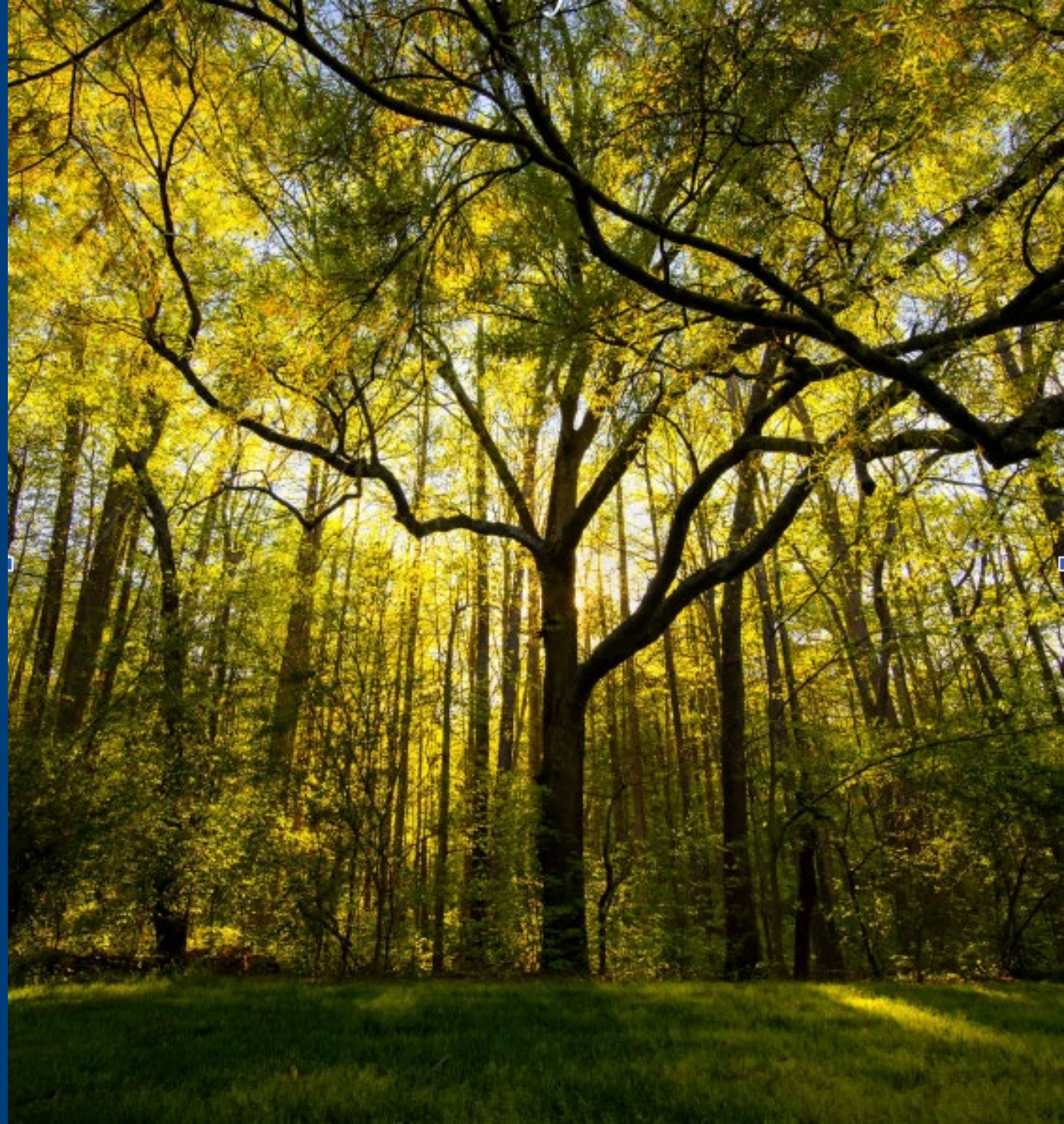


# Cary 101: Finance and Budgeting

April 19, 2023



# What We Do

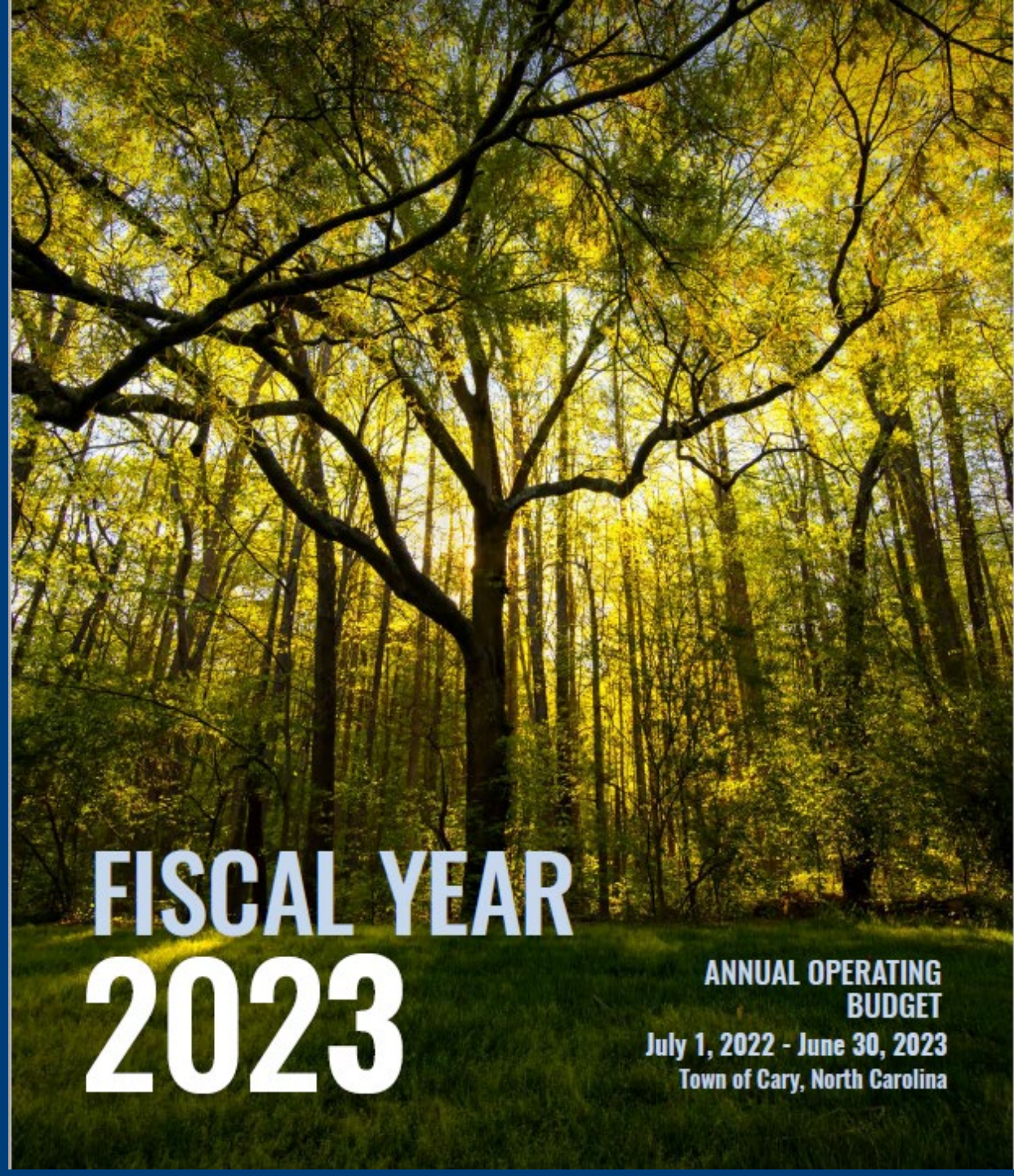


- **Financial Strategy**
  - Budgeting
  - Financial Forecasting
- **Financial Execution**
  - Cash & Investments
  - Revenue Billing & Collection
  - Procurement & Contracts
  - Debt Management
  - Accounting & Reporting
  - Risk Management

# What is the Budget?

It's a policy document, a spending plan, a communications tool, and more!

- Operating budget
  - July 1 – June 30
  - Supports general operations
  - Property and Sales tax revenue are primary support
- Capital budget and plan
  - First year is adopted
  - Following 20 years are planning only
  - Infrastructure development and maintenance
  - Debt management



**FISCAL YEAR**  
**2023**

**ANNUAL OPERATING  
BUDGET**  
July 1, 2022 - June 30, 2023  
Town of Cary, North Carolina

# It's More Than Dollars and Cents!

- Required by state statute
- Matches money to Council goals and initiatives
- Sets priorities for resource allocation
- Defines levels of service
- Promotes efficiency & effectiveness
- Achieves credibility through accountability



Share  
With Us!



