



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

*Fiscal Year ending  
June 30, 2023*



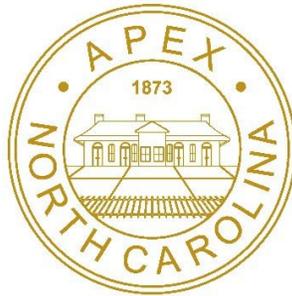
**APEX**  
NORTH CAROLINA



Prepared by the Town of Apex Finance Department

# ***ANNUAL COMPREHENSIVE FINANCIAL REPORT***

***Town of Apex, North Carolina  
For the Fiscal Year Ended June 30, 2023***



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**

	<b><u>Pages</u></b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal.....	1
Elected Officials.....	8
Appointed and Administrative Staff.....	9
Organizational Chart.....	10
<b>FINANCIAL SECTION</b>	
Report of Independent Auditor .....	12
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	General Government Debt Service 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	Law Enforcement Special Separation Allowance Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	96
8	Affordable Housing Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	97
9	General Capital Projects Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	98
10	American Rescue Plan Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	101
11	Parks and Recreation Capital Projects Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	102
12	Nonmajor Governmental Funds - Combining Balance Sheet.....	104
13	Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	106

### Capital Project Funds

14	Recreation Capital Reserve Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual .....	108
15	Transportation Capital Reserve Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	109
16	Transportation Capital Project Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual.....	110
17	American Rescue Plan 2021 – Federal – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual.....	115
18	Perry Library Fund – Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual.....	116

### Permanent Fund

19	Permanent Fund – Cemetery Fund -Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP).....	117
----	---	-----

Enterprise Funds

20	Electric Operations – Schedule of Revenues and Expenditures – Budget and Actual(NON-GAAP) .....	118
21	Electric Debt Service Fund – Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP).....	120
22	Electric Capital Project - Schedule of Revenues and Expenditures – Budget and Actual(NON-GAAP) .....	121
23	Water and Sewer Fund – Schedule of Revenues and Expenditures – Budget and Actual(NON-GAAP) .....	122
24	Water & Sewer Debt Service Fund – Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP).....	125
25	Water/Sewer Capital Project Fund - Schedule of Revenues and Expenditures – Budget and Actual(NON-GAAP) .....	126
26	Wastewater Treatment Plant Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (NON-GAAP) .....	130
27	Water/Sewer Capital Reserve Fund - Schedule of Revenues, Expenditures – and Changes in Fund Balance - Budget and Actual (NON-GAAP) .....	131
28	System Development Fee Capital Reserve Fund - Schedule of Revenues, Expenditures – and Changes in Fund Balance - Budget and Actual (NON-GAAP) .....	132

Internal Service Fund

29	Health and Dental Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Financial Plan and Actual(NON-GAAP) .....	133
----	--	-----

Supplemental Financial Data

30	General Obligation Debt Service Requirements and Maturity Schedule .....	132
31	General Fund - Schedule of Ad Valorem Taxes Receivable.....	135
32	Analysis of Current Tax Levy.....	136

**STATISTICAL SECTION (Unaudited)**

**Table**

1	Net Position by Component .....	138
2	Changes in Net Position.....	140
3	Governmental Activities Tax Revenues by Source .....	144
4	Fund Balances of Governmental Funds .....	145

**Table**

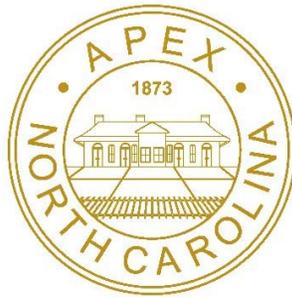
5	Changes in Fund Balances of Governmental Funds .....	146
6	Assessed Value and Estimated Actual Value of Taxable Property .....	147
7	Property Tax Rates - Direct and Overlapping Governments .....	148
8	Property Tax Levies and Collections .....	149
9	Principal Property Taxpayers .....	150
10	Principal Electric Ratepayers .....	151
11	Ratios of Outstanding Debt by Type .....	152
12	Ratios of General Bonded Debt Outstanding .....	153
13	Direct and Overlapping Governmental Activities Debt .....	154
14	Legal Debt Margin Information .....	155
15	Demographic and Economic Statistics.....	156
16	Principal Employers – Top Ten.....	157
17	Employee Position Authorization by Department .....	158
18	Operating Indicators by Function .....	159
19	Capital Asset Statistics by Function .....	160
20	Commercial Activity.....	161

**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> .....	163
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.....	165
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.....	167
Schedule of Findings and Questioned Costs.....	169
Schedule of Prior Year Findings.....	171
Schedule of Expenditures of Federal and State Awards .....	173

# ***INTRODUCTORY SECTION***



Prepared by the Town of Apex Finance Department

January 8, 2024

**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, 2023 is submitted by the Town's Finance Department, and it is the comprehensive publication of the Town's financial position at June 30, 2023, 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, 2023 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, 2023 included no instance of material weakness in the internal control structure or significant violations of applicable laws and regulations.

## **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 38.46 square miles and has an estimated population of 76,100.

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, 2023, the Town's population was estimated to be 76,100. 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 \$4.8 billion in 2014 to \$11.8 billion in 2023. The town issued 2,239 new building permits for new construction, additions and alterations in 2023 (to date), which included 2,010 for residential and 229 for commercial. Permits issued valued over \$278 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 10.2% 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 \$4.8 billion to \$11.8 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 2022-2023 are as follows:

- ❖ Implemented organization restructure recommendations from 2021-22 assessment, including
  - Elevated Budget Office to Budget and Performance Management Department
  - Elevated Communications Office to Communications Department
  - Created Community Development and Neighborhood Connections Department
  - Created Transportation and Infrastructure Development Department
- ❖ Launched Town’s first, full strategic plan – Game Plan Apex
- ❖ Launched Town’s first transit route - GoApex 1
- ❖ Adopted Vision Zero Plan for pedestrian and traffic safety
- ❖ Completed development agreement to commence Apex Gateway Phase I economic development project
- ❖ Completed and implemented full compensation and classification plan for all Town positions
- ❖ Launched Text-Out application
- ❖ Completed closing for Broadstone Walk affordable housing project
- ❖ Adopted Parks, Recreation, Greenway, and Open Space Master Plan
- ❖ Completed long range planning water resources plan

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:

- ❖ Completed Dogwood Ridge Stream restoration
- ❖ Completed Phase I of Western Transmission Main Project
- ❖ Completed Beaver Creek Drive and Zeno Road intersection project
- ❖ Completed Lake Pine Drive project
- ❖ In progress Pleasant Park
- ❖ In progress Mason Street Municipal Building
- ❖ In progress Public Safety Station 6
- ❖ In progress AMI project
- ❖ Began Middle Creek Greenway Phase III
- ❖ In Progress Saunders and Hinton sidewalk project (Safe Routes to School)

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, 2024:

- ❖ Transportation Projects:
  - Apex Peakway Southwest Connector - \$15.5 million
  - Pavement Improvements - \$1.0 million
  - Safe Routes to Schools - \$1.0 million
- ❖ General Government:
  - Public Building “Mason Street – Inspections” - \$3.46 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,

Shawn Purvis



Interim 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

---

Mayor  
Jacques K. Gilbert  
12/2019-12/2023



Mayor Pro-Term  
Audra Killingsworth  
12/2021-12/2025



Council Member  
Brett Gantt  
12/2021-12/2025



Council Member  
Ed Gray  
12/2021-12/2025



Council Member  
Arno Zegerman  
2/2023-12/2023



Council Member  
Terry Mahaffey  
12/2019-12/2023



## **Town Administration and Directors**

**Catherine Crosby\*\***  
*Town Manager\**

**Shawn Purvis**  
*Deputy Town Manager*

**Marty Stone**  
*Assistant Town Manager*

**Demetria John**  
*Assistant Town Manager*

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

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

## **Department Directors**

**Dianne Khin**  
*Planning*

**Joanna Helms**  
*Economic Development*

**Tim Herman**  
*Fire*

**Mary Beth Manville**  
*Human Resources*

**Erika Sacco**  
*Information Services*

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

**Rudy Baker**  
*Inspections and Permits*

**Jason Armstrong**  
*Police Chief*

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

**Chris Johnson**  
*Public Works and Transportation*

**Antwan Morrison**  
*Finance*

**Amanda Grogan**  
*Budget and Performance*

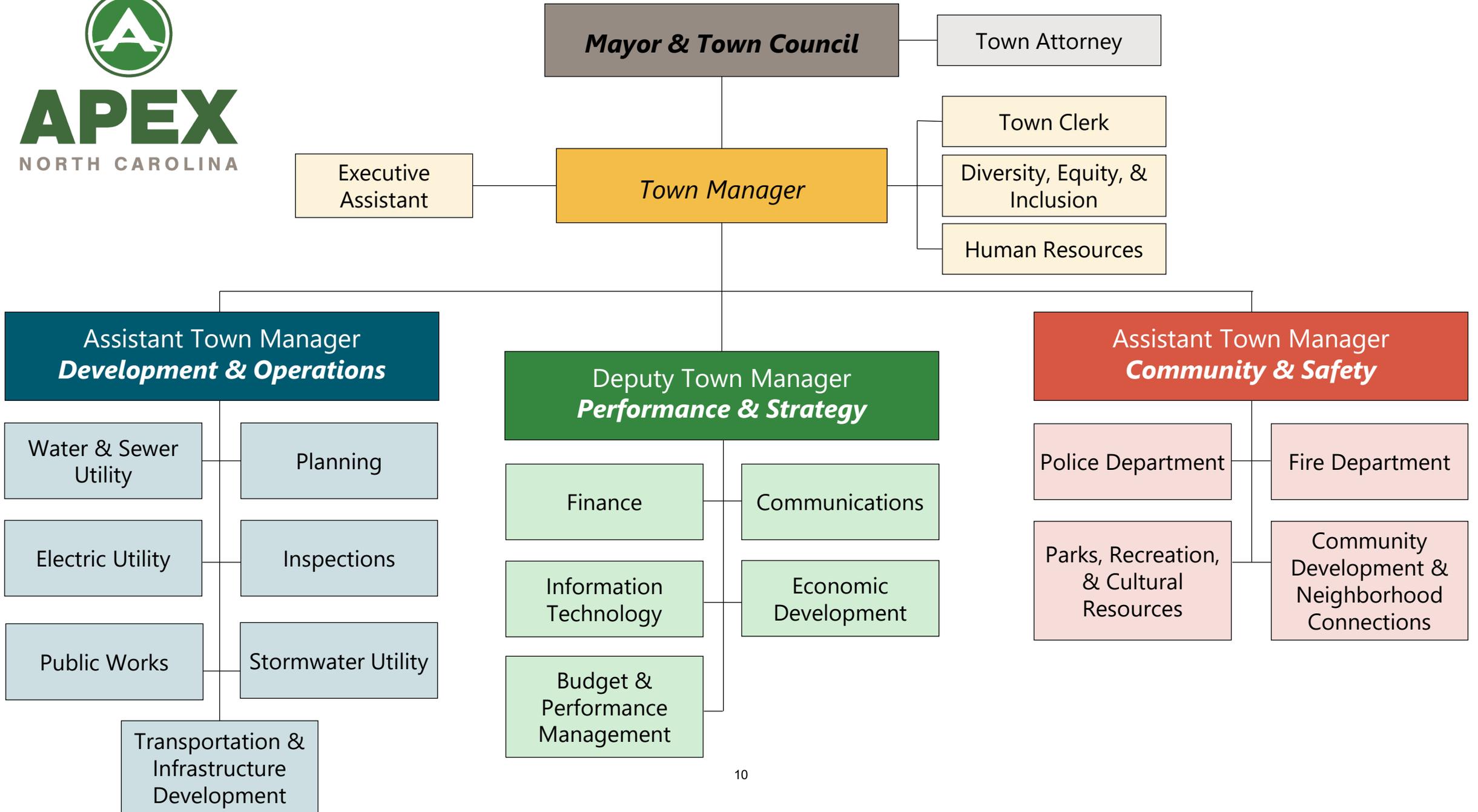
**John Mullis**  
*Public Works*

**Stacie Galloway**  
*Communications*

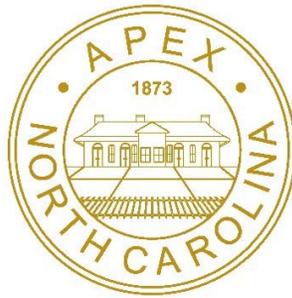
**Michael Deaton**  
*Utility Engineering and Water Resources*

**Eric Neumann**  
*Electric Utilities*

\* The Town Manager, Town Attorney, and Town Clerk are appointed by Town Council.  
\*\*Separated from the Town of Apex subsequent to year-end, but before audit opinion issued



# ***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, 2023, 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 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, 2023, and the respective changes in financial position, and where applicable, cash flows thereof, and the 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 January 8, 2024 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  
January 8, 2024

# TOWN OF APEX, NORTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 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, 2023. 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 \$1.025 billion (*net position*).
- The government's total net position increased by \$62.3 million in fiscal year 2023. \$46.1 million of the increase resulted from governmental activities, and \$16.2 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 \$107.9 million. The total fund balance decreased \$6.4 million in the General Fund, \$9.4 million in the Recreation and Parks project fund, and increased \$3.6 million in the General Government Debt Service Fund, \$0.08 million in the American Rescue Plan Fund, \$0.8 million in the General Capital Project Fund, and \$0.4 in the Nonmajor Governmental Funds, resulting in a net decrease in total governmental funds combined fund balance of \$10.9 million.
- Approximately \$33.5 million of the total combined ending governmental fund balance is restricted as compared to \$31.8 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 \$28.8 million or 30.2% 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

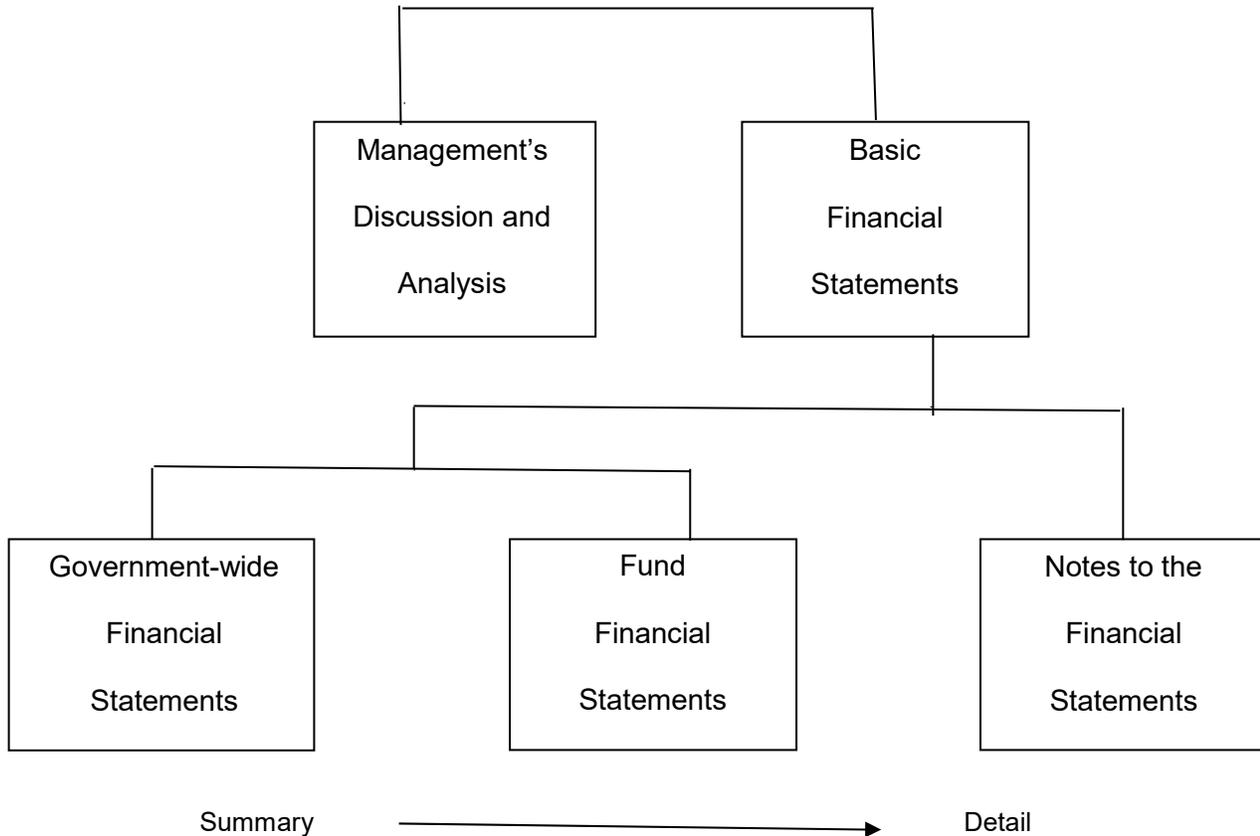
This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The 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.

JUNE 30, 2023

---

### 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.

# TOWN OF APEX, NORTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

---

### 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.

**TOWN OF APEX, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2023

**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 40 through 78 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 79 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 \$1.025 billion as of June 30, 2023. The Town's net position increased by \$62.3 million for the fiscal year ended June 30, 2023. The majority of the Town's net position (\$882.2 million or 86.1%) 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. \$45.6 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 132,526,754	\$ 132,912,752	\$ 103,008,583	\$ 99,262,231	\$ 235,535,337	\$ 232,174,983
Capital assets	689,241,238	635,480,009	319,990,558	310,979,338	1,009,231,796	946,459,347
<b>Total assets</b>	<b>821,767,992</b>	<b>768,392,761</b>	<b>422,999,141</b>	<b>410,241,569</b>	<b>1,244,767,133</b>	<b>1,178,634,330</b>
Deferred outflows of resources	18,546,125	16,063,411	7,382,632	3,819,958	25,928,757	19,883,369
<b>Total assets and deferred outflows of resources</b>	<b>840,314,117</b>	<b>784,456,172</b>	<b>430,381,773</b>	<b>414,061,527</b>	<b>1,270,695,890</b>	<b>1,198,517,699</b>
Long-term liabilities	123,899,721	116,710,903	60,888,284	57,272,751	184,788,005	173,983,654
Other liabilities	32,206,851	20,821,622	12,226,229	12,694,397	44,433,080	33,516,019
<b>Total liabilities</b>	<b>156,106,572</b>	<b>137,532,525</b>	<b>73,114,513</b>	<b>69,967,148</b>	<b>229,221,085</b>	<b>207,499,673</b>
Deferred inflows of resources	13,512,014	22,315,857	3,052,830	6,058,642	16,564,844	28,374,499
<b>Total liabilities and deferred inflows of resources</b>	<b>169,618,586</b>	<b>159,848,382</b>	<b>76,167,343</b>	<b>76,025,790</b>	<b>245,785,929</b>	<b>235,874,172</b>
Net Position:						
Net investment in capital assets	612,330,433	578,966,115	269,867,249	256,824,649	882,197,682	835,790,764
Restricted	8,426,380	19,247,535	12,275,193	-	20,701,573	19,247,535
Unrestricted	49,938,718	26,394,140	72,071,988	81,211,088	122,010,706	107,605,228
<b>Total net position</b>	<b>\$ 670,695,531</b>	<b>\$ 624,607,790</b>	<b>\$ 354,214,430</b>	<b>\$ 338,035,737</b>	<b>\$ 1,024,909,961</b>	<b>\$ 962,643,527</b>

**TOWN OF APEX, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2023

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 13,246,368	\$ 14,643,765	\$ 72,002,693	\$ 70,929,290	\$ 85,249,061	\$ 85,573,055
Operating grants and contributions	3,808,598	6,858,979	-	-	3,808,598	6,858,979
Capital grants and contributions	46,212,348	44,510,890	18,792,923	16,600,600	65,005,271	61,111,490
General Revenues:						
Property taxes	48,149,225	43,733,113	-	-	48,149,225	43,733,113
Other taxes	21,225,880	18,056,630	-	-	21,225,880	18,056,630
Other revenues	11,224,617	4,768,842	1,665,992	160,316	12,890,609	4,929,158
Total Revenues	143,867,036	132,572,219	92,461,608	87,690,206	236,328,644	220,262,425
Expenses:						
General government	26,721,525	17,211,050	-	-	26,721,525	17,211,050
Public safety	29,946,523	28,050,019	-	-	29,946,523	28,050,019
Public works	25,522,287	23,036,698	-	-	25,522,287	23,036,698
Environmental protection	5,792,876	5,764,374	-	-	5,792,876	5,764,374
Cultural and recreation	8,773,562	7,644,217	-	-	8,773,562	7,644,217
Interest on long-term debt	2,394,332	2,396,747	-	-	2,394,332	2,396,747
Electric	-	-	44,179,132	44,476,893	44,179,132	44,476,893
Water and sewer	-	-	30,731,973	27,535,217	30,731,973	27,535,217
Total Expenses	99,151,105	84,103,105	74,911,105	72,012,110	174,062,210	156,115,215
Change in net position before transfers	44,715,931	48,469,114	17,550,503	15,678,096	62,266,434	64,147,210
Transfers	1,371,810	-	(1,371,810)	-	-	-
Change in net position	46,087,741	48,469,114	16,178,693	15,678,096	62,266,434	64,147,210
Net position, July 1	624,607,790	576,138,676	338,035,737	322,357,641	962,643,527	898,496,317
Net position, June 30	\$ 670,695,531	\$ 624,607,790	\$ 354,214,430	\$ 338,035,737	\$ 1,024,909,961	\$ 962,643,527

**Governmental activities:**

The Town's total governmental revenues were \$143.9 million. Program revenues (44.0%) include: Charges for services of \$13.2 million, operating grants and contributions \$3.8 million and capital grants and contributions of \$46.2 million. General revenues (56.0%) include: property taxes of \$48.1 million, other taxes of \$21.2 million and other miscellaneous revenues of \$11.2 million. The Town's total governmental expenses were \$99.2 million and governmental transfers-in totaled \$1.4 million resulting in an increase in the Town's net position of \$46.1 million from governmental activities, accounting for 73.8% of the total growth in the Town's net position.

**Business-type activities:**

The Town's total business-type revenues were \$92.5 million. Program revenues (98.2%) include: Charges for services of \$72.0 million and capital grants and contributions of \$18.8 million. Other revenues of \$1.7 million (1.8%) are primarily from nonrecurring miscellaneous payments. The Town's total business-type expenses were \$74.9 million and business-type transfers out totaled \$1.4 million, which resulted in an increase in the Town's net position by \$16.2 million from business-type activities, accounting for 47.8% of the total growth in the Town's net position.

**TOWN OF APEX, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2023

---

**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 at least 25% of the subsequent year's budgeted General Fund expenditures, as originally adopted.

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 \$28.8 million, while the total fund balance decreased to \$53.8 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 budgeted expenditures. As of June 30, 2023, unassigned fund balance was 30.2% of the year's expenditures (35.4% in 2022), while the total fund balance represents 56.3% of the same amount (91.2% in 2022).

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 decrease in fund balance was the result of managerial decision-making and a planned use of fund balance to fund a variety of one-time capital needs. Per policy funds in excess of the limit (25%) can be used for one-time capital-related purposes. During FY 2023 town staff funded several one-time capital needs totaling \$7.6 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:

- Mason Street Building \$ 2,600,000
- ERP Conversion 3,229,500
- Middle Creek Greenway 809,500
- Downtown SRTS/Transit Connections 350,000
- Wayfinding Plan 320,000
- Hunter Street Bike Track 250,000

At year-end, the governmental funds of the Town of Apex reported a combined total fund balance of \$107.9 million, a decrease of \$10.9 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 \$23.9 million and the major, non-General Fund funds were: Debt Service \$3.6 million, ARPA State \$0.08 million, General Capital Projects \$12.6 million and Parks and Recreation Project Fund was \$13.9 million. The most notable change from prior year's fund balance was in the Parks and Recreation Capital Project Fund. During the year the construction expenditures were paid for the Pleasants Park project. Also, during the year the Town established a separate Debt Service Fund which will be used to track and account for all related debt service payments.

**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.

**TOWN OF APEX, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2023

---

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 \$4.1 million. As we continued to work through the lingering effects 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 \$12.0 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, 2023, the town decreased its unassigned fund balance to 30.2%. As discussed above, the town's policy limit is 25% of the subsequent year's budgeted expenditures, as adopted.

During the year the town did not issue any new debt. However, construction has continued on the pavement improvements project. The town expended \$3.2 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 \$1.2 million in expenditures, while the Burma Drive project was \$1.0 million. In the fiscal years to come we will see a gradual increase in expenditures for roadway projects, as we have two outstanding bond authorizations for this purpose. In the current year the town also expended \$12.9 million on the Pleasant Park project, \$4.1 on Fire Station #6 and \$2.8 on the Mason Street Building project.

It is important to note that the Town continues to notice increases in projections 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.

**Proprietary Funds:**

Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year was \$72.1 million, of which \$12.0 million belongs to the System Development Fee fund and the Electric Fund's unrestricted net position is \$15.1 million. The change in net position was an increase of \$14.6 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, 2023, totals \$1 billion (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 - \$2,785,060
- Water Sewer Filter Upgrades - \$1,238,080
- Beaver Creek Outfall - \$1,066,580
- Property Acquisition - \$1,753,967
- Fire Ladder Truck - \$1,240,000
- Developer's Street, Sidewalk, Water and Sewer Easement Contributions - \$55,675,553

JUNE 30, 2023

**Figure 4: Town of Apex – Capital Assets, net of depreciation**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 71,610,584	\$ 61,921,161	\$ 84,476,789	\$ 75,476,721	\$ 156,087,373	\$ 137,397,882
Building and systems	42,920,216	40,683,841	22,486,530	19,180,442	65,406,746	59,864,283
Improvements other than buildings	4,990,409	6,141,564	196,011,867	199,941,457	201,002,276	206,083,021
Machinery and equipment	4,766,821	4,318,979	1,383,960	1,212,452	6,150,781	5,531,431
Infrastructure	488,586,851	472,455,152	-	-	488,586,851	472,455,152
Vehicles and motorized equipment	4,795,123	4,225,602	692,242	989,925	5,487,365	5,215,527
IT Subscriptions	73,443	-	-	-	73,443	-
Construction in progress	71,497,791	45,733,710	14,939,170	14,178,341	86,436,961	59,912,051
<b>Total</b>	<b>\$ 689,241,238</b>	<b>\$ 635,480,009</b>	<b>\$ 319,990,558</b>	<b>\$ 310,979,338</b>	<b>\$ 1,009,231,796</b>	<b>\$ 946,459,347</b>

Additional information on the Town's capital assets can be found on pages 54-55 of the notes to the financial statements of this report.

