,452	8,166,536	8,633,485	9,161,197	10,043,861	10,657,922	12,212,734	13,341,722	14,662,753
Public works	4,869,772	5,206,847	5,925,474	5,381,532	4,961,776	5,158,313	5,754,330	8,824,268	7,272,501	8,094,843
Culture and recreation	1,889,020	1,618,153	1,728,506	1,889,507	1,609,312	1,600,483	2,097,864	2,401,529	2,617,704	3,269,818
Capital outlay	4,000,792	3,590,493	7,194,189	8,942,317	12,916,507	13,194,792	17,441,801	8,883,335	22,176,836	9,761,107
Debt service										
Principal	1,319,864	1,091,035	1,108,682	1,531,382	1,534,134	2,236,939	2,109,798	2,126,241	3,095,724	3,043,079
Interest and other charges	396,742	367,040	555,859	655,997	637,235	1,255,127	1,034,031	953,398	1,407,260	1,502,688
<b>TOTAL EXPENDITURES</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>62,089,940</b>	<b>53,449,935</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</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>(6,169,306)</b>	<b>5,877,683</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of debt	-	-	-	-	3,100,000	-	-	-	-	-
Issuance of bonds	-	-	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	-	(41,300)
Transfers in	(587,429)	804,000	2,855,113	5,035,617	7,125,000	10,133,750	8,048,009	5,997,146	13,246,836	15,070,235
Transfers out	587,429	(930,200)	(2,968,096)	(5,161,617)	(7,182,800)	(9,149,500)	(8,048,009)	(5,997,146)	(13,246,836)	(15,024,634)
Claims/settlements	(7,008)	-	-	-	-	-	-	-	-	-
Right to use proceeds	-	-	-	-	-	-	-	-	45,770	23,099
<b>TOTAL OTHER FINANCING SOURCES (USES)</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>45,770</b>	<b>27,400</b>
<b>NET CHANGE IN FUND BALANCES</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>	<b>\$ (6,123,536)</b>	<b>\$ 5,905,083</b>
Debt Service as a percentage of non-capital expenditures	7.4%	6.6%	6.9%	8.8%	8.4%	12.1%	10.0%	8.2%	11.3%	10.4%

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**

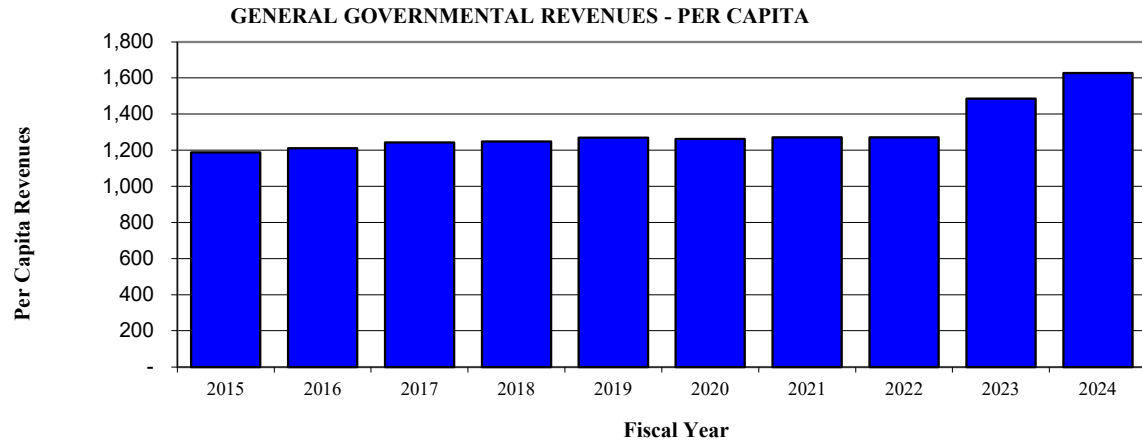
Fiscal Year	GENERAL REVENUES							PROGRAM REVENUES					Fiscal Year Total
	Property Taxes	Other Taxes and Licenses	Unrestricted Intergovernmental	Miscellaneous	Parkland Payment in Lieu	Unrestricted Investment Earnings	Gain (Loss) on Disposal of Capital Assets	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Special Items		
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	
2023	26,079,036	4,245,150	9,967,798	445,856	1,262,033	2,335,432	-	5,031,718	1,882,056	12,772,879	-	64,021,958	
2024	27,621,186	4,581,608	10,382,571	2,333,781	-	3,008,851	-	4,796,781	4,399,296	3,692,712	-	60,816,786	

