

Town of Carrboro, North Carolina
Balance Sheet
Governmental Funds
June 30, 2023

Exhibit 3
(3 pages)

	Major Funds		
	General Fund	Revolving Loan Fund	Bond Fund
ASSETS			
Cash and cash equivalents	\$ 16,702,144	\$ 261,733	\$ -
Taxes receivable, net	141,336	-	-
Accounts receivable, net	99,663	-	-
Due from other governments	2,737,880	-	141,178
Due from other funds	192,373	-	-
Lease receivable	776,186	-	-
Notes receivable, net	-	29,659	-
Inventories	11,098	-	-
Prepays	769,803	-	-
Restricted cash	644,993	-	-
Total assets	<u>\$ 22,075,476</u>	<u>\$ 291,392</u>	<u>\$ 141,178</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,475,546	\$ -	\$ -
Payable from restricted assets, customer deposits and performance bonds	42,070	-	-
Revenues received in advance	70,697	-	-
Due to other funds	-	-	192,373
Due to component unit	60,266	-	-
Total liabilities	<u>1,648,579</u>	<u>-</u>	<u>192,373</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>880,465</u>	<u>29,659</u>	<u>93,377</u>
FUND BALANCES			
Nonspendable:			
Inventories	11,098	-	-
Prepays	769,803	-	-
Leases	37,550	-	-
Restricted:			
Stabilization by state statute	3,311,758	-	-
Powell Bill (streets)	602,923	-	-
Capital projects	-	-	-
Committed:			
Economic development	-	261,733	-
Capital projects	-	-	-
Affordable housing	-	-	-
Energy efficiency	-	-	-
Assigned:			
Subsequent year's expenditures	2,484,459	-	-
Capital projects	-	-	-
Unassigned	12,328,841	-	(144,572)
Total fund balances	<u>19,546,432</u>	<u>261,733</u>	<u>(144,572)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,075,476</u>	<u>\$ 291,392</u>	<u>\$ 141,178</u>

See accompanying notes.

Town of Carrboro, North Carolina
Balance Sheet
Governmental Funds
June 30, 2023

Exhibit 3
(3 pages)

	Major Funds			Total Governmental Funds
	American Rescue Plan Act Special Revenue Fund	Capital Projects Fund	Nonmajor Funds	
ASSETS				
Cash and cash equivalents	\$ -	\$ 2,007,679	\$ 1,655,278	\$ 20,626,834
Taxes receivable, net	-	-	-	141,336
Accounts receivable, net	-	-	-	99,663
Due from other governments	-	2,631,079	2,000	5,512,137
Due from other funds	-	-	-	192,373
Lease receivable	-	-	-	776,186
Notes receivable, net	-	-	109,125	138,784
Inventories	-	-	-	11,098
Prepays	-	-	-	769,803
Restricted cash	6,504,483	10,794,211	-	17,943,687
	<u>6,504,483</u>	<u>10,794,211</u>	<u>-</u>	<u>17,943,687</u>
Total assets	<u>\$ 6,504,483</u>	<u>\$ 15,432,969</u>	<u>\$ 1,766,403</u>	<u>\$ 46,211,901</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ 1,356,369	\$ 196,760	\$ 3,028,675
Payable from restricted assets, customer deposits and performance bonds	-	-	-	42,070
Revenues received in advance	6,349,792	-	-	6,420,489
Due to other funds	-	-	-	192,373
Due to component unit	-	-	-	60,266
	<u>6,349,792</u>	<u>1,356,369</u>	<u>196,760</u>	<u>9,743,873</u>
Total liabilities	<u>6,349,792</u>	<u>1,356,369</u>	<u>196,760</u>	<u>9,743,873</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>109,125</u>	<u>1,112,626</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	11,098
Prepays	-	-	-	769,803
Leases	-	-	-	37,550
Restricted:				
Stabilization by state statute	-	-	-	3,311,758
Powell Bill (streets)	-	-	-	602,923
Capital projects	-	10,794,211	-	10,794,211
Committed:				
Economic development	154,691	-	300,296	716,720
Capital projects	-	3,282,389	494,417	3,776,806
Affordable housing	-	-	513,833	513,833
Energy efficiency	-	-	151,972	151,972
Assigned:				
Subsequent year's expenditures	-	-	-	2,484,459
Capital projects	-	-	-	-
Unassigned	-	-	-	12,184,269
	<u>154,691</u>	<u>14,076,600</u>	<u>1,460,518</u>	<u>35,355,402</u>
Total fund balances	<u>154,691</u>	<u>14,076,600</u>	<u>1,460,518</u>	<u>35,355,402</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,504,483</u>	<u>\$ 15,432,969</u>	<u>\$ 1,766,403</u>	<u>\$ 46,211,901</u>

