



Annual Comprehensive Financial Report

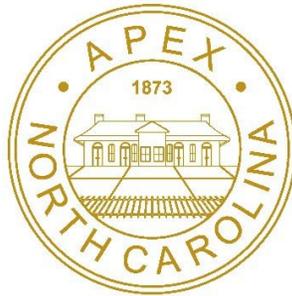
Fiscal Year ending June 30, 2024



Prepared by the Town of Apex Finance Department

ANNUAL COMPREHENSIVE FINANCIAL REPORT

***Town of Apex, North Carolina
For the Fiscal Year Ended June 30, 2024***



Prepared by the Town of Apex Finance Department

**Town of Apex, North Carolina
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024**

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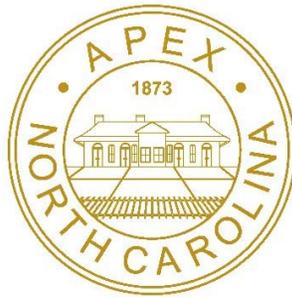
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INTRODUCTORY SECTION



Prepared by the Town of Apex Finance Department

December 20, 2024

Honorable Mayor, Members of the Town Council, and Residents 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, 2024 is submitted by the Town's Finance Department, and it is the comprehensive publication of the Town's financial position at June 30, 2024, 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, 2024 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, 2024 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 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 27.08 square miles and has an estimated population of 78,450.

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 through nonpartisan voting, 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, recommending the operating budget, 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 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 that increases or decreases a fund's overall budget requires approval of the Council.

Local Economy

As mentioned, as of June 30, 2024, the Town's population was estimated to be 78,450. Over the span of the past decade the town has grown exponentially with an anticipated population of 83,126 by June 30, 2025. Apex's tax base has grown from \$4.8 billion in 2014 to \$12.5 billion in 2024. The town issued 3,383 building permits for new construction, additions, and alterations in 2024 (to date), which included 1,385 for residential and 1,998 for commercial and non-residential. Issued permits valued over \$510 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 14.1% 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.

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. With the increased and consistent interest of companies seeking a location in the Triangle market, Apex needed an intentional strategy to capture 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 a 121-acre, Carolina Certified Industrial Site and ElectriCities Smart Site now called the Apex Commerce Center.

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 Apex Commerce Center. Empire has 222 employees at its Apex facility. In the fall of 2023, Oppidan, a commercial real estate developer and owner of the remaining sites available at Apex Commerce Center, completed construction on a 240,000 square foot speculative building. The building is now home to an advanced manufacturing company, a high-end event rental operation, and a medical device developer. The three companies collectively employ over 100 people at the site.

Apex Gateway is a 350-acre site annexed by the Town in 2022 for business and industrial recruitment purposes. Beacon Partners is the site developer. Coca-Cola of Durham will occupy its new corporate headquarters and distribution center in December 2024 and expects to employ 180 people. Two speculative buildings in Phase 1 of Apex Gateway are fully leased with two more buildings under construction with anticipated leases in the first quarter of 2025. The site master plan calls for additional speculative buildings geared towards light industry, 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 2024, Korber's sister company, RondoPak, opened its doors in Apex, creating unique packaging solutions for the vaccine industry.

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 90 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 in Apex. It is strategically located off NC 55, near US 1 and NC 540, and will feature a new Workforce Development Center with 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 in 2023 and early 2024, as well as the supply chain disruptions. Each of these factors significantly has affected the town financially as demonstrated by the increasing costs for recently bid projects and estimates for planned capital projects. Over the course of the past year, we have continued to witness a strengthening within the US economy. Labor market conditions have generally eased, the unemployment rates remain low, and inflation has continued to progress downwardly to the two-percent target rate established by the Federal Reserve Committee. They acknowledge future economic uncertainty, however, given some of the positive figures decided to lower the federal funds rate target by one-quarter percentage point to $4\frac{1}{2}$ to $4\frac{3}{4}$ %. This was the second-rate adjustment over the past year, the first being another one-half percentage point. Management continues to follow market changes as these affect our cost-of-borrowing for upcoming capital projects and our debt planning forecast, investment earnings on idle cash, as well as other funding calculations made for the Town's Law Enforcement Officers Special Separation Allowance (LEOSSA), Other Post Employment Benefits (OPEB) and Local Government Employer's Retirement System (LERS).

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 2014, the total assessed value of the tax base has increased \$7.7 billion to \$12.5 billion. The 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 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 2023-2024 are as follows:

- ❖ Officially launched Community Development and Neighborhood Connections Department
- ❖ Expanded Apex Cares program for supporting home renovations and preserving affordable housing
- ❖ Completion of Stone Glen Apartments with 164 affordable units with Town financial support
- ❖ Adopted Apex Language Access Plan
- ❖ Introduced Recite Me for website accessibility and translation services
- ❖ Approved final plans for Saunders Street Parking in Downtown Apex
- ❖ Established Apex Small Business Advisory Group
- ❖ Launched Apex Tourism website
- ❖ Celebrated one-year anniversary of GoApex bus and transit service
- ❖ Developed departmental strategic plans in line with Game Plan Apex
- ❖ Completed lead and copper compliance study for water utilities
- ❖ Implemented Career Progression Program for all Town departments
- ❖ Wrapped up Apex 150th celebration with Party in the Peak
- ❖ Completed feasibility study for Middle Creek Greenway from Jessie Drive to 1010 Road

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 completed over the past year or are in progress:

- ❖ Opened Pleasant Park – a 92-acre park with 6 multi-purpose fields, an interactive and inclusive playground, tennis and pickleball courts, basketball courts, and splashpad
- ❖ Began construction of Middle Creek Greenway Phases 1 and 2 – greenway extends bike and pedestrian access and connects six subdivisions, two schools, downtown Holly Springs, Pinnacle Park, Apex Commerce Center, and Meridian at Ten Ten Apartments, and will ultimately connect to Swift Creek Greenway in the Town of Cary
- ❖ Began construction of Beaver Creek Greenway Phase 1 – construction will complete a four-mile connection between Apex Nature Park and Apex Jaycee Park at NC 55 and connects 11 neighborhoods, 3 parks, 3 schools, 3 retail shopping areas and employment centers
- ❖ Began construction of street hockey rinks – partnership with the NHL Carolina Hurricanes develop two street hockey courts at Apex Community Park to introduce street hockey to the community and provide access to underserved and vulnerable populations through events with the Boys and Girls Club, Miracle League and Town Specialized Recreation programming

- ❖ Opened Public Safety Station 6 – new station located in the northwest part of town providing an engine company and police substation to serve residents and businesses in expanding area of town
- ❖ Opened Mason Street Building – new municipal office building housing the Inspections and Permitting Department and Planning Department to facilitate development services in one location
- ❖ Provided notice to proceed for Apex SW Peakway Connector – Four-lane thoroughfare with interchange and bridge to cross over S. Salem Street and two rail lines
- ❖ Began construction of Sunset Hills pump station - includes renovation of existing pump station and installation of new deeper wet well that will allow the pump station to serve the area to the northeast including the future school site

The Town actively monitors and manages its debt capacity and affordability. The Town has a formal policy that 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 one remaining General Obligation Bond authorization. This authorization is \$42 million from the November 2021 referendum for transportation improvements. During the current year we issued \$17.5 million of this authorization for the Apex Peakway Southwest Connector, Pavement Improvements and Safe Routes to Schools projects. The remain \$24.5 million authorized but issued funds will be used for the Apex Peakway Southwest Connector, Pavement Improvements, Safe Routes to School, Center Street and Chatham Street Railroad Crossing improvements and sidewalk, Apex Peakway North Widening, Jessie Driver – Phase I and W. Williams Street Sidewalk projects.