**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>	<b>Population</b>
2015	16,516,263	7,101,077	2,100,027	17,869	1,166,776	302,603	27,204,615	1,187	22,914
2016	16,675,040	8,516,149	1,768,241	72,091	1,108,843	542,152	28,682,516	1,211	23,682
2017	17,909,134	8,986,293	1,840,623	144,604	1,143,451	346,207	30,370,312	1,242	24,456
2018	18,243,302	9,470,590	1,857,176	341,622	1,079,131	487,099	31,478,920	1,247	25,242
2019	19,466,167	9,794,759	1,925,719	553,709	839,002	455,032	33,034,388	1,269	26,041
2020	20,249,295	10,044,967	2,414,568	354,302	424,721	538,490	34,026,343	1,261	26,973
2021	22,985,622	11,472,336	2,249,717	19,900	470,957	437,130	37,635,662	1,270	29,630
2022	23,708,336	13,354,853	1,440,679	45,696	897,146	546,371	39,993,081	1,271	31,470
2023	26,714,841	14,928,614	3,667,472	834,726	1,292,185	470,483	47,908,321	1,486	32,248
2024	28,107,761	15,864,020	3,430,831	1,811,681	1,435,457	2,121,552	52,771,302	1,627	32,431

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 (Per \$100 Assessed Value)</u>
	<u>Real Property</u>	<u>Personal Property (3)</u>	<u>Total</u>	
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
2023	6,302,384,428	411,351,274	6,713,735,702	.39
2024	6,320,009,488	682,381,677	7,002,391,165	.39

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 2024.

(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*

**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>
2015	0.39	0.578	0.968
2016	0.41	0.6145	1.025
2017	0.39	0.6005	0.991
2018	0.39	0.615	1.005
2019	0.39	0.6544	1.044
2020	0.39	0.7207	1.111
2021	0.36	0.60	0.960
2022	0.36	0.6195	0.980
2023	0.39	0.657	1.047
2024	0.39	0.5135	0.904

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

**Table 9**

<b>Taxpayer</b>	<b>2024</b>			<b>2014</b>		
	<b>2023 Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>	<b>2013 Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Raleigh 1 LP	\$ 268,294,537	1	4.0%			
WMCI Raleigh LLC	143,736,470	2	2.1%	49,033,140	4	1.3%
Park West Village Phase LLC	124,034,480	3	1.8%	64,424,967	3	1.8%
Perimeter Park Offices LP	117,180,588	4	1.7%			
SBP Officer Owner LP	96,346,631	5	1.4%	90,252,035	2	2.5%
Paramount Office LP	74,854,833	6	1.1%			
Syneous Health NC LLC	73,743,114	7	1.1%			
CEGM Morrisville LLC	70,776,272	8	1.1%			
CPUS Shiloh LP	68,492,394	9	1.0%			
Align Technology Inc	65,454,235	10	1.0%			
Duke Realty LP				244,867,346	1	6.7%
Duke Construction LP				45,950,893	5	1.3%
LSREF2 Oreo (East Ridge) LLC				43,968,480	6	1.2%
G&I VI Oaks at Weston LP				42,082,481	7	1.1%
Timw Warner Cable				34,851,108	8	1.0%
RT Research Triangle LLC				34,631,113	9	0.9%
Tekelec Inc.				33,611,777	10	0.9%
	<u>\$ 1,102,913,554</u>		<u>15.7%</u>	<u>\$ 683,673,340</u>		<u>18.6%</u>

