

TOWN OF CARY, NORTH CAROLINA  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2015

EXHIBIT M

	Utility Systems Enterprise Fund	Governmental Activities - Internal Service Funds
<b>OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$66,788,237	17,947,089
Cash Paid for Goods and Services	(18,420,197)	(436,802)
Cash Paid To or On Behalf of Employees for Services	(17,313,666)	(792,222)
Cash Paid for Health and Dental Insurance Claims	---	(15,562,517)
Other Operating Revenues Received	724,934	---
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>31,779,308</b>	<b>1,155,548</b>
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>		
Receipt of Federal Grant	851,345	---
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds Received from Sale of Debt	41,040,032	---
Bond Issuance Costs & Debt Service Fees Paid	(559,751)	---
Principal Payments on Long-term Debt, net of partner reimbursement	(10,609,664)	---
Interest Paid on Long-term Debt, net of partner reimbursement	(10,372,210)	---
Reimbursement to General Fund & Capital Project Fund for Open Space	(918,229)	---
Morrisville Debt and Capacity Liability Payment	(160,425)	---
Water & Sewer Development Fees Received	10,749,949	---
Acquisition and Construction of Capital Assets	(49,140,219)	---
Proceeds Received from Sale of Assets	41,123	4,276
<b>NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(19,929,394)</b>	<b>4,276</b>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		
Investment Earnings Received	1,411,212	2,718
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>14,112,471</b>	<b>1,162,542</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>210,877,080</b>	<b>6,700,449</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$224,989,551</b>	<b>7,862,991</b>

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For the Year Ended June 30, 2015

EXHIBIT M

	Utility Systems Enterprise Fund	Governmental Activities - Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH</b>		
<b>PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$11,671,297	557,303
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used In) Operating Activities		
Depreciation	14,386,036	74,382
Pension Expense	(809,383)	(38,699)
Changes in Assets and Liabilities -		
(Increase) Decrease in Accounts Receivable	(828,282)	36,747
Decrease in Inventory	---	95,196
Increase in Accounts Payable and Accrued Liabilities	1,881,353	60,551
Increase in Compensated Absences Liability	93,472	7,892
Increase in Miscellaneous Liability	179,999	302,347
Increase in Deposits	149,118	---
Increase in Advance from Customers	57,496	---
Decrease in Unearned Revenue	(851,345)	---
Adjustment for Unfunded Other Post Employment Benefits	1,251,327	59,829
Adjustment for Construction in Progress Write-off	3,873,286	---
Miscellaneous Revenue	724,934	---
<b>TOTAL ADJUSTMENTS</b>	<b>20,108,011</b>	<b>598,245</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$31,779,308</b>	<b>1,155,548</b>
<b>NONCASH TRANSACTIONS</b>		
Contributed Capital Assets	(\$11,479,215)	---
Developer Fee Write-offs	(672,721)	---
Capitalized Interest	(4,331,988)	---
Loss from Assets Retired	208,113	---
Deferred Loss on Refunding Amortization	626,011	---
Amortization of Deferred Premium & Discount	(1,081,998)	---
Effect of prior year adjustment for change in accounting principal related to pensions (Pension asset & Deferred Outflow)	1,903,398	91,005
Net Change in Net Position from Noncash Transactions	14,828,400	(91,005)
<b>NET EFFECT OF NONCASH TRANSACTIONS</b>	<b>\$ ---</b>	<b>---</b>

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