Management has the following planned debt issuance for the fiscal year ending June 30, 2025:

- General Government projects
 - Vehicles and equipment - \$ 2.8 million
 - Town Hall renovation - \$1.8 million
 - Tunstall House renovation - \$3.0 million
 - Property acquisition - \$8.0 million
- Parks and Recreation projects
 - Pleasant Park Phase II - \$14.0 million
- Water and Wastewater projects
 - Water and Sewer projects - \$50.0 million

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

Budget Control

In government, the budget is an integral part of a unit's accounting system and daily operations. The North Carolina General Statutes require all governmental units to adopt a balanced budget by July 1 of each year. The Town's budget ordinance, adopted by the Town Council, creates a legal limit on spending authorizations. Budgetary control is facilitated using 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 design of the internal control structure provides 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, 2023. 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, 2024. 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,

Randal E. Vosburg

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Randal E. Vosburg
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Town Manager

Alan Antwan Morrison

DocuSigned by:
Alan Antwan Morrison
C15C1A957C74406...
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, 2023

Christopher P. Morill

Executive Director/CEO

TOWN OF APEX, NORTH CAROLINA

Mayor and Councilmembers

Mayor
Jacques K. Gilbert
12/2023-12/2027



Mayor Pro-Tem
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
12/2023-12/2027



Council Member
Terry Mahaffey
12/2023-12/2027



Town Administration and Directors

Randy Vosburg
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

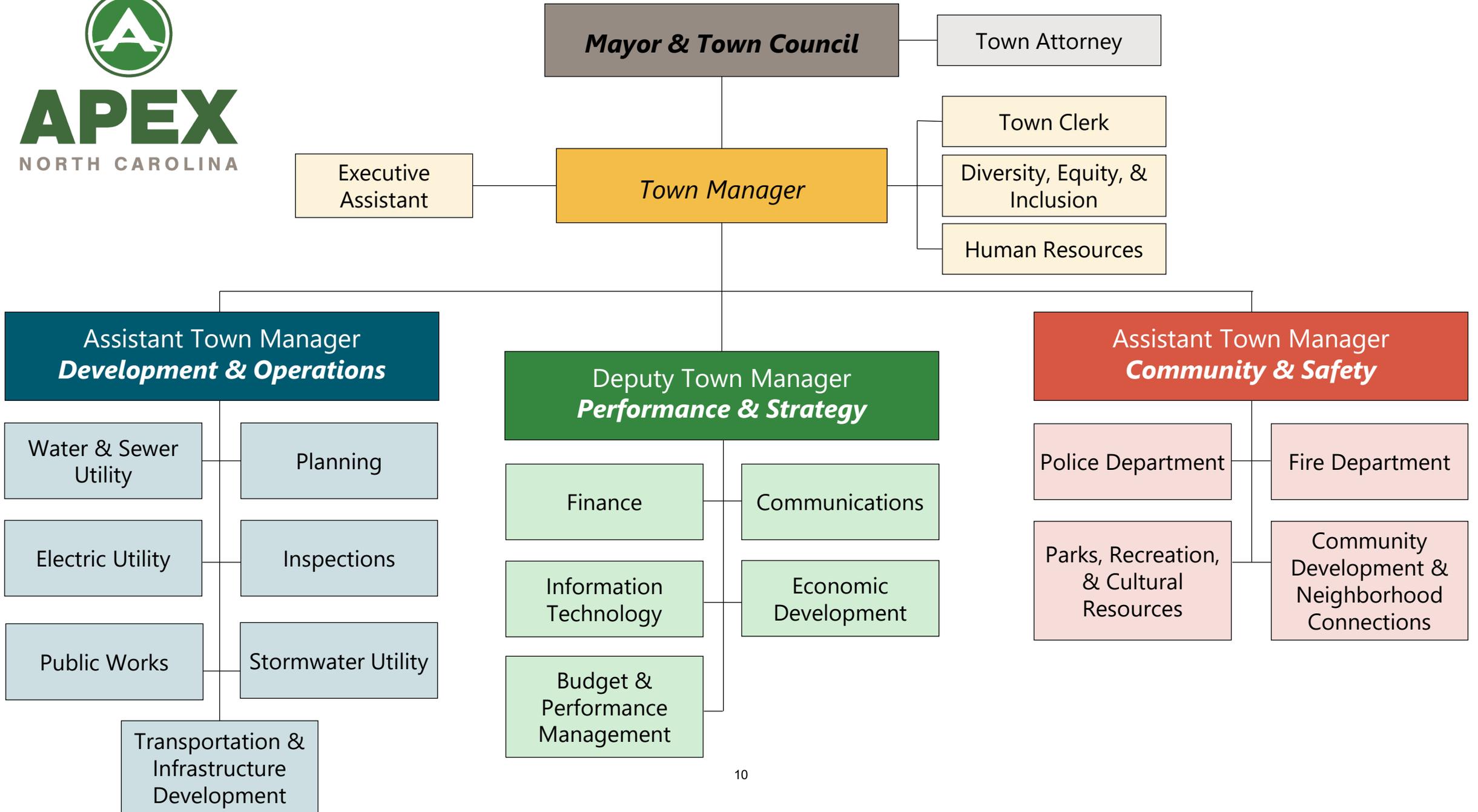
John Mullis
Public Works

Stacie Galloway
Communications

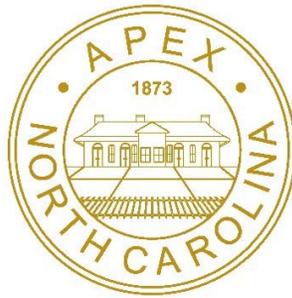
Michael Deaton
Utility Engineering and Water Resources

Eric Neumann
Electric Utilities

Marla Newman
Community Development & Neighborhood Connections



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, 2024, 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, 2024, 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 combining and 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 for the years ended 2024 and 2023 as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2023 (none of which is presented herein), and we expressed unmodified opinions on those basic financial statements. Those audits were conducted for purposes of forming an opinion on the basic financial statements as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In our opinion, the accompanying supplemental information is fairly stated in all material respects in relation to the financial statements from which it has been derived.

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 December 20, 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
December 20, 2024

TOWN OF APEX, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

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, 2024. 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 \$1.13 billion (*net position*).
- The government's total net position increased by \$104.8 million in fiscal year 2024. \$73.9 million of the increase resulted from governmental activities, and \$30.9 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 \$145.0 million. The total fund balance increased \$4.1 million in the General Fund, \$29.1 million in the Transportation project fund, increased \$4.6 million in the General Government Debt Service Fund, \$1.0 million in the Recreation project fund, and decreased \$1.8 million in the Nonmajor Governmental Funds, resulting in a net increase in total governmental funds combined fund balance of \$37.1 million.
- Approximately \$79.8 million of the total combined ending governmental fund balance is restricted as compared to \$33.5 million last year. This is primarily due to the debt issuance for the transportation bonds.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$32.8 million or 29.1% 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

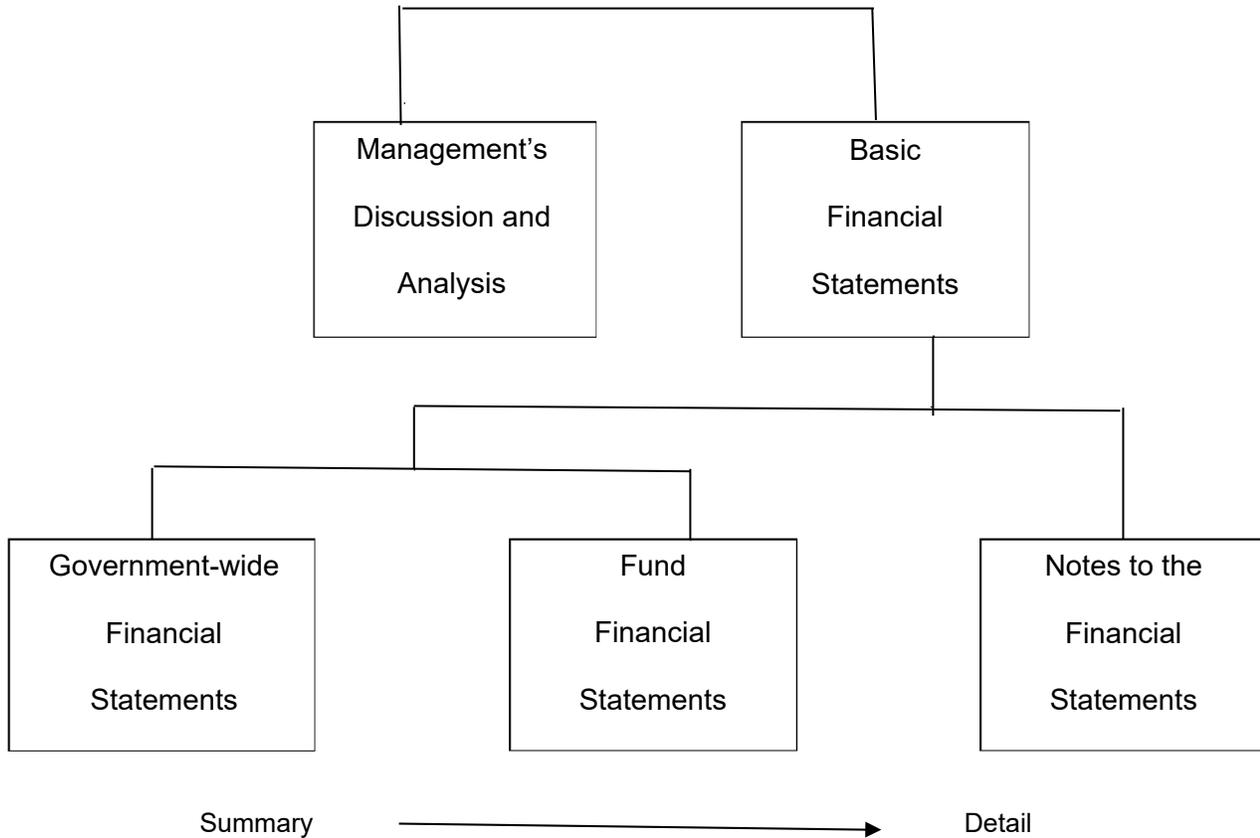
This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The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