Source: Wake County Revenue Department and 2014 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
2015	14,672,918	3,283,196	17,956,114	17,927,302	99.84%	17,736	17,945,038	99.94%
2016	16,269,228	1,780,603	18,049,831	18,029,216	99.89%	10,893	18,040,109	99.95%
2017	17,500,964	759,700	18,260,664	18,243,662	99.91%	8,015	18,251,677	99.95%
2018	17,851,012	1,691,233	19,542,245	19,520,657	99.89%	9,225	19,529,882	99.94%
2019	18,817,208	1,405,432	20,222,640	20,139,855	99.59%	54,073	20,193,928	99.86%
2020	19,620,857	3,521,883	23,142,740	23,079,500	99.73%	33,038	23,112,539	99.87%
2021	22,216,477	1,478,898	23,695,375	23,621,950	99.69%	35,815	23,657,765	99.84%
2022	22,950,673	3,883,212	26,833,885	26,792,920	99.85%	20,206	26,813,126	99.92%
2023	25,989,240	1,667,325	27,656,566	27,467,849	99.32%	143,252	27,611,102	99.84%
2024	27,289,733	-	27,289,733	27,258,316	99.88%	-	27,258,316	99.88%

**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	Leases	SBITA	General Obligation Bonds	Installment Notes			
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	833,595	-	-	-	45,304,002	3.0	1,440
2023	39,019,728	2,480,000	554,080	21,997	-	-	42,075,805	2.6	1,305
2024	33,690,000	2,325,000	307,394	45,096	-	-	36,367,490	2.3	1,305

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*

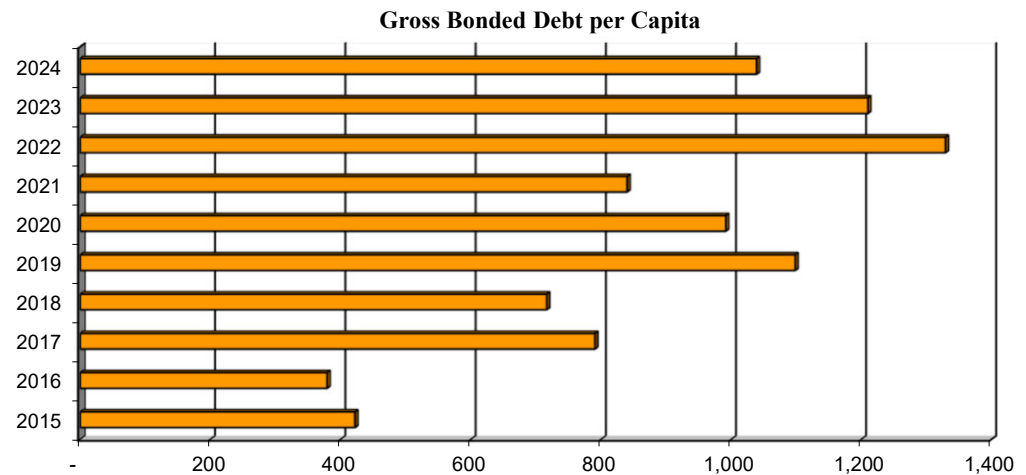
**Table 12**

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Debt Payable From Enterprise Revenues</u>	<u>Net Bonded Debt</u>	<u>Ratio of Gross Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>	<u>Gross Bonded Debt per Capita</u>
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	1,329
2023	32,248	6,713,735,702	39,019,728	-	39,019,728	0.58	1,210	1,210
2024	32,431	7,002,391,165	33,690,000	-	33,690,000	0.48	1,039	1,039

Notes:

(1) North Carolina Office of State Budget and Management - 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 8% of Total Assessed Value</b>	<b>(1) Less: Amount of Debt Applicable to Debt Limit - Net Bonded Debt</b>	<b>Legal Debt Limit</b>
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
2023	6,713,735,702	537,098,856	(38,735,000)	498,363,856
2024	7,002,391,165	560,191,293	(36,015,000)	524,176,293

Notes:

(1) Net Bonded Debt Calculation for FY 2023

Total debt applicable to limitation:	
Bonded debt:	
Outstanding:	
Public improvement bonds	\$ 33,690,000
Installment obligations	<u>2,325,000</u>
Total amount of debt applicable to debt limit	<u><u>\$ 36,015,000</u></u>

**TOWN OF MORRISVILLE, NORTH CAROLINA**

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT -

GENERAL OBLIGATION BONDS

JUNE 30, 2024

**Table 14**

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Net Installment Note Debt Outstanding	Leases Outstanding	SBITA Outstanding	Percentage Applicable to Town (1)	Amount Applicable to Town
Direct:						
Town of Morrisville (1)	\$ 36,199,049	\$ 2,325,000	\$ 307,394	\$ 45,096	100%	\$ 38,876,539
Overlapping: (2)						
Wake County	1,558,035 #	-	46,138,069	-	3.36%	<u>1,603,608</u>
Total direct and overlapping debt						<u><u>\$ 40,480,147</u></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

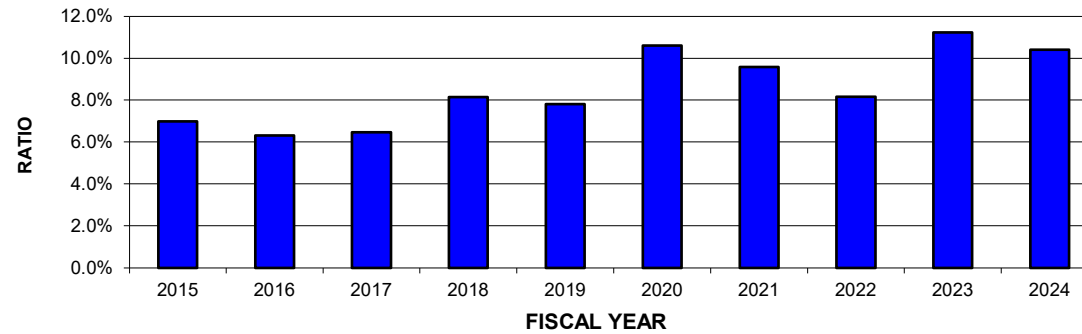
**Table 15**

<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>
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%
2023	3,095,724	1,407,260	4,502,984	40,099,245	11.2%
2024	3,043,079	1,502,688	4,545,767	43,689,626	10.4%

Note:

- (1) Includes General Long Term debt and right to use assets.
- (2) Includes only the 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**

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>Per Capita Personal Income</b>	<b>(5) Median Age</b>	<b>(4) Wake County School Enrollment</b>	<b>(2) Unemployment Rate Percentage</b>
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
2023	32,248	49,318 (7)	34.0 (6)	158,412	3.2
2024	32,431	51,699 (7)	34.3 (6)	160,809	3.3

**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	2024			2014		
	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	5,100	1	0.64%	2,061	1	0.35%
Conduent Business Services	3,691	2	0.47%			
Credit Suisse	2,373	3	0.30%			
Syneos Health Inc.	2,100	4	0.30%			
Pharmaceutical Product Development, Inc. (PPD)	2,000	5	0.27%	1,100	2	0.19%
Trialcard	1,650	6	0.21%			
Luihn Food Systems	1,290	7	0.16%			
Fujifilm Diosynth Biotechnologies US	1,250	8	0.25%			
Easton	1,088	9	0.14%			
Spectrum (Channel Advisors)	925	10	0.12%			
Time Warner				900	3	0.15%
Catalent Pharma Solutions				381	4	0.06%
Burt's Bees				331	5	0.06%
ATP LLC				324	6	0.05%
Walmart Supercenter				289	7	0.05%
SciQuest Inc				287	8	0.05%
Novella Clinical Inc				279	9	0.05%
Oracle America				259	10	0.04%
<b>Totals</b>	<b>21,467</b>		<b>2.71%</b>	<b>6,211</b>		<b>1.06%</b>

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 FY2014 ACFR.

