

**Annual  
Comprehensive  
Financial  
Report**

**ACFR**

*Fiscal Year ending  
June 30, 2022*



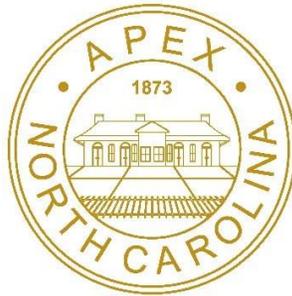
**APEX**  
NORTH CAROLINA



Prepared by the Town of Apex Finance Department

# ***ANNUAL COMPREHENSIVE FINANCIAL REPORT***

***Town of Apex, North Carolina  
For the Fiscal Year Ended June 30, 2022***



Prepared by the Town of Apex Finance Department

**Town of Apex, North Carolina  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2022**

**TABLE OF CONTENTS**

	<u><b>Pages</b></u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal.....	1
Elected Officials.....	7
Appointed and Administrative Staff.....	8
Organizational Chart.....	9
<b>FINANCIAL SECTION</b>	
Report of Independent Auditor .....	11
Management’s Discussion and Analysis.....	14
 <b><u>Exhibit</u></b>	
<b>BASIC FINANCIAL STATEMENTS</b>	
<u>Entity-Wide Financial Statements</u>	
1 Statement of Net Position.....	25
2 Statement of Activities.....	27
 <b><u>Exhibit</u></b>	
<u>Governmental Fund Financial Statements</u>	
3 Balance Sheet – Governmental Funds .....	28
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	29

**Exhibit**

4 Statement of Revenues, Expenditures and Changes in Fund Balance –  
Governmental Funds ..... 30

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balance of Governmental funds to the Statement of Activities..... 31

5 Statement of Revenues, Expenditures and Changes in Fund Balance –  
General Fund – Budget and Actual..... 32

Proprietary Fund Financial Statements

6 Statement of Net Position – Proprietary Funds ..... 34

7 Statement of Revenues, Expenses, and Changes in Fund Net Position –  
Proprietary Funds..... 35

8 Statement of Cash Flows – Proprietary Funds..... 36

9 Statement of Net Position - Fiduciary Fund..... 38

10 Statement of Changes in Net Position - Fiduciary Fund..... 39

Notes to the Financial Statements..... 40

Required Supplementary Information

Schedule of Changes in the Net OPEB Liability and Related Ratios..... 79

Schedule of Investment Returns & OPEB Trust Plan..... 80

Local Government Employees Retirement System Required Supplementary Information -  
Proportionate Share of Net Pension Liability (Asset)..... 81

Local Government Employees Retirement System Required Supplementary Information -  
Schedule of Employer Contributions..... 82

Law Enforcement Officers’ Special Separation Allowance Required Supplementary  
Information - Schedule of Changes in Total Pension Liability..... 83

Law Enforcement Officers’ Special Separation Allowance Required Supplementary  
Information - Schedule of Total Pension Liability..... 84

## Combining and Individual Fund Statements and Schedules

### Statement / Schedule

1	General Fund - Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	85
2	Fire Capital Reserve Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual .....	91
3	Police – State Funds – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	92
4	Police – Federal Funds – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	93
5	Police Donations Fund – Schedule of Revenues, Expenditures and Changes in Fund Balanced – Budget and Actual.....	94
6	Fire Donations Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	95
7	EMS Donations Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	96
8	Law Enforcement Special Separation Allowance Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	97
9	Affordable Housing Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	98
10	Capital Project Fund – Parks and Recreation Projects Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	99
11	Nonmajor Governmental Funds - Combining Balance Sheet.....	101
12	Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	103

### Capital Project Funds

13	Recreation Capital Reserve Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual .....	105
14	Transportation Capital Reserve Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	106
15	General Capital Reserve Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual.....	107
16	Transportation Capital Project Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	109
17	American Rescue Plan 2021 – Federal – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual.....	113
18	Perry Library Fund – Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual.....	114

### Permanent Fund

19	Permanent Fund – Cemetery Fund -Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP).....	115
----	---	-----

Enterprise Funds

20	Electric Operations – Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP) .....	116
21	Electric Capital Project - Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP) .....	118
22	Water and Sewer Fund – Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP) .....	119
23	Water/Sewer Capital Project Fund - Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP) .....	122
24	Wastewater Treatment Plant Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (NON-GAAP) .....	126
25	Water/Sewer Capital Reserve Fund - Schedule of Revenues, Expenditures – and Changes in Fund Balance - Budget and Actual (NON-GAAP) .....	127
26	System Development Fee Capital Reserve Fund - Schedule of Revenues, Expenditures – and Changes in Fund Balance - Budget and Actual (NON-GAAP) .....	128

Internal Service Fund

27	Health and Dental Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Financial Plan and Actual (NON-GAAP) .....	129
----	---	-----

Supplemental Financial Data

28	General Fund - Schedule of Ad Valorem Taxes Receivable.....	130
29	Analysis of Current Tax Levy.....	131
30	General Obligation Debt Service Requirements and Maturity Schedule .....	132

**STATISTICAL SECTION (Unaudited)**

**Table**

1	Net Position by Component .....	134
2	Changes in Net Position.....	136
3	Governmental Activities Tax Revenues by Source .....	140
4	Fund Balances of Governmental Funds .....	141

**Table**

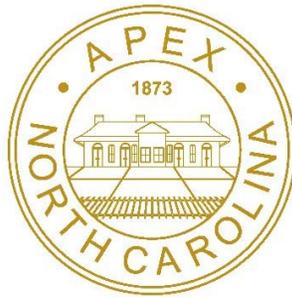
5	Changes in Fund Balances of Governmental Funds .....	142
6	Assessed Value and Estimated Actual Value of Taxable Property .....	143
7	Property Tax Rates - Direct and Overlapping Governments .....	144
8	Property Tax Levies and Collections .....	145
9	Principal Property Taxpayers .....	146
10	Principal Electric Ratepayers .....	147
11	Ratios of Outstanding Debt by Type .....	148
12	Ratios of General Bonded Debt Outstanding .....	149
13	Direct and Overlapping Governmental Activities Debt .....	150
14	Legal Debt Margin Information .....	151
15	Demographic and Economic Statistics.....	152
16	Principal Employers –Top Ten.....	153
17	Employee Position Authorization by Department .....	154
18	Operating Indicators by Function .....	155
19	Capital Asset Statistics by Function .....	156
20	Commercial Activity.....	157

**COMPLIANCE SECTION**

Federal and State Awards Compliance

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	159
Report of Independent Auditor on Compliance for the Major Federal Programs; Report on Internal Control Over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act.....	161
Report of Independent Auditor on Compliance for the Major State Program; Report on Internal Control Over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act.....	163
Schedule of Findings and Questioned Costs.....	165
Schedule of Prior Year Findings.....	167
Schedule of Expenditures of Federal and State Awards .....	169

# ***INTRODUCTORY SECTION***



Prepared by the Town of Apex Finance Department



May 19, 2023

**Honorable Mayor, Members of the Town  
Council and Citizens of the Town of Apex:**

The Annual Comprehensive Financial Report (ACFR) of the Town of Apex (the "Town") for the fiscal year ended June 30, 2022 is submitted by the Town's Finance Department, and it is the comprehensive publication of the Town's financial position at June 30, 2022, and results of operations for the fiscal year then ended for all funds of the Town. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended June 30, 2022 and to provide complete and further accountability to citizens and other interested parties by providing a comprehensive report in lieu of the minimum basic financial statement requirements.

Responsibility for both the accuracy of the presented data, and the completeness and the fairness of the presentation, including all disclosures, rests with the Town. We believe the enclosed data and presentation is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the Town's funds over the last fiscal year.

This document provides financial detail and historical trends beyond the basic financial statements in the **Financial Section**. The Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is written to complement the MD&A and should be read in conjunction with it.

As noted earlier, the General Statutes of North Carolina require an annual independent financial audit of all local government units in the State. Cherry Bekaert LLP, independent certified public accountants, has examined the financial records of the Town and their opinion has been included in this report. Their examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures, as they considered necessary in the circumstances. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. Beyond the basic financial statements, the report includes **Required Supplementary Information** which provides details on retirement health care, law enforcement separation allowance and pension liability information. The **Statistical Section** provides trend information on financial performance, revenue capacity, debt capacity, demographic and economic indicators as well as operating information. The auditor's reports related specifically to the single audit are included in the **Compliance Section**.

As a recipient of federal and state assistance, the Town is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. As a part of the Town's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the Town has complied with applicable laws and regulations. The results of the Town's single audit for the fiscal year June 30, 2022 included no instance of material weakness in the internal control structure or significant violations of applicable laws and regulations.

---

**TOWN OF APEX**

*The Peak of Good Living*

PO Box 250 Apex, NC 27502 | (919) 249-3400 | [www.apexnc.org](http://www.apexnc.org)

## **Profile of the Town**

The Town of Apex, incorporated in 1873, is located in southwest Wake County, approximately 10 miles from downtown Raleigh, the State Capital. Apex truly had very humble beginnings. Known first as a small railroad stop (the name “Apex” comes from being the highest point on the rail line), it is now one of the fastest growing communities in the state of North Carolina. Apex offers a unique blend of small-town charm, coupled with a vibrant and growing business community. Residents enjoy quality parks, excellent schools, and the opportunity to shop locally. The Town covers approximately 24.87 square miles and has an estimated population of 73,317.

The Town operates under a council-manager form of government. The governing body is comprised of a Mayor and a five-member Town Council, elected on a nonpartisan, with three members elected every two years. The Town Council has policy-making and legislative authority and is responsible for the budget approval and appointment of the Town Manager, Town Attorney and Town Clerk. The Town Manager is responsible for implementing Council policies and Town Ordinances, managing daily operations and appointing department directors.

The Town provides its citizens with a full range of services, including police and fire protection, sanitation and recycling services, the construction and maintenance of streets, curbs, gutters and sidewalks and other infrastructure, recreation and cultural activities, electric service and water and sewer service. This report includes all of the Town's activities in delivering and administering these services. Various other local entities such as the Wake County Public School System, WakeMed Apex Healthplex, and the Wake County Public Libraries do not meet established criteria for inclusion as part of the Town as a reporting entity and are therefore excluded from this report.

The Town Council is required by state statute to adopt an annual operating budget by July 1 each year. The Town is empowered to levy a property tax on both real and person property located within its boundaries. The Town's budget ordinance creates a legal limit on spending authorizations and serves as the foundation for financial planning and control. Department heads may transfer resources within a department. The Town Manager is authorized by the budget ordinance to make transfers between departments to facilitate budget execution consistent with the Town Council's intent. Any change which increases or decreases a fund's overall budget requires approval of the Council.

## **Local Economy**

As mentioned, as of June 30, 2022, the Town's population was estimated to be 73,317. Over the span of the past decade the town has grown by exponentially with anticipated population to increase to 89,459 by June 30, 2025. Apex's tax base has grown from \$4.6 billion in 2013 to \$11.2 billion in 2022. The town issued 1,698 new building permits for new construction, additions and alterations in 2022 (to date), which included 1,558 for residential and 140 for commercial. Permits issued valued over \$268 million. Apex remains a preferred residential location due to proximity to employment and cultural centers, low-crime rate, good schools, public services for residents and an increase in commercial development.

Apex retail sales have continued to outpace statewide projections. Locally sales tax revenue increased by 12.4% over the previous fiscal year. This growth is attributed to legislation passed in recent years to ensure that state and local sales taxes were collected on all online purchases, as well as historic levels of inflation. Consumers are purchasing similar levels of taxable goods at higher retail prices.

Apex continues to benefit from its location, which makes it a residential and retail center for employees of Research Triangle Park (RTP). RTP is primarily dependent on firms in relatively stable, growing industries such as technology, healthcare, and financial services. In addition, the Town's proximity to Raleigh, with several universities and the state government complex, also serves to provide a stable employment base. Because of the presence of these major employers, the local unemployment rate has remained below state and national figures.

Since moving from largely volunteer departments to Town provided services, the Town has assumed a greater

responsibility for Fire Protection using more full-time employees. This increase is supported by the Town's steady population growth and commitment for citizen's safety and well-being.

The Town of Apex began its official economic development efforts in 2014 with the establishment of the Economic Development Department. Prior to that time, private developers contributed to local commercial growth through the development of industrial and business parks. But with the increased and consistent interest of companies seeking a location in the Triangle market, Apex needed an intentional strategy to capture its share of the business opportunities.

The Town embarked on its first effort for the development of a business and industrial park in 2016 by creating a development agreement with a private property owner. The result was the establishment of Cash Corporate Center, a 121-acre site zoned for light manufacturing. The site is an official North Carolina Certified Industrial Site and an ElectriCities Smart Site.

In 2021, EnviroFlight broke ground on what would become their national headquarters and research and development center. EnviroFlight is a world leader in the development of high quality, sustainable insect-based ingredients for animals and plants in a socially responsible way. The company has 44 employees that occupy its 40,000 square foot state-of-the-art facility. In 2022, Empire Distributors constructed a 300,000 square foot facility at Cash Corporate Center, which is the largest commercial facility built in Apex in over 40 years. Empire has 220 employees at its Apex facility. In the fall of 2023, Oppidan, a local commercial real estate developer, completed construction on a 240,000 square foot speculative building at Cash Corporate Center with hopes of recruiting a life sciences company or an advanced manufacturing company.

Apex Gateway is a 300+ acre site annexed by the Town in 2022 for business and industrial recruitment purposes. The site is being developed by Beacon Partners. Coca-Cola of Durham has announced its intentions to relocate their corporate headquarters and distribution center there and is expected to employ 180 people. Beacon Partners is planning for multiple speculative buildings geared towards light industry at Apex Gateway as well as complimentary commercial and retail development.

Also, in 2022, the Town welcomed German-based Korber Pharma Inc., a specialist in innovative and high-quality packaging solutions for the pharmaceutical industry. Korber employs 100 people at its location in Peak City Business Park. In 2018, Pentair located its newest Innovation Center at Pinnacle Business Park, employing 55 people. Pentair is a residential and commercial pool and spa water solutions and water management company.

In addition to industrial recruitment focused on advanced manufacturing, life sciences, distribution and research and development, the Town's economic development efforts have created robust small business and entrepreneurial development initiatives. The LaunchAPEX program, which provides business training, business mentoring, networking and access to financial resources, has graduated over 70 participants that now operate various businesses and business efforts across the entire Town. A renewed focus on our downtown businesses and the improvements planned for our downtown streets, alleys, parking and pedestrian areas, is predicted to ensure that the character and destination attractiveness of the downtown area will thrive well into the future.

In September 2022, Wake Tech Community College announced the permanent home for their Western Wake Campus. It is strategically located off NC 55, near US 1 and NC 540 and will feature a new Workforce Development Center, featuring biopharma training space, along with small business and entrepreneurship offerings. This location will be key in preparing the talent pool for the biotech companies in Apex as well as providing tools and resources for our local small businesses.

Staff remains mindful of certain economic and environmental factors that will continue to have a financial impact

on the town. As with organizations across the world, the town has been affected by the historically high-levels of inflation, as well as the continued supply chain disruptions. Each of these factors has, and will continue, to significantly affect the town financially as witness the increasing of project costs for both the current and planned major capital projects. The federal reserve has taken an aggressive plan of action to combat this by raising the federal funds rate. The rate has been raised three times in calendar year 2022. Moving from 0.25% (March 2022) to 3.25% (September 2022), with discussion of additional raising upward to 4.50% by the end of December 2022 and an anticipated further rate increases and a possible recession in 2023. It is important that management notes this as it will increase the cost-of-borrowing for our upcoming projects; meaning the “dollars will not stretch as far”.

### **Long Term Financial Planning and Major Initiatives**

With respect to long-term financial planning, the Town has continued to benefit from a rapidly growing tax base to finance the necessary infrastructure and other capital expenditures to support the growth of the Town. Since 2013, the total assessed value of the tax base has increased \$4.6 billion to \$11.2 billion. These additional tax revenues have allowed staff to continue to strengthen our fiscal management practices. It has also afforded us the opportunity to properly leverage borrowings for additional capital expenditures such as existing town parks, expansion of public buildings, as well as improvements to streets, sidewalks and greenways. The town continues to maintain a sufficient unassigned fund balance, which helps ensure that we have cash flow to provide the necessary flexibility for unanticipated opportunities and needs during emergencies and disasters. These factors were proven as the town has maintained its strong credit rating with Moody’s Investor Service and Standard & Poor’s, Aaa and AAA, respectively.

Some highlights of fiscal year 2021-2022 are as follows:

- ❖ Completed a development agreement with the new owners of the Cash Corporate Center, now known as Apex Commerce Center, to build multiple speculative buildings targeting life science companies.
- ❖ Completed Town-wide Accessibility Assessment and Transition Plan, an evaluation of the Town’s property’s compliance with applicable federal, state, and local accessibility regulations including the Americans with Disabilities Act (ADA).
- ❖ Expanded communication opportunities for residents through the implementation of website chatbot as well as launching the monthly resident eNewsletter, “All in Apex”.
- ❖ Established Plant the Peak tree planting program in support of Apex’s designation as a Tree City USA community. Plant the Peak provides professional installation of native trees on single-family properties within Apex’s corporate limits at no cost to the owner or tenant of the property, increasing the Town’s overall tree canopy by 100 trees.
- ❖ Completed construction of the Kelly Road/Apex Barbecue Road Sidewalk Project and the East Williams Street Sidewalk Project.
- ❖ Completed the town’s first Community Risk Assessment/Standard of Coverage document, which gives a thorough assessment of the dangers in our community and how the fire department has responded to those risks in the past and generate enhanced responses in the future.
- ❖ Completing Phase 1 of the LED conversion in subdivisions across town, replacing approximately half of the residential subdivision lighting systems.
- ❖ Fully implemented new Stormwater Utility Fee Program.
- ❖ Completed the Utility Rate Study, which analyzed the Town’s customer base, usage patterns, and recommended changes to rates and charging structure.

The Town maintains a five-year community investment plan, more commonly referred to as a capital improvement plan, which serves as its planning document to ensure that facilities, equipment and infrastructure are well maintained. This process provides the ability to plan for capital needs and allocate short and long-term resources appropriately. The plan also serves as the basis for determining future debt issuance.

Below are a few projects which have been completed over the past year or are in progress:

- ❖ Apex Senior Center - the new facility houses a majority of the towns senior programming, as well as being a space for events and community use
- ❖ Burma Drive Extension - two lane road with sidewalk, side path and stormwater drainage system facilitating the connection between Classic Road and Pristine Water Drive
- ❖ Laura Duncan Pedestrian Improvements - resurfacing from Community park entrance to Laurel Park Elementary and updated pavement marking for pedestrian safety and addition of bike lanes.
- ❖ Electric Operations Facility - construction of an administrative and operations facility on Milano Ave. for the relocation of Electric Division personnel, vehicles, equipment, and supplies
- ❖ Safe Routes to School - construction of Tingen Road sidewalk from James Street to Peace Haven and Barberton Drive to Apex Peakway providing safe pedestrian access to Apex Elementary School and Roberts Road sidewalk in the vicinity of Green Level High School
- ❖ Wastewater Treatment Facility Upgrades - upgrade of bar screen to more advance technology for more efficient removal of debris from wastewater.
- ❖ Salem Street Water Main Rehabilitation - rehab of 2,800 feet of existing water line along Salem Street from NC 55 to Chatham Street
- ❖ Salem Pond Park improvements - construction included the installation of a pre-fabricated restroom and the associated water, sewer and electrical and converting one multi-use field from natural grass to Field Turf synthetic turf to allow year-round play and rentals.

The Town actively monitors and manages its debt capacity and affordability. The Town has a formal policy which provides guidance and direction when considering the impact of future general government debt. Included in the most recent debt model update are planned issuances through June 2027. The Town has two open General Obligation Bond authorization, the first is for 2015 for which we have issued \$8 million of the total \$15 million of transportation bonds and \$42 million of general obligation bonds authorized but unissued from the November 2021 referendum for transportation improvements. These bonds were issued for the following projects: Apex Peakway Southwest Connector, Pavement Improvements, Safe Routes to Schools projects, Center Street and Chatham Street Railroad Crossing improvements and sidewalk, Apex Peakway North Widening, Jessie Drive – Phase 1 and W. Williams Street Sidewalk.

Management has the following planned debt issuance for the fiscal year ending June 30, 2023:

- ❖ Transportation Projects:
  - Apex Peakway Southwest Connector - \$15.5 million
  - Pavement Improvements - \$1.0 million
  - Safe Routes to Schools - \$1.0 million

The Town of Apex is in a unique position as a municipality that is receiving funds from both the US Treasury and as part of the state budget through the North Carolina Pandemic Recovery Office (NCPRO) totaling \$16.7 million. The Town plans to leverage the proceeds to implement upgrades to the water and sewer system, for affordable housing, park expansion, downtown improvements and allocate a portion to funding for non-profit entities.

### **Budget Control**

In government, the budget is an integral part of a unit's accounting system and daily operations. The North Carolina General Statutes require all governmental units to adopt a balanced budget by July 1 of each year. The Town's budget ordinance, adopted by the Town Council, creates a legal limit on spending authorizations. Budgetary control is facilitated by the use of a requisition encumbrance and purchase order system that ensures the adequacy of funds prior to the placement of orders or the award of contracts.

## Internal Control

The Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

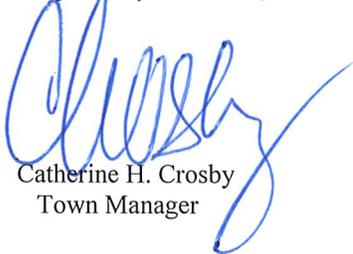
## Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Apex for its comprehensive annual financial report for the fiscal year ended June 30, 2021. To be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only and is the highest form of recognition awarded in the field of governmental financial reporting. We believe our current report continues to meet the program requirements and we are submitting to GFOA to determine its eligibility for another certificate.

In addition, the Town received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended June 30, 2022. To qualify for the Distinguished Budget Presentation Award, the budget document had to be judged to be proficient as a policy document, a financial plan, an operations guide and a communications tool.

We appreciate the assistance and dedication of the staff throughout the year. The preparation of this report was made possible by the dedicated service and cooperation of Cherry Bekaert LLP. The cooperation of each department is appreciated as we work together to conduct the Town's financial operations. A special thank you goes to the Finance Department for their steadfast dedication in representing the town. In addition, we also would like to thank the Mayor and Town Council for their continued support, guidance and advice in planning and conducting the financial activities of the Town in a responsible and progressive manner.

Respectfully submitted,



Catherine H. Crosby  
Town Manager



Alan Antwan Morrison  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Apex  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

# TOWN OF APEX, NORTH CAROLINA

## Mayor and Councilmembers

---



**Jacques K. Gilbert**  
*Mayor*

12/2019 to 12/2023

**Ed Gray**  
*Councilmember*

12/2021 to 12/2025

**Cheryl Stallings**  
*Councilmember*

12/2019 to 12/2023

**Terry Mahaffey**  
*Councilmember*

12/2019 to 12/2023

**Audra Killingsworth**  
*Mayor Pro Tem*

12/2019 to 12/2023

**Brett Gantt**  
*Councilmember*

12/2021 to 12/2025

## Town Administration and Directors

**Catherine H. Crosby**  
*Town Manager\**

**Shawn Purvis**  
*Assistant Town Manager*

**Marty Stone**  
*Assistant Town Manager*

**Laurie Hohe**  
*Town Attorney\**

**Allen Coleman**  
*Town Clerk\**

## Department Directors

**Dianne Khin**  
*Planning*

**Joanna Helms**  
*Economic Development*

**Keith McGee**  
*Fire*

**Mary Beth Manville**  
*Human Resources*

**Erika Sacco**  
*Information Services*

**Craig Setzer**  
*Parks, Recreation and Cultural Resources*

**Rudy Baker**  
*Inspections and Permits*

**Jason Armstong**  
*Police Chief*

**Linda Jones**  
*Diversity, Equity and Inclusion*

**Vacant**  
*Public Works and Transportation*

**Vance Holloman**  
*Finance*

**Christopher Valenzuela**  
*Affordable Housing*

**Michael Deaton**  
*Utility Engineering and Water Resources*

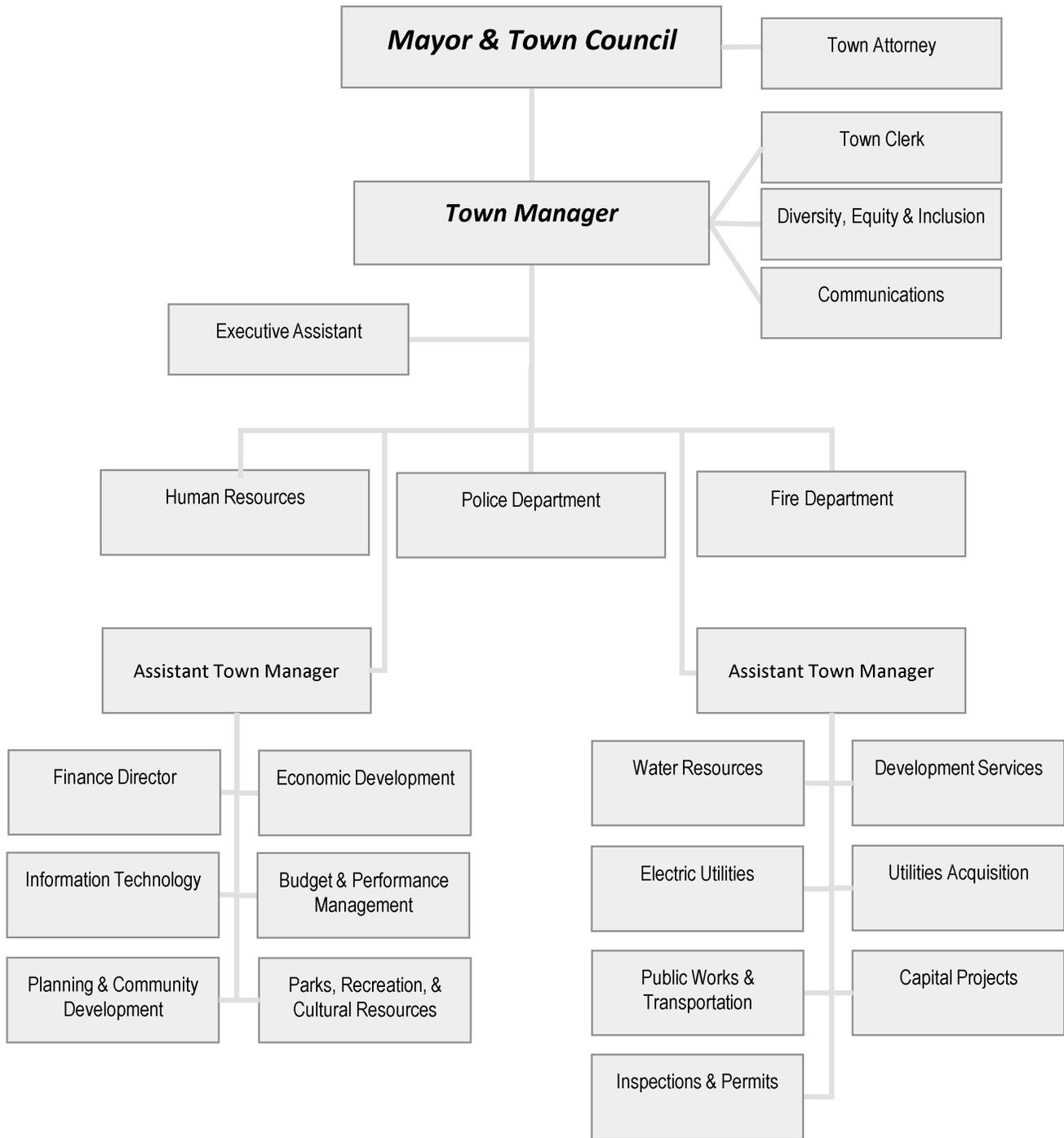
**Eric Neumann**  
*Electric Utilities*

\* The Town Manager, Town Attorney, and Town Clerk are appointed by Town Council.

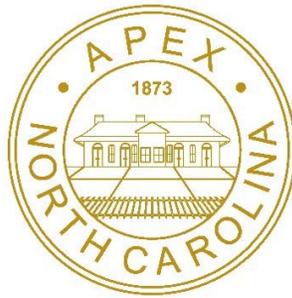
# TOWN OF APEX, NORTH CAROLINA

## June 2022 Organizational Chart

---



# ***FINANCIAL SECTION***



Prepared by the Town of Apex Finance Department

## Report of Independent Auditor

To the Honorable Mayor and Members of the Town Council  
Town of Apex, North Carolina

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Apex, North Carolina (the "Town") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibility of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The individual fund statements and schedules, other schedules, as listed in the table of contents, as well as the schedule of expenditures of federal and state awards as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
May 19, 2023

As management of the Town of Apex, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with the transmittal letter in the front of this report, the basic financial statements and accompanying notes to the financial statements, which follow this narrative.

## Financial Highlights

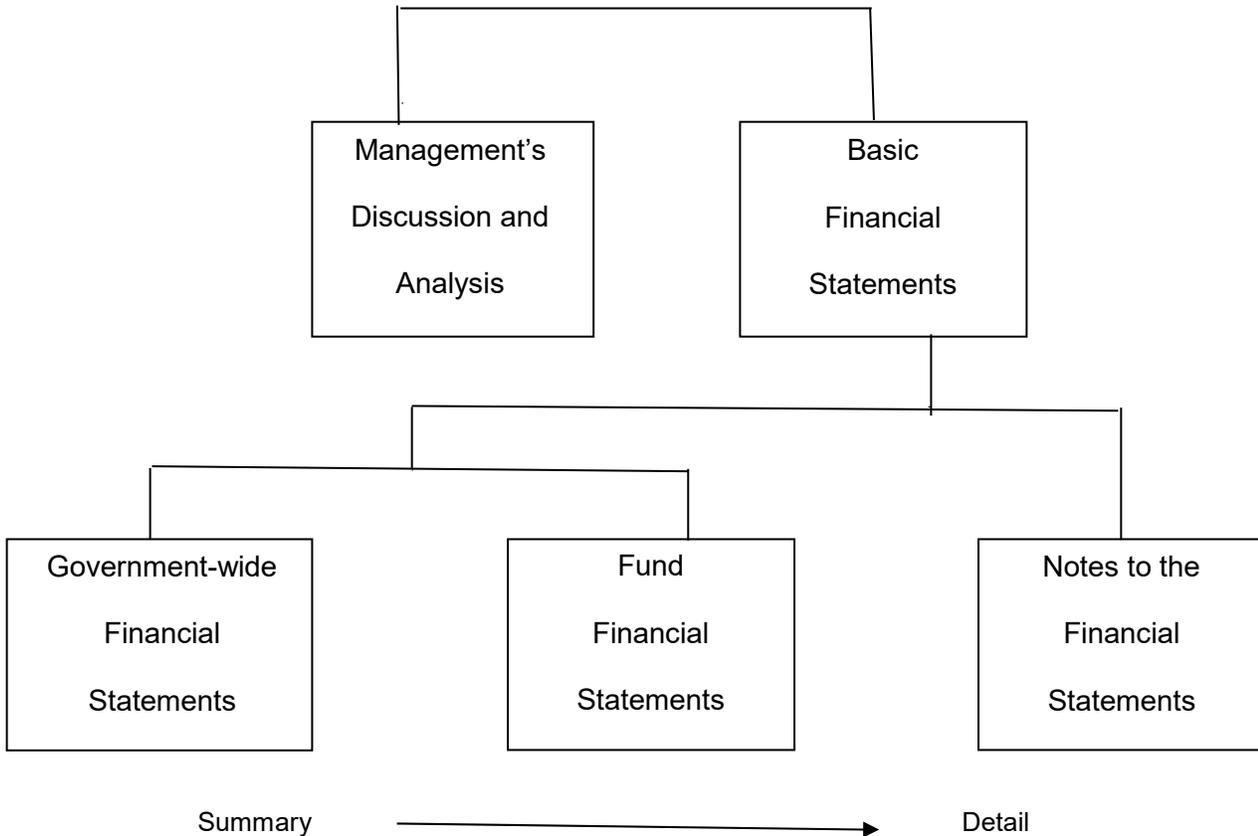
- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by approximately \$962,644 (*net position*).
- The government's total net position increased by \$64.1 million in fiscal year 2022. \$48.5 million of the increase resulted from governmental activities, and \$15.7 million resulted from business-type activities.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of approximately \$118.8 million. The total fund balance increased \$10.6 million in the general fund, \$11.4 million in the Nonmajor Funds and decreased \$14.7 million in the Recreation and Parks project fund, resulting in a net increase in total governmental funds combined fund balance of \$7.3 million.
- Approximately \$31.8 million of the total combined ending governmental fund balance is restricted as compared to \$49.8 million last year. This is primarily due to the construction expenditures related to the Pleasants Park project.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$32.3 million or 48.95% of total General Fund expenditures (includes debt service) for the fiscal year.
- The Town bond rating is AAA with Standard and Poor's and Aaa with Moody's Rating Services. The North Carolina Municipal Council has the town's rating as an "83", which is comparable to a rating of "A+/A1" by the national rating agencies.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Apex.

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits 3 through 11) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements and 3) fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

## Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the utility, system development, and storm water management services offered by the Town of Apex.

In accordance with the Governmental Accounting Standards Board criteria for inclusion in the reporting entity, the Town of Apex has no component units that must be included in this report.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

## Fund Financial Statements

The fund financial statements (see Figure 2) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Apex, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Apex can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Apex adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town has complied with the budget ordinance and whether or not the Town has succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the council; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Proprietary Funds** – The Town of Apex has two proprietary funds, *Enterprise Fund*. An Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Apex uses an Enterprise Fund to account for its water and wastewater activity as well as its storm water management program. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Fiduciary Funds** – The Town of Apex has fiduciary funds. A fiduciary fund is described as activities that local governments carry out for the benefit of individuals and other agencies outside the government such as employee groups, members of the public or other governments. The Town established an investment account through the Ancillary Government Participant Investment Program (AGPIP) with the North Carolina Department of State Treasury for OPEB purposes. Accounting for fiduciary funds is much like accounting used for proprietary funds.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 37 through 73 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Apex’s progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found beginning on page 74 of this report.

As noted earlier, net position may serve over time as one useful indicator of a Town’s financial condition. The Town’s assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$962.6 million as of June 30, 2022. The Town’s net position increased by \$64.1 million for the fiscal year ended June 30, 2022. The majority of the Town’s net position (\$835.8 million or 86.8%) reflects the town’s investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. The Town of Apex uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Apex’s investment in its capital assets is reported net of the outstanding related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets are committed to the continued provision of service and cannot be used to liquidate these liabilities. An additional portion of the Town of Apex’s net position (approx. \$19.3 million) represents resources that are subject to external restrictions on how they may be used.