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

JUNE 30, 2024

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, 2024

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, 2024

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 electric and storm water management programs. 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 80 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 81 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 \$1.13 billion as of June 30, 2024. The Town's net position increased by \$104.8 million for the fiscal year ended June 30, 2024. The majority of the Town's net position (\$968.5 million or 85.8%) reflects the town's investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. The Town of Apex uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Apex's investment in its capital assets is reported net of the outstanding related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets are committed to the continued provision of service and cannot be used to liquidate these liabilities. An additional portion of the Town of Apex's net position (approx. \$101.8 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	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 165,902,091	\$ 132,526,754	\$ 119,390,657	\$ 103,008,583	\$ 285,292,748	\$ 235,535,337
Capital assets	755,114,847	689,241,238	339,013,266	319,990,558	1,094,128,113	1,009,231,796
Total assets	921,016,938	821,767,992	458,403,923	422,999,141	1,379,420,861	1,244,767,133
Deferred outflows of resources	24,095,579	18,546,125	5,244,282	7,382,632	29,339,861	25,928,757
Total assets and deferred outflows of resources	945,112,517	840,314,117	463,648,205	430,381,773	1,408,760,722	1,270,695,890
Long-term liabilities	157,449,331	123,899,721	60,092,880	60,888,284	217,542,211	184,788,005
Other liabilities	30,718,989	32,206,851	15,798,579	12,226,229	46,517,568	44,433,080
Total liabilities	188,168,320	156,106,572	75,891,459	73,114,513	264,059,779	229,221,085
Deferred inflows of resources	12,386,300	13,512,014	2,605,845	3,052,830	14,992,145	16,564,844
Total liabilities and deferred inflows of resources	200,554,620	169,618,586	78,497,304	76,167,343	279,051,924	245,785,929
Net Position:						
Net investment in capital assets	677,522,063	612,330,433	292,972,700	269,867,249	970,494,763	882,197,682
Restricted	58,093,303	8,426,380	20,638,307	12,275,193	78,731,610	20,701,573
Unrestricted	8,942,531	49,938,718	71,539,894	72,071,988	80,482,425	122,010,706
Total net position	\$ 744,557,897	\$ 670,695,531	\$ 385,150,901	\$ 354,214,430	\$ 1,129,708,798	\$ 1,024,909,961

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

JUNE 30, 2024

Figure 3: Town of Apex - Changes in Net Position

Revenues:						
Program revenues:						
Charges for services	\$ 18,992,339	\$ 13,246,368	\$ 90,624,893	\$ 72,002,693	\$ 109,617,232	\$ 85,249,061
Operating grants and contributions	4,424,202	3,808,598	-	-	4,424,202	3,808,598
Capital grants and contributions	63,552,972	46,212,348	24,157,503	18,792,923	87,710,475	65,005,271
General Revenues:						
Property taxes	55,054,189	48,149,225	-	-	55,054,189	48,149,225
Other taxes	24,029,050	21,225,880	-	-	24,029,050	21,225,880
Other revenues	15,334,534	11,224,617	3,892,374	1,665,992	19,226,908	12,890,609
Total Revenues	181,387,286	143,867,036	118,674,770	92,461,608	300,062,056	236,328,644
Expenses:						
General government	29,479,761	26,721,525	-	-	29,479,761	26,721,525
Public safety	33,479,270	29,946,523	-	-	33,479,270	29,946,523
Public works	25,682,474	25,522,287	-	-	25,682,474	25,522,287
Environmental protection	6,928,270	5,792,876	-	-	6,928,270	5,792,876
Cultural and recreation	10,160,794	8,773,562	-	-	10,160,794	8,773,562
Interest on long-term debt	3,044,351	2,394,332	-	-	3,044,351	2,394,332
Electric	-	-	51,445,480	44,179,132	51,445,480	44,179,132
Stormwater	-	-	2,294,073	-	2,294,073	-
Water and sewer	-	-	32,748,746	30,731,973	32,748,746	30,731,973
Total Expenses	108,774,920	99,151,105	86,488,299	74,911,105	195,263,219	174,062,210
Change in net position before transfers	72,612,366	44,715,931	32,186,471	17,550,503	104,798,837	62,266,434
Transfers	1,250,000	1,371,810	(1,250,000)	(1,371,810)	-	-
Change in net position	73,862,366	46,087,741	30,936,471	16,178,693	104,798,837	62,266,434
Net position, July 1	670,695,531	624,607,790	354,214,430	338,035,737	1,024,909,961	962,643,527
Prior period adjustment	-	-	-	-	-	-
Net position, June 30	\$ 744,557,897	\$ 670,695,531	\$ 385,150,901	\$ 354,214,430	\$ 1,129,708,798	\$ 1,024,909,961

Governmental activities:

The Town's total governmental revenues were \$181.4 million. Program revenues (48.0%) include: Charges for services of \$19.0 million, operating grants and contributions \$4.4 million and capital grants and contributions of \$63.6 million. General revenues (52.1%) include: property taxes of \$55.1 million, other taxes of \$24.0 million and other miscellaneous revenues of \$15.3 million. The Town's total governmental expenses were \$108.8 million and governmental transfers-in totaled \$1.3 million resulting in an increase in the Town's net position of \$73.9 million from governmental activities, accounting for 67.2% of the total growth in the Town's net position. This was primarily due to developer contributed capital additions.

Business-type activities:

The Town's total business-type revenues were \$118.7 million. Program revenues (96.7%) include: Charges for services of \$90.6 million and capital grants and contributions of \$24.2 million. Other revenues of \$3.9 million (3.3%) are primarily from nonrecurring miscellaneous payments. The Town's total business-type expenses were \$86.5 million and business-type transfers out totaled \$1.3 million, which resulted in an increase in the Town's net position by \$30.9 million from business-type activities, accounting for 32.8% of the total growth in the Town's net position. This was primarily due to developer water and sewer contributed capital additions.

JUNE 30, 2024

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 \$32.8 million, while the total fund balance increased to \$58.2 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund budgeted expenditures. As of June 30, 2024, unassigned fund balance was 29.1% of the year's expenditures (30.2% in 2023), while the total fund balance represents 51.3% of the same amount (56.3% in 2023).

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

The increase in fund balance was the result of managerial decision-making related to our long-term debt structuring for the general obligation bonds issued for transportation and the town continued administration and diversification of our investment portfolio. Per policy, funds in excess of the limit (25%) can be used for one-time capital-related purposes. During FY 2024 town staff funded several one-time capital needs totaling \$6.7 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 – Debt Service - \$1,500,000
- Safe Routes to Schools - \$1,000,000
- Street improvements for Felton Grove High School - \$825,000
- Salem Street Bicycle Connection - \$300,000
- Environmental Education Center - \$300,000
- Greenway Study - \$300,000
- Street Hockey Courts - \$250,000
- Eva Perry Library - \$200,000

At year-end, the governmental funds of the Town of Apex reported a combined total fund balance of \$145.0 million, a increase of \$37.3 million from the prior year. The nonmajor funds were comprised of special revenue and capital project funds. The total fund balances of the nonmajor funds were \$25.7 million and the major, non-General Fund funds were: Debt Service \$8.2 million, Transportation Capital Projects \$38.2 million and Parks and Recreation Project Fund was \$14.9 million. The most notable change from prior year's fund balance was in the Transportation Capital Project Fund. During the year the town issued \$17.5 million of the \$42 million general obligation bond authorization from 2021 for transportation projects. In addition, the town issued the remaining \$7.0 million of the \$15 million general obligation bond authorization from 2015 for transportation projects. These bond issuances were used for the following projects: Apex Peakway, Safe Routes to Schools and Pavement Improvements.

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

JUNE 30, 2024

General Fund Budgetary Highlights:

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

The Town made only minor changes to its General Fund revenue estimates. Actual revenues were higher than anticipated revenues by \$6.3 million. Actual expenditures were \$5.7 million less than appropriated; \$1.7 million of these was related to street improvements and rehab that were not complete during the fiscal year and were carried forward.

A significant portion of this amount represents position vacancies throughout the budget year along with other delayed expenditures. In addition, the town is continued to experience delays within supply chain. In response to this unavoidable challenge staff has continued to expedite several large purchases, which are expected to have lengthy lead-time such as the purchase of a fire truck that has an eighteen-to-twenty-four-month turnaround estimate.

Governmental Funds Highlights:

In the fiscal year ending June 30, 2024, the town decreased its unassigned fund balance to 29.1%. As discussed above, the town's policy limit is 25% of the subsequent year's budgeted expenditures, as adopted.

During the year the town had three new debt issuances. The town issued \$24.5 million in general obligation bonds for transportation projects, \$3.5 million in two-thirds bonds and \$1.9 million for vehicles and equipment. There are several active roadway projects either in the design phase or in construction. In the fiscal years to come we will continue to see a gradual increase in expenditures for roadway projects, as we have an outstanding bond authorization from 2021 for this purpose.

