

TOWN OF CARY, NORTH CAROLINA
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2015

EXHIBIT F

Amounts reported for governmental activities in the Statement of Activities are different because:

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$5,224,488
Governmental funds report capital outlays and construction in progress as expenditures. In the Statement of Activities the cost of those assets is allocated over their estimated useful lives (through depreciation, see below) and should be added back.	12,011,425
As stated above, In the Statement of Activities the cost of assets is allocated over their estimated useful lives and reported as depreciation expense. This amount does not include depreciation related to the internal service funds of approximately \$74 thousand (see separate item below for combined internal service fund activity).	(24,916,780)
Donated general infrastructure and other capital contributions related to developer agreements do not effect the Governmental Funds, but should be included as a revenue on the Statement of Activities.	31,085,008
Certain proceeds from the sale of assets that affect Governmental Funds do not constitute a gain on the Statement of Activities and certain book losses that are not included in the Governmental Funds should be reported on the Statement of Activities. This is a net amount.	(76,504)
Certain revenues are not included in the Governmental Funds since they do not provide current financial resources. These need to be recognized and included in the Statement of Activities.	425,332
The repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds, but does not have an effect on the Statement of Activities and should be added back.	10,417,755
Contracts for long-term capital lease obligations are included as current financial resources in the Governmental Funds, but should be removed since they are included as a long-term liability on the Statement of Net Position.	(765,816)
Only a portion of other post employment benefits is included as an expenditure in the Governmental Funds. Additional expenses, which have been incurred should be included in the Statement of Activities. This includes approximately \$60 thousand related to Internal Service Funds.	(5,929,431)
Only a the portion of pension expense (Local Government & Law Enforcement Separation Allowance) related to actual payments is reported in the Governmental Funds. Additional expense activity (including credits) should be included in the Statement of Activities. This includes approximately \$39 thousand of expense credit related to Internal Service funds.	3,592,298
Certain other operational expense adjustments are not related to expenditures in the Governmental Funds, but should be included in the Statement of Activities. This includes approximately \$1.8 million related to payments on capital leases and long-term commitments that are not considered expenses on the Statement of Activities.	2,241,300
Debt interest expense and annual amortization of the deferred charge on debt refinancings (deferred outflow) are not reported in the Governmental Funds, but need to be included on the Statement of Activities.	283,198
The remaining net expense of activities in the internal service funds for fleet and health insurance services, not included above, that relate to governmental activities (based on participation) are not reported in the Governmental Funds, but need to be included in the Statement of Activities.	408,186
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$34,000,459</u></u>

The accompanying notes are an integral part of these basic financial statements.