**Figure 2: Town of Apex – Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 132,912,752	\$ 121,849,725	\$ 99,262,231	\$ 90,859,724	\$ 232,174,983	\$ 212,709,449
Capital assets	635,480,009	587,632,494	310,979,338	306,421,224	946,459,347	894,053,718
<b>Total assets</b>	<b>768,392,761</b>	<b>709,482,219</b>	<b>410,241,569</b>	<b>397,280,948</b>	<b>1,178,634,330</b>	<b>1,106,763,167</b>
Deferred outflows of resources	16,063,411	14,671,698	3,819,958	3,308,319	19,883,369	17,980,017
<b>Total assets and deferred outflows of resources</b>	<b>784,456,172</b>	<b>724,153,917</b>	<b>414,061,527</b>	<b>400,589,267</b>	<b>1,198,517,699</b>	<b>1,124,743,184</b>
Long-term liabilities	116,710,903	128,729,054	57,272,751	65,279,243	173,983,654	194,008,297
Other liabilities	20,821,622	16,136,086	12,694,397	12,379,136	33,516,019	28,515,222
<b>Total liabilities</b>	<b>137,532,525</b>	<b>144,865,140</b>	<b>69,967,148</b>	<b>77,658,379</b>	<b>207,499,673</b>	<b>222,523,519</b>
Deferred inflows of resources	22,315,857	3,150,101	6,058,642	573,247	28,374,499	3,723,348
<b>Total liabilities and deferred inflows of resources</b>	<b>159,848,382</b>	<b>148,015,241</b>	<b>76,025,790</b>	<b>78,231,626</b>	<b>235,874,172</b>	<b>226,246,867</b>
Net Position:						
Net investment in capital assets	578,966,115	548,257,775	256,824,649	249,228,682	835,790,764	797,486,457
Restricted	19,247,535	10,556,206	-	-	19,247,535	10,556,206
Unrestricted	26,394,140	17,324,695	81,211,088	73,128,959	107,605,228	90,453,654
<b>Total net position</b>	<b>\$ 624,607,790</b>	<b>\$ 576,138,676</b>	<b>\$ 338,035,737</b>	<b>\$ 322,357,641</b>	<b>\$ 962,643,527</b>	<b>\$ 898,496,317</b>

**Figure 3: Town of Apex - Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 14,643,765	\$ 13,764,319	\$ 70,929,290	\$ 66,264,310	\$ 85,573,055	\$ 80,028,629
Operating grants and contributions	6,858,979	5,015,258	-	-	6,858,979	5,015,258
Capital grants and contributions	44,510,890	54,833,138	16,600,600	15,054,213	61,111,490	69,887,351
General Revenues:						
Property taxes	43,733,113	39,485,046	-	-	43,733,113	39,485,046
Other taxes	18,056,630	17,286,234	-	-	18,056,630	17,286,234
Other revenues	4,768,842	4,755,633	160,316	431,841	4,929,158	5,187,474
Total Revenues	132,572,219	135,139,628	87,690,206	81,750,364	220,262,425	216,889,992
Expenses:						
General government	17,211,050	15,116,123	-	-	17,211,050	15,116,123
Public safety	28,050,019	28,529,964	-	-	28,050,019	28,529,964
Public works	23,036,698	23,268,649	-	-	23,036,698	23,268,649
Environmental protection	5,764,374	5,397,141	-	-	5,764,374	5,397,141
Cultural and recreation	7,644,217	6,832,905	-	-	7,644,217	6,832,905
Interest on long-term debt	2,396,747	2,024,504	-	-	2,396,747	2,024,504
Water and sewer	-	-	27,535,217	26,899,666	27,535,217	26,899,666
Electric	-	-	44,476,893	41,276,377	44,476,893	41,276,377
Total Expenses	84,103,105	81,169,286	72,012,110	68,176,043	156,115,215	149,345,329
Change in net position	48,469,114	53,970,342	15,678,096	13,574,321	64,147,210	67,544,663
Net position, July 1	576,138,676	522,168,334	322,357,641	308,783,320	898,496,317	830,951,654
Net position, June 30	\$ 624,607,790	\$ 576,138,676	\$ 338,035,737	\$ 322,357,641	\$ 962,643,527	\$ 898,496,317

**Governmental activities:**

The Town's total governmental revenues were \$132.6 million. Program revenues (49.8%) include: Charges for services of \$14.6 million, operating grants and contributions \$6.9 million and capital grants and contributions of \$44.5 million. General revenues (50.2%) include: property taxes of \$43.7 million, other taxes of \$18.1 million and other miscellaneous revenues of \$4.8 million. The Town's total governmental expenses were \$84.1 million, resulting in an increase in the Town's net position of \$48.5 million from governmental activities, accounting for 75.6% of the total growth in the Town's net position

**Business-type activities:**

The Town's total business-type revenues were \$87.7million. Program revenues (99.8%) include: Charges for services of \$70.9 million and capital grants and contributions of \$16.6 million. Other revenues of \$0.2 million (0.2%) are primarily from nonrecurring miscellaneous payments. The Town's total business-type expenses were \$72.0 million which resulted in an increase in the Town's net position by \$15.7 million from business-type activities, accounting for 24.5% of the total growth in the Town's net position.

## Financial Analysis of the Town's Funds

As noted earlier, the Town of Apex uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds:

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year. This is the portion of the fund balance remaining after subtracting the amounts that have been restricted (usually by NC state law) or assigned (designated for a specific purpose by the Town's management). The town's policy is for General Fund unassigned fund balance to be between 25% of budgeted General Fund expenditures.

The General Fund is the chief operating fund of the Town of Apex. At the end of the fiscal year, the unassigned fund balance was \$32.3 million, while the total fund balance increased to \$60.2 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. As of June 30, 2022, unassigned fund balance was 35.4% of the subsequent year's adopted budget expenditures (57.5% in 2021), while the total fund balance represents 66.0% of the same amount (77.6% in 2021).

The Town strives to maintain a favorable minimum unassigned fund balance. Amounts in excess of this minimum may be used for construction projects when the town wishes to avoid the issuance of additional debt, for emergency work needed after natural disasters, or for maintaining a stable tax rate when economically dependent revenues (i.e. sales tax) are less than budgeted amount. The Town does budget fund balance during the annual budget process.

The increase in unassigned fund balance was the result of managerial decision-making, effective expense budget administration, strong sales tax revenues and the lingering effects of supply chain delays. Funds in excess of the limit (25%) can be used for one-time capital-related purposes. During FY 2022 staff funded several one-time capital needs totaling \$4.6 million. This amount represents the total fund balance available, in excess of 25% of unassigned fund balance based on the previous fiscal year's financial statements. The projects funded are as follow:

• Facility Renovation	\$1,715,600
• Fire Engine Replacement	\$649,000
• Public Works Renovations	590,000
• Town Hall Upgrades/Renovations	518,000
• Downtown Alley Improvements	500,000
• Tunstall House Restoration	400,000
• Eva Perry Library	352,600
• Public Works HVAC	255,000

At year-end, the governmental funds of the Town of Apex reported a combined total fund balance of \$118.8 million, a increase of \$7.3 million from the prior year. The nonmajor funds were comprised of special revenue and capital project funds. The total fund balances of the nonmajor funds were \$35.2 million and the Parks and Recreation Project Fund was \$23.3 million. The most notable change from prior year's fund balance is the Parks and Recreation Capital Project Fund. During the year the construction expenditures were paid for the Pleasants Park project.

### General Fund Budgetary Highlights:

During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain or expand services.

The Town made only minor changes to its General Fund revenue estimates in order to recognize increases in ad valorem

and sales tax collections. Actual revenues were higher than anticipated revenues by \$4.6 million. As we continued to work through the uncertainty of the pandemic, revenue receipts and expenditure budgets were closely monitored to effectively assess the impact on our financial projections and standing. Actual expenditures were \$14.3 million less than appropriated.

A significant portion of this amount represents position vacancies throughout the budget year along with other delayed expenditures. In addition, the town is still being affected by delays found within the supply chain. In response to this unavoidable challenge staff has expedited several large purchases, which are expected to have lengthy lead-time.

### **Governmental Funds Highlights:**

In the fiscal year ending June 30, 2022, the town successfully increased its unassigned fund balance to 35.4%. As discussed above, the town's policy limit is 25%.

During the year activity the town issued debt to fund the Mason Street Building and Fire Station #6. The Fire Station #6 project expenditures accounted for \$2.4 million. In addition, construction has ramped up for the pavement improvements project. The town expended \$2.2 million for this project. In addition, to this project there are several active roadway projects either in the design phase or in construction. The Lake Pine Improvement project accounted for \$1.6 million in expenditures, while the Kelly Road Sidewalk was \$1.0 million. In the fiscal years to come we will see a gradual ramping up on expenditures for these roadway project, as we have two outstanding bond authorizations for this purpose.

It is important to note that staff has continue to notice increases in projection for those related projects. As a result of the challenges within the market project construction costs have continued to rise significantly. Staff remains cognizant of the challenge and continues to value engineer all projects and identify options to adequately manage these costs.

Also, the town was awarded \$5.2 million in the American Rescue Plan 2021 federal funding, of which \$2.6 million was received. Other communities of similar size received significantly more funds from the treasury than the Town of Apex. This discrepancy was recognized by North Carolina state officials and will be corrected in the following fiscal year, in which the town will receive an additional \$11.5 million. The town has allocated our dollars to fund four infrastructure projects, two affordable housing projects and to support capital improvements projects for non-profits that benefit our community.

### **Proprietary Funds:**

Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year was \$46.6 million, of which \$6.1 million belongs to the System Development Fee fund and the Electric Fund's unrestricted net position is \$15.6 million. The change in net position was an increase of \$15.7 million primarily due to Charges for Services, Grants and Contributions and the System Development Fund for infrastructure needs.

### **Capital Asset and Debt Administration**

#### **Capital assets:**

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2022, totals \$946.5 million (net of depreciation). These assets include buildings, roads and bridges, intangible assets for water rights, machinery and equipment, vehicles and park facilities and right of use assets.

Major capital asset transactions during the year include:

- Electric System Improvements - \$3,607,835
- Electric Operations Center - \$11,498,443
- Parks and Recreation – Senior Center - \$15,328,218
- Fire Truck Pumper - \$358,278
- Tingen Sidewalk Connector - \$253,025
- Vacuum Truck and Leaf Collection System - \$216,011
- Developer's Street, Sidewalk, Water and Sewer Easement Contributions - \$51,952,964

**Figure 4: Town of Apex – Capital Assets**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 61,921,161	\$ 120,459,069	\$ 75,476,721	\$ 70,028,558	\$ 137,397,882	\$ 190,487,627
Building and systems	47,590,943	26,782,966	19,180,442	8,703,093	66,771,385	35,486,059
Water and sewer operating plant	-	-	-	-	-	-
Improvements other than buildings	471,689,615	396,176,984	199,941,457	202,824,847	671,631,072	599,001,831
Intangible assets (water rights)	-	-	-	-	-	-
Right of use - leased assets	-	-	-	-	-	-
Machinery and equipment	4,316,299	4,398,574	1,212,452	1,008,845	5,528,751	5,407,419
Infrastructure	-	-	-	-	-	-
Vehicles and motorized equipment	4,228,281	3,843,488	989,925	1,622,684	5,218,206	5,466,172
Construction in progress	45,733,710	35,971,413	14,178,341	22,233,196	59,912,051	58,204,609
Total	\$ 635,480,009	\$ 587,632,494	\$ 310,979,338	\$ 306,421,223	\$ 946,459,347	\$ 894,053,717

Additional information on the Town’s capital assets can be found on pages 50-51 of the notes to the financial statements of this report.

**Town of Apex Outstanding Debt**

**Long-term Debt:**

As of June 30, 2022, the Town of Apex had total long-term debt of \$136.9 million. Of this amount, \$93.4 million represents bonded debt backed by the full faith and credit of the Town. The remainder of the Town’s bonded debt is a revenue bond of \$10.4 million which is secured solely by specified revenue sources. In addition to bonded debt, the Town’s long-term debt includes installment purchase obligations of \$33.2 million.

The Town has two outstanding revenue bonds. \$7.3 million was issued to finance 2009 electrical system improvements and \$10.0 million for the 2019 electrical system improvements. At June 30, 2022, the town has an outstanding obligation of \$10.4 million.

During the current fiscal year, the town issued \$8.7 million to finance the construction of Fire Station #6 and the Mason Street Building. This loan was issued at a 1.50% rate of interest and will be amortized over fifteen years.

The Town also has recorded \$48.6 million of compensated absences, pension and retirement liabilities for employees.

The town has two outstanding General Obligation Bond authorizations. The first authorization is from 2015 for \$15.0 million and has \$7.0 million remaining. There is also an authorization from 2021 for \$42.0 million, for which none of the bonds have been issued.

The following chart summarizes the Town's long-term debt as of June 30, 2022:

**Figure 5: Town of Apex - Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Installment purchase contracts	\$ 18,440,931	\$ 10,949,724	\$ 14,717,689	\$ 16,235,359	\$ 33,158,620	\$ 27,185,083
General obligation bonds	59,440,000	63,155,000	29,080,000	30,485,000	88,520,000	93,640,000
Revenue bonds	-	-	10,357,000	11,351,000	10,357,000	11,351,000
Bond premiums	4,887,950	5,295,784	-	47,640	4,887,950	5,343,424
Compensated absences	3,475,092	2,441,181	630,326	487,618	4,105,418	2,928,799
Net OPEB liability	26,618,162	36,555,346	5,221,744	7,171,144	31,839,906	43,726,490
Pension liability (LGERS)	5,994,327	12,682,664	1,790,513	3,788,328	7,784,840	16,470,992
Total pension liability (LEOSA)	4,846,446	4,398,203	-	-	4,846,446	4,398,203
<b>Total</b>	<b>\$ 123,702,908</b>	<b>\$ 135,477,902</b>	<b>\$ 61,797,272</b>	<b>\$ 69,566,089</b>	<b>\$ 185,500,180</b>	<b>\$ 205,043,991</b>

The Town's long-term financed debt decreased by \$31.7 million during the fiscal year ended June 30, 2022 with the inclusion of the compensated absences and employee retirement benefits.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt limit for Town of Apex is \$730,964,534.

Additional information on the Town's long-term debt can be found in the notes to the financial statements on pages 65 through 70 of this report.

### **Budget Highlights for the Fiscal Year Ending June 30, 2023**

#### **Governmental Activities:**

Property taxes account for the largest percentage (53.4%) of total General Fund revenues. In Fiscal Year 2023, the Town recommended a property tax rate increase of \$0.02 to \$0.41 per \$100 of valuation. The tax rate includes a \$0.014 increase for the first increment of the 2021 transportation bonds and \$.006 to contribute toward the growing personnel, as well as capital related needs. The recommended budget reflects strong economic vitality.

The Town has chosen to appropriate \$3.6 million of fund balance in the fiscal year 2023 budget. This appropriation is planned to fund \$1.5 million for a ladder truck replacement, \$0.4 million for Eva Perry Library repairs, \$0.3 million for development of the police firing and training range, \$0.3 million for installation of wayfinding signage, \$0.2 million for development of Hunter Street Bike Track, \$0.7 million for Beaver Creek Greenway improvements and \$0.2 million for the Ragan Road side path design.

#### **Personnel:**

In effort to keep up with pace of the rapid population growth, as well as to continue providing excellent service the town added fifty-one new General Fund positions, two Electric Fund positions and three Water and Sewer Fund positions. Town staff worked together to prioritize these positions with assistance from our organizational assessment consultant.

Town Council has chosen to implement the recommendations of the organizational assessment and town-wide pay and classification study performed during the fiscal year ended June 30, 2022.

The town plans to adjust its merit-based practice on other compensation recommendations from the pay and classification portion of the organizational assessment and will look to continue its pay for performance system. While the town has been able to mitigate rate increases in the past two fiscal years, substantial claims have resulted in increases in both health and dental premiums. The combination of new positions, classification and compensation adjustments, health and dental insurance increases, and retirement rate hikes have all contributed to the increase in personnel costs.

### **Operations:**

The aforementioned assessment also included a realignment of departments and programs to three core areas: Development and Operations, Performance and Strategy, and Community and Safety. This resulted in the creation of Community and Neighborhood Connections, Transportation and Infrastructure Development, as well as the elevation of the Communications and Budget offices to departments.

Included in the fifty-one new positions for the General Fund are fourteen (14) Fire Department positions, which will staff the Public Safety Station #6, scheduled to begin operation in early 2023.

In addition, included within the 8.9% increase in debt service is the first payment for the installment financing for the PSS 6 mentioned above, and the debt service for the 2021 transportation bonds planned for issuance in FY 2023.

### **Capital Investments:**

Annually the town updates the Community Investment Plan (CIP) document, which is a 5-year planning tool designed to enhance the Town's ability to match capital investment needs with available resources. Over the past decade the town has experienced significant growth and strives to continue providing quality service to its citizens. With this in mind, council has included funding for the following projects:

- Annual Pavement Management – Street Resurfacing (\$2,000,000) – with the ongoing growth as result of the continued development this annual program addresses deficiencies in pavement conditions throughout the town to prevent street maintenance issues. In addition to this funding council has also appropriated the annual Powell Bill Funding, as well as an \$5.0 allocation within the bond referendum.
- GPS Emergency Vehicle Preemption (\$260,000) – this project includes installing GPS preempt in 10 traffic signals and outfitting all fire vehicles with GPS preempt capability.
- Justice Heights Street Extension (\$250,000) – this project will extend Justice Heights Street from its existing stub west of South Salem Street to intersect with the Apex Peakway and includes sidewalk on the north side of the street.
- Felton Grove High School Road Improvement cost share (\$500,000) – contributes funds towards offsite intersection improvements as part of the construction of proposed Felton Grove High School that are beyond the required improvements for Wake County Public School System.
- Ragan Road Sidepath (\$200,000) – creates a connection from the current end of the Ragan Road sidepath to the American Tobacco Trail.
- Safe Routes to School (\$1,710,000) – these projects are to improve and add to existing town infrastructure related to pedestrian and bicycle traffic to and from schools. In addition to these funds, town council has appropriated a portion of the 2021 transportation bonds to this project.
- Tingen Road Pedestrian Bridge (\$150,000) – will fund a study of a pedestrian bridge over the railroad crossing of Tingen Road. A pedestrian bridge will provide members of the community a safe way to cross the railroad tracks on Tingen Road to access downtown Apex.
- Wayfinding Signage Fabrication and Installation (\$320,000) – includes fabrication and installation of wayfinding signage throughout the town. This project was identified as part of the Downtown Plan & Parking Study and is an extension of the Community Branding Study.

### **Business–Type Activities:**

The Town operates two major enterprises – Electric Fund and Water & Sewer Fund. The town implemented a new utility rate model which better aligns our system with industry best practices for both funds.

The increase in the Electric Fund is primarily due to personnel costs. The funds capital budget includes \$2.5 million for annual system expansion, \$1.0 million for smart grid meter installations and \$0.3 million for a line truck replacement.

The Water and Sewer Fund reflects an increase in all expenditure categories except capital. New positions and reassignment of the grounds and easement and sewer outfall maintenance teams to water and sewer divisions, including stormwater, primarily account for the increase in personnel costs. Additionally, a full year of stormwater operations influences the increase in the 2023 budget.

The Water and Sewer capital project fund includes:

- \$1.0 million – design work for Big Branch 2 Pump Station
- \$1.4 million – Beaver Creek Commons Gravity Sewer Extension
- \$2.1 million – continuation of the Western Transmission Main project
- \$0.9 million – Cary-Apex water and sewer projects

Of this total, coverage for only \$1.4 million will come for the operating fund. The remaining amount will be funded with the utility reserves.

In addition, the operating fund also includes additional capital expenses totaling \$1.3 million for the Beaver Creek stream bank restoration (stormwater), a crane truck, miscellaneous water meter installations and water main connections, and various vehicle and equipment replacements.

### **Requests for Information**

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Antwan Morrison, Finance Director, Town of Apex, Post Office 250, Apex, North Carolina, 27502.

**TOWN OF APEX, NORTH CAROLINA**  
STATEMENT OF NET POSITION

**Exhibit 1**

JUNE 30, 2022

	Governmental	Business-type	
	Activities	Activities	Total
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 84,734,799	\$ 65,561,248	\$ 150,296,047
Taxes receivables (net)	131,739	-	131,739
Accounts receivable (net)	2,277,264	10,927,162	13,204,426
Accrued interest receivable	-	1,036	1,036
Due from other governments	7,145,137	-	7,145,137
Lease receivable	-	860,558	860,558
Inventories	27,899	2,227,284	2,255,183
Prepaid expenses	289,599	-	289,599
Total Current Assets	94,606,437	79,577,288	174,183,725
Noncurrent Assets:			
Restricted cash and cash equivalents	38,306,315	19,684,943	57,991,258
Capital assets			
Land, improvements, and construction in progress	107,654,873	75,476,720	183,131,593
Other capital assets, net of depreciation	527,825,136	235,502,618	763,327,754
Total Capital Assets	635,480,009	310,979,338	946,459,347
Total Noncurrent Assets	673,786,324	330,664,281	1,004,450,605
<b>Total Assets</b>	768,392,761	410,241,569	1,178,634,330
<b>Deferred Outflows of Resources</b>			
Pension deferrals - LGERS	9,418,769	2,838,155	12,256,924
Law enforcement separation allowance deferrals	1,639,847	-	1,639,847
Other postemployment benefits deferrals	5,004,795	981,803	5,986,598
Total Deferred Outflows of Resources	16,063,411	3,819,958	19,883,369
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable	9,394,458	6,321,090	15,715,548
Salaries and benefits payable	1,876,048	548,996	2,425,044
Accrued interest payable - bonds	205,965	256,062	462,027
Customer deposits	2,353,147	1,043,728	3,396,875
Compensated absences	1,526,844	462,604	1,989,448
Bonds and notes payable	5,465,160	4,061,917	9,527,077
Total Current Liabilities	20,821,622	12,694,397	33,516,019

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

## TOWN OF APEX, NORTH CAROLINA

Exhibit 1 (continued)

## STATEMENT OF NET POSITION

JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>Long-Term Liabilities:</b>			
Compensated absences	1,948,248	167,722	2,115,970
Total pension liability - LEOSSA	4,846,446	-	4,846,446
Pension liability - LGERS	5,994,327	1,790,513	7,784,840
Total other postemployment liability	26,618,162	5,221,744	31,839,906
Bonds and notes payable	<u>77,303,720</u>	<u>50,092,772</u>	<u>127,396,492</u>
Total Long-Term Liabilities	<u>116,710,903</u>	<u>57,272,751</u>	<u>173,983,654</u>
<b>Total Liabilities</b>	<u>137,532,525</u>	<u>69,967,148</u>	<u>207,499,673</u>
<b>Deferred Inflows of Resources</b>			
Prepaid taxes	103,606	-	103,606
Pension deferrals - LGERS	8,596,574	2,567,808	11,164,382
Other postemployment benefits deferrals	13,459,314	2,640,344	16,099,658
Law enforcement separation allowance deferrals	156,363	-	156,363
Leases	-	850,490	850,490
<b>Total Deferred Inflows of Resources</b>	<u>22,315,857</u>	<u>6,058,642</u>	<u>28,374,499</u>
<b>Net Position</b>			
Net investment in capital assets	578,966,115	256,824,649	835,790,764
Restricted for			
Stabilization by state statute	14,249,972	-	14,249,972
Inspections (HB 255)	4,312,420	-	4,312,420
Perpetual Care	534,775	-	534,775
Public Safety	150,368	-	150,368
Unrestricted	<u>26,394,140</u>	<u>81,211,088</u>	<u>107,605,228</u>
<b>Total Net Position</b>	<u>\$ 624,607,790</u>	<u>\$ 338,035,737</u>	<u>\$ 962,643,527</u>

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

**TOWN OF APEX, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**

**Exhibit 2**

*FOR THE YEAR ENDED JUNE 30, 2022*

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 17,211,050	\$ 3,852,701	\$ -	\$ 2,628,841	\$ (10,729,508)	\$ -	\$ (10,729,508)
Public safety	28,050,019	-	1,302,098	-	(26,747,921)	-	(26,747,921)
Public works	23,036,698	-	5,383,747	41,882,049	24,229,098	-	24,229,098
Environmental protection	5,764,374	6,314,500	173,134	-	723,260	-	723,260
Cultural and recreation	7,644,217	4,476,564	-	-	(3,167,653)	-	(3,167,653)
Interest on long-term debt	2,396,747	-	-	-	(2,396,747)	-	(2,396,747)
Total governmental activities	<u>84,103,105</u>	<u>14,643,765</u>	<u>6,858,979</u>	<u>44,510,890</u>	<u>(18,089,471)</u>	<u>-</u>	<u>(18,089,471)</u>
Business-type activities:							
Water & Sewer	27,535,217	24,200,563	-	16,600,600	-	13,265,946	13,265,946
Electric	44,476,893	46,728,727	-	-	-	2,251,834	2,251,834
Total business-type activities	<u>72,012,110</u>	<u>70,929,290</u>	<u>-</u>	<u>16,600,600</u>	<u>-</u>	<u>15,517,780</u>	<u>15,517,780</u>
Total	<u>\$ 156,115,215</u>	<u>\$ 85,573,055</u>	<u>\$ 6,858,979</u>	<u>\$ 61,111,490</u>	<u>(18,089,471)</u>	<u>15,517,780</u>	<u>(2,571,691)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					43,733,113	-	43,733,113
Other taxes and licenses					18,056,630	-	18,056,630
Unrestricted intergovernmental					4,174,529	-	4,174,529
Unrestricted investment earnings					189,091	146,024	335,115
Miscellaneous					405,222	14,292	419,514
Total general revenues					<u>66,558,585</u>	<u>160,316</u>	<u>66,718,901</u>
Change in net position					48,469,114	15,678,096	64,147,210
Net position-beginning					576,138,676	322,357,641	898,496,317
Net position-ending					<u>\$ 624,607,790</u>	<u>\$ 338,035,737</u>	<u>\$ 962,643,527</u>

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

**TOWN OF APEX, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

**Exhibit 3**

JUNE 30, 2022

	General	Parks & Rereation Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 40,242,240	\$ 23,441,094	\$ 20,520,983	\$ 84,204,317
Receivables, net				
Taxes	131,739	-	-	131,739
Accounts	1,085,916	-	1,186,557	2,272,473
Due from other governments	7,030,130	1,515	113,492	7,145,137
Inventories	27,899	-	-	27,899
Prepaid expenditures	283,417	-	-	283,417
Restricted cash and cash equivalents	18,346,579	4,277,169	15,682,567	38,306,315
<b>Total Assets</b>	<b>\$ 67,147,920</b>	<b>\$ 27,719,778</b>	<b>\$ 37,503,599</b>	<b>\$ 132,371,297</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 6,600,211	\$ 4,424,056	\$ 2,171,415	\$ 13,195,682
<b>Total Liabilities</b>	<b>6,600,211</b>	<b>4,424,056</b>	<b>2,171,415</b>	<b>13,195,682</b>
<b>Deferred Inflow of Resources</b>				
Property taxes receivable	131,739	-	-	131,739
Unavailable revenues	84,752	-	77,665	162,417
Prepaid taxes	103,606	-	-	103,606
Total deferred inflows of resources	320,097	-	77,665	397,762
<b>Fund Balances</b>				
Non Spendable				
Inventories	27,899			27,899
Prepayments	283,417	-	-	283,417
Restricted				
Stabilization by state statute	14,249,972	-	-	14,249,972
Inspections HB 255	4,312,420	-	-	4,312,420
Public safety	150,368	-	-	150,368
Parks and recreation	-	4,277,169	-	4,277,169
Planning	2,353,147	-	-	2,353,147
Street and sidewalk improvements	-	-	3,782,242	3,782,242
General Government	-	-	2,628,841	2,628,841
Committed				
General Government	-	-	3,356,420	3,356,420
Library maintenance	-	-	121,944	121,944
Economic Development	2,238,155	-	-	2,238,155
Public Safety	671,799	-	8,453,529	9,125,328
Streets improvements	-	-	8,381,420	8,381,420
Cemetery	-	-	534,775	534,775
Parks and recreation	-	19,018,553	-	19,018,553
Assigned				
Subsequent years expenditures	3,620,000			3,620,000
Street & Sidewalk Improvements	-	-	3,795,844	3,795,844
Public Safety	-	-	4,199,504	4,199,504
Unassigned	32,320,435	-	-	32,320,435
Total fund balances	60,227,612	23,295,722	35,254,519	118,777,853
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 67,147,920</b>	<b>\$ 27,719,778</b>	<b>\$ 37,503,599</b>	<b>\$ 132,371,297</b>

**TOWN OF APEX, NORTH CAROLINA****RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS**

JUNE 30, 2022

Fund balances-total governmental funds		\$ 118,777,853
Amounts reported for governmental activities in the statement of net position are different because;		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	\$ 848,856,630	
Less accumulated depreciation	<u>(213,376,621)</u>	635,480,009
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
Government bonds and notes payable	(77,880,930)	
Premiums received on bond issuance	(4,887,950)	
Compensated absences	(3,475,091)	
Other postemployment benefits & liability	(26,618,162)	
Total pension liability - LEOSSA	(4,846,446)	
Pension liability - LGERS	<u>(5,994,327)</u>	(123,702,906)
Liabilities for unavailable revenues considered deferred inflows of resources in fund statements.		
		131,739
An internal service fund is used by the Town to charge the costs of insurance to individual funds. The assets and liabilities of this fund are included in governmental activities in the Statement of Net Position		
		275,901
Deferred inflows/outflows of resources related to pensions are not reported in the funds - <b>LEOSSA</b>		
		1,400,608
Deferred inflows/outflows of resources related to pensions are not reported in the funds - <b>LGERS</b>		
		905,071
Deferred inflows/outflows of resources related to pensions are not reported in the funds - <b>Other postemployment benefits</b>		
		(8,454,520)
Other liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest expense payable		<u>(205,965)</u>
Net position of governmental activities		<u>\$ 624,607,790</u>

**TOWN OF APEX, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

**Exhibit 4**

FOR THE YEAR ENDED JUNE 30, 2022

	General	Recreation Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Ad valorem taxes	\$ 43,601,374	\$ -	\$ -	\$ 43,601,374
Other taxes	18,056,630	-	-	18,056,630
Unrestricted intergovernmental	4,174,529	-	-	4,174,529
Restricted intergovernmental	3,158,380	-	9,700,747	12,859,127
Permits and fees	3,852,701	-	-	3,852,701
Sales and services	7,419,758	-	-	7,419,758
Miscellaneous	281,367	-	201,563	482,930
Investment earnings	99,792	43,102	46,197	189,091
Total revenues	<u>80,644,531</u>	<u>43,102</u>	<u>9,948,507</u>	<u>90,636,140</u>
<b>Expenditures:</b>				
Current:				
General government	14,427,899	-	845,900	15,273,799
Public safety	24,520,740	-	-	24,520,740
Public works	5,165,841	-	5,000	5,170,841
Environmental protection	5,404,532	-	-	5,404,532
Cultural and recreational	5,441,981	-	-	5,441,981
Capital outlay	3,744,787	15,051,291	10,133,634	28,929,712
Debt service:				
Bond principal	3,715,000	-	-	3,715,000
Bond interest	2,117,985	-	-	2,117,985
Installment note principal	1,208,793	-	-	1,208,793
Installment note interest	280,259	-	-	280,259
Total expenditures	<u>66,027,817</u>	<u>15,051,291</u>	<u>10,984,534</u>	<u>92,063,642</u>
Revenues under expenditures	<u>14,616,714</u>	<u>(15,008,189)</u>	<u>(1,036,027)</u>	<u>(1,427,502)</u>
<b>Other financing sources (uses):</b>				
Transfers in	4,823,842	300,000	7,848,005	12,971,847
Transfers out	(8,809,903)	-	(4,161,944)	(12,971,847)
Issuance of debt	-	-	8,700,000	8,700,000
Total other financing sources (uses)	<u>(3,986,061)</u>	<u>300,000</u>	<u>12,386,061</u>	<u>8,700,000</u>
Net change in fund balances	<u>10,630,653</u>	<u>(14,708,189)</u>	<u>11,350,034</u>	<u>7,272,498</u>
Fund balance - beginning of year	48,627,406	38,003,910	24,874,039	111,505,355
Restatement - beginning of year (Note 16)	969,553	1	(969,554)	-
Fund balance - end of year	<u>\$ 60,227,612</u>	<u>\$ 23,295,722</u>	<u>\$ 35,254,519</u>	<u>\$ 118,777,853</u>

**TOWN OF APEX, NORTH CAROLINA**  
**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS - RECONCILIATION**

FOR THE YEAR ENDED JUNE 30, 2022

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

Net change in fund balances - total governmental funds		\$ 7,272,498
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Expenditures for capital assets	\$ 28,929,712	
Less current year depreciation	(22,952,476)	
Gain on disposal	<u>(11,768)</u>	5,965,468
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities</p>		
		4,044,041
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Developer's contributed capital		41,882,049
Change in unavailable revenue for taxes		(2,836)
<p>New loss on internal service funds determined to be governmental-type</p>		
		(291,573)
<p>Repayment of loans receivable does not result in income to the Town</p>		
		(362,252)
<p>The issuance of debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Amortization of bond premiums	407,834	
Issuance of debt	(8,700,000)	
Principal payments	<u>4,923,793</u>	(3,368,373)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences		(1,033,910)
Pension Expense - LGERS		(3,706,902)
Pension Expense - LEOSSA		(636,881)
Other postemployment benefits expense		(1,381,154)
Change in accrued interest payable		<u>88,939</u>
Total changes in net position of governmental activities		<u>\$ 48,469,114</u>