The town has continued to work on various active construction projects. In the current year the town expended \$1.4 million on the Apex Peakway SW Connector project, \$1.5 million on School Infrastructure reimbursement, \$4.8 million on Mason Street Building, \$2.2 million for Middle Creek Greenway, \$2.7 million on Pleasant Park and \$3.1 million on the ERP conversion 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:

In January 2022 the town implemented a new stormwater utility fee. In efforts to better manage and align our needs related to stormwater management it was decided to establish a separate fund to administer the stormwater operations.

Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year was \$53.0 million, \$633,000 for the Stormwater Fund and \$17.9 million for the Electric Fund. The change in net position was an increase of \$30.9 million primarily due to Charges for Services, Grants and Contributions and the System Development Fund for infrastructure needs.

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

JUNE 30, 2024

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, 2024, totals \$970.4 million (net of depreciation and related debt). 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 - \$6,288,946
- Vacuum Truck - \$468,671
- Digger Derrick - \$249,253
- Property Acquisition - \$655,163
- Fire Station #5 - \$598,167
- Fire Truck and Ladder Truck - \$1,010,560
- Developer's Street, Sidewalk, Water and Sewer Easement Contributions - \$79,388,076

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 133,298,699	\$ 71,610,584	\$ 87,016,062	\$ 84,476,789	\$ 220,314,761	\$ 156,087,373
Building and systems	14,457,619	42,920,216	20,777,393	22,486,530	35,235,012	65,406,746
Improvements other than buildings	4,588,173	4,990,409	205,529,087	196,011,867	210,117,260	201,002,276
Machinery and equipment	5,591,889	4,766,821	1,283,511	1,383,960	6,875,400	6,150,781
Infrastructure	498,954,006	488,586,851	-	-	498,954,006	488,586,851
Vehicles and motorized equipment	5,910,556	4,795,123	2,673,234	692,242	8,583,790	5,487,365
IT Subscriptions	742,364	73,443	419,253	-	1,161,617	73,443
Construction in progress	91,571,543	71,497,791	21,314,724	14,939,170	112,886,267	86,436,961
Total	\$ 755,114,849	\$ 689,241,238	\$ 339,013,264	\$ 319,990,558	\$ 1,094,128,113	\$ 1,009,231,796

Additional information on the Town's capital assets can be found on pages 54-57 of the notes to the financial statements of this report.

Town of Apex Outstanding Debt

Long-term Debt:

As of June 30, 2024, the Town of Apex had total long-term (including premiums) debt of \$165.2 million. Of this amount, \$111.6 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 \$8.3 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 \$28.1 million.

The Town has one outstanding revenue bonds - \$10.0 million for the 2019 electrical system improvements. At June 30, 2024, the town has an outstanding obligation of \$8.3 million.

During the current fiscal year, the town issued \$29.9 million in new debt, of which \$28.0 million is bonded.

The Town also has recorded \$80.8 million of compensated absences, pension and retirement liabilities for employees.

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

JUNE 30, 2024

The town has one outstanding General Obligation Bond authorization from 2021 for \$42.0 million, for which \$17.5 million has been issued.

The following chart summarizes the Town's long-term debt as of June 30, 2024:

Figure 5: Town of Apex - Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Installment purchase contracts	\$ 16,081,573	\$ 16,649,098	\$ 11,991,632	\$ 13,183,309	\$ 28,073,205	\$ 29,832,407
General obligation bonds	79,960,000	55,725,000	26,100,000	27,605,000	106,060,000	83,330,000
Revenue bonds	-	-	8,282,000	9,335,000	8,282,000	9,335,000
Bond premiums	5,549,875	4,536,707	-	-	5,549,875	4,536,707
Compensated absences	4,208,039	3,442,123	851,094	745,740	5,059,133	4,187,863
IT Subscription Liabilities	617,633	63,207	333,086	-	950,719	63,207
Net OPEB liability	27,180,087	24,996,440	8,242,617	7,788,444	35,422,704	32,784,884
Pension liability (LGERS)	27,173,371	21,709,498	8,390,821	6,704,121	35,564,192	28,413,619
Total pension liability (LEOSSA)	4,751,417	4,264,094	-	-	4,751,417	4,264,094
Total	\$ 165,521,995	\$ 131,386,167	\$ 64,191,250	\$ 65,361,614	\$ 229,713,245	\$ 196,747,781

The Town's long-term financed debt increased by \$33.0 million during the fiscal year ended June 30, 2024, 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 \$846,701,189. Additional information on the Town's long-term debt can be found in the notes to the financial statements on pages 70 through 76 of this report.

Budget Highlights for the Fiscal Year Ending June 30, 2025

Governmental Activities:

Property taxes account for the largest percentage (55.7%) of total General Fund revenues. During the 2024 calendar year Wake County performed their revaluation, which occurs every four years. The town's assessed valuation increased to \$19.5 billion as a result of this revaluation, which based on this valuation a penny on the tax is equivalent to \$1.95 million. The revenue neutral rate, which is required to be calculated during each revaluation, is \$0.302. The Town recommended a property tax rate increase of \$0.038 over the calculated revenue neutral rate to \$0.34 per \$100 of valuation. The tax rate increase funds additional staffing across eighteen departments, including 13 members of Public Safety. In addition, it will be used to fund several transportation projects and improvements, greenway connections and funding for the next phase of the Town's wayfinding plan.

The Town has chosen to appropriate \$1.7 million of General Fund fund balance in the fiscal year 2025 budget. This appropriation is planned to fund \$.7 million for Phase 1 of the Town facility solar installation, \$.7 million for design of the Salem Street Bicycle Connections and \$.3 million for the design of the Kids Towne Park renovation. An additional \$1.9 million of fund balance was appropriate within the Debt Service Fund, which will be used for debt extinguishment.

Personnel:

The town added thirty-seven new General Fund positions, two Electric Fund positions, and two 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.

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

JUNE 30, 2024

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 2024. 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 12.85 to 13.63 percent and law enforcement officers from 14.04 to 15.04 percent. These rates have increased significantly when compared to the levels ten-years ago, of 7.07 and 7.28 percent, respectively.

As part of the Town's goal to be an employer of choice, the Town is committed to offering flexible programs and benefits that support holistic wellbeing for employees. In FY 2025, the Town plans to continue the Peak Lifestyle Wellness program, which provides employees the flexibility to pursue physical, emotional, and financial wellness up to \$1,200 per fiscal year.

Operations:

The combination of 37 new positions, compensation adjustments, health and dental insurance increases, and retirement rate increases all contribute to the 14.78 percent increase in personnel costs. Included in the 37 new positions for General Fund are 15 public safety related positions: six police officers, a school resource officer, two civilian traffic crash investigators, two telecommunicators, an intelligence analyst, an accreditation specialist, assistant attorney and public safety information technology specialist. New positions also include five positions for Community Development and Neighborhood Connections; six positions which are tied to construction and development for Planning, Transportation and Infrastructure Development, Building Inspections and Permitting and six new positions for Parks, Recreation and Cultural Resources.

The Town added a variety of new and expanded programs in FY 25 including transportation projects and improvements by allocating an additional \$1.5 million to pavement management, \$250,000 to sidewalk connections, \$100,000 to Vision Zero intersection improvement projects, and \$288,400 for bike lane easement acquisition, markings, and signage. Allocation to greenway connections increased \$200,000, and \$650,000 will fund the street hockey rink and an inclusive playground at Apex Community Park.

Finally, within the 13.8 percent debt service increase are payments for planned debt issuances for general obligation bonds and two-thirds bonds to be sold and used for transportation projects, as well as debt used to fund purchases of vehicles and equipment.

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 (\$4,000,000) – 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.
- Olive Chapel Road at Apex Barbecue Road Improvements (\$450,000) – this project addresses traffic congestion and reduces potential crashes at the intersection of Olive Chapel Road at Apex Barbecue Road.
- South Salem Street Bicycle Connection (\$740,000) – this project includes sharrows (road markings that indicate a shared environment for bicycles and vehicles) along Salem Street from Apex Peakway to Hunter Street and bike lanes along South Salem Street from Pleasant Park to Apex Peakway.
- Environmental Education Center (\$1,000,000) – this project includes the development of a facility at the Nature park that will focus on providing space for nature and environmental education.
- Town Facility Solar Initiative (\$670,000) – project funds the design and construction of solar panels on Town facilities over a three-year period.

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

JUNE 30, 2024

Business-Type Activities:

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

The increase in the Electric Fund, \$0.12 for base rate and 14.0 percent for energy charge, is primarily due to increases in personnel and operating costs, as well as the cost to purchase power. The funds capital budget includes \$4.2 million for annual system expansion, \$0.2 million for system fault indicators, \$0.2 million for Mount Zion substation upgrades and \$0.5 million for LED street light replacements and upgrades.

The Water and Sewer Fund reflects an increase in all expenditure categories except capital. This includes an increase to the water base rate, water volumetric rate, sewer base rate, and sewer volumetric rate by four percent.