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

**Table 18**

<b>Fiscal Year</b>	<b>Commercial</b>		<b>Residential</b>		<b>Total</b>	
	<b>Number of New Permits</b>	<b>Property Value</b>	<b>Number of New Permits</b>	<b>Property Value</b>	<b>Number of New Permits</b>	<b>Property Value</b>
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
2023	36	327,754,802 (1)	13	7,706,667	49	335,461,469
2024	5	24,916,413 (1)	37	12,085,008	42	37,001,421

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**

<b>Fiscal Year</b>	<b>General Government</b>	<b>Development Services</b>	<b>Public Safety</b>	<b>Public Works</b>	<b>Culture and Recreation</b>	<b>(2) Capital Outlay</b>	<b>Debt Service</b>	<b>Fiscal Year Total</b>	<b>Per Capita Expenditures</b>
2015	3,115,978	2,978,817	8,484,213	4,869,772	1,889,020	1,509,898	1,716,606	24,564,304	1,072
2016	3,541,976	1,989,194	8,159,452	5,206,847	1,618,153	1,147,622	1,458,075	23,121,319	976
2017	4,302,843	2,230,718	8,166,536	5,925,474	1,728,506	1,723,223	1,664,541	25,741,841	1,053
2018	4,524,451	2,329,719	8,633,485	5,381,532	1,889,507	1,908,504	2,187,379	26,854,577	1,064
2019	4,984,628	2,815,781	9,161,197	4,961,776	1,609,312	1,642,977	2,130,414	27,306,085	1,049
2020	5,744,971	2,779,276	10,043,861	5,158,313	1,600,483	4,109,949	3,492,066	32,928,919	1,221
2021	6,658,639	2,997,823	10,657,922	5,754,330	2,097,864	1,523,381	3,143,829	32,833,788	1,108
2022	7,307,058	3,573,342	12,212,734	8,629,721	2,401,529	526,077	3,079,639	37,730,100	1,199
2023	7,936,900	4,241,293	13,341,722	6,838,132	2,616,879	621,340	4,502,984	40,099,250	1,243
2024	8,430,556	4,685,090	14,662,753	7,113,313	3,203,190	1,048,955	4,545,767	43,689,624	1,347

**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)

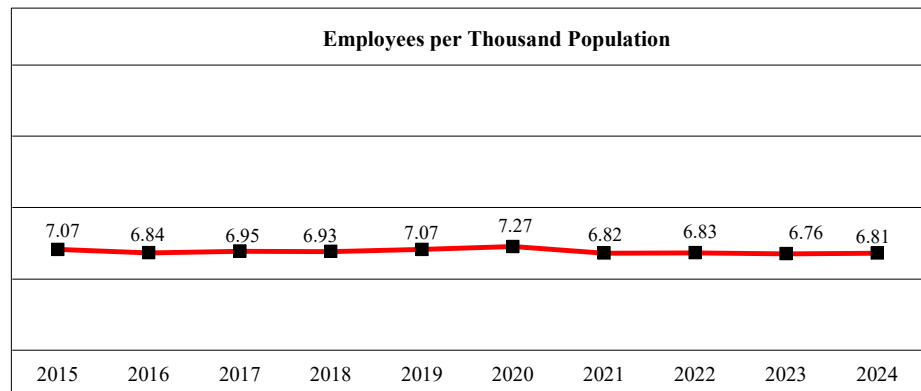
**Table 20**

<u>Fiscal Year</u>	<u>(3) Administration</u>	<u>Planning, Engineering and Stormwater</u>	<u>Police</u>	<u>Inspections</u>	<u>Public Works</u>	<u>Parks and Recreation</u>	<u>Fire</u>	<u>Finance</u>	<u>Fiscal Year</u>	<u>Total</u>
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
2023	25	25	49	10	25	17	61	6		218
2024	25	26	49	10	26	18	61	6		221

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, Budget and Strategic Management and IT.