**TOWN OF APEX, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 42,698,700	\$ 42,698,700	\$ 43,601,374	\$ 902,674
Other taxes and licenses	15,882,400	15,967,400	18,056,630	2,089,230
Unrestricted intergovernmental	3,215,000	3,215,000	4,174,529	959,529
Restricted intergovernmental	3,372,500	3,372,500	3,158,380	(214,120)
Permits and fees	3,534,300	3,534,300	3,852,701	318,401
Sales and services	6,809,900	6,809,900	7,419,757	609,857
Miscellaneous	390,100	411,977	251,218	(160,759)
Investment earnings	40,000	40,000	95,093	55,093
Total revenues	<u>75,942,900</u>	<u>76,049,777</u>	<u>80,609,682</u>	<u>4,559,905</u>
<b>Expenditures:</b>				
Current				
General government	17,241,800	20,318,003	14,675,238	5,642,765
Public safety	26,182,900	28,879,360	25,452,605	3,426,755
Public works	9,666,300	9,493,580	6,366,155	3,127,425
Environmental services	5,959,700	6,407,216	5,919,537	487,679
Cultural and recreational	7,264,900	7,168,444	5,769,366	1,399,078
Debt service				
Bond principal	3,715,000	3,715,000	3,715,000	-
Bond interest	2,117,985	2,117,985	2,117,986	(1)
Installment note principal	1,503,200	1,430,200	1,208,793	221,407
Installment note interest	801,715	390,880	280,259	110,621
Total expenditures	<u>74,453,500</u>	<u>79,920,668</u>	<u>65,504,939</u>	<u>14,415,729</u>
Revenues over (under) expenditures	<u>1,489,400</u>	<u>(3,870,891)</u>	<u>15,104,743</u>	<u>18,975,634</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,600,000	738,162	600,000	(138,162)
Transfers in - American Rescue Plan 2021	-	-	2,628,841	2,628,841
Transfers out	(4,638,400)	(5,991,000)	(5,991,000)	-
Transfer out - American Rescue Plan 2021	-	-	(2,628,841)	(2,628,841)
Appropriated fund balance	1,549,000	9,123,729	-	(9,123,729)
Total other financing sources (uses)	<u>(1,489,400)</u>	<u>3,870,891</u>	<u>(5,391,000)</u>	<u>(9,261,891)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>9,713,743</u>	<u>\$ 9,713,743</u>
Fund balance - Beginning of year			<u>47,453,755</u>	
Fund balance - End of year			<u>\$ 57,167,498</u>	

**TOWN OF APEX, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2022**

A legally budgeted **Police Funds** is consolidated into the General Fund for reporting purposes:

Miscellaneous revenues	30,115
Investment earnings	202
Operating expenditures	(7,056)
Fund balance - beginning of year	107,705

A legally budgeted **Fire/EMS Funds** is consolidated into the General Fund for reporting purposes:

Investment earnings	44
Miscellaneous revenues	31
Transfer out	(79,837)
Fund balance - beginning of year	98,955

A legally budgeted **LEOSSA** is consolidated into the General Fund for reporting purposes:

Investment earnings	1,151
Personnel expenditures	(186,137)
Fund balance - beginning of year	856,785

A legally budgeted **Fire Capital Reserve** is consolidated into the General Fund for reporting purposes:

Investment earnings	19
Transfer out	(110,224)
Fund balance - beginning of year	110,205

A legally budgeted **Affordable Housing Fund** is consolidated into the General Fund for reporting purposes:

Investment earnings	3,285
Operations	(329,683)
Transfer in	1,595,000
Fund balance - beginning of year	-
Fund balance - beginning of year - restated	969,554

Fund balance - end of year (Exhibit 4)	\$ 60,227,612
--	---------------

**TOWN OF APEX, NORTH CAROLINA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**

JUNE 30, 2022

	Major Funds		Totals	Internal Service Fund
	Water and Sewer Fund	Electric Fund		
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 50,209,469	\$ 15,351,779	\$ 65,561,248	\$ 530,482
Accounts receivable, net (billed)	2,106,321	3,950,487	6,056,808	4,791
Accounts receivable, net (unbilled)	1,624,693	3,245,661	4,870,354	-
Inventories	370,084	1,857,200	2,227,284	-
Lease receivable	860,558	-	860,558	-
Accrued interest receivable - leases	1,036	-	1,036	-
Prepaid expenditures	-	-	-	6,182
Restricted cash and cash equivalents	18,892,361	792,582	19,684,943	-
Subtotal	74,064,522	25,197,709	99,262,231	541,455
<b>Noncurrent assets:</b>				
Capital assets:				
Land and other non-depreciable assets	86,709,483	2,945,579	89,655,062	-
Other capital assets, net of depreciation	308,021,153	86,495,397	394,516,550	-
Accumulated depreciation and amortization	(136,231,963)	(36,960,311)	(173,192,274)	0
Capital assets (net)	258,498,673	52,480,665	310,979,338	-
Subtotal-noncurrent assets	258,498,673	52,480,665	310,979,338	-
Total assets	332,563,195	77,678,374	410,241,569	541,455
<b>Deferred Outflows of Resources:</b>				
Pension deferrals - LGERS	1,604,174	1,233,981	2,838,155	-
Other post employment benefit deferrals	502,875	478,928	981,803	-
Total deferred outflows of resources	2,107,049	1,712,909	3,819,958	-
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	2,406,723	3,914,367	6,321,090	265,554
Salaries payable	315,642	233,354	548,996	-
Customer deposits	204,025	839,703	1,043,728	-
Accrued interest payable - Bond	82,919	173,143	256,062	-
Compensated absences	133,335	34,387	167,722	-
Installment purchases and notes payable	1,564,917	-	1,564,917	-
General obligation bonds payable	1,475,000	-	1,475,000	-
Revenue bond payable	-	1,022,000	1,022,000	-
Total current liabilities	6,182,561	6,216,954	12,399,515	265,554
<b>Noncurrent liabilities:</b>				
Pension liability - LGERS	1,012,029	778,484	1,790,513	-
Compensated absences	154,171	308,433	462,604	-
Total other postemployment benefits liability	2,674,552	2,547,192	5,221,744	-
Installment purchases and notes payable	13,152,772	-	13,152,772	-
General obligation bonds payable	27,605,000	-	27,605,000	-
Revenue bond payable	-	9,335,000	9,335,000	-
Total noncurrent liabilities	44,598,524	12,969,109	57,567,633	-
Total liabilities	50,781,085	19,186,063	69,967,148	265,554
<b>Deferred Inflows of Resources</b>				
Pension deferrals - LGERS	1,451,371	1,116,437	2,567,808	-
Leases	850,490	-	850,490	-
Other post employment benefit deferrals	1,352,372	1,287,972	2,640,344	-
Total deferred inflows of resources	3,654,233	2,404,409	6,058,642	-
<b>Net Position</b>				
Net investment in capital assets	214,700,985	42,123,664	256,824,649	-
Restricted	18,892,361	-	18,892,361	-
Unrestricted	46,641,580	15,677,147	62,318,727	275,901
Total net position	\$ 280,234,926	\$ 57,800,811	\$ 338,035,737	\$ 275,901

**TOWN OF APEX, NORTH CAROLINA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

FOR THE YEAR ENDED JUNE 30, 2022

	Major Funds			Internal Service Fund
	Water and Sewer Fund	Electric Fund	Total	
<b>Operating revenues:</b>				
Charges for services	\$ 23,536,835	\$ 42,712,810	\$ 66,249,645	\$ 6,093,651
Water and sewer taps	342,905	-	342,905	-
Other operating revenues	320,823	4,015,916	4,336,739	-
Total operating revenues	<u>24,200,563</u>	<u>46,728,726</u>	<u>70,929,289</u>	<u>6,093,651</u>
<b>Operating expenses:</b>				
Water and sewer operations	15,770,377	-	15,770,377	-
Electric operations	-	10,647,473	10,647,473	-
Electric power purchases	-	30,535,256	30,535,256	-
Stormwater management	-	-	-	-
Depreciation and amortization	11,020,551	3,048,481	14,069,032	-
Health and dental claims	-	-	-	5,375,930
Health and dental administrative fees	-	-	-	1,009,295
Total operating expenses	<u>26,790,928</u>	<u>44,231,210</u>	<u>71,022,138</u>	<u>6,385,225</u>
Operating income	<u>(2,590,365)</u>	<u>2,497,516</u>	<u>(92,849)</u>	<u>(291,574)</u>
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	120,014	26,010	146,024	-
Interest expense	(744,292)	(245,686)	(989,978)	-
Gain (loss) on sale asset	14,292	-	14,292	-
Total nonoperating revenues (expenses)	<u>(609,986)</u>	<u>(219,676)</u>	<u>(829,662)</u>	<u>-</u>
Income before transfers and capital contributions	(3,200,351)	2,277,840	(922,511)	(291,574)
Capital asset contributions	16,600,600	-	16,600,600	-
Total transfers and capital contributions	<u>16,600,600</u>	<u>-</u>	<u>16,600,600</u>	<u>-</u>
Change in net position	13,400,249	2,277,840	15,678,089	(291,574)
Net position, beginning of year	266,834,677	55,522,971	322,357,648	567,475
Net position, end of year	<u>\$ 280,234,926</u>	<u>\$57,800,811</u>	<u>\$ 338,035,737</u>	<u>\$ 275,901</u>

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

**TOWN OF APEX, NORTH CAROLINA**  
**ENTERPRISE FUNDS**  
**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED JUNE 30, 2022

	Water & Sewer Fee Fund	Electric Fund	Totals	Internal Service Fund
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 24,070,815	\$ 46,952,754	\$ 71,023,569	\$ 6,093,651
Cash paid for goods and services	(15,830,540)	(30,799,299)	(46,629,839)	(6,518,672)
Cash paid to employees for services	104,664	(10,433,375)	(10,328,711)	-
Customer deposits received	-	212,645	212,645	-
Customer deposits paid	-	(144,075)	(144,075)	-
Net cash provided by operating activities	<u>8,344,939</u>	<u>5,788,650</u>	<u>14,133,589</u>	<u>(425,021)</u>
<b>Cash flows from noncapital financing activities:</b>				
Net cash provided by (used by) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(4,221,303)	(4,151,940)	(8,373,243)	-
Proceeds of sale of capital assets	14,292	-	14,292	-
Principal paid on bond maturities and equipment notes	(2,970,309)	(994,000)	(3,964,309)	-
Interest paid on bond maturities and equipment notes	(750,520)	(255,969)	(1,006,489)	-
Capacity and capital reimbursement fees	6,346,697	-	6,346,697	-
Net cash provided by (used by) capital and related financing activities	<u>(1,581,143)</u>	<u>(5,401,909)</u>	<u>(6,983,052)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Interest on investments	<u>108,910</u>	<u>26,010</u>	<u>134,920</u>	<u>-</u>
Net increase in cash and cash equivalents	6,872,706	412,751	7,285,457	(425,021)
<b>Cash and cash equivalents:</b>				
Beginning of year	62,229,124	15,731,610	77,960,734	955,503
End of year	<u>\$ 69,101,830</u>	<u>\$ 16,144,361</u>	<u>\$ 85,246,191</u>	<u>\$ 530,482</u>

**TOWN OF APEX, NORTH CAROLINA**  
**ENTERPRISE FUNDS**  
**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Water &amp; Sewer Fee Fund</u>	<u>Electric Fund</u>	<u>Totals</u>	<u>Internal Service Fund</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	\$ (2,590,365)	\$ 2,497,516	(92,849)	\$ (291,574)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation and amortization	11,020,551	3,048,481	14,069,032	-
Changes in assets, deferred outflows and inflows of resources, and liabilities:				
Accounts receivable	(333,773)	224,027	(109,746)	
Inventory	(29,847)	(115,863)	(145,710)	
Deferred outflows for pensions	(368,939)	(281,586)	(650,525)	
Deferred outflows of resources - OPEB	71,137	67,749	138,886	
Pension liability	(1,129,200)	(868,615)	(1,997,815)	
Accounts payable and accrued liabilities	(30,319)	(148,180)	(178,499)	(133,447)
Accrued compensated absences	20,823	121,885	142,708	
Deferred inflows of resources - pensions	1,442,716	1,109,780	2,552,496	
Deferred inflows resources - OPEB	1,066,600	1,015,809	2,082,409	
Other postemployment liability	(998,473)	(950,927)	(1,949,400)	
Deposits	204,028	68,574	272,602	
Total adjustments	<u>10,935,304</u>	<u>3,291,134</u>	<u>14,226,438</u>	<u>(133,447)</u>
Net cash provided by operating activities	<u>\$ 8,344,939</u>	<u>\$ 5,788,650</u>	<u>\$ 14,133,589</u>	<u>\$ (425,021)</u>
<b>Noncash investing, capital, and financial activities</b>				
Contributions of capital assets from developers	\$ 10,253,903	\$ -	\$ 10,253,903	\$ -
Acquisition of capital assets through capital contributions	(10,253,903)		(10,253,903)	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF APEX, NORTH CAROLINA**  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND

Exhibit 9

JUNE 30, 2022

---

	<b>OPEB Trust Fund</b>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 1,139,912
Pooled cash	175,967
	<u>1,315,879</u>
<b>NET POSITION:</b>	
Net position restricted for postemployment benefits other than pensions	<u>\$ 1,315,879</u>

**TOWN OF APEX, NORTH CAROLINA**  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION  
FIDUCIARY FUND

Exhibit 10

FOR THE YEAR ENDED JUNE 30, 2022

---

	<u>OPEB Trust Fund</u>
<b>ADDITIONS:</b>	
Employer contributions	\$ 853,794
Investment income	<u>(185,225)</u>
Total additions	<u>668,569</u>
<b>DEDUCTIONS:</b>	
Benefits	<u>503,794</u>
Total deductions	<u>503,794</u>
Change in net position	164,775
Net position - beginning	<u>1,151,104</u>
Net position - ending	<u><u>\$ 1,315,879</u></u>

## Note 1 – Nature of operations and summary of significant accounting policies

The financial statements of the Town of Apex (the “Town”) have been prepared in conformity with generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

### (a) Reporting Entity

The Town, a political subdivision of Wake County, is a municipal corporation governed by an elected mayor and a five-member Town Council. There are no component units which are required to be included in these financial statements.

### (b) Basis of Presentation

*Government-wide Statements:* The statement of net position and the statement of activities include all the nonfiduciary activities of the overall government. All fiduciary activities are reported only in the fund financial statements. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in this process. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town’s governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Town’s funds, including the internal service and pension trust funds. Separate statements for each fund category-governmental, proprietary, and fiduciary- are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are from ancillary activities such as investment earnings. In addition, acreage and capacity fees are considered contributed capital and are restricted until used for capital improvements.

*The Town reports the following major governmental funds:*

**General Fund** – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state-shared revenues, grants, building permits and fees, refuse collection charges and various other taxes and fees. The primary expenditures are for public safety, streets, sanitation, parks and recreation, and general governmental services. Additionally, the Town has legally adopted a Fire Capital Reserve Fund Police Federal Fund, Police State Fund, Police Donations Fund, Fire Donations Fund, EMS Donations Fund and Affordable Housing Fund. Under GASB Statement 54 guidance these funds are consolidated in the General Fund.

**Note 1 – Nature of operations and summary of significant accounting policies (continued)**

The budgetary comparison for these funds has been included in the supplemental information.

**Recreation Capital Project Fund** – The Recreation Capital Project Fund is used to account for financial resources to be used for projects related to the construction or improvement of recreation facilities in the Town.

*The Town reports the following major proprietary funds:*

**Electric Fund** – The Electric Fund is used to account for electric operations. The Electric Fund is composed of two sub-funds: Electric Operations and the Electric Capital Project Fund, which are consolidated for financial reporting purposes.

**Water and Sewer Fund** – The Water and Sewer Fund is used to account for water and sewer operations. The Water and Sewer Fund is composed of four sub-funds: Water and Sewer Operations, Water and Sewer Project Fund, Wastewater Treatment Plant Project Fund, Water and Sewer Capital Reserve Fund and Water and Sewer HB463 Capital Reserve Fund, which are consolidated for financial reporting purposes.

*The Town reports the following nonmajor governmental funds:*

**Special Revenue Funds** –The Town has two Special Revenue Funds. The American Rescue Plan (ARP) Fund is used to account for financial resources received from federal government and the Eva Perry Library Fund is used to account for resources that are used for future specific purposes.

**Capital Project Funds** – Capital project funds are used to account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by proprietary funds). The Town has four non-major Capital Project Funds: the Recreation Capital Project Reserve Fund, the Transportation Capital Project Fund, Transportation Capital Reserve Fund and the General Capital Projects Fund.

**Permanent Fund** – The Cemetery Permanent Fund is used to account for perpetual care of the municipal cemetery.

*Additionally, the Town reports the following fund types:*

**Internal Service Fund** – The Health and Dental Fund is used to account for health and dental claims of employees and certain retirees.

**Trust Fund** – Trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. The Other Postemployment Benefits Trust Fund accounts for the Town’s contributions for healthcare coverage provided to qualified retirees.

(c) Measurement Focus, Basis of Accounting and Financial Statement Presentation

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

*Government-wide, Proprietary and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or

**Note 1 – Nature of operations and summary of significant accounting policies (continued)**

receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise fund are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Governmental Fund Financial Statements.* Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year end, except for property taxes. Ad valorem property taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. The State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received.

Sales taxes and certain intergovernmental revenues, such as the utilities sales tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered shared revenue for the Town of Apex because the tax is levied by Wake County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's

## **Note 1 – Nature of operations and summary of significant accounting policies (continued)**

policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

### **(d) Budgetary Data**

Budgets are adopted as required by North Carolina General Statutes. An annual budget ordinance is adopted for the General, special revenue, permanent, capital reserve capital projects and enterprise funds. All annual appropriations lapse at fiscal year-end. Project ordinances, which may cover more than one year, are adopted for the remaining capital project funds. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. The Town's Health and Dental Fund, an internal service fund, operates under a financial plan that was adopted by the governing board at the time the Town's budget ordinance was approved, as is required by the General Statutes. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the fund level for all annually budgeted funds and at the object level for the multi-year funds. The Town Manager is authorized by the budget ordinance to transfer appropriations between functional areas within a fund. Any revisions that alter total expenditures of any fund must be approved by the Town Council. During the year several amendments to the original budget became necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

### **(e) Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity**

#### **1. Deposits and Investments**

All deposits of the Town are made in board-designated official depositories and are secured as required by G.S. 159-31. The Town may designate as an official depository any bank or savings association whose principal office is located in North Carolina. The Town may also establish time deposits in the form of NOW accounts, Super NOW and money market accounts, and certificates of deposits.

State law G.S. 159-30(c) authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and banker's acceptances; and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

General Statue 159-30.1 allows the Town to establish and fund an irrevocable trust for the purpose of paying post-employment benefits for which the Town is liable. The Town's Other Postemployment Benefit (OPEB) Trust is managed by the staff of the Department of the State Treasurer and operated in accordance with State laws and regulations. The Trust is not registered with the SEC. G.S. 159-30(g) allows the Town to make contributions to the Trust. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short-term fixed income investments as detailed in G.S. 147-69-2(b) (1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short-Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high-quality debt securities eligible under G.S. 147-69.2(b)(1)-(6)m and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8).

**Note 1 – Nature of operations and summary of significant accounting policies (continued)**

The North Carolina Capital Management Trust (NCCMT) which consists of an SEC registered fund, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a-7 fund which invests in treasuries and government agencies and is rated AAAM by S&P. The Government Portfolio is reported at fair value.

Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs - other than quoted prices - included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2022 of .9 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

BIF does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.75 years at June 30, 2022. The Blackrock MSCI ACWI EZ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2022 the fair value of the funds was \$27.23 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

**2. Cash and Cash Equivalents**

The Town pools money from several funds, except the OPEB Trust Fund, to facilitate disbursement and investment and maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

(Intentionally Left Blank)

**Note 1 – Nature of operations and summary of significant accounting policies (continued)**

**3. Restricted Assets**

Certain police and fire safety moneys are classified as restricted because their use is restricted by donors or state and federal law. Money from the sale of cemetery plots is restricted for use in cemetery perpetual care. Unspent inspection funds are also classified as restricted cash because they can be expended only for the purposes outlined in State Statute (G.S. 160A-414). The unexpended bond and note proceeds in the Street Improvement Capital Project Fund are classified as restricted assets because their use is completely restricted for the purpose for which the debt was originally issued. Amounts received for Capital Reimbursement fees are restricted until spent for future capital improvements or debt service on existing capital assets. Fund within the capital reserve are restricted to the purpose of the underlying fund. Powell Bill funds are classified as restricted cash because they can be expended only for the purpose of maintain, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through G.S. 136-41.4. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected.

<b>Governmental Activities:</b>	
<b>General Fund</b>	
Customer Deposits	\$ 2,370,537
General Government Projects	
Inspections	4,478,695
Public Safety	9,029,222
Streets	229,970
<b>Other Major Governmental Funds:</b>	
Parks and Recreation	4,277,169
<b>Non-Major Governmental Funds:</b>	
Affordable Housing	2,238,155
Streets and Sidewalks	15,147,792
Environmental Services	534,775
<b>Total Governmental Activities</b>	<u>38,306,315</u>
<b>Business-Type Activities:</b>	
<b>Utility Fund</b>	
Customer Deposits	792,582
Water and Sewer Projects	18,892,361
<b>Total Business-Type Activities</b>	<u>19,684,943</u>
<b>Total Restricted Cash</b>	<u>\$ 57,991,258</u>

**4. Ad Valorem Taxes Receivable**

In accordance with State law (G.S. 105-347 and G.S. 159-13(a)), the Town levies ad valorem taxes on property other than motor vehicles on July 1<sup>st</sup>, the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values as of the previous January 1<sup>st</sup>.

**5. Allowances for Doubtful Accounts**

An allowance for doubtful accounts is maintained on the ad valorem taxes and services receivables in the General Fund and on utility receivables in the Electric Fund and the Water and Sewer Fund. This amount is estimated by

**Note 1 – Nature of operations and summary of significant accounting policies (continued)**

analyzing the percentage of receivables that are written off in prior years. The direct write-off method is used by the Town on all other types of receivables. Under this method, all accounts considered uncollectible at June 30, 2022 have been charged against operations.

**6. Lease Receivable**

The Town’s lease receivable is measured at present value of lease payments expected to be received during the lease term. Under the lease agreements, the Town may receive variable lease payments that are dependent upon the lessee’s revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**7. Inventories and Prepaid Items**

The inventories of the Town are valued at cost (weighted average), which approximates market. The Town’s General Fund inventory consists of expendable supplies that are recorded as expenditures as used rather than when purchased. The inventories of the Town’s enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

Certain payments to vendors reflect amounts applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**8. Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Other costs incurred for repairs and maintenance is expensed as incurred.

Capital assets are depreciated on a straight-line basis as follows:

<u>Item</u>	<u>Life</u>
Buildings	30 years
Vehicles and Motorized Equipment	3-10 years
Utility Improvements	30-40 years
Buildings and Land Improvements	10-30 years
Land Improvements	10 to 33 years
Equipment and Furniture	5 to 8 years

**9. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, pension deferrals and OPEB deferrals for the 2022 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until

## Note 1 – Nature of operations and summary of significant accounting policies (continued)

then. The Town has six items that meets the criterion for this category – prepaid taxes, prepaid recreation fees, greenway credits, property taxes receivable and pension and OPEB deferrals.

### 10. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the reporting period in which they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures.

### 11. Compensated Absences

The vacation policy of the Town allows employees to carry forward each December 31 of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. The Town's policy for compensatory time provides for an unlimited accumulation of earned compensatory time, which is vested. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for unlimited accumulation of earned sick leave. Sick leave does not vest but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement purposes. Since the Town has no obligation for the sick leave until it is actually taken, no accrual for sick leave has been made.

### 12. Net position/Fund Balances

#### Net position

Net position in government-wide and proprietary fund financial statements is classified as invested in net capital assets, restricted, and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

#### Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

#### Non-spendable Fund Balance

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

## **Note 1 – Nature of operations and summary of significant accounting policies (continued)**

*Prepaid items* - portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items, which are not spendable resources.

*Inventories* – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

### Restricted Fund Balance

This classification includes amounts of fund balance restricted by or subject to externally enforceable legal restrictions, including, but not limited to creditors, grantors, contributors, or other governments through enabling legislation.

*Restricted for Stabilization by State Statute* - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

*Restricted for inspections* – portion of fund balance that is RSS [G.S. 160A-414].

*Restricted for public safety* – portion of fund balance that is restricted by revenue source for certain public safety expenditures.

*Restricted for planning* – portion of fund balance received from developer's to be maintained until the completion of the related projects.

*Restricted for street improvements* – portion of fund balance is unexpended debt proceeds and restricted until used for capital improvement for which the debt was issued.

*Restricted for recreation improvements* – portion of fund balance is unexpended debt proceeds and restricted until used for capital improvement for which the debt was issued.

### Committed Fund Balance

This classification includes amounts of fund balance that can only be used for specific purposes imposed by a resolution approved by majority vote of a quorum of the Town of Apex's Town Council (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Committed for cemetery perpetual care* – portion of fund balance committed by the Council for maintenance of the cemetery.

*Committed for street improvements* – portion of fund balance committed by the Council for street capital improvements.

## Note 1 – Nature of operations and summary of significant accounting policies (continued)

*Committed for recreation improvements* – portion of fund balance committed by the Council for recreational capital improvements.

*Committed for economic development* – portion of fund balance committed by the Council for affordable housing expenditures.

*Committed for public safety* – portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance obligations and unspent debt proceeds.

*Committed for general government* – portion of fund balance committed by the Council for general capital improvements.

*Committed for library maintenance* – portion of fund balance committed by the Council for Perry Library expenditures.

### Assigned Fund Balance

This classification includes amounts of fund balance that reflect a government's intended use of resources. Assignments are created, amended, or eliminated by the Town Council through budget ordinances or amendments to previously approved budget ordinances.

*Assigned for recreation improvements* – portion of fund balance budgeted by the Council for recreation capital improvements.

*Assigned for street improvements* - portion of fund balance that has been budgeted by the Council for street improvements.

*Assigned for subsequent years expenditures* – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

### Unassigned Fund Balance

The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town has adopted a minimum fund balance policy for the General Fund which states that unassigned fund balance will be at least 25% of expenditures. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed by committed, then assigned, and lastly unassigned. For programs with multiple revenue sources, the Town uses the following hierarchy: bond proceeds first, then federal funds, State funds, local non-Town funds, and finally Town funds. The Finance Director has the authority to deviate from this policy if it is in the best interest of the Town.

### Defined Benefit Pension and OPEB Plans

The Town participates in one cost-sharing, multiple-employer, defined benefit pension plan that is administered by the State; the Local Governmental Employees' Retirement System (LGERS), and one OPEB plan, the Healthcare Benefits Plan (HCB). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plan and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net position have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions

are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCB and additions to/deductions from the HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all plans are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – DEPOSITS AND INVESTMENTS

All of the Town's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage are collateralized with securities held by the Town's agent in the Town's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in the Town's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2022, the carrying amount of the Town's deposits was \$108,366,013 and the bank balance was \$108,766,603. Of the bank balance, \$1,250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2022, the Town had \$2,100 of petty cash on hand.

Investments – at June 30, 2022, the Town's investments consisted of the following:

Investments by Type	Valuation Measurement Method	Book Value	Maturity	Rating
NC Capital Management				
Trust	Fair Value			
Government Portfolio	Level 1	\$ 100,125,159	N/A	AAAm

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

*Interest Rate Risk:* The Town has a policy limiting its exposure to fair value losses arising from increasing interest rates by limiting maturities of investments to three years or less from the date of purchase.

*Credit Risk:* The Town has no formal policy regarding credit risk, but has internal management procedures that limits the Town’s investment to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible rating whenever particular types of securities are rated. The Town’s investment in the NC Capital Management Trust Government Portfolio carried a rating of AAAM by Standard and Poor’s as of June 30, 2022.

*Custodial Credit Risk:* For an investment, the custodial risk is the risk that in the event of the failure of the

Note 2 – DEPOSITS AND INVESTMENTS (continued)

counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town has no formal policy on custodial credit risk, but management procedures are that the Town shall utilize a third-party custodial agent for book entry transactions, all of which shall be held in the Town’s name.

At June 30, 2022 the Town Healthcare Benefits (HCB) Plan Fund had \$1,315,879 invested in the State Treasurer’s Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer’s OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to General Statutes. At year-end, the State Treasurer’s OPEB Trust was invested as follows: State Treasurer’s STIF 0.02% and BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund 99.98% (the equities were split with 57.49% in domestic securities and 42.51% in international securities).

Note 3 – RECEIVABLES - ALLOWANCE FOR DOUBTFUL ACCOUNTS

The amounts shown on the Balance Sheet and the Statement of Net Position for receivables for the year ended June 30, 2022 are net of the following allowances for doubtful accounts:

	Accounts Receivable	Taxes Receivable	Total
<b>General Fund</b>	\$ 47,797	\$ 116,103	\$ 163,900
<b>Electric Fund</b>	540,289	-	540,289
<b>Water and Sewer Fund</b>	203,457	-	203,457
	<u>\$ 791,543</u>	<u>\$ 116,103</u>	<u>\$ 907,646</u>

(Intentionally Left Blank)

#### Note 4 – LEASE RECEIVABLES

In February 2009, the Town entered into lease with a company to use a portion of the property in connection with its federally licensed communications business. Under the lease, the lessee is required to pay the Town a fixed payment of \$2,800 per month for sixty months in exchange for placement of their radio cabinets and any structural steel or other improvements to support the equipment plus the airspace above the said space. The lease extended for five years and expires in February 2024. The lease has an option for one additional automatic extension of five years. An initial lease receivable was recorded in the amount of \$106,344. As of June 30, 2022, the value of the lease receivable is \$65,688. The lease receivable is measured at present value of future minimum rent payments expected to be received during the lease term and any extensions that are reasonably certain to be exercised at a discount rate of 1.50%. The value of the deferred inflow of resources as of June 30, 2022 was \$66,465, and the Town recognized lease revenue of \$40,656 during the fiscal year.

In May 2011, the Town entered into lease with a company to use a portion of the property in connection with its federally licensed communications business. Under the lease, the lessee is required to pay the Town a fixed payment of \$2,800 per month for sixty months in exchange for placement of their radio cabinets and any structural steel or other improvements to support the equipment plus the airspace above the said space. The lease extended for five years and expires in April 2026. An initial lease receivable was recorded in the amount of \$189,672. As of June 30, 2022, the value of the lease receivable is \$149,016. The lease receivable is measured at present value of future minimum rent payments expected to be received during the lease term and any extensions that are reasonably certain to be exercised at a discount rate of 1.50%. The value of the deferred inflow of resources as of June 30, 2022 was \$150,430, and the Town recognized lease revenue of \$40,656 during the fiscal year.

In March 2008, the Town entered into lease with a company to use a portion of the property in connection with its federally licensed communications business. Under the lease, the lessee is required to pay the Town a fixed payment of \$2,800 per month for sixty months in exchange for placement of their radio cabinets and any structural steel or other improvements to support the equipment plus the airspace above the said space. The lease extended for five years and expires in March 2023. An initial lease receivable was recorded in the amount of \$70,265. As of June 30, 2022, the value of the lease receivable is \$30,302. The lease receivable is measured at present value of future minimum rent payments expected to be received during the lease term and any extensions that are reasonably certain to be exercised at a discount rate of 1.50%. The value of the deferred inflow of resources as of June 30, 2022 was \$30,114 and the Town recognized lease revenue of \$40,656 during the fiscal year.

In November 2009, the Town entered into lease with a company to use a portion of the property in connection with its federally licensed communications business. Under the lease, the lessee is required to pay the Town a fixed payment of \$2,800 per month for sixty months in exchange for placement of their radio cabinets and any structural steel or other improvements to support the equipment plus the airspace above the said space. The lease extended for five years and expires in November 2024. An initial lease receivable was recorded in the amount of \$136,620. As of June 30, 2022, the value of the lease receivable is \$97,034. The lease receivable is measured at present value of future minimum rent payments expected to be received during the lease term and any extensions that are reasonably certain to be exercised at a discount rate of 1.00%. The value of the deferred inflow of resources as of June 30, 2022 was \$96,633 and the Town recognized lease revenue of \$39,986 during the fiscal year.

In February 2014, the Town entered into lease with a company to use a portion of the real property together with easements for ingress, egress and utilities. Under the lease, the lessee is required to pay the Town a fixed payment of \$1,700 per month for sixty months in exchange to install power, telecommunications, cables, conduit, and any other utilities, including cabinets, vaults and improvements. The lease extended for five years and expires in February 2044. The lease currently has four additional extensions. An initial lease receivable was recorded in the amount of \$530,241. As of June 30, 2022, the value of the lease receivable is \$514,982. The lease receivable is measured at present value of future minimum rent payments expected to be received during the lease term and any extensions that are reasonably certain to be exercised at a discount rate of 1.50%. The value of the deferred inflow of resources as of June 30, 2022 was \$506,848 and the Town recognized lease revenue of \$23,393 during the fiscal year.