The Water and Sewer capital project fund includes:

- \$0.9 million – Old Raleigh Road Water Line Replacement project
- \$0.3 million – Little Beaver Creek Gravity Sewer Extension
- \$0.2 million – Wimberly Road Water Supply Vault
- \$0.9 million – Western Wake Water Reclamation Facility and Cary-Apex Water Treatment Plant

The Stormwater Fund reflects an increase in personnel and operating expenditures. The stormwater projects include Lake Pine Spillway repair (\$0.5 million), Seagroves Farm Dam repair (\$0.1 million) and the Phase III Condition Assessment contract (\$0.3 million).

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, 2024

	Governmental	Business-type	
	Activities	Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 111,909,513	\$ 77,426,193	\$ 189,335,706
Taxes receivables (net)	55,575	-	55,575
Accounts receivable (net)	3,103,510	15,669,757	18,773,267
Accrued interest receivable	-	2,650	2,650
Due from other governments	8,382,726	-	8,382,726
Lease receivable	-	572,173	572,173
Inventories	24,940	5,072,329	5,097,269
Prepaid expenses	128,212	9,268	137,480
Total Current Assets	123,604,477	98,752,370	222,356,847
Noncurrent Assets:			
Restricted cash and cash equivalents	40,632,614	20,638,287	61,270,901
Notes receivable	1,665,000	-	1,665,000
Capital assets			
Right to use, net of amortization	742,363	419,253	1,161,616
Land and construction in progress	224,870,242	108,330,787	333,201,029
Other capital assets, net of depreciation	529,502,242	230,263,226	759,765,468
Total Capital Assets	755,114,847	339,013,266	1,094,128,113
Total Noncurrent Assets	797,412,461	359,651,553	1,157,064,014
Total Assets	921,016,938	458,403,923	1,379,420,861
Deferred Outflows of Resources			
Contributions to LGERS pension plan in current fiscal year	5,137,005	1,079,718	6,216,723
Pension deferrals - LGERS	12,398,444	3,485,902	15,884,346
Law enforcement separation allowance deferrals	1,236,248	-	1,236,248
Other postemployment benefits deferrals	5,323,882	678,662	6,002,544
Total Deferred Outflows of Resources	24,095,579	5,244,282	29,339,861
Liabilities			
Current Liabilities:			
Accounts payable	9,831,538	8,068,407	17,899,945
Due to other governments	337,971	-	337,971
Unearned grant revenue	11,617,124	-	11,617,124
Salaries and benefits payable	-	483,376	483,376
Accrued interest payable	859,856	235,939	1,095,795
Customer deposits	-	2,901,188	2,901,188
Compensated absences	765,916	462,604	1,228,520
Subscription liability	172,202	68,102	240,304
Bonds and notes payable	7,745,990	3,647,065	11,393,055
Total Current Liabilities	31,330,597	15,866,681	47,197,278

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

STATEMENT OF NET POSITION

JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
Long-Term Liabilities:			
Compensated absences	3,442,123	388,490	3,830,613
Total pension liability - LEOSA	4,751,417	-	4,751,417
Pension liability - LGERS	27,173,371	8,390,822	35,564,193
Net other postemployment liability	27,180,087	8,242,617	35,422,704
Subscription liability	445,431	264,982	710,413
Bonds and notes payable	93,845,294	42,737,867	136,583,161
Total Long-Term Liabilities	<u>156,837,723</u>	<u>60,024,778</u>	<u>216,862,501</u>
Total Liabilities	<u>188,168,320</u>	<u>75,891,459</u>	<u>264,059,779</u>
Deferred Inflows of Resources			
Prepaid taxes	226,929	-	226,929
Pension deferrals - LGERS	217,986	67,501	285,487
Other postemployment benefits deferrals	11,322,730	1,984,185	13,306,915
Law enforcement separation allowance deferrals	618,655	-	618,655
Grants	-	-	-
Leases	-	554,159	554,159
Total Deferred Inflows of Resources	<u>12,386,300</u>	<u>2,605,845</u>	<u>14,992,145</u>
Net Position			
Net investment in capital assets	677,522,063	292,972,720	970,494,783
Restricted for			
Stabilization by state statute	15,826,335	-	15,826,335
External Funding	-	20,638,287	20,638,287
Planning	2,769,127	-	2,769,127
Street and sidewalk improvements	17,185,182	-	17,185,182
Public Safety	3,206,639	-	3,206,639
Parks and recreation	8,058,257	-	8,058,257
General government programs	11,790,126	-	11,790,126
Unrestricted	8,200,168	71,539,894	79,740,062
Total Net Position	<u>\$ 744,557,897</u>	<u>\$ 385,150,901</u>	<u>\$ 1,129,708,798</u>

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

TOWN OF APEX, NORTH CAROLINA
STATEMENT OF ACTIVITIES

Exhibit 2

FOR THE YEAR ENDED JUNE 30, 2024

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	\$ 29,479,761	\$ 4,048,106	\$ 353,636	\$ 158,873	\$ (24,919,146)	\$ -	\$ (24,919,146)
Public safety	33,479,270	93,553	1,971,574	-	(31,414,143)	-	(31,414,143)
Public works	25,682,474	1,236,601	2,098,992	61,698,254	39,351,373	-	39,351,373
Environmental protection	6,928,270	6,894,085	-	-	(34,185)	-	(34,185)
Cultural and recreation	10,160,794	6,719,994	-	1,695,845	(1,744,955)	-	(1,744,955)
Interest on long-term debt	3,044,351	-	-	-	(3,044,351)	-	(3,044,351)
Total governmental activities	<u>108,774,920</u>	<u>18,992,339</u>	<u>4,424,202</u>	<u>63,552,972</u>	<u>(21,805,407)</u>	<u>-</u>	<u>(21,805,407)</u>
Business-type activities:							
Water & Sewer	32,748,746	27,465,247	-	24,157,503	-	18,874,004	18,874,004
Stormwater	2,294,073	3,067,697	-	-	-	773,624	773,624
Electric	51,445,480	60,091,949	-	-	-	8,646,469	8,646,469
Total business-type activities	<u>86,488,299</u>	<u>90,624,893</u>	<u>-</u>	<u>24,157,503</u>	<u>-</u>	<u>28,294,097</u>	<u>28,294,097</u>
Total	<u>\$ 195,263,219</u>	<u>\$ 109,617,232</u>	<u>\$ 4,424,202</u>	<u>\$ 87,710,475</u>	<u>(21,805,407)</u>	<u>28,294,097</u>	<u>6,488,690</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					55,054,189	-	55,054,189
Other taxes and licenses					24,029,050	-	24,029,050
Unrestricted intergovernmental					4,833,605	-	4,833,605
Unrestricted investment earnings					8,789,747	3,046,284	11,836,031
Miscellaneous					1,711,182	846,090	2,557,272
Total general revenues					<u>94,417,773</u>	<u>3,892,374</u>	<u>98,310,147</u>
Transfers					1,250,000	(1,250,000)	-
Total general revenues and transfers					<u>95,667,773</u>	<u>2,642,374</u>	<u>98,310,147</u>
Change in net position					73,862,366	30,936,471	104,798,837
Net position-beginning					<u>670,695,531</u>	<u>354,214,430</u>	<u>1,024,909,961</u>
Net position-ending					<u>\$ 744,557,897</u>	<u>\$ 385,150,901</u>	<u>\$ 1,129,708,798</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, 2024