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

**Table 21**

<b>Function/Program</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>2023</b>	<b>2024</b>
General government										
Privilege licenses issued	950	-	-	-	-	-	-	-	-	-
New building permits issued	354	247	202	130	182	96	179	105	49	42
Police										
Police calls for service	9,905	11,611	18,198	11,970	27,453	33,725	41,578	52,383	58,992	55,797
Physical arrests	262	308	247	148	322	236	133	136	235	352
Traffic accidents reported	500	745	708	446	823	940	514	860	1,060	881
Traffic violations	2,629	2,334	1,963	852	1,193	1,253	1,257	1,590	1,861	3,773
Warrants served	87	61	184	133	27	29	47	21	89	56
Fire										
Child safety seat inspections	662	611	577	575	661	518	170	367	221	255
Emergency responses	2,020	2,316	2,225	2,377	2,432	3,026	2,545	3,258	3,491	3,603
Fires extinguished	57	43	46	37	52	59	67	121	49	90
Property losses due to fire (dollars)	\$290,400	\$212,126	\$403,226	\$67,525	\$149,655	\$86,550	\$502,039	\$682,443	\$157,900	\$898,834
Fire code violations corrected	1,344	1,716	2,049	1,249	1,277	704	478	2,742	747	4,917
Streets										
Miles of road maintained	48	49	52	52	54	54	54	55	55	57
Environmental Protection										
Number of households served	5,440	5,856	6,011	6,150	6,263	6,325	6,400	6,550	6,629	6,642
Municipal solid waste collected (tons)	3,110	4,330	3,735	3,716	3,731	4,080	4,361	4,318	4,304	4,195
Recycling collected (tons)	998	1,249	1,276	1,273	1,347	1,432	1,543	1,372	1,325	1,312
Yard waste collected (tons)	240	222	231	181	264	302	309	274	275	257
Parks, Recreation and Cultural Resources										
Youth program participants	1,595	1,957	1,886	1,739	1,419	1,314	1,088	727	542	930
Athletic program participants (youth and adult)	2,446	2,139	2,228	2,242	1,996	818	251	917	1,268	1,509
Recreation program participants (youth and adult)	975	983	1,876	1,731	2,725	1,247	1,299	1,000	2,062	2,410
Senior program participants	405	435	570	295	467	291	287	353	443	565
Park and community center facility reservations	5,411	6,272	6,598	7,028	4,085	2,816	291	3,931	6,221	5,722

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>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Police</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol units	24	24	31	20	28	27	26	24	30	30
Detective units	4	4	4	4	4	4	4	4	4	4
K-9 units	1	1	1	2	2	2	2	2	2	3
Traffic units								4	4	4
<b>Fire</b>										
Fire stations	3	3	3	3	3	3	3	3	3	4
Fire trucks/command vehicles	8 / 5	8 / 5	8 / 3	8 / 4	8 / 4	9 / 4	9 / 3	8 / 3	9 / 3	9 / 3
<b>Streets</b>										
Streets (miles)	48.28	49.17	51.98	51.98	54.00	54.00	54.00	55.00	55.00	55.00
<b>Parks, Recreation and Cultural Resources</b>										
Number of developed parks	6	6	7	10	7	7	7	7	7	7
Developed Park Acreage	108	108	113	113	113	113	113	113	113	113
Baseball fields	4	4	4	4	4	4	4	4	4	4
Tennis courts	6	6	6	6	3	3	5	5	8	8
Racquetball courts	2	2	2	2	0	0	2	2	2	2
Community centers	1	1	1	1	1	1	1	1	1	1
Aquatic centers	1	1	1	1	1	0	1	1	1	1
Greenway miles	11.98	11.98	12.14	14.40	16.35	16.90	17.15	17.76	17.76	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, 2024, 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 21, 2024.