See accompanying notes.

Town of Carrboro, North Carolina
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Exhibit 3
(3 pages)

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Total fund balances - governmental funds	\$ 35,355,402
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	50,145,237
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.	32,456
Deferred outflows of resources related to pensions are not reported in the fund statements.	4,883,258
Deferred outflows of resources related to OPEB are not reported in the fund statements.	3,119,382
Liabilities for earned revenues are considered deferred inflows of resources in fund statements.	373,990
Some liabilities, including long-term obligations, are not due and payable in the current period, and therefore are not reported in the funds.	(23,435,671)
Deferred inflows of resources related to pensions are not reported in the fund statements.	(315,647)
Deferred inflows of resources related to OPEB are not reported in the fund statements.	(8,130,882)
Net pension liability - LGERS	(6,516,261)
Total pension liability - LEO	(2,005,092)
Total OPEB liability	(16,286,837)
Other long-term liabilities (accrued interest) are not due and payable in the current period, and therefore are not reported in the funds.	<u>(154,738)</u>
Net position of governmental activities	<u>\$ 37,064,597</u>

Town of Carrboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

Exhibit 4
(4 pages)

	Major Funds		
	General Fund	Revolving Loan Fund	Bond Fund
Revenues:			
Ad valorem taxes	\$ 15,777,404	\$ -	\$ -
Local option sales taxes	7,076,695	-	-
Other taxes and licenses	1,864,150	-	-
Unrestricted intergovernmental	1,534,669	-	-
Restricted intergovernmental	707,699	-	237,236
Permits and fees	1,126,296	-	-
Sales and services	326,441	-	-
Investment earnings	433,714	7,255	3,464
Other	229,978	14,827	-
Total revenues	29,077,046	22,082	240,700
Expenditures:			
General government	6,433,673	-	-
Public safety	7,531,598	-	-
Planning	1,499,093	-	-
Transportation	2,148,148	-	-
Public works	4,126,208	-	-
Economic and physical development	-	-	-
Parks and recreation	1,655,914	-	-
Capital outlay	658,968	-	154,664
Debt service:			
Principal	750,929	-	-
Interest and other charges	374,137	-	-
Total expenditures	25,178,668	-	154,664
Excess of revenues over (under) expenditures	3,898,378	22,082	86,036
Other financing sources (uses):			
Transfers to other funds	(90,000)	-	-
Sale of capital assets	41,728	-	-
Lease liabilities issues	95,064	-	-
Total other financing sources (uses)	46,792	-	-
Net change in fund balances	3,945,170	22,082	86,036
Fund balance (deficit), beginning of year	15,601,262	239,651	(230,608)
Fund balance (deficit), end of year	\$ 19,546,432	\$ 261,733	\$ (144,572)

Town of Carrboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

Exhibit 4
(4 pages)