**Town of Apex Outstanding Debt**

**Long-term Debt:**

As of June 30, 2023, the Town of Apex had total long-term (including premiums) debt of \$126.9 million. Of this amount, \$83.3 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 \$9.3 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 \$29.8 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, 2023, the town has an outstanding obligation of \$9.3 million.

During the current fiscal year, the town did not issue any new debt.

The Town also has recorded \$69.7 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.

**TOWN OF APEX, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2023

The following chart summarizes the Town's long-term debt as of June 30, 2023:

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Installment purchase contracts	\$ 16,649,098	\$ 18,440,931	\$ 13,183,309	\$ 14,717,689	\$ 29,832,407	\$ 33,158,620
General obligation bonds	55,725,000	59,440,000	27,605,000	29,080,000	83,330,000	88,520,000
Limited obligation bonds	-	-	-	-	-	-
Revenue bonds	-	-	9,335,000	10,357,000	9,335,000	10,357,000
Bond premiums	4,536,707	4,887,950	-	-	4,536,707	4,887,950
Compensated absences	3,442,123	3,475,092	745,740	630,326	4,187,863	4,105,418
IT Subscription Liabilities	63,207	-	-	-	63,207	-
Net OPEB liability	24,996,440	28,618,162	7,788,444	5,221,744	32,784,884	33,839,906
Pension liability (LGERS)	21,709,498	5,994,327	6,704,121	1,790,513	28,413,619	7,784,840
Total pension liability (LEOSSA)	4,264,094	4,846,446	-	-	4,264,094	4,846,446
Total	\$ 131,386,167	\$ 125,702,908	\$ 65,361,614	\$ 61,797,272	\$ 196,747,781	\$ 187,500,180

The Town's long-term financed debt increased by \$11.2 million during the fiscal year ended June 30, 2023 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 up 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 \$790,470,706.

Additional information on the Town's long-term debt can be found in the notes to the financial statements on pages 69 through 75 of this report.

**Budget Highlights for the Fiscal Year Ending June 30, 2024**

**Governmental Activities:**

Property taxes account for the largest percentage (53.2%) of total General Fund revenues. In Fiscal Year 2024, the Town recommended a property tax rate increase of \$0.03 to \$0.44 per \$100 of valuation. The tax rate increase funds new public safety positions, equipment, and programs; a new summer and track-out camp program; and several new Town Council initiatives, including expansion of the historical marker program and neighborhood grant program.

The Town has chosen to appropriate \$4.7 million of fund balance in the fiscal year 2024 budget. This appropriation is planned to fund \$.2 million for Eva Perry Library repairs, \$.83 million for street improvements for Felton Grove High School, \$.3 million for study and design of the Salem Street Bicycle Connection, \$.3 million for design of the Environmental Education Center, \$.3 million for greenway studies, \$.25 million for street hockey courts and \$1.0 million for Safe Routes to School projects. An additional \$1.5 million is will be used to fund the newly established Debt Service Fund for financing related to the Mason Street Building.

**Personnel:**

The town added twenty-four new General Fund positions, two Electric Fund positions, one Water and Sewer Fund position and one new Stormwater Fund position. As a result of the organizational assessment conducted, staff developed a four-year staffing plan to manage the addition of new position over the upcoming years.

During the fiscal year the town will provide two compensation adjustments for staff. The first will be a two-percent market adjustment provided to all employees to be distributed in July 2023. The second will be the annual merit-based performance.

Also included are increases to the employer retirement contribution rates as determined by the North Carolina Local Government Retirement System. The rate for general employees will increase from 12.13 to 12.85 percent and law enforcement officers from 13.04 to 14.04 percent. These rates have increased significantly when compared to the levels ten-years ago, of 7.07 and 7.28 percent, respectively.

**TOWN OF APEX, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2023

---

The town will offer a new benefit called the Peak Lifestyle Reimbursement. The Peak Lifestyle Reimbursement program provides employees with the flexibility to pursue physical, emotional and financial wellness with a reimbursement up to \$1,200 per fiscal year.

***Operations:***

The combination of 24 new positions, compensation adjustments, health and dental insurance increases, and retirement rate increases all contribute to the 8.29 percent increase in personnel costs. Included in the 24 new positions for General Fund are five police officers, a school resource officer, an emergency management coordinator, and a public safety public information officer in response to Town Council's request to enhance public safety. New positions also include three positions for a new summer and track-out camp program in the Parks, Recreation, and Cultural Resources Department, associated onboarding costs, materials and contracts to operate programs and purchase of 2 new buses in response to the community's request for additional youth services.

The Town added a variety of new and expanded programs in FY 24 including historical markers, town wide camera system, a centralized customer service program initiative, ADA accessibility upgrades and new Peak Lifestyle Benefits; an \$1,200 annual allocation per full time employee for physical, emotional, and financial wellness.

Finally, within the 8.05 percent debt service increase are payments for the 2015 and 2021 transportation bonds to be sold in FY23-24.

***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 (\$2,200,000) – program addresses deficiencies in pavement condition to prevent issues such as potholes, cracking and rutting in order to provide a safe and reliable transportation system.
- Justice Heights Street Extension (\$750,000) – 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 (\$825,000) – 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.
- Safe Routes to School (\$1,000,000) – 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 (\$500,000) – 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.

***Business-Type Activities:***

The Town operates three major enterprises – Electric Fund, Water & Sewer Fund and the newly established Stormwater Fund.

The increase in the Electric Fund, \$1.38 for base rate and 5.5 percent for energy charge, is primarily due to capital costs. The funds capital budget includes \$3.3 million for annual system expansion, \$1.8 million to expand capacity of the East Williams Street substation and \$.25 million for LED street light replacement.

**TOWN OF APEX, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2023

---

The Water and Sewer Fund reflects an increase in all expenditure categories except operations. There is no change to the water base rate. However, the sewer base rate, as well as the sewer volumetric charge increase by four percent.

In this fiscal year the Stormwater Fund costs have transitioned out of the Water and Sewer Fund to be managed under it on separate fund to allow for a true accounting of the underlying stormwater related activities.

The Water and Sewer capital project fund includes:

- \$20 million – Big Branch Pump Station and Force Main project
- \$4.1 million – Advanced Metering Infrastructure (AMI)
- \$.45 million – NC55 pump station upgrades
- \$.25 million – Roberts Road water line connection

Of this total, coverage for only \$4.1 million will come for the operating fund. The remaining amount will be funded with other funding sources.

In addition, the operating fund also includes additional capital expenses totaling \$1.02 million for a valve truck, miscellaneous water meter installations, water main connections, and various vehicle and equipment replacements.

The Stormwater projects include:

- \$.84 million – Streambank restoration at the Nature Park
- \$.15 million – Lake Pine spillway repairs
- \$.22 million – Skid Steer

**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, 2023

	Governmental	Business-type	
	Activities	Activities	Total
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 97,147,200	\$ 75,262,876	\$ 172,410,076
Taxes receivables (net)	48,478	-	48,478
Accounts receivable (net)	1,117,969	8,114,322	9,232,291
Accrued interest receivable	-	3,712	3,712
Due from other governments	7,861,285	-	7,861,285
Lease receivable	-	696,396	696,396
Inventories	25,457	5,844,907	5,870,364
Prepaid expenses	140,059	1,310	141,369
Total Current Assets	<u>106,340,448</u>	<u>89,923,523</u>	<u>196,263,971</u>
Noncurrent Assets:			
Restricted cash and cash equivalents	24,521,306	13,085,060	37,606,366
Notes receivable	1,665,000	-	1,665,000
Capital assets			
Right to use, net of amortization	73,441	-	73,441
Land and construction in progress	143,108,375	99,415,957	242,524,332
Other capital assets, net of depreciation	546,059,422	220,574,601	766,634,023
Total Capital Assets	<u>689,241,238</u>	<u>319,990,558</u>	<u>1,009,231,796</u>
Total Noncurrent Assets	<u>715,427,544</u>	<u>333,075,618</u>	<u>1,048,503,162</u>
<b>Total Assets</b>	<u>821,767,992</u>	<u>422,999,141</u>	<u>1,244,767,133</u>
<b>Deferred Outflows of Resources</b>			
Contributions to LGERS pension plan in current fiscal year	4,451,324	978,319	5,429,643
Pension deferrals - LGERS	8,067,050	5,897,630	13,964,680
Law enforcement separation allowance deferrals	1,318,517	-	1,318,517
Other postemployment benefits deferrals	4,709,234	506,683	5,215,917
Total Deferred Outflows of Resources	<u>18,546,125</u>	<u>7,382,632</u>	<u>25,928,757</u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable	8,874,914	5,949,003	14,823,917
Due to other governments	333,126	-	333,126
Unearned grant revenue	11,500,000	-	11,500,000
Salaries and benefits payable	1,041,579	408,225	1,449,804
Accrued interest payable - bonds	296,167	239,242	535,409
Customer deposits	2,737,826	1,145,293	3,883,119
Compensated absences	1,576,203	376,182	1,952,385
Bonds and notes payable	5,847,036	4,108,284	9,955,320
Total Current Liabilities	<u>32,206,851</u>	<u>12,226,229</u>	<u>44,433,080</u>

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

## STATEMENT OF NET POSITION

JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
<b>Long-Term Liabilities:</b>			
Compensated absences	1,865,920	369,558	2,235,478
Total pension liability - LEOSSA	4,264,094	-	4,264,094
Pension liability - LGERS	21,709,498	6,704,121	28,413,619
Net other postemployment liability	24,996,440	7,788,444	32,784,884
Bonds and notes payable	71,063,769	46,026,161	117,089,930
Total Long-Term Liabilities	123,899,721	60,888,284	184,788,005
<b>Total Liabilities</b>	156,106,572	73,114,513	229,221,085
<b>Deferred Inflows of Resources</b>			
Prepaid taxes	163,897	-	163,897
Pension deferrals - LGERS	336,253	105,135	441,388
Other postemployment benefits deferrals	12,231,350	2,274,151	14,505,501
Law enforcement separation allowance deferrals	780,514	-	780,514
Leases	-	673,544	673,544
<b>Total Deferred Inflows of Resources</b>	13,512,014	3,052,830	16,564,844
<b>Net Position</b>			
Net investment in capital assets	612,330,433	269,867,249	882,197,682
Restricted for			
Stabilization by state statute	12,920,501	-	12,920,501
External Funding	-	12,275,193	12,275,193
Development services	2,723,636	-	2,723,636
Perpetual Care	548,958	-	548,958
Public Safety	184,250	-	184,250
Parks and recreation	12,343,001	-	12,343,001
General government programs	4,628,289	-	4,628,289
Unrestricted	25,016,463	72,071,988	97,088,451
<b>Total Net Position</b>	<b>\$ 670,695,531</b>	<b>\$ 354,214,430</b>	<b>\$ 1,024,909,961</b>

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, 2023*

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	\$ 26,721,525	\$ 3,710,146	\$ -	\$ -	\$ (23,011,379)	\$ -	\$ (23,011,379)
Public safety	29,946,523	-	2,033,784	-	(27,912,739)	-	(27,912,739)
Public works	25,522,287	1,875,010	1,726,525	46,212,348	24,291,596	-	24,291,596
Environmental protection	5,792,876	6,077,271	48,289	-	332,684	-	332,684
Cultural and recreation	8,773,562	1,583,941	-	-	(7,189,621)	-	(7,189,621)
Interest on long-term debt	2,394,332	-	-	-	(2,394,332)	-	(2,394,332)
Total governmental activities	<u>99,151,105</u>	<u>13,246,368</u>	<u>3,808,598</u>	<u>46,212,348</u>	<u>(35,883,791)</u>	<u>-</u>	<u>(35,883,791)</u>
Business-type activities:							
Water & Sewer	30,731,973	26,390,781	-	18,792,923	-	14,451,731	14,451,731
Electric	44,179,132	45,611,912	-	-	-	1,432,780	1,432,780
Total business-type activities	<u>74,911,105</u>	<u>72,002,693</u>	<u>-</u>	<u>18,792,923</u>	<u>-</u>	<u>15,884,511</u>	<u>15,884,511</u>
Total	<u>\$ 174,062,210</u>	<u>\$ 85,249,061</u>	<u>\$ 3,808,598</u>	<u>\$ 65,005,271</u>	<u>(35,883,791)</u>	<u>15,884,511</u>	<u>(19,999,280)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					48,149,225	-	48,149,225
Other taxes and licenses					21,225,880	-	21,225,880
Unrestricted intergovernmental					4,261,249	-	4,261,249
Unrestricted investment earnings					3,812,852	1,551,893	5,364,745
Miscellaneous					3,150,516	114,099	3,264,615
Total general revenues					<u>80,599,722</u>	<u>1,665,992</u>	<u>82,265,714</u>
Transfers					1,371,810	(1,371,810)	-
Total general revenues and transfers					<u>81,971,532</u>	<u>294,182</u>	<u>82,265,714</u>
Change in net position					46,087,741	16,178,693	62,266,434
Net position-beginning					624,607,790	338,035,737	962,643,527
Net position-ending					<u>\$ 670,695,531</u>	<u>\$ 354,214,430</u>	<u>\$ 1,024,909,961</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, 2023

	General	Debt Service Fund	ARPA State Fund	General Capital Projects	Recreation Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 43,238,172	\$3,600,000	\$ -	\$ 13,015,307	\$ 19,282,449	\$ 17,546,605	\$ 96,682,533
Receivables, net							
Taxes	48,478	-	-	-	-	-	48,478
Accounts	996,093	-	-	-	-	121,876	1,117,969
Due from other governments	7,272,689	-	-	93,611	1,515	493,470	7,861,285
Note receivable	1,665,000	-	-	-	-	-	1,665,000
Inventories	25,457	-	-	-	-	-	25,457
Prepaid expenditures	140,059	-	-	-	-	-	140,059
Restricted cash and cash equivalents	6,866,105	-	11,582,095	3,709	-	6,069,397	24,521,306
<b>Total Assets</b>	<b>\$ 60,252,053</b>	<b>\$3,600,000</b>	<b>\$11,582,095</b>	<b>\$ 13,112,627</b>	<b>\$ 19,283,964</b>	<b>\$24,231,348</b>	<b>\$ 132,062,087</b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 6,196,970	\$ -	\$ -	\$ 458,446	\$ 5,373,295	\$ 70,253	\$ 12,098,964
Unearned grant revenue	-	-	11,500,000	-	-	-	11,500,000
Due to other governments	-	-	-	16,077	10,063	306,986	333,126
<b>Total Liabilities</b>	<b>6,196,970</b>	<b>-</b>	<b>11,500,000</b>	<b>474,523</b>	<b>5,383,358</b>	<b>377,239</b>	<b>23,932,090</b>
<b>Deferred Inflow of Resources</b>							
Property taxes receivable	48,478	-	-	-	-	-	48,478
Unavailable revenues	17,309	-	-	-	-	-	17,309
Prepaid taxes	163,897	-	-	-	-	-	163,897
Total deferred inflows of resources	229,684	-	-	-	-	-	229,684
<b>Fund Balances</b>							
<b>Non Spendable</b>							
Inventories	25,457	-	-	-	-	-	25,457
Prepayments	140,059	-	-	-	-	-	140,059
<b>Restricted</b>							
Stabilization by state statute	12,920,501	-	-	-	-	-	12,920,501
Public safety	184,250	-	-	-	-	-	184,250
Parks and recreation	-	-	-	-	12,343,001	-	12,343,001
Planning	2,723,636	-	-	-	-	-	2,723,636
General Government	-	-	-	-	-	5,360,478	5,360,478
<b>Committed</b>							
General Government	-	-	-	9,134,744	-	-	9,134,744
Library maintenance	-	-	-	-	-	521,943	521,943
Economic Development	3,878,638	-	-	-	-	-	3,878,638
Public Safety	433,279	-	-	2,942,815	-	-	3,376,094
Streets improvements	-	-	-	-	-	9,094,949	9,094,949
Cemetery	-	-	-	560,545	-	548,958	1,109,503
Parks and recreation	-	-	-	-	1,557,605	-	1,557,605
<b>Assigned</b>							
Subsequent years expenditures	4,675,000	-	-	-	-	-	4,675,000
Debt Service	-	3,600,000	-	-	-	-	3,600,000
Street & Sidewalk Improvements	-	-	-	-	-	2,954,040	2,954,040
Parks and recreation	-	-	-	-	-	5,373,741	5,373,741
General Government	-	-	82,095	-	-	-	82,095
Unassigned	28,844,579	-	-	-	-	-	28,844,579
<b>Total fund balances</b>	<b>53,825,399</b>	<b>3,600,000</b>	<b>82,095</b>	<b>12,638,104</b>	<b>13,900,606</b>	<b>23,854,109</b>	<b>107,900,313</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 60,252,053</b>	<b>\$ 3,600,000</b>	<b>\$ 11,582,095</b>	<b>\$ 13,112,627</b>	<b>\$ 19,283,964</b>	<b>\$24,231,348</b>	<b>\$ 132,062,087</b>

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

JUNE 30, 2023

Fund balances-total governmental funds		\$ 107,900,313
<p>Amounts reported for governmental activities in the statement of net position are different because;</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	\$ 926,117,580	
Less accumulated depreciation	<u>(236,949,783)</u>	689,167,797
<p>Right to use leased assets in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Right to use assets	106,539	
Accumulated depreciation	<u>(33,098)</u>	73,441
<p>Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Government bonds and notes payable	(72,374,098)	
Premiums received on bond issuance	(4,536,707)	
Compensated absences	(3,442,123)	
Other postemployment benefits & liability	(24,996,440)	
Total pension liability - LEOSSA	(4,264,094)	
Pension liability - LGERS	<u>(21,709,498)</u>	(131,322,960)
<p>Liabilities for unavailable revenues considered deferred inflows of resources in fund statements.</p>		
		48,478
<p>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</p>		
		(9,499)
<p>Deferred inflows/outflows of resources related to pensions are not reported in the funds - <b>LEOSSA</b></p>		
		538,003
<p>Deferred inflows/outflows of resources related to pensions are not reported in the funds - <b>LGERS</b></p>		
		12,182,121
<p>Deferred inflows/outflows of resources related to pensions are not reported in the funds - <b>Other postemployment benefits</b></p>		
		(7,522,116)
<p>Other liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Subscription liability and accrued interest payable		(63,880)
Accrued interest payable - leases		-
Accrued interest expense payable		<u>(296,167)</u>
Net position of governmental activities		<u><u>\$ 670,695,531</u></u>

**TOWN OF APEX, NORTH CAROLINA**

**Exhibit 4**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2023

	General	Debt Service Fund	ARPA State Fund	General Capital Projects	Recreation Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Ad valorem taxes	\$ 48,232,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,232,486
Other taxes	19,871,951	-	-	-	-	1,353,929	21,225,880
Unrestricted intergovernmental	4,261,249	-	-	-	-	-	4,261,249
Restricted intergovernmental	3,808,598	-	-	348,421	-	3,091,455	7,248,474
Permits and fees	3,710,146	-	-	-	-	-	3,710,146
Sales and services	7,661,212	-	-	-	-	1,875,012	9,536,224
Miscellaneous	879,073	-	-	9,513	-	595,637	1,484,223
Investment earnings	2,611,002	-	82,095	224,822	569,858	320,292	3,808,069
Total revenues	<u>91,035,717</u>	<u>-</u>	<u>82,095</u>	<u>582,756</u>	<u>569,858</u>	<u>7,236,325</u>	<u>99,506,751</u>
<b>Expenditures:</b>							
Current:							
General government	17,983,128	-	-	-	-	-	17,983,128
Public safety	29,556,914	-	-	-	-	-	29,556,914
Public works	8,123,680	-	-	-	-	-	8,123,680
Environmental protection	5,656,232	-	-	-	-	-	5,656,232
Cultural and recreational	7,345,223	-	-	-	-	-	7,345,223
Capital outlay	7,601,637	-	-	7,490,320	12,921,794	7,372,749	35,386,500
Debt service:							
Bond principal	3,715,000	-	-	-	-	-	3,715,000
Bond interest	2,023,871	-	-	-	-	-	2,023,871
Installment note principal	1,791,833	-	-	-	-	-	1,791,833
Installment note interest	280,259	-	-	-	-	-	280,259
Total expenditures	<u>84,077,777</u>	<u>-</u>	<u>-</u>	<u>7,490,320</u>	<u>12,921,794</u>	<u>7,372,749</u>	<u>111,862,640</u>
Revenues under expenditures	<u>6,957,940</u>	<u>-</u>	<u>82,095</u>	<u>(6,907,564)</u>	<u>(12,351,936)</u>	<u>(136,424)</u>	<u>(12,355,889)</u>
<b>Other financing sources (uses):</b>							
Transfers in	5,791,799	3,600,000	-	7,742,360	2,956,820	7,147,315	27,238,294
Transfers out	(19,258,491)	-	-	(6,643)	-	(6,601,349)	(25,866,483)
IT subscription based agreements (SBITAs)	106,538	-	-	-	-	-	106,538
Total other financing sources (uses)	<u>(13,360,154)</u>	<u>3,600,000</u>	<u>-</u>	<u>7,735,717</u>	<u>2,956,820</u>	<u>545,966</u>	<u>1,478,349</u>
Net change in fund balances	<u>(6,402,214)</u>	<u>3,600,000</u>	<u>82,095</u>	<u>828,153</u>	<u>(9,395,116)</u>	<u>409,542</u>	<u>(10,877,540)</u>
Fund balance - beginning of year	60,227,613	-	-	11,809,951	23,295,722	23,444,567	118,777,853
Fund balance - end of year	<u>\$ 53,825,399</u>	<u>\$ 3,600,000</u>	<u>\$ 82,095</u>	<u>\$ 12,638,104</u>	<u>\$ 13,900,606</u>	<u>\$ 23,854,109</u>	<u>\$ 107,900,313</u>

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

FOR THE YEAR ENDED JUNE 30, 2023

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

Net change in fund balances - total governmental funds	\$ (10,877,540)
--	-----------------

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.

Expenditures for capital assets	\$ 35,137,777	
Less current year depreciation	(24,043,274)	
Loss on disposal	<u>(179,188)</u>	10,915,315
Right to use asset capital outlay expenditures	43,333	
Amortization expense for right to use assets	<u>(33,098)</u>	10,235

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	4,451,324
--	-----------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Developer's contributed capital	42,772,473
Change in unavailable revenue for taxes	(83,261)

Loss on internal service funds determined to be governmental-type	(285,400)
---	-----------

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.

Amortization of bond premiums	351,243	
Principal payments	<u>5,506,833</u>	5,858,076

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.

Compensated absences	32,968
Pension Expense - LGERS	(8,806,567)
Pension Expense - LEOSSA	(363,129)
Other postemployment benefits expense	2,553,449
Change in accrued interest payable	<u>(90,202)</u>

Total changes in net position of governmental activities	<u>\$ 46,087,741</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, 2023**

	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 48,684,400	\$ 48,684,400	\$ 48,232,486	\$ (451,914)
Other taxes and licenses	19,670,000	19,670,000	19,871,951	201,951
Unrestricted intergovernmental	3,680,000	4,130,000	4,261,249	131,249
Restricted intergovernmental	3,632,400	3,632,400	3,808,598	176,198
Permits and fees	3,537,000	3,537,000	3,710,146	173,146
Sales and services	7,058,200	7,058,200	7,661,212	603,012
Miscellaneous	519,500	94,500	821,053	726,553
Investment earnings	25,000	25,000	2,544,666	2,519,666
Total revenues	<u>86,806,500</u>	<u>86,831,500</u>	<u>90,911,361</u>	<u>4,079,861</u>
<b>Expenditures:</b>				
Current				
General government	20,596,900	23,795,090	20,823,235	2,971,855
Public safety	34,184,700	36,335,731	31,927,459	4,408,272
Public works	9,103,400	11,149,159	9,043,150	2,106,009
Environmental services	5,854,600	6,374,382	5,558,331	816,051
Cultural and recreational	8,343,200	9,172,734	8,450,337	722,397
Debt service				
Bond principal	3,715,000	3,715,000	3,715,000	-
Bond interest	2,024,000	2,024,000	2,023,871	129
Installment note principal	1,780,800	1,780,800	1,791,833	(11,033)
Installment note interest	1,237,900	1,237,900	280,259	957,641
Total expenditures	<u>86,840,500</u>	<u>95,584,796</u>	<u>83,613,475</u>	<u>11,971,321</u>
Revenues over (under) expenditures	<u>(34,000)</u>	<u>(8,753,296)</u>	<u>7,297,886</u>	<u>16,051,182</u>
<b>Other financing sources (uses):</b>				
Transfers in	775,000	1,390,000	1,386,959	(3,041)
Transfers in - American Rescue Plan 2021	-	-	2,628,841	2,628,841
Transfers out	(4,361,000)	(18,566,360)	(16,629,650)	1,936,710
Transfer out - American Rescue Plan 2021	-	-	(2,628,841)	(2,628,841)
IT subscription based agreements (SBITAs)	-	-	106,539	106,539
Appropriated fund balance	3,620,000	25,929,656	-	(25,929,656)
Total other financing sources (uses)	<u>34,000</u>	<u>8,753,296</u>	<u>(15,136,152)</u>	<u>(23,889,448)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(7,838,266)</u>	<u>\$ (7,838,266)</u>
Fund balance - Beginning of year			<u>57,167,498</u>	
Fund balance - End of year			<u>\$ 49,329,232</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, 2023*

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

Miscellaneous revenues	35,870
Investment earnings	4,247
Operating expenditures	(9,478)
<b>Fund balance - beginning of year</b>	<b>130,966</b>

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

Investment earnings	602
Miscellaneous revenues	2,850
Transfer out	-
<b>Fund balance - beginning of year</b>	<b>19,193</b>

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

Investment earnings	16,305
Personnel expenditures	(254,825)
<b>Fund balance - beginning of year</b>	<b>671,799</b>

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

Investment earnings	45,182
Miscellaneous revenues	19,300
Operations	(200,000)
Transfer in	1,776,000
<b>Fund balance - beginning of year</b>	<b>2,238,156</b>

Fund balance - end of year (Exhibit 4)	<u>\$ 53,825,399</u>
--	----------------------

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

JUNE 30, 2023

	Major Funds			Internal Service Fund
	Water and Sewer Fund	Electric Fund	Totals	
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 62,186,010	\$ 13,076,866	\$ 75,262,876	\$ 464,667
Accounts receivable, net (billed)	1,934,301	2,069,888	4,004,189	-
Accounts receivable, net (unbilled)	1,525,894	2,584,239	4,110,133	-
Inventories	416,074	5,428,833	5,844,907	-
Lease receivable	696,396	-	696,396	-
Accrued interest receivable - leases	3,712	-	3,712	-
Prepaid expenditures	1,310	-	1,310	-
Restricted cash and cash equivalents	12,275,193	809,867	13,085,060	-
Subtotal	<u>79,038,890</u>	<u>23,969,693</u>	<u>103,008,583</u>	<u>464,667</u>
<b>Noncurrent assets:</b>				
Capital assets:				
Land and other non-depreciable assets	99,564,467	28,151,530	127,715,997	-
Other capital assets, net of depreciation	314,946,212	64,821,975	379,768,187	-
Accumulated depreciation and amortization	(147,404,853)	(40,088,773)	(187,493,626)	-
Capital assets (net)	<u>267,105,826</u>	<u>52,884,732</u>	<u>319,990,558</u>	<u>-</u>
Subtotal-noncurrent assets	<u>267,105,826</u>	<u>52,884,732</u>	<u>319,990,558</u>	<u>-</u>
Total assets	<u>346,144,716</u>	<u>76,854,425</u>	<u>422,999,141</u>	<u>464,667</u>
<b>Deferred Outflows of Resources:</b>				
Pension deferrals - LGERS Contributions	595,358	382,961	978,319	-
Pension deferrals - LGERS	3,391,676	2,505,954	5,897,630	-
Other post employment benefit deferrals	228,236	278,447	506,683	-
Total deferred outflows of resources	<u>4,215,270</u>	<u>3,167,362</u>	<u>7,382,632</u>	<u>-</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	2,595,365	3,353,638	5,949,003	474,166
Salaries payable	237,362	170,863	408,225	-
Customer deposits	331,393	813,900	1,145,293	-
Accrued interest payable - Bond	76,558	162,684	239,242	-
Compensated absences	209,929	166,253	376,182	-
Installment purchases and notes payable	1,550,284	-	1,550,284	-
General obligation bonds payable	1,505,000	-	1,505,000	-
Revenue bond payable	-	1,053,000	1,053,000	-
Total current liabilities	<u>6,505,891</u>	<u>5,720,338</u>	<u>12,226,229</u>	<u>474,166</u>
<b>Noncurrent liabilities:</b>				
Pension liability - LGERS	3,882,810	2,821,311	6,704,121	-
Compensated absences	249,968	119,590	369,558	-
Total other postemployment benefits liability	4,550,337	3,238,107	7,788,444	-
Installment purchases and notes payable	11,644,161	-	11,644,161	-
General obligation bonds payable	26,100,000	-	26,100,000	-
Revenue bond payable	-	8,282,000	8,282,000	-
Total noncurrent liabilities	<u>46,427,276</u>	<u>14,461,008</u>	<u>60,888,284</u>	<u>-</u>
Total liabilities	<u>52,933,167</u>	<u>20,181,346</u>	<u>73,114,513</u>	<u>474,166</u>
<b>Deferred Inflows of Resources</b>				
Pension deferrals - LGERS	61,425	43,710	105,135	-
Leases	673,544	-	673,544	-
Other post employment benefit deferrals	1,138,426	1,135,725	2,274,151	-
Total deferred inflows of resources	<u>1,873,395</u>	<u>1,179,435</u>	<u>3,052,830</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	226,317,517	43,549,732	269,867,249	-
Restricted	12,275,193	-	12,275,193	-
Unrestricted	56,960,714	15,111,274	72,071,988	(9,499)
Total net position	<u>\$ 295,553,424</u>	<u>\$ 58,661,006</u>	<u>\$ 354,214,430</u>	<u>\$ (9,499)</u>

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

FOR THE YEAR ENDED JUNE 30, 2023

	Major Funds			Internal Service Fund
	Water and Sewer Fund	Electric Fund	Total	
<b>Operating revenues:</b>				
Charges for services	\$ 25,724,762	\$ 41,633,292	\$ 67,358,054	\$ 7,336,570
Water and sewer taps	314,472	-	314,472	-
Other operating revenues	351,547	3,978,620	4,330,167	-
Total operating revenues	<u>26,390,781</u>	<u>45,611,912</u>	<u>72,002,693</u>	<u>7,336,570</u>
<b>Operating expenses:</b>				
Water and sewer operations	18,386,338	-	18,386,338	-
Electric operations	-	11,657,507	11,657,507	-
Electric power purchases	-	29,307,764	29,307,764	-
Depreciation and amortization	11,280,653	3,331,414	14,612,067	-
Health and dental claims	-	-	-	6,690,636
Health and dental administrative fees	-	-	-	931,334
Total operating expenses	<u>29,666,991</u>	<u>44,296,685</u>	<u>73,963,676</u>	<u>7,621,970</u>
Operating income (loss)	<u>(3,276,210)</u>	<u>1,315,227</u>	<u>(1,960,983)</u>	<u>(285,400)</u>
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	1,172,380	379,513	1,551,893	-
Interest expense	(731,156)	(216,273)	(947,429)	-
Gain on sale asset	4,702	38,128	42,830	-
Other	71,269	-	71,269	-
Total nonoperating revenues (expenses)	<u>517,195</u>	<u>201,368</u>	<u>718,563</u>	<u>-</u>
Income before transfers and capital contributions	(2,759,015)	1,516,595	(1,242,420)	(285,400)
Transfers from other funds	15,117,901	510,362	15,628,263	-
Transfers to other funds	(15,833,311)	(1,166,762)	(17,000,073)	-
Capital asset contributions	18,792,923	-	18,792,923	-
Total transfers and capital contributions	<u>18,077,513</u>	<u>(656,400)</u>	<u>17,421,113</u>	<u>-</u>
Change in net position	15,318,498	860,195	16,178,693	(285,400)
Net position, beginning of year	280,234,926	57,800,811	338,035,737	275,901
Net position, end of year	<u>\$ 295,553,424</u>	<u>\$ 58,661,006</u>	<u>\$ 354,214,430</u>	<u>\$ (9,499)</u>

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

FOR THE YEAR ENDED JUNE 30, 2023

	Water & Sewer Fee Fund	Electric Fund	Totals	Internal Service Fund
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$26,894,355	\$48,153,933	\$ 75,048,288	\$ 7,336,570
Cash paid for goods and services	(9,742,459)	(39,068,705)	(48,811,164)	(7,402,385)
Cash paid to or on behalf of employees for services	(7,541,807)	(6,102,452)	(13,644,259)	-
Customer deposits received	127,368	142,799	270,167	-
Customer deposits paid	-	(175,514)	(175,514)	-
Net cash provided by operating activities	<u>9,737,457</u>	<u>2,950,061</u>	<u>12,687,518</u>	<u>(65,815)</u>
<b>Cash flows from noncapital financing activities:</b>				
Advances from/to other funds	(715,410)	(656,400)	(1,371,810)	-
Net cash provided by (used by) noncapital financing activities	<u>(715,410)</u>	<u>(656,400)</u>	<u>(1,371,810)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(6,993,838)	(3,720,199)	(10,714,037)	-
Proceeds of sale of capital assets	4,702	38,128	42,830	-
Principal paid on bond maturities and equipment notes	(2,998,244)	(1,022,000)	(4,020,244)	-
Interest paid on bond maturities and equipment notes	(737,517)	(226,731)	(964,248)	-
Capacity and capital reimbursement fees	5,889,843	-	5,889,843	-
Net cash provided by (used by) capital and related financing activities	<u>(4,835,054)</u>	<u>(4,930,802)</u>	<u>(9,765,856)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Interest on investments	1,172,380	379,513	1,551,893	-
Net increase in cash and cash equivalents	5,359,373	(2,257,628)	3,101,745	(65,815)
<b>Cash and cash equivalents:</b>				
Beginning of year	69,101,830	16,144,361	85,246,191	530,482
End of year	<u>\$ 74,461,203</u>	<u>\$ 13,886,733</u>	<u>\$ 88,347,936</u>	<u>\$ 464,667</u>

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

FOR THE YEAR ENDED JUNE 30, 2023

	<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)	\$ (3,276,210)	\$ 1,315,227	(1,960,983)	\$ (285,400)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation and amortization	11,280,653	3,331,414	14,612,067	-
Loss (gain) on disposal of capital assets	9,112	(15,282)	(6,170)	-
Miscellaneous income	71,269	-	71,269	-
Changes in assets, deferred outflows and inflows of resources, and liabilities:				
Accounts receivable	270,819	2,542,021	2,812,840	4,791
Inventory	(45,990)	(3,571,633)	(3,617,623)	-
Lease receivable	161,486	-	161,486	-
Deferred outflows for pensions	(2,382,860)	(1,654,934)	(4,037,794)	-
Prepaid expenses	(1,310)	-	(1,310)	6,182
Deferred outflows of resources - OPEB	274,638	200,480	475,118	-
Pension liability	2,870,781	2,042,827	4,913,608	-
Accounts payable and accrued liabilities	110,362	(623,220)	(512,858)	208,612
Accrued compensated absences	172,391	(56,977)	115,414	-
Deferred inflows of resources - pensions	(1,389,946)	(1,072,726)	(2,462,672)	-
Deferred inflows resources - OPEB	(213,945)	(152,248)	(366,193)	-
Deferred inflows resources - leases	(176,946)	-	(176,946)	-
Other postemployment liability	1,875,785	690,915	2,566,700	-
Deposits	127,368	(25,803)	101,565	-
Total adjustments	<u>13,013,667</u>	<u>1,634,834</u>	<u>14,648,501</u>	<u>219,585</u>
Net cash provided by operating activities	<u>\$ 9,737,457</u>	<u>\$ 2,950,061</u>	<u>\$ 12,687,518</u>	<u>\$ (65,815)</u>
<b>Noncash investing, capital, and financial activities</b>				
Contributions of capital assets from developers	\$ 12,903,080	\$ -	\$ 12,903,080	\$ -
Acquisition of capital assets through capital contributions	(12,903,080)	-	(12,903,080)	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Exhibit 9

JUNE 30, 2023

---

	<u>OPEB Trust Fund</u>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 1,827,589
	<u>1,827,589</u>
<b>NET POSITION:</b>	
Net position restricted for postemployment benefits other than pensions	\$ <u>1,827,589</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, 2023*

	<u>OPEB Trust Fund</u>
<b>ADDITIONS:</b>	
Employer contributions	\$ 1,091,531
Investment income	<u>161,710</u>
Total additions	<u>1,253,241</u>
 <b>DEDUCTIONS:</b>	
Benefits	<u>741,531</u>
Total deductions	<u>741,531</u>
 Change in net position	 511,710
 Net position - beginning	 <u>1,315,879</u>
Net position - ending	<u><u>\$ 1,827,589</u></u>

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

**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.

**TOWN OF APEX, NORTH CAROLINA**  
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

**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.

**Debt Service Fund** – The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on debt of governmental activities.

**American Rescue Plan Act “ARPA” of 2022 State Fund** – The ARPA State Fund is used to account for financial resources received as a result of the pandemic for COVID relief and to stimulate economic recovery.

**General Capital Project Fund** – The General Capital Project Fund is used to account for financial resources to be used for projects related to general government for construction or improvements within the Town.

**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 three sub-funds: Electric Operations, Electric Debt Service 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 six sub-funds: Water and Sewer Operations, Water and Sewer Debt Service, Water and Sewer Project Fund, Wastewater Treatment Plant Project Fund, Water and Sewer Capital Reserve Fund and System Development Fee 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 2021 (ARP) Federal Fund is used to account for financial resources received from federal government. The town elected to use the revenue replacement category and recognize the standard allowance. For financial reporting purposes the town will use this fund to track the projects funded with the related unrestricted funds. 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 three non-major Capital Project Funds: the Recreation Capital Project Reserve Fund, the Transportation Capital Project Fund and the Transportation Capital Reserve 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.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

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

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 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/amortization 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 leases and IT subscriptions 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.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

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

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 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 Balance and Net Position

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 Statute 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

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

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

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).

The North Carolina Capital Management Trust (NCCMT) which consists of an SEC registered mutual fund (the Government Portfolio), is authorized by G.S. 159-30(c)(8). The Government Portfolio, which invests in treasuries, government agencies, and collateralized repurchase agreements, is a money market fund (2a7) and maintains an AAAM rating from S&P and AAAMf by Moody’s Investor Service. It 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, 2023 of .7 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 8.70 years at June 30, 2023.

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, 2023 the fair value of the funds was \$31.82 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)

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

**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. The unexpended notes proceeds in the General Capital Project Fund are classified as restricted assets. Money from the sale of cemetery plots is restricted for use in cemetery perpetual care. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected.

**Governmental Activities:**

**General Fund**

Customer Deposits	\$ 2,737,826
Affordable Housing	2,213,638
Public Safety	1,914,641

**Other Major Governmental Funds:**

ARPA State	11,582,095
Public Safety	3,709

**Non-Major Governmental Funds:**

ARPA Federal	5,360,478
Environmental Services	548,958
Streets	159,961
<b>Total Governmental Activities</b>	<u>24,521,306</u>

**Business-Type Activities:**

Electric Fund	759,867
Electric Fund Debt Service	50,000
Water and Sewer Fund	12,025,193
Water and Sewer Debt Service Fund	250,000
<b>Total Business-Type Activities</b>	<u>13,085,060</u>

**Total Restricted Cash**

\$ 37,606,365

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

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

**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, 2023 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 recognized as expenditures when purchased. If significant, the amount of inventory on hand at year-end is reported on the balance sheet in the governmental funds. However, in the Government-wide Statement of Activities the cost of these inventories is expensed as the items are used.

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 (\$25,000 or more for intangible assets) 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.

The Town's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the Town reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 96.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term are reported as a prepayment (asset). Such payments are reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives are reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets are amortized on a straight-line basis over the subscription term.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

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

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. 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 then. The Town has five items that meets the criterion for this category – prepaid taxes, property taxes receivable, grants, 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.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

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

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.

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

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

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

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

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

*Restricted for general government* – portion of fund balance is unexpended American Rescue Plan funds.

**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.

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

*Assigned for street and sidewalk 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.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

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

*Assigned for debt service* – portion of fund balance that will be used for future payment of debt service requirements. By approval of the Debt Service Fund, the Town Council has assigned this amount to the purpose of the Debt Service Fund.

*Assigned for general government* – portion of fund balance that will be used general projects.

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.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

**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, 2023, the carrying amount of the Town’s deposits was \$ 74,272,198 and the bank balance was \$76,974,673. Of the bank balance, \$2,000,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2023, the Town had \$2,100 of petty cash on hand.

Investments – at June 30, 2023, the Town’s investments consisted of the following:

Investment Type	Valuation		Book Value at 06/30/2023	Maturities Less Than 1 Year	Maturities 1 to 2 Years	Maturities 2 to 3 Years	Rating
	Measurement Method						
NCCMT - Government Portfolio	Fair Value - Level 1		\$ 83,038,941	\$ 83,038,941	\$ -	\$ -	AAAm
CDARS	Amortized Cost		11,008,992	11,008,992	-	-	N/A
Certificates of Deposit	Amortized Cost		26,944,478	26,944,478	-	-	N/A
							A-1, P-1, F1+
Commercial Paper	Amortized Cost		4,901,143	4,901,143	-	-	P1, A1+
US Government Treasuries	Fair Value - Level 1		1,967,150	1,967,150	-	-	Aaa
US Government Bonds	Fair Value - Level 1		7,883,540	4,929,210	1,718,508	1,235,822	Aaa, AA+
<b>Totals</b>			<b>\$ 135,744,244</b>	<b>\$ 132,789,914</b>	<b>\$ 1,718,508</b>	<b>\$ 1,235,822</b>	

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

**Note 2 – DEPOSITS AND INVESTMENTS (continued)**

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, 2023.

*Custodial Credit Risk:* For an investment, the custodial risk is the risk that in the event of the failure of the 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, 2023 the Town Healthcare Benefits (HCB) Plan Fund had \$1,827,589 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, 2023 are net of the following allowances for doubtful accounts:

	<b>Accounts Receivable</b>	<b>Taxes Receivable</b>	<b>Total</b>
<b>General Fund</b>	\$ 25,029	\$ 216,668	\$ 241,697
<b>Electric Fund</b>	303,609	-	303,609
<b>Water and Sewer Fund</b>	142,105	-	142,105
	<u>\$ 470,743</u>	<u>\$ 216,668</u>	<u>\$ 687,411</u>

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

**Note 4 – LEASE RECEIVABLES**

The Town's leases receivable are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, 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 leases. 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.

(Intentionally Left Blank)

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2023

Note 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	<b>Balance June 30, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance June 30, 2023</b>
<b>Capital assets not being depreciated/amortized:</b>					
Land	\$ 61,921,161	\$ 9,689,423	\$ -	\$ -	\$ 71,610,584
Construction in progress	45,733,710	27,589,071	(154,793)	(1,670,197)	71,497,791
Total capital assets not being depreciated	<u>107,654,871</u>	<u>37,278,494</u>	<u>(154,793)</u>	<u>(1,670,197)</u>	<u>143,108,375</u>
<b>Capital assets being depreciated/amortized:</b>					
Buildings and building improvements	65,261,548	1,525,626	-	-	66,787,174
Improvements	648,582,919	35,447,583	-	1,670,197	685,700,699
Equipment and furniture	10,500,550	1,297,778	(166,516)	-	11,631,812
Vehicles and motorized equipment	16,856,739	2,360,769	(344,522)	16,533	18,889,519
IT Subscriptions	-	106,539	-	-	106,539
Total capital assets being depreciated	<u>741,201,756</u>	<u>40,738,295</u>	<u>(511,038)</u>	<u>1,686,730</u>	<u>783,115,743</u>
<b>Less Accumulated Depreciation/Amortization for:</b>					
Building and building improvements	17,670,605	1,205,944	-	-	18,876,549
Improvements	176,893,304	20,220,544	-	-	197,113,848
Equipment and furniture	6,184,251	834,710	(153,970)	-	6,864,991
Vehicles and motorized equipment	12,628,458	1,782,078	(332,673)	(16,533)	14,094,396
IT Subscriptions	-	33,096	-	-	33,096
Total accumulated depreciation	<u>213,376,618</u>	<u>24,076,372</u>	<u>(486,643)</u>	<u>(16,533)</u>	<u>236,982,880</u>
Total capital assets being depreciated, net	<u>527,825,138</u>				<u>546,132,863</u>
<b>Governmental activity capital assets, net</b>	<u>\$ 635,480,009</u>				<u>\$ 689,241,238</u>

Depreciation/amortization expense was charged to Functions/programs as follows:

General government	\$ 3,278,529
Public safety	1,678,255
Public works	17,255,031
Environmental protection	215,489
Cultural and recreational	1,649,068
Total	<u>\$ 24,076,372</u>

(continued on next page)

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

Note 5 – CAPITAL ASSETS (continued)

BUSINESS-TYPE ACTIVITIES	Balance				Balance
	June 30, 2022	Increases	Decreases	Transfers	
<b>WATER &amp; SEWER FUND:</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 72,627,787	\$ 9,000,068	\$ -	\$ -	\$ 81,627,855
Construction in progress	14,081,697	4,883,044	-	(4,122,068)	14,842,673
Total capital assets not being depreciated	86,709,484	13,883,112	-	(4,122,068)	96,470,528
<b>Capital assets being depreciated:</b>					
Utility improvements	289,946,822	4,495,864	-	4,122,068	298,564,754
Building and land improvements	8,375,945	1,273,058	-	-	9,649,003
Intangibles	3,490,000	-	-	-	3,490,000
Equipment and furniture	3,034,418	162,550	(67,944)	-	3,129,024
Vehicles and motorized equipment	3,173,968	82,334	(29,747)	-	3,226,555
Total capital assets being depreciated	308,021,153	6,013,806	(97,691)	4,122,068	318,059,336
<b>Less Accumulated Depreciation for:</b>					
Utility improvements	125,481,888	10,542,884	-	-	136,024,772
Building and land improvements	2,310,823	337,558	-	-	2,648,381
Intangibles	3,490,000	-	-	-	3,490,000
Equipment and furniture	2,207,959	185,751	(58,831)	-	2,334,879
Vehicles and motorized equipment	2,741,293	214,460	(29,747)	-	2,926,006
Total accumulated depreciation	136,231,963	11,280,653	(88,578)	-	147,424,038
Total capital assets being depreciated, net	171,789,190				170,635,298
Total Water and Sewer Fund Capital Assets	<u>\$ 258,498,674</u>				<u>\$ 267,105,826</u>
<b>ELECTRIC FUND:</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 2,848,934	\$ -	\$ -	\$ -	\$ 2,848,934
Construction in progress	96,644	40,251	(1,250)	(39,150)	96,495
Total capital assets not being depreciated	\$ 2,945,578	\$ 40,251	\$ (1,250)	\$ (39,150)	\$ 2,945,429
<b>Capital assets being depreciated:</b>					
Utility Improvements	63,997,856	29,016	-	-	64,026,872
Building and land improvements	18,279,247	3,342,458	-	39,150	21,660,855
Equipment and furniture	1,310,030	276,755	(131,335)	-	1,455,450
Vehicles and motorized equipment	2,908,264	31,719	(55,082)	-	2,884,901
Total capital assets being depreciated	86,495,397	3,679,948	(186,417)	39,150	90,028,078
<b>Less Accumulated Depreciation for:</b>					
Utility Improvements	28,521,333	2,033,652	-	-	30,554,985
Building and land improvements	5,163,927	1,011,020	-	-	6,174,947
Equipment and furniture	920,648	92,855	(147,868)	-	865,635
Vehicles and motorized equipment	2,354,403	193,887	(55,082)	-	2,493,208
Total accumulated depreciation	36,960,311	3,331,414	(202,950)	-	40,088,775
Total capital assets being depreciated, net	49,535,086				49,939,303
Total Electric Fund Capital Assets	<u>\$ 52,480,664</u>				<u>\$ 52,884,732</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 310,979,338</u>				<u>\$ 319,990,558</u>

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

Note 5 – CAPITAL ASSETS (continued)

Construction Commitments

At June 30, 2023, the Town had contractual commitments as follows:

<b>Project</b>	<b>Spent to Date</b>	<b>Remaining Commitment</b>	<b>Total</b>
General Capital Projects	\$ 9,649,149	\$ 10,694,266	\$ 20,343,415
Recreation Capital Projects	30,150,548	13,635,021	43,785,569
Street Improvement Capital Projects	10,814,526	1,786,967	12,601,493
Water and Sewer Capital Projects	4,802,946	2,564,123	7,367,069
	<u>\$ 55,417,169</u>	<u>\$ 28,680,377</u>	<u>\$ 84,097,545</u>

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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State’s ACFR 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

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

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, 2023, was 13.00% of compensation for law enforcement officers and 12.10% 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 \$5,429,643 for the year ended June 30, 2023.

*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, 2023, the Town reported a liability of \$28,413,619 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2022 measurement date, the Town's proportion was 0.50366%, which was a decrease of 0.00396% from its proportion measured as of June 30, 2021.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

Note 6 – PENSION PLAN OBLIGATIONS (continued)

For the year ended June 30, 2023, the Town recognized pension expense of \$8,255,347. At June 30, 2023 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	\$ 1,224,317	\$ 120,037
Changes of assumptions	2,835,042	-
Net difference between projected and actual earnings on pension plan investments	9,390,998	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	514,323	321,351
Contributions subsequent to the measurement date	5,429,643	-
<b>Total</b>	<b>\$ 19,394,323</b>	<b>\$ 441,388</b>

The \$5,429,643 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, 2024.

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

**Year ended June 30:**

2024	\$ 4,393,433
2025	3,698,761
2026	957,050
2027	4,474,047
<b>Total</b>	<b>\$ 13,523,291</b>

*Actuarial Assumptions.* The total pension liability in the December 31, 2021 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.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

Note 6 – PENSION PLAN OBLIGATIONS (continued)

The actuarial assumptions used in the December 31, 2021 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, 2022 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%	1.1%
Global Equity	42.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	7.5%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	<u>6.0%</u>	2.7%
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 2.25%. 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:

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2023

Note 6 – PENSION PLAN OBLIGATIONS (continued)

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Town's proportionate share of the net pension liability (asset)	\$ 51,282,918	\$ 28,413,619	\$ 9,567,984

*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, 2021, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	7
Active plan members	<u>94</u>
Total	<u><u>101</u></u>

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, 2023, \$433,279 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, 2021 valuation. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	4.31 percent
Projected salary increases	3.25 - 7.75 percent, including inflation and productivity factor
Includes inflation at	2.50 percent

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2023

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 \$210,975 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, 2023, the Town reported a total pension liability of \$4,264,094. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 30, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the Town recognized pension expense of \$612,860.

At June 30, 2023 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	\$ 500,166	\$ -
Changes of assumptions	697,401	780,514
Town benefit payments and administrative costs subsequent to the measurement date	120,950	-
Total	<u>\$ 1,318,517</u>	<u>\$ 780,514</u>

The \$120,950 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2024	\$ 215,158
2025	180,821
2026	130,832
2027	32,697
2028	(102,981)
Thereafter	(39,474)
Total	<u>\$ 417,053</u>

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

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 4.31%, 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 (3.31%) or one percentage point higher (5.31%) than the current rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Total pension liability	\$ 4,628,977	\$ 4,264,094	\$ 3,932,576

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	\$ 4,846,446
Service cost	279,193
Interest on total pension liability	106,672
Difference between expected and actual experience	33,392
Changes of assumptions or other inputs	(790,634)
Benefit payments	<u>(210,975)</u>
Ending balance of the total pension liability	<u>\$ 4,264,094</u>

The actuarial assumptions used in the December 31, 2021 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.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

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	\$ 8,255,347	\$ 612,860	\$ 8,868,207
Pension Liability	28,413,619	4,264,094	32,677,713
Proportionate share of the net pension liability	0.50366%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	1,224,317	500,166	1,724,483
Changes of assumptions	2,835,042	697,401	3,532,443
Net difference between projected and actual earnings on plan investments	9,390,998	-	9,390,998
Changes in proportion and differences between contributions and proportionate share of contributions	514,323	-	514,323
Benefit payments and administrative costs paid subsequent to the measurement date	5,429,644	120,950	5,550,594
Deferred Inflows of Resources			
Differences between expected and actual experience	120,037	-	120,037
Changes of assumptions	-	780,514	780,514
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	321,351	-	321,351

(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 ACFR 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, 2023 were \$598,659, which consisted of \$403,546 from the Town and \$195,113 from the law enforcement officers.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

Note 6 – PENSION PLAN OBLIGATIONS (continued)

(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.

