

TOWN OF CARY, NORTH CAROLINA  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2015

1. General

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and state financial award programs of the Town of Cary, North Carolina. The Town of Cary reporting entity is defined in the notes to the Town's basic financial statements. All federal and state financial awards received directly from federal and state agencies as well as federal financial awards passed through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting, which is described in the notes to the Town's basic financial statements. Expenditures are related to awarded grants. Due to availability clauses for modified accrual, certain revenues may only be recorded for full accrual purposes in the entity-wide financial statements.

3. Relationship to Basic Financial Statements

- a) State award revenues for Powell Bill of \$3,726,916 are reported in the Town's basic financial statements in the Capital Project Funds. At June 30, 2015, \$13,650,546 of unexpended Powell Bill Funds is included in the Capital Project Fund's fund balance as Reserved for Streets-Powell Bill. The activity in this account for the year ended June 30, 2015 is as follows:

|   |                     |
|---|---------------------|
| Balance of unexpended Powell Bill<br>Funds at June 30, 2014 | \$14,050,949        |
| Revenues received   | 3,726,916           |
| Interest earned on unexpended Powell<br>Bill funds          | 75,000              |
| Expenditures (including adjustments)                        | 4,202,319           |
| Balance of unexpended Powell Bill<br>funds at June 30, 2015 | <u>\$13,650,546</u> |

- b) Federal and State financial assistance revenues and expenditures are reported in the Town's basic financial statements. The following lists funds related to each award:

| Grant Title  | Entity-Wide Function          | Fund                 |
|--|-------------------------------|----------------------|
| US National Endowment for the Arts North Carolina Arts Council Program Grant | Parks, Recreation and Culture | General              |
| High Intensity Drug Trafficking Area Grant                                   | Public Safety                 | General              |
| Community Development Block Grant  | Development                   | CDBG Special Revenue |

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| Grant Title   | Entity-Wide Function          | Fund             |
|---|-------------------------------|------------------|
| Office of Chief Financial Officer Congressionally Mandated Reclaimed Water Infrastructure Project | Infrastructure                | Capital Projects |
| Climate Showcase Communities Grant  | General Government            | Capital Projects |
| US Department of Justice Justice Assistance Grant   | Public Safety                 | General          |
| National Trails Program ATT Trailhead   | Parks, Recreation and Culture | Capital Projects |
| SAFETEA-LU New Hope Church Road Trailhead   | Parks, Recreation and Culture | Capital Projects |
| SAFETEA-LU Crabtree Creek Greenway  | Parks, Recreation and Culture | Capital Projects |
| Governor's Highway Safety Program DWI Enforcement   | Public Safety                 | General          |
| SAFETEA-LU Clean Fuel Advanced Technology Grant   | General Governmental          | Capital Projects |
| US Department of Transportation STP-DA Cary Parkway and High House Intersection                   | Infrastructure                | Capital Projects |
| US Department of Transportation STP-DA Green Level Road West                                      | Infrastructure                | Capital Projects |
| US Department of Transportation STP-DA Reedy Creek Road Widening                                  | Infrastructure                | Capital Projects |
| US Department of Transportation STP-DA Morrisville Parkway Extension                              | Infrastructure                | Capital Projects |
| US Department of Transportation STP-DA Old Reedy Creek Trailhead Study                            | Parks, Recreation and Culture | Capital Projects |
| US Department of Transportation STP-DA Expansion of ATMS Fiber Optic Infrastructure Network       | Infrastructure                | Capital Projects |
| US Department of Transportation STP-DA Hwy 55 Trail   | Parks, Recreation and Culture | Capital Projects |

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| Grant Title                          | Entity-Wide Function          | Fund                    |
|--------------------------------------|-------------------------------|-------------------------|
| Federal Transit Formula Grant        | Infrastructure                | Transit Special Revenue |
| NC Ecosystem Enhancement Program     | General Governmental          | Capital Projects        |
| Senior Center Development            | Parks, Recreation and Culture | General                 |
| State Maintenance Assistance Program | Infrastructure                | Transit Special Revenue |

4. Prior Year Expenditures

Where allowed by grant agreement, prior year expenditures that have not been previously tested may be included in the Schedule of Awards at June 30, 2015. Generally this occurs when grants are awarded after the related project or program has started incurring expenses and retroactive reimbursement is allowed per the funding agreement or when corrections are made due to previous year(s) omissions.