Town of Cary, NC

December 12, 2022 · 🌐



Citizens and businesses are encouraged to share their budget priorities with the Town at any point in the year, and we'll share with Town Council through quarterly reporting. Cary's budget runs from July 1-June 30. Share your priorities using [#TOCBudget](https://twitter.com/TOCBudget) | [townofcary.org/budget](https://townofcary.org/budget)

SHARE YOUR PRIORITIES!

**PROVIDE YOUR  
BUDGET INPUT**



[townofcary.org/budget](https://townofcary.org/budget)

**CARY**



# FY 2023 Overview



**FISCAL YEAR  
2023**

**RECOMMENDED ANNUAL  
OPERATING BUDGET**  
July 1, 2022 - June 30, 2023  
Town of Cary, North Carolina

# BUDGET SNAPSHOT

TOTAL BUDGET  
**\$443.6M**

OPERATING BUDGET  
**\$324M**

CAPITAL BUDGET  
**\$119.6M**

PROPERTY TAX RATE

**34.5¢ / \$100**

UNCHANGED

UTILITY RATE

**3%**

INCREASE

SOLID WASTE &  
RECYCLING FEES

**\$22**

\$1.50 INCREASE



**How much money  
is generated by  
one penny on the  
tax rate?**



How much money  
is generated by  
one penny on the  
tax rate?

**\$3.4 Million**

## BUDGET FOCUSES ON



**MAINTAINING  
AND EXPANDING  
SERVICES**



**FUNDING  
PRIORITY AREAS  
LIKE HOUSING,  
STORMWATER AND  
THE ENVIRONMENT**



**BRINGING THE  
NEW DOWNTOWN  
PARK ONLINE**



**SUPPORTING  
STAFFING AND  
VEHICLE NEEDS  
WITHIN POLICE  
OPERATIONS**



**RETAINING OUR  
EMPLOYEES**

# Maintains Services



# Maintains Infrastructure





# Sidewalk Improvements

# Water and Sewer Line Repair and Replacement





## Aerial Ladder Truck Replacement



**SHAPING  
CARY'S  
TOMORROW**

2019 BOND REFERENDUM

- \$26.1 Million
  - \$19.1 Million Transportation
  - \$ 5.4 Million Parks
- 14 Projects

**Moves  
Forward**



# Interchange Enhancements

# Pedestrian Improvements





# Intersection Improvements

**Cary Parkway Sidewalk and  
Greenway at Black Creek**



Better transit.  
**IT'S A GO**  
CARY



- \$17.4 million for construction
- 100% funded with Wake County Transit Plan dollars

## Downtown Cary Multi-Modal Transit Facility

# Execution

- Collecting Revenue
- Spend Management
- Cash Management
- Debt Management
- Risk Management
- Reporting



ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
FISCAL YEAR ENDING JUNE 30, 2023





# Revenue Collection

- Taxes
  - Wake County Revenue Department
- Fees for Service
  - Parks & Permits
- Utility Services
  - DigiPay
  - Aquastar

# 24/7 Access to DigiPay



DigiPay & Aquastar



## Make One-Time Payment

Pay your bill in three easy steps without registering. All you need is your account number from your paper bill.

Payments made prior to midnight will be posted to your account next day. Payments made after midnight will be posted within 48 hours. For each payment, you will receive a confirmation number for your records.

Pay Now



## Login

### Email

someone@example.com

### Password

Password

Don't have an account [Register Now](#)

Login

[Forgot your password?](#)

Aquastar allows you to view up to 18 months of your water consumption data.

### Get Started

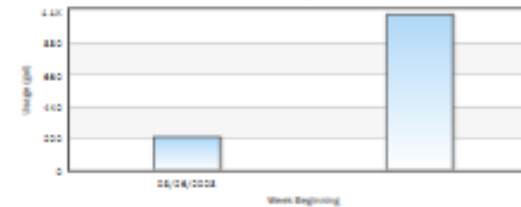
Hover your mouse over the bars in the graphs to see your consumption in gallons or select one of the bars to get more information about your usage for that period. Need more help? Check out our [how to guide for using Aquastar](#).