	Major Funds			Total Governmental Funds
	American Rescue Plan Act Special Revenue Fund	Capital Projects Fund	Nonmajor Funds	
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ 397,738	\$ 16,175,142
Local option sales taxes	-	-	-	7,076,695
Other taxes and licenses	-	-	-	1,864,150
Unrestricted intergovernmental	-	-	-	1,534,669
Restricted intergovernmental	96,885	4,951,066	20,625	6,013,511
Permits and fees	-	-	-	1,126,296
Sales and services	-	-	-	326,441
Investment earnings	149,428	398,932	36,991	1,029,784
Other	-	17,201	251,521	513,527
	<u>246,313</u>	<u>5,367,199</u>	<u>706,875</u>	<u>35,660,215</u>
Total revenues				
Expenditures:				
General government	47,325	13,787	-	6,494,785
Public safety	-	-	-	7,531,598
Planning	-	-	-	1,499,093
Transportation	-	-	-	2,148,148
Public works	-	-	-	4,126,208
Economic and physical development	49,560	-	569,088	618,648
Parks and recreation	-	-	-	1,655,914
Capital outlay	-	10,253,847	82,178	11,149,657
Debt service:	-	-	-	-
Principal	-	-	-	750,929
Interest and other charges	-	-	-	374,137
	<u>96,885</u>	<u>10,267,634</u>	<u>651,266</u>	<u>36,349,117</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>149,428</u>	<u>(4,900,435)</u>	<u>55,609</u>	<u>(688,902)</u>
Other financing sources (uses):				
Transfers to other funds	-	-	-	(90,000)
Sale of capital assets	-	-	-	41,728
Lease liabilities issues	-	-	-	95,064
	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,792</u>
Total other financing sources (uses)				
Net change in fund balances	149,428	(4,900,435)	55,609	(642,110)
Fund balance (deficit), beginning of year	<u>5,263</u>	<u>18,977,035</u>	<u>1,404,909</u>	<u>35,997,512</u>
Fund balance (deficit), end of year	<u>\$ 154,691</u>	<u>\$ 14,076,600</u>	<u>\$ 1,460,518</u>	<u>\$ 35,355,402</u>

See accompanying notes.

Town of Carrboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

Exhibit 4
(4 pages)

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

Total net change in fund balances - governmental funds		\$ (642,110)
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 those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay expenditures which were capitalized	\$ 11,135,113	
Depreciation expense for governmental assets	(2,290,203)	
Amortization expense for governmental lease assets	<u>(22,553)</u>	8,822,357
Cost of capital asset disposed of during the year, not recognized on modified accrual basis.		
Proceeds on disposal of fixed assets under modified accrual basis	(41,728)	
Gain on sale of fixed assets recognized under full accrual basis	<u>41,728</u>	-
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.		
		1,214,232
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities.		
		126,608
Benefit payments paid and administrative expense for the OPEB are not included on the Statement of Activities.		
		303,862
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in accrued interest receivable, property taxes	(16,335)	
Change in deferred revenues, property taxes	(54,661)	
Change in deferred revenues	(208,408)	
Change in total OPEB liability due to implicit rate subsidy	<u>85,200</u>	(194,204)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of lease liabilities	(95,064)	
Principal payments on long-term debt	750,929	
Change in accrued interest payable	<u>(99,165)</u>	556,700

Town of Carrboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

Exhibit 4
(4 pages)

The receipt of contributions towards deposits on joint construction project provides current financial resources to the funds. This transaction does not have an effect on net position. This amount is the net effect of these differences in the treatment of such contributions received.

Receipt of joint capital project deposit from Orange County	\$	(4,951,066)
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Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.

Amortization of bond premiums	\$	(4,868)	
Pension expense		(2,147,223)	
OPEB benefit		212,291	
Change in compensated absences		(74,604)	(2,014,404)

Total changes in net position of governmental activities		<u>\$</u>	<u>3,221,975</u>
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Town of Carrboro, North Carolina
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2023