**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.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
October 21, 2024

**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 Each 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, 2024. 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, 2024.

#### **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 21, 2024

**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, 2024. 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, 2024.

#### **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"), 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 21, 2024

**TOWN OF MORRISVILLE, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED JUNE 30, 2024**

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Fed. (Direct and Pass-Through)	State Expenditures
<b>Federal Grants</b>				
<u>U.S. Department of Transportation</u>				
Passed Through North Carolina Department of Transportation				
Highway Planning and Construction	20.205-1CL	WBS 47167.2.1	\$ 24,891	\$ -
Highway Planning and Construction	20.205-1CL	WBS 47167.3.1	119,127	-
Highway Planning and Construction	20.205-1CL	WBS 44666.3.1	93,708	-
Total Highway Planning and Construction			<u>237,726</u>	<u>-</u>
Total U.S. Department of Transportation			<u>237,726</u>	<u>-</u>
<u>U.S. Department of Treasury</u>				
Coronavirus State and Local Fiscal Recovery Funds	21.027		3,940,492	-
Total U.S. Department of Treasury			<u>3,940,492</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
CALEA Accreditation Grant (Governor's Crime Commission)	16.738	PROJ015562		18,797
COPS Hiring Program	16.710			4,370
Total U.S. Department of Justice			<u>-</u>	<u>23,167</u>
<u>U.S. Department of Commerce</u>				
Small Business Administration Grant	59.086		228,727	-
Total U.S. Department of Commerce			<u>228,727</u>	<u>-</u>
<b>State Grants</b>				
<u>North Carolina Department of Transportation</u>				
Powell Bill	n/a	100006748	-	508,935
Total North Carolina Department of Transportation			<u>-</u>	<u>508,935</u>
<u>North Carolina Governor's Highway Safety Program</u>				
				<u>16,416</u>
<u>North Carolina Department of Environmental Quality</u>				
DEQ Division of Air Quality VW Settlement Phase 1 Level 2 Charge Rebate Program Volkswagen Settlement Level 2 ZEV Infrastructure Rebate Program		061322-9900		25,000
Total North Carolina Department of Environmental Quality			<u>-</u>	<u>25,000</u>
Total Financial Assistance			<u>\$ 4,406,945</u>	<u>\$ 573,518</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, 2024. 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.

**Note 3- Indirect Cost Rate**

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

**Note 4- Subrecipient Note**

For the fiscal year ended June 30, 2024, the Town of Morrisville did not pass any federal or state awards through to subrecipients. Therefore, no amounts are reported as subrecipient expenditures on the Schedule of Expenditures of Federal and State Awards (SEFA).

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

YEAR ENDED JUNE 30, 2024

---

**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? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   X   none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes   X   no

***Federal Awards***

Internal control over major federal program:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   X   none reported

Noncompliance material to 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

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

YEAR ENDED JUNE 30, 2024

---

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

Identification of major federal program:

ALN Number

21.027  
Fiscal

Names of Federal Program or Cluster

COVID-19: Coronavirus State and Local  
Recovery Funds

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

\$ 750,000

Auditee qualified as low-risk auditee?

X yes    \_\_\_ no

**State Awards**

Internal control over major state programs:

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

\_\_\_ yes    X no

\_\_\_ yes    X none reported

Noncompliance material to state awards?

\_\_\_ yes    X no

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

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 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, 2024*

---

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

None.

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

None.

**Section IV – State Award Findings and Questioned Costs**

None.

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

*YEAR ENDED JUNE 30, 2024*

---

None.