

TOWN OF CARY, NORTH CAROLINA  
**UTILITY SYSTEM OPERATIONS SUB-FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS**  
**BUDGET AND ACTUAL (NON-GAAP)**  
*For the Year Ended June 30, 2006*  
*With Comparative Totals For the Year Ended June 30, 2005*

## Schedule 10

	2006			2005
	Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Operating Revenues				
Charges for Services				
Water	\$17,946,032	18,937,272	991,240	16,555,711
Sewer	17,651,801	17,955,104	303,303	14,895,238
<b>TOTAL CHARGES FOR SERVICES</b>	<b>35,597,833</b>	<b>36,892,376</b>	<b>1,294,543</b>	<b>31,450,949</b>
Other Operating Revenues				
Connection Fees	312,761	548,700	235,939	315,205
Inspection Fees	356,972	1,086,455	729,483	369,220
Reconnection Fees	40,491	61,394	20,903	46,014
Pretreatment Program Fees	145,000	143,305	(1,695)	106,653
Miscellaneous Revenues	185,066	200,954	15,888	187,944
<b>TOTAL OTHER OPERATING REVENUES</b>	<b>1,040,290</b>	<b>2,040,808</b>	<b>1,000,518</b>	<b>1,025,036</b>
<b>TOTAL OPERATING REVENUES</b>	<b>36,638,123</b>	<b>38,933,184</b>	<b>2,295,061</b>	<b>32,475,985</b>
<b>NON-OPERATING REVENUES</b>				
Investment Earnings	749,983	1,526,185	776,202	1,019,707
Market Adjustment	---	(106,536)	(106,536)	(114,941)
Investment Earnings, net	749,983	1,419,649	669,666	904,766
<b>TOTAL REVENUES</b>	<b>37,388,106</b>	<b>40,352,833</b>	<b>2,964,727</b>	<b>33,380,751</b>
<b>EXPENDITURES</b>				
<b>ADMINISTRATIVE</b>				
Utility Administration				
Personnel Services	678,181	664,090	14,091	591,942
Operations & Maintenance	122,217	95,152	27,065	111,110
<b>TOTAL</b>	<b>800,398</b>	<b>759,242</b>	<b>41,156</b>	<b>703,052</b>
Customer Accounting				
Personnel Services	1,111,898	1,052,670	59,228	959,128
Operations & Maintenance	380,670	332,732	47,938	259,928
Capital Outlays	47,779	33,562	14,217	---
<b>TOTAL</b>	<b>1,540,347</b>	<b>1,418,964</b>	<b>121,383</b>	<b>1,219,056</b>
Administrative costs paid to General Fund	1,620,531	1,620,531	---	1,573,208
<b>TOTAL ADMINISTRATIVE</b>	<b>3,961,276</b>	<b>3,798,737</b>	<b>162,539</b>	<b>3,495,316</b>

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<b>WATER CONSERVATION</b>				
Personnel Services	\$220,033	159,566	60,467	231,801
Operations & Maintenance	82,898	53,364	29,534	25,058
Capital Outlays	19,000	13,457	5,543	---
<b>TOTAL WATER CONSERVATION</b>	<b>321,931</b>	<b>226,387</b>	<b>95,544</b>	<b>256,859</b>
<b>PRETREATMENT</b>				
Personnel Services	241,908	231,714	10,194	214,697
Operations & Maintenance	100,211	27,212	72,999	12,930
Capital Outlays	20,900	13,207	7,693	---
<b>TOTAL PRETREATMENT</b>	<b>363,019</b>	<b>272,133</b>	<b>90,886</b>	<b>227,627</b>
<b>FIELD OPERATIONS</b>				
Water Distribution and Sewage Collection				
Personnel Services	3,332,364	3,262,679	69,685	2,882,221
Operations & Maintenance	1,173,678	1,027,933	145,745	993,833
Capital Outlays	578,638	355,169	223,469	377,773
<b>TOTAL FIELD OPERATIONS</b>	<b>5,084,680</b>	<b>4,645,781</b>	<b>438,899</b>	<b>4,253,827</b>
<b>UTILITY SYSTEMS MAINTENANCE</b>				
Water and Sewer Pumping				
Personnel Services	1,026,401	911,474	114,927	841,131
Operations & Maintenance	872,468	778,384	94,084	682,499
Capital Outlays	153,780	179,042	(25,262)	---
<b>TOTAL UTILITY SYSTEMS MAINTENANCE</b>	<b>2,052,649</b>	<b>1,868,900</b>	<b>183,749</b>	<b>1,523,630</b>
<b>WATER RECLAMATION FACILITIES</b>				
North Cary Water Reclamation Facility				
Personnel Services	1,096,985	1,082,407	14,578	1,025,059
Operations & Maintenance	4,353,267	3,586,318	766,949	2,346,584
Capital Outlays	13,500	17,210	(3,710)	14,812
<b>TOTAL</b>	<b>5,463,752</b>	<b>4,685,935</b>	<b>777,817</b>	<b>3,386,455</b>
South Cary Water Reclamation Facility				
Personnel Services	1,316,932	1,259,044	57,888	1,021,285
Operations & Maintenance	1,684,120	1,514,205	169,915	1,422,965
Capital Outlays	18,000	30,203	(12,203)	6,161
<b>TOTAL</b>	<b>3,019,052</b>	<b>2,803,452</b>	<b>215,600</b>	<b>2,450,411</b>
<b>TOTAL WATER RECLAMATION FACILITIES</b>	<b>8,482,804</b>	<b>7,489,387</b>	<b>993,417</b>	<b>5,836,866</b>

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<b>WATER TREATMENT PLANT</b>				
Personnel Services	\$1,486,016	1,453,298	32,718	1,385,203
Operations & Maintenance	3,019,251	3,049,018	(29,767)	3,398,601
Capital Outlays	---	---	---	30,064
Reimbursement from Apex	(912,002)	(876,090)	(35,912)	(734,539)
<b>TOTAL WATER TREATMENT PLANT</b>	<b>3,593,265</b>	<b>3,626,226</b>	<b>(32,961)</b>	<b>4,079,329</b>
<b>DEBT SERVICE</b>				
Long-term Debt Principal Payment	6,650,301	6,096,084	554,217	5,638,233
Interest Expense	5,862,450	4,569,096	1,293,354	4,711,224
<b>TOTAL CARY DEBT SERVICE</b>	<b>12,512,751</b>	<b>10,665,180</b>	<b>1,847,571</b>	<b>10,349,457</b>
Morrisville Debt Payment	339,775	339,775	---	---
<b>TOTAL DEBT SERVICE</b>	<b>12,852,526</b>	<b>11,004,955</b>	<b>1,847,571</b>	<b>10,349,457</b>
<b>REVERSION</b>	<b>(89,438)</b>	<b>---</b>	<b>(89,438)</b>	<b>---</b>
<b>TOTAL EXPENDITURES</b>	<b>36,622,712</b>	<b>32,932,506</b>	<b>3,690,206</b>	<b>30,022,911</b>
Revenues Over Expenditures	765,394	7,420,327	6,654,933	3,357,840
<b>OTHER REVENUES (EXPENDITURES)</b>				
Transfers Out, net				
Transfer to General Fund, net	(149,932)	(149,932)	---	---
Transfer to Water Project Sub-Fund	(868,539)	(868,539)	---	(900,000)
Bond Issuance Costs & Expenses	(800,000)	(8,002)	791,998	(66,653)
Bond Proceeds	700,000	---	(700,000)	---
Proceeds from Sale of Assets	20,000	7,771	(12,229)	9,764
Miscellaneous Revenues	31,330	20,231	(11,099)	16,780
Appropriation from Fund Balance	301,747	---	(301,747)	---
<b>TOTAL OTHER EXPENDITURES</b>	<b>(765,394)</b>	<b>(998,471)</b>	<b>(233,077)</b>	<b>(940,109)</b>
Revenues Over Expenditures (Including Other Expenditures), Before Special Item	\$ ---	6,421,856	6,421,856	2,417,731
<b>SPECIAL ITEM - Morrisville Merger</b>		<b>4,381,668</b>		<b>---</b>
Revenues Over Expenditures (Including Other Expenditures)		<b>10,803,524</b>		<b>2,417,731</b>

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<b>ADJUSTMENT TO ACCRUAL BASIS</b>				
Add (Deduct)				
Capital Outlays		\$643,459		421,895
Decrease in Compensated Absences Liability		(80,604)		(29,314)
Loss on Disposal of Assets		---		(101,706)
Long-term Debt Principal Payment		6,096,084		5,638,233
Morrisville Debt Payment		339,775		---
Morrisville Jordan Capacity Payment		22,295		---
Bond Premium Amortization		10,115		10,115
Bond Discount Amortization		(4,048)		(4,048)
Deferred Bond Issue Costs		(66,775)		(88,637)
Deferred Loss on Refunding		(65,218)		(65,218)
Capitalized Interest		949,059		707,381
(Increase) Decrease Debt Interest Payable		(153,727)		181,694
Depreciation		(7,551,849)		(6,882,865)
Sewer Capacity Charges		(454,690)		(827,198)
Fee Credit Adjustment		5,000		---
Contributed Assets		10,446,348		687,687
Jordan Capacity Liability Payment		100,264		97,132
Internal Service Funds Internal (Profit)Loss		309,936		205,999
Construction-in-Progress write-off		---		(9,582)
Water Contract Payment		---		675,000
Miscellaneous		---		374
Total Adjustments before Special Item		10,545,424		616,942
SPECIAL ITEM - Morrisville Merger		34,999,037		---
Total Accrual Adjustment		45,544,461		616,942
CHANGE IN NET ASSETS		56,347,985		3,034,673
NET ASSETS - Beginning of Year		180,207,000		173,529,420
Reclassification Between Utility Sub-Funds		28,846,163		3,642,907
NET ASSETS - End of Year		\$265,401,148		180,207,000