Note 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	<b>Balance June 30, 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance June 30, 2022</b>
<b>Capital assets not being depreciated:</b>					
Land	\$ 120,459,069	\$ 11,952,260	\$ -	\$ (70,490,168)	\$ 61,921,161
Construction in progress	35,971,413	25,090,515	-	(15,328,218)	45,733,710
Total capital assets not being depreciated	<u>156,430,482</u>	<u>37,042,775</u>	<u>-</u>	<u>(85,818,386)</u>	<u>107,654,871</u>
<b>Capital assets being depreciated:</b>					
Buildings	49,510,988	-	-	15,750,560	65,261,548
Improvements	547,369,296	31,145,797	-	70,067,826	648,582,919
Equipment and furniture	9,844,033	748,758	(26,500)	(65,741)	10,500,550
Vehicles and motorized equipment	15,301,403	1,874,428	(384,833)	65,741	16,856,739
Total capital assets being depreciated	<u>622,025,720</u>	<u>33,768,983</u>	<u>(411,333)</u>	<u>85,818,386</u>	<u>741,201,756</u>
<b>Less Accumulated Depreciation for:</b>					
Buildings	22,728,022	-	-	(5,057,417)	17,670,605
Improvements	151,192,312	20,643,575	-	5,057,417	176,893,304
Equipment and furniture	5,445,459	778,957	(26,500)	(13,665)	6,184,251
Vehicles and motorized equipment	11,457,915	1,529,943	(373,065)	13,665	12,628,458
Total accumulated depreciation	<u>190,823,708</u>	<u>22,952,475</u>	<u>(399,565)</u>	<u>-</u>	<u>213,376,618</u>
Total capital assets being depreciated, net	<u>431,202,012</u>				<u>527,825,138</u>
<b>Governmental activity capital assets, net</b>	<u>\$ 587,632,494</u>				<u>\$ 635,480,009</u>

Depreciation expense was charged to Functions/programs as follows:

General government	\$ 1,739,233
Public safety	1,605,940
Public works	17,290,321
Environmental protection	264,190
Cultural and recreational	2,052,791
Total	<u>\$ 22,952,475</u>

(continued on next page)

Note 5 – CAPITAL ASSETS (continued)

	Balance				Balance
	June 30, 2021	Increases	Decreases	Transfers	June 30, 2022
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>WATER &amp; SEWER FUND:</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 67,189,624	\$ 5,438,163	\$ -	\$ -	\$ 72,627,787
Construction in progress	10,982,340	3,575,119	(475,762)	-	14,081,697
Total capital assets not being depreciated	<u>78,171,964</u>	<u>9,013,282</u>	<u>(475,762)</u>	<u>-</u>	<u>86,709,484</u>
<b>Capital assets being depreciated:</b>					
Utility improvements	284,252,361	5,694,461	-	-	289,946,822
Building and land improvements	8,343,274	32,671	-	-	8,375,945
Intangibles	3,490,000	-	-	-	3,490,000
Equipment and furniture	3,031,029	-	-	-	3,031,029
Vehicles and motorized equipment	3,070,067	210,556	(103,266)	-	3,177,357
Total capital assets being depreciated	<u>302,186,731</u>	<u>5,937,688</u>	<u>(103,266)</u>	<u>-</u>	<u>308,021,153</u>
<b>Less Accumulated Depreciation for:</b>					
Utility improvements	115,230,301	10,251,587	-	-	125,481,888
Building and land improvements	2,042,752	268,071	-	-	2,310,823
Intangibles	3,490,000	-	-	-	3,490,000
Equipment and furniture	2,113,400	197,825	(103,266)	-	2,207,959
Vehicles and motorized equipment	2,438,224	303,069	-	-	2,741,293
Total accumulated depreciation	<u>125,314,677</u>	<u>11,020,552</u>	<u>(103,266)</u>	<u>-</u>	<u>136,231,963</u>
Total capital assets being depreciated, net	<u>176,872,054</u>				<u>171,789,190</u>
Total Water and Sewer Fund Capital Assets	<u>\$ 255,044,018</u>				<u>\$ 258,498,674</u>
<b>ELECTRIC FUND:</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 2,838,934	\$ 10,000	\$ -	\$ -	\$ 2,848,934
Construction in progress	11,250,856	344,231	-	(11,498,443)	96,644
Total capital assets not being depreciated	<u>\$ 14,089,790</u>	<u>\$ 354,231</u>	<u>\$ -</u>	<u>\$ (11,498,443)</u>	<u>\$ 2,945,578</u>
<b>Capital assets being depreciated:</b>					
Utility Improvements	60,344,249	3,653,607			63,997,856
Building and land improvements	6,780,804	-		11,498,443	18,279,247
Equipment and furniture	1,236,990	73,040			1,310,030
Vehicles and motorized equipment	2,848,301	71,062	(11,099)	-	2,908,264
Total capital assets being depreciated	<u>71,210,344</u>	<u>3,797,709</u>	<u>(11,099)</u>	<u>11,498,443</u>	<u>86,495,397</u>
<b>Less Accumulated Depreciation for:</b>					
Utility Improvements	26,541,462	1,979,871	-	-	28,521,333
Building and land improvements	4,378,233	785,694	-	-	5,163,927
Equipment and furniture	859,988	60,660	-	-	920,648
Vehicles and motorized equipment	2,143,246	222,256	(11,099)	-	2,354,403
Total accumulated depreciation	<u>33,922,929</u>	<u>3,048,481</u>	<u>(11,099)</u>	<u>-</u>	<u>36,960,311</u>
Total capital assets being depreciated, net	<u>37,287,415</u>				<u>49,535,086</u>
Total Electric Fund Capital Assets	<u>\$ 51,377,205</u>				<u>\$ 52,480,664</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 306,421,223</u>				<u>\$ 310,979,338</u>

Note 5 – CAPITAL ASSETS (continued)

Construction Commitments

At June 30, 2022, the Town had contractual commitments as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Street Improvements Projects	\$ 10,379,943	\$ 6,630,130
Recreation Capital Projects	37,991,228	16,681,193
Wastewater Treatment Plant Projects	3,383,109	4,015,560
Water/Sewer Capital Projects	1,191,724	1,304,842
Electric Capital Project	326,762	109,131
General Capital Projects	4,060,418	4,659,431

Note 6 – PENSION PLAN OBLIGATIONS

(a) Local Governmental Employees' Retirement System

1. Plan Description

The Town of Apex is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local government entities. Article 3 of North Carolina G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service

Note 6 – PENSION PLAN OBLIGATIONS (continued)

regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Apex employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Apex's contractually required contribution rate for the year ended June 30, 2022, was 12.04% of compensation for law enforcement officers and 11.39% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Apex were \$4,044,041 for the year ended June 30, 2022.

*Refunds of Contributions* – Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2022, the Town reported a liability of \$7,784,840 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At the June 30, 2021 measurement date, the Town's proportion was 0.50762%, which was an increase of 0.04669% from its proportion measured as of June 30, 2020.

Note 6 – PENSION PLAN OBLIGATIONS (continued)

For the year ended June 30, 2022, the Town recognized pension expense of \$3,665,301. At June 30, 2022 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,476,637	\$ -
Changes of assumptions	4,890,868	-
Net difference between projected and actual earnings on pension plan investments	-	11,122,198
Changes in proportion and differences between Town contributions and proportionate share of contributions	845,378	42,184
Contributions subsequent to the measurement date	4,044,041	-
<b>Total</b>	<b>\$ 12,256,924</b>	<b>\$ 11,164,382</b>

The \$4,044,041 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date, before the fiscal year end, will be recognized as a decrease of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2023	\$ 1,093,732
2024	(641,770)
2025	(3,403,460)
<b>Total</b>	<b>\$ (2,951,498)</b>

*Actuarial Assumptions.* The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25-8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

Note 6 – PENSION PLAN OBLIGATIONS (continued)

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 6.5 %. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.5 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.5 percent) or one percentage point higher (7.5 percent) than the current rate:

Note 6 – PENSION PLAN OBLIGATIONS (continued)

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Town's proportionate share of the net pension liability (asset)	\$ 30,220,101	\$ 7,784,840	\$ (10,678,076)

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

(b) Law Enforcement Officers Special Separation Allowance

1. Plan Description

The Town of Apex administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the Town’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G. S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2020, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	6
Active plan members	94
Total	100

2. Summary of Significant Accounting Policies

**Basis of Accounting:** The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73. At June 30, 2022, \$671,799 of committed net fund balance was available to pay Separation Allowance obligations.

3. Actuarial Assumptions

The entry age normal method was used in the December 31, 2020 valuation. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	2.25 percent
Projected salary increases	3.25 - 7.75 percent, including inflation and productivity factor
Includes inflation at	2.50 percent

Note 6 – PENSION PLAN OBLIGATIONS (continued)

The discount rate used to measure the total pension liability is the S&P Municipal Bond 20 Year High Grade Rate Index. Mortality rates are based on the Pub-2010 amount-weighted tables projected to the valuation date using MP-2019, projected forward generationally from the valuation date using MP-2019.

4. Contributions

The Town is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees.

The Town’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$157,003 as benefits came due for the reporting period.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2022, the Town reported a total pension liability of \$4,846,446. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 30, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the Town recognized pension expense of \$719,755.

At June 30, 2022 the Town reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 638,998	\$ -
Changes of assumptions	917,975	156,363
Town benefit payments and administrative costs subsequent to the measurement date	82,874	-
Total	<u>\$ 1,639,847</u>	<u>\$ 156,363</u>

The \$82,874 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2023	\$ 345,943
2024	334,786
2025	300,449
2026	250,460
2027	152,325
Thereafter	<u>16,647</u>
Total	<u>\$ 1,400,610</u>

Note 6 – PENSION PLAN OBLIGATIONS (continued)

*Sensitivity of the Town’s total pension liability to changes in the discount rate.* The following presents the Town’s total pension liability calculated using the discount rate of 2.25%, as well as what the Town’s total pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.25%) or one percentage point higher (3.25%) than the current rate:

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Total pension liability	\$ 5,277,831	\$ 4,846,446	\$ 4,452,330

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

Schedule of Changes in Total Pension Liability  
Law Enforcement Officers’ Special Separation Allowance

Beginning balance	\$ 4,398,203
Service cost	292,727
Interest on total pension liability	83,370
Difference between expected and actual experience	363,041
Changes of assumptions or other inputs	(133,892)
Benefit payments	<u>(157,003)</u>
Ending balance of the total pension liability	<u>\$ 4,846,446</u>

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study completed by the Actuary for the Local Government Employees’ Retirement System for the five-year period ending December 31, 2019.

Note 6 – PENSION PLAN OBLIGATIONS (continued)

(c) Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources Related to Pensions

The following is information related to the proportionate share and pension expense for all pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>TOTAL</u>
Pension Expense	\$ 3,665,301	\$ 719,755	\$ 4,408,828
Pension Liability	7,784,840	4,846,446	12,631,286
Proportionate share of the net pension liability	.50762%	N/A	
 Deferred Outflows of Resources			
Differences between expected and actual experience	2,476,637	638,998	3,115,635
Changes of assumptions	4,890,868	917,975	5,808,843
Changes in proportion and differences between contributions and proportionate share of contributions	845,378	-	845,378
Benefit payments and administrative costs paid subsequent to the measurement date	4,044,041	82,874	4,126,915
 Deferred Inflows of Resources			
Changes of assumptions	-	156,363	156,363
Net difference between projected and actual earnings on plan investments	11,122,198	-	11,122,198
Changes in proportion and differences between contributions and proportionate share of contributions	42,184	-	42,184

(d) Supplemental Retirement Income Plan for Law Enforcement Officers

1. Plan Description

The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G. S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the CAFR for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919)981-5454.

2. Funding Policy

Article 12E of G. S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2022 were \$549,784, which consisted of \$376,983 from the Town and \$172,801 from the law enforcement officers.

(e) Supplemental Retirement Income Plan for all Other Employees

All other employees of the Town (excludes Law Enforcement Officers) are members of the Town's 401(k) plan, a defined contribution pension plan as described above. Participation begins on the date of employment. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

Note 6 – PENSION PLAN OBLIGATIONS (continued)

The Town contributes each month an amount equal to five percent of eligible employees’ salary. The contributions for the year ended June 30, 2022 were \$2,237,617, which consisted of \$1,417,149 from the Town and \$820,468 from other employees (excluding law enforcement officers).

Note 7 – OTHER POST EMPLOYMENT BENEFIT

***Healthcare Benefits***

1. Plan Description

The Town administers a single-employer defined healthcare benefit (HCB) plan to cover retirees of the Town who participate in the North Carolina Local Government Employees’ Retirement System and have met the minimum 15-year service requirement with the Town.

<u>YEAR OF SERVICE</u> <u>AT RETIREMENT</u>	<u>PERCENT OF PREMIUM</u> <u>PAID BY THE TOWN</u>
25 OR MORE YEARS	100%
20 TO 24 YEARS	75%
15 TO 19 YEARS	50%

*Employees who were hired on or after July 1, 2020 are not eligible for benefits.*

The Town’s retirees can also purchase coverage for their dependents at the Town’s group rates as long as they had dependent coverage at the time of retirement. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

2. Plan Membership

At June 30, 2021, the date of the last actuarial valuation (used in these calculations), membership of the plan consisted of the following:

Retirees and dependents receiving benefits	55
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>456</u>
Total	<u><u>511</u></u>

3. Benefits Provided

The HCB Plan provides healthcare benefits for retirees. The Town pays the full cost of post-retirement health insurance for qualified retirees until the earlier of age 65, covered under Medicare coverage, or covered under another individual insurance plan. The Town is insured through private insurers. Post-retirement spouse and dependent coverage is allowed under the plan, provided the monthly cost is paid by the retiree, and is only provided to spouses and dependents covered at the time of the employee’s retirement and continues until the earlier of the death of the retiree or the date the retiree reaches age 65. Below are coverages based on creditable service under the Plan for employees who qualify for benefits.

4. Contributions

The Town Council established the contribution requirements of plan members, which may be amended by the Council. Per a Town resolution, the Town is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to pre-fund benefits as determined annually by the Council, effective October 21, 2008. For the current year, the Town made total contributions of \$853,794 to the plan. The Fund is accounted for as a trust fund.

5. Investment Policy

The HCB Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Town Council by a majority vote of its members. It is the policy of the Council to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The HCB Plan’s discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. Investments are values at fair value. The following was the Council’s adopted asset allocation policy as of June 30, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>		<u>Long-Term Expected Real Rate of Return</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Bond Index Fund	40.0%	40.0%	4.00%	4.00%
Equity Index Fund	60.0%	60.0%	4.00%	4.00%
Total	100.0%	100.0%		

6. Rate of Return

For the year ended June 30, 2022, the annualized rate of return on investments, net of investment expense, was 4.00%. The rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net OPEB liability of the Town at June 30, 2022 were as follows:

Total OPEB liability	\$ 32,979,818
Plan fiduciary net position	<u>1,139,912</u>
Net OPEB liability	<u>\$ 31,839,906</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.46%

7. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.25 to 8.41 percent, including inflation and productivity factor
Investment rate of return	4.00 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	7.00 percent decreasing to an ultimate rate of 4.5 percent by 2031

The total OPEB liability was rolled forward to June 30, 2022 utilizing update procedures incorporating the actuarial assumptions.

Note 7 – OTHER POST EMPLOYMENT BENEFIT (continued)

Mortality rates were based on the Pub-2010 base rates projected to the valuation date using MP-2019, projected forward generationally from the valuation date using MP-2019. For general employees, rates are adjusted for males by 96% under age 81 then blended to 100% at age 85 and beyond. Rates for females are 100% of rates under age 92 then blended to 110% at age 94 and beyond.

The actuarial assumptions used in the June 30, 2021 valuation was based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, are presented above.

8. Discount Rate

The discount rate used to measure the total OPEB liability June 30, 2022 was 3.55%. The projection of cash flows used to determine the discount rate assumed that the Town will contribute \$350,000 annually to the plan.

9. Sensitivity of the Net OPEB liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town at June 30, 2022, as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.55%) or 1-percentage-point higher (4.55%) than the current discount rate:

	<u>1% Decrease</u> <u>(2.55%)</u>	<u>Discount Rate</u> <u>(3.55%)</u>	<u>1% Increase</u> <u>(4.55%)</u>
Net OPEB liability	\$ 39,219,781	\$ 31,839,906	\$ 26,198,424

10. Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Town at June 30, 2022, as well as what the Town’s net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Healthcare cost</u> <u>Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 25,234,219	\$ 31,839,906	\$ 40,809,000

11. Changes in Net OPEB Liability

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2022, the Town reported a net OPEB liability of \$31,839,906. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions.

Note 7 – OTHER POST EMPLOYMENT BENEFIT (continued)

At June 30, 2022, the components of the net OPEB liability of the Town, measured as of June 30, 2022, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ 44,877,595	\$ 1,151,104	\$ 43,726,491
Changes for the year:			
Service cost	2,767,276	-	2,767,276
Interest	963,944	-	963,944
Difference between expected and actual experience	(6,018,029)	-	(6,018,029)
Changes of assumptions	(9,107,174)	-	(9,107,174)
Contributions - employer	-	680,794	(680,794)
Net investment income	-	(188,192)	188,192
Benefits payments	(503,794)	(503,794)	-
Net change	<u>(11,897,777)</u>	<u>(11,192)</u>	<u>(11,886,585)</u>
Balance at June 30, 2022	<u>\$ 32,979,818</u>	<u>\$ 1,139,912</u>	<u>\$ 31,839,906</u>

12. Changes of Assumptions

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16 percent in 2021 to 3.55 percent in 2022. Decremental and salary increase assumptions have been updated based on the most recent NCLGERS experience analysis.

For the year ended June 30, 2022, the Town recognized OPEB expense of \$2,338,700. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 125,987	\$ 6,502,354
Changes of assumptions	5,759,376	9,597,304
Net difference between projected and actual earnings on plan investments	<u>101,235</u>	<u>0</u>
Total	<u>\$ 5,986,598</u>	<u>\$ 16,099,658</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:

2023	\$ (1,342,970)
2024	(1,343,960)
2025	(1,342,543)
2026	(1,198,652)
2027	(1,023,248)
Thereafter	<u>(3,861,687)</u>
	<u>\$ (10,113,060)</u>

Note 7 – OTHER POST EMPLOYMENT BENEFIT (continued)

(g) Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer State-administered cost sharing plan funded on a one year-term cost basis. Employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to his/her death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Trust Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

Note 8 – DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

Deferred outflows of resources at year-end are comprised of the following:

LGRS pension	
Contributions to pension plan in the current fiscal year	\$ 4,044,041
Differences between expected and actual experience	2,476,637
Changes of assumptions	4,890,868
Changes in proportion and differences between contributions and proportionate share of contributions	845,378
LEO pension	
Benefit payments made and administrative expenses	82,874
Differences between expected and actual experience	638,998
Changes of assumptions	917,975
OPEB	
Differences between expected and actual experience	125,987
Net difference between projected and actual earnings on plan investments	101,235
Changes of assumptions	<u>5,759,376</u>
Total deferred outflows of resources	<u>\$ 19,883,369</u>

Deferred inflows of resources at year-end are comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ 103,606	\$ 103,606
Taxes receivable (General Fund)	-	131,739
Greenway credits (Recreation Capital Reserve)	-	77,665
Customer overpayments (General Fund)	-	228
Refuse reserve (General Fund)	-	12,094
Wake County – COVID (General Fund)	-	72,430
LEOSSA deferrals	156,363	
Pension deferrals	11,164,382	-
OPEB deferrals	<u>16,099,658</u>	-
Total deferred inflows of resources	<u>\$ 28,374,499</u>	<u>\$ 397,762</u>

Note 9 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Town’s current property insurance provides up to \$5,000,000 per occurrence coverage with a \$50,000 deductible in flood zones B, C, and X only; the Town does not carry flood insurance in other zones because flood plain maps show insignificant property values within flood plains. The Town’s employees who have access to \$100 or more at any given time of the Town’s funds are included in the Town’s crime insurance policy that includes employee dishonesty, forgery and alteration, inside the premises theft of money or securities, and outside the premises theft of money or securities. The Finance Director is individually bonded for \$100,000. Other risks are mitigated through various means as detailed below.

Workers’ Compensation - The Town is a participant in an insurance pool administered by the North Carolina League of Municipalities. This pool is self-sustaining through member premiums and has reinsured through commercial companies for claims in excess of the amounts covered through the pool. The Town retains a portion of the risk through deductibles up to \$25,000.

Property and general liability – The Town maintains commercial insurance with deductibles up to \$25,000. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

Health and Dental Claims – The Town self-funds health and dental coverage for all permanent employees. Employees can add dependents to this coverage by paying a portion of the premium. All claims are administered by a third party, Cigna Health Care. As of June 30, 2022, a reserve of \$259,000 for health and dental was calculated for claims incurred but not reported and items reported but not paid. The liability is reported in accounts payable on the financial statements and is expected to be paid within the next fiscal year. Settlements have not exceeded coverages for the past three fiscal years. Changes in the balances of claims liabilities during the past three years are as:

	Health Claims	Dental Claims	Total
Balance-June 30, 2020	\$ 234,000	\$ 0	\$ 234,000
Claims reported and changes in estimates for FY2021	5,594,101	321,969	5,916,070
Claims paid in FY 2021	<u>(5,429,101)</u>	<u>(321,969)</u>	<u>(5,751,070)</u>
Balance-June 30, 2021	399,000	-	399,000
Claims reported and changes in estimates for FY 2022	5,336,887	390,339	5,727,226
Claims paid in FY 2022	<u>(5,994,887)</u>	<u>(390,339)</u>	<u>(6,385,226)</u>
Balance-June 30, 2022	<u>\$ 259,000</u>	<u>\$ -</u>	<u>\$ 259,000</u>

Note 10 – CLAIMS, JUDGEMENTS AND CONTINGENT LIABILITIES

At June 30, 2022, the Town was a defendant to various lawsuits. In the opinion of the Town’s management and the Town’s attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town’s financial position.

Note 11 – LONG-TERM DEBT

(a) General Obligation Bonds

The Town’s general obligation bonds serviced by the governmental funds were issued for the acquisition of parks and recreation facilities and construction of streets and sidewalks. Those general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer systems and which are being retired by its resources are reported as long-term debt in the Water and Sewer Fund. All general obligation bonds are collateralized by the full faith, credit and taxing power of the Town. Principal and interest requirements are appropriated when due.

Note 11 – LONG-TERM DEBT (continued)

Bonds payable at June 30, 2022 are comprised of the following individual issues:

\$6,000,000 Series 2013 Public Improvement serial bonds for Parks & Recreation issued March 26, 2013, due in annual installments of \$300,000 through February 1, 2033, plus interest at varying rates from 2.0 to 5.0%.	\$ 3,300,000
\$23,000,000 Series 2018 Public Improvement serial bonds for Streets and Parks & Recreation issued April 27, 2018, due in annual installments of varying amounts from \$540,000 to \$1,905,000 through June 1, 2038, plus interest at varying rates from 3.0 to 5.0%.	20,765,000
\$28,000,000 Series 2020B Public Improvement serial bonds for Parks & Recreation, issued June 4, 2020, due in annual installments of varying amounts from \$590,000 to \$1,490,000 Through June 1, 2040, plus interest at varying rates from 2.0 to 5.0%.	26,820,000

Refunding Bonds:

\$4,670,000 Parks & Recreation Refunding Bonds issued March 26, 2013, due in annual Installments of varying amounts from \$15,000 to \$515,000 through February 1, 2025, plus interest at varying rates from 2.0 to 3.0%.	1,465,000
\$1,105,000 Parks & Recreation Facility Refunding Bonds issued April 17, 2018, due in annual installments of varying amounts from \$100,000 to \$115,000 through June 1, 2028 plus interest at 5.0%.	675,000
\$2,445,000 Street & Sidewalks Refunding Bonds issued June 4, 2020, due in annual installments of varying amounts from \$260,000 to 275,000 through June 1, 2029, plus interest at 5%.	1,915,000

*Directly placed General Obligation Bonds payable at June 30, 2022 consist of the following:*

\$5,000,000 Series 2021 Street & Sidewalk bonds, issued May 20, 2021, due in annual installments of \$500,000 through May 1, 2031, plus interest of 1.05%.	<u>4,500,000</u>
Total Serviced by General Fund	<u>59,440,000</u>

**Serviced by the Water and Sewer Fund:**

\$29,440,000 Water & Wastewater taxable refunding, issued November 17, 2020, due in annual Installments of varying amounts from \$1,475,000 to \$2,545,000 through June 1, 2037, plus Interest at varying rates from 0.3 to 2.03%.	<u>\$ 29,080,000</u>
Total Serviced by Water & Sewer Fund	<u>\$ 29,080,000</u>
Total General Obligation Bonds	<u>\$ 88,520,000</u>

At June 30, 2022, the Town has general obligations bonds for transportation improvements authorized but unissued of \$49 million, \$7 million from the 2015 authorization and \$42 million from the 2021 authorization. The town has a legal debt margin of \$730,964,534.

Note 11 – LONG-TERM DEBT (continued)

Annual debt service requirements to maturity for general obligation bonds at June 30, 2022 are as follows:

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 3,715,000	\$ 1,970,756	\$ 1,475,000	\$ 423,607
2024	3,725,000	1,828,606	1,505,000	417,707
2025	3,725,000	1,685,806	1,530,000	408,677
2026	3,520,000	1,542,706	1,560,000	397,967
2027	3,525,000	1,392,456	1,615,000	383,615
2028-2032	18,050,000	4,845,631	9,385,000	1,582,000
2033-2037	16,805,000	2,137,894	12,010,000	725,160
2038-2040	<u>6,385,000</u>	<u>255,613</u>	-	-
Total	<u>\$ 59,440,000</u>	<u>\$ 15,659,469</u>	<u>\$ 29,080,000</u>	<u>\$ 4,338,733</u>

(b) Installment Notes

The Town's installment notes outstanding at June 30, 2022 are as follows:

Serviced by the General Fund:

\$6,424,000 installment obligation to Pinnacle Bank refunded 2014 for PSS 4, due in annual Installments of varying amounts from \$410,800 to \$679,000 through 2028 plus interest of 1.85% Secured by land and buildings.	\$ 2,543,000
\$4,500,000 installment obligation to Pinnacle Bank issued 2015 for PSS 5 due in annual installments of varying amounts from \$125,000 to \$340,000 through 2031 secured by land and buildings.	3,060,000
\$6,000,000 installment obligation to BB&T issued 2017 for Parks and Recreation property acquisition, due in semi-annual installments of \$206,897 principal plus interest at 2.51% through 2032 secured by the land.	4,137,931
\$8,700,000 installment obligation to Pinnacle Bank issued October 12, 2021 for Public Safety Facility and Inspections Department Building, due in annual installments of \$580,000 plus semi-annual interest payments of 1.50% through 2036 secured by the deed of trust.	<u>8,700,000</u>
Total service by the General Fund	<u>\$18,440,931</u>

Serviced by the Water and Sewer Fund:

\$1,159,825 installment obligation to the Town of Cary issued 2005 for the Regional Wastewater Treatment Plant, due in annual installments of \$57,991 through 2027 plus interest of 2.205%, secured by the land.	266,289
\$355,059 installment obligation to the Town of Cary issued 2011 for the Regional Wastewater Treatment Plant, due in annual installments of \$17,753 through 2031 plus interest of 2.205%, Secured by the land.	136,400

Note 11 – LONG-TERM DEBT (continued)

\$8,045,000 installment obligation to Pinnacle Bank for Water and Sewer Improvements due in annual installments of varying amounts from \$410,800 to 661,219 through 2028 plus interest of 2.7%, secured by water improvements. 3,815,000

Total service by Water and Sewer Fund \$ 4,217,689

Annual debt service requirements to maturity for installment notes at June 30, 2022 are as follows:

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 1,750,160	\$ 331,070	\$ 689,917	\$ 86,265
2024	1,752,560	297,991	693,517	71,449
2025	1,756,160	264,867	702,236	56,481
2026	1,759,360	231,677	708,650	41,288
2027	1,762,159	198,429	712,851	27,369
2028-2032	6,760,532	539,942	710,518	18,412
2033-2037	2,900,000	108,750	-	-
Total	<u>\$ 18,440,931</u>	<u>\$ 1,972,726</u>	<u>\$ 4,217,689</u>	<u>\$ 301,264</u>

(c) Revolving Fund Loans

The Town has a promissory note issued by the North Carolina Department of Environment, Health, and Natural Resources for the construction of a regional wastewater treatment plant and for water system improvements. Future revenues of the sanitary sewer system and the water system collateralize the notes. These debts are recorded as long-term debt in the water and sewer fund with principal and interest requirements appropriated when due.

The Town's promissory notes outstanding at June 30, 2022 are as follows:

Serviced by the Water and Sewer Fund:

\$17,500,000 promissory note issued for the construction of a regional wastewater treatment plant. Future Revenues of the sanitary sewer system collateralizes the note due in annual installments of \$875,000 beginning May 1, 2015 through May 1, 2034 plus interest at 2.22%. \$ 10,500,000

Annual debt service requirements to maturity for promissory notes at June 30, 2022 are as follow:

Year Ending June 30:	Principal	Interest
2023	\$ 875,000	\$ 233,100
2024	875,000	213,675
2025	875,000	194,250
2026	875,000	174,825
2027	875,000	155,400
2028-2032	4,375,000	485,625
2033-2037	1,750,000	58,275
Total	<u>\$ 10,500,000</u>	<u>\$ 1,515,150</u>

(h) Note 11 – LONG-TERM DEBT (continued)

(a) Revenue Bond

\$7,300,000 Electric Revenue Bond, Series 2009, issued for electrical system improvements, due in annual installments of varying amounts from \$375,000 to \$617,000 through 2024, interest at 3.62%.	\$ 1,212,000
\$10,000,000 Electric Revenue Bond, Series 2019, issued for electrical system improvements, due in annual installments of \$419,000 to \$598,000 through 2039, interest at 2.0%.	<u>9,145,000</u>
	<u>\$ 10,357,000</u>

The Town has been in compliance with the covenants as to rates, fees, rentals and charges in Section 704 of the Bond Order, authorizing the issuance of the Electric Revenue Bonds, Series 2009 and Series 2019, since its adoption in 2009. Section 704(a) of the Bond Order requires that income available for debt service plus 15% of Electric Fund Unrestricted Net position as of the last day of the prior fiscal year will not be less than 120% of the long-term debt service requirement for the current fiscal year.

The debt service requirement coverage ratio calculation for the year ended June 30, 2022 is as follows:

Current revenues	\$ 46,754,737
Current expenses	<u>41,050,095</u>
Subtotal	5,704,642
15% of Unrestricted Net Position, 6-30-21	<u>2,185,546</u>
Income available for debt service	\$ 7,890,188
Debt service, principal and interest	
Paid (Revenue Bond only)	<u>\$ 1,249,969</u>
Debt Service Coverage Ratio	<u>631%</u>

Per rate covenants, current expenses do not include depreciation expense of \$3,048,481, debt service interest of \$245,686 and the increase in other post-employment benefits of \$132,631.

The Town has pledged future electric customer revenues, net of specified operating expenses, to repay \$7,300,000 in electric system revenue bonds issued in May 2009. Proceeds from the bonds provided financing for electrical system improvements. The bonds are payable solely from electric customer net revenues and are payable through 2024. The total principal and interest remaining to be paid on the bonds is \$1,278,210. Principal and interest paid for the current year and the income available for debt service was \$639,780 and \$8,247,288 respectively.

The Town has pledged future electric customer revenues, net of specified operating expenses, to repay \$10,000,000 in electric system revenue bonds issued in September 2019. Proceeds from the bonds provided financing for electrical system improvements. The bonds are payable solely from electric customer net revenues and are payable through fiscal year 2040. The total principal and interest remaining to be paid on the bonds is \$10,979,860. Principal and interest paid for the current year and the income available for debt service was \$610,280 and \$8,247,288 respectively.

Annual debt service requirements to maturity for the revenue bonds at June 30, 2022 is as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,022,000	\$ 226,774
2024	1,053,000	196,695
2025	444,000	165,640
2026	453,000	156,760
2027	462,000	147,700
2028-2032	2,454,000	596,040
2033-2037	2,710,000	340,640
2038-2040	<u>1,759,000</u>	<u>70,820</u>
Total	<u>\$ 10,357,000</u>	<u>\$ 1,901,070</u>

(Intentionally left blank)

Note 11 – LONG-TERM DEBT (continued)

(f) Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
General obligation "GO" bonds	\$ 58,155,000	\$ -	\$ 3,215,000	\$ 54,940,000	\$ 3,215,000
GO Bond premium	5,295,784	-	407,834	4,887,950	351,243
Bonds from direct placements	5,000,000	-	500,000	4,500,000	500,000
<b>Total bonds payable</b>	<b>68,450,784</b>	<b>-</b>	<b>4,122,834</b>	<b>64,327,950</b>	<b>4,066,243</b>
Installment notes	10,949,724	8,700,000	1,208,793	18,440,931	1,750,160
Compensated absences	2,441,181	2,560,755	1,526,844	3,475,092	1,526,844
Net pension liability (LGERS)	12,682,664	-	6,688,337	5,994,327	-
Total pension liability (LEO)	4,398,203	448,243	-	4,846,446	-
Net OPEB liability	36,555,346	-	9,937,184	26,618,162	-
<b>Governmental activity long-term liabilities</b>	<b>\$ 135,477,902</b>	<b>\$ 11,708,998</b>	<b>\$ 23,483,992</b>	<b>\$ 123,702,908</b>	<b>\$ 7,343,247</b>
<b>Business-type activities:</b>					
General obligation "GO" bonds	\$ 30,485,000	\$ -	\$ 1,405,000	\$ 29,080,000	\$ 1,475,000
GO Bond premium	47,640	-	47,640	-	-
<b>Total bonds payable</b>	<b>30,532,640</b>	<b>-</b>	<b>1,405,000</b>	<b>29,080,000</b>	<b>1,475,000</b>
Installment notes	16,235,359	-	1,517,670	14,717,689	1,564,917
Revenue bond	11,351,000	-	994,000	10,357,000	1,022,000
Compensated absences	487,618	462,604	319,896	630,326	462,604
Net pension liability (LGERS)	3,788,328	-	1,997,815	1,790,513	-
Net OPEB liability	7,171,144	-	1,949,400	5,221,744	-
<b>long-term liabilities</b>	<b>\$ 69,566,089</b>	<b>\$ 462,604</b>	<b>\$ 8,183,781</b>	<b>\$ 61,797,272</b>	<b>\$ 4,524,521</b>

Compensated absences, other post-employment benefits and pension obligations for governmental activities typically have been liquidated in the General Fund.

The Town's outstanding bonds from direct placement related to governmental activities of \$5,000,000 contain a provision that in the event of default the lender may seek payment from the Town and pursue any other remedies permitted under State law.

Note 12 – FUND BALANCE

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total fund balance-General Fund	\$	60,227,612
Less:		
Inventories		27,899
Prepaid items		283,417
Stabilization by State Statute		14,249,972
Restricted for Inspections – HB255		4,312,420
Restricted for Public Safety		150,368
Committed for LEO pension obligation		671,799
Restricted for Planning		2,353,147
Restricted for Economic Development		2,238,155
Assigned for subsequent year’s expenditures		<u>3,620,000</u>
Remaining fund balance	\$	<u>32,320,435</u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

Encumbrances – General Fund	\$	6,322,284
Encumbrances – Electric Fund		655,426
Encumbrances – Water and Sewer Fund		1,304,842

(Intentionally left blank)

Note 13 – INTERFUND BALANCES AND ACTIVITY

	Transfers Out									Total Transfers In
	General Fund	EMS Donations	ARP Fund	Fire Reserve	Transportation Reserve	Water & Sewer Fund	System			
							Water & Sewer Reserve	Development Fee	Electric Fund	
Transfers In:										
General Fund	\$ -	\$ -	\$ 2,628,841	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 3,228,841
Affordable Housing	1,595,000	-	-	-	-	-	-	-	-	1,595,000
General Capital Projects	800,000	79,837	-	110,224	-	-	-	-	-	990,061
Perry Library	796,000	-	-	-	-	-	-	-	-	796,000
Street Improvements Project	2,500,000	-	-	-	933,103	-	-	-	-	3,433,103
Parks Recreation Projects	300,000	-	-	-	-	-	-	-	-	300,000
ARP Fund	2,628,841	-	-	-	-	-	-	-	-	2,628,841
Water/Sewer Fund	-	-	-	-	-	-	5,952,500	388,250	-	6,340,750
Water/Sewer Project Electric Substation Project	-	-	-	-	-	1,200,000	-	1,175,000	-	2,375,000
	-	-	-	-	-	-	-	-	600,000	600,000
<b>Total Transfers Out</b>	<b>\$ 8,619,841</b>	<b>\$ 79,837</b>	<b>\$ 2,628,841</b>	<b>\$ 110,224</b>	<b>\$ 1,533,103</b>	<b>\$ 1,200,000</b>	<b>\$ 5,952,500</b>	<b>\$ 1,563,250</b>	<b>\$ 600,000</b>	<b>\$ 22,287,596</b>

Transfer Purposes:

- A) \$2.6 million transferred from General Fund to American Recovery Program (ARP) Fund to recognize the standard allowance option and release the funding restrictions.
- B) \$1.6 million transferred from General Fund to Affordable Housing Funds for related projects. Council approved an allocation of \$.01 of the ad valorem tax rate for this purpose.
- C) Funds were transferred out of the EMS Donations and Fire Reserve Fund to closeout these projects. The amounts were \$79,837 and \$110,224, respectively.
- D) All other transfers were made to fund capital improvements.