Exhibit 5

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Ad valorem taxes	\$ 15,340,000	\$ 15,340,000	\$ 15,777,404	\$ 437,404
Local option sales taxes	5,419,200	5,419,200	7,076,695	1,657,495
Other taxes and licenses	1,652,822	1,652,822	1,864,150	211,328
Unrestricted intergovernmental	1,351,000	1,351,000	1,534,669	183,669
Restricted intergovernmental	164,298	644,298	707,699	63,401
Permits and fees	1,309,813	1,167,497	1,126,296	(41,201)
Sales and services	184,700	232,700	326,441	93,741
Investment earnings	15,000	15,200	433,714	418,514
Other revenues	186,120	280,436	229,978	(50,458)
Total revenues	25,622,953	26,103,153	29,077,046	2,973,893
Expenditures				
Current:				
General government	7,017,775	7,017,775	6,807,439	210,336
Public safety	7,744,873	7,744,873	7,540,883	203,990
Planning	1,646,398	1,646,398	1,499,093	147,305
Transportation	2,108,180	2,108,180	2,148,148	(39,968)
Public works	4,056,942	4,686,158	4,402,125	284,033
Parks and recreation	1,979,183	1,979,183	1,655,914	323,269
Non-Departmental	1,414,754	1,414,754	-	1,414,754
Debt service	1,368,217	1,368,217	1,125,066	243,151
Total expenditures	27,336,322	27,965,538	25,178,668	2,786,870
Revenues over (under) expenditures	(1,713,369)	(1,862,385)	3,898,378	5,760,763
Other financing sources (uses)				
Transfers to other funds	(331,353)	(331,353)	(90,000)	241,353
Sale of capital assets	60,000	60,000	41,728	(18,272)
Lease liabilities issued	-	-	95,064	95,064
Total other financing sources (uses)	(271,353)	(271,353)	46,792	318,145
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,984,722)	(2,133,738)	3,945,170	6,078,908
Fund balance appropriated	1,984,722	2,133,738	-	(2,133,738)
Net change in fund balance	\$ -	\$ -	3,945,170	\$ 3,945,170
Fund balance, beginning of year			15,601,262	
Fund balance, end of year			<u>\$ 19,546,432</u>	

See accompanying notes.

Town of Carrboro, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2023

Exhibit 6

	Major Enterprise Funds	Nonmajor Fund Parking	Total Enterprise Funds
	Stormwater Utility Enterprise Fund	Enterprise Fund	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,030,177	\$ -	\$ 2,030,177
Accounts receivable	65,844	-	65,844
Total current assets	<u>2,096,021</u>	<u>-</u>	<u>2,096,021</u>
Noncurrent assets:			
Capital assets:			
Other capital assets, net of depreciation	657,418	-	657,418
Total capital assets	<u>657,418</u>	<u>-</u>	<u>657,418</u>
Total noncurrent assets	<u>657,418</u>	<u>-</u>	<u>657,418</u>
Total assets	<u>2,753,439</u>	<u>-</u>	<u>2,753,439</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	85,158	-	85,158
OPEB deferrals	42,659	-	42,659
Total deferred outflows of resources	<u>127,817</u>	<u>-</u>	<u>127,817</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	41,381	7,282	48,663
Current portion of long-term liabilities	10,621	-	10,621
Total current liabilities	<u>52,002</u>	<u>7,282</u>	<u>59,284</u>
Long-term liabilities:			
Net pension liability - LGERS	128,777	-	128,777
Total OPEB liability	246,770	-	246,770
Due in more than one year	7,697	-	7,697
Total long-term liabilities	<u>383,244</u>	<u>-</u>	<u>383,244</u>
Total liabilities	<u>435,246</u>	<u>7,282</u>	<u>442,528</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	589	-	589
OPEB deferrals	123,195	-	123,195
Total deferred inflows of resources	<u>123,784</u>	<u>-</u>	<u>123,784</u>
NET POSITION			
Net investment in capital assets	657,418	-	657,418
Unrestricted	1,664,808	(7,282)	1,657,526
Total net position	<u>\$ 2,322,226</u>	<u>\$ (7,282)</u>	<u>\$ 2,314,944</u>

See accompanying notes.