# 24/7 Access to Aquastar

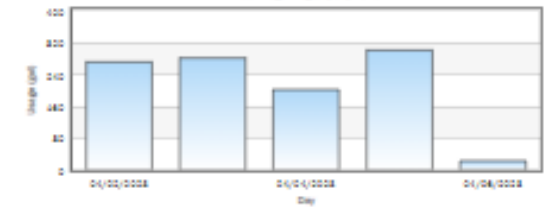
Water Usage by Month



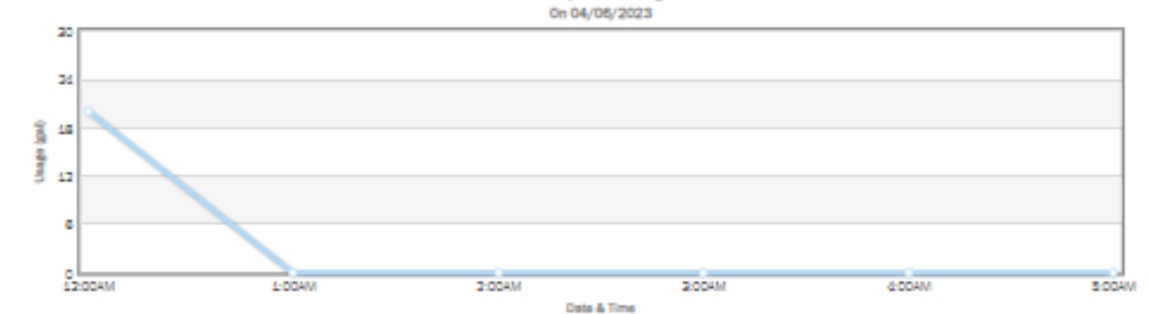
Water Usage by Week



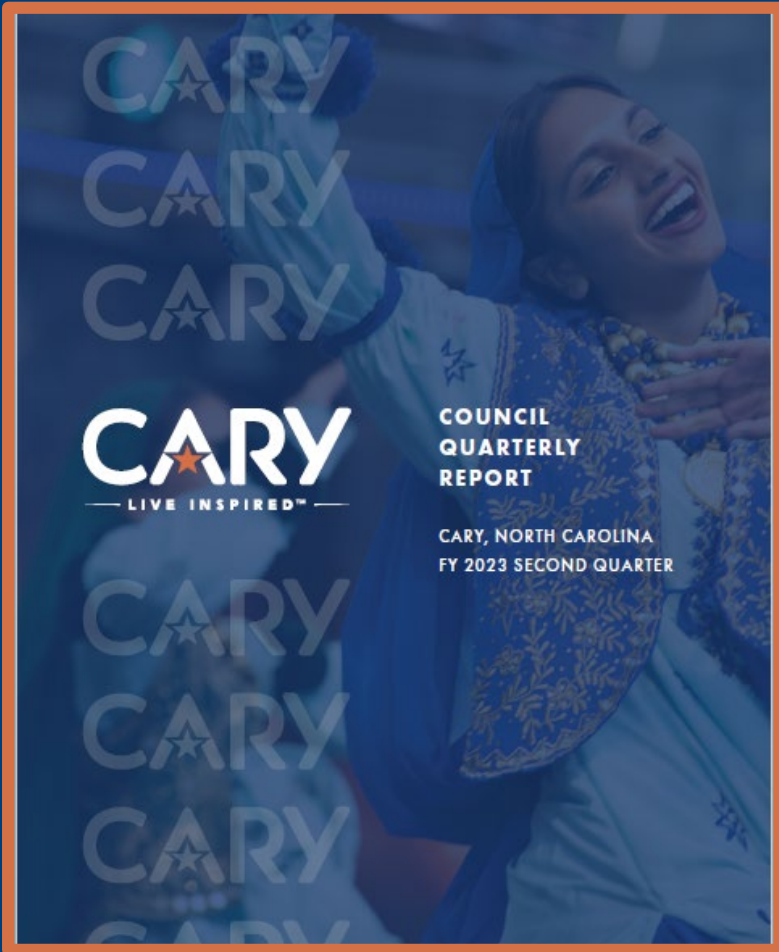
Water Usage by Day



Hourly Water Usage



# Spend Management



**FINANCIAL HIGHLIGHTS** FY 2023 Q2

**FY 2023 Q2 GENERAL FUND EXPENDITURES**

	FY 2023 YTD ADJ BUDGET	FY 2023 YTD ACTUAL	% OF BUDGET	FY 2022 YTD ACTUAL	FY 2022 VARIANCE	VARIANCE %
GENERAL GOVERNMENT	\$ 54.6	\$ 22.0	40%	\$ 17.8	\$ 4.2	24%
PUBLIC SAFETY	68.0	30.6	45%	25.9	4.7	18%
OPERATIONS (PW & PRCR)	64.6	25.9	40%	22.5	3.4	15%
DEVELOPMENT & INFRASTRUCTURE	20.8	7.6	37%	6.9	0.7	10%
<b>OPERATING EXPENDITURES</b>	<b>208.0</b>	<b>86.1</b>	<b>41%</b>	<b>73.1</b>	<b>13.0</b>	<b>18%</b>
NONOPERATING	63.4	43.8	69%	28.6	15.2	53%
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 271.4</b>	<b>\$ 129.9</b>	<b>48%</b>	<b>\$ 101.7</b>	<b>\$ 28.2</b>	<b>28%</b>

General Fund expenditures increased by 28% compared with last year's Q2 results. Operating and nonoperating expenditures are up from the prior year, 18% and 53%, respectively. Operating expenditure increases are largely driven by the return to normal spending post-pandemic. The increase in nonoperating expenditures results from increased debt service and payments and transfers to other funds.

Encumbrances represent funds that have been reserved in Cary's financial system to satisfy a commitment to make a purchase. The following table shows the total outstanding encumbrances in the financial system that remain at the end of Q2. When including these encumbrance amounts with year-to-date spending, the General Fund has nearly \$107 million of budgeted funds available for the remainder of the fiscal year.

**GENERAL FUND OPERATIONS - FY 2023 REMAINING ENCUMBRANCES (Q2)**

GENERAL GOVERNMENT	\$ 13,240,032
PUBLIC SAFETY	4,694,608
OPERATIONS (PW & PRCR)	13,133,226
DEVELOPMENT & INFRASTRUCTURE	1,469,652
DEBT SERVICE	77,110
CONTINGENCIES & RESERVES	1,904,295
<b>TOTAL ENCUMBRANCES</b>	<b>\$ 34,518,923</b>

**FINANCIAL HIGHLIGHTS** FY 2023 Q2

**FY 2023 Q2 UTILITY FUND SUMMARY**

	FY 2023 YTD ADJ BUDGET	FY 2023 YTD ACTUAL	% OF BUDGET	FY 2022 YTD ACTUAL	FY 2022 VARIANCE	VARIANCE %
REVENUES	\$ 103.2	\$ 41.9	41%	\$ 39.5	\$ 2.4	6%
EXPENDITURES	103.2	51.9	50%	48.5	3.4	7%
<b>TOTAL REVENUE OVER/(UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ (10.0)</b>	<b>-</b>	<b>\$ (9.0)</b>	<b>\$ (1.0)</b>	<b>-11%</b>

\* The above table is in millions. Revenues, authorized expenditures, and transfers between funds are classified and summarized differently for the Council budget ordinance and for accounting and reporting purposes. Individual line items are consistent. The council budgets referred to throughout this report reflect the budget as of the quarter and as adjusted (AQ) by Council action or staff action where authorized.

Utility Fund net results through Q2 declined by 11% compared with FY 2022 due to an increase in operating expenditures.

- Payroll for employees
- Procurement
  - Supplies & Equipment
  - Construction
  - Contracts
- Accounts Payable
  - P Cards
  - Checks

# Debt Management

- **Three types of debt**
  - GO - General Obligation
  - LOBs - Limited Obligation
  - Revenue Bonds
- **State approval required**
  - Referendum
  - Debt sales
- **Credit ratings**





# Reporting

- Quarterly Reports and Meetings
- Annual Comprehensive Financial Report



**COUNCIL  
QUARTERLY  
REPORT**

**CARY, NORTH CAROLINA  
FY 2023 FIRST QUARTER**

# Quarterly Reporting

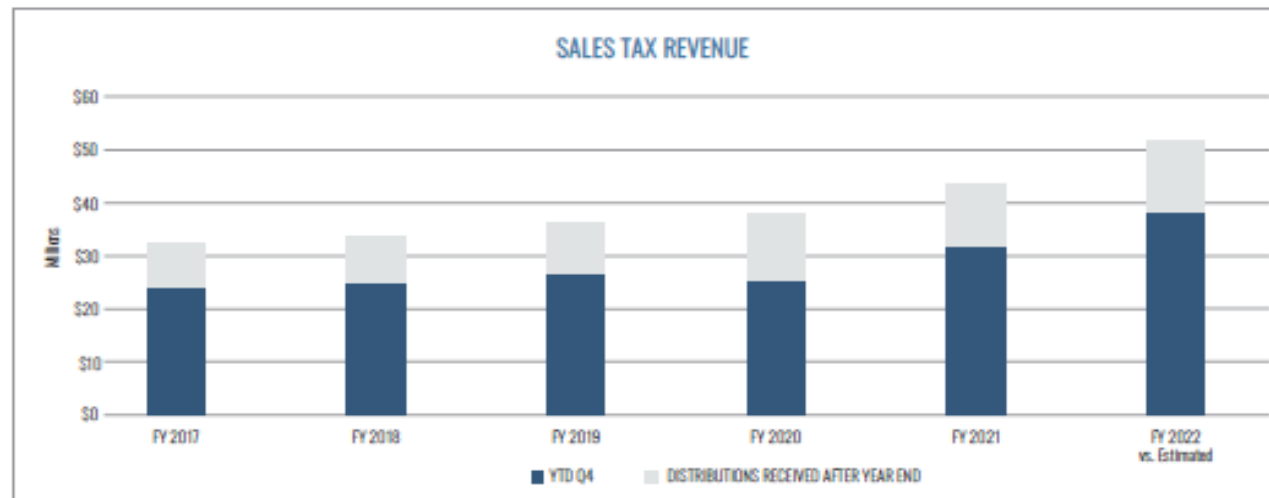
- Financial results through quarter-end
- Discusses quarter accomplishments and emerging opportunities (financial or otherwise)

# Financial Highlights

Summary of revenue and expenditure activity through the quarter

Sales Tax revenue is 18% of total budgeted revenue and is the second largest revenue source for the General Fund. This revenue through Q4 is \$6.5 million, or 21%, more than Q4 of FY 2021. Sales tax is distributed to municipalities by the N.C. Department of Revenue about two and a half months after the month when taxable sales occurred. Cary received nine distributions for July through March sales, and these have outpaced the prior year's Q4 results despite the effects of the COVID-19 pandemic.

Current sales tax projections suggest this revenue will end the fiscal year at \$51.9 million, which would be a 19% increase over the FY 2022 budget. When Council adopted the FY 2022 budget, a significant amount of uncertainty remained related to the long-term economic impacts of the pandemic. FY 2021 had significantly outperformed expectations, but many believed this growth was tied to economic factors related to the pandemic such as additional federal unemployment benefits and economic stimulus. Instead, significant growth has continued and is anticipated to continue in FY 2023 based on a strong local economy and Cary's continued development activity.





# Annual Reporting

- Financial results through year-end
- Discusses accomplishments and ending financial position

## FISCAL YEAR 2022

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

July 1, 2021 – June 30, 2022

**TOWN of CARY**

NORTH CAROLINA

Want to Learn More?


Recreation & Enjoyment   Services & Publications   Projects & Initiatives   Business & Development   Mayor & Council   **Connect & Engage**

Calendar  
Email & Text Alerts  
Get Help  
Getting to Town Hall  
Giving  
+ Jobs & Employees  
+ Newsroom  
- Town Departments & Offices  
  Staff Directory  
  Town Holidays  
  311  
- **Finance**  
  Staff Contacts  
  Fire Department  
  + Human Resources Department  
  + Inspections & Permits  
  + Marketing & Information Technology  
  + Parks, Recreation & Cultural Resources  
  + Planning and Development Services  
  Police Department  
  + Public Works  
  + Town Clerk's Office  
  + Town Manager's Office  
  + Transportation and Capital Planning & Facilities

[Connect & Engage > Town Departments & Offices >](#)

## FINANCE

Font Size: + -   + Share & Bookmark   Feedback   Print




**CONTACT US:**  
Call: Dial 3-1-1 inside Cary or (919) 469-4000 outside Town limits. Phone lines are open from 7 a.m. -7 p.m.  
Email: [311@carync.gov](mailto:311@carync.gov)  
Visit: [services.townofcary.org](http://services.townofcary.org)

**LOCATION:**  
[316 N. Academy Street](#)  
Cary, NC 27513

**HOURS:**  
8:30 a.m. to 5 p.m. Monday through Friday, except on [Town holidays](#).

Oops! Something went wrong when trying to fetch the Twitter feed. Please refresh the page or report the issue to the site administrator.  
[More Tweets >](#)



Pay Your Utility Bill   **Financial Reports & Budgets**  
Doing Business with the Town   Bond Sale Information