Note 14 – JOINTLY GOVERNED ORGANIZATION

The Town is a member of the North Carolina Eastern Municipal Power Agency (the “Agency”). The Agency was formed to enable municipalities that own electric distribution systems to finance, construct, own, operate, and maintain generation and transmission facilities through the Agency. The Town receives power from the Agency and is contractually allocated a .7056% interest in the Agency, with the balance being shared by the thirty-two (32) other local governments. Each participating government appoints one commissioner to the Agency’s governing board. The Town is obligated to purchase all of its power supply requirements from the Agency. Except for the power sales purchase requirements, no local government participant has any obligation, entitlement, or residual interest. The Town’s gross purchases of power for the fiscal year ended June 30, 2022 were \$30,535,256.

On July 31, 2015, the Agency completed the sale of most of its electricity generating assets to Duke Energy. These proceeds were used to defease the Agency’s outstanding revenue bonds. The Agency entered into contractual arrangements with its member cities and Duke Energy. Under these arrangements, the Agency will supply wholesale power to its members and will purchase this power from Duke Energy. In addition to payments made for electric power, Agency members will make payments for their share of the debt service on the Agency’s

new revenue bonds.

Note 15 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

The Town has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures of grant monies by the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

Note 16 – RESTATEMENTS

1. During the year, the Town discovered that the Affordable Housing Fund (\$969,554) was not presented correctly. The prior statements presented the fund as a special revenue fund and therefore was reported in the Nonmajor Governmental Funds section. However, according to GASB Statement 54 this fund should have been presented as consolidated with the General Fund.
2. It was also noted that the sub fund balance for the funds listed below were incorrectly presented within the General Fund balance on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances. This consolidation should be reflected on the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual presentation. Therefore, the General Fund beginning fund balance presented on Schedule 1 was reduced for accurate presentation.

A) Police State Fund	\$	47,782
B) Police Federal Fund		25,630
C) Police Donations Fund		34,295
D) Fire Donations Fund		19,132
E) EMS Donations Fund		79,823
F) Law Enforcement Special Separation Allowance Fund		856,783
TOTAL	\$	<u>1,063,445</u>

Note 17 – JOINTLY OWNED FACILITIES

The Towns of Apex and Cary jointly own and operate a water treatment plant. An advisory committee, consisting of the Mayors of Apex and Cary and the Town Managers of Apex and Cary, advise the Operating Agency on all policy matters and select the independent consultants for the project. The Town of Cary is the Operating Agency and operates the plant, hires employees, accounts for revenues and expenditures, and provides all administrative and executive management of the plant. The water treatment plant is not a separate legal entity and does not prepare separate financial statements. The Town's share of capital costs of the plant and its operating expenses are included in the Town of Apex's reporting entity.

All costs associated with the construction and improvements to the plant are allocated to each party based on its share of the water treatment capacity of the plant. The Towns of Apex and Cary have a 23% and 77% share of the facility's capacity, respectively. Both parties make payments sufficient to amortize their share of the capital costs regardless of the amount of water actually used. Both parties meet their share of all other costs in proportion to their actual use of water from the facility.

The Towns of Apex and Cary jointly own and operate a wastewater treatment plant. The Town of Apex owns approximately from 29-31% considering the entire plant including outfall facilities.

Note 18 – SUBSEQUENT EVENTS

The Town has evaluated events through May 19, 2023 in connection with preparation of these financial statements, which is the date the financial statements were ready to be issued.



Prepared by the Town of Apex Finance Department

**TOWN OF APEX, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**OPEB TRUST PLAN**  
**LAST FIVE FISCAL YEARS**

June 30, 2022

<b>TOTAL OPEB LIABILITY</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service cost	\$ 2,767,276	\$ 2,910,827	\$ 2,129,618	\$ 1,833,733	\$ 2,225,212
Interest	963,944	920,729	1,185,723	1,111,292	854,654
Differences between expected and actual experience	(6,018,029)	(132,118)	(1,572,528)	143,860	110,047
Changes of assumptions	(9,107,174)	(337,017)	6,264,555	2,521,287	(3,373,245)
Benefit payments	(503,794)	(291,917)	(154,835)	(442,864)	(338,332)
Net change in total OPEB liability	(11,897,777)	3,070,504	7,852,533	5,167,308	(521,664)
Total OPEB liability - beginning	44,877,595	41,807,091	33,954,558	28,787,250	28,561,721
Total OPEB liability - ending	<u>\$ 32,979,818</u>	<u>\$ 44,877,595</u>	<u>\$ 41,807,091</u>	<u>\$ 33,954,558</u>	<u>\$ 28,040,057</u>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - employer	\$ 680,794	\$ 641,917	\$ 504,835	\$ 692,864	\$ -
Net investment income	(188,192)	177,074	24,030	-	-
Benefit payments	(503,794)	(291,917)	(154,835)	(442,864)	-
Net change in plan fiduciary net position	(11,192)	527,074	374,030	250,000	-
Plan fiduciary net position - beginning	1,151,104	624,030	250,000	-	-
Plan fiduciary net position - ending	<u>\$ 1,139,912</u>	<u>\$ 1,151,104</u>	<u>\$ 624,030</u>	<u>\$ 250,000</u>	<u>\$ -</u>
Town's Net OPEB liability - ending	<u>\$ 31,839,906</u>	<u>\$ 43,726,491</u>	<u>\$ 41,183,061</u>	<u>\$ 33,704,558</u>	<u>\$ 28,040,057</u>
<b>Plan fiduciary net position as a percentage of total OPEB liability</b>	3.46%	2.56%	1.49%	0.74%	0.00%
Covered payroll	\$ 31,042,895	\$ 25,695,645	\$ 25,695,645	\$ 23,508,278	
Town's net OPEB liability as a percentage of covered payroll	102.57%	170.17%	160.27%	143.37%	

**Notes to Schedule**

The difference of \$747,193 between the 2018 ending TOL and the 2019 beginning TOL is due to the change in accounting principle that was adopted for measurement period ending June 30, 2019.

\* Plan measurement date is the reporting date.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.56%

Note that this schedule will not present 10 years' worth of information until fiscal year 2027.

**TOWN OF APEX, NORTH CAROLINA  
SCHEDULE OF TOWN CONTRIBUTIONS AND  
SCHEDULE OF INVESTMENT RETURNS - OPEB TRUST PLAN  
LAST THREE FISCAL YEARS**

**JUNE 30, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 3,149,756	\$ 3,149,756	\$ 3,077,653	\$ 3,077,653
Contributions in relation to the actuarially determined contribution	680,794	641,917	504,835	692,864
Annual contribution deficiency	<u>2,468,962</u>	<u>2,507,839</u>	<u>2,572,818</u>	<u>2,384,789</u>
Covered payroll*	31,042,895	25,695,645	25,695,645	23,508,278
Actual contributions as a percentage of covered payroll	2.19%	2.50%	1.96%	2.95%

\* For years following the valuation date (when no valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.

Notes:

Valuation date: June 30, 2021

Actuarially determined contribution rates are calculated as of June 30, prior to the above year end of the fiscal year in which contributions

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal  
Amortization method Level percentage of pay  
Amortization period 30 years  
Asset valuation method Fair value of assets  
Inflation 2.50%  
Healthcare cost trend rates 7.0% decreasing to an ultimate of 4.5% by 2031  
3.25% to 8.41% including inflation and  
Salary increases productivity factor  
4.0% net of OPEB plan investment expense,  
Investment rate of return including inflation  
In the 2017 actuarial valuation, assumed life  
Retirement Age expectancies were adjusted as a result of adopting  
the RP-2014 Health Annuitant Mortality Table.  
In the 2017 actuarial valuation, assumed life  
Mortality expectancies were adjusted as a result of adopting  
the RP-2014 Health Annuitant Mortality Table.

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annualized return, net of investment expense	-12.97%	23.74%	5.50%	0.00%

Note: The Town initially established the OPEB Trust Fund as of June 30, 2019 and money was invested on that date.

**TOWN OF APEX, NORTH CAROLINA**  
**PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)**  
**LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM**  
**LAST NINE FISCAL YEARS\***

June 30, 2022

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Apex's proportion of the net pension liability (asset) (%)	0.50762%	0.46093%	0.42773%	0.42412%	0.40137%	0.39248%	0.39693%	0.38363%	0.37310%
Apex's proportion of the net pension liability (asset) (\$)	\$ 7,784,840	\$ 16,470,992	\$ 11,680,973	\$ 10,061,577	\$ 6,131,822	\$ 8,329,740	\$ 1,781,398	\$ (2,262,443)	\$ 4,497,288
Apex's covered payroll	\$ 33,901,715	\$ 30,283,515	\$ 26,938,688	\$ 25,826,440	\$ 23,809,047	\$ 22,065,857	\$ 20,582,712	\$ 19,417,804	\$ 18,242,662
Apex's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	22.96%	54.39%	43.36%	38.96%	25.75%	37.75%	8.65%	-11.65%	24.65%
Plan fiduciary net position as a percentage of the total pension liability	95.51%	88.61%	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Note that this schedule will not present 10 years' worth of information until fiscal year 2023.

**TOWN OF APEX, NORTH CAROLINA**  
 TOWN'S CONTRIBUTIONS  
 LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM  
 LAST NINE FISCAL YEARS

June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 4,044,041	\$ 3,497,748	\$ 2,764,098	\$ 2,136,423	\$ 1,984,665	\$ 1,771,996	\$ 1,502,800	\$ 1,468,206	\$ 1,380,271
Contributions in relation to the contractually required contributions	<u>4,044,041</u>	<u>3,497,748</u>	<u>2,764,098</u>	<u>2,136,423</u>	<u>1,984,665</u>	<u>1,771,996</u>	<u>1,502,800</u>	<u>1,468,206</u>	<u>1,380,271</u>
Contribution deficiency (excess)	<u>\$ -</u>								
Town of Apex's covered payroll	\$ 34,700,466	\$ 33,901,715	\$ 30,283,515	\$ 26,938,688	\$ 25,826,440	\$ 23,809,047	\$ 22,065,857	\$ 20,582,712	\$ 19,417,804
Contributions as a percentage of covered-employee payroll	11.65%	10.32%	9.13%	7.93%	7.68%	7.44%	6.81%	7.13%	7.11%

Note that this schedule will not present 10 years' worth of information until fiscal year 2023.

**TOWN OF APEX, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**LAST SIX FISCAL YEARS**

JUNE 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 4,398,203	\$ 2,937,447	\$ 2,560,742	\$ 2,248,394	\$ 1,929,620	\$ 1,825,900
Service cost	292,727	161,762	128,648	138,637	111,974	114,548
Interest on total pension liability	83,370	93,447	90,723	69,277	73,484	64,730
Difference between expected and actual experience	363,041	140,103	206,659	320,220	38,475	-
Changes of assumptions or other inputs	(133,892)	1,207,405	87,378	(103,589)	146,595	(50,116)
Benefit payments	<u>(157,003)</u>	<u>(141,961)</u>	<u>(136,703)</u>	<u>(112,197)</u>	<u>(51,754)</u>	<u>(25,442)</u>
Ending balance of the total pension liability	<u>\$ 4,846,446</u>	<u>\$ 4,398,203</u>	<u>\$ 2,937,447</u>	<u>\$ 2,560,742</u>	<u>\$ 2,248,394</u>	<u>\$ 1,929,620</u>

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

Note that this schedule will not present 10 years' worth of information until fiscal year 2026.

**TOWN OF APEX, NORTH CAROLINA**  
**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**LAST SIX FISCAL YEARS**

June 30, 2022

---

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 4,846,446	\$ 4,398,203	\$ 2,937,447	\$ 2,560,742	\$ 2,248,394	\$ 1,929,620
Covered payroll	7,094,747	6,007,866	5,077,778	5,069,978	4,760,797	4,527,103
Total pension liability as a percentage of covered payroll	68.31%	73.21%	57.85%	50.51%	47.23%	42.62%

Notes to the schedule:

The Town of Apex has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits

This schedule will not present 10 years' worth of information until fiscal year 2026.

## TOWN OF APEX, NORTH CAROLINA

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Ad valorem taxes:</b>				
Current year taxes	\$ 39,600,200	\$ 40,219,932	\$ 619,732	\$ 36,313,685
Prior years taxes	11,500	30,473	18,973	25,659
Penalties and interest	30,000	58,871	28,871	47,062
Vehicle tax	3,057,000	3,292,098	235,098	3,075,490
Total	42,698,700	43,601,374	902,674	39,461,896
<b>Other taxes and licenses:</b>				
Rental vehicle tax	80,000	116,961	36,961	90,896
Local option sales taxes	15,635,000	17,683,230	2,048,230	15,728,052
Vehicle Fee	252,400	256,439	4,039	242,299
Total	15,967,400	18,056,630	2,089,230	16,061,247
<b>Unrestricted intergovernmental:</b>				
Utility distribution	2,760,000	3,204,848	444,848	2,941,206
Beer and wine tax	225,000	235,620	10,620	256,102
Solid waste disposal tax	230,000	154,136	(75,864)	210,262
ABC profit distribution	300,000	579,925	279,925	351,531
Total	3,515,000	4,174,529	659,529	3,759,101
<b>Restricted intergovernmental:</b>				
Powell Bill	1,395,100	1,683,148	288,048	1,456,881
Wake County - Fire District	1,366,000	1,285,598	(80,402)	1,244,959
Federal grants	-	500	500	1,852,530
State grants	-	16,000	16,000	-
Wake County - grants	413,300	-	(413,300)	103,427
Other restricted intergovernmental	198,100	173,134	(24,966)	7,374
Total	3,372,500	3,158,380	(214,120)	4,665,171
<b>Permits and fees:</b>				
Building permits and inspection fees	3,205,800	3,457,942	252,142	3,601,769
Subdivision approval fees	150,000	158,468	8,468	153,300
Application fees	170,000	215,411	45,411	203,884
Economic development fees	-	-	-	984,738
Vendor permits	8,500	7,880	(620)	8,900
Fine and penalties	-	13,000	13,000	500.00
Total	3,534,300	3,852,701	318,401	4,953,091
<b>Sales and services:</b>				
Lease revenue	-	-	-	-
Refuse collection fees	4,709,600	4,986,804	277,204	4,255,770
Recreation fees	727,700	1,105,257	377,557	718,925
Recycling revenue	1,360,600	1,327,696	(32,904)	1,194,192
Emergency services - Duke-Harris Plant	12,000	-	(12,000)	-
Planning documents	-	-	-	20
Total	6,809,900	7,419,757	609,857	6,168,907

**TOWN OF APEX, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Miscellaneous:</b>				
Prior year grant repayment	\$ -	\$ -	\$ -	\$ 637,750
Sale of capital assets	25,000	77,708	52,708	45,192
Donations	3,100	8,215	5,115	29,546
Insurance refund	21,877	48,376	26,499	119,414
Miscellaneous grants	-	6,500	6,500	-
Miscellaneous revenue	62,000	110,419	48,419	90,317
Total	111,977	251,218	139,241	922,219
<b>Investment earnings</b>	40,000	95,093	55,093	656,655
<b>Total revenues</b>	76,049,777	80,609,682	4,559,905	76,648,287
<b>Expenditures:</b>				
<b>General government:</b>				
<b>Town Council:</b>				
Salaries and employee benefits	64,150	59,225	4,925	58,963
Operating expenditures	255,700	237,142	18,558	90,812
Professional services	6,600	5,175	1,425	19,373
Total	326,450	301,542	24,908	169,148
<b>Administration:</b>				
<b>Town Manager's Office</b>				
Salaries and employee benefits	1,483,970	1,414,462	69,508	862,465
Operating expenditures	253,026	227,952	25,074	137,184
Professional services	233,000	146,644	86,356	71,118
Capital outlay	27,800	16,883	10,917	6,732
Total	1,997,796	1,805,941	191,855	1,077,499
<b>Human Resources</b>				
Salaries and employee benefits	951,210	908,948	42,262	879,042
Operating expenditures	486,987	399,275	87,712	313,477
Professional services	522,910	227,481	295,429	187,009
Capital outlay	8,800	8,787	13	-
Total	1,969,907	1,544,491	425,416	1,379,528
<b>Town Attorney</b>				
Salaries and employee benefits	480,740	442,042	38,698	412,730
Operating expenditures	41,679	32,162	9,517	24,435
Professional services	34,000	8,836	25,164	21,349
Total	556,419	483,040	73,379	458,514
<b>Town Clerk</b>				
Salaries and employee benefits	165,380	154,585	10,795	186,023
Operating expenditures	36,100	17,330	18,770	20,775
Professional services	27,600	26,151	1,449	-
Total	229,080	198,066	31,014	206,798

## TOWN OF APEX, NORTH CAROLINA

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Economic Development</b>				
Salaries and employee benefits	\$ 426,690	\$ 397,287	\$ 29,403	\$ 355,352
Operating expenditures	96,399	57,769	38,630	41,695
Professional service	18,565	919	17,646	112,445
Downtown Merchant	39,062	24,883	14,179	16,316
Capital outlay	5,930	5,930	-	-
Total	586,646	486,788	99,858	525,808
<b>Finance:</b>				
Salaries and employee benefits	346,720	321,744	24,976	411,133
Operating expenditures	238,606	166,673	71,933	135,535
Professional services	329,089	336,948	(7,859)	286,723
Capital outlay	-	-	-	13,691
Total	914,415	825,365	89,050	847,082
<b>Information Technology</b>				
Salaries and employee benefits	1,040,790	988,553	52,237	897,470
Operating expenditures	867,483	590,902	276,581	776,012
Professional services	577,152	266,964	310,188	244,909
Capital Outlay	209,414	206,467	2,947	248,029
Total	2,694,839	2,052,886	641,953	2,166,420
<b>Planning</b>				
Salaries and employee benefits	2,208,570	2,110,237	98,333	1,925,975
Operating expenditures	952,806	233,028	719,778	144,831
Professional services	238,890	112,064	126,826	193,225
Capital outlay	190,000	500	189,500	-
Total	3,590,266	2,455,829	1,134,437	2,264,031
<b>Inspections</b>				
Salaries and employee benefits	2,565,810	2,323,168	242,642	2,251,787
Operating expenditures	352,412	253,052	99,360	143,101
Professional services	116,512	71,527	44,985	86,183
Capital outlay	88,000	46,334	41,666	21,489
Total	3,122,734	2,694,081	428,653	2,502,560
<b>Facility Services</b>				
Salaries and employee benefits	510,330	467,841	42,489	462,241
Operating expenditures	610,881	499,505	111,376	474,600
Professional services	414,602	352,739	61,863	380,209
Capital outlay	2,035,366	292,120	1,743,246	246,230
Total	3,571,179	1,612,205	1,958,974	1,563,280

## TOWN OF APEX, NORTH CAROLINA

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Special Appropriations</b>				
Human Services	\$ -	\$ -	\$ -	\$ 58,974
Apex Customer Assistance	537,272	151,818	385,454	-
Chamber of Commerce	-	-	-	908
Downtown Merchants	28,000	20,186	7,814	109,505
Other	35,000	35,000	-	-
Wake County programs	8,000	8,000	-	5,000
Total	608,272	215,004	393,268	174,387
<b>Total general government</b>	20,168,003	14,675,238	5,492,765	13,335,055
<b>Public safety:</b>				
<b>Police:</b>				
Law enforcement				
Salaries and employee benefits	11,480,735	10,750,465	730,270	10,568,424
Operating expenditures	1,806,836	1,327,733	479,103	1,124,779
Professional services	209,453	161,225	48,228	169,747
Capital outlay	1,016,870	698,424	318,446	922,736
Total	14,513,894	12,937,847	1,576,047	12,785,686
Telecommunications				
Salaries and employee benefits	886,650	795,051	91,599	872,424
Operating expenditures	205,000	167,838	37,162	113,520
Professional services	158,053	104,572	53,481	65,903
Capital outlay	21,928	-	21,928	28,500
Total	1,271,631	1,067,461	204,170	1,080,347
<b>Fire:</b>				
Salaries and employee benefits	10,471,010	9,798,694	672,316	9,207,842
Operating expenditures	1,168,439	1,003,401	165,038	888,068
Hazmat program	30,300	30,242	58	28,019
Professional services	332,337	188,325	144,012	184,057
Capital outlay	1,091,749	426,635	665,114	590,560
Total	13,093,835	11,447,297	1,646,538	10,898,546
<b>Total public safety</b>	28,879,360	25,452,605	3,426,755	24,764,579
<b>Environmental Protection</b>				
<b>Solid Waste</b>				
Salaries and employee benefits	1,288,440	1,169,916	118,524	1,190,903
Operating expenditures	470,069	410,437	59,632	288,323
Professional services	3,893,700	3,824,176	69,524	3,492,176
Capital outlay	755,007	515,008	239,999	217,703
Total	6,407,216	5,919,537	487,679	5,189,105
<b>Total environmental protection</b>	6,407,216	5,919,537	487,679	5,189,105

## TOWN OF APEX, NORTH CAROLINA

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Public Works</b>				
<b>Fleet Maintenance</b>				
Salaries and employee benefits	\$ 380,370	\$ 353,532	\$ 26,838	\$ 340,002
Operating expenditures	147,638	119,037	28,601	114,643
Professional services	42,600	36,674	5,926	7,963
Capital outlay	81,000	15,105	65,895	-
Total	651,608	524,348	127,260	462,608
<b>Transportation and Infrastructure</b>				
Salaries and employee benefits	1,118,200	1,015,898	102,302	1,014,260
Operating expenditures	209,502	154,433	55,069	140,061
Professional services	115,060	60,258	54,802	13,385
Total	1,442,762	1,230,589	212,173	1,167,706
<b>Streets</b>				
Salaries and employee benefits	983,600	882,440	101,160	978,204
Operating expenditures	541,667	379,331	162,336	472,336
Professional services	395,573	341,721	53,852	291,106
Powell Bill	1,573,328	140,746	1,432,582	1,055,431
Capital outlay	1,721,277	1,083,501	637,776	675,538
Total	5,215,445	2,827,739	2,387,706	3,472,615
<b>Public Works Admin</b>				
Salaries and employee benefits	1,549,760	1,446,884	102,876	1,564,098
Operating expenditures	139,263	58,294	80,969	141,845
Professional services	253,827	151,593	102,234	71,213
Capital outlay	180,115	101,708	78,407	34,202
Total	2,122,965	1,758,479	364,486	1,811,358
<b>Cemetery</b>				
Professional services	35,800	25,000	10,800	37,840
Capital outlay	25,000	-	25,000	-
Total	60,800	25,000	35,800	37,840
<b>Total public works</b>	9,493,580	6,366,155	3,127,425	6,952,127
<b>Cultural and recreational:</b>				
<b>Parks and recreation:</b>				
Salaries and employee benefits	3,724,730	3,320,789	403,941	3,100,483
Operating expenditures	1,820,868	1,280,853	540,015	1,453,961
Professional services	1,167,376	840,339	327,037	23,337
Capital outlay	455,470	327,385	128,085	907,031
<b>Total cultural and recreational</b>	7,168,444	5,769,366	1,399,078	5,484,812

## TOWN OF APEX, NORTH CAROLINA

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Debt Service</b>				
Principal	\$ 5,145,200	\$ 4,923,793	\$ 221,407	\$ 4,422,793
Interest	2,508,865	2,398,245	110,620	2,487,129
Bond issuance cost	-	-	-	22,000
Total debt service	<u>7,654,065</u>	<u>7,322,038</u>	<u>332,027</u>	<u>6,931,922</u>
<b>Total expenditures</b>	<u>79,770,668</u>	<u>65,504,939</u>	<u>14,265,729</u>	<u>62,657,600</u>
<b>Revenues under expenditures</b>	<u>(3,720,891)</u>	<u>15,104,743</u>	<u>18,825,634</u>	<u>13,990,687</u>
<b>Other financing sources (uses):</b>				
Transfers in:				
Recreation Capital Project Fund	-	-	-	568,072
Transportation Reserve Fund	600,000	600,000	-	361,427
Utility Fund	138,162	-	(138,162)	-
American Rescue Plan 2021	-	2,628,841	2,628,841	-
Transfers out:				
Recreation Capital Project Fund	(300,000)	(300,000)	-	-
Affordable Housing Fund	(1,595,000)	(1,595,000)	-	(1,020,000)
General Capital Projects Fund	(800,000)	(800,000)	-	(1,480,000)
Street Projects Fund	(2,500,000)	(2,500,000)	-	(6,056,325)
Perry Library Fund	(796,000)	(796,000)	-	-
American Rescue Plan 2021	-	(2,628,841)	(2,628,841)	-
Contingency	(150,000)	-	150,000	-
Appropriated fund balance	9,123,729	-	(9,123,729)	-
<b>Total other financing sources (uses)</b>	<u>3,720,891</u>	<u>(5,391,000)</u>	<u>(9,111,891)</u>	<u>(7,626,826)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>9,713,743</u>	<u>\$ 9,713,743</u>	<u>6,363,861</u>
<b>Fund balance - Beginning of year</b>		48,517,200		42,153,339
<b>Fund balance - Restatement of beginning of year (note 16)</b>		(1,063,445)		-
<b>Fund balance - End of year</b>		<u>\$ 57,167,498</u>		<u>\$ 48,517,200</u>

\*FY 2021 - General Fund fund balance included consolidate funds instead of displaying separately on the consolidated schedule.

**TOWN OF APEX, NORTH CAROLINA**  
**FIRE CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 19	\$ 19	\$ 230
<b>Total revenues</b>	<u>-</u>	<u>19</u>	<u>19</u>	<u>230</u>
<b>Expenditures:</b>				
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues under expenditures</b>	<u>-</u>	<u>19</u>	<u>19</u>	<u>230</u>
<b>Other financing sources (uses):</b>				
Transfers out	-	(110,225)	(110,225)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(110,225)</u>	<u>(110,225)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>(110,206)</u>	<u>\$ (110,206)</u>	<u>230</u>
<b>Fund balance - Beginning of year</b>		<u>110,206</u>		<u>109,976</u>
<b>Fund balance - End of year</b>		<u>\$ -</u>		<u>\$ 110,206</u>

**TOWN OF APEX, NORTH CAROLINA****POLICE - STATE FUNDS****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Miscellaneous revenue	\$ 1,500	\$ 10,161	\$ 8,661	\$ 3,904
Total	1,500	10,161	8,661	3,904
<b>Investment earnings</b>	100	88	(12)	97
<b>Total revenues</b>	1,600	10,249	8,649	4,001
<b>Expenditures:</b>				
Operating expenditures	1,600	-	1,600	-
<b>Total expenditures</b>	1,600	-	1,600	-
<b>Revenues under expenditures</b>	-	10,249	10,249	4,001
<b>Net change in fund balance</b>	\$ -	10,249	\$ 10,249	4,001
<b>Fund balance - Beginning of year</b>		47,782		43,781
<b>Fund balance - End of year</b>		\$ 58,031		\$ 47,782

**TOWN OF APEX, NORTH CAROLINA****POLICE - FEDERAL FUNDS****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Miscellaneous revenue	\$ 500	\$ -	\$ (500)	\$ 465
Total	500	-	(500)	465
<b>Investment earnings</b>	100	41	(59)	55
<b>Total revenues</b>	600	41	(559)	520
<b>Expenditures:</b>				
Operating expenditures	600	-	600	-
<b>Total expenditures</b>	600	-	600	-
<b>Revenues under expenditures</b>	-	41	41	520
<b>Net change in fund balance</b>	<u>\$ -</u>	41	<u>\$ 41</u>	520
<b>Fund balance - Beginning of year</b>		25,630		25,110
<b>Fund balance - End of year</b>		<u>\$ 25,671</u>		<u>\$ 25,630</u>

**TOWN OF APEX, NORTH CAROLINA****POLICE - DONATIONS****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Miscellaneous revenue	\$ 7,500	\$ 19,953	\$ 12,453	\$ 12,120
Total	7,500	19,953	12,453	12,120
<b>Investment earnings</b>	100	73	(27)	66
<b>Total revenues</b>	7,600	20,026	12,426	12,186
<b>Expenditures:</b>				
Operating expenditures	7,600	7,057	543	7,699
<b>Total expenditures</b>	7,600	7,057	543	7,699
<b>Revenues under expenditures</b>	-	12,969	12,969	4,487
<b>Net change in fund balance</b>	\$ -	12,969	\$ 12,969	4,487
<b>Fund balance - Beginning of year</b>		34,295		29,808
<b>Fund balance - End of year</b>		\$ 47,264		\$ 34,295

**TOWN OF APEX, NORTH CAROLINA****FIRE - DONATIONS****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Miscellaneous revenue	\$ 1,000	\$ 31	\$ (969)	\$ 1,550
Total	1,000	31	(969)	1,550
<b>Investment earnings</b>	100	30	(70)	39
<b>Total revenues</b>	1,100	61	(1,039)	1,589
<b>Expenditures:</b>				
Operating expenditures	1,100	-	1,100	-
<b>Total expenditures</b>	1,100	-	1,100	-
<b>Revenues under expenditures</b>	-	61	61	1,589
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>61</u>	<u>\$ 61</u>	<u>1,589</u>
<b>Fund balance - Beginning of year</b>		<u>19,132</u>		<u>17,543</u>
<b>Fund balance - End of year</b>		<u>\$ 19,193</u>		<u>\$ 19,132</u>

**TOWN OF APEX, NORTH CAROLINA****EMS - DONATIONS****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Revenues:</b>				
Investment earnings	\$ 15	\$ 14	\$ (1)	\$ 166
<b>Total revenues</b>	<b>15</b>	<b>14</b>	<b>(1)</b>	<b>166</b>
<b>Expenditures:</b>				
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues under expenditures</b>	<b>15</b>	<b>14</b>	<b>(1)</b>	<b>166</b>
<b>Other financing sources (uses):</b>				
Transfers out:				
General Capital Project Fund	(79,835)	(79,837)	(2)	-
Appropriated fund balance	79,820	-	(79,820)	-
<b>Total other financing sources (uses)</b>	<b>(15)</b>	<b>(79,837)</b>	<b>(79,822)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>(79,823)</b>	<b>\$ (79,823)</b>	<b>166</b>
<b>Fund balance - Beginning of year</b>		<b>79,823</b>		<b>79,657</b>
<b>Fund balance - End of year</b>		<b>\$ -</b>		<b>\$ 79,823</b>

**TOWN OF APEX, NORTH CAROLINA****LAW ENFORCEMENT SPECIAL SEPARATION ALLOWANCE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Retirement contributions	\$ -	\$ -	\$ -	\$ 150,000
Total	-	-	-	150,000
Investment earnings	-	1,151	1,151	1,794
<b>Total revenues</b>	<b>-</b>	<b>1,151</b>	<b>1,151</b>	<b>151,794</b>
<b>Expenditures:</b>				
Salaries & benefits	-	186,137	(186,137)	159,765
<b>Total expenditures</b>	<b>-</b>	<b>186,137</b>	<b>(186,137)</b>	<b>159,765</b>
<b>Revenues under expenditures</b>	<b>-</b>	<b>(184,986)</b>	<b>(184,986)</b>	<b>(7,971)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>(184,986)</b>	<b>(184,986)</b>	<b>(7,971)</b>
	<u>\$ -</u>		<u>\$ (184,986)</u>	
<b>Fund balance - Beginning of year</b>		<u>856,785</u>		<u>864,756</u>
<b>Fund balance - End of year</b>		<u>\$ 671,799</u>		<u>\$ 856,785</u>

**TOWN OF APEX, NORTH CAROLINA**  
**AFFORDABLE HOUSING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Investment earnings	\$ 1,000	\$ 1,834	\$ 3,285	\$ 5,119
Total revenues	1,000	1,834	3,285	5,119
<b>Expenditures:</b>				
Operations:				
Affordable Housing Grants	185,000	2,280	79,683	81,963
Affordable Housing Loans	1,850,000	-	-	-
Contracted Services	665,000	50,000	250,000	300,000
Total expenditures	2,700,000	52,280	329,683	381,963
Revenues under expenditures	(2,699,000)	(50,446)	(326,398)	(376,844)
<b>Other financing sources:</b>				
Transfer in - General Fund	2,615,000	1,020,000	1,595,000	2,615,000
Reserved for future expenditures	(766,000)	-	-	-
Appropriated fund balance	850,000	-	-	-
Total other financing sources	2,699,000	1,020,000	1,595,000	2,615,000
Net change in fund balance	\$ -	\$ 969,554	1,268,602	\$ 2,238,156
<b>Fund balances:</b>				
Beginning of Year			969,554	
End of Year			\$ 2,238,156	

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**PARKS AND RECREATION PROJECTS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Investment earnings				
Senior Center	\$ 440,000	\$ 58,150	\$ 8,492	\$ 66,642
Beaver Creek Greenway	-	1,150	7,567	8,717
Middle Creek Greenway	-	310	2,601	2,911
Salem Pond Park - Phase 3	-	179	1,555	1,734
Pleasant Park	415,500	811,702	22,476	834,178
Greenway Connections	-	-	412	412
Restricted intergovernmental:				
State grant:				
Senior Center	100,000	100,000	-	100,000
Beaver Creek Greenway	1,500,000	-	-	-
Federal grant:				
Wake County grant				
Beaver Creek Greenway	160,000	160,000	-	160,000
Middle Creek Greenway	140,000	140,000	-	140,000
Miscellaneous revenues				
Salem Pond Park - Phase 3	-	40,000	-	40,000
Pleasant Park	305,000	5,000	-	5,000
Total revenues	3,060,500	1,316,491	43,103	1,359,594
<b>Expenditures:</b>				
Operating:				
Pleasant Park	274,880	274,879	-	274,879
Professional Services:				
Senior Center	3,399,000	3,398,325	13,512	3,411,837
Beaver Creek Greenway	278,110	277,012	320	277,332
Middle Creek Greenway	750,000	749,264	5,125	754,389
Salem Pond Park - Phase 3	728,600	728,587	54,336	782,923
Pleasant Park	2,689,500	2,689,493	517,311	3,206,804
Greenway Connections	600,000	-	-	-
Capital outlay:				
Senior Center	11,969,649	11,099,884	816,496	11,916,380
Beaver Creek Greenway	7,384,830	13,364	-	13,364
Middle Creek Greenway	1,145,300	347,055	(15,704)	331,351