The Town contributes each month an amount equal to five percent of eligible employees’ salary. The contributions for the year ended June 30, 2023 were \$2,754,843, which consisted of \$1,804,765 from the Town and \$950,078 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</u> <u>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

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

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 \$1,091,531 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, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>		<u>Long-Term Expected Real Rate of Return</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Bond Index Fund	40.0%	40.0%	4.00%	4.00%
Equity Index Fund	60.0%	60.0%	4.00%	4.00%
Total	<u>100.0%</u>	<u>100.0%</u>		

6. Rate of Return

For the year ended June 30, 2023, 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, 2023 were as follows:

Total OPEB liability	\$ 34,612,473
Plan fiduciary net position	<u>1,827,589</u>
Net OPEB liability	<u>\$ 32,784,884</u>
Plan fiduciary net position as a percentage of the total OPEB liability	5.28%

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, 2023 utilizing update procedures incorporating the actuarial assumptions.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2023

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, 2023 was 3.67%. The projection of cash flows used to determine the discount rate assumed that the Town was performed in accordance with GASB 74.

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, 2023, 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 (2.67%) or 1-percentage-point higher (4.67%) than the current discount rate:

	<u>1% Decrease</u> <u>(2.67%)</u>	<u>Discount Rate</u> <u>(3.67%)</u>	<u>1% Increase</u> <u>(4.67%)</u>
Net OPEB liability	\$ 40,380,060	\$ 32,784,884	\$ 26,963,287

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, 2023, 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	\$ 25,729,045	\$ 32,784,884	\$ 42,379,733

11. Changes in Net OPEB Liability

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2023, the Town reported a net OPEB liability of \$32,784,884. 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, 2023 utilizing update procedures incorporating the actuarial assumptions.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

Note 7 – OTHER POST EMPLOYMENT BENEFIT (continued)

At June 30, 2023, the components of the net OPEB liability of the Town, measured as of June 30, 2023, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ 32,979,818	\$ 1,139,912	\$ 31,839,906
Changes for the year:			
Service cost	1,707,945	-	1,707,945
Interest	1,157,736	-	1,157,736
Difference between expected and actual experience	314,895	-	314,895
Changes of assumptions	(806,390)	-	(806,390)
Contributions - employer	-	1,267,498	(1,267,498)
Net investment income	-	161,710	(161,710)
Benefits payments	(741,531)	(741,531)	-
Net change	1,632,655	687,677	944,978
Balance at June 30, 2022	\$ 34,612,473	\$ 1,827,589	\$ 32,784,884

12. Changes of Assumptions

Changes of assumptions and other inputs reflect a change in the discount rate from 3.55 percent in 2022 to 3.67 percent in 2023. Decremental and salary increase assumptions have been updated based on the most recent NCLGERS experience analysis.

For the year ended June 30, 2023, the Town recognized OPEB expense of \$1,389,000. At June 30, 2023, 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	\$ 378,362	\$ 5,628,871
Changes of assumptions	4,837,555	8,875,224
Net difference between projected and actual earnings on plan investments	-	1,406
Total	\$ 5,215,917	\$ 14,505,501

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

**Year ended June 30:**

2024	\$ (1,421,659)
2025	(1,420,242)
2026	(1,276,351)
2027	(1,100,945)
2028	(1,173,610)
Thereafter	(2,896,777)
	<u>\$ (9,289,584)</u>

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

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:

	<u>LEOSSA</u>	<u>LGERS</u>	<u>OPEB</u>
Benefit payments and administrative expenses subsequent to the measurement date	\$ 120,950	\$ -	\$ -
Contributions to pension plan in current fiscal year	-	5,429,643	-
Changes of assumptions or other inputs	697,401	2,835,042	4,837,555
Differences between expected and actual experience	500,166	1,224,317	378,362
Change in proportion and differences between contributions and proportionate share of contributions	-	514,323	
Net difference between projected and actual earnings on plan investments	-	9,390,998	-
Total deferred outflows	<u>\$ 1,318,517</u>	<u>\$ 19,394,323</u>	<u>\$ 5,215,917</u>

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

	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Prepaid taxes (General Fund)	\$ 163,897	\$ 163,897
Taxes receivable (General Fund)	-	48,478
Leases	673,544	-
LEOSSA deferrals	780,514	-
Pension deferrals	441,388	-
OPEB deferrals	14,505,501	-
Total deferred inflows of resources	<u>\$ 16,564,844</u>	<u>\$ 212,375</u>

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

**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 only for those buildings and contents listed on the property schedule that are located entirely in flood zones B, C or X; 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, 2023, a reserve of \$419,000 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, 2021	\$ 399,000	\$ -	\$ 399,000
Claims reported and changes in estimates for FY2022	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	259,000	-	259,000
Claims reported and changes in estimates for FY 2023	6,314,258	458,739	6,772,997
Claims paid in FY 2023	<u>(6,992,258)</u>	<u>(458,739)</u>	<u>(7,450,997)</u>
Balance-June 30, 2023	<u>\$ 419,000</u>	<u>\$ -</u>	<u>\$ 419,000</u>

**Note 10 – CLAIMS, JUDGEMENTS AND CONTINGENT LIABILITIES**

At June 30, 2023, 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.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

Note 11 – LONG-TERM DEBT (continued)

Bonds payable at June 30, 2023 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%.	\$ 3,000,000
\$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%.	20,215,000
\$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%.	25,330,000

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%.	970,000
\$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%.	565,000
\$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%.	1,645,000

*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>4,000,000</u>
Total Serviced by General Fund	<u>55,725,000</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>\$ 27,605,000</u>
Total Serviced by Water & Sewer Fund	<u>\$ 27,605,000</u>
Total General Obligation Bonds	<u>\$ 83,330,000</u>

At June 30, 2023, 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 \$790,470,706.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

Note 11 – LONG-TERM DEBT (continued)

Annual debt service requirements to maturity for general obligation bonds at June 30, 2023 are as follows:

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
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	3,530,000	1,241,956	1,740,000	366,496
2029-2033	17,745,000	4,211,131	9,730,000	1,442,432
2034-2038	16,975,000	1,687,338	9,925,000	498,232
2039-2040	<u>2,980,000</u>	<u>98,714</u>	-	-
Total	<u>\$ 55,725,000</u>	<u>\$ 13,688,713</u>	<u>\$ 27,605,000</u>	<u>\$ 3,915,126</u>

(b) Installment Notes

The Town’s installment notes outstanding at June 30, 2023 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.	\$ 2,095,944
\$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.	2,720,000
\$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.	3,724,138
\$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>8,120,000</u>
Total service by the General Fund	<u>\$16,660,082</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.	214,645
\$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.	122,760

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2023

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. 3,220,904

Total service by Water and Sewer Fund \$ 3,558,309

Annual debt service requirements to maturity for installment notes at June 30, 2023 are as follows:

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 1,770,793	\$ 321,088	\$ 675,284	\$ 72,016
2025	1,762,793	284,670	695,603	57,384
2026	1,753,793	248,399	714,217	42,314
2027	1,743,793	212,295	731,217	28,294
2028	1,733,737	176,375	694,249	15,330
2029-2033	5,575,172	431,714	47,739	3,666
2034-2037	2,309,017	69,600	-	-
Total	<u>\$ 16,649,098</u>	<u>\$ 1,744,141</u>	<u>\$ 3,558,309</u>	<u>\$ 219,004</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, 2023 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%. \$ 9,625,000

Annual debt service requirements to maturity for promissory notes at June 30, 2023 are as follow:

Year Ending June 30:	Principal	Interest
2024	\$ 875,000	\$ 213,675
2025	875,000	194,250
2026	875,000	174,825
2027	875,000	155,400
2028	875,000	135,975
2029-2033	4,375,000	388,500
2034-2037	875,000	19,425
Total	<u>\$ 9,625,000</u>	<u>\$ 1,282,050</u>

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

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

(d) 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%.	\$ 617,000
\$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>8,718,000</u>
	<u>\$ 9,335,000</u>

The Town believes it 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, 2023 is as follows:

Current revenues	\$ 45,991,425
Current expenses	<u>40,226,122</u>
Subtotal	5,765,303
15% of Unrestricted Net Position, 6-30-22	<u>2,351,572</u>
Income available for debt service	\$ 8,116,875
Debt service, principal and interest	
Paid (Revenue Bond only)	<u>\$ 1,248,731</u>
Debt Service Coverage Ratio	<u>650%</u>

Per rate covenants, current expenses do not include depreciation expense of \$3,331,414, debt service interest of \$226,731 and the increase in other post-employment benefits of \$739,149.

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 \$639,335. Principal and interest paid for the current year and the income available for debt service was \$638,874 and \$6,761,622 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 \$10,369,960. Principal and interest paid for the current year and the income available for debt service was \$609,900 and \$6,761,622 respectively.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

Annual debt service requirements to maturity for the revenue bonds at June 30, 2023 is as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,053,000	\$ 196,695
2025	444,000	165,640
2026	453,000	156,760
2027	462,000	147,700
2028	472,000	138,460
2029-2033	2,503,000	546,960
2034-2038	2,764,000	286,440
2039-2040	<u>1,184,000</u>	<u>35,640</u>
Total	<u>\$ 9,335,000</u>	<u>\$ 1,674,295</u>

(e) Subscriptions

For the year ended June 30, 2023 the Town implemented the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (Subscriptions). The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

Fiscal Year	<u>Governmental Activities</u>		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 44,330	\$ 1,372	\$ 45,702
2025	18,877	395	19,272
	<u>\$ 63,207</u>	<u>\$ 1,767</u>	<u>\$ 64,973</u>

(Intentionally left blank)

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2023

Note 11 – LONG-TERM DEBT (continued)

(f) Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
General obligation “GO” bonds	\$ 54,940,000	\$ -	\$ 3,215,000	\$ 51,725,000	\$ 3,225,000
GO Bond premium	4,887,950	-	351,243	4,536,707	351,243
Bonds from direct placements	4,500,000	-	500,000	4,000,000	500,000
Total bonds payable	64,327,950	-	4,066,243	60,261,707	4,076,243
Installment notes	18,440,931	-	1,791,833	16,649,098	1,770,793
Compensated absences	3,475,092	1,543,233	1,576,203	3,442,123	1,576,203
Net pension liability (LGRS)	5,994,327	15,715,171	-	21,709,498	-
Total pension liability (LEO)	4,846,446	-	582,352	4,264,094	-
IT Subscriptions	-	106,539	43,332	63,207	44,330
Net OPEB liability	26,618,162	-	1,621,722	24,996,440	-
Governmental activity long-term liabilities	<u>\$ 123,702,908</u>	<u>\$ 17,364,943</u>	<u>\$ 9,670,701</u>	<u>\$ 131,386,167</u>	<u>\$ 7,467,569</u>
<b>Business-type activities:</b>					
General obligation “GO” bonds	\$ 29,080,000	\$ -	\$ 1,475,000	\$ 27,605,000	\$ 1,505,000
GO Bond premium	-	-	-	-	-
Total bonds payable	29,080,000	-	1,475,000	27,605,000	1,505,000
Installment notes	14,717,689	-	1,534,380	13,183,309	1,550,284
Revenue bond	10,357,000	-	1,022,000	9,335,000	1,053,000
Compensated absences	630,326	491,596	376,181	745,741	376,182
Net pension liability (LGRS)	1,790,513	4,913,608	-	6,704,121	-
Net OPEB liability	5,221,744	2,566,699	-	7,788,443	-
BTA long-term liabilities	<u>\$ 61,797,272</u>	<u>\$ 7,971,903</u>	<u>\$ 4,396,425</u>	<u>\$ 65,361,614</u>	<u>\$ 4,484,466</u>

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 \$4,000,000 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.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

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	\$	52,160,399
Less:		
Inventories		25,457
Prepaid items		140,059
Stabilization by State Statute		7,658,840
Restricted for Public Safety		184,250
Committed for LEO pension obligation		433,279
Restricted for Planning		2,723,636
Restricted for Economic Development		2,213,638
Assigned for subsequent year's expenditures		<u>4,675,000</u>
 Remaining fund balance	 \$	 <u>34,106,240</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	\$	3,167,925
Encumbrances - Affordable Housing Fund		350,000
Encumbrances – Electric Fund		1,215,259
Encumbrances – Water and Sewer Fund		1,448,121
Encumbrances – Stormwater Fund		125,976

(Intentionally left blank)

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

**Note 13 – INTERFUND BALANCES AND ACTIVITY**

	Transfers Out								
	General Fund	Streets Reserve	ARP Fund 2021	General	Recreation	Water & Sewer Fund	Water & Sewer Reserve	Electric Fund	Total Transfers In
				Capital Project	Capital Reserve				
Transfers In:									
General Fund	\$ -	\$ 750,000	\$ 2,628,841	\$ 6,643	\$ 630,316	\$ -	\$ -	\$ -	\$ 4,015,800
Debt Service Fund	3,600,000								3,600,000
Affordable Housing	1,776,000	-	-	-	-	-	-	-	1,776,000
General Capital Projects	6,370,550	-	-	-	-	715,410	-	656,400	7,742,360
Perry Library	400,000	-	-	-	-	-	-	-	400,000
Street Improvements Project	1,400,000	1,644,872	-	-	-	-	-	-	3,044,872
Parks Recreation Reserve	1,073,600	-	-	-	-	-	-	-	1,073,600
Parks Recreation Projects	2,009,500	-	-	-	947,320	-	-	-	2,956,820
ARP Fund	2,628,841	-	-	-	-	-	-	-	2,628,841
Water Sewer Debt Service	-	-	-	-	-	250,000	-	-	250,000
Water/Sewer Project	-	-	-	-	-	2,030,000	12,837,901	-	14,867,901
Electric Debt Service	-	-	-	-	-	-	-	50,000	50,000
<b>Total Transfers Out</b>	<b>\$ 19,258,491</b>	<b>\$ 2,394,872</b>	<b>\$ 2,628,841</b>	<b>\$ 6,643</b>	<b>\$ 1,577,636</b>	<b>\$ 2,995,410</b>	<b>\$ 12,837,901</b>	<b>\$ 706,400</b>	<b>\$42,406,194</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) \$1.78 million transferred from General Fund to Affordable Housing Funds for related projects. Council approved an allocation of \$.015 of the ad valorem tax rate for this purpose.
- C) Funds were transferred out to establish debt service funds for the General Fund, Water & Sewer Fund and Electric Fund. The amounts were \$3,600,000, \$250,000 and \$50,000, 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, 2023 were \$29,307,764.

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.

**TOWN OF APEX, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2023*

**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 – 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 17 – SUBSEQUENT EVENTS**

The Town entered into an installment purchase agreement with Pinnacle Bank on August 31, 2023 for vehicle and equipment for \$1,785,000. This is a four-year installment note with an interest rate of 3.90%.

On October 3, 2023 the Town issued \$3,460,000 of Two-Thirds bonds, which will be used to fund the Mason Street Building project. These bonds will be amortized over 20 years with an interest rate of 3.74%. In addition, the Town sold \$24,500,000 of the \$49,000,000 General Obligation Bonds authorization for street improvements. These funds will be used to fund the Apex Peakway project, Safe Routes to Schools and Pavement Improvements. The bonds will be amortized over 20 years with an interest rate of 4.11%. Each of these issues was awarded to Hilltop Securities.

The Town has evaluated events from the date of the balance sheet through the date the report is available to be issued which is the date of the independent auditors' report. The Town has not evaluated subsequent events after that date. There were no additional subsequent events during this period that require disclosure.

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

June 30, 2023

<b>TOTAL OPEB LIABILITY</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service cost	\$ 1,707,945	\$ 2,767,276	\$ 2,910,827	\$ 2,129,618	\$ 1,833,733	\$ 2,225,212
Interest	1,157,736	963,944	920,729	1,185,723	1,111,292	854,654
Differences between expected and actual experience	314,895	(6,018,029)	(132,118)	(1,572,528)	143,860	110,047
Changes of assumptions	(806,390)	(9,107,174)	(337,017)	6,264,555	2,521,287	(3,373,245)
Benefit payments	(741,531)	(503,794)	(291,917)	(154,835)	(442,864)	(338,332)
Net change in total OPEB liability	1,632,655	(11,897,777)	3,070,504	7,852,533	5,167,308	(521,664)
Total OPEB liability - beginning	32,979,818	44,877,595	41,807,091	33,954,558	28,787,250	28,561,721
Total OPEB liability - ending	<u>\$ 34,612,473</u>	<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	\$ 1,267,498	\$ 680,794	\$ 641,917	\$ 504,835	\$ 692,864	\$ -
Net investment income	161,710	(188,192)	177,074	24,030	-	-
Benefit payments	(741,531)	(503,794)	(291,917)	(154,835)	(442,864)	-
Net change in plan fiduciary net position	687,677	(11,192)	527,074	374,030	250,000	-
Plan fiduciary net position - beginning	1,139,912	1,151,104	624,030	250,000	-	-
Plan fiduciary net position - ending	<u>\$ 1,827,589</u>	<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>\$ 32,784,884</u>	<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>	5.28%	3.46%	2.56%	1.49%	0.74%	0.00%
Covered employee payroll	\$ 31,042,895	\$ 31,042,895	\$ 25,695,645	\$ 25,695,645	\$ 23,508,278	
Town's net OPEB liability as a percentage of covered payroll	105.61%	102.57%	170.17%	160.27%	143.37%	

**Notes to Schedule**

\* 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:

<b>Fiscal Year</b>	<b>Rate</b>
2023	3.67%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%

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 FIVE FISCAL YEARS**

**JUNE 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 3,009,908	\$ 3,149,756	\$ 3,149,756	\$ 3,077,653	\$ 3,077,653
Contributions in relation to the actuarially determined contribution	1,267,498	680,794	641,917	504,835	692,864
Annual contribution deficiency	1,742,410	2,468,962	2,507,839	2,572,818	2,384,789
Covered employee payroll*	31,042,895	31,042,895	25,695,645	25,695,645	23,508,278
Actual contributions as a percentage of covered payroll	4.08%	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 are reported.

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

Salary increases 3.25% to 8.41% including inflation and productivity factor

Investment rate of return 4.0% net of OPEB plan investment expense, including inflation

In the 2017 actuarial valuation, assumed life expectancies were

Retirement Age adjusted as a result of adopting the RP-2014 Health Annuitant Mortality Table.

In the 2017 actuarial valuation, assumed life expectancies were

Mortality adjusted as a result of adopting the RP-2014 Health Annuitant Mortality Table.

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annualized return, net of investment expense	60.34%	-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 TEN FISCAL YEARS\*

June 30, 2023

	<u>2023</u>	<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>
Apex's proportion of the net pension liability (asset) (%)	0.50366%	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) (\$)	\$28,413,619	\$ 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	\$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	\$ 18,242,662
Apex's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	81.88%	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	84.14%	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.

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

June 30, 2023

	<u>2023</u>	<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	\$ 5,429,643	\$ 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>5,429,643</u>	<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	\$ 40,959,656	\$ 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	13.26%	11.65%	10.32%	9.13%	7.93%	7.68%	7.44%	6.81%	7.13%	7.11%

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

JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 4,846,446	\$ 4,398,203	\$ 2,937,447	\$ 2,560,742	\$ 2,248,394	\$ 1,929,620	\$ 1,825,900
Service cost	279,193	292,727	161,762	128,648	138,637	111,974	114,548
Interest on total pension liability	106,672	83,370	93,447	90,723	69,277	73,484	64,730
Difference between expected and actual experience	33,392	363,041	140,103	206,659	320,220	38,475	-
Changes of assumptions or other inputs	(790,634)	(133,892)	1,207,405	87,378	(103,589)	146,595	(50,116)
Benefit payments	<u>(210,975)</u>	<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>\$ 4,264,094</u>	<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 SEVEN FISCAL YEARS**

June 30, 2023

---

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 4,264,094	\$ 4,846,446	\$ 4,398,203	\$ 2,937,447	\$ 2,560,742	\$ 2,248,394	\$ 1,929,620
Covered payroll	7,229,495	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	58.98%	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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Ad valorem taxes:</b>				
Current year taxes	\$ 44,928,000	\$ 44,372,211	\$ (555,789)	\$ 40,219,932
Prior years taxes	32,000	(51,300)	(83,300)	30,473
Penalties and interest	40,000	61,918	21,918	58,871
Vehicle tax	3,684,400	3,849,657	165,257	3,292,098
Total	48,684,400	48,232,486	(451,914)	43,601,374
<b>Other taxes and licenses:</b>				
Rental vehicle tax	85,000	114,653	29,653	116,961
Local option sales taxes	19,335,000	19,486,512	151,512	17,683,230
Vehicle Fee	250,000	270,786	20,786	256,439
Total	19,670,000	19,871,951	201,951	18,056,630
<b>Unrestricted intergovernmental:</b>				
Utility distribution	3,265,000	3,487,941	222,941	3,204,848
Beer and wine tax	250,000	278,684	28,684	235,620
Solid waste disposal tax	165,000	49,569	(115,431)	154,136
ABC profit distribution	450,000	445,055	(4,945)	579,925
Total	4,130,000	4,261,249	131,249	4,174,529
<b>Restricted intergovernmental:</b>				
Powell Bill	1,700,000	1,726,525	26,525	1,683,148
Wake County - Fire District	1,363,900	1,328,609	(35,291)	1,285,598
Chatham County - Fire District	-	2,349	2,349	-
Federal grants	-	50,326	50,326	500
State grants	-	-	-	16,000
Wake County - grants	408,500	652,500	244,000	-
Other restricted intergovernmental	160,000	48,289	(111,711)	173,134
Total	3,632,400	3,808,598	176,198	3,158,380
<b>Permits and fees:</b>				
Building permits and inspection fees	3,238,000	3,245,626	7,626	3,457,942
Subdivision approval fees	125,000	229,459	104,459	158,468
Application fees	165,500	223,506	58,006	215,411
Vendor permits	8,500	11,055	2,555	7,880
Fine and penalties	-	500	500	13,000
Total	3,537,000	3,710,146	173,146	3,852,701
<b>Sales and services:</b>				
Refuse collection fees	5,004,200	4,895,794	(108,406)	4,986,804
Recreation fees	784,600	1,571,941	787,341	1,105,257
Recycling revenue	1,257,400	1,181,477	(75,923)	1,327,696
Emergency services - Duke-Harris Plant	12,000	12,000	-	-
Total	7,058,200	7,661,212	603,012	7,419,757

**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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Miscellaneous:</b>				
Procurement card rebate	\$ -	\$ 59,373	\$ 59,373	\$ -
South Wake Landfill	-	217,271	217,271	-
Sale of capital assets	25,000	173,466	148,466	77,708
Donations	-	45,090	45,090	8,215
Lease revenue	-	21,469	21,469	-
Insurance refund	-	77,419	77,419	48,376
Miscellaneous grants	5,000	-	(5,000)	6,500
Miscellaneous revenue	64,500	226,965	162,465	110,419
Total	94,500	821,053	726,553	251,218
<b>Investment earnings</b>	25,000	2,544,666	2,519,666	95,093
<b>Total revenues</b>	86,831,500	90,911,361	4,079,861	80,609,682
<b>Expenditures:</b>				
<b>General government:</b>				
<b>Town Council:</b>				
Salaries and employee benefits	63,070	61,415	1,655	59,225
Operating expenditures	150,630	141,462	9,168	237,142
Professional services	20,000	18,011	1,989	5,175
Total	233,700	220,888	12,812	301,542
<b>Administration:</b>				
<b>Town Manager's Office</b>				
Salaries and employee benefits	1,173,675	999,747	173,928	1,414,462
Operating expenditures	175,883	159,390	16,493	227,952
Professional services	102,848	90,900	11,948	146,644
Capital outlay	10,907	10,907	-	16,883
Total	1,463,313	1,260,944	202,369	1,805,941
<b>Human Resources</b>				
Salaries and employee benefits	1,127,875	1,014,915	112,960	908,948
Operating expenditures	801,361	770,288	31,073	399,275
Professional services	448,002	439,311	8,691	227,481
Capital outlay	-	-	-	8,787
Total	2,377,238	2,224,514	152,724	1,544,491
<b>Town Attorney</b>				
Salaries and employee benefits	579,600	540,241	39,359	442,042
Operating expenditures	49,592	61,259	(11,667)	32,162
Professional services	21,048	8,930	12,118	8,836
Total	650,240	610,430	39,810	483,040
<b>Town Clerk</b>				
Salaries and employee benefits	258,930	241,368	17,562	154,585
Operating expenditures	20,210	12,032	8,178	17,330
Professional services	-	-	-	26,151
Capital outlay	23,800	23,778	22	-
Total	302,940	277,178	25,762	198,066

**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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Economic Development</b>				
Salaries and employee benefits	\$ 505,850	\$ 462,991	\$ 42,859	\$ 397,287
Operating expenditures	156,183	72,736	83,447	57,769
Professional service	31,022	30,260	762	919
Downtown Merchant	11,608	9,968	1,640	24,883
Capital outlay	-	-	-	5,930
Total	704,663	575,955	128,708	486,788
<b>Communications:</b>				
Salaries and employee benefits	352,975	323,763	29,212	-
Operating expenditures	193,225	173,955	19,270	-
Professional services	31,000	25,443	5,557	-
Total	577,200	523,161	54,039	-
<b>Budget, Performance &amp; Strategy</b>				
Salaries and employee benefits	691,350	598,531	92,819	-
Operating expenditures	78,775	57,054	21,721	-
Professional services	39,000	9,900	29,100	-
Total	809,125	665,485	143,640	-
<b>Community &amp; Neighborhood Connection</b>				
Salaries and employee benefits	250,050	170,477	79,573	-
Operating expenditures	19,550	5,506	14,044	-
Professional services	49,000	8,641	40,359	-
Total	318,600	184,624	133,976	-
<b>Finance:</b>				
Salaries and employee benefits	433,400	386,027	47,373	321,744
Operating expenditures	180,953	135,044	45,909	166,673
Professional services	573,850	555,179	18,671	336,948
Total	1,188,203	1,076,250	111,953	825,365
<b>Information Technology</b>				
Salaries and employee benefits	1,465,800	1,345,134	120,666	988,553
Operating expenditures	1,215,103	1,149,712	65,391	590,902
Professional services	466,102	320,522	145,580	266,964
Capital Outlay	229,000	104,508	124,492	206,467
Total	3,376,005	2,919,876	456,129	2,052,886
<b>Planning</b>				
Salaries and employee benefits	2,568,350	2,376,949	191,401	2,110,237
Operating expenditures	1,175,362	765,511	409,851	233,028
Professional services	102,147	102,128	19	112,064
Capital outlay	206,685	136,656	70,029	500
Total	4,052,544	3,381,244	671,300	2,455,829

**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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Inspections</b>				
Salaries and employee benefits	\$ 2,796,450	\$ 2,538,847	\$ 257,603	\$ 2,323,168
Operating expenditures	344,494	261,088	83,406	253,052
Professional services	5,400	2,936	2,464	71,527
Capital outlay	32,070	32,008	62	46,334
Total	3,178,414	2,834,879	343,535	2,694,081
<b>Facility Services</b>				
Salaries and employee benefits	543,100	484,124	58,976	467,841
Operating expenditures	557,019	502,852	54,167	499,505
Professional services	283,050	272,636	10,414	352,739
Capital outlay	2,685,046	2,600,443	84,603	292,120
Total	4,068,215	3,860,055	208,160	1,612,205
<b>Special Appropriations</b>				
Apex Customer Assistance	384,306	96,743	287,563	151,818
Downtown Merchants	37,484	38,109	(625)	20,186
Other	72,900	72,900	-	35,000
Wake County programs	-	-	-	8,000
Total	494,690	207,752	286,938	215,004
<b>Total general government</b>	<b>23,795,090</b>	<b>20,823,235</b>	<b>2,971,855</b>	<b>14,675,238</b>
<b>Public safety:</b>				
<b>Police:</b>				
Law enforcement				
Salaries and employee benefits	13,996,400	12,504,834	1,491,566	10,750,465
Operating expenditures	1,970,203	1,477,624	492,579	1,327,733
Professional services	275,874	220,493	55,381	161,225
Capital outlay	1,073,283	998,114	75,169	698,424
Total	17,315,760	15,201,065	2,114,695	12,937,847
Telecommunications				
Salaries and employee benefits	1,133,500	912,248	221,252	795,051
Operating expenditures	253,453	201,627	51,826	167,838
Professional services	123,244	75,126	48,118	104,572
Capital outlay	21,128	-	21,128	-
Total	1,531,325	1,189,001	342,324	1,067,461
<b>Fire:</b>				
Salaries and employee benefits	13,179,010	12,163,888	1,015,122	9,798,694
Operating expenditures	1,589,952	1,417,719	172,233	1,003,401
Hazmat program	27,100	27,065	35	30,242
Professional services	345,802	306,502	39,300	188,325
Capital outlay	2,346,782	1,622,219	724,563	426,635
Total	17,488,646	15,537,393	1,951,253	11,447,297
<b>Total public safety</b>	<b>36,335,731</b>	<b>31,927,459</b>	<b>4,408,272</b>	<b>25,452,605</b>

**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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Environmental Protection</b>				
<b>Solid Waste</b>				
Salaries and employee benefits	\$ 1,489,900	\$ 1,374,547	\$ 115,353	\$ 1,169,916
Operating expenditures	519,095	471,711	47,384	410,437
Professional services	4,063,100	3,710,067	353,033	3,824,176
Capital outlay	302,287	2,006	300,281	515,008
Total	6,374,382	5,558,331	816,051	5,919,537
<b>Total environmental protection</b>	6,374,382	5,558,331	816,051	5,919,537
<b>Public Works</b>				
<b>Fleet Maintenance</b>				
Salaries and employee benefits	393,600	362,354	31,246	353,532
Operating expenditures	163,851	145,361	18,490	119,037
Professional services	11,000	7,241	3,759	36,674
Capital outlay	189,617	188,574	1,043	15,105
Total	758,068	703,530	54,538	524,348
<b>Transportation and Infrastructure</b>				
Salaries and employee benefits	2,558,900	2,226,842	332,058	1,015,898
Operating expenditures	261,740	171,555	90,185	154,433
Professional services	309,394	69,673	239,721	60,258
Capital outlay	94,000	41,209	52,791	-
Total	3,224,034	2,509,279	714,755	1,230,589
<b>Streets</b>				
Salaries and employee benefits	819,500	632,041	187,459	882,440
Operating expenditures	624,053	503,653	120,400	379,331
Professional services	518,080	411,233	106,847	341,721
Powell Bill	3,132,581	3,132,581	-	140,746
Capital outlay	1,329,180	672,798	656,382	1,083,501
Total	6,423,394	5,352,306	1,071,088	2,827,739
<b>Public Works Admin</b>				
Salaries and employee benefits	499,950	395,478	104,472	1,446,884
Operating expenditures	60,704	43,171	17,533	58,294
Professional services	55,393	5,681	49,712	151,593
Capital outlay	76,615	13,713	62,902	101,708
Total	692,662	458,043	234,619	1,758,479
<b>Cemetery</b>				
Professional services	26,001	19,992	6,009	25,000
Capital outlay	25,000	-	25,000	-
Total	51,001	19,992	31,009	25,000
<b>Total public works</b>	11,149,159	9,043,150	2,106,009	6,366,155

**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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Cultural and recreational:</b>				
<b>Parks and recreation:</b>				
Salaries and employee benefits	\$ 5,069,600	\$ 4,716,068	\$ 353,532	\$ 3,320,789
Operating expenditures	1,751,291	1,562,750	188,541	1,280,853
Professional services	1,154,667	1,072,537	82,130	840,339
Capital outlay	1,197,176	1,098,982	98,194	327,385
<b>Total cultural and recreational</b>	<u>9,172,734</u>	<u>8,450,337</u>	<u>722,397</u>	<u>5,769,366</u>
<b>Debt Service</b>				
Principal	5,506,900	5,506,833	67	4,923,793
Interest	3,250,800	2,304,130	946,670	2,398,245
Total debt service	<u>8,757,700</u>	<u>7,810,963</u>	<u>946,737</u>	<u>7,322,038</u>
<b>Total expenditures</b>	<u>95,584,796</u>	<u>83,613,475</u>	<u>11,971,321</u>	<u>65,504,939</u>
<b>Revenues under expenditures</b>	<u>(8,753,296)</u>	<u>7,297,886</u>	<u>16,051,182</u>	<u>15,104,743</u>
<b>Other financing sources (uses):</b>				
Transfers in:				
General Capital Projects Fund	-	6,643	6,643	-
American Rescue Plan 2021	-	2,628,841	2,628,841	2,628,841
Recreation Capital Reserve Fund	640,000	630,316	(9,684)	-
Transportation Reserve Fund	750,000	750,000	-	600,000
Transfers out:				
Affordable Housing Fund	(1,776,000)	(1,776,000)	-	(1,595,000)
American Rescue Plan 2021	-	(2,628,841)	(2,628,841)	(2,628,841)
General Government - Debt Service Fund	(3,600,000)	(3,600,000)	-	-
General Capital Projects Fund	(6,695,550)	(6,370,550)	325,000	(800,000)
Perry Library Fund	(400,000)	(400,000)	-	(796,000)
Recreation Capital Project Fund	(2,009,500)	(2,009,500)	-	(300,000)
Recreation Capital Reserve Fund	(1,073,600)	(1,073,600)	-	-
Street Projects Fund	(2,861,710)	(1,400,000)	1,461,710	(2,500,000)
Contingency	(150,000)	-	150,000	-
IT subscription based agreements (SBITAs)	-	106,539	106,539	-
Appropriated fund balance	25,929,656	-	(25,929,656)	-
<b>Total other financing sources (uses)</b>	<u>8,753,296</u>	<u>(15,136,152)</u>	<u>(23,889,448)</u>	<u>(5,391,000)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>(7,838,266)</u>	<u>\$ (7,838,266)</u>	<u>9,713,743</u>
<b>Fund balance - Beginning of year</b>		57,167,498		48,517,200
<b>Fund balance - Restatement of beginning of year</b>		-		(1,063,445)
<b>Fund balance - End of year</b>		<u>\$ 49,329,232</u>		<u>\$ 57,167,498</u>

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

FOR THE YEAR ENDED JUNE 30, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Bond principal	3,600,000	-	3,600,000	-
<b>Total expenditures</b>	<u>3,600,000</u>	<u>-</u>	<u>3,600,000</u>	<u>-</u>
<b>Revenues under expenditures</b>	<u>(3,600,000)</u>	<u>-</u>	<u>3,600,000</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers-in	3,600,000	3,600,000	-	-
<b>Total other financing sources (uses)</b>	<u>3,600,000</u>	<u>3,600,000</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>3,600,000</u>	<u>\$ 3,600,000</u>	<u>-</u>
<b>Fund balance - Beginning of year</b>		<u>-</u>		<u>-</u>
<b>Fund balance - End of year</b>		<u>\$ 3,600,000</u>		<u>\$ -</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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Miscellaneous revenue	\$ 1,500	\$ 29,205	\$ 27,705	\$ 10,161
Total	1,500	29,205	27,705	10,161
<b>Investment earnings</b>	100	2,067	1,967	88
<b>Total revenues</b>	1,600	31,272	29,672	10,249
<b>Expenditures:</b>				
Operating expenditures	1,600	-	1,600	-
<b>Total expenditures</b>	1,600	-	1,600	-
<b>Revenues under expenditures</b>	-	31,272	31,272	10,249
<b>Net change in fund balance</b>	\$ -	31,272	\$ 31,272	10,249
<b>Fund balance - Beginning of year</b>		58,031		47,782
<b>Fund balance - End of year</b>		\$ 89,303		\$ 58,031

**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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Miscellaneous revenue	\$ 500	\$ -	\$ (500)	\$ -
Total	500	-	(500)	-
<b>Investment earnings</b>	100	759	659	41
<b>Total revenues</b>	600	759	159	41
<b>Expenditures:</b>				
Operating expenditures	600	-	600	-
<b>Total expenditures</b>	600	-	600	-
<b>Revenues under expenditures</b>	-	759	759	41
<b>Net change in fund balance</b>	<u>\$ -</u>	759	<u>\$ 759</u>	41
<b>Fund balance - Beginning of year</b>		25,671		25,630
<b>Fund balance - End of year</b>		<u>\$ 26,430</u>		<u>\$ 25,671</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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Miscellaneous revenue	\$ 6,665	\$ 6,665	\$ -	\$ 19,953
Total	6,665	6,665	-	19,953
<b>Investment earnings</b>	1,275	1,421	146	73
<b>Total revenues</b>	7,940	8,086	146	20,026
<b>Expenditures:</b>				
Operating expenditures	8,960	9,478	(518)	7,057
<b>Total expenditures</b>	8,960	9,478	(518)	7,057
<b>Revenues under expenditures</b>	(1,020)	(1,392)	(372)	12,969
<b>Other financing sources (uses):</b>				
Appropriated fund balance	1,020	-	(1,020)	-
<b>Total other financing sources (uses)</b>	1,020	-	(1,020)	-
<b>Net change in fund balance</b>	\$ -	(1,392)	\$ (1,392)	12,969
<b>Fund balance - Beginning of year</b>		47,264		34,295
<b>Fund balance - End of year</b>		\$ 45,872		\$ 47,264

**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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Miscellaneous revenue	\$ 1,000	\$ 2,850	\$ 1,850	\$ 31
Total	1,000	2,850	1,850	31
<b>Investment earnings</b>	100	602	502	30
<b>Total revenues</b>	1,100	3,452	2,352	61
<b>Expenditures:</b>				
Operating expenditures	1,100	-	1,100	-
<b>Total expenditures</b>	1,100	-	1,100	-
<b>Revenues under expenditures</b>	-	3,452	3,452	61
<b>Net change in fund balance</b>	\$ -	3,452	\$ 3,452	61
<b>Fund balance - Beginning of year</b>		19,193		19,132
<b>Fund balance - End of year</b>		\$ 22,645		\$ 19,193

**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, 2023  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Retirement contributions	\$ -	\$ -	\$ -	\$ -
Total	-	-	-	-
Investment earnings	-	16,305	16,305	1,151
Total revenues	-	16,305	16,305	1,151
<b>Expenditures:</b>				
Salaries & benefits	-	254,825	(254,825)	186,137
Total expenditures	-	254,825	(254,825)	186,137
Revenues under expenditures	-	(238,520)	(238,520)	(184,986)
Net change in fund balance	-	(238,520)	(238,520)	(184,986)
	\$ -		\$ (238,520)	
Fund balance - Beginning of year		671,799		856,785
Fund balance - End of year		\$ 433,279		\$ 671,799

**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, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 5,119	\$ 45,182	\$ 50,301
Miscellaneous revenues	-	-	19,300	19,300
Total revenues	-	5,119	64,482	69,601
<b>Expenditures:</b>				
Operations:				
Affordable Housing Grants	336,700	81,963	-	81,963
Affordable Housing Loans	2,850,000	-	1,665,000	1,665,000
Contracted Services	450,000	300,000	200,000	500,000
Total expenditures	3,636,700	381,963	1,865,000	2,246,963
Revenues under expenditures	(3,636,700)	(376,844)	(1,800,518)	(2,177,362)
<b>Other financing sources:</b>				
Transfer in - General Fund	1,776,000	2,615,000	1,776,000	4,391,000
Reserved for future expenditures	(189,300)	-	-	-
Appropriated fund balance	2,050,000	-	-	-
Total other financing sources	3,636,700	2,615,000	1,776,000	4,391,000
Net change in fund balance	\$ -	\$ 2,238,156	(24,518)	\$ 2,213,638
Contra expense for issuance of long-term loans receivable			(1,665,000)	
<b>Fund balances:</b>				
Beginning of Year			2,238,156	
End of Year			\$ 3,878,638	

Note: During the 2023 fiscal year there was an expenditure of \$1,665,000 for affordable housing loans. For financial reporting purposes these are reported on the balance sheet as an receivable and not as an expenditure on the schedule of revenues, expenditures and changes in fund balances. Therefore, when determining the fund balance available for the Affordable Housing Fund the reader must reduce the end of year fund balance above by the outstanding receivable.

**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, 2023

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Investment earnings				
Fire Station #1	\$ 100	\$ 18,992	12,665	\$ 31,657
Go Apex Bus Stop	15,000	27,059	8,277	35,336
Town Hall Renovations	-	1,449	4,177	5,626
Fire Station #5	-	8,393	12,888	21,281
Town Fiber Optic Expansion	-	6,310	8,240	14,550
Mason Street Building	-	17,163	75,881	93,044
Eva Perry Library Improvements	-	1,930	(1,930)	-
PBX - Phone System Upgrade	-	1,117	3,265	4,382
Fire Station #6	12,000	11,752	80,235	91,987
Tunstall House	-	9,654	6,417	16,071
Cash Corporate Center	-	5,322	6,643	11,965
Cemetery Parking and Columbarium	-	11,441	1,057	12,498
Firearms Training Center	-	-	4,171	4,171
GoApex CDBG Project	-	-	2,836	2,836
Total investment earnings	27,100	120,582	224,822	345,404
Restricted intergovernmental				
State grants				
Go Apex Bus Stop	427,000	-	348,421	348,421
Total restricted intergovernmental	427,000	-	348,421	348,421
Miscellaneous revenue				
Go Apex Bus Stop	100,000	-	9,513	9,513
Total restricted intergovernmental	100,000	-	9,513	9,513
Total revenues	554,100	120,582	582,756	703,338
<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	1,272,000	364,991	222,151	587,142
Town Hall Renovations	208,942	-	-	-
Fire Station #5	1,004,237	598,167	-	598,167
Town Fiber Optic Expansion	642,100	182,350	113,919	296,269

**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, 2023

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Mason Street Building	8,914,435	620,078	2,770,869	3,390,947
PBX - Phone System Upgrade	\$ 220,558	\$ 206,446	\$ 25,567	\$ 232,013
Fire Station #6	8,202,686	2,659,224	4,067,130	6,726,354
Tunstall House	2,543,097	19,975	24,308	44,283
Cash Corporate Center	1,712,695	154,793	-	154,793
Cemetery Parking and Columbarium	676,000	10,620	41,333	51,953
Firearms Training Center	325,000	-	-	-
GoApex CDBG Project	221,000	-	2,000	2,000
ERP Conversion	4,601,360	-	223,043	223,043
Wayfinding Plan	320,000	-	-	-
Public Safety Radio Project	150,000	-	-	-
Fire SCBA Replacement Project	250,000	-	-	-
Total expenditures	32,251,110	4,876,057	7,490,320	12,366,377
Revenues under expenditures	(31,697,010)	(4,755,475)	(6,907,564)	(11,663,039)
<b>Other financing sources:</b>				
General Obligation Bonds:				
Mason Street Building	3,400,000	-	-	-
Installment Purchases:				
Fire Station #6	7,285,565	7,285,565	-	7,285,565
Mason Street Building	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	730,000	630,000	-	630,000
Town Hall Renovations	208,942	175,000	7,611	182,611
Fire Station #5	1,004,237	1,004,237	-	1,004,237
Town Fiber Optic Expansion	642,100	642,100	-	642,100
Mason Street Building	4,100,000	1,500,000	2,600,000	4,100,000
Eva Perry Library Improvements	-	-	-	-
PBX - Phone System Upgrade	220,558	254,500	(7,611)	246,889
Fire Station #6	715,060	715,060	-	715,060
Tunstall House	2,543,097	500,000	193,097	693,097
Cash Corporate Center	1,712,695	532,629	(383,158)	149,471
Cemetery Parking and Columbarium	676,000	600,000	-	600,000
Firearms Training Center	325,000	325,000	-	325,000
GoApex CDBG Project	221,000	-	221,000	221,000

**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, 2023

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
ERP Conversion	3,229,550	-	3,229,550	3,229,550
Wayfinding Plan	\$ 320,000	\$ -	\$ 320,000	\$ 320,000
Public Safety Radio Project	150,000	-	-	-
Fire SCBA Replacement Project	250,000	-	-	-
Capital Project Funds:				
Fire Station #6	190,061	-	190,061	190,061
Utility Funds:				
ERP Conversion	1,371,810	-	1,371,810	1,371,810
Transfer out:				-
General Fund:	-	-	(6,643)	(6,643)
Total other financing sources	<u>31,697,010</u>	<u>16,565,426</u>	<u>7,735,717</u>	<u>24,301,143</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 11,809,951</u>	828,153	<u>\$ 12,638,104</u>
<b>Fund balances:</b>				
Beginning of Year			11,809,951	
End of Year			<u>\$ 12,638,104</u>	

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Restricted intergovernmental:				
State Grant				
West Street Park	\$ 1,650,000	\$ -	\$ -	\$ -
Sunset Hills Pump Station	4,400,000	-	-	-
Total State Grants	<u>6,050,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment earnings				
West Street Park	-	-	10,708	10,708
Baucom Sewer Extension	-	-	1,785	1,785
1.5 MGD Elevated Storage Tank	-	-	25,699	25,699
Sunset Hills Pump Station	-	-	22,487	22,487
Site Acquisition Affordable Housing	-	-	21,416	21,416
Total Investment Earnings	<u>-</u>	<u>-</u>	<u>82,095</u>	<u>82,095</u>
Total revenues	<u>6,050,000</u>	<u>-</u>	<u>82,095</u>	<u>82,095</u>
<b>Expenditures</b>				
Capital Outlay:				
West Street Park	1,650,000	-	-	-
Sunset Hills Pump Station	4,400,000	-	-	-
Total expenditures	<u>6,050,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues under expenditures	<u>-</u>	<u>-</u>	<u>82,095</u>	<u>82,095</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>82,095</u>	<u>\$ 82,095</u>
<b>Fund balances:</b>				
Beginning of year			-	
End of year			<u>\$ 82,095</u>	

**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, 2023

Project	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Investment earnings				
Senior Center	\$ 440,000	\$ 66,642	\$ 144,031	\$ 210,673
Beaver Creek Greenway (Jaycee.Kelly)	-	8,717	30,334	39,051
Middle Creek Greenway	-	2,911	7,503	10,414
Salem Pond Park - Phase 3	-	1,734	4,327	6,061
Pleasant Park	415,500	834,178	381,288	1,215,466
Greenway Connections	-	412	2,375	2,787
Restricted intergovernmental:				
State grant:				
Senior Center	100,000	100,000	-	100,000
Beaver Creek Greenway (Jaycee.Kelly)	1,500,000	-	-	-
Federal grant:				
Wake County grant				
Beaver Creek Greenway (Jaycee.Kelly)	160,000	160,000	-	160,000
Middle Creek Greenway	1,680,000	140,000	-	140,000
Beaver Creek Greenway (Nature.Acadia)	150,000	-	-	-
Miscellaneous revenues				
Salem Pond Park - Phase 3	-	40,000	-	40,000
Pleasant Park	305,000	5,000	-	5,000
Total revenues	4,750,500	1,359,594	569,858	1,929,452
<b>Expenditures:</b>				
Operating:				
Pleasant Park	274,880	274,879	-	274,879
Professional Services:				
Senior Center	3,399,000	3,411,837	-	3,411,837
Beaver Creek Greenway (Jaycee.Kelly)	278,110	277,332	40,066	317,398
Middle Creek Greenway	750,000	754,389	11,814	766,203
Salem Pond Park - Phase 3	728,600	782,923	-	782,923
Pleasant Park	2,689,500	3,206,804	25,510	3,232,314
Greenway Connections	737,820	-	-	-
Environmental Education Center	300,000	-	-	-
Capital outlay:				
Senior Center	11,969,649	11,916,380	-	11,916,380
Beaver Creek Greenway (Jaycee.Kelly)	6,734,830	13,364	11,263	24,627
Middle Creek Greenway	4,304,300	331,351	-	331,351
Salem Pond Park - Phase 3	364,481	108,308	525	108,833
Pleasant Park	39,047,536	22,054,898	12,832,616	34,887,514
Greenway Connections	300,000	-	-	-
Hunter Street Bike Track	250,000	-	-	-
Beaver Creek Greenway (Nature.Acadia)	800,000	-	-	-
Total expenditures	72,928,706	43,132,465	12,921,794	56,054,259
Revenues under expenditures	(68,178,206)	(41,772,871)	(12,351,936)	(54,124,807)

**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, 2023

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<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	4,404,214	4,404,214	-	4,404,214
Transfer in:				
General Fund:				
Senior Center	400,000	400,000	-	400,000
Beaver Creek Greenway (Jaycee.Kelly)	-	-	-	-
Middle Creek Greenway	809,500	-	809,500	809,500
Greenway Connections	900,000	300,000	300,000	600,000
Hunter Street Bike Track	250,000	-	250,000	250,000
Beaver Creek Greenway (Nature.Acadia)	650,000	-	650,000	650,000
Environmental Education Center	300,000	-	-	-
Parks & Recreation Reserve:				
Senior Center	400,000	400,000	243,712	643,712
Beaver Creek Greenway (Jaycee.Kelly)	5,352,940	5,352,940	-	5,352,940
Middle Creek Greenway	2,564,800	1,755,300	809,500	2,564,800
Salem Pond Park - Phase 3	1,093,081	1,093,081	(243,712)	849,369
Pleasant Park	1,285,403	1,732,610	-	1,732,610
Greenway Connections	137,820	-	137,820	137,820
Transfer out:				
General Fund:				
Pleasant Park	(494,329)	(494,329)	-	(494,329)
Total other financing sources	68,178,206	65,068,593	2,956,820	68,025,413
Net change in fund balance	\$ -	\$ 23,295,722	(9,395,116)	\$ 13,900,606
<b>Fund balances:</b>				
Beginning of Year			23,295,722	
End of Year			<u>\$ 13,900,606</u>	

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

JUNE 30, 2023

	<b>Capital Project Fund</b>		
	<b>Recreation Capital Reserve</b>	<b>Transportation Capital Reserve</b>	<b>Transportation Capital Projects</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 5,373,741	\$ 2,832,164	\$ 8,818,757
Restricted cash and cash equivalents	-	-	159,961
Due from other governments	-	-	493,470
Accounts receivable	-	121,876	-
<b>Total assets</b>	<b>\$ 5,373,741</b>	<b>\$ 2,954,040</b>	<b>\$ 9,472,188</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 70,253
Due to other governments	-	-	306,986
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>377,239</b>
<b>Fund balances:</b>			
Restricted:			
General Government	-	-	-
Committed:			
Library maintenance	-	-	-
Street improvements	-	-	9,094,949
Cemetery	-	-	-
Assigned:			
Recreation improvements	5,373,741	-	-
Street improvements	-	2,954,040	-
Unassigned:	-	-	-
<b>Total fund balances</b>	<b>5,373,741</b>	<b>2,954,040</b>	<b>9,094,949</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 5,373,741</b>	<b>\$ 2,954,040</b>	<b>\$ 9,472,188</b>

Total Capital Projects Fund	Special Revenue Funds		Total Special Revenue Funds	Permanent Fund Cemetery Fund	Total Nonmajor Governmental Funds
	American Rescue Plan Federal 2022	Perry Library			
\$ 17,024,662	\$ -	\$ 521,943	\$ 521,943	\$ -	\$ 17,546,605
159,961	5,360,478	-	5,360,478	548,958	6,069,397
493,470	-	-	-	-	493,470
121,876	-	-	-	-	121,876
<u>\$ 17,799,969</u>	<u>\$ 5,360,478</u>	<u>\$ 521,943</u>	<u>\$ 5,882,421</u>	<u>\$ 548,958</u>	<u>\$ 24,231,348</u>
\$ 70,253	\$ -	\$ -	\$ -	\$ -	\$ 70,253
306,986	-	-	-	-	306,986
377,239	-	-	-	-	377,239
-	5,360,478	-	5,360,478	-	5,360,478
-	-	521,943	521,943	-	521,943
9,094,949	-	-	-	-	9,094,949
-	-	-	-	548,958	548,958
5,373,741	-	-	-	-	5,373,741
2,954,040	-	-	-	-	2,954,040
-	-	-	-	-	-
17,422,730	5,360,478	521,943	5,882,421	548,958	23,854,109
<u>\$ 17,799,969</u>	<u>\$ 5,360,478</u>	<u>\$ 521,943</u>	<u>\$ 5,882,421</u>	<u>\$ 548,958</u>	<u>\$ 24,231,348</u>

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

FOR THE YEAR ENDED JUNE 30, 2023

	Capital Project Fund			Total Capital Projects Fund
	Recreation Capital Reserve	Transportation Capital Reserve	Transportation Capital Projects	
<b>Revenues:</b>				
Restricted intergovernmental	\$ -	\$ -	\$ 462,614	\$ 462,614
Other taxes	-	1,353,929	-	1,353,929
Sales and services	1,678,273	199,139	(800)	1,876,612
Investment earnings	-	-	201,713	201,713
Miscellaneous	-	-	595,637	595,637
Total revenues	1,678,273	1,553,068	1,259,164	4,490,505
<b>Expenditures:</b>				
Capital outlay	-	-	7,372,749	7,372,749
Total expenditures	-	-	7,372,749	7,372,749
Revenues over (under) expenditures	1,678,273	1,553,068	(6,113,585)	(2,882,244)
<b>Other financing sources (uses):</b>				
Transfers in	1,073,600	-	3,044,872	4,118,472
Transfers out	(1,577,636)	(2,394,872)	-	(3,972,508)
Total other financing sources (uses)	(504,036)	(2,394,872)	3,044,872	145,964
Net change in fund balances	1,174,237	(841,804)	(3,068,713)	(2,736,280)
<b>Fund balances:</b>				
Beginning of year	4,199,504	3,795,844	12,163,662	20,159,010
End of year	\$ 5,373,741	\$ 2,954,040	\$ 9,094,949	\$ 17,422,730

Schedule 13

<u>Special Revenue Funds</u>		<u>Total Special Revenue Funds</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>American Rescue Plan 2022</u>	<u>Perry Library</u>		<u>Cemetery Fund</u>	
\$ 2,628,841	\$ -	\$ 2,628,841	\$ -	\$ 3,091,455
-	-	-	-	1,353,929
-	-	-	(1,600)	1,875,012
102,796	-	102,796	15,783	320,292
-	-	-	-	595,637
<u>2,731,637</u>	<u>-</u>	<u>2,731,637</u>	<u>14,183</u>	<u>7,236,325</u>
-	-	-	-	7,372,749
-	-	-	-	7,372,749
<u>2,731,637</u>	<u>-</u>	<u>2,731,637</u>	<u>14,183</u>	<u>(136,424)</u>
2,628,841	400,002	3,028,843	-	7,147,315
<u>(2,628,841)</u>	<u>-</u>	<u>(2,628,841)</u>	<u>-</u>	<u>(6,601,349)</u>
<u>-</u>	<u>400,002</u>	<u>400,002</u>	<u>-</u>	<u>545,966</u>
<u>2,731,637</u>	<u>400,002</u>	<u>3,131,639</u>	<u>14,183</u>	<u>409,542</u>
2,628,841	121,941	2,750,782	534,775	23,444,567
<u>\$ 5,360,478</u>	<u>\$ 521,943</u>	<u>\$ 5,882,421</u>	<u>\$ 548,958</u>	<u>\$ 23,854,109</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, 2023*

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Subdivision recreation fees	\$ 4,500,000	\$ 4,199,504	\$ 1,678,273	\$ 5,877,777
Investment earnings	67,000	-	-	-
Total revenues	<u>4,567,000</u>	<u>4,199,504</u>	<u>1,678,273</u>	<u>5,877,777</u>
<b>Other financing sources (uses):</b>				
Transfers In - General	1,073,600	-	1,073,600	1,073,600
Transfers Out - General Fund	(1,208,072)	-	(630,316)	(630,316)
Transfer Out - Capital Projects	(4,715,620)	-	(947,320)	(947,320)
Reserved for future expenditures	(3,575,600)	-	-	-
Appropriated fund balance	3,858,692	-	-	-
Total financing sources (uses)	<u>(4,567,000)</u>	<u>-</u>	<u>(504,036)</u>	<u>(504,036)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,199,504</u>	1,174,237	<u>\$ 5,373,741</u>
<b>Fund balances:</b>				
Beginning of year			4,199,504	
End of year			<u>\$ 5,373,741</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, 2023

Project	Actual				Total to
	Prior	Current	Closed	Total to	
Authorization	Years	Year	Projects	Date	
<b>Revenues:</b>					
Motor vehicle licenses	\$ 5,285,000	\$ 4,568,048	\$ 1,353,929	\$ (1,533,103)	\$ 4,388,874
Transportation fees	2,517,600	-	-	-	-
Payments in lieu of streets	-	707,599	190,055	-	897,654
Payments in lieu of sidewalks	-	53,300	9,084	-	62,384
Investment earnings	79,850	-	-	-	-
Total revenues	<u>7,882,450</u>	<u>5,328,947</u>	<u>1,553,068</u>	<u>(1,533,103)</u>	<u>5,348,912</u>
<b>Expenditures:</b>					
Refund of development fees	<u>11,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>					
Transfers Out - General Fund	(2,907,003)	(600,000)	(750,000)	600,000	(750,000)
Transfer Out - Capital Projects	(6,338,951)	(933,103)	(1,644,872)	933,103	(1,644,872)
Reserved for future expenditures	(1,126,792)	-	-	-	-
Appropriated fund balance	2,501,629	-	-	-	-
Total financing sources (uses)	<u>(7,871,117)</u>	<u>(1,533,103)</u>	<u>(2,394,872)</u>	<u>1,533,103</u>	<u>(2,394,872)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,795,844</u>	<u>(841,804)</u>	<u>\$ -</u>	<u>\$ 2,954,040</u>
<b>Fund balances:</b>					
Beginning of year			3,795,844		
End of year			<u>\$ 2,954,040</u>		

**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, 2023

	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	1,687,662	225,202	-	1,912,864
Peakway SW Connector	2,500,000	-	-	-	-
James Street to Downtown Pedestrian	455,292	-	-	-	-
Kelly Road Sidewalk & Apex BBQ	647,500	646,004	(6,040)	-	639,964
NC55 Sidewalk Connector	480,000	324,743	29,764	-	354,507
Downtown Safe School Routes	1,395,300	-	-	-	-
Laura Duncan Road Ped Bike Improvements	387,800	207,470	13,688	-	221,158
Tingen Pedestrian Bridge	500,000	-	-	-	-
NC540 Roadway Enhancement	60,100	-	-	-	-
Safe Routes to Schools	173,000	-	-	-	-
Total Federal Grants	9,113,817	2,865,879	262,614	-	3,128,493
State Grant					
Lake Pine Improvements	200,000	-	200,000	-	200,000
Total State Grants	200,000	-	200,000	-	200,000
Investment earnings					
Unidentified projects	31,725	102,861	13,812	-	116,673
Pavement Improvements	-	-	7,942	-	7,942
S Salem/Tingen Intersection	10,000	10,000	1,783	-	11,783
Chatham Street Improvements	-	-	4,173	-	4,173
Lake Pine Improvements	31,539	32,000	15,007	-	47,007
Peakway SW Connector	97,000	97,000	82,895	-	179,895
Peakway SE Connector	60,000	60,000	1,516	-	61,516
James Street to Downtown Pedestrian	7,100	7,100	3,853	-	10,953
Kelly Road Sidewalk & Apex BBQ	-	-	5,476	-	5,476
NC55 Sidewalk Connector	-	-	2,462	-	2,462
Jenks Road and US64 Signals	-	-	1,647	-	1,647
School Infrastructure Reimbursement	-	-	2,335	-	2,335
Downtown Safe School Routes	-	-	8,389	-	8,389
Humie Olive Signalization	-	-	255	-	255
Justice Heights Extension	-	-	1,061	-	1,061
Ragan Road Sidepath	-	-	849	-	849
Tingen Pedestrian Bridge	-	-	637	-	637
TenTen at Jessie Drive Turn Lane	-	-	1,486	-	1,486
NC540 Roadway Enhancement	-	-	765	-	765
Jessie Drive	-	-	5,268	-	5,268
Laura Duncan Road Pedestrian Bike Improvements	-	-	706	-	706
Safe Routes to School	-	-	8,766	-	8,766
Old US 1 & New Hill Road Intersection	-	-	573	-	573
Beaver Creek Commons Drive & Zeno Road	-	-	3,396	-	3,396
Downtown Alley Improvements	-	-	4,676	-	4,676
Richardson Road Mitigation	-	-	2,420	-	2,420

**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, 2023

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Salem Street Downtown Streetscape	\$ -	\$ -	\$ 2,468	\$ -	\$ 2,468
Saunders Street Parking Lot Expansion	24,650	24,650	10,530	-	35,180
Burma Drive	-	-	6,123	-	6,123
Olive Chapel Road Bridge	-	-	444	-	444
Cash Corporate Center	17,000	36,497	-	-	36,497
Total Investment Earnings	279,014	370,108	201,713	-	571,821
<b>Sales and Services</b>					
Unidentified projects	2,270,000	2,100,984	(800)	-	2,100,184
Lake Pine Improvements	34,000	34,000	-	-	34,000
Jessie Drive	31,000	31,000	-	-	31,000
	2,335,000	2,165,984	(800)	-	2,165,184
<b>Miscellaneous</b>					
Lake Pine Improvements	133,000	174,675	394,815	-	569,490
Burma Drive	-	-	150,251	-	150,251
Unidentified projects	-	-	50,571	-	50,571
Total Miscellaneous Revenues	133,000	174,675	595,637	-	770,312
Total revenues	12,060,831	5,576,646	1,259,164	-	6,835,810
<b>Expenditures</b>					-
Operating:					-
Unidentified projects	90,000	74,100	-	-	74,100
Capital Outlay:					-
Pavement Improvements	10,935,500	2,153,258	3,184,373	-	5,337,631
S Salem/Tingen Intersection	420,000	204,564	-	-	204,564
Chatham Street Improvements	983,000	25,484	210,946	-	236,430
Lake Pine Improvements	3,834,700	2,521,888	1,184,960	-	3,706,848
Old Holly Springs/Apex Road - NC540	-	-	-	-	-
Peakway SW Connector	27,538,793	2,909,071	337,947	-	3,247,018
Peakway SE Connector	357,109	155,176	27,546	-	182,722
James Street to Downtown Pedestrian	963,892	907,430	-	-	907,430
Kelly Road Sidewalk & Apex BBQ	1,379,450	1,174,003	110,824	-	1,284,827
NC55 Sidewalk Connector	580,000	423,046	66,987	-	490,033
GPS Emergency Vehicle Preemption	260,000	-	15,150	-	15,150
Apex Peakway N Widening	5,400,000	-	-	-	-
Center Street Railroad Crossing & Sidewalk	800,000	-	-	-	-
Chatham Street Railroad Crossing & Sidewalk	1,300,000	-	-	-	-
West Williams Street Sidewalk	850,000	-	-	-	-
Jessie Drive	9,321,000	777,890	71,795	-	849,685
Laura Duncan Road Ped Bike Improvements	373,593	321,673	2,792	-	324,465
NC540 Roadway Enhancement	180,100	-	-	-	-
Safe Routes to Schools	9,065,000	261,629	100,053	-	361,682
Old US1 & New Hill Road Intersection	134,950	100,425	-	-	100,425
Beaver Creek Commons Drive & Zeno Road	800,000	124,882	767,462	-	892,344
Downtown Alley Improvements	1,261,500	106,914	20,725	-	127,639

**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, 2023

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Richardson Road Mitigation	\$ 570,000	\$ -	\$ -	\$ -	\$ -
Salem Street Downtown Streetscape	421,500	418,143	87,506	-	505,649
Saunders Street Parking Lot Expansion	2,505,150	102,990	61,165	-	164,155
Burma Drive	1,353,000	497,341	943,080	-	1,440,421
Cash Corporate Center - Sewer Interceptor	173,000	136,104	-	-	136,104
Olive Chapel Road Bridge	104,500	45,000	-	-	45,000
Jenks Road and US 64 Signals	388,103	10,040	161,535	-	171,575
School Infrastructure Reimbursement	1,375,000	-	-	-	-
Downtown Safe School Routes	1,976,330	-	17,484	-	17,484
Humie Olive Signalization	60,000	-	-	-	-
Justice Heights Extension	1,000,000	-	-	-	-
Ragan Road Sidepath	200,000	-	-	-	-
Tingen Pedestrian Bridge	650,000	-	419	-	419
Ten Ten at Jessie Drive Turn Lane	350,000	-	-	-	-
Salem Street Bicycle Connection	300,000	-	-	-	-
Total expenditures	88,255,170	13,451,051	7,372,749	-	20,823,800
Revenues under expenditures	(76,194,339)	(7,874,405)	(6,113,585)	-	(13,987,990)
<b>Other financing sources (uses):</b>					
Transfers in:					
General Fund					
Pavement Improvements	935,500	935,500	-	-	935,500
S Salem/Tingen Intersection	410,000	205,000	150,000	-	355,000
Chatham Street Improvements	602,000	602,000	-	-	602,000
Lake Pine Improvements	1,202,875	1,202,875	-	-	1,202,875
Peakway SW Connector	577,692	519,302	58,390	-	577,692
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	(89,422)	-	158,528
NC55 Sidewalk Connector	100,000	100,000	-	-	100,000
Downtown Safe School Routes	350,000	-	350,000	-	350,000
GPS Emergency Vehicle Preemption	260,000	-	260,000	-	260,000
Jessie Drive	825,000	825,000	-	-	825,000
Laura Duncan Road Ped Bike Improvements	(14,207)	208,700	-	-	208,700
Beaver Creek Commons Drive & Zeno Road	552,000	552,000	-	-	552,000
Downtown Alley Improvements	1,150,000	990,000	160,000	-	1,150,000
Richardson Road Mitigation	570,000	570,000	-	-	570,000
Salem Street Downtown Streetscape	313,500	313,500	-	-	313,500
Saunders Street Parking Lot Expansion	2,450,000	2,244,820	-	-	2,244,820
Burma Drive	1,353,000	496,000	89,422	-	585,422
Cash Corporate Center - Sewer Interceptor	156,000	158,000	(58,390)	-	99,610
Olive Chapel Road Bridge	104,500	150,000	-	-	150,000
Safe Routes to Schools	1,331,030	150,000	-	-	150,000
Tingen Pedestrian Bridge	120,000	-	-	-	-
School Infrastructure Reimbursement	875,000	-	-	-	-

**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, 2023

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Humie Olive Signalization	\$ 60,000	\$ -	\$ 30,000	\$ -	\$ 30,000
Justice Heights Extension	250,000	-	250,000	-	250,000
Ragan Road Sidepath	200,000	-	200,000	-	200,000
Salem Street Bicycle Connection	300,000	-	-	-	-
Total General Fund	16,080,449	11,243,756	1,400,000	-	12,643,756
Transportation Reserves:					
Peakway SW Connector	507,320	193,000	314,320	-	507,320
Kelly Road Sidewalk & Apex BBQ	484,000	484,000	-	-	484,000
School Infrastructure Reimbursement	500,000	-	500,000	-	500,000
Jessie Drive	385,000	385,000	-	-	385,000
NC540 Roadway Enhancement	120,000	53	119,944	-	119,997
Safe Routes to Schools	1,560,970	966,042	-	-	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
Jenks Road and US 64 Signals	388,103	338,103	50,000	-	388,103
Downtown Safe Routes to Schools	231,030	231,030	-	-	231,030
Justice Heights Extension	750,000	-	-	-	-
Tingen Pedestrian Bridge	30,000	-	30,000	-	30,000
Unidentified projects	-	349,997	(314,320)	-	35,677
Safe Routes to School	-	-	594,928	-	594,928
Ten Ten at Jessie Drive Turn Lane	350,000	-	350,000	-	350,000
Total Transportation Reserve	5,939,373	3,580,175	1,644,872	-	5,225,047
Total Transfers In	22,019,822	14,823,931	3,044,872	-	17,868,803
General Obligation Bonds					
Pavement Improvements	10,000,000	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	23,856,781	2,206,781	11,030	-	2,217,811
NC55 Sidewalk Connector	-	-	-	-	-
Apex Peakway N Widening	5,400,000	-	-	-	-
Center Street Railroad Crossing & Sidewalk	800,000	-	-	-	-
Chatham Street Railroad Crossing & Sidewalk	1,300,000	-	-	-	-
West Williams Street Sidewalk	850,000	-	-	-	-
Jessie Drive	8,000,000	-	-	-	-
Safe Routes to School	6,000,000	-	-	-	-
Total General Obligation Bonds	56,244,576	7,255,605	-	-	7,255,605

**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, 2023

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
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	<u>174,183</u>	<u>202,772</u>	<u>-</u>	<u>-</u>	<u>202,772</u>
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	<u>(2,244,242)</u>	<u>(2,244,241)</u>	<u>-</u>	<u>-</u>	<u>(2,244,241)</u>
Total financing sources (uses)	<u>76,194,339</u>	<u>20,038,067</u>	<u>3,044,872</u>	<u>-</u>	<u>23,082,939</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 12,163,662</u>	<u>(3,068,713)</u>	<u>\$ -</u>	<u>\$ 9,094,949</u>
<b>Fund balances:</b>					
Beginning of year			12,163,662		
End of year			<u>\$ 9,094,949</u>		

**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, 2023

	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	\$ 5,257,682
Total Federal Grants	-	2,628,841	2,628,841	5,257,682
Investment earnings				
To Be Determined	-	-	102,796	102,796
Total Investment Earnings	-	-	102,796	102,796
Total revenues	-	2,628,841	2,731,637	5,360,478
<b>Expenditures</b>				
Total expenditures	-	-	-	-
Revenues under expenditures	-	2,628,841	2,731,637	5,360,478
<b>Other financing sources (uses):</b>				
Transfers in:				
General Fund - ARPA	-	2,628,841	2,628,841	5,257,682
Transfers out:				
General Fund - ARPA	-	(2,628,841)	(2,628,841)	(5,257,682)
Total Transfers Out	-	-	-	-
Total financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	\$ 2,628,841	2,731,637	\$ 5,360,478
<b>Fund balances:</b>				
Beginning of year			2,628,841	
End of year			\$ 5,360,478	

**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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Revenues:</b>				
Investment earnings	\$ -		\$ -	\$ 215
<b>Total revenues</b>	-	-	-	215
<b>Expenditures:</b>				
Operating expenditures	-		-	795,987
Reserved for future expenditures	-	-	-	-
Capital Outlay	400,000	-	400,000	-
<b>Total expenditures</b>	400,000	-	400,000	795,987
<b>Revenues under expenditures</b>	(400,000)	-	400,000	(795,772)
<b>Other financing sources (uses):</b>				
Transfer in	400,000	400,002	2	796,000
<b>Total other financing sources (uses)</b>	400,000	400,002	2	796,000
<b>Net change in fund balance</b>	-	400,002	400,002	228
	<u>\$ -</u>		<u>\$ 400,002</u>	
<b>Fund balance - Beginning of year</b>		121,941		121,713
<b>Fund balance - End of year</b>		<u>\$ 521,943</u>		<u>\$ 121,941</u>

**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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Sale of plots	\$ -	\$ (1,600)	\$ (1,600)	\$ (1,550)
<b>Investment earnings</b>	1,000	15,783	14,783	848
<b>Total revenues</b>	1,000	14,183	13,183	(702)
<b>Expenditures:</b>				
Reserved for future expenditures	1,000	-	1,000	-
<b>Total expenditures</b>	1,000	-	1,000	-
<b>Revenues under expenditures</b>	-	14,183	14,183	(702)
<b>Other financing sources (uses):</b>				
Transfer in	-	-	-	-
Transfer out	(76,000)	-	76,000	-
Appropriated fund balance	76,000	-	(76,000)	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balance</b>	-	14,183	14,183	(702)
	<u>\$ -</u>		<u>\$ 14,183</u>	
<b>Fund balance - Beginning of year</b>		<u>534,775</u>		<u>535,477</u>
<b>Fund balance - End of year</b>		<u>\$ 548,958</u>		<u>\$ 534,775</u>

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

FOR THE YEAR ENDED JUNE 30, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Operating revenues:</b>				
Charges for services				
Sale of electricity	\$ 43,670,100	\$ 41,254,456	\$ (2,415,644)	\$ 42,471,000
Pole relocation fees	-	-	-	3,220
Reconnection fees	30,000	194,679	164,679	77,039
Service initiation fees	75,000	70,815	(4,185)	75,685
Penalties	20,000	113,342	93,342	85,866
Total	43,795,100	41,633,292	(2,161,808)	42,712,810
Other operating revenues				
Sales tax revenues	3,045,700	2,911,435	(134,265)	2,945,860
Underground charges	784,000	832,143	48,143	861,752
Miscellaneous	99,022	106,026	7,004	26,719
Lease revenue	-	8,730	8,730	30,885
State grants	-	-	-	8,000
Electric meters	150,000	120,286	(29,714)	142,700
Total other operating revenues	4,078,722	3,978,620	(100,102)	4,015,916
Total operating revenues	47,873,822	45,611,912	(2,261,910)	46,728,726
<b>Nonoperating revenues:</b>				
Investment earnings	175,200	277,748	102,548	13,643
Sale of assets	10,000	38,128	28,128	-
Total nonoperating revenues	185,200	315,876	130,676	13,643
Total revenues	48,059,022	45,927,788	(2,131,234)	46,742,369
<b>Expenditures:</b>				
Salaries and employee benefits	6,502,500	6,099,789	402,711	5,251,806
Operations and maintenance	1,233,630	1,492,157	(258,527)	1,325,666
Purchases of electricity	30,400,000	29,307,764	1,092,236	30,535,256
Electric sales tax	3,040,000	3,015,809	24,191	2,994,204
Professional services	575,562	447,086	128,476	408,224
Repairs and maintenance	629,447	601,924	27,523	453,478
Total utility operations	42,381,139	40,964,529	1,416,610	40,968,634
Debt service				
Principal retirement	1,022,000	1,022,000	-	994,000
Interest expense	226,800	226,731	69	255,969
Total debt service expenditures	1,248,800	1,248,731	69	1,249,969
Capital outlay	4,116,329	3,506,479	609,850	3,797,709
Total expenditures	47,746,268	45,719,739	2,026,529	46,016,312

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

FOR THE YEAR ENDED JUNE 30, 2023

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

	2023			2022
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues over expenditures	\$ 312,754	\$ 208,049	\$ (104,705)	\$ 726,057
<b>Other financing sources (uses):</b>				
Transfer (to) other funds*	(1,706,400)	(706,400)	1,000,000	(600,000)
Contingency	(150,000)	-	150,000	-
Appropriated fund balance	1,543,646	-	(1,543,646)	-
Total other financing sources (uses)	<u>(312,754)</u>	<u>(706,400)</u>	<u>(393,646)</u>	<u>(600,000)</u>
Revenues over expenditures and other financing uses	<u>\$ -</u>	<u>(498,351)</u>	<u>\$ (498,351)</u>	<u>126,057</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>				
Reconciling items:				
Depreciation and amortization		(3,331,414)		(3,048,481)
Capital outlay		3,719,075		3,797,709
Gain/loss on sale of assets		16,533		-
Principal retirement		1,022,000		994,000
Intrafund transfers		50,000		600,000
Change in accrued interest		10,458		10,284
Increase in compensated absences		56,977		(121,885)
Increase in pension obligation		(2,042,827)		868,615
Increase in deferred inflows - pension		1,072,728		(1,109,780)
Increase in deferred outflows - pension		1,654,934		281,586
Increase in OPEB obligation		(690,915)		950,927
Increase deferred inflows of resources - OPEB		152,248		(1,015,809)
Decrease deferred outflows of resources - OPEB		<u>(200,480)</u>		<u>(67,749)</u>
Total reconciling items		<u>1,489,317</u>		<u>2,139,417</u>
Net income - Electric Fund		990,966		2,265,474
Other Utility Funds:				
Debt Service Fund		-		-
Capital project funds:				
Electric capital project fund		(130,771)		12,366
Net income		<u>(130,771)</u>		<u>12,366</u>
Net income - GAAP		<u>\$ 860,195</u>		<u>\$ 2,277,840</u>

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

FOR THE YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
<b>Debt service:</b>				
Bond principal	50,000	-	50,000	-
<b>Total expenditures</b>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
<b>Revenues under expenditures</b>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers in:				
Electric Fund	50,000	50,000	-	-
<b>Total other financing sources (uses)</b>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>50,000</u>	<u>\$ 50,000</u>	<u>-</u>
<b>Fund balance - Beginning of year</b>		<u>-</u>		<u>-</u>
<b>Fund balance - End of year</b>		<u>\$ 50,000</u>		<u>\$ -</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, 2023

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
<b>Revenues:</b>					
Investment earnings					
Operations Center	\$ 323,274	\$ 76,270	\$ 4,104	\$ (80,374)	\$ -
Smart Meters (AMI)	-	-	77,501	-	77,501
Green Level Substation	-	-	14,264	-	14,264
Laura Duncan Substation	-	-	5,896	-	5,896
Total revenues	<u>323,274</u>	<u>76,270</u>	<u>101,765</u>	<u>(80,374)</u>	<u>97,661</u>
<b>Expenditures:</b>					
Capital outlay:					
Operations Center	12,200,820	10,000	192,289	(202,289)	-
Smart Meters (AMI)	6,150,000	56,244	40,247	-	96,491
Green Level Substation	1,500,000	-	-	-	-
Laura Duncan Substation	620,000	39,150	-	-	39,150
Corporate Cash Center	16,000	1,250	-	(1,250)	-
East Williams Substation	1,800,000	-	-	-	-
LED Replacement (Street Lights)	250,000	-	-	-	-
Total expenditures	<u>22,536,820</u>	<u>106,644</u>	<u>232,536</u>	<u>(203,539)</u>	<u>135,641</u>
Revenues under expenditures	<u>(22,213,546)</u>	<u>(30,374)</u>	<u>(130,771)</u>	<u>123,165</u>	<u>(37,980)</u>
<b>Other financing sources:</b>					
Revenue bond proceeds					
Operations Center	10,000,000	-	-	-	-
Transfer in:					
Electric Fund					
Operations Center	1,769,183	582,277	(460,362)	(121,915)	-
Smart Meters (AMI)	6,150,000	4,750,000	486,289	-	5,236,289
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	(25,927)	(1,250)	-
East Williams Substation	1,800,000	-	-	-	-
LED Replacement (Street Lights)	250,000	-	-	-	-
Water & Sewer Fund					
Operations Center	108,363	-	-	-	-
Total other financing sources	<u>22,213,546</u>	<u>7,479,454</u>	<u>-</u>	<u>(123,165)</u>	<u>7,356,289</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,449,080</u>	<u>(130,771)</u>	<u>\$ -</u>	<u>\$ 7,318,309</u>
<b>Fund balances:</b>					
Beginning of Year			7,449,080		
End of Year			<u>\$ 7,318,309</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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Operating revenues:</b>				
Charges for services	\$ 25,582,100	\$ 25,724,762	\$ 142,662	\$ 23,536,835
Total	25,582,100	25,724,762	142,662	23,536,835
Other operating revenues				
Water and sewer taps	350,000	314,472	(35,528)	342,905
Water tank rentals	145,000	155,709	10,709	151,361
Miscellaneous	152,000	195,838	43,838	155,057
Total other operating revenues	647,000	666,019	19,019	649,323
Total operating revenues	26,229,100	26,390,781	161,681	24,186,158
<b>Nonoperating revenues:</b>				
Investment earnings	20,000	860,375	840,375	51,963
Sale of assets	15,000	4,702	(10,298)	14,292
Total nonoperating revenues	35,000	865,077	830,077	66,255
Total revenues	26,264,100	27,255,858	991,758	24,252,413
<b>Expenditures:</b>				
<b>Water &amp; Sewer Administration</b>				
Salaries and employee benefits	3,918,200	3,509,109	409,091	3,276,450
Professional services	211,626	168,257	43,369	101,794
Operations and maintenance	540,719	496,921	43,798	303,640
Total	4,670,545	4,174,287	496,258	3,681,884
<b>Sewer Treatment</b>				
Salaries and employee benefits	1,048,600	979,391	69,209	783,691
Operations and maintenance	2,764,066	3,300,782	(536,716)	2,933,903
Professional services	46,059	39,954	6,105	168,401
Total	3,858,725	4,320,127	(461,402)	3,885,995
<b>Sewer Maintenance</b>				
Salaries and employee benefits	1,619,400	1,522,448	96,952	1,238,497
Operations and maintenance	1,217,755	932,040	285,715	899,872
Professional services	499,659	512,188	(12,529)	444,154
Total	3,336,814	2,966,676	370,138	2,582,523
<b>Water Treatment</b>				
Operations and maintenance	68,720	63,164	5,556	101,695
Professional services	-	-	-	185
Water purchases	2,700,000	2,530,363	169,637	2,321,193
Total	2,768,720	2,593,527	175,193	2,423,073
<b>Stormwater</b>				
Salaries and employee benefits	974,800	875,191	99,609	340,440
Operations and maintenance	91,600	48,626	42,974	521,437
Professional services	667,400	238,324	429,076	-
Total	1,733,800	1,162,141	571,659	861,877

**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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
Water Maintenance				
Salaries and employee benefits	\$ 1,850,500	\$ 1,685,566	\$ 164,934	\$ 1,265,139
Professional services	495,864	490,003	5,861	110,852
Operations and maintenance	888,369	666,502	221,867	854,370
Total	3,234,733	2,842,071	392,662	2,230,361
Debt service				
Principal retirement	3,009,300	3,001,347	7,953	2,922,670
Interest expense	743,100	737,517	5,583	798,159
Total debt service expenditures	3,752,400	3,738,864	13,536	3,720,829
Capital outlay	3,405,030	2,130,947	1,274,083	1,121,946
Total expenditures	26,760,767	23,928,640	2,832,127	20,508,488
Revenues over expenditures	(496,667)	3,327,218	3,823,885	3,743,925
<b>Other financing sources (uses):</b>				
Transfer from other funds*	977,882	-	(977,882)	388,250
Transfer (to) other funds*	(4,103,410)	(2,995,410)	1,108,000	(1,200,000)
Installment purchase	-	-	-	-
Contingency	(100,000)	-	100,000	-
Appropriated fund balance	3,722,195	-	(3,722,195)	-
Bond refunding	-	-	-	-
Bond proceeds	-	-	-	-
Bond issuance cost	-	-	-	-
Underwriter's discount	-	-	-	-
Total other financing sources (uses)	496,667	(2,995,410)	(3,492,077)	(811,750)
Revenues over expenditures and other financing uses	\$ -	331,808	\$ 331,808	2,932,175
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>				
Reconciling items:				
Depreciation and amortization		(11,280,653)		(11,020,551)
Capital outlay		3,011,709		1,121,945
Capital contributions		12,903,080		10,253,903
Principal retirement		3,001,347		2,922,670
Intrafund transfers		2,280,000		811,750
Change in accrued interest		6,361		6,228
Amortization of bond premiums		-		47,639
Increase in compensated absences		(172,391)		(20,823)

**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, 2023

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

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
Increase in pension obligation		\$ (2,870,781)		\$ 1,129,200
Increase in deferred inflows - pension		1,389,944		(1,442,716)
Increase in deferred outflows - pension		2,382,860		368,939
Decrease in deferred outflows of resources for contributions made to		-		-
Increase in OPEB obligation		(1,875,785)		998,473
Increase deferred inflows of resources - OPEB		213,945		(1,066,600)
Decrease deferred outflows of resources - OPEB		(274,638)		(71,137)
Total reconciling items		<u>8,714,998</u>		<u>4,038,920</u>
Net income - Utility Fund		9,046,806		6,971,095
Other Utility Funds:				
Debt Service Fund		-		-
Capital project funds:				
Water/Sewer Capital Project Fund		289,184		36,079
Water/Sewer Capital Reserve Fund		71,269		141,563
System Development Fee Capital Reserve Fund		5,888,418		6,248,899
WasteWater Treatment Plant Capital Project Fund		22,821		2,613
		-		
Net income		<u>6,271,692</u>		<u>6,429,154</u>
Net income - GAAP		<u>\$ 15,318,498</u>		<u>\$ 13,400,249</u>

**TOWN OF APEX, NORTH CAROLINA**  
**DEBT SERVICE FUND - WATER & SEWER**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Investment earnings</b>	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	-	-	-	-
<b>Expenditures:</b>				
<b>Debt service:</b>				
Bond principal	250,000	-	250,000	-
<b>Total expenditures</b>	250,000	-	250,000	-
<b>Revenues under expenditures</b>	(250,000)	-	250,000	-
<b>Other financing sources (uses):</b>				
Transfers in:				
Water and Sewer Fund	250,000	250,000	-	-
<b>Total other financing sources (uses)</b>	250,000	250,000	-	-
<b>Net change in fund balance</b>	\$ -	250,000	\$ 250,000	-
<b>Fund balance - Beginning of year</b>		-		-
<b>Fund balance - End of year</b>		\$ 250,000		\$ -

**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, 2023

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
<b>Revenues:</b>					
Investment earnings					
Water & Sewer Easements	\$ -	\$ -	\$ 1,165	\$ -	\$ 1,165
Regional WWTP	-	-	285	-	285
I-540 Utility Relocation	145,600	-	1,056	(1,056)	-
WWTP Phase III	-	-	3,597	-	3,597
Lake Aeration Mix	-	-	443	(443)	-
Raw Water Pipeline	-	-	29,806	-	29,806
Western Transmission	2,700	-	41,749	-	41,749
Downtown Water Upgrades	-	-	8,154	-	8,154
Inflow and Infiltration	-	-	13,687	-	13,687
Water Meter ERF	-	-	23,385	-	23,385
Beaver Creek Outfall	-	-	7,866	(7,866)	-
Pump Station Upgrades	-	-	2,824	-	2,824
Utility Relocate - Peakway/Old US1	-	-	8,737	-	8,737
Utility Relocate - I540	-	-	3,005	-	3,005
Utility Relocate - NC55	-	-	1,456	-	1,456
Process Basin Rehab	-	-	1,864	-	1,864
Future Water Plan Expansion	-	-	903	-	903
Big Branch 2 Pump Station	-	-	24,161	-	24,161
Filter Upgrades	-	-	7,632	(7,632)	-
Cary-Apex Water	-	-	32,045	-	32,045
Apex Peakway System	100,000	100,000	582	-	100,582
Chatham Street Water	175,000	175,000	204	-	175,204
Elevated Water	-	-	45,057	-	45,057
Lawrence Crossing	-	-	6,407	-	6,407
Middle Creek-Sunset	-	-	6,203	-	6,203
Salem Street Water	-	-	1,884	(1,884)	-
Apex-Cary Project	-	200,000	1,165	-	201,165
James Street Sewer	-	-	2,213	-	2,213
Dogwood Ridge	-	-	3,495	-	3,495
Corporate Cash Center	114,736	72,464	-	-	72,464
Beaver Creek Common Sewer Extension	-	-	8,154	-	8,154
Total investment earnings	538,036	547,464	289,184	(18,881)	817,767
		-			
Total revenues	538,036	547,464	289,184	(18,881)	817,767

**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, 2023

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
<b>Expenditures:</b>					
Capital outlay:					
Water & Sewer Easements	\$ 200,000	\$ 64,496	\$ -	\$ -	\$ 64,496
Regional WWTP	49,000	-	-	-	-
I-540 Utility Relocation	181,277	181,261	225,521	(406,782)	-
WWTP Phase III	617,541	42,414	39,272	-	81,686
Lake Aeration Mix	76,000	64,525	-	(64,525)	-
Raw Water Pipeline	5,117,500	4,972,413	18,065	-	4,990,478
Western Transmission	7,170,700	1,236,955	578,728	-	1,815,683
Downtown Water Upgrades	1,400,000	175,946	-	-	175,946
Inflow and Infiltration	2,350,000	1,133,486	235,934	-	1,369,420
Water Meter ERF	8,115,000	122,137	40,247	-	162,384
Beaver Creek Outfall	1,350,500	1,066,580	423	(1,067,003)	-
Pump Station Upgrades	484,900	484,850	-	-	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	275,738	-	-	275,738
Future Water Plant Expansion	155,000	141,622	-	-	141,622
Big Branch 2 Pump Station	24,148,200	632,307	1,630,563	-	2,262,870
Filter Upgrades	1,310,325	1,238,080	-	(1,238,080)	-
Cary-Apex Water Treatment Plant	5,502,000	1,238,308	430,050	-	1,668,358
Apex Peakway System	100,000	-	-	-	-
Chatham Street Water	350,000	7,063	-	-	7,063
Elevated Water Storage Tank - 1.5MG	7,736,000	39,200	37,520	-	76,720
Lawerence Crossing	1,100,000	112,277	20,963	-	133,240
Middle Creek-Sunset Hills Pump Station Renovation	1,065,000	220,243	266,300	-	486,543
Salem Street Watermain Rehab	323,500	311,181	-	(311,181)	-
Apex-Cary Project	200,000	43,578	8,625	-	52,203
James Street Sewer	380,000	5,499	56,122	-	61,621
Dogwood Ridge Stream Stabilization	600,000	11,110	330,960	-	342,070
Corporate Cash Center - Gravity Sewer	5,150,000	(226,976)	29,683	-	(197,293)
White Oak Pump Station	-	54,819	-	(54,819)	-
Beaver Creek Commons Gravity Sewer Ext	1,400,000	-	21,938	-	21,938
Highway 55 Booster Pump Station Upgrade	450,000	-	-	-	-
Roberts Road Waterline Connection	250,000	-	-	-	-
WasteWater Reclamation WRF	170,000	-	-	-	-
Wimberly Road Water Supply Vault	40,000	-	-	-	-
Total expenditures	80,128,302	13,658,203	3,970,914	(3,142,390)	14,486,727
Revenues under expenditures	(79,590,266)	(13,110,739)	(3,681,730)	3,123,509	(13,668,960)

**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, 2023

Project	Actual				
	Prior Authorization	Prior Years	Current Year	Closed Projects	Total to Date
<b>Other financing sources:</b>					
Transfer in:					
Water & Sewer Fund:					
Water & Sewer Easements	\$ 200,000	\$ 100,000	\$ 100,000	\$ -	\$ 200,000
I-540 Utility Relocation	-	-	370,049	(370,049)	-
Western Transmission	2,950,000	1,700,000	250,000	-	1,950,000
Inflow and Infiltration	1,700,000	1,700,000	-	-	1,700,000
Water Meter ERF	5,706,500	-	48,993	-	48,993
Pump Station Upgrades	274,900	274,900	-	-	274,900
Filter Upgrades	1,090,325	1,090,325	(79,877)	(1,010,448)	-
Cary-Apex Water	600,000	600,000	-	-	600,000
Lawerence Crossing	625,000	625,000	-	-	625,000
Salem Street Water	123,500	200,000	(90,703)	(109,297)	-
Dogwood Ridge	530,000	250,000	280,000	-	530,000
James Street Sewer	130,000	-	-	-	-
White Oak Pump Station	-	-	54,819	(54,819)	-
Beaver Creek Common Sewer Extension	1,400,000	-	1,400,000	-	1,400,000
Total water/sewer fund	15,330,225	6,540,225	2,333,281	(1,544,613)	7,328,893
Water & Sewer Reserve					
Regional WWTP	49,000	-	49,000	-	49,000
I-540 Utility Relocation	35,677	8,477	27,200	(35,677)	-
WWTP Phase III	556,636	556,636	-	-	556,636
Lake Aeration Mix	76,000	76,000	(11,918)	(64,082)	-
Raw Water Pipeline	5,117,500	5,117,500	-	-	5,117,500
Western Transmission	3,378,000	1,278,000	2,100,000	-	3,378,000
Downtown Water Upgrades	1,400,000	1,400,000	-	-	1,400,000
Inflow and Infiltration	650,000	650,000	-	-	650,000
Water Meter EFR	1,368,500	1,368,500	-	-	1,368,500
Beaver Creek Outfall	1,350,500	1,350,500	(291,363)	(1,059,137)	-
Pump Station Upgrades	210,000	210,000	-	-	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
Big Branch 2 Pump Station	22,148,200	-	4,055,201	-	4,055,201
Filter Upgrades	20,000	20,000	-	(20,000)	-
Cary-Apex Water Treatment Plant	3,614,000	2,691,800	922,200	-	3,614,000
Elevated Water	6,886,000	2,017,200	4,868,800	-	6,886,000
Apex-Cary Project	200,000	200,000	-	-	200,000

**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, 2023

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
James Street Sewer	\$ 250,000	\$ 130,000	\$ 250,000	\$ -	\$ 380,000
Lawrence Crossing	300,000	264,500	35,500	-	300,000
Corporate Cash Center	2,685,264	460,843	-	-	460,843
Dogwood Ridge Stream Stabilization	70,000	-	70,000	-	70,000
Highway 55 Booster Pump Station Upgrades	450,000	-	-	-	-
Roberts Road Waterline Connection	250,000	-	250,000	-	250,000
WasteWater Reclamation WRF	170,000	-	170,000	-	170,000
Wimberly Road Water Supply Vault	40,000	-	40,000	-	40,000
Total water/sewer reserve	<u>52,651,136</u>	<u>19,175,815</u>	<u>12,534,620</u>	<u>(1,178,896)</u>	<u>30,531,539</u>
System Development Fee Reserve					
WWTP Phase III	60,905	60,905	-	-	60,905
Western Transmission	840,000	840,000	-	-	840,000
Water Meter ERF	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
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	<u>11,608,905</u>	<u>10,433,905</u>	<u>-</u>	<u>(400,000)</u>	<u>10,033,905</u>
Total other financing sources	<u>79,590,266</u>	<u>36,149,945</u>	<u>14,867,901</u>	<u>(3,123,509)</u>	<u>47,894,337</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 23,039,206</u>	<u>11,186,171</u>	<u>-</u>	<u>\$ 34,225,377</u>
<b>Fund balances:</b>					
Beginning of Year			<u>23,039,206</u>		
End of Year			<u>\$ 34,225,377</u>		

**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, 2023

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
<b>Revenues:</b>					
Investment earnings					
Regional WWTP	\$ 400,000	\$ 409,210	\$ 22,821	\$ (423,492)	\$ 8,539
Miscellaneous revenues					
Regional WWTP	-	404	-	-	\$ 404
Total revenues	<u>400,000</u>	<u>409,614</u>	<u>22,821</u>	<u>(423,492)</u>	<u>8,943</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>	<u>-</u>
Revenues under expenditures	<u>(441,000)</u>	<u>(13,878)</u>	<u>22,821</u>	<u>-</u>	<u>8,943</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>-</u>	<u>1,663,566</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,649,688</u>	<u>22,821</u>	<u>-</u>	<u>\$ 1,672,509</u>
<b>Fund balances:</b>					
Beginning of Year			<u>1,649,688</u>		
End of Year			<u>\$ 1,672,509</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, 2023*

	<u>Project</u>	<u>Prior</u>	<u>Actual</u>	
			<u>Authorization</u>	<u>Years</u>
			<u>Year</u>	<u>Date</u>
<b>Revenues:</b>				
Capital reimbursement fees	\$ -	\$ 75,660	\$ -	\$ 75,660
Capacity fees	200	8,609,382	1,425	8,610,807
Payment in lieu of water/sewer	-	67,187	69,844	137,031
Investment earnings	26,200	65,286	-	65,286
Total revenues	<u>26,400</u>	<u>8,817,515</u>	<u>71,269</u>	<u>8,888,784</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	(9,974,700)	(5,952,500)	(12,837,901)	(18,790,401)
Appropriated fund balance	12,358,709	-	-	-
Total other financing sources (uses)	<u>(26,400)</u>	<u>3,949,117</u>	<u>(12,837,901)</u>	<u>(8,888,784)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 12,766,632</u>	<u>(12,766,632)</u>	<u>\$ -</u>
<b>Fund balances:</b>				
Beginning of year			12,766,632	
End of year			<u>\$ -</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, 2023

	Actual				Total to Date
	Project Authorization	Prior Years	Current Year	Closed Projects	
<b>Revenues:</b>					
Capital reimbursement fees - Water	\$ 6,436,530	\$ 8,714,002	\$ 1,956,869	\$ (6,734,793)	\$ 3,936,078
Capital reimbursement fees - Sewer	12,375,161	16,783,160	3,931,549	(12,971,206)	7,743,503
Investment earnings	143,500	199,897	-	(199,897)	-
Total revenues	<u>18,955,191</u>	<u>25,697,059</u>	<u>5,888,418</u>	<u>(19,905,896)</u>	<u>11,679,581</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	(9,926,679)	(8,948,797)	-	8,948,797	-
General Capital Projects	(135,099)	(135,099)	-	135,099	-
Water/Sewer Project Fund	(11,103,250)	(10,643,000)	-	10,643,000	-
Reserved for future expenditures	(3,799,000)	-	-	-	-
Appropriated fund balance	6,008,837	-	-	-	-
Total other financing sources (uses)	<u>(18,955,191)</u>	<u>(19,605,896)</u>	<u>-</u>	<u>19,905,896</u>	<u>300,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 6,091,163</u>	<u>5,888,418</u>	<u>\$ -</u>	<u>\$ 11,979,581</u>
<b>Fund balances:</b>					
Beginning of year			6,091,163		
End of year			<u>\$ 11,979,581</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, 2023  
With comparative actual amounts for the year ended June 30, 2022

**Schedule 29**

	<b>2023</b>			<b>2022</b>
	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>REVENUES</b>				
Health premiums	\$ 5,673,259	\$ 5,538,886	\$ (134,373)	\$ 4,482,058
Dental premiums	281,700	300,295	18,595	255,834
Employee health contributions	1,108,709	1,203,540	94,831	1,097,327
Employee dental contributions	174,075	183,532	9,457	166,022
Employee vision contributions	78,000	84,705	6,705	77,194
Retiree health contributions	33,343	25,612	(7,731)	15,216
Total revenues	<u>7,349,086</u>	<u>7,336,570</u>	<u>(12,516)</u>	<u>6,093,651</u>
<b>EXPENDITURES</b>				
Health claims-employees	5,375,327	5,599,978	(224,651)	4,704,103
Dental claims-employees	455,792	458,739	(2,947)	390,339
Administrative fees-employees	982,429	950,834	31,595	880,448
Health claims-retiree	404,899	631,919	(227,020)	421,488
Administrative fees-retiree	52,639	61,986	(9,347)	50,135
Administrative fees-vision	78,000	78,514	(514)	78,712
Total expenditures	<u>7,349,086</u>	<u>7,781,970</u>	<u>(432,884)</u>	<u>6,525,225</u>
Revenues over expenditures	<u>\$ -</u>	<u>(445,400)</u>	<u>\$ (445,400)</u>	<u>(431,574)</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>160,000</u>		<u>140,000</u>
Change in net position		<u>\$ (285,400)</u>		<u>\$ (291,574)</u>

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

**Schedule 30**

**June 30, 2023**

Fiscal Year	UTILITIES		OTHER		TOTAL	
	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest
2023-2024	\$ 1,505,000	\$ 1,922,706	\$ 3,725,000	\$ 5,553,606	\$ 5,230,000	\$ 7,476,312
2024-2025	1,530,000	1,938,678	3,725,000	5,410,806	5,255,000	7,349,484
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	4,917,456	5,140,000	6,916,070
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	1,523,525	1,490,000	1,523,525
2040-2041	-	-	-	-	-	-
	<u>\$ 27,605,000</u>	<u>\$ 31,520,126</u>	<u>\$ 55,725,000</u>	<u>\$ 69,413,713</u>	<u>\$ 83,330,000</u>	<u>\$ 100,933,839</u>



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

**Schedule 32**

YEAR ENDED JUNE 30, 2023

	Town - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	\$ 11,817,131,878	\$ 0.4100	\$ 48,450,241	\$ 44,546,817	\$ 3,903,424
Motor Vehicle Decals	-		20,400	20,400	-
Penalties	-		20,217	20,217	-
Total	<u>11,817,131,878</u>		<u>48,490,858</u>	<u>44,587,434</u>	<u>3,903,424</u>
Discoveries			146,475	146,475	-
Rebates and Releases	<u>\$ (17,300,488)</u>	\$ 0.4100	<u>(70,932)</u>	<u>(70,932)</u>	-
Total Property Valuation	<u><u>\$ 11,799,831,390</u></u>				
Net levy			48,566,401	44,662,977	3,903,424
Uncollected taxes at June 30, 2023			<u>(92,383)</u>	<u>(68,249)</u>	<u>(24,134)</u>
Current year's taxes collected			<u>\$ 48,474,018</u>	<u>\$ 44,594,728</u>	<u>\$ 3,879,290</u>
Current levy collection percentage			<u>99.81%</u>	<u>99.85%</u>	<u>99.38%</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**

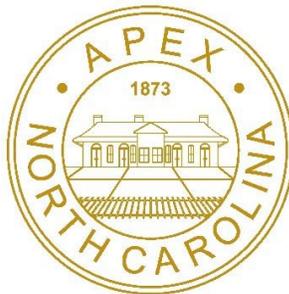
These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

## **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, 2023**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities			
Net investment in capital assets	\$ 150,821	\$ 172,231	\$ 208,352
Restricted	7,352	6,090	10,486
Unrestricted	<u>14,699</u>	<u>14,216</u>	<u>13,406</u>
Total governmental activities net position	<u>\$ 172,872</u>	<u>\$ 192,537</u>	<u>\$ 232,244</u>
Business-type activities			
Net investment in capital assets	\$ 135,200	\$ 147,820	\$ 181,185
Restricted	-	-	-
Unrestricted	<u>46,298</u>	<u>46,393</u>	<u>44,345</u>
Total business-type activities net position	<u>\$ 181,498</u>	<u>\$ 194,213</u>	<u>\$ 225,530</u>
Primary government			
Net investment in capital assets	\$ 286,021	\$ 320,051	\$ 389,537
Restricted	7,352	6,090	10,486
Unrestricted	<u>60,997</u>	<u>60,609</u>	<u>57,751</u>
Total primary government net position	<u>\$ 354,370</u>	<u>\$ 386,750</u>	<u>\$ 457,774</u>

**Table 1**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 298,896	\$ 383,833	\$ 446,504	\$ 492,439	\$ 548,258	\$ 578,966	\$ 612,330
8,279	10,340	11,128	10,525	10,556	19,247	8,426
<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>49,939</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>	<u>\$ 670,695</u>
\$ 202,626	\$ 220,327	\$ 225,236	\$ 238,830	\$ 249,228	\$ 256,825	\$ 269,867
-	-	-	-	-	-	12,275
<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>72,072</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>	<u>\$ 354,214</u>
\$ 501,522	\$ 604,160	\$ 671,740	\$ 731,269	\$ 797,486	\$ 835,791	\$ 882,197
8,279	10,340	11,128	10,525	10,556	19,247	20,701
<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>122,011</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>	<u>\$ 1,024,909</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, 2023**

	2014	2015	2016	2017
<b>Expenses</b>				
<b>Governmental activities</b>				
General government	\$ 8,761	\$ 9,235	\$ 9,851	\$ 10,069
Public Safety	14,692	15,491	16,623	19,644
Public Works	6,644	8,854	8,697	13,241
Environmental Protection	3,532	3,794	4,006	3,394
Culture and recreation	4,381	4,811	5,336	5,519
Interest on long-term debt	974	944	822	764
Total governmental activities expenses	<u>38,984</u>	<u>43,129</u>	<u>45,335</u>	<u>52,631</u>
<b>Business-type activities</b>				
Water and Sewer	14,196	15,498	18,485	20,140
Electric	29,530	31,674	31,179	34,154
Total business-type activities expenses	<u>43,726</u>	<u>47,172</u>	<u>49,664</u>	<u>54,294</u>
Total primary government expenses	<u>\$ 82,710</u>	<u>\$ 90,301</u>	<u>\$ 94,999</u>	<u>\$ 106,925</u>
<b>Program Revenues</b>				
<b>Governmental activities</b>				
Charges for services:				
General government	\$ 1,840	\$ 2,557	\$ 3,501	\$ 4,960
Public Safety <sup>(1)</sup>	14	11	15	17
Culture and recreation	1,553	2,324	323	4,892
Public Works	398	636	2,953	1,487
Environmental Protection	2,683	2,814	3,029	3,351
Operating grants and contributions	2,897	3,008	3,073	3,773
Capital grants and contributions	6,472	23,058	38,469	92,297
Total governmental activities program revenues	<u>15,857</u>	<u>34,408</u>	<u>51,363</u>	<u>110,777</u>
<b>Business-type activities</b>				
Charges for services:				
Water and Sewer	16,448	12,949	13,374	14,457
Electric	31,599	32,646	33,299	36,224
Operating grants and contributions	-	-	-	-
Capital grants and contributions	6,478	14,977	34,121	29,850
Total business-type activities program revenues	<u>54,525</u>	<u>60,572</u>	<u>80,794</u>	<u>80,531</u>
Total primary government program revenues	<u>\$ 70,382</u>	<u>\$ 94,980</u>	<u>\$ 132,157</u>	<u>\$ 191,308</u>
<b>Net (expense)/revenue</b>				
Governmental activities	\$ (23,127)	\$ (8,721)	\$ 6,028	\$ 58,146
Business-type activities	10,799	13,400	31,130	26,237
Total primary government net expenses	<u>\$ (12,328)</u>	<u>\$ 4,679</u>	<u>\$ 37,158</u>	<u>\$ 84,383</u>

**Table 2**

	2018	2019	2020	2021	2022	2023
\$	10,584	\$ 11,746	\$ 13,145	\$ 15,116	\$ 17,211	\$ 26,722
	21,076	21,019	25,437	28,530	28,050	29,947
	16,523	18,984	21,547	23,269	23,037	25,522
	3,642	4,147	4,792	5,397	5,764	5,793
	5,750	6,395	7,127	6,833	7,644	8,774
	1,073	1,510	1,743	2,024	2,397	2,394
	58,648	63,801	73,791	81,169	84,103	99,152
	22,334	24,462	25,080	26,900	27,535	30,732
	34,215	37,018	39,817	41,276	44,477	44,179
	56,549	61,480	64,897	68,176	72,012	74,911
\$	115,197	\$ 125,281	\$ 138,688	\$ 149,345	\$ 156,115	\$ 174,063
\$	5,638	\$ 5,080	\$ 4,216	\$ 4,953	\$ 3,853	\$ 3,710
	12	-	-	-	-	-
	5,149	4,539	3,125	2,730	-	1,584
	1,152	220	46	631	6,315	1,875
	3,629	4,193	4,853	5,450	4,477	6,077
	4,276	2,865	2,929	5,015	6,859	3,809
	98,076	65,952	57,687	54,833	44,511	46,212
	117,932	82,849	72,856	73,612	66,014	63,267
	16,260	17,408	19,966	21,306	24,201	26,391
	38,364	40,807	42,674	44,958	46,729	45,612
	-	-	99	-	-	-
	37,863	14,231	24,794	15,054	16,601	18,793
	92,487	72,446	87,533	81,318	87,530	90,796
\$	210,419	\$ 155,295	\$ 160,389	\$ 154,930	\$ 153,544	\$ 154,063
\$	59,293	\$ 19,048	\$ (935)	\$ (7,557)	\$ (18,089)	\$ (35,885)
	35,938	10,966	22,636	13,142	15,518	15,885
\$	95,231	\$ 30,014	\$ 21,701	\$ 5,585	\$ (2,572)	\$ (20,000)

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

	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Taxes				
Property taxes	\$ 18,969	\$ 19,547	\$ 20,676	\$ 22,987
Sales taxes	7,219	7,959	8,753	9,407
Motor vehicle licenses	202	168	176	329
Unrestricted grants and contributions	2,223	2,910	3,027	3,036
Investment earnings	25	24	95	202
Miscellaneous	553	398	364	475
Transfers	(400)	-	-	-
Total governmental activities	<u>28,791</u>	<u>31,006</u>	<u>33,091</u>	<u>36,436</u>
Business-type activities				
Investment earnings	51	71	133	264
Miscellaneous	28	10	54	30
Transfers	400	-	-	-
Total business-type activities	<u>479</u>	<u>81</u>	<u>187</u>	<u>294</u>
Total primary government	<u>\$ 29,270</u>	<u>\$ 31,087</u>	<u>\$ 33,278</u>	<u>\$ 36,730</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	\$ 5,664	\$ 22,285	\$ 39,119	\$ 94,582
Business-type activities	11,278	13,481	31,317	26,531
Total primary government	<u>\$ 16,942</u>	<u>\$ 35,766</u>	<u>\$ 70,436</u>	<u>\$ 121,113</u>

Notes

**Table 2**

	2018	2019	2020	2021	2022	2023
\$	24,665	\$ 29,498	\$ 32,687	\$ 39,485	\$ 43,733	\$ 48,149
	10,109	11,038	12,175	17,044	18,057	19,602
	345	791	1,049	1,461	1,539	1,625
	3,299	3,343	3,540	2,189	2,636	4,261
	562	1,621	1,244	715	189	3,813
	536	475	476	633	405	3,150
	-	-	-	-	-	1,372
	39,516	46,766	51,171	61,527	66,559	81,972
	694	1,453	1,211	167	146	1,552
	39	59	17	265	14	114
	-	-	-	-	-	(1,372)
	733	1,512	1,228	432	160	294
\$	40,249	\$ 48,278	\$ 52,399	\$ 61,959	\$ 66,719	\$ 82,266
	-	(699)	-	-	-	-
	-	(14,658)	-	-	-	-
\$	-	\$ (15,357)	\$ -	\$ -	\$ -	\$ -
\$	98,809	\$ 65,115	\$ 50,236	\$ 53,970	\$ 48,469	\$ 46,087
	36,671	(2,180)	23,864	13,575	15,678	16,179
\$	135,480	\$ 62,935	\$ 74,100	\$ 67,545	\$ 64,147	\$ 62,266

(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, 2023**

<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>
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
2023	48,232,486	19,486,512	3,487,941	1,624,715	278,684	114,653	73,224,991

**TOWN OF APEX, NORTH CAROLINA  
FUND BALANCES OF GOVERNMENTAL FUNDS**

**Table 4**

**Last Ten Fiscal Years**

(Modified Accrual Basis of Accounting)

**YEAR ENDED JUNE 30, 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Nonspendable	\$ 101	\$ 142	\$ 166	\$ 115	\$ 114	\$ 163	\$ 285	\$ 311	\$ 311	\$ 165
Restricted	5,877	5,377	7,179	7,569	9,640	10,431	9,839	9,870	21,066	10,601
Committed	-	-	677	776	842	850	865	857	2,910	4,312
Assigned	1,500	1,012	1,826	-	2,358	2,327	2,370	1,549	3,620	4,675
Unassigned	14,299	15,190	15,467	19,377	21,883	26,062	28,905	36,040	32,321	34,072
<b>Total General Fund</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>\$ 53,825</b>
<b>All other governmental funds</b>										
Nonspendable	\$ 717	\$ 713	\$ 712	\$ 709	\$ 700	\$ 697	\$ 687	\$ 686	\$ -	\$ -
Restricted	759	-	2,595	-	20,177	18,237	46,145	39,976	10,688	17,703
Committed	1,920	3,509	3,999	5,476	8,507	12,032	17,426	17,424	39,867	24,363
Assigned	3,138	2,934	2,833	5,202	6,622	7,204	6,482	4,792	7,995	12,009
<b>Total all other governmental funds</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>	<b>\$ 54,075</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, 20223**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Ad valorem taxes	\$ 19,041	\$ 19,577	\$ 20,709	\$ 22,995	\$ 24,672	\$ 29,525	\$ 32,658	\$ 39,462	\$ 43,601	\$ 48,232
Other taxes and licenses	7,477	8,186	8,989	9,672	10,729	11,911	13,300	17,280	18,057	21,226
Unrestricted intergovernmental	2,176	2,859	2,971	2,971	3,028	3,261	3,459	3,408	4,175	4,261
Restricted intergovernmental	3,285	4,341	3,555	4,306	5,617	3,015	3,591	5,015	12,859	7,248
Permits and fees	3,078	4,652	5,945	10,461	10,948	8,749	6,815	7,595	3,853	3,710
Sales and services	3,410	3,691	3,874	4,380	4,629	5,282	5,419	6,169	7,420	9,536
Investment earnings	25	24	95	201	562	1,621	1,244	715	189	3,809
Miscellaneous	585	413	397	560	848	596	551	1,318	482	1,485
Total revenues	\$ 39,077	\$ 43,743	\$ 46,535	\$ 55,546	\$ 61,033	\$ 63,960	\$ 67,037	\$ 80,962	\$ 90,636	\$ 99,507
<b>Expenditures</b>										
General government	\$ 7,636	\$ 8,251	\$ 8,864	\$ 8,688	\$ 9,238	\$ 10,372	\$ 12,352	\$ 12,851	\$ 15,273	\$ 19,648
Public safety	13,462	14,487	15,534	17,173	18,479	18,421	21,377	23,223	24,521	29,557
Public works	1,692	3,578	2,593	5,124	5,727	5,894	6,472	6,242	5,171	8,124
Environmental protection	3,426	3,680	3,887	3,208	3,417	3,898	4,476	4,972	5,405	5,656
Cultural and recreation	3,323	3,555	3,682	3,674	3,884	4,384	4,901	4,578	5,442	7,345
Capital outlay	6,855	8,718	6,928	9,994	14,918	8,562	11,502	28,594	28,929	35,387
Debt Service										
Principal	2,134	2,134	2,667	3,028	3,870	2,904	5,926	4,474	4,924	5,506
Interest	816	732	817	886	1,012	1,666	1,816	2,436	2,398	2,305
Bond issuance costs	-	-	-	-	-	-	-	91	-	-
Total expenditures	\$ 39,344	\$ 45,135	\$ 44,972	\$ 51,775	\$ 60,545	\$ 56,101	\$ 68,822	\$ 87,461	\$ 92,063	\$ 113,528
Excess of revenues over (under) expenditures	(267)	(1,392)	1,563	3,771	488	7,859	(1,785)	(6,499)	(1,427)	(14,021)
<b>Other financing sources (uses)</b>										
Issuance of debt	-	2,226	4,500	-	6,000	-	-	-	8,700	-
Payment to refund debt	-	(6,421)	-	-	-	-	-	-	-	-
Bonds issued	-	6,424	-	-	24,105	-	32,245	5,000	-	-
Premium on bond issuance	-	-	-	-	1,026	-	4,540	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	3,729	3,932	4,578	10,567	8,364	14,104	12,972	27,238
Transfers out	(400)	-	(3,804)	(3,932)	(4,578)	(10,567)	(8,364)	(14,104)	(12,972)	(25,866)
IT subscription based agreements	-	-	-	-	-	-	-	-	-	107
Total other financing sources (uses)	(400)	2,229	4,425	-	31,131	-	36,785	5,000	8,700	1,479
<b>Special Item</b>										
Legal Settlement	-	-	-	-	-	(699)	-	-	-	-
Net change in fund balances	\$ (667)	\$ 837	\$ 5,988	\$ 3,771	\$ 31,619	\$ 7,160	\$ 35,000	\$ (1,498)	\$ 7,273	\$ (12,542)
Debt service as a percentage of noncapital expenditures	9.1%	7.9%	9.2%	9.4%	10.7%	9.6%	13.5%	11.9%	11.6%	10.0%

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

**Table 6**

<b>Year Ended</b>	<b>Real Property</b>	<b>Public Service Property</b>	<b>Motor Vehicles</b>	<b>Other Personal Property</b>	<b>Total Taxable Assessed Value</b>	<b>per \$100 Assessed</b>	<b>Estimated Actual Taxable Value</b>	<b>a Percentage of Actual Value</b>
2012	\$ 3,895,366,651	\$ 28,331,495	\$ 314,564,526	\$ 176,398,505	\$ 4,414,661,177	.34	\$ 4,194,168,725	105.3%
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%
2023	10,568,302,295	54,998,108	959,409,673	217,121,314	11,799,831,390	0.410	12,126,686,100	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, 2023**

<b>Fiscal Year</b>	<b>Town of Apex</b>	<b>Wake County</b>	<b>Combined Tax Rate Per \$100 of Assessed Value</b>
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	0.6000	0.990
2023	0.410	0.6195	1.030

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, 2023**

<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>
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%	38,400	43,551,726	99.99%
2023	48,490,858	75,543	48,566,401	48,474,018	99.81%	28,107	48,502,125	99.87%

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

**Table 9**

Taxpayer	2023*			2014		
	Taxable Assessed Value	Rank	Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
CSP Community Owner LLC	\$ 130,621,728	1	1.11%	\$ 63,317,954	2	1.31%
B9 MF Village West Owner LLC	52,895,460	2	0.45%	-	-	-
Meridian at Ten Ten LLC	51,761,394	3	0.44%	-	-	-
Beaver Creek Crossings Owner LLC	45,640,750	4	0.39%	-	-	-
BEL Nichols LP	44,924,987	5	0.38%	-	-	-
JHG VBS I LLC	44,815,516	6	0.38%	-	-	-
CRLP Creekside Hills Drive LLC	44,404,108	7	0.38%	25,275,498	7	0.52%
CFK Apex Land Co LLC	42,689,530	8	0.36%	19,651,943	10	0.41%
G&I IX Lake Cameron LLC	42,188,281	9	0.36%	-	-	-
CTO21 Apex LLC	41,618,945	10	0.35%	-	-	-
DDR 1st Carolina	-	-	-	72,476,037	1	1.50%
Enterprise Propane Terminals	-	-	-	35,047,686	4	0.72%
TRT DDR BeaverCreek	-	-	-	35,149,211	3	0.73%
EMC Corporation	-	-	-	29,934,477	5	0.62%
HH Trinity Apex Investments LLC	-	-	-	29,403,539	6	0.61%
Lake Cameron LLC	-	-	-	-	-	-
Foreverhome LLC	-	-	-	23,755,976	8	0.49%
Widewaters Co LLC	-	-	-	-	-	-
NC Apartments LP	-	-	-	21,694,953	9	0.45%
<b>Totals</b>	<b>\$ 541,560,699</b>		<b>4.59%</b>	<b>\$ 355,707,274</b>		<b>7.35%</b>
<b>Total Assessed Valuation =</b>	<b>\$ 11,799,831,390</b>			<b>\$ 4,840,198,206</b>		

PRINCIPAL ELECTRIC RATEPAYERS

Current Year and Nine Years Ago

Electric Ratepayer	2023				2014			
	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	16,388,298	\$ 790,102	1	1.90%	-	-	-	-
Wake County Public Schools	4,971,980	328,064	2	0.79%	6,582,160	\$ 758,513	1	2.60%
Harris Teeter	4,637,120	286,107	3	0.69%	2,580,320	210,872	5	0.72%
Food Lion	3,118,440	189,364	4	0.45%	2,993,520	212,992	3	0.73%
Target Corporation	2,858,280	137,786	5	0.33%	3,882,000	235,369	2	0.81%
Lowe's Foods	2,501,120	154,940	6	0.37%	2,406,880	193,725	7	0.66%
Wake Med Property Services	2,398,281	154,051	7	0.37%	2,272,320	186,401	8	0.64%
Crossroads Ford	1,974,383	134,568	8	0.32%				0.00%
Lowe's Home Improvement	1,195,040	75,836	9	0.18%	2,612,320	175,958	4	0.60%
Home Depot	862,480	54,209	10	0.13%	2,080,400	180,221	9	0.62%
Kroger	-	-	-	0.00%	2,553,280	206,818	6	0.71%
Hendricks Toyota Scion of Apex NC	-	-	-	0.00%	1,496,880	132,829	10	0.46%
Totals	40,905,422	\$ 2,305,027		5.54%	29,460,080	\$ 2,493,698		8.55%

Total Sales of Electricity =

\$ 41,633,291

\$ 29,149,804

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

**Table 11**

**YEAR ENDED JUNE 30, 2023**

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				
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
2023	60,261,707	16,649,098	27,605,000	13,194,445	9,335,000	127,045,250	1.08%	2.3%	1,663

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, 2023**

Fiscal Year	General Obligation Bonds <sup>(3)</sup>	Percentage of Estimated Actual Taxable Value of Property <sup>(1)</sup>	Per Capita <sup>(2)</sup>
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
2023	87,866,707	0.72%	1,150

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, 2023**

<u><b>Governmental Unit</b></u>	<u><b>Debt Outstanding</b></u>	<u><b>Estimated Percentage Applicable <sup>(1)</sup></b></u>	<u><b>Estimated Share of Overlapping Debt</b></u>
Debt repaid with property taxes: County Wake County General Obligation Bonds <sup>(2)</sup>	\$ 1,704,400,000	5.90%	\$ 100,543,527
Town of Apex governmental activities debt	76,910,805 <sup>(3)</sup>	100.00%	<u>76,910,805</u>
Total direct and overlapping debt			<u><u>\$ 177,454,332</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**

**Table 14**

(Amounts in Thousands, Except Current Year Calculation)

*YEAR ENDED JUNE 30, 2023*

<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>
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%
2023	943,987	153,516	790,471	16.26%

**Legal Debt Margin Calculation for Fiscal Year 2023**

Assessed value	<u>\$ 11,799,831,390</u>
Debt Limit (8% of total assessed value)	943,986,511
Debt applicable to limit:	
General obligation bonds (including premium)	87,866,707
Authorized but not issued general obligation bonds	49,000,000
Installment purchase agreements	16,649,098
Total net debt applicable to limit	<u>153,515,805</u>
Legal Debt Margin	<u>\$ 790,470,706</u>
Percentage of debt to debt limit	16.26%
Percentage of debt to assessed value	1.30%

<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>
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%
2023	76,401	5,440,133	71,205	2.70%

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 2021. Revised November 16, 2022.

(3) North Carolina Department of Commerce - LAUS.

**TOWN OF APEX, NORTH CAROLINA**  
**PRINCIPAL EMPLOYERS - TOP TEN**  
 Current Year and Nine Years Ago

**Table 16**

Taxpayer	2023			2014		
	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	5.39%	900	1	4.98%
Town of Apex	706	2	1.97%	348	3	1.69%
Bland Landscaping	485	3	1.36%	230	6	0.90%
Apex Tool Group	425	4	1.19%	-	-	
Dell Technologies Inc	350	5	0.98%	-	-	
Costco	340	6	0.95%	-	-	
Super Target	287	7	0.80%	-	5	1.76%
ATI Industrial Automation	275	8	0.77%	-	-	
WalMart	250	9	0.70%	200	7	1.21%
Lowe's Home Improvement	191	10	0.53%	-	-	
Cooper Industries (Lufkin)	-	-	-	419	2	1.95%
EMC Corp.	-	-	-	322	4	1.73%
Tipper Tie	-	-	-	137	8	0.73%
Target	-	-	-	280	5	
NC Department of Corrections	-	-	-	101	9	0.68%
Rex Healthcare	-	-	-	125	10	0.67%
<b>Total Employed by Top Ten Principal Employers</b>	<b>5,238</b>		<b>14.64%</b>	<b>3,062</b>		<b>16.30%</b>
<b>Total Employed in Apex <sup>(2)</sup></b>	<b>35,781</b>			<b>19,761</b>		

Notes:

- (1) Estimated employees by taxpayer based on Town of Apex, Economic Development and employer verification - Town's Finance Department. Figures updated annually in January.
- (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, 2023**

<b>Function</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>	<b>2023</b>
General Government										
Administration	39	6	7	9	10	9	11	4	11	6
Town Clerk's Office	-	-	-	-	-	1	1	2	2	4
Budget, Performance & Strategy	-	-	-	-	-	-	-	5	5	7
Building Inspections	-	13	15	19	20	21	22	24	24	24
Communications	-	-	-	-	-	-	-	2	3	4
Economic Development	-	2	2	2	2	2	3	3	4	4
Finance	-	22	22	21	17	18	18	19	20	21
Human Resources	-	3	3	5	5	5	6	6	11	12
Information Technology	-	6	8	8	9	10	11	13	13	17
Legal	-	2	2	2	2	3	3	3	4	4
Diversity, Equity and Inclusion Community Development and Neighborhood Connections	-	-	-	-	-	-	-	-	-	2
Planning	15	16	16	17	17	18	19	20	20	21
Public Safety	147	-	-	-	-	-	-	-	-	-
Law Enforcement										
Officers	-	75	79	86	89	99	104	105	110	113
Civilians	-	9	10	8	11	11	11	13	13	13
Fire/Rescue	-	57	57	73	76	81	94	98	114	114
EMS	-	14	18	18	18	-	-	-	-	-
Public Works and Infrastructure										
Administration	-	-	-	-	-	-	-	5	5	-
Facility & Fleet Services	8	8	9	10	10	14	14	14	15	15
Streets	10	11	11	13	18	15	15	15	15	21
Transportation & Infrastructure	2	5	6	7	8	9	10	16	18	22
Construction Management	23	16	15	15	18	19	16	-	-	
Environmental Protection	16	10	11	11	14	16	18	18	18	19
Parks and Recreation	24	25	27	27	28	32	36	39	45	55
Electric	29	28	31	32	34	36	37	37	40	42
Water/Sewer	35	33	34	33	38	43	51	55	56	61
Stormwater	-	-	-	-	-	-	-	5	6	7
<b>Total</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>	<b>613</b>

Note: Prior to FY 2015 general government departments were presented in summary

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

**Table 18**

<u>Function</u>	<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>	<b>2023</b>
Police										
Physical arrests	516	504	464	484	484	682	650	512	516	442
Parking violations	215	235	256	426	394	529	341	107	104	135
Traffic violations	7,074	6,047	6,904	8,169	7,414	7,051	6,807	6,966	4,680	3,860
Fire										
Number of calls answered	2,635	2,881	2,822	3,009	3,034	3,972	3,503	3,513	4,216	4,660
Highways and streets										
Street resurfacing (miles)	0	9.9	0.0	20.1	22.2	2.6	4.3	9.0	6.8	22.8
Environmental Protection										
Number of households served	12,476	13,689	14,604	15,445	16,257	17,838	19,581	21,463	22,204	23,170
Solid waste collected (tons/day)	27.06	30.62	32.68	34.89	37.71	41.58	43.12	40.25	53.52	51.57
Recyclables collected (tons/day)	8.53	9.91	11.03	10.82	10.89	11.62	13.17	11.52	11.46	13.20
Mulching and composting (tons/day)	15.71	16.80	17.92	17.89	16.71	21.54	19.22	20.00	16.75	14.02
Cultural and recreation										
Number of program/activity participants	49,022	59,808	63,396	60,958	63,978	62,896	48,329	11,094	67,980	85,175
Water										
Number of customers	14,103	14,770	15,459	17,209	18,697	20,423	22,317	23,731	24,971	25,739
Average daily consumption (millions of gallons)	3.08	3.3	3.37	3.58	3.79	3.75	4.16	4.44	4.81	4.58
Wastewater										
Number of customers	13,840	14,485	15,207	16,949	18,431	20,156	22,031	23,438	24,435	25,445
Average daily sewage treatment (millions of gallons)	2.78	2.68	2.79	2.85	3.38	3.86	3.72	4.74	4.86	4.25
Electric										
Number of customers	16,016	16,682	17,314	18,936	20,363	22,269	24,440	25,809	26,953	27,817
Average daily consumption (kilowatt-hours)	780,614	833,966	846,098	877,824	939,159	969,098	1,004,896	1,079,763	1,036,103	898,032

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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Function</u>										
Public safety										
Police										
Stations	1	1	1	1	2	2	3	3	3	3
Patrol Units	49	80	80	81	82	88	96	98	101	108
K-9 Units	0	1	1	2	2	2	2	2	4	3
Fire stations	4	4	4	4	5	5	5	5	5	5
Streets										
Streets (miles)	132.37	140.04	151.04	171.14	193.14	207.17	215.64	224.7	234.6	240.59
Streetlights	2,713	2,775	2,846	3,391	3,479	3,914	4,091	4,255	4,577	4,761
Parks and Recreation										
Parks acreage	452.51	544.51	544.51	544.51	558	618.28	618.28	618.28	629.00	629.00
Parks	9	10	10	10	11	11	13	11	11	11
Tennis courts (Adult & Youth)	8	15	15	15	15	15	15	12	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
Senior Center	-	-	-	-	-	-	-	-	-	1
Lakes	1	1	1	1	1	1	1	1	1	1
Water										
Water lines (miles)	194	207	215	269	293	310	318	326	345	347
Maximum daily treatment capacity (millions of gallons)	13.4	13.4	13.4	13.4	13.4	13.4	13.4	13.4	12.88	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>	537	554	569	569	681	764	787	822	862.42	896.11
Sewer										
Sanitary sewer lines (miles)	189	207	239	249	280	296	303	311	349.5	332.24
Maximum daily treatment capacity (millions of gallons)	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.72	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, 2023**

Calendar Year	Commercial <sup>(2)</sup>		Residential <sup>(3)</sup>		Total	
	Number	Value	Number	Value	Number	Value
2014	328	\$ 35,233,564	2,000	\$ 114,308,863	2,328	\$ 149,542,427
2015	437	305,781,962	2,355	155,541,242	2,792	461,323,204
2016	592	82,957,487	2,654	222,571,975	3,246	305,529,462
2017	542	51,789,402	3,156	303,169,563	3,698	354,958,965
2018	796	203,705,856	3,435	348,290,116	4,231	551,995,972
2019	553	63,689,272	3,761	393,224,017	4,314	456,913,289
2020	495	69,681,446	3,541	334,470,922	4,036	404,152,368
2021	628	132,847,457	3,802	300,386,848	4,430	433,234,305
2022	464	94,796,767	3,820	264,640,579	4,284	359,437,346
2023	229	107,743,567	2,010	170,555,083	2,239	278,298,650

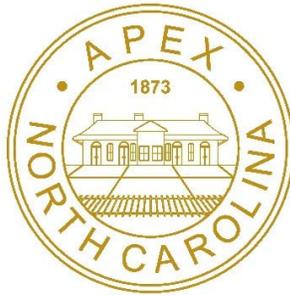
Notes:

(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, 2023, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated January 8, 2024.

**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  
January 8, 2024

**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, 2023. 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, 2023.

***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

January 8, 2024

**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, 2023. 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, 2023.

***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  
January 8, 2024

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

YEAR ENDED JUNE 30, 2023

---

**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 to 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:

<u>Assistance Listing Number</u>	<u>Names of Federal Program or Cluster</u>
21.027	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?	_____ yes <u>  X  </u> no

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

YEAR ENDED JUNE 30, 2023

---

**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, 2023*

---

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, 2023

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><u>FEDERAL GRANTS:</u></b>					
<b><u>US Department of Transportation</u></b>					
Passed through NC Department of Transportation					
<i>Lake Pine Drive Improvements</i>	20.205	TIP# U-5537	\$ 222,962	\$ -	\$ 761,998
<i>James Street to Downtown</i>	20.205	TIP# U-5530 AC	-	-	-
<i>Peakway South Salem Interchange</i>	20.205	TIP# U-5928	-	-	256,969
<i>Total Highway Planning and Construction</i>			222,962	-	1,018,967
<b><u>Federal Highway Administration</u></b>					
Passed through NC Department of Transportation					
<i>Beaver Creek Greenway</i>	20.205	TIP# EB-6021	-	-	51,329
<i>Chatham Street Improvements</i>	20.205	TIP# 9680	-	-	198,618
<i>Downtown Safe Routes to School</i>	20.205	TIP# BL-0047	-	-	17,484
<i>GoApex Route 1 Bus Stop</i>	20.205	TIP# TM-0026	222,151	-	-
<i>Kelly Road and Apex Barbecue</i>	20.205	TIP# C-5604AA	-	-	110,824
<i>Laura Duncan Road Pedestrian Improvement</i>	20.205	TIP# EB-6019	11,603	-	-
<i>NC55 Connector Sidewalk</i>	20.205	TIP# EB-5895	29,764	-	37,223
<i>Tingen Road (SR 1153) Bicycle and Pedestrian Bridge</i>	20.205	TIP# BO-2416	-	-	419
<b><u>US Department of Justice</u></b>					
Direct Program					
<i>Equitable Sharing Program</i>					
<i>Asset Forfeiture and Money Laundering</i>	16.922	N/A	-	-	-
<b><u>US Department of Treasury</u></b>					
<i>COVID-19: Coronavirus State and Local Fiscal Recovery Funds</i>	21.027	N/A	2,628,841	-	-
<b><u>NC Department of Transportation</u></b>					
<i>Lake Pine Drive Improvements</i>	20.205	N/A	U-5537	200,000	-
<i>Governor's Highway Safety Program</i>	20.616	MSHVE-23-15-06	22023.14.13	17,137	-
<i>Governor's Highway Safety Program</i>	20.600	AL-2022-02-02		25,886	-
<i>Total assistance-federal programs</i>			3,358,344	-	1,434,864
<b><u>STATE GRANT:</u></b>					
<b><u>NC Department of Transportation</u></b>					
<i>Powell Bill Fund</i>	N/A	32570	-	1,956,495	-
<i>Total assistance</i>			\$ 3,358,344	\$ 1,956,495	\$ 1,434,864

**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, 2023. 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.