	General	Debt Service Fund	Transportation Capital Projects	Recreation Capital Projects	ARPA State Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 44,686,171	\$ 8,146,073	\$ 17,452,377	\$ 15,878,314	\$ 1,732,888	\$ 24,013,690	\$ 111,909,513
Receivables, net							
Taxes	44,116	11,459	-	-	-	-	55,575
Accounts	1,213,119	-	101,298	1,695,845	-	93,248	3,103,510
Due from other governments	8,175,470	84,673	-	1,515	-	121,068	8,382,726
Due from other funds	414,915	-	-	-	-	-	414,915
Note receivable	1,665,000	-	-	-	-	-	1,665,000
Inventories	24,940	-	-	-	-	-	24,940
Prepaid expenditures	128,212	-	-	-	-	-	128,212
Restricted cash and cash equivalents	7,644,001	-	20,997,054	-	11,500,000	491,559	40,632,614
Total Assets	\$ 63,995,945	\$ 8,242,205	\$ 38,550,729	\$ 17,575,674	\$ 13,232,888	\$ 24,719,565	\$ 166,317,006
Liabilities							
Accounts payable and accrued liabilities	\$ 5,674,110	\$ -	\$ 45,464	\$ 2,656,570	\$ 37,734	\$ 708,890	\$ 9,122,768
Unearned grant revenue	105,029	-	-	-	11,500,000	-	11,605,029
Due to other governments	-	-	323,029	14,942	-	-	337,971
Total Liabilities	5,779,139	-	368,493	2,671,512	11,537,734	708,890	21,065,768
Deferred Inflow of Resources							
Property taxes receivable	44,116	11,459	-	-	-	-	55,575
Unavailable revenues	12,095	-	-	-	-	-	12,095
Prepaid taxes	213,846	13,083	-	-	-	-	226,929
Total deferred inflows of resources	270,057	24,542	-	-	-	-	294,599
Fund Balances							
Non Spendable							
Inventories	24,940	-	-	-	-	-	24,940
Prepayments	128,212	-	-	-	-	-	128,212
Restricted							
Stabilization by state statute	15,826,335	-	-	-	-	-	15,826,335
Public safety	342,104	-	-	-	-	2,864,535	3,206,639
Parks and recreation	-	-	-	7,917,718	140,539	-	8,058,257
Planning	1,309,117	-	-	-	-	1,460,010	2,769,127
General Government	-	-	-	-	1,554,615	10,235,511	11,790,126
Transportation	-	-	38,182,236	-	-	-	38,182,236
Committed							
Library maintenance	-	-	-	-	-	721,943	721,943
Economic Development	5,411,463	-	-	-	-	-	5,411,463
Public Safety	423,482	-	-	-	-	-	423,482
Cemetery	-	-	-	-	-	491,559	491,559
Parks and recreation	-	-	-	6,986,444	-	-	6,986,444
Assigned							
Subsequent years expenditures	1,660,000	-	-	-	-	-	1,660,000
Debt Service	-	8,217,663	-	-	-	-	8,217,663
Street & Sidewalk Improvements	-	-	-	-	-	2,890,335	2,890,335
Parks and recreation	-	-	-	-	-	5,346,782	5,346,782
Unassigned	32,821,095	-	-	-	-	-	32,821,095
Total fund balances	57,946,749	8,217,663	38,182,236	14,904,162	1,695,154	24,010,675	144,956,639
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 63,995,945	\$ 8,242,205	\$ 38,550,729	\$ 17,575,674	\$ 13,232,888	\$ 24,719,565	\$ 166,317,006

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

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

JUNE 30, 2024

Fund balances-total governmental funds	\$	144,956,639
<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	\$	1,015,530,839
Less accumulated depreciation	<u>(261,158,355)</u>	754,372,484
<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	929,195	
Accumulated depreciation	<u>(186,832)</u>	742,363
<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	(96,041,409)	
Premiums received on bond issuance	(5,549,875)	
Compensated absences	(4,208,039)	
Other postemployment benefits & liability	(27,180,087)	
Total pension liability - LEOSSA	(4,751,417)	
Pension liability - LGERS	<u>(27,173,371)</u>	(164,904,198)
<p>Liabilities for unavailable revenues considered deferred inflows of resources in fund statements.</p>		
		55,575
<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>		
		(1,123,685)
<p>Deferred inflows/outflows of resources related to pensions are not reported in the funds - LEOSSA</p>		
		617,593
<p>Deferred inflows/outflows of resources related to pensions are not reported in the funds - LGERS</p>		
		17,317,463
<p>Deferred inflows/outflows of resources related to pensions are not reported in the funds - Other postemployment benefits</p>		
		(5,998,848)
<p>Other liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Subscription liability		(617,633)
Accrued interest payable - leases		(13,598)
Accrued interest expense payable		<u>(846,258)</u>
Net position of governmental activities	<u>\$</u>	<u>744,557,897</u>

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

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

Exhibit 4

FOR THE YEAR ENDED JUNE 30, 2024

	General	Debt Service Fund	Formerly Non-Major Fund		ARPA State Fund	Formerly Major Fund		Other Nonmajor Governmental Funds	Total Governmental Funds
			Transportation Capital Projects	Recreation Capital Projects		General Capital Projects	General Capital Projects		
Revenues:									
Ad valorem taxes	\$ 43,750,915	\$ 11,307,636	\$ -	\$ -	\$ -			\$ -	\$ 55,058,551
Other taxes	22,629,783	-	-	-	-			1,399,267	24,029,050
Unrestricted intergovernmental	4,833,605	-	-	-	-			-	4,833,605
Restricted intergovernmental	4,424,202	-	450,392	1,695,845	-			43,248	6,613,687
Permits and fees	4,173,442	-	-	-	-			-	4,173,442
Sales and services	8,896,871	-	-	445,634	-			4,387,720	13,730,225
Miscellaneous	1,414,634	-	180,923	-	-			115,625	1,711,182
Investment earnings	4,672,179	271,977	1,870,019	659,222	303,270			575,540	8,352,207
Total revenues	<u>94,795,631</u>	<u>11,579,613</u>	<u>2,501,334</u>	<u>2,800,701</u>	<u>303,270</u>			<u>6,521,400</u>	<u>118,501,949</u>
Expenditures:									
Current:									
General government	21,143,113	-	-	-	-			34,232	21,177,345
Public safety	32,792,471	-	-	-	-			-	32,792,471
Public works	7,218,093	-	218,459	-	-			-	7,436,552
Environmental protection	6,850,837	-	-	-	-			-	6,850,837
Cultural and recreational	8,802,273	-	-	-	-			-	8,802,273
Capital outlay	6,943,319	-	4,049,892	6,945,677	80,211			10,274,017	28,293,116
Debt service:									
Bond principal	-	3,725,000	-	-	-			-	3,725,000
Bond interest	-	2,189,104	-	-	-			-	2,189,104
Installment note principal	-	1,942,690	-	-	-			-	1,942,690
Installment note interest	-	305,156	-	-	-			-	305,156
Total expenditures	<u>83,750,106</u>	<u>8,161,950</u>	<u>4,268,351</u>	<u>6,945,677</u>	<u>80,211</u>			<u>10,308,249</u>	<u>113,514,544</u>
Revenues under expenditures	<u>11,045,525</u>	<u>3,417,663</u>	<u>(1,767,017)</u>	<u>(4,144,976)</u>	<u>223,059</u>			<u>(3,786,849)</u>	<u>4,987,405</u>
Other financing sources (uses):									
Transfers in	112,977	1,200,000	4,992,307	5,148,532	1,390,000			2,805,202	15,649,018
Transfers out	(9,161,508)	-	-	-	-			(5,953,653)	(15,115,161)
Issuance of debt	1,375,000	-	24,500,000	-	-			3,460,000	29,335,000
IT subscription based agreements	749,356	-	-	-	-			-	749,356
Premium on debt issuance	-	-	1,361,997	-	-			88,711	1,450,708
Total other financing sources	<u>(6,924,175)</u>	<u>1,200,000</u>	<u>30,854,304</u>	<u>5,148,532</u>	<u>1,390,000</u>			<u>400,260</u>	<u>32,068,921</u>
Net change in fund balances	<u>4,121,350</u>	<u>4,617,663</u>	<u>29,087,287</u>	<u>1,003,556</u>	<u>1,613,059</u>			<u>(3,386,589)</u>	<u>37,056,326</u>
Fund balance - beginning of year, as previously reported	53,825,399	3,600,000	-	13,900,606	82,095	12,638,104		23,854,109	107,900,313
Change within financial reporting entity	-	-	9,094,949	-	-	(12,638,104)		3,543,155	-
Fund balance - beginning of year, as adjusted	<u>53,825,399</u>	<u>3,600,000</u>	<u>9,094,949</u>	<u>13,900,606</u>	<u>82,095</u>	<u>-</u>		<u>27,397,264</u>	<u>107,900,313</u>
Fund balance - end of year	<u>\$ 57,946,749</u>	<u>\$ 8,217,663</u>	<u>\$ 38,182,236</u>	<u>\$ 14,904,162</u>	<u>\$ 1,695,154</u>	<u>\$ -</u>		<u>\$ 24,010,675</u>	<u>\$ 144,956,639</u>

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

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

FOR THE YEAR ENDED JUNE 30, 2024

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

Net change in fund balances - total governmental funds \$ 37,056,326

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	\$ 27,330,190	
Less current year depreciation	(24,347,445)	
Loss on disposal	(597,923)	2,384,822
Right to use asset capital outlay expenditures	822,656	
Amortization expense for right to use assets	(153,735)	668,921

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities 5,137,005

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		61,698,253
Change in unavailable revenue for taxes		7,097

Loss on internal service funds determined to be governmental-type (1,114,186)

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	437,540	
Issuance of debt	(29,335,164)	
Premium received on issuance of debt	(1,450,708)	
Principal payments	5,667,689	
		(24,680,643)

Addition to SBITA 749,356
 Reduction to SBITA (194,930)
554,426

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		(765,916)
Pension Expense - LGERS		(5,465,536)
Pension Expense - LEOSSA		(407,733)
Other postemployment benefits expense		(660,379)
Change in accrued interest payable		(550,091)
		(7,850,655)