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**PARKS AND RECREATION PROJECTS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Prior Years	Actual	
			Current Year	Total to Date
Salem Pond Park - Phase 3	\$ 364,481	\$ 10,775	\$ 97,533	\$ 108,308
Pleasant Park	39,031,111	8,492,536	13,562,362	22,054,898
Total expenditures	68,615,461	28,081,174	15,051,291	43,132,465
Revenues under expenditures	(65,554,961)	(26,764,683)	(15,008,188)	(41,772,871)
<b>Other financing sources:</b>				
General Obligation Bonds:				
Senior Center	13,650,000	13,650,000	-	13,650,000
Pleasant Park	36,096,128	36,096,128	-	36,096,128
General Obligation Bonds - Premium:				
Senior Center	378,649	378,649	-	378,649
Pleasant Park	4,387,789	4,404,214	-	4,404,214
Transfer in:				
General Fund:				
Senior Center	400,000	400,000	-	400,000
Beaver Creek Greenway	650,000	-	-	-
Greenway Connections	600,000	-	300,000	300,000
Parks & Recreation Reserve:				
Senior Center	400,000	400,000	-	400,000
Beaver Creek Greenway	5,352,940	5,352,940	-	5,352,940
Middle Creek Greenway	1,755,300	1,755,300	-	1,755,300
Salem Pond Park - Phase 3	1,093,081	1,093,081	-	1,093,081
Pleasant Park	1,285,403	1,732,610	-	1,732,610
Transfer out:				
General Fund:				
Pleasant Park	(494,329)	(494,329)	-	(494,329)
Total other financing sources	65,554,961	64,768,593	300,000	65,068,593
Net change in fund balance	\$ -	\$ 38,003,910	(14,708,188)	\$ 23,295,722
<b>Fund balances:</b>				
Beginning of Year			38,003,910	
End of Year			\$ 23,295,722	

**TOWN OF APEX, NORTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**

JUNE 30, 2022

	<b>Capital Project Fund</b>			
	<b>Recreation Capital Reserve</b>	<b>Transportation Capital Reserve</b>	<b>General Capital Projects</b>	<b>Transportation Capital Projects</b>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 13,493,032	\$ 7,683,198
Restricted cash and cash equivalents	4,277,169	3,682,352	-	3,782,242
Due from other governments	-	113,493	-	-
Accounts receivable	-	-	-	1,186,557
<b>Total assets</b>	<b>\$ 4,277,169</b>	<b>\$ 3,795,845</b>	<b>\$ 13,493,032</b>	<b>\$ 12,651,997</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 1,683,080	\$ 488,335
Total liabilities	-	-	1,683,080	488,335
<b>Deferred inflows</b>				
Greenway credits	77,665	-	-	-
<b>Fund balances:</b>				
Restricted:				
Street improvements	-	-	-	3,782,242
Economic Development	-	-	-	-
Public Safety	-	-	-	-
Cultural & recreational	-	-	-	-
General Government	-	-	-	-
Inspections - HB 255	-	-	-	-
Committed:				
General government	-	-	3,356,422	-
Public safety	-	-	8,453,529	-
Street improvements	-	-	-	8,381,420
Cemetery	-	-	-	-
Assigned:				
Public safety	-	-	-	-
Recreation improvements	4,199,504	-	-	-
Street improvements	-	3,795,844	-	-
Unassigned:	-	-	-	-
<b>Total fund balances</b>	<b>4,199,504</b>	<b>3,795,844</b>	<b>11,809,951</b>	<b>12,163,662</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 4,277,169</b>	<b>\$ 3,795,844</b>	<b>\$ 13,493,031</b>	<b>\$ 12,651,997</b>

Schedule 11

Total Capital Projects Fund	Special Revenue Funds		Total Special Revenue Funds	Permanent Fund Cemetery Fund	Total Nonmajor Governmental Funds
	American Rescue Plan 2021	Perry Library			
\$ 21,176,230	\$ -	\$ 121,941	\$ 121,941	\$ 534,775	\$ 21,832,946
11,741,763	2,628,841	-	2,628,841	-	14,370,604
113,493	-	-	-	-	113,493
1,186,557	-	-	-	-	1,186,557
<b>\$ 34,218,043</b>	<b>\$ 2,628,841</b>	<b>\$ 121,941</b>	<b>\$ 2,750,782</b>	<b>\$ 534,775</b>	<b>\$ 37,503,600</b>
\$ 2,171,415	\$ -	\$ -	\$ -	\$ -	\$ 2,171,415
2,171,415	-	-	-	-	2,171,415
77,665	-	-	-	-	77,665
3,782,242	-	-	-	-	3,782,242
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,628,841	-	2,628,841	-	2,628,841
-	-	-	-	-	-
3,356,422	-	121,941	121,941	-	3,478,363
8,453,529	-	-	-	-	8,453,529
8,381,420	-	-	-	-	8,381,420
-	-	-	-	534,775	534,775
-	-	-	-	-	-
4,199,504	-	-	-	-	4,199,504
3,795,844	-	-	-	-	3,795,844
-	-	-	-	-	-
31,968,961	2,628,841	121,941	2,750,782	534,775	35,254,518
<b>\$ 34,218,041</b>	<b>\$ 2,628,841</b>	<b>\$ 121,941</b>	<b>\$ 2,750,782</b>	<b>\$ 534,775</b>	<b>\$ 37,503,598</b>

**TOWN OF APEX, NORTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED JUNE 30, 2022

	<b>Capital Project Fund</b>			
	<b>Recreation Capital Reserve</b>	<b>Transportation Capital Reserve</b>	<b>General Capital Projects</b>	<b>Transportation Capital Projects</b>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 3,371,307	\$ 1,282,196	\$ -	\$ 2,418,403
Investment earnings	5,097	5,734	15,009	19,294
Miscellaneous	-	71,932	-	131,181
Total revenues	<u>3,376,404</u>	<u>1,359,862</u>	<u>15,009</u>	<u>2,568,878</u>
<b>Expenditures:</b>				
Operating	-	-	49,913	5,000
Capital outlay	-	-	3,070,619	7,063,015
Total expenditures	<u>-</u>	<u>-</u>	<u>3,120,532</u>	<u>7,068,015</u>
Revenues over (under) expenditures	<u>3,376,404</u>	<u>1,359,862</u>	<u>(3,105,523)</u>	<u>(4,499,137)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	990,061	3,433,103
Transfers out	-	(1,533,103)	-	-
Installment note issuance	-	-	8,700,000	-
Total other financing sources (uses)	<u>-</u>	<u>(1,533,103)</u>	<u>9,690,061</u>	<u>3,433,103</u>
Net change in fund balances	<u>3,376,404</u>	<u>(173,241)</u>	<u>6,584,538</u>	<u>(1,066,034)</u>
<b>Fund balances:</b>				
Beginning of year	823,100	3,969,085	5,225,413	13,229,696
End of year	<u>\$ 4,199,504</u>	<u>\$ 3,795,844</u>	<u>\$ 11,809,951</u>	<u>\$ 12,163,662</u>

Schedule 12

Total Capital Projects Fund	Special Revenue Funds		Total Special Revenue Funds	Permanent Fund Cemetery Fund	Total Nonmajor Governmental Funds
	American Rescue Plan 2021	Perry Library			
\$ 7,071,906	\$ 2,628,841	\$ -	\$ 2,628,841	\$ -	\$ 9,700,747
45,134	-	215	215	848	46,197
203,113	-	-	-	(1,550)	201,563
<u>7,320,153</u>	<u>2,628,841</u>	<u>215</u>	<u>2,629,056</u>	<u>(702)</u>	<u>9,948,507</u>
54,913	-	795,987	795,987	-	850,900
10,133,634	-	-	-	-	10,133,634
<u>10,188,547</u>	<u>-</u>	<u>795,987</u>	<u>795,987</u>	<u>-</u>	<u>10,984,534</u>
<u>(2,868,394)</u>	<u>2,628,841</u>	<u>(795,772)</u>	<u>1,833,069</u>	<u>(702)</u>	<u>(1,036,027)</u>
4,423,164	2,628,841	796,000	3,424,841	-	7,848,005
(1,533,103)	(2,628,841)	-	(2,628,841)	-	(4,161,944)
8,700,000	-	-	-	-	8,700,000
<u>11,590,061</u>	<u>-</u>	<u>796,000</u>	<u>796,000</u>	<u>-</u>	<u>12,386,061</u>
<u>8,721,667</u>	<u>2,628,841</u>	<u>228</u>	<u>2,629,069</u>	<u>(702)</u>	<u>11,350,034</u>
23,247,294	-	121,713	121,713	535,477	23,904,484
<u>\$ 31,968,961</u>	<u>\$ 2,628,841</u>	<u>\$ 121,941</u>	<u>\$ 2,750,782</u>	<u>\$ 534,775</u>	<u>\$ 35,254,518</u>

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**RECREATION CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

Project	Actual				Total to
	Prior	Current	Closed		
Authorization	Years	Year	Projects	Date	
<b>Revenues:</b>					
Subdivision recreation fees	\$ 3,000,000	\$ 23,733,363	\$ 3,371,307	\$ (22,905,166)	\$ 4,199,504
Investment earnings	66,000	328,038	5,097	(333,135)	-
Total revenues	<u>3,066,000</u>	<u>24,061,401</u>	<u>3,376,404</u>	<u>(23,238,301)</u>	<u>4,199,504</u>
<b>Other financing sources (uses):</b>					
Transfers In - General	-	1,315,985	-	(1,315,985)	-
Transfers Out - General Fund	(568,072)	(7,832,847)	-	7,832,847	-
Transfer Out - Capital Projects	(3,768,300)	(16,721,439)	-	16,721,439	-
Reserved for future expenditures	(1,001,000)	-	-	-	-
Appropriated fund balance	2,271,372				
Total financing sources (uses)	<u>(3,066,000)</u>	<u>(23,238,301)</u>	<u>-</u>	<u>23,238,301</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 823,100</u>	3,376,404	<u>\$ -</u>	<u>\$ 4,199,504</u>
<b>Fund balances:</b>					
Beginning of year			823,100		
End of year			<u>\$ 4,199,504</u>		

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**TRANSPORTATION CAPITAL RESERVE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

Project	Actual				Total to
	Prior	Current	Closed		
Authorization	Years	Year	Projects	Date	
<b>Revenues:</b>					
Motor vehicle licenses	\$ 4,035,000	\$ 3,532,484	\$ 1,282,196	\$ (246,632)	\$ 4,568,048
Transportation fees	2,517,600	3,895,801	-	(3,895,801)	-
Payments in lieu of streets	-	650,153	57,446	-	707,599
Payments in lieu of sidewalks	-	38,814	14,486	-	53,300
Investment earnings	78,850	158,465	5,734	(164,199)	-
Total revenues	<u>6,631,450</u>	<u>8,275,717</u>	<u>1,359,862</u>	<u>(4,306,632)</u>	<u>5,328,947</u>
<b>Expenditures:</b>					
Refund of development fees	<u>11,333</u>	<u>11,333</u>	<u>-</u>	<u>(11,333)</u>	<u>-</u>
<b>Other financing sources (uses):</b>					
Transfers In - General	-	940,379	-	(940,379)	-
Transfers In - Streets Project Fund	(5,838,951)	2,215,191	-	(2,215,191)	-
Transfers Out - General Fund	(2,157,003)	(1,557,003)	(600,000)	1,557,003	(600,000)
Transfer Out - Capital Projects	-	(5,893,866)	(933,103)	5,893,866	(933,103)
Reserved for future expenditures	(1,125,792)	-	-	-	-
Appropriated fund balance	2,501,629	-	-	-	-
Total financing sources (uses)	<u>(6,620,117)</u>	<u>(4,295,299)</u>	<u>(1,533,103)</u>	<u>4,295,299</u>	<u>(1,533,103)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,969,085</u>	<u>(173,241)</u>	<u>\$ -</u>	<u>\$ 3,795,844</u>
<b>Fund balances:</b>					
Beginning of year			<u>3,969,085</u>		
End of year			<u>\$ 3,795,844</u>		

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**GENERAL CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Investment earnings				
Fire Station #1	\$ 100	\$ 18,090	902	\$ 18,992
Go Apex Bus Stop	15,000	26,470	589	27,059
Town Hall Renovations	-	1,380	69	1,449
Fire Station #5	-	7,475	918	8,393
Town Fiber Optic Expansion	-	5,906	404	6,310
Mason Street Renovations	-	15,792	1,371	17,163
Eva Perry Library Improvements	-	1,839	91	1,930
PBX - Phone System Upgrade	-	884	233	1,117
Fire Station #6	12,000	4,067	7,685	11,752
Tunstall House	-	9,197	457	9,654
Cash Corporate Center	-	3,580	1,742	5,322
Cemetery Parking and Columbarium	-	10,893	548	11,441
Total revenues	27,100	105,573	15,009	120,582
<b>Expenditures:</b>				
Operating:				
Fire Station #6	-	-	49,913	49,913
Capital Outlay:				
Fire Station #1	987,000	9,500	-	9,500
Go Apex Bus Stop	645,000	21,939	343,052	364,991
Town Hall Renovations	175,000	-	-	-
Fire Station #5	1,004,237	598,167	-	598,167
Town Fiber Optic Expansion	642,100	120,924	61,426	182,350
Mason Street Renovations	2,914,435	331,903	288,175	620,078
PBX - Phone System Upgrade	254,500	206,446	-	206,446
Fire Station #6	8,012,625	303,853	2,355,371	2,659,224
Tunstall House	500,000	-	19,975	19,975
Cash Corporate Center	1,905,792	154,793	-	154,793
Cemetery Parking and Columbarium	600,000	8,000	2,620	10,620
Firearms Training Center	325,000	-	-	-
Total expenditures	17,965,689	1,755,525	3,120,532	4,876,057
Revenues under expenditures	(17,938,589)	(1,649,952)	(3,105,523)	(4,755,475)

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**GENERAL CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Other financing sources:</b>				
Installment Purchases:				
Fire Station #6	\$ 7,285,565	\$ -	\$ 7,285,565	\$ 7,285,565
Mason Street Renovations	1,414,435	-	1,414,435	1,414,435
Transfer in:				
General Fund:				
Fire Station #1	986,900	986,900	-	986,900
Go Apex Bus Stop	630,000	630,000	-	630,000
Town Hall Renovations	175,000	75,000	100,000	175,000
Fire Station #5	1,004,237	1,004,237	-	1,004,237
Town Fiber Optic Expansion	642,100	442,100	200,000	642,100
Mason Street Renovations	1,500,000	1,500,000	-	1,500,000
Eva Perry Library Improvements	-	100,000	(100,000)	-
PBX - Phone System Upgrade	254,500	254,500	-	254,500
Fire Station #6	715,060	525,000	190,060	715,060
Tunstall House	500,000	500,000	-	500,000
Cash Corporate Cernter	1,905,792	257,628	275,001	532,629
Cemetery Parking and Columbarium	600,000	600,000	-	600,000
Firearms Training Center	325,000	-	325,000	325,000
Total other financing sources	17,938,589	6,875,365	9,690,061	16,565,426
Net change in fund balance	\$ -	\$ 5,225,413	6,584,538	\$ 11,809,951
<b>Fund balances:</b>				
Beginning of Year			5,225,413	
End of Year			\$ 11,809,951	

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**TRANSPORTATION CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
<b>Revenues:</b>					
Restricted intergovernmental:					
Federal Grant					
Chatham Street Improvements	\$ 381,000	\$ -	\$ -	\$ -	\$ -
Lake Pine Improvements	2,133,825	431,628	1,256,234	-	1,687,862
Peakway SW Connector	2,500,000	-	-	-	-
James Street to Downtown Pedestrian	399,000	-	-	-	-
Kelly Road Sidewalk & Apex BBQ	647,500	16,048	629,956	-	646,004
NC55 Sidewalk Connector	480,000	-	324,743	-	324,743
Laura Duncan Road Ped Bike Improvements	180,607	-	207,470	-	207,470
Safe Routes to Schools	173,000	-	-	-	-
Total Federal Grants	6,894,932	447,676	2,418,403	-	2,866,079
Investment earnings					
Unidentified projects	31,725	102,861	19,294	-	122,155
S Salem/Tingen Intersection	10,000	10,000	-	-	10,000
Lake Pine Improvements	31,539	32,000	-	-	32,000
Peakway SW Connector	97,000	97,000	-	-	97,000
Peakway SE Connector	60,000	60,000	-	-	60,000
James Street to Downtown Pedestrian	7,100	7,100	-	-	7,100
NC540 Roadway Enhancement	-	60,100	-	(60,100)	-
Saunders Street Parking Lot Expansion	24,650	24,650	-	-	24,650
Cash Corporate Center	17,000	17,000	-	-	17,000
Total Investment Earnings	279,014	410,711	19,294	(60,100)	369,905
Sales and Services					
Unidentified projects	2,270,000	2,100,984	-	-	2,100,984
Lake Pine Improvements	34,000	34,000	-	-	34,000
Jessie Drive	31,000	31,000	-	-	31,000
	2,335,000	2,165,984	-	-	2,165,984
Miscellaneous					
Lake Pine Improvements	133,000	43,494	131,181	-	174,675
Total Miscellaneous Revenues	133,000	43,494	131,181	-	174,675
Total revenues	9,641,946	3,067,865	2,568,878	(60,100)	5,576,643

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**TRANSPORTATION CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
<b>Expenditures</b>					-
Operating:					-
Unidentified projects	\$ 90,000	\$ 69,100	\$ 5,000	-	\$ 74,100
Capital Outlay:					-
Pavement Improvements	6,871,000	-	2,153,258	-	2,153,258
S Salem/Tingen Intersection	420,000	10,077	194,487	-	204,564
Chatham Street Improvements	983,000	25,800	(316)	-	25,484
Lake Pine Improvements	3,634,700	1,002,516	1,519,372	-	2,521,888
Old Holly Springs/Apex Road - NC540	-	-	-	-	-
Peakway SW Connector	5,516,083	2,271,084	637,987	-	2,909,071
Peakway SE Connector	357,109	155,176	-	-	155,176
James Street to Downtown Pedestrian	907,600	860,892	46,538	-	907,430
Kelly Road Sidewalk & Apex BBQ	1,379,450	162,757	1,011,246	-	1,174,003
NC55 Sidewalk Connector	580,000	7,237	415,809	-	423,046
Jessie Drive	1,321,000	690,356	87,534	-	777,890
Laura Duncan Road Ped Bike Improvements	216,400	5,734	315,939	-	321,673
NC540 Roadway Enhancement	180,100	180,047	-	(180,047)	-
Safe Routes to Schools	2,065,000	8,000	253,629	-	261,629
Old US1 & New Hill Road Intersection	134,950	99,545	880	-	100,425
Beaver Creek Commons Drive & Zeno Road	500,000	42,300	82,582	-	124,882
Downtown Alley Improvements	1,101,500	15,535	91,379	-	106,914
Richardson Road Mitigation	570,000	-	-	-	-
Salem Street Downtown Streetscape	581,500	258,186	159,957	-	418,143
Saunders Street Parking Lot Expansion	2,505,150	27,282	75,708	-	102,990
Burma Drive	1,353,000	496,000	1,341	-	497,341
Cash Corporate Center - Sewer Interceptor	173,000	130,459	5,645	-	136,104
Olive Chapel Road Bridge	104,500	45,000	-	-	45,000
Jenks Road and US 64 Signals	338,103	-	10,040	-	10,040
School Infrastructure Reimbursement	550,000	-	-	-	-
Downtown Safe School Routes	231,030	-	-	-	-
Humie Olive Signalization	300,000	-	-	-	-
Justice Heights Extension	250,000	-	-	-	-
Ragan Road Sidepath	200,000	-	-	-	-
Tingen Pedestrian Bridge	150,000	-	-	-	-
Ten Ten at Jessie Drive Turn Lane	350,000	-	-	-	-
Total expenditures	33,914,175	6,563,083	7,068,015	(180,047)	13,451,051
Revenues under expenditures	(24,272,229)	(3,495,218)	(4,499,137)	119,947	(7,874,408)

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**TRANSPORTATION CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
<b>Other financing sources (uses):</b>					
Transfers in:					
General Fund					
Pavement Improvements	\$ 1,871,000	\$ 935,500	\$ -	\$ -	\$ 935,500
S Salem/Tingen Intersection	410,000	205,000	-	-	205,000
Chatham Street Improvements	602,000	602,000	-	-	602,000
Lake Pine Improvements	1,202,875	1,202,875	-	-	1,202,875
Peakway SW Connector	519,302	519,302	-	-	519,302
Peakway SE Connector	297,109	297,109	-	-	297,109
James Street to Downtown Pedestrian	501,500	476,000	-	-	476,000
Kelly Road Sidewalk & Apex BBQ	247,950	247,950	-	-	247,950
NC55 Sidewalk Connector	100,000	100,000	-	-	100,000
Jessie Drive	825,000	825,000	-	-	825,000
Laura Duncan Road Ped Bike Improvements	35,793	208,700	-	-	208,700
NC540 Roadway Enhancement	60,100	-	-	-	-
Beaver Creek Commons Drive & Zeno Road	252,000	252,000	300,000	-	552,000
Downtown Alley Improvements	990,000	490,000	500,000	-	990,000
Richardson Road Mitigation	570,000	570,000	-	-	570,000
Salem Street Downtown Streetscape	473,500	313,500	-	-	313,500
Saunders Street Parking Lot Expansion	2,450,000	1,044,820	1,200,000	-	2,244,820
Burma Drive	1,353,000	496,000	-	-	496,000
Cash Corporate Center - Sewer Interceptor	156,000	158,000	-	-	158,000
Olive Chapel Road Bridge	104,500	150,000	-	-	150,000
Safe Routes to Schools	331,030	-	150,000	-	150,000
Tingen Pedestrian Bridge	120,000	-	-	-	-
School Infrastructure Reimbursement	550,000	-	-	-	-
Humie Olive Signalization	300,000	-	-	-	-
Justice Heights Extension	250,000	-	-	-	-
Ragan Road Sidepath	200,000	-	-	-	-
Total General Fund	14,772,659	9,093,756	2,150,000	-	11,243,756
Transportation Reserves:					
Peakway SW Connector	193,000	193,000	-	-	193,000
Kelly Road Sidewalk & Apex BBQ	484,000	484,000	-	-	484,000
Jessie Drive	385,000	385,000	-	-	385,000
NC540 Roadway Enhancement	120,000	120,000	-	(119,947)	53
Safe Routes to Schools	1,560,970	602,072	363,970	-	966,042
Old US1 & New Hill Road Intersection	134,950	134,950	-	-	134,950
Beaver Creek Commons Drive & Zeno Road	248,000	248,000	-	-	248,000
Downtown Alley Improvements	111,500	111,500	-	-	111,500
Salem Street Downtown Streetscape	108,000	108,000	-	-	108,000
Saunders Street Parking Lot Expansion	30,500	30,500	-	-	30,500

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**TRANSPORTATION CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Jenks Road and US 64 Signals	\$ 338,103	\$ -	\$ 338,103	\$ -	\$ 338,103
Downtown Safe Routes to Schools	231,030	-	231,030	-	231,030
Tingen Pedestrian Bridge	30,000	-	-	-	-
Ten Ten at Jessie Drive Turn Lane	350,000	-	350,000	-	350,000
Total Transportation Reserve	4,325,053	2,417,022	1,283,103	(119,947)	3,580,178
Total Transfers In	19,097,712	11,510,778	3,433,103	(119,947)	14,823,934
General Obligation Bonds					
Pavement Improvements	5,000,000	5,000,000	-	-	5,000,000
Lake Pine Improvements	37,795	37,794	-	-	37,794
Old Holly Springs/Apex Road - NC540	-	11,030	-	-	11,030
Peakway SW Connector	2,206,781	2,206,781	-	-	2,206,781
Total General Obligation Bonds	7,244,576	7,255,605	-	-	7,255,605
General Obligation Bonds - Premium					
Unidentified projects	32,517	29,050	-	-	29,050
Lake Pine Improvements	61,666	75,299	-	-	75,299
Jessie Drive	80,000	98,423	-	-	98,423
Total General Obligation Bonds - Premium	174,183	202,772	-	-	202,772
Transfers out					
Capital Project Funds	(2,215,192)	(2,215,191)	-	-	(2,215,191)
General Fund	(29,050)	(29,050)	-	-	(29,050)
Total Transfers Out	(2,244,242)	(2,244,241)	-	-	(2,244,241)
Total financing sources (uses)	24,272,229	16,724,914	3,433,103	(119,947)	20,038,070
Net change in fund balance	\$ -	\$ 13,229,696	(1,066,034)	\$ -	\$ 12,163,662
<b>Fund balances:</b>					
Beginning of year			13,229,696		
End of year			\$ 12,163,662		

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**AMERICAN RESCUE PLAN 2021 - FEDERAL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Restricted intergovernmental:				
Federal Grant				
To Be Determined	\$ -	\$ -	\$ 2,628,841	\$ 2,628,841
Total revenues	-	-	2,628,841	2,628,841
<b>Expenditures</b>				
Total expenditures	-	-	-	-
Revenues under expenditures	-	-	2,628,841	2,628,841
<b>Other financing sources (uses):</b>				
Transfers in:				
General Fund - ARPA	-	-	2,628,841	2,628,841
Transfers out:				
General Fund - ARPA	-	-	(2,628,841)	(2,628,841)
Total Transfers Out	-	-	-	-
Total financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	\$ -	2,628,841	\$ 2,628,841
<b>Fund balances:</b>				
Beginning of year			-	
End of year			\$ 2,628,841	

**TOWN OF APEX, NORTH CAROLINA**  
**PERRY LIBRARY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**

*FOR THE YEAR ENDED JUNE 30, 2022*  
*(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)*

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Revenues:</b>				
Investment earnings	\$ 100	\$ 215	\$ 115	\$ 253
<b>Total revenues</b>	<b>100</b>	<b>215</b>	<b>115</b>	<b>253</b>
<b>Expenditures:</b>				
Operating expenditures	796,000	795,987	13	-
Reserved for future expenditures	100	-	100	-
<b>Total expenditures</b>	<b>796,100</b>	<b>795,987</b>	<b>113</b>	<b>-</b>
<b>Revenues under expenditures</b>	<b>(796,000)</b>	<b>(795,772)</b>	<b>228</b>	<b>253</b>
<b>Other financing sources (uses):</b>				
Transfer in	796,000	796,000	-	-
<b>Total other financing sources (uses)</b>	<b>796,000</b>	<b>796,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>228</b>	<b>228</b>	<b>253</b>
	<b>\$ -</b>		<b>\$ 228</b>	
<b>Fund balance - Beginning of year</b>		<b>121,713</b>		<b>121,460</b>
<b>Fund balance - End of year</b>		<b>\$ 121,941</b>		<b>\$ 121,713</b>

**TOWN OF APEX, NORTH CAROLINA****CEMETERY FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Sale of plots	\$ -	\$ (1,550)	\$ (1,550)	\$ 1,200
Total	-	(1,550)	(1,550)	1,200
<b>Investment earnings</b>	1,000	848	(152)	1,114
<b>Total revenues</b>	1,000	(702)	(1,702)	2,314
<b>Expenditures:</b>				
Reserved for future expenditures	1,000	-	1,000	-
<b>Total expenditures</b>	1,000	-	1,000	-
<b>Revenues under expenditures</b>	-	(702)	(702)	2,314
<b>Net change in fund balance</b>	-	(702)	(702)	2,314
	<u>\$ -</u>		<u>\$ (702)</u>	
<b>Fund balance - Beginning of year</b>		535,477		533,163
<b>Fund balance - End of year</b>		<u>\$ 534,775</u>		<u>\$ 535,477</u>

**TOWN OF APEX, NORTH CAROLINA**  
**ELECTRIC OPERATIONS**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON - GAAP)**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Operating revenues:</b>				
Charges for services				
Sale of electricity	\$ 42,745,000	\$ 42,471,000	\$ (274,000)	\$ 40,506,031
Pole relocation fees	-	3,220	3,220	-
Reconnection fees	20,000	77,039	57,039	(1,969)
Service initiation fees	80,000	75,685	(4,315)	87,278
Penalties	60,000	85,866	25,866	(308)
Total	42,905,000	42,712,810	(192,190)	40,591,032
Other operating revenues				
Sales tax revenues	2,922,200	2,945,860	23,660	2,809,316
Underground charges	770,000	861,752	91,752	1,384,108
Miscellaneous	13,000	57,604	44,604	96,735
State grants	-	8,000	8,000	-
Electric meters	150,000	142,700	(7,300)	173,910
Total other operating revenues	3,855,200	4,015,916	160,716	4,464,069
Total operating revenues	46,760,200	46,728,726	(31,474)	45,055,101
<b>Nonoperating revenues:</b>				
Investment earnings	6,000	13,643	7,643	13,668
Sale of assets	10,000	-	(10,000)	20,000
Total nonoperating revenues	16,000	13,643	(2,357)	33,668
Total revenues	46,776,200	46,742,369	(33,831)	45,088,769
<b>Expenditures:</b>				
Salaries and employee benefits	5,741,220	5,251,806	489,414	4,817,136
Operations and maintenance	1,184,680	1,325,666	(140,986)	866,624
Purchases of electricity	29,558,800	30,535,256	(976,456)	28,106,211
Electric sales tax	3,039,000	2,994,204	44,796	2,869,664
Professional services	508,976	408,224	100,752	314,729
Repairs and maintenance	395,796	453,478	(57,682)	378,579
Total utility operations	40,428,472	40,968,634	(540,162)	37,352,943
Debt service				
Principal retirement	994,000	994,000	-	991,000
Interest expense	255,970	255,969	1	259,225
Total debt service expenditures	1,249,970	1,249,969	1	1,250,225
Capital outlay	4,134,883	3,797,709	337,174	2,453,728
Total expenditures	45,813,325	46,016,312	(202,987)	41,056,896

**TOWN OF APEX, NORTH CAROLINA**  
**ELECTRIC OPERATIONS**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON - GAAP)**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
Revenues over expenditures	\$ 962,875	\$ 726,057	\$ (236,818)	\$ 4,031,873
<b>Other financing sources (uses):</b>				
Transfer (to) other funds*	(1,000,000)	(600,000)	400,000	(1,125,000)
Contingency	(300,000)	-	300,000	-
Appropriated fund balance	337,125	-	(337,125)	-
Total other financing sources (uses)	<u>(962,875)</u>	<u>(600,000)</u>	<u>362,875</u>	<u>(1,125,000)</u>
Revenues over expenditures and other financing uses	<u>\$ -</u>	<u>126,057</u>	<u>\$ 126,057</u>	<u>2,906,873</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>				
Reconciling items:				
Depreciation and amortization		(3,048,481)		(2,846,745)
Capital outlay		3,797,709		2,453,727
Principal retirement		994,000		991,000
Intrafund transfers		600,000		1,125,000
Change in accrued interest		10,284		(70,285)
Increase in compensated absences		(121,885)		(51,084)
Decrease in pension obligation		868,615		(421,803)
Increase in deferred inflows - pension		(1,109,780)		6,087
Increase in deferred outflows - pension		281,586		210,982
Increase in OPEB obligation		950,927		(439,265)
Increase deferred inflows of resources - OPEB		(1,015,809)		(10,224)
Decrease deferred outflows of resources - OPEB		(67,749)		(41,870)
Total reconciling items		<u>2,139,417</u>		<u>905,520</u>
Net income - Electric Fund		2,265,474		3,812,393
Other Utility Funds:				
Capital project funds:				
Electric substation		12,366		23,266
Net income		<u>12,366</u>		<u>23,266</u>
Net income - GAAP		<u>\$ 2,277,840</u>		<u>\$ 3,835,659</u>

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**ELECTRIC CAPITAL PROJECTS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
<b>Revenues:</b>					
Investment earnings					
Operations Center	\$ 323,274	\$ 379,880	\$ 12,367	\$ (315,977)	\$ 76,270
Total revenues	<u>323,274</u>	<u>379,880</u>	<u>12,367</u>	<u>(315,977)</u>	<u>76,270</u>
<b>Expenditures:</b>					
Capital outlay:					
Operations Center	12,200,820	11,290,544.00	330,702	(11,611,246)	10,000
Smart Meters (AMI)	7,150,000	32,715.00	23,529	-	56,244
Green Level Substation	1,500,000	-	-	-	-
Laura Duncan Substation	620,000	39,150.00	-	-	39,150
Corporate Cash Center	16,000	1,250.00	-	-	1,250
Total expenditures	<u>21,486,820</u>	<u>11,363,659</u>	<u>354,231</u>	<u>(11,611,246)</u>	<u>106,644</u>
Revenues under expenditures	<u>(21,163,546)</u>	<u>(10,983,779)</u>	<u>(341,864)</u>	<u>11,295,269</u>	<u>(30,374)</u>
<b>Other financing sources:</b>					
Revenue bond proceeds					
Operations Center	10,000,000	10,000,000	-	(10,000,000)	-
Transfer in:					
Electric Fund					
Operations Center	1,769,183	1,769,183	-	(1,186,906)	582,277
Smart Meters (AMI)	7,150,000	4,150,000	600,000	-	4,750,000
Green Level Substation	1,500,000	1,500,000	-	-	1,500,000
Laura Duncan Substation	620,000	620,000	-	-	620,000
Corporate Cash Center	16,000	27,177	-	-	27,177
Water & Sewer Fund					
Operations Center	108,363	108,363	-	(108,363)	-
Total other financing sources	<u>21,163,546</u>	<u>18,174,723</u>	<u>600,000</u>	<u>(11,295,269)</u>	<u>7,479,454</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,190,944</u>	<u>258,136</u>	<u>\$ -</u>	<u>\$ 7,449,080</u>
<b>Fund balances:</b>					
Beginning of Year			7,190,944		
End of Year			<u>\$ 7,449,080</u>		

**TOWN OF APEX, NORTH CAROLINA**  
**WATER AND SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON - GAAP)**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Operating revenues:</b>				
Charges for services	\$ 22,052,000	\$ 23,536,835	\$ 1,484,835	\$ 20,562,567
Total	22,052,000	23,536,835	1,484,835	20,562,567
Other operating revenues				
Water and sewer taps	400,000	342,905	(57,095)	424,003
Water tank rentals	135,000	151,361	16,361	146,193
Miscellaneous	196,000	155,057	(40,943)	200,786
Total other operating revenues	731,000	649,323	(81,677)	770,982
Total operating revenues	22,783,000	24,186,158	1,403,158	21,333,549
<b>Nonoperating revenues:</b>				
Investment earnings	24,000	51,963	27,963	44,023
Sale of assets	15,000	14,292	(708)	-
Total nonoperating revenues	39,000	66,255	27,255	44,023
Total revenues	22,822,000	24,252,413	1,430,413	21,377,572
<b>Expenditures:</b>				
<b>Water &amp; Sewer Administration</b>				
Salaries and employee benefits	3,452,832	3,276,450	176,382	2,841,072
Professional services	159,729	101,794	57,935	101,315
Operations and maintenance	365,901	303,640	62,261	325,246
Total	3,978,462	3,681,884	296,578	3,267,633
<b>Sewer Treatment</b>				
Salaries and employee benefits	849,100	783,691	65,409	806,383
Operations and maintenance	2,905,007	2,933,903	(28,896)	2,770,393
Professional services	223,266	168,401	54,865	80,605
Total	3,977,373	3,885,995	91,378	3,657,381
<b>Sewer Maintenance</b>				
Salaries and employee benefits	1,246,300	1,238,497	7,803	1,093,823
Operations and maintenance	1,126,849	899,872	226,977	718,299
Professional services	620,948	444,154	176,794	332,354
Total	2,994,097	2,582,523	411,574	2,144,476
<b>Water Treatment</b>				
Operations and maintenance	131,800	101,695	30,105	106,088
Professional services	19,200	185	19,015	0
Water purchases	2,248,000	2,321,193	(73,193)	2,116,226
Total	2,399,000	2,423,073	(24,073)	2,222,314
<b>Stormwater</b>				
Salaries and employee benefits	340,440	340,440	-	1,416,928
Operations and maintenance	521,398	521,437	(39)	798,615
Total	861,838	861,877	(39)	2,215,543

**TOWN OF APEX, NORTH CAROLINA**  
**WATER AND SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON - GAAP)**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
Water Maintenance				
Salaries and employee benefits	\$ 1,335,648	\$ 1,265,139	\$ 70,509	\$ 1,416,928
Professional services	447,947	110,852	337,095	-
Operations and maintenance	906,900	854,370	52,530	798,615
Total	2,690,495	2,230,361	460,134	2,215,543
Debt service				
Principal retirement	2,922,700	2,922,670	30	2,483,284
Interest expense	798,400	798,159	241	652,537
Total debt service expenditures	3,721,100	3,720,829	271	3,135,821
Capital outlay	2,842,683	1,121,946	1,720,737	3,813,970
Total expenditures	23,465,048	20,508,488	2,956,560	20,457,138
Revenues over expenditures	(643,048)	3,743,925	4,386,973	920,434
<b>Other financing sources (uses):</b>				
Transfer from other funds*	388,250	388,250	-	4,907,606
Transfer (to) other funds*	(1,338,162)	(1,200,000)	138,162	(1,730,000)
Installment purchase	-	-	-	-
Contingency	(150,000)	-	150,000	-
Appropriated fund balance	1,742,960	-	(1,742,960)	-
Bond refunding	-	-	-	(29,603,539)
Bond proceeds	-	-	-	29,440,000
Bond issuance cost	-	-	-	(197,400)
Underwriter's discount	-	-	-	(170,954)
Total other financing sources (uses)	643,048	(811,750)	(1,454,798)	2,645,713
Revenues over expenditures and other financing uses	\$ -	2,932,175	\$ 2,932,175	3,566,147
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>				
Reconciling items:				
Depreciation and amortization		(11,020,551)		(10,975,142)
Capital outlay		1,121,945		3,813,970
Capital contributions		10,253,903		12,009,235
Debt issuance		-		(29,440,000)
Payment to escrow agent to refund debt		-		29,603,539
Principal retirement		2,922,670		2,483,284
Intrafund transfers		811,750		(3,177,606)
Bond refunding		-		(754,418)
Change in accrued interest		6,228		57,415
Amortization of bond premiums		47,639		44,676
Increase in compensated absences		(20,823)		(88,602)

**TOWN OF APEX, NORTH CAROLINA**  
**WATER AND SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON - GAAP)**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021)

	2022		Variance Positive (Negative)	2021
	Budget	Actual		Actual
Decrease in pension obligation		\$ 1,129,200		\$ (635,117)
Increase in deferred inflows - pension		(1,442,716)		6,845
Increase in deferred outflows - pension		368,939		327,447
Increase in OPEB obligation		998,473		(179,523)
Increase deferred inflows of resources - OPEB		(1,066,600)		8,666
Decrease deferred outflows of resources - OPEB		(71,137)		(116,165)
Total reconciling items		<u>4,038,920</u>		<u>2,988,504</u>
Net income - Utility Fund		6,971,095		6,554,651
Other Utility Funds:				
Capital project funds:				
Water/Sewer Capital Project Fund		36,079		32,269
Water/Sewer Capital Reserve Fund		141,563		3,148,304
System Development Fee Capital Reserve Fund		6,248,899		-
WasteWater Treatment Plant Capital Project Fund		2,613		3,438
Net income		<u>6,429,154</u>		<u>3,184,011</u>
Net income - GAAP		<u>\$ 13,400,249</u>		<u>\$ 9,738,662</u>

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**WATER/SEWER**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Investment earnings				
I-540 Utility Relocation	\$ 145,600	\$ -	\$ -	\$ -
Apex Peakway System	100,000	100,000	-	100,000
Chatham Street Water	175,000	175,000	-	175,000
Apex-Cary Project	-	200,000	-	200,000
Corporate Cash Center	114,736	36,385	36,079	72,464
Developer reimbursements				
White Oak Pump Station	250,000	-	-	-
<b>Total revenues</b>	<b>785,336</b>	<b>511,385</b>	<b>36,079</b>	<b>547,464</b>
<b>Expenditures:</b>				
Capital outlay:				
Water & Sewer Easements	200,000	64,496	-	64,496
Regional WWTP	49,000	-	-	-
I-540 Utility Relocation	181,277	169,373	11,888	181,261
WWTP Phase III	617,541	-	42,414	42,414
Lake Aeration Mix	76,000	52,902	11,623	64,525
Raw Water Pipeline	5,117,500	4,939,625	32,788	4,972,413
Western Transmission	5,068,000	159,993	1,076,962	1,236,955
Downtown Water Upgrades	1,400,000	175,946	-	175,946
Inflow and Infiltration	2,350,000	1,083,870	49,616	1,133,486
Water Meter ERF	4,015,000	98,608	23,529	122,137
Beaver Creek Outfall	1,350,500	1,176,323	(109,743)	1,066,580
Pump Station Upgrades	484,900	219,850	265,000	484,850
Utility Relocate Peakway/Old US1	1,500,000	-	-	-
Utility Relocate - I540	515,859	9,091	-	9,091
Utility Relocate - NC55	250,000	-	-	-
Process Basin Rehab	320,000	269,971	5,767	275,738
Future Water Plant Expansion	155,000	132,620	9,002	141,622
Big Branch 2 Pump Station	3,148,200	394,625	237,682	632,307
Filter Upgrades	1,310,325	1,238,080	-	1,238,080
Cary-Apex Water Treatment Plant	4,579,800	377,377	860,931	1,238,308
Apex Peakway System	100,000	-	-	-

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**WATER/SEWER**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Chatham Street Water	\$ 350,000	\$ -	\$ 7,063	\$ 7,063
Elevated Water Storage Tank - 1.5MG	7,736,000	34,400	4,800	39,200
Lawrence Crossing	1,100,000	84,754	27,523	112,277
Middle Creek-Sunset Hills Pump Station Renovation	1,065,000	71,171	149,072	220,243
Salem Street Watermain Rehab	323,500	-	311,181	311,181
Apex-Cary Project	200,000	43,578	-	43,578
James Street Sewer	380,000	-	5,499	5,499
Dogwood Ridge Stream Stabilization	600,000	-	11,110	11,110
Corporate Cash Center	5,150,000	(237,807)	10,831	(226,976)
White Oak Pump Station	250,000	-	54,819	54,819
Beaver Creek Commons Gravity Sewer Ext	1,400,000	-	-	-
Total expenditures	51,343,402	10,558,846	3,099,357	13,658,203
Revenues under expenditures	(50,558,066)	(10,047,461)	(3,063,278)	(13,110,739)
<b>Other financing sources:</b>				
Transfer in:				
Water & Sewer Fund:				
Water & Sewer Easements	200,000	100,000	-	100,000
Western Transmission	2,950,000	500,000	1,200,000	1,700,000
Inflow and Infiltration	1,700,000	1,700,000	-	1,700,000
Water Meter ERF	1,606,500	-	-	-
Pump Station Upgrades	274,900	274,900	-	274,900
Filter Upgrades	1,090,325	1,090,325	-	1,090,325
Cary-Apex Water	600,000	600,000	-	600,000
Lawrence Crossing	625,000	625,000	-	625,000
Salem Street Water	123,500	200,000	-	200,000
Dogwood Ridge	530,000	250,000	-	250,000
James Street Sewer	250,000	-	-	-
Total water/sewer fund	9,950,225	5,340,225	1,200,000	6,540,225
Water & Sewer Reserve				
Regional WWTP	49,000	-	-	-
I-540 Utility Relocation	35,677	8,477	-	8,477
WWTP Phase III	556,636	556,636	-	556,636

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**WATER/SEWER**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Lake Aeration Mix	\$ 76,000	\$ 76,000	\$ -	\$ 76,000
Raw Water Pipeline	5,117,500	5,117,500	-	5,117,500
Western Transmission	1,278,000	928,000	350,000	1,278,000
Downtown Water Upgrades	1,400,000	1,400,000	-	1,400,000
Inflow and Infiltration	650,000	150,000	500,000	650,000
Water Meter EFR	1,368,500	1,175,000	193,500	1,368,500
Beaver Creek Outfall	1,350,500	1,500,000	(149,500)	1,350,500
Pump Station Upgrades	210,000	325,000	(115,000)	210,000
Utility Relocate Peakway/Old US1	400,000	400,000	-	400,000
Utility Relocate - I540	250,859	250,859	-	250,859
Utility Relocate - NC55	250,000	250,000	-	250,000
Process Basin Rehab	320,000	320,000	-	320,000
Future Water Plant Expansion	155,000	155,000	-	155,000
Filter Upgrades	20,000	20,000	-	20,000
Cary-Apex Water Treatment Plant	2,691,800	-	2,691,800	2,691,800
Elevated Water	6,886,000	-	2,017,200	2,017,200
Apex-Cary Project	200,000	-	200,000	200,000
James Street Sewer	130,000	130,000	-	130,000
Lawerence Crossing	300,000	-	264,500	264,500
Big Branch 2 Pump Station	1,148,200	-	-	-
Corporate Cash Center	2,685,264	460,843	-	460,843
Beaver Creek Commons Gravity Sewer Ext	1,400,000	-	-	-
Dogwood Ridge Stream Stabilization	70,000	-	-	-
<b>Total water/sewer reserve</b>	<b>28,998,936</b>	<b>13,223,315</b>	<b>5,952,500</b>	<b>19,175,815</b>
<b>System Development Fee Reserve</b>				
WWTP Phase III	60,905	60,905	-	60,905
Western Transmission	840,000	840,000	-	840,000
Water Meter EFR	1,040,000	1,040,000	-	1,040,000
Utility Relocate Peakway/Old US1	1,100,000	1,100,000	-	1,100,000
Utility Relocate - I540	265,000	265,000	-	265,000
Big Branch 2 Pump Station	2,000,000	2,000,000	-	2,000,000
Filter Upgrades	200,000	200,000	-	200,000
Cary-Apex Water	1,288,000	1,288,000	-	1,288,000
Chatham Street Water	175,000	175,000	-	175,000
Elevated Water	850,000	850,000	-	850,000

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**WATER/SEWER**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

*FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022*

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Lawrence Crossing	\$ 175,000	\$ 175,000	\$ -	\$ 175,000
Middle Creek-Sunset	1,065,000	1,065,000	-	1,065,000
Salem Street Water	200,000	200,000	-	200,000
Corporate Cash Center	2,350,000	-	1,175,000	1,175,000
Total system development fee reserve	11,608,905	9,258,905	1,175,000	10,433,905
Total other financing sources	50,558,066	27,822,445	8,327,500	36,149,945
Net change in fund balance	\$ -	\$ 17,774,984	5,264,222	\$ 23,039,206
<b>Fund balances:</b>				
Beginning of Year			17,774,984	
End of Year			\$ 23,039,206	

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**WASTEWATER TREATMENT PLANT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

*FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022*

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Investment earnings				
Regional WWTP	\$ 400,000	\$ 406,598	\$ 2,612	\$ 409,210
Miscellaneous revenues				
Regional WWTP	-	404	-	\$ 404
Total revenues	<u>400,000</u>	<u>407,002</u>	<u>2,612</u>	<u>409,614</u>
<b>Expenditures:</b>				
Capital outlay:				
Regional WWTP	841,000	423,492	-	423,492
Total expenditures	<u>841,000</u>	<u>423,492</u>	<u>-</u>	<u>423,492</u>
Revenues under expenditures	<u>(441,000)</u>	<u>(16,490)</u>	<u>2,612</u>	<u>(13,878)</u>
<b>Other financing sources:</b>				
Transfer in:				
Water & Sewer Reserve				
Regional WWTP	441,000	1,663,566	-	1,663,566
Total other financing sources	<u>441,000</u>	<u>1,663,566</u>	<u>-</u>	<u>1,663,566</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,647,076</u>	<u>2,612</u>	<u>\$ 1,649,688</u>
<b>Fund balances:</b>				
Beginning of Year			1,647,076	
End of Year			<u>\$ 1,649,688</u>	

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**WATER/SEWER CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

*FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022*

	<u>Project</u>	<u>Prior</u>	<u>Actual</u>		
			<u>Authorization</u>	<u>Years</u>	<u>Current</u>
			<u>Year</u>	<u>Date</u>	
<b>Revenues:</b>					
Capital reimbursement fees	\$ -	\$ 75,660	\$ -	\$ 75,660	
Capacity fees	200	8,504,231	105,151	8,609,382	
Payment in lieu of water/sewer	-	52,782	14,405	67,187	
Investment earnings	14,000	43,279	22,007	65,286	
Total revenues	<u>14,200</u>	<u>8,675,952</u>	<u>141,563</u>	<u>8,817,515</u>	
<b>Other financing sources (uses):</b>					
Transfers in - Water Sewer Fund	-	12,312,026	-	12,312,026	
Transfers (out) - Water/Sewer Fund	(2,410,409)	(2,410,409)	-	(2,410,409)	
Transfers (out) - Water Sewer Project Fund	(5,952,500)	-	(5,952,500)	(5,952,500)	
Appropriated fund balance	8,348,709	-	-	-	
Total other financing sources (uses)	<u>(14,200)</u>	<u>9,901,617</u>	<u>(5,952,500)</u>	<u>3,949,117</u>	
Net change in fund balance	<u>\$ -</u>	<u>\$ 18,577,569</u>	<u>(5,810,937)</u>	<u>\$ 12,766,632</u>	
<b>Fund balances:</b>					
Beginning of year			18,577,569		
End of year			<u>\$ 12,766,632</u>		

**TOWN OF APEX, NORTH CAROLINA**  
**CAPITAL PROJECTS FUND**  
**SYSTEM DEVELOPMENT FEE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

*FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022*

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual</b>	
			<b>Current Year</b>	<b>Total to Date</b>
<b>Revenues:</b>				
Capital reimbursement fees - Water	\$ 5,436,530	\$ 6,637,004	\$ 2,076,998	\$ 8,714,002
Capital reimbursement fees - Sewer	10,875,161	12,618,612	4,164,548	16,783,160
Investment earnings	143,500	192,544	7,353	199,897
Total revenues	<u>16,455,191</u>	<u>19,448,160</u>	<u>6,248,899</u>	<u>25,697,059</u>
<b>Other financing sources (uses):</b>				
Transfers in				
General Fund	-	300,000	-	300,000
Transfers (out)				
General Fund	-	(179,000)	-	(179,000)
Water/Sewer Fund	(8,948,797)	(8,560,547)	(388,250)	(8,948,797)
General Capital Projects	(135,099)	(135,099)	-	(135,099)
Water/Sewer Project Fund	(11,103,250)	(9,468,000)	(1,175,000)	(10,643,000)
Reserved for future expenditures	(1,299,000)	-	-	-
Appropriated fund balance	5,030,955	-	-	-
Total other financing sources (uses)	<u>(16,455,191)</u>	<u>(18,042,646)</u>	<u>(1,563,250)</u>	<u>(19,605,896)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,405,514</u>	<u>4,685,649</u>	<u>\$ 6,091,163</u>
<b>Fund balances:</b>				
Beginning of year			<u>1,405,514</u>	
End of year			<u>\$ 6,091,163</u>	

**TOWN OF APEX, NORTH CAROLINA**  
**INTERNAL SERVICE FUND**  
**HEALTH AND DENTAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN NET POSITION - FINANCIAL PLAN AND ACTUAL (Non - GAAP)**  
For the year ended June 30, 2022  
With comparative actual amounts for the year ended June 30, 2021

**Schedule 27**

	<b>2022</b>		Variance Positive (Negative)	<b>2021</b>
	Financial Plan	Actual		Actual
<b>REVENUES</b>				
Health premiums	\$ 5,320,743	\$ 4,482,058	\$ (838,685)	\$ 4,451,264
Dental premiums	218,357	255,834	37,477	299,240
Employee health contributions	1,156,719	1,097,327	(59,392)	999,792
Employee dental contributions	195,043	166,022	(29,021)	181,539
Employee vision contributions	76,534	77,194	660	76,869
Retiree health contributions	32,967	15,216	(17,751)	74,549
Total revenues	<u>7,000,363</u>	<u>6,093,651</u>	<u>(906,712)</u>	<u>6,083,253</u>
<b>EXPENDITURES</b>				
Health claims-employees	5,419,428	4,704,103	715,325	4,997,917
Dental claims-employees	391,800	390,339	1,461	393,797
Administrative fees-employees	900,807	880,448	20,359	644,256
Health claims-retiree	176,094	421,488	(245,394)	266,184
Dental claims-retiree	-	-	-	-
Retiree premiums	-	-	-	82,410
Administrative fees-retiree	35,700	50,135	(14,435)	58,614
Administrative fees-vision	76,534	78,712	(2,178)	78,776
Total expenditures	<u>7,000,363</u>	<u>6,525,225</u>	<u>475,138</u>	<u>6,521,954</u>
Revenues over expenditures	<u>\$ -</u>	<u>(431,574)</u>	<u>\$ (431,574)</u>	<u>(438,701)</u>
<b>Reconciliation from financial plan basis (modified accrual) to full accrual:</b>				
Reconciling items:				
Decrease (increase) in reserve for incurred but not reported ("IBNR") claims		<u>140,000</u>		<u>(165,000)</u>
Change in net position		<u>\$ (291,574)</u>		<u>\$ (603,701)</u>

**TOWN OF APEX, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE -**  
**GENERAL FUND**

**SCHEDULE 28**

**June 30, 2022**

Fiscal Year	Uncollected Balance <u>June 30, 2021</u>	<u>Additions</u>	<u>Collections and Credits</u>	Uncollected Balance <u>June 30, 2022</u>
2021-2022	\$ -	\$ 43,557,624	\$ (43,513,326)	\$ 44,298
2020-2021	66,155	-	(24,646)	41,509
2019-2020	35,032	-	(4,819)	30,213
2018-2019	16,767	-	(397)	16,370
2017-2018	15,442	-	(243)	15,199
2016-2017	8,771	-	(42)	8,729
2015-2016	9,210	-	(34)	9,176
2014-2015	10,185	-	-	10,185
2013-2014	15,910	-	(98)	15,812
2012-2013	9,583	-	(204)	9,379
2011-2012	7,917	-	(7,917)	-
	<u>\$ 194,972</u>	<u>\$ 43,557,624</u>	<u>\$ (43,551,726)</u>	<u>\$ 200,870</u>

Less: allowance for uncollectible accounts General Fund	46,972
Plus: reserve for uncollectible General Fund	(116,103)
Ad valorem taxes receivable-net	\$ 131,739

Reconciliation to revenues:

Ad valorem taxes-General Fund	\$ 43,601,373
Reconciling items:	
Penalties and interest	(58,871)
Taxes written off	7,917
Other	1,307
Total collections and credits	\$ 43,551,726

**TOWN OF APEX, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY**  
**TOWN-WIDE LEVY**

**Schedule 29**

YEAR ENDED JUNE 30, 2022

	Town - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current rate	\$ 11,162,636,154	\$ 0.3900	\$ 43,534,281	\$ 40,230,906	\$ 3,303,375
Motor Vehicle Decals	-		-	-	-
Penalties	-		14,233	14,233	-
Total	11,162,636,154		43,548,514	40,245,139	3,303,375
Discoveries			67,487	67,487	-
Rebates and Releases	\$ (14,968,462)	\$ 0.3900	(58,377)	(58,377)	-
Total Property Valuation	<u>\$ 11,147,667,692</u>				
Net levy			43,557,624	40,254,249	3,303,375
Uncollected taxes at June 30, 2022			(44,298)	(33,021)	(11,277)
Current year's taxes collected			<u>\$ 43,513,326</u>	<u>\$ 40,221,228</u>	<u>\$ 3,292,098</u>
Current levy collection percentage			<u>99.90%</u>	<u>99.92%</u>	<u>99.66%</u>

**TOWN OF APEX, NORTH CAROLINA  
GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS  
AND MATURITY SCHEDULE**

**Schedule 30**

**June 30, 2022**

Fiscal Year	UTILITIES		OTHER		TOTAL	
	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest
2022-2023	\$ 1,475,000	\$ 1,898,608	\$ 3,715,000	\$ 5,685,757	\$ 5,190,000	\$ 7,584,365
2023-2024	1,505,000	1,922,706	3,725,000	5,553,607	5,230,000	7,476,313
2024-2025	1,530,000	1,938,678	3,725,000	5,410,807	5,255,000	7,349,485
2025-2026	1,560,000	1,957,968	3,520,000	5,062,706	5,080,000	7,020,674
2026-2027	1,615,000	1,998,614	3,525,000	4,917,457	5,140,000	6,916,071
2027-2028	1,740,000	2,106,496	3,530,000	4,771,956	5,270,000	6,878,452
2028-2029	1,810,000	2,154,224	3,705,000	4,804,706	5,515,000	6,958,930
2029-2030	1,880,000	2,199,246	3,610,000	4,573,006	5,490,000	6,772,252
2030-2031	1,950,000	2,241,422	3,610,000	4,444,656	5,560,000	6,686,078
2031-2032	2,005,000	2,265,612	3,295,000	4,001,306	5,300,000	6,266,918
2032-2033	2,085,000	2,311,928	3,525,000	4,132,457	5,610,000	6,444,385
2033-2034	2,140,000	2,330,858	3,395,000	3,911,607	5,535,000	6,242,465
2034-2035	2,650,000	2,802,766	3,395,000	3,822,275	6,045,000	6,625,041
2035-2036	2,590,000	2,692,944	3,395,000	3,732,943	5,985,000	6,425,887
2036-2037	2,545,000	2,596,664	3,395,000	3,643,613	5,940,000	6,240,277
2037-2038	-	-	3,395,000	3,551,901	3,395,000	3,551,901
2038-2039	-	-	1,490,000	1,555,188	1,490,000	1,555,188
2039-2040	-	-	1,490,000	1,523,524	1,490,000	1,523,524
2040-2041	-	-	-	-	-	-
	<u>\$ 29,080,000</u>	<u>\$ 33,418,734</u>	<u>\$ 59,440,000</u>	<u>\$ 75,099,472</u>	<u>\$ 88,520,000</u>	<u>\$ 108,518,206</u>

# STATISTICAL SECTION

The statistical section detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Town's overall financial health.

## **Financial Trends**

These tables contain information to help the reader understand how the government's financial performance and well-being have changed over time.

## **Revenue Trends**

These tables contain information to help the reader assess the government's most significant local revenue source, the property tax.

## **Debt Capacity**

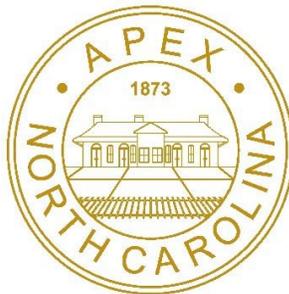
These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

## **Demographic and Economic Information**

These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

## **Operating Information**

The tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.



Prepared by the Town of Apex Finance Department

**TOWN OF APEX, NORTH CAROLINA**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
(Accrual Basis of Accounting)

**YEAR ENDED JUNE 30, 2022**

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities			
Net investment in capital assets	\$ 146,483	\$ 150,821	\$ 172,231
Restricted	5,251	7,352	6,090
Unrestricted	<u>15,473</u>	<u>14,699</u>	<u>14,216</u>
Total governmental activities net position	<u>\$ 167,207</u>	<u>\$ 172,872</u>	<u>\$ 192,537</u>
Business-type activities			
Net investment in capital assets	\$ 104,939	\$ 135,200	\$ 147,820
Restricted	-	-	-
Unrestricted	<u>65,281</u>	<u>46,298</u>	<u>46,393</u>
Total business-type activities net position	<u>\$ 170,220</u>	<u>\$ 181,498</u>	<u>\$ 194,213</u>
Primary government			
Net investment in capital assets	\$ 251,422	\$ 286,021	\$ 320,051
Restricted	5,251	7,352	6,090
Unrestricted	<u>80,754</u>	<u>60,997</u>	<u>60,609</u>
Total primary government net position	<u>\$ 337,427</u>	<u>\$ 354,370</u>	<u>\$ 386,750</u>

**Table 1**

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 208,352	\$ 298,896	\$ 383,833	\$ 446,504	\$ 492,439	\$ 548,258	\$ 578,966
10,486	8,279	10,340	11,128	10,525	10,556	19,247
<u>13,406</u>	<u>17,797</u>	<u>13,270</u>	<u>14,301</u>	<u>19,204</u>	<u>17,325</u>	<u>26,395</u>
<u>\$ 232,244</u>	<u>\$ 324,972</u>	<u>\$ 407,443</u>	<u>\$ 471,933</u>	<u>\$ 522,168</u>	<u>\$ 576,139</u>	<u>\$ 624,608</u>
\$ 181,185	\$ 202,626	\$ 220,327	\$ 225,236	\$ 238,830	\$ 249,228	\$ 256,825
-	-	-	-	-	-	-
<u>44,345</u>	<u>49,435</u>	<u>66,894</u>	<u>59,682</u>	<u>69,953</u>	<u>73,129</u>	<u>81,211</u>
<u>\$ 225,530</u>	<u>\$ 252,061</u>	<u>\$ 287,221</u>	<u>\$ 284,918</u>	<u>\$ 308,783</u>	<u>\$ 322,357</u>	<u>\$ 338,036</u>
\$ 389,537	\$ 501,522	\$ 604,160	\$ 671,740	\$ 731,269	\$ 797,486	\$ 835,791
10,486	8,279	10,340	11,128	10,525	10,556	19,247
<u>57,751</u>	<u>67,232</u>	<u>80,164</u>	<u>73,983</u>	<u>89,157</u>	<u>90,454</u>	<u>107,606</u>
<u>\$ 457,774</u>	<u>\$ 577,033</u>	<u>\$ 694,664</u>	<u>\$ 756,851</u>	<u>\$ 830,951</u>	<u>\$ 898,496</u>	<u>\$ 962,644</u>

(000's omitted)

**TOWN OF APEX, NORTH CAROLINA**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
(Accrual Basis of Accounting)

**YEAR ENDED JUNE 30, 2022**

	2013	2014	2015	2016
<b>Expenses</b>				
<b>Governmental activities</b>				
General government	\$ 7,941	\$ 8,761	\$ 9,235	\$ 9,851
Public Safety	13,836	14,692	15,491	16,623
Public Works	7,350	6,644	8,854	8,697
Environmental Protection	3,270	3,532	3,794	4,006
Culture and recreation	4,272	4,381	4,811	5,336
Interest on long-term debt	917	974	944	822
<b>Total governmental activities expenses</b>	<b>37,586</b>	<b>38,984</b>	<b>43,129</b>	<b>45,335</b>
<b>Business-type activities</b>				
Water and Sewer	13,304	14,196	15,498	18,485
Electric	28,335	29,530	31,674	31,179
<b>Total business-type activities expenses</b>	<b>41,639</b>	<b>43,726</b>	<b>47,172</b>	<b>49,664</b>
<b>Total primary government expenses</b>	<b>\$ 79,225</b>	<b>\$ 82,710</b>	<b>\$ 90,301</b>	<b>\$ 94,999</b>
<b>Program Revenues</b>				
<b>Governmental activities</b>				
Charges for services:				
General government	\$ 1,218	\$ 1,840	\$ 2,557	\$ 3,501
Public Safety <sup>(1)</sup>	14	14	11	15
Culture and recreation	1,706	1,553	2,324	323
Public Works	228	398	636	2,953
Environmental Protection	2,574	2,683	2,814	3,029
Operating grants and contributions	3,189	2,897	3,008	3,073
Capital grants and contributions	5,074	6,472	23,058	38,469
<b>Total governmental activities program revenues</b>	<b>14,003</b>	<b>15,857</b>	<b>34,408</b>	<b>51,363</b>
<b>Business-type activities</b>				
Charges for services:				
Water and Sewer	15,797	16,448	12,949	13,374
Electric	29,069	31,599	32,646	33,299
Operating grants and contributions	-	-	-	-
Capital grants and contributions	2,603	6,478	14,977	34,121
<b>Total business-type activities program revenues</b>	<b>47,469</b>	<b>54,525</b>	<b>60,572</b>	<b>80,794</b>
<b>Total primary government program revenues</b>	<b>\$ 61,472</b>	<b>\$ 70,382</b>	<b>\$ 94,980</b>	<b>\$ 132,157</b>
<b>Net (expense)/revenue</b>				
Governmental activities	\$ (23,583)	\$ (23,127)	\$ (8,721)	\$ 6,028
Business-type activities	5,830	10,799	13,400	31,130
<b>Total primary government net expenses</b>	<b>\$ (17,753)</b>	<b>\$ (12,328)</b>	<b>\$ 4,679</b>	<b>\$ 37,158</b>

Table 2

	2017	2018	2019	2020	2021	2022
\$	10,069	\$ 10,584	\$ 11,746	\$ 13,145	\$ 15,116	\$ 17,211
	19,644	21,076	21,019	25,437	28,530	28,050
	13,241	16,523	18,984	21,547	23,269	23,037
	3,394	3,642	4,147	4,792	5,397	5,764
	5,519	5,750	6,395	7,127	6,833	7,644
	764	1,073	1,510	1,743	2,024	2,397
	52,631	58,648	63,801	73,791	81,169	84,103
	20,140	22,334	24,462	25,080	26,900	27,535
	34,154	34,215	37,018	39,817	41,276	44,477
	54,294	56,549	61,480	64,897	68,176	72,012
\$	106,925	\$ 115,197	\$ 125,281	\$ 138,688	\$ 149,345	\$ 156,115
\$	4,960	\$ 5,638	\$ 5,080	\$ 4,216	\$ 4,953	\$ 3,853
	17	12	-	-	-	-
	4,892	5,149	4,539	3,125	2,730	-
	1,487	1,152	220	46	631	6,315
	3,351	3,629	4,193	4,853	5,450	4,477
	3,773	4,276	2,865	2,929	5,015	6,859
	92,297	98,076	65,952	57,687	54,833	44,511
	110,777	117,932	82,849	72,856	73,612	66,014
	14,457	16,260	17,408	19,966	21,306	24,201
	36,224	38,364	40,807	42,674	44,958	46,729
	-	-	-	99	-	-
	29,850	37,863	14,231	24,794	15,054	16,601
	80,531	92,487	72,446	87,533	81,318	87,530
\$	191,308	\$ 210,419	\$ 155,295	\$ 160,389	\$ 154,930	\$ 153,544
\$	58,146	\$ 59,293	\$ 19,048	\$ (935)	\$ (7,557)	\$ (18,089)
	26,237	35,938	10,966	22,636	13,142	15,518
\$	84,383	\$ 95,231	\$ 30,014	\$ 21,701	\$ 5,585	\$ (2,572)

**TOWN OF APEX, NORTH CAROLINA**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
(Accrual Basis of Accounting)

	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Taxes				
Property taxes	17,837	18,969	19,547	20,676
Sales taxes	6,665	7,219	7,959	8,753
Motor vehicle licenses	148	202	168	176
Unrestricted grants and contributions	2,164	2,223	2,910	3,027
Investment earnings	53	25	24	95
Miscellaneous	375	553	398	364
Transfers	-	(400)	-	-
Total governmental activities	<u>27,242</u>	<u>28,791</u>	<u>31,006</u>	<u>33,091</u>
Business-type activities				
Investment earnings	115	51	71	133
Miscellaneous	5	28	10	54
Transfers	-	400	-	-
Total business-type activities	<u>120</u>	<u>479</u>	<u>81</u>	<u>187</u>
Total primary government	<u>\$ 27,362</u>	<u>\$ 29,270</u>	<u>\$ 31,087</u>	<u>\$ 33,278</u>
Special Item: Legal Settlement				
Total governmental activities	-	-	-	-
Total business-type activities	-	-	-	-
Total primary government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 3,659	\$ 5,664	\$ 22,285	\$ 39,119
Business-type activities	5,950	11,278	13,481	31,317
Total primary government	<u>\$ 9,609</u>	<u>\$ 16,942</u>	<u>\$ 35,766</u>	<u>\$ 70,436</u>

Notes

**Table 2**

	2017	2018	2019	2020	2021	2022
	22,987	24,665	29,498	32,687	39,485	43,733
	9,407	10,109	11,038	12,175	17,044	18,057
	329	345	791	1,049	1,461	1,539
	3,036	3,299	3,343	3,540	2,189	2,636
	202	562	1,621	1,244	715	189
	475	536	475	476	633	405
	-	-	-	-	-	-
	36,436	39,516	46,766	51,171	61,527	66,559
	264	694	1,453	1,211	167	146
	30	39	59	17	265	14
	-	-	-	-	-	-
	294	733	1,512	1,228	432	160
	\$ 36,730	\$ 40,249	\$ 48,278	\$ 52,399	\$ 61,959	\$ 66,719
	-	-	(699)	-	-	-
	-	-	(14,658)	-	-	-
	\$ -	\$ -	\$ (15,357)	\$ -	\$ -	\$ -
	\$ 94,582	\$ 98,809	\$ 65,115	\$ 50,236	\$ 53,970	\$ 48,469
	26,531	36,671	(2,180)	23,864	13,575	15,678
	\$ 121,113	\$ 135,480	\$ 62,935	\$ 74,100	\$ 67,545	\$ 64,147

(000's omitted)

**TOWN OF APEX, NORTH CAROLINA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**Last Ten Fiscal Years**  
(Modified Accrual Basis of Accounting)

**Table 3**

**YEAR ENDED JUNE 30, 2022**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Utility Distribution</u>	<u>Motor Vehicle Licenses</u>	<u>Beer &amp; Wine Tax</u>	<u>Rental Vehicle Tax</u>	<u>Total</u>
2013	\$ 17,818,627	\$ 6,664,708	\$ 1,811,003	\$ 147,239	\$ 156,234	\$ 42,333	\$ 26,640,144
2014	19,041,293	7,218,751	1,839,512	210,725	173,957	46,941	28,531,179
2015	19,577,741	7,959,043	2,471,056	176,038	195,186	51,335	30,430,399
2016	20,708,708	8,752,692	2,567,708	179,814	187,787	56,331	32,453,040
2017	22,995,117	9,406,835	2,529,054	333,116	202,523	65,499	35,532,144
2018	24,672,063	10,109,296	2,647,424	545,363	202,218	73,883	38,250,247
2019	29,525,234	11,038,256	2,765,367	790,883	209,435	82,207	44,411,382
2020	32,658,938	12,174,795	2,814,107	1,044,183	227,565	80,713	49,000,301
2021	39,461,896	15,728,052	2,941,206	1,461,109	256,102	90,896	59,939,261
2022	43,601,374	17,683,230	3,204,848	1,538,635	235,620	116,961	66,380,668

**TOWN OF APEX, NORTH CAROLINA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
(Modified Accrual Basis of Accounting)

**Table 4**

**YEAR ENDED JUNE 30, 2022**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>											
Nonspendable	\$ 80	\$ 111	\$ 101	\$ 142	\$ 166	\$ 115	\$ 114	\$ 163	\$ 285	\$ 311	\$ 311
Restricted	4,379	4,154	5,877	5,377	7,179	7,569	9,640	10,431	9,839	9,870	21,066
Committed	-	-	-	-	677	776	842	850	865	857	2,910
Assigned	1,533	1,538	1,500	1,012	1,826	-	2,358	2,327	2,370	1,549	3,620
Unassigned	11,608	13,983	14,299	15,190	15,467	19,377	21,883	26,062	28,905	36,040	32,321
<b>Total General Fund</b>	<b>\$ 17,600</b>	<b>\$ 19,786</b>	<b>\$ 21,777</b>	<b>\$ 21,721</b>	<b>\$ 25,315</b>	<b>\$ 27,837</b>	<b>\$ 34,837</b>	<b>\$ 39,833</b>	<b>\$ 42,264</b>	<b>\$ 48,627</b>	<b>\$ 60,228</b>
<b>All other governmental funds</b>											
Nonspendable	\$ 718	\$ 716	\$ 717	\$ 713	\$ 712	\$ 709	\$ 700	\$ 697	\$ 687	\$ 686	\$ -
Restricted	-	-	759	-	2,595	-	20,177	18,237	46,145	39,976	10,688
Committed	2,205	5,727	1,920	3,509	3,999	5,476	8,507	12,032	17,426	17,424	39,867
Assigned	1,114	2,749	3,138	2,934	2,833	5,202	6,622	7,204	6,482	4,792	7,995
Unassigned	(31)	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 4,006</b>	<b>\$ 9,192</b>	<b>\$ 6,534</b>	<b>\$ 7,156</b>	<b>\$ 10,139</b>	<b>\$ 11,387</b>	<b>\$ 36,006</b>	<b>\$ 38,170</b>	<b>\$ 70,740</b>	<b>\$ 62,878</b>	<b>\$ 58,550</b>

(000's omitted)

**TOWN OF APEX, NORTH CAROLINA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

**Table 5**

**YEAR ENDED JUNE 30, 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Ad valorem taxes	\$ 17,819	\$ 19,041	\$ 19,577	\$ 20,709	\$ 22,995	\$ 24,672	\$ 29,525	\$ 32,658	\$ 39,462	\$ 43,601
Other taxes and licenses	6,854	7,477	8,186	8,989	9,672	10,729	11,911	13,300	17,280	18,057
Unrestricted intergovernmental	2,122	2,176	2,859	2,971	2,971	3,028	3,261	3,459	3,408	4,175
Restricted intergovernmental	4,280	3,285	4,341	3,555	4,306	5,617	3,015	3,591	5,015	12,859
Permits and fees	2,515	3,078	4,652	5,945	10,461	10,948	8,749	6,815	7,595	3,853
Sales and services	3,211	3,410	3,691	3,874	4,380	4,629	5,282	5,419	6,169	7,420
Investment earnings	32	25	24	95	201	562	1,621	1,244	715	189
Miscellaneous	425	585	413	397	560	848	596	551	1,318	482
Total revenues	\$ 37,258	\$ 39,077	\$ 43,743	\$ 46,535	\$ 55,546	\$ 61,033	\$ 63,960	\$ 67,037	\$ 80,962	\$ 90,636
<b>Expenditures</b>										
General government	\$ 6,945	\$ 7,636	\$ 8,251	\$ 8,864	\$ 8,688	\$ 9,238	\$ 10,372	\$ 12,352	\$ 12,851	\$ 15,273
Public safety	12,757	13,462	14,487	15,534	17,173	18,479	18,421	21,377	23,223	24,521
Public works	2,460	1,692	3,578	2,593	5,124	5,727	5,894	6,472	6,242	5,171
Environmental protection	3,177	3,426	3,680	3,887	3,208	3,417	3,898	4,476	4,972	5,405
Cultural and recreation	2,999	3,323	3,555	3,682	3,674	3,884	4,384	4,901	4,578	5,442
Capital outlay	5,532	6,855	8,718	6,928	9,994	14,918	8,562	11,502	28,594	28,929
Debt Service										
Principal	1,809	2,134	2,134	2,667	3,028	3,870	2,904	5,926	4,474	4,924
Interest	882	816	732	817	886	1,012	1,666	1,816	2,436	2,398
Bond issuance costs	139	-	-	-	-	-	-	-	91	-
Total expenditures	\$ 36,700	\$ 39,344	\$ 45,135	\$ 44,972	\$ 51,775	\$ 60,545	\$ 56,101	\$ 68,822	\$ 87,461	\$ 92,063
Excess of revenues over (under) expenditures	558	(267)	(1,392)	1,563	3,771	488	7,859	(1,785)	(6,499)	(1,427)
<b>Other financing sources (uses)</b>										
Issuance of debt	5,000	-	2,226	4,500	-	6,000	-	-	-	8,700
Payment to refund debt	(4,903)	-	(6,421)	-	-	-	-	-	-	-
Bonds issued	6,000	-	6,424	-	-	24,105	-	32,245	5,000	-
Premium on bond issuance	267	-	-	-	-	1,026	-	4,540	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Transfers in	548	-	-	3,729	3,932	4,578	10,567	8,364	14,104	12,972
Transfers out	(548)	(400)	-	(3,804)	(3,932)	(4,578)	(10,567)	(8,364)	(14,104)	(12,972)
Total other financing sources (uses)	6,364	(400)	2,229	4,425	-	31,131	-	36,785	5,000	8,700
<b>Special Item</b>										
Legal Settlement	-	-	-	-	-	-	(699)	-	-	-
Net change in fund balances	\$ 6,922	\$ (667)	\$ 837	\$ 5,988	\$ 3,771	\$ 31,619	\$ 7,160	\$ 35,000	\$ (1,498)	\$ 7,273
Debt service as a percentage of noncapital expenditures	9.1%	9.1%	7.9%	9.2%	9.4%	10.7%	9.6%	13.5%	11.9%	11.6%

TOWN OF APEX, NORTH CAROLINA  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 Last Ten Fiscal Years

Table 6

Fiscal Year Ended June 30	Real Property	Public Service Property	Motor Vehicles	Other Personal Property	Total Taxable Assessed Value	Tax Rate per \$100 Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2013	\$ 3,993,835,605	\$ 28,357,179	\$ 351,764,850	\$ 197,998,753	\$ 4,571,956,387	\$ 0.390	\$ 4,345,890,221	105.2%
2014	4,134,621,000	27,413,463	484,815,641	193,348,102	4,840,198,206	0.390	4,621,102,309	104.7%
2015	4,373,110,017	27,414,807	418,989,744	174,630,304	4,994,144,872	0.390	5,176,357,789	96.5%
2016	4,587,815,785	35,243,115	462,157,692	196,820,588	5,282,037,180	0.390	5,330,064,454	99.1%
2017	5,290,258,644	34,099,710	500,589,928	193,783,561	6,018,731,843	0.380	6,478,754,334	92.9%
2018	5,733,300,011	37,843,842	535,295,790	153,617,463	6,460,057,106	0.380	7,241,870,744	89.2%
2019	6,282,148,101	39,532,810	601,268,781	159,347,899	7,082,297,591	0.415	8,156,294,807	86.8%
2020	6,973,692,317	40,304,813	645,542,302	195,572,857	7,855,112,289	0.415	7,853,717,829	100.0%
2021	9,368,899,690	41,888,161	794,931,359	157,032,895	10,362,752,105	0.380	10,652,511,889	97.3%
2022	10,024,482,681	42,498,031	849,515,588	231,171,392	11,147,667,692	0.390	11,457,703,239	97.3%

(1) Assessed value is established by the Wake County Tax Department at 100% estimated market value.

(2) Rate per \$100 of assessed valuation

(3) A revaluation of all property is required every four (4) years by North Carolina State Statute. The last revaluation occurred as of December 31, 2020.

**TOWN OF APEX, NORTH CAROLINA  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
Last Ten Fiscal Years**

**Table 7**

**YEAR ENDED JUNE 30, 2022**

<b>Fiscal Year</b>	<b>Town of Apex</b>	<b>Wake County</b>	<b>Combined Tax Rate Per \$100 of Assessed Value</b>
2013	\$ 0.390	\$ 0.5340	\$ 0.924
2014	0.390	0.5340	0.924
2015	0.390	0.5780	0.968
2016	0.390	0.6145	1.005
2017	0.380	0.6005	0.981
2018	0.380	0.6150	0.995
2019	0.415	0.6544	1.069
2020	0.415	0.7207	1.136
2021	0.380	0.6000	0.980
2022	0.390	0.6195	0.980

Note:

(1) A revaluation of all property is required every four (4) years by North Carolina State Statute. The last revaluation occurred as of December 31, 2020.

**TOWN OF APEX, NORTH CAROLINA  
PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years**

**Table 8**

**YEAR ENDED JUNE 30, 2022**

<b>Fiscal Year Ended</b>	<b>Taxes Levied for the Fiscal Year</b>		<b>Total Adjusted Levy</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
	<b>(Original Levy)</b>	<b>Adjustments</b>		<b>Amount</b>	<b>Percentage of Original Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
<b>June 30</b>								
2013	\$ 17,819,954	\$ (5,341)	\$ 17,814,613	\$ 17,681,021	99.25%	\$ 124,008	\$ 17,805,029	99.95%
2014	18,937,765	(1,078)	18,936,687	18,869,293	99.64%	51,427	18,920,720	99.92%
2015	19,525,453	(5,624)	19,519,829	19,482,708	99.81%	26,629	19,509,337	99.95%
2016	20,668,145	(6,866)	20,661,279	20,645,326	99.92%	6,398	20,651,724	99.95%
2017	22,979,651	(4,127)	22,975,524	22,953,997	99.91%	12,332	22,966,329	99.96%
2018	24,666,208	215	24,666,423	24,631,157	99.86%	16,626	24,647,783	99.92%
2019	29,496,802	2,390	29,499,192	29,465,485	99.89%	12,160	29,477,645	99.93%
2020	32,667,306	25,613	32,692,919	32,603,343	99.73%	26,278	32,629,621	99.81%
2021	39,715,022	(259,692)	39,455,330	39,389,175	99.83%	24,646	39,413,821	99.83%
2022	43,548,514	9,110	43,557,624	43,513,326	99.90%	-	43,513,326	99.90%

**TOWN OF APEX, NORTH CAROLINA  
PRINCIPAL PROPERTY TAXPAYERS  
Current Year and Nine Years Ago**

**Table 9**

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable	Taxable Assessed Value	Rank	Percentage of Total Taxable
CSP Community Owner LLC	\$ 130,621,728	1	1.17%	\$ 63,317,954	2	0.57%
B9 MF Village West Owner LLC	52,895,460	2	0.47			
Meridian at Ten Ten LLC	51,761,394	3	0.46			
Beaver Creek Crossings Owner LLC	45,640,750	4	0.41			
BEL Nichols LP	44,924,987	5	0.40			
JHG VBS I LLC	44,815,516	6	0.40			
CRLP Creekside Hills Drive LLC	44,404,108	7	0.40	25,275,498	7	0.55
CFK Apex Land Co LLC	42,689,530	8	0.38	19,651,943	9	0.43
G&I IX Lake Cameron LLC	42,188,281	9	0.38			
CTO21 Apex LLC	41,618,945	10	0.37			
DDR 1st Carolina				72,301,495	1	1.58
Enterprise Propane Terminals				36,827,451	3	0.81
TRT DDR BeaverCreek				35,149,211	4	0.77
EMC Corporation				30,100,463	5	0.66
HH Trinity Apex Investments LLC				29,403,539	6	0.64
Lake Cameron LLC				23,755,976	8	0.52
Widewaters Co LLC				17,700,024	10	0.39
Totals	\$ 541,560,699			\$ 353,483,554		
Total Assessed Valuation = \$ 11,147,667,692				\$ 4,571,956,387		

**TOWN OF APEX, NORTH CAROLINA  
PRINCIPAL ELECTRIC RATEPAYERS  
Current Year and Nine Years Ago**

**Table 10**

Electric Ratepayer	2022				2013			
	Consumption kWh	Annual Electric Charges	Rank	Percentage of Total Electric Charges	Consumption kWh	Annual Electric Charges	Rank	Percentage of Total Electric Charges
Town of Cary	15,640,539	\$ 764,253	1	1.79%	-	-	-	-
Harris Teeter	4,674,280	294,385	2	0.69%	2,640,680	174,537	4	0.63%
Wake County Public Schools	4,500,300	318,318	3	0.75%	6,766,800	\$ 492,373	1	1.78%
Food Lion	3,310,920	202,497	4	0.47%	3,114,160	178,036	3	0.64%
Target Corporation	2,783,520	136,790	5	0.32%	3,807,600	197,613	2	0.71%
Lowe's Foods	2,526,840	159,432	6	0.37%	2,432,960	149,756	7	0.54%
Wake Med Property Services	2,436,180	158,887	7	0.37%	2,260,560	149,449	8	0.54%
Crossroads Ford	1,899,629	124,136	8	0.29%	-	-	-	0.00%
Lowe's Home Improvement	1,418,080	90,834	9	0.21%	2,626,720	136,608	5	0.49%
Home Depot	1,061,840	67,329	10	0.16%	2,097,680	129,170	9	0.47%
Kroger	-	-	-	0.00%	2,577,440	159,007	6	0.57%
Time Warner Cable	-	-	-	0.00%	1,346,880	112,782	10	0.41%
Totals		\$ 2,316,861				\$ 1,879,331		
Total Sales of Electricity =		\$ 42,712,810				\$ 27,726,616		

**TOWN OF APEX, NORTH CAROLINA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

**Table 11**

**YEAR ENDED JUNE 30, 2022**

Fiscal Year	<u>Governmental Activities</u>		<u>Business-Type Activities</u>			Total Primary Government	Debt as a % of Assessed Valuation <sup>(2)</sup>	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(3)</sup>
	General Obligation Bonds	Installment Financings	General Obligation Bonds	Installment Financings	Revenue Bonds				
2013	\$ 20,518,562	\$ 7,143,146	\$ 36,778,577	\$ 18,417,633	\$ 5,716,000	\$ 88,573,918	1.94%	6.20%	\$ 2,162
2014	19,002,695	6,474,495	36,019,342	18,181,189	5,284,000	84,961,721	1.76%	5.40%	1,980
2015	17,516,827	8,122,600	35,260,105	24,628,745	4,836,000	90,364,277	1.81%	5.40%	1,994
2016	16,030,960	11,390,520	34,500,869	23,945,875	4,372,000	90,240,224	1.71%	5.10%	1,899
2017	14,560,093	9,781,958	33,686,633	22,375,007	3,891,000	84,294,691	1.40%	4.40%	1,702
2018	37,102,347	14,437,103	32,817,396	20,790,138	3,393,000	108,539,984	1.68%	5.20%	2,015
2019	35,139,879	13,393,310	31,888,160	19,305,694	2,877,000	102,604,043	1.45%	4.50%	1,765
2020	67,095,979	12,167,517	30,898,924	17,806,155	12,342,000	140,310,575	1.79%	3.62%	2,136
2021	68,450,784	10,949,725	30,532,640	16,235,359	11,351,000	137,519,508	1.33%	3.14%	1,957
2022	64,327,950	18,440,931 <sup>(4)</sup>	29,080,000	14,717,689	10,357,000	136,923,566	1.23%	2.9%	1,868

Notes:

- (1) See Table 14 for personal income data
- (2) Total primary government debt divided by assessed valuation
- (3) Total primary government debt divided by total population
- (4) During fiscal year 2022, \$8,700,000 was issued for Fire Station and Mason Building Renovations.

**TOWN OF APEX, NORTH CAROLINA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**

**Table 12**

**YEAR ENDED JUNE 30, 2022**

Fiscal Year	General Obligation Bonds <sup>(3)</sup>	Percentage of Estimated Actual Taxable Value of Property <sup>(1)</sup>	Per Capita <sup>(2)</sup>
2013	\$ 57,297,139	1.32%	\$ 1,399
2014	55,022,037	1.19%	1,282
2015	52,776,932	1.02%	1,165
2016	50,531,829	0.95%	1,063
2017	48,246,726	0.74%	974
2018	69,919,743	0.97%	1,298
2019	67,028,039	0.82%	1,153
2020	97,994,903	1.25%	1,492
2021	98,983,424	0.93%	1,409
2022	93,407,950	0.82%	1,274

Notes:

<sup>(1)</sup> See Table 6 for estimated taxable values of property.

<sup>(2)</sup> See Table 14 for estimated population data.

<sup>(3)</sup> Includes general obligation bonds from governmental and business-type activities; includes bond premiums

\*Details regarding the Town's debt can be found in the notes of the financial statements

**TOWN OF APEX, NORTH CAROLINA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT**

**Table 13**

**YEAR ENDED JUNE 30, 2022**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>(1)</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County Wake County General Obligation Bonds <sup>(2)</sup>	\$ 1,595,065,000	5.47%	\$ 87,185,045
Town of Apex governmental activities debt	82,768,881 <sup>(3)</sup>	100.00%	<u>82,768,881</u>
Total direct and overlapping debt			<u><u>\$ 169,953,926</u></u>

Notes:

(1) Percentage based on total assessed property values.

(2) Overlapping debt does not include the debt of the Special Airport District of Durham and Wake Counties as these bonds are payable by the Airport Authority out of airport revenues

(3) Includes all governmental general obligation and installment financing debt

**TOWN OF APEX, NORTH CAROLINA**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
(Amounts in Thousands, Except Current Year Calculation)

Table 14

**YEAR ENDED JUNE 30, 2022**

<b>Fiscal Year</b>	<b>Debt Limit</b>	<b>Less: Total Net Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>	<b>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</b>
2013	\$ 365,756	\$ 26,993	\$ 338,763	7.38%
2014	387,216	25,477	361,739	6.58%
2015	399,531	25,639	373,892	6.42%
2016	422,562	42,421	380,141	10.04%
2017	481,498	39,342	442,156	8.17%
2018	516,805	91,540	425,265	17.71%
2019	566,584	88,533	478,051	15.63%
2020	630,585	91,263	539,322	14.47%
2021	829,020	86,350	742,670	10.42%
2022	891,813	160,849	730,965	18.04%

**Legal Debt Margin Calculation for Fiscal Year 2022**

Assessed value	<u>\$ 11,147,667,692</u>
Debt Limit (8% of total assessed value)	891,813,415
Debt applicable to limit:	
General obligation bonds (including premium)	93,407,950
Authorized but not issued general obligation bonds	49,000,000
Installment purchase agreements	18,440,931
Total net debt applicable to limit	<u>160,848,881</u>
Legal Debt Margin	<u>\$ 730,964,534</u>
Percentage of debt to debt limit	18.04%
Percentage of debt to assessed value	1.44%

<sup>(1)</sup> Under North Carolina general statutes, the legal debt limit should not exceed 8% of total assessed property value. By law, the statutes provide exclusions for bonded debt which has been issued for water and sewer systems provided the criteria for the debt has been satisfied by the unit of government.

**TOWN OF APEX, NORTH CAROLINA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Fiscal Years

**Table 15**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (000's)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2013	40,970	\$ 1,888,594	\$ 46,097	5.40%
2014	42,920	2,132,909	49,695	5.10%
2015	45,317	2,279,173	50,294	4.00%
2016	47,525	2,460,654	51,776	3.50%
2017	49,541	2,678,335	54,063	3.20%
2018	53,862	2,938,118	54,549	2.90%
2019	58,135	3,430,779	59,014	3.30%
2020	65,682	3,876,158	59,014	5.20%
2021	70,272	4,375,416	62,264	3.10%
2022	73,317	4,798,598	65,450	3.00%

Notes:

(1) Population projections compiled by Town of Apex Planning Department

(2) Per capita income for Wake County according to the US Bureau of Economic Analysis

Information is available for the County, not the Town. Latest date available is 2019. Revised November 17, 2020.

(3) North Carolina Department of Commerce - LAUS.

**TOWN OF APEX, NORTH CAROLINA  
PRINCIPAL EMPLOYERS - TOP TEN**

**Table 16**

Current Year and Nine Years Ago

Taxpayer	2022			2013		
	Estimated Number of Employees <sup>(1)</sup>	Rank	Percentage of Total Town Employment	Estimated Number of Employees <sup>(1)</sup>	Rank	Percentage of Total Town Employment
Wake County Public Schools	1,929	1	5.60%	894	1	4.98%
Town of Apex	706	2	2.05%	339	3	1.69%
Bland Landscaping	485	3	1.41%	230	6	0.90%
Apex Tool Group	425	4	1.23%	-	-	
Dell Technologies Inc	350	5	1.02%	-	-	
Costco	340	6	0.99%	-	-	
Super Target	287	7	0.83%	300	5	1.76%
ATI Industrial Automation	275	8	0.80%	-	-	
WalMart	250	9	0.73%	225	7	1.21%
Lowe's Home Improvement	191	10	0.55%	-	-	
Cooper Industries (Lufkin)	-	-	-	419	2	1.95%
EMC Corp.	-	-	-	322	4	1.73%
Tipper Tie	-	-	-	137	8	0.73%
Target	-	-	-	300	-	
NC Department of Corrections	-	-	-	127	9	0.68%
Rex Healthcare	-	-	-	125	10	0.67%
<b>Total Employed by Top Ten Principal Employers</b>	<b>5,238</b>			<b>3,418</b>		
<b>Total Employed in Apex <sup>(2)</sup></b>	<b>34,436</b>			<b>18,654</b>		

Notes:

- (1) Estimated employees by taxpayer based on Town of Apex, Economic Development and employer verification - Town's Finance Department.
- (2) Total employed in Apex from Employment Security Commission "Local Area Unemployment Statistics" or LAUS.

**TOWN OF APEX, NORTH CAROLINA  
EMPLOYEE POSITION AUTHORIZATION BY DEPARTMENT  
LAST TEN FISCAL YEARS**

**Table 17**

**YEAR ENDED JUNE 30, 2022**

<b>Function</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
General Government										
Administration	38	39	6	7	9	10	9	11	4	11
Town Clerk's Office	-	-	-	-	-	-	1	1	2	2
Budget, Performance & Strategy	-	-	-	-	-	-	-	-	5	5
Building Inspections	-	-	13	15	19	20	21	22	24	24
Communications	-	-	-	-	-	-	-	-	2	3
Economic Development	-	-	2	2	2	2	2	3	3	4
Finance	-	-	22	22	21	17	18	18	19	20
Human Resources	-	-	3	3	5	5	5	6	6	11
Information Technology	-	-	6	8	8	9	10	11	13	13
Legal	-	-	2	2	2	2	3	3	3	4
Neighborhood & Community Connections	-	-	-	-	-	-	-	-	1	4
Planning	12	15	16	16	17	17	18	19	20	20
Public Safety	148	147	-	-	-	-	-	-	-	-
Law Enforcement										
Officers	-	-	75	79	86	89	99	104	105	110
Civilians	-	-	9	10	8	11	11	11	13	13
Fire/Rescue	-	-	57	57	73	76	81	94	98	114
EMS	-	-	14	18	18	18	-	-	-	-
Public Works										
Administration	-	-	-	-	-	-	-	-	5	5
Facility & Fleet Services	7	8	8	9	10	10	14	14	14	15
Streets	10	10	11	11	13	18	15	15	15	15
Transportation & Infrastructure	2	2	5	6	7	8	9	10	16	18
Construction Management	22	23	16	15	15	18	19	16		
Environmental Protection	16	16	10	11	11	14	16	18	18	18
Parks and Recreation	21	24	25	27	27	28	32	36	39	45
Electric	29	29	28	31	32	34	36	37	37	40
Water/Sewer	34	35	33	34	33	38	43	51	55	56
Stormwater	-	-	-	-	-	-	-	-	5	6
<b>Total</b>	<b>339</b>	<b>348</b>	<b>361</b>	<b>383</b>	<b>416</b>	<b>444</b>	<b>462</b>	<b>500</b>	<b>522</b>	<b>576</b>

**TOWN OF APEX, NORTH CAROLINA**  
**OPERATING INDICATORS BY FUNCTION**  
 LAST TEN FISCAL YEARS

**Table 18**

<u>Function</u>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Police										
Physical arrests	758	516	504	464	484	484	682	650	512	516
Parking violations	193	215	235	256	426	394	529	341	107	104
Traffic violations	5,787	7,074	6,047	6,904	8,169	7,414	7,051	6,807	6,966	4680
Fire										
Number of calls answered	2,567	2,635	2,881	2,822	3,009	3,034	3,972	3,503	3,513	4,216
Highways and streets										
Street resurfacing (miles)	8.6	0	9.9	0.0	20.1	22.2	2.6	4.3	9.0	6.8
Environmental Protection										
Number of households served	12,036	12,476	13,689	14,604	15,445	16,257	17,838	19,581	21,463	22,204
Solid waste collected (tons/day)	29.77	27.06	30.62	32.68	34.89	37.71	41.58	43.12	40.25	53.52
Recyclables collected (tons/day)	7.62	8.53	9.91	11.03	10.82	10.89	11.62	13.17	11.52	11.46
Mulching and composting (tons/day)	17.01	15.71	16.80	17.92	17.89	16.71	21.54	19.22	20.00	16.75
Cultural and recreation										
Number of program/activity participants	45,709	49,022	59,808	63,396	60,958	63,978	62,896	48,329	11,094	67,980
Water										
Number of customers	14,042	14,103	14,770	15,459	17,209	18,697	20,423	22,317	23,731	24,971
Average daily consumption (millions of gallons)	2.81	3.08	3.3	3.37	3.58	3.79	3.75	4.16	4.44	4.81
Wastewater										
Number of customers	13,240	13,840	14,485	15,207	16,949	18,431	20,156	22,031	23,438	24,435
Average daily sewage treatment (millions of gallons)	2.72	2.78	2.68	2.79	2.85	3.38	3.86	3.72	4.74	4.86
Electric										
Number of customers	15,389	16,016	16,682	17,314	18,936	20,363	22,269	24,440	25,809	26,953
Average daily consumption (kilowatt-hours)	744,098	780,614	833,966	846,098	877,824	939,159	969,098	1,004,896	1,079,763	1,036,103

Source: Town of Apex - Finance, Police, Fire, Parks & Recreation, and Public Works departments

**TOWN OF APEX, NORTH CAROLINA  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

**Table 19**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Function</u>										
Public safety										
Police										
Stations	1	1	1	1	1	2	2	3	3	3
Patrol Units	50	49	80	80	81	82	88	96	98	101
K-9 Units	0	0	1	1	2	2	2	2	2	4
Fire stations	4	4	4	4	4	5	5	5	5	5
Streets										
Streets (miles)	129.15	132.37	140.04	151.04	171.14	193.14	207.17	215.64	224.7	234.6
Streetlights	2,582	2,713	2,775	2,846	3,391	3,479	3,914	4,091	4,255	4,577
Parks and Recreation										
Parks acreage	452.51	452.51	544.51	544.51	544.51	558	618.28	618.28	618.28	629.00
Parks	9	9	10	10	10	11	11	13	11	11
Tennis courts (Adult & Youth)	8	8	15	15	15	15	15	15	12	12
Community centers	1	1	1	1	1	1	1	1	1	1
Cultural Arts Center	1	1	1	1	1	1	1	1	1	1
Lakes	1	1	1	1	1	1	1	1	1	1
Water										
Water lines (miles)	182	194	207	215	269	293	310	318	326	345
Maximum daily treatment capacity (millions of gallons)	13.4	13.4	13.4	13.4	13.4	13.4	13.4	13.4	13.4	12.88
Electric										
Number of delivery points (substations)	3	3	3	3	3	3	3	3	3	3
Miles of service lines <sup>(1)</sup>	355	537	554	569	569	681	764	787	822	862.42
Sewer										
Sanitary sewer lines (miles)	189	189	207	239	249	280	296	303	311	349.5
Maximum daily treatment capacity (millions of gallons)	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.72

Sources:

Town of Apex - Finance, Police, Fire, Parks and Recreation, and Public Works departments.

Notes:

<sup>(1)</sup> Beginning 2014, information based on current GIS records.

**Town of Apex, North Carolina  
Commercial Activity  
Last Ten Fiscal Years**

**Table 20**

**YEAR ENDED JUNE 30, 2022**

Calendar Year	Commercial <sup>(2)</sup>		Residential <sup>(3)</sup>		Total	
	Number	Value	Number	Value	Number	Value
2013	109	\$ 34,819,424	833	\$ 104,891,935	942	\$ 139,711,359
2014	99	14,382,268	910	108,460,491	1,009	122,842,759
2015	106	22,064,922	1,008	139,245,658	1,114	161,310,580
2016	176	75,696,086	1,023	153,149,779	1,199	228,845,865
2017	162	57,953,390	1,460	243,287,508	1,622	301,240,898
2018	203	67,040,140	1,830	300,667,043	2,033	367,707,183
2019	251	115,286,445	2,179	363,713,597	2,430	479,000,042
2020	227	93,900,372	2,023	355,822,904	2,250	449,723,276
2021	161	70,365,770	1,627	279,772,535	1,788	350,138,305
2022	140	36,349,872	1,558	231,746,320	1,698	268,096,192

Notes:

(1) Compiled by the Town of Apex - Inspections department

(2) Commercial: Includes New Buildings, New Fit-ups, Multi-Family, Alteratons and Additions

(3) Residential: Includes New Homes, Additions, Alterations and Accessory Structures

# ***COMPLIANCE SECTION***



Prepared by the Town of Apex Finance Department

**Independent Auditor’s Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

To the Honorable Mayor and  
Members of the Town Council  
Apex, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Apex, North Carolina (the “Town”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated May 19, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the basic financial statements, we considered the Town’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town’s basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
May 19, 2023

**Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance  
and the State Single Audit Implementation Act**

To the Honorable Mayor and  
Members of the Town Council  
Apex, North Carolina

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Town of Apex, North Carolina's (the "Town") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the North Carolina Local Government Commission, that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2022. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
May 19, 2023

**Independent Auditor's Report on Compliance for Each Major State Program  
and on Internal Control Over Compliance Required by the Uniform Guidance  
and the State Single Audit Implementation Act**

To the Honorable Mayor and  
Members of the Town Council  
Apex, North Carolina

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited the Town of Apex, North Carolina's (the "Town") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the North Carolina Local Government Commission, that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2022. The Town's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's state programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
May 19, 2023

**TOWN OF APEX, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2022

---

**Section I—Summary of Auditor’s Results**

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported
- Noncompliance material to federal awards noted? \_\_\_\_\_ yes      X   no

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes      X   no

Identification of major federal programs:

Assistance Listing Number

21.027

Names of Federal Program or Cluster

COVID-19: Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

  X   yes    \_\_\_\_\_ no

**TOWN OF APEX, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2022

---

**Section I—Summary of Auditor’s Results (continued)**

State Awards

Internal control over major state programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported
- Noncompliance material to state awards noted? \_\_\_\_\_ yes      X   no

Type of auditor’s report issued on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act \_\_\_\_\_ yes      X   no

Identification of major state programs:

Program Name

Non-State System Street-Aid Allocation (State Street-Aid to Municipalities “Powell Bill”)

**Section II—Findings Related to the Audit of the Basic Financial Statements**

None reported.

**Section III—Federal and State Award Findings and Questioned Costs**

None reported.

**TOWN OF APEX, NORTH CAROLINA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**

*YEAR ENDED JUNE 30, 2022*

---

None reported.



Prepared by the Town of Apex Finance Department

**TOWN OF APEX, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

For the fiscal year ended June 30, 2022

**Schedule 23**

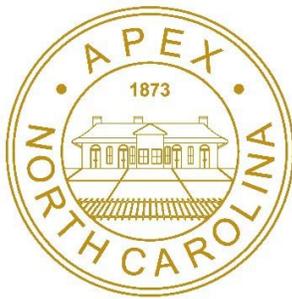
Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Pass - Through/State Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b>FEDERAL GRANTS:</b>					
<u>US Department of Transportation</u>					
Passed through NC Department of Transportation <i>Highway Planning and Construction</i>	20.205	WBS Element	\$ 2,418,203	\$ -	\$ 844,163
<i>Total Highway Planning and Construction</i>			2,418,203	-	844,163
<u>US Department of Transportation</u>					
Passed through NC Department of Transportation <i>Governor's Highway Safety Program</i>	20.600	WBS Element	22020.2.11	40,927	-
<u>US Department of Treasury</u>					
Passed through Guilford College <i>Coronavirus Relief Fund</i>	21.019		500	-	-
<u>US Department of Justice</u>					
Direct Program					
Bureau of Justice Assistance					
<i>Bullet Proof Vest Partnership Program</i>	16.607		4,783	-	-
Joint Law Enforcement Operations	16.922		2,248	-	-
<i>Carolina Regional Fugitive Task Force</i>				-	-
<u>US Department of Treasury</u>					
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027		2,628,841	-	-
Total assistance-federal programs			5,095,502	-	844,163
<b>STATE GRANT:</b>					
<u>NC Department of Transportation</u>					
<i>Powell Bill Fund</i>	N/A	32570	-	1,453,178	-
<u>NC Department of Environmental Quality</u>					
<i>Division of Air Quality</i>	N/A			24,000	-
Total assistance			\$ 5,095,502	\$ 1,477,178	\$ 844,163

Notes to the Schedule of Expenditures of Federal and State Financial Awards

*Basis of Presentation* - The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Town of Apex under the programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Town of Apex, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Apex.

*Summary of Significant Accounting Policies* - The accompanying schedule of expenditures of federal and state awards is presented on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

*Indirect Cost Rate* - The Town of Apex has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



Prepared by the Town of Apex Finance Department