Town of Carrboro, North Carolina
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2023

Exhibit 7

	Major Enterprise Funds	Nonmajor Fund	Total Enterprise
	Stormwater Utility Enterprise Fund	Parking Enterprise Fund	Funds
Operating revenues			
Charges for services	\$ 1,002,080	\$ -	\$ 1,002,080
Total operating revenues	<u>1,002,080</u>	<u>-</u>	<u>1,002,080</u>
Operating expenses			
Personnel services	327,465	-	327,465
Depreciation and amortization	60,250	-	60,250
Other current charges	210,517	155,610	366,127
Total operating expenses	<u>598,232</u>	<u>155,610</u>	<u>753,842</u>
Operating income (loss)	403,848	(155,610)	248,238
Nonoperating revenues (expenses)			
Investment earnings	45,869	140	46,009
Intergovernmental revenue	-	45,000	45,000
Interest and other charges	120	-	120
Total nonoperating revenues	<u>45,989</u>	<u>45,140</u>	<u>91,129</u>
Income (loss) before transfers	449,837	(110,470)	339,367
Transfers			
Transfers from capital projects fund	42,385	-	42,385
Transfers from general fund	-	90,000	90,000
Change in net position	492,222	(20,470)	471,752
Total net position, beginning	<u>1,830,004</u>	<u>13,188</u>	<u>1,843,192</u>
Total net position, ending	<u>\$ 2,322,226</u>	<u>\$ (7,282)</u>	<u>\$ 2,314,944</u>

Town of Carrboro, North Carolina
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023

Exhibit 8

	Major Enterprise Funds	Nonmajor Fund	
	Stormwater Utility Enterprise Fund	Parking Enterprise Fund	Total Enterprise Funds
Cash flows from operating activities:			
Cash received from customers	\$ 995,145	\$ -	\$ 995,145
Cash paid for goods and services	(186,291)	(148,369)	(334,660)
Cash paid to or on behalf of employees for services	(315,846)	-	(315,846)
Net cash provided (used) by operating activities	<u>493,008</u>	<u>(148,369)</u>	<u>344,639</u>
Cash flows from noncapital financing activities:			
Operating subsidies from other funds	-	90,000	90,000
Contributions from discretely presented component unit	-	45,000	45,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>135,000</u>	<u>135,000</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(87,204)	-	(87,204)
Net cash provided (used) by capital and related financing activities	<u>(87,204)</u>	<u>-</u>	<u>(87,204)</u>
Cash flows from investing activities:			
Investment earnings	45,989	140	46,129
Net cash provided by investing activities	<u>45,989</u>	<u>140</u>	<u>46,129</u>
Net increase (decrease) in cash and cash equivalents	451,793	(13,229)	438,564
Cash and cash equivalents, beginning	1,578,384	13,229	1,591,613
Cash and cash equivalents, ending	<u>\$ 2,030,177</u>	<u>\$ -</u>	<u>\$ 2,030,177</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 403,848	\$ (155,610)	\$ 248,238
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	60,250	-	60,250
Change in assets, deferred outflows of resources, and liabilities:			
Increase in accounts receivable	(6,935)	-	(6,935)
Increase in accounts payable and accrued liabilities	26,429	7,241	33,670
Increase in accrued vacation pay	4,046	-	4,046
Increase in deferred outflows of resources for pensions	(29,714)	-	(29,714)
Decrease in deferred inflows of resources for pensions	(49,755)	-	(49,755)
Increase in deferred outflows of resources for OPEB	9,559	-	9,559
Increase in deferred inflows of resources for OPEB	32,016	-	32,016
Increase in net pension liability	93,838	-	93,838
Decrease in total OPEB liability	(50,574)	-	(50,574)
Net cash provided (used) by operating activities	<u>\$ 493,008</u>	<u>\$ (148,369)</u>	<u>\$ 344,639</u>
Noncash investing, capital and financing activities:			
During the year ended June 30, 2023, the Stormwater Utility Enterprise Fund received a vehicle transferred from the Capital Projects Fund	<u>\$ 42,385</u>	<u>\$ -</u>	<u>\$ 42,385</u>

See accompanying notes.