Total changes in net position of governmental activities \$ 73,862,366

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

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, 2024

	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 54,294,000	\$ 43,598,000	\$ 42,435,961	\$ (1,162,039)
Other taxes and licenses	21,078,500	21,078,500	22,629,783	1,551,283
Unrestricted intergovernmental	4,330,000	4,330,000	4,833,605	503,605
Restricted intergovernmental	3,960,800	4,259,790	4,424,202	164,412
Permits and fees	2,514,000	2,514,000	4,173,442	1,659,442
Sales and services	7,803,400	7,803,400	8,896,871	1,093,471
Miscellaneous	191,500	191,500	701,749	510,249
Investment earnings	1,200,000	2,600,792	4,554,528	1,953,736
Total revenues	<u>95,372,200</u>	<u>86,375,982</u>	<u>92,650,141</u>	<u>6,274,159</u>
Expenditures:				
Current				
General government	21,315,800	23,902,883	21,708,513	2,194,370
Public safety	37,469,500	37,046,542	35,610,232	1,436,310
Public works	10,446,100	10,559,708	9,035,255	1,524,453
Environmental services	6,841,800	7,522,897	7,408,735	114,162
Cultural and recreational	10,028,000	9,882,975	9,522,762	360,213
Debt service				
Bond principal	3,475,000	-	-	-
Bond interest	1,828,650	-	-	-
Installment note principal	3,602,600	-	-	-
Installment note interest	556,750	-	-	-
Total expenditures	<u>95,564,200</u>	<u>88,915,005</u>	<u>83,285,497</u>	<u>5,629,508</u>
Revenues over (under) expenditures	<u>(192,000)</u>	<u>(2,539,023)</u>	<u>9,364,644</u>	<u>11,903,667</u>
Other financing sources (uses):				
Transfers in	650,000	650,000	112,977	(537,023)
Installment purchasing agreements	1,375,000	1,375,000	1,375,000	-
Transfers out	(6,508,000)	(9,211,002)	(9,161,509)	49,493
Contingency	-	(100,000)	-	100,000
IT subscription based agreements (SBITAs)	-	-	749,356	749,356
Appropriated fund balance	4,675,000	9,825,025	-	(9,825,025)
Total other financing sources (uses)	<u>192,000</u>	<u>2,539,023</u>	<u>(6,924,176)</u>	<u>(9,463,199)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,440,468</u>	<u>\$ 2,440,468</u>
Fund balance - Beginning of year			<u>49,329,232</u>	
Fund balance - End of year			<u>\$ 51,769,700</u>	

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

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, 2024

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

Miscellaneous revenues	159,382
Investment earnings	5,834
Operating expenditures	(8,269)
Fund balance - beginning of year	161,605

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

Investment earnings	824
Miscellaneous revenues	83
Fund balance - beginning of year	22,645

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

Investment earnings	15,442
Miscellaneous revenues	243,100
Personnel expenditures	(268,339)
Fund balance - beginning of year	433,279

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

Ad Valorem Taxes	1,314,954
Investment earnings	95,551
Miscellaneous revenues	310,320
Operations	(188,000)
Fund balance - beginning of year	3,878,638

Fund balance - end of year (Exhibit 4)	\$ 57,946,749
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TOWN OF APEX, NORTH CAROLINA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2024

	Major Funds				Internal Service Fund
	Water and Sewer Fund	Electric Fund	Stormwater Fund	Totals	
Assets					
Current assets:					
Cash and cash equivalents	\$ 58,732,279	\$ 15,834,178	\$ 2,859,736	\$ 77,426,193	\$ -
Accounts receivable, net (billed)	2,352,821	3,341,185	155,753	5,849,759	-
Accounts receivable, net (unbilled)	2,995,114	6,681,650	143,234	9,819,998	-
Inventories	578,770	4,493,559	-	5,072,329	-
Lease receivable	572,173	-	-	572,173	-
Accrued interest receivable - leases	2,650	-	-	2,650	-
Prepaid expenditures	9,268	-	-	9,268	-
Restricted cash and cash equivalents	18,286,036	811,924	1,540,327	20,638,287	-
Subtotal	83,529,111	31,162,496	4,699,050	119,390,657	-
Noncurrent assets:					
Capital assets:					
Land and other non-depreciable assets	116,340,001	4,084,789	-	120,424,790	-
Other capital assets, net of depreciation	323,711,020	97,097,628	274,217	421,082,865	-
Accumulated depreciation and amortization	(158,873,964)	(43,616,741)	(3,684)	(202,494,389)	-
Capital assets (net)	281,177,057	57,565,676	270,533	339,013,266	-
Subtotal-noncurrent assets	281,177,057	57,565,676	270,533	339,013,266	-
Total assets	364,706,168	88,728,172	4,969,583	458,403,923	-
Deferred Outflows of Resources:					
Pension deferrals - LGERS Contributions	538,408	449,312	91,998	1,079,718	-
Pension deferrals - LGERS	2,116,298	1,417,064	-	3,533,362	-
Other post employment benefit deferrals	314,118	353,100	30,737	697,955	-
Total deferred outflows of resources	2,968,824	2,219,476	122,735	5,311,035	-
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	3,481,587	4,559,932	26,888	8,068,407	708,770
Salaries payable	233,306	213,548	36,522	483,376	-
Due to other funds	-	-	-	-	414,914
Customer deposits	182,195	899,337	1,819,656	2,901,188	-
Accrued interest payable - Bond	76,121	151,837	-	227,958	-
Accrued interest payable - Subscriptions	3,643	3,955	383	7,981	-
Compensated absences	504,630	326,014	20,450	851,094	-
Installment purchases and notes payable	1,673,065	-	-	1,673,065	-
General obligation bonds payable	1,530,000	-	-	1,530,000	-
Revenue bond payable	-	444,000	-	444,000	-
Total current liabilities	7,684,547	6,598,623	1,903,900	16,187,070	1,123,685
Noncurrent liabilities:					
Pension liability - LGERS	4,726,153	3,554,122	110,547	8,390,822	-
Compensated absences	-	-	-	-	-
Subscription liability	152,257	164,200	16,627	333,084	-
Total other postemployment benefits liability	4,116,158	3,578,018	548,441	8,242,617	-
Installment purchases and notes payable	10,329,867	-	-	10,329,867	-
General obligation bonds payable	24,570,000	-	-	24,570,000	-
Revenue bond payable	-	7,838,000	-	7,838,000	-
Total noncurrent liabilities	43,894,435	15,134,340	675,615	59,704,390	-
Total liabilities	51,578,982	21,732,963	2,579,515	75,891,460	1,123,685
Deferred Inflows of Resources					
Pension deferrals - LGERS	33,806	29,302	51,853	114,961	-
Leases	554,159	-	-	554,159	-
Other post employment benefit deferrals	993,624	1,009,854	-	2,003,478	-
Total deferred inflows of resources	1,581,589	1,039,156	51,853	2,672,598	-
Net Position					
Net investment in capital assets	243,237,683	49,447,876	287,160	292,972,719	-
Restricted	18,286,036	811,924	1,540,327	20,638,287	-
Unrestricted	52,990,702	17,915,729	633,463	71,539,894	(1,123,685)
Total net position	\$ 314,514,421	\$ 68,175,529	\$ 2,460,950	\$ 385,150,900	\$ (1,123,685)

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

TOWN OF APEX, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2024

	Major Funds				Internal Service Fund
	Water and Sewer Fund	Electric Fund	Stormwater Fund	Total	
Operating revenues:					
Charges for services	\$ 26,751,634	\$ 53,142,106	\$ 2,861,875	\$ 82,755,615	\$ 7,801,237
Water and sewer taps	424,304	-	-	424,304	-
Other operating revenues	289,309	6,949,843	205,822	7,444,974	-
Total operating revenues	<u>27,465,247</u>	<u>60,091,949</u>	<u>3,067,697</u>	<u>90,624,893</u>	<u>7,801,237</u>
Operating expenses:					
Water and sewer operations	20,519,310	-	-	20,519,310	-
Electric operations	-	13,953,975	-	13,953,975	-
Electric power purchases	-	33,584,830	-	33,584,830	-
Stormwater management	-	-	2,290,389	2,290,389	-
Depreciation and amortization	11,499,229	3,722,200	3,684	15,225,113	-
Health and dental claims	-	-	-	-	7,765,234
Health and dental administrative fees	-	-	-	-	1,150,189
Total operating expenses	<u>32,018,539</u>	<u>51,261,005</u>	<u>2,294,073</u>	<u>85,573,617</u>	<u>8,915,423</u>
Operating income (loss)	<u>(4,553,292)</u>	<u>8,830,944</u>	<u>773,624</u>	<u>5,051,276</u>	<u>(1,114,186)</u>
Nonoperating revenues (expenses):					
Investment earnings	2,311,628	637,673	96,983	3,046,284	-
Interest expense	(730,206)	(184,476)	-	(914,682)	-
Gain on sale asset	16,936	24,012	-	40,948	-
Other	578,529	206,370	20,243	805,142	-
Total nonoperating revenues (expenses)	<u>2,176,887</u>	<u>683,579</u>	<u>117,226</u>	<u>2,977,692</u>	<u>-</u>
Income before transfers and capital contributions	(2,376,405)	9,514,523	890,850	8,028,968	(1,114,186)
Transfers from other funds	10,608,026	2,413,511	-	13,021,537	-
Transfers to other funds	(11,858,026)	(2,413,511)	-	(14,271,537)	-
Capital asset contributions	24,157,503	-	-	24,157,503	-
Total transfers and capital contributions	<u>22,907,503</u>	<u>-</u>	<u>-</u>	<u>22,907,503</u>	<u>-</u>
Change in net position	20,531,098	9,514,523	890,850	30,936,471	(1,114,186)
Net position, beginning of year, as previously presented	295,553,424	58,661,006	-	354,214,430	(9,499)
Change within financial reporting entity (new fund)	<u>(1,570,100)</u>	<u>-</u>	<u>1,570,100</u>	<u>-</u>	<u>-</u>
Net position, beginning of year, as restated	293,983,324	58,661,006	1,570,100	354,214,430	-
Net position, end of year	<u>\$ 314,514,422</u>	<u>\$ 68,175,529</u>	<u>\$ 2,460,950</u>	<u>\$ 385,150,901</u>	<u>\$ (1,123,685)</u>

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

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

FOR THE YEAR ENDED JUNE 30, 2024

	Water & Sewer Fee Fund	Electric Fund	Stormwater Fund	Totals	Internal Service Fund
Cash flows from operating activities:					
Cash received from customers	\$ 26,299,492	\$ 54,723,452	\$ 2,768,710	\$ 83,791,654	\$ 7,801,237
Cash paid for goods and services	(19,873,900)	(45,573,714)	(707,166)	(66,154,780)	(8,680,818)
Cash paid to or on behalf of employees for services	1,794,559	2,258,933	\$666,324	4,719,816	-
Customer deposits received	530	49,799	279,329	329,658	-
Customer deposits paid	-	-	-	-	-
Net cash provided by operating activities	<u>8,220,681</u>	<u>11,458,470</u>	<u>\$3,007,197</u>	<u>22,686,348</u>	<u>(879,581)</u>
Cash flows from noncapital financing activities:					
Receipt (Repayment) of interfund loan	-	-	-	-	414,914
Advances from/to other funds	(2,820,100)	-	1,570,100	(1,250,000)	-
Bond refunding	-	-	-	-	-
Net cash provided by (used by) noncapital financing activities	<u>(2,820,100)</u>	<u>-</u>	<u>1,570,100</u>	<u>(1,250,000)</u>	<u>414,914</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(7,971,087)	(8,112,463)	(253,974)	(16,337,524)	-
Proceeds of sale of capital assets	16,936	24,012	-	40,948	-
Principal paid on bond maturities and equipment notes	(3,106,513)	(1,053,000)	-	(4,159,513)	-
Interest paid on bond maturities and equipment notes	(730,643)	(195,323)	-	(925,966)	-
Proceeds from issuance of debt	(410,000)	-	(20,243)	(430,243)	-
Capacity and capital reimbursement fees	6,467,681	-	-	6,467,681	-
Federal and State grant proceeds	21,877	-	-	21,877	-
Private funding	-	-	-	-	-
Other financing transactions	556,652	-	-	556,652	-
Net cash provided by (used by) capital and related financing activities	<u>(5,155,097)</u>	<u>(9,336,774)</u>	<u>(274,217)</u>	<u>(14,766,088)</u>	<u>-</u>
Cash flows from investing activities:					
Interest on investments	2,311,628	637,673	96,983	3,046,284	-
Net increase in cash and cash equivalents	2,557,112	2,759,369	4,400,063	9,716,544	(464,667)
Cash and cash equivalents:					
Beginning of year	74,461,203	13,886,733	-	88,347,936	464,667
End of year	<u>\$ 77,018,315</u>	<u>\$ 16,646,102</u>	<u>\$ 4,400,063</u>	<u>\$ 98,064,480</u>	<u>\$ -</u>

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

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

FOR THE YEAR ENDED JUNE 30, 2024

	Water & Sewer Fee Fund	Electric Fund	Stormwater Fund	Totals	Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ (4,553,292)	\$ 8,830,944	\$ 773,624	5,051,276	\$ (1,114,186)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation and amortization	11,499,229	3,722,200	3,684	15,225,113	-
Changes in assets, deferred outflows and inflows of resources, and liabilities:					
Accounts receivable	(1,165,755)	(5,368,497)	(292,050)	(6,826,302)	-
Grants Receivable	-	-	(6,937)	(6,937)	-
Inventory	(162,696)	935,274	-	772,578	-
Deferred outflows for pensions	1,192,044	1,063,540	(44,538)	2,211,046	-
Prepaid expenses	(7,958)	-	-	(7,958)	-
Deferred outflows of resources - OPEB	(85,882)	74,653	(11,443)	(22,672)	-
Subscription asset	(190,671)	(210,307)	(18,275)	(419,253)	-
Pension liability	843,342	732,811	110,547	1,686,700	-
Accounts payable and accrued liabilities	879,256	1,224,049	1,604,049	3,707,354	234,605
Deferred inflows of resources - leases	37,300	-	-	37,300	-
Accrued compensated absences	44,734	40,171	20,450	105,355	-
Deferred inflows of resources - pensions	27,620	(14,407)	4,393	17,606	-
Deferred inflows resources - OPEB	144,802	(125,871)	19,294	38,225	-
Subscription liability	152,257	164,200	16,627	333,084	-
Other postemployment liability	(434,179)	339,911	548,441	454,173	-
Deposits	530	49,799	279,331	329,660	-
Total adjustments	12,773,973	2,627,526	2,233,573	17,635,072	234,605
Net cash provided by operating activities	<u>\$ 8,220,681</u>	<u>\$ 11,458,470</u>	<u>\$ 3,007,197</u>	<u>\$ 22,686,348</u>	<u>\$ (879,581)</u>
Noncash investing, capital, and financial activities					
Contributions of capital assets from developers	\$ 17,689,822	\$ -	\$ -	\$ 17,689,822	\$ -
Acquisition of capital assets through capital contributions	(17,689,822)	-	-	(17,689,822)	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

Exhibit 9

JUNE 30, 2024

**OPEB Trust
Fund**

ASSETS:

Cash and cash equivalents

\$ 2,517,679

2,517,679

NET POSITION:

Net position restricted for postemployment benefits
other than pensions

\$ 2,517,679

2,517,679

The notes to the financial statements are an integral part of this statement.

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

Exhibit 10

FOR THE YEAR ENDED JUNE 30, 2024

	<u>OPEB Trust Fund</u>
ADDITIONS:	
Employer contributions	\$ 988,531
Investment income	<u>340,091</u>
Total additions	<u>1,328,622</u>
DEDUCTIONS:	
Benefits	<u>638,532</u>
Total deductions	<u>638,532</u>
Change in net position	690,090
Net position - beginning	<u>1,827,589</u>
Net position - ending	<u><u>\$ 2,517,679</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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 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, 2024

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.

Transportation Capital Projects Fund – The Transportation Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of major capital park facilities.

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.

American Rescue Plan 2021 (ARP) State Fund – The ARP Fund is used to account for financial resources received from the state government.

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 and System Development Fee Capital Reserve Fund, which are consolidated for financial reporting purposes.

Stormwater Fund – This fund is used to account for the Town’s stormwater management operations.

The Town reports the following nonmajor governmental funds:

Special Revenue Funds –The Town has two nonmajor Special Revenue Funds. The American Rescue Plan 2021 (ARP) Federal Unrestricted Fund which is used to account for financial resources received from the federal government. The Town elected to use the revenue replacement category and recognize the standard allowance for the federal funding received. 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 General 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

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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

beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans.

The Other Postemployment Benefits Trust Fund accounts for the Town's contributions for healthcare coverage provided to qualified retirees.

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

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

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

JUNE 30, 2024

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, 2024

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, 2024 of 1.4 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 8.38 years at June 30, 2024.

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, 2024 the fair value of the funds was \$38.07 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.

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TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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, advanced grant funds and the law enforcement officer’s special separation allowance set aside funds 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	\$ 1,300,417
Affordable Housing	5,411,241
Public Safety	765,583
Public Works	166,760

Transportation Capital Project Fund	20,997,054
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Non-Major Governmental Funds:

ARPA State	11,500,000
Environmental Services	491,559
Total Governmental Activities	<u>40,632,614</u>

Business-Type Activities:

Electric Fund	811,924
Water and Sewer Fund	18,286,036
Stormwater Fund	1,540,327
Total Business-Type Activities	<u>20,638,287</u>
Total Restricted Cash	<u>\$ 61,270,901</u>

4. Ad Valorem Taxes Receivable

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

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, Stormwater Fund and Water and Sewer Fund. This amount is estimated by

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024 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 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.

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, 2024

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 unavailable revenues (reported only on the Balance Sheet of the Governmental Funds), 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, 2024

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, 2024

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 for general public projects, as well as a cemetery project.

Restricted for transportation – portion of fund balance is by revenue source for street construction and maintenance expenditures on projects. The majority of this amount represents unspent bond proceeds.

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 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.

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, 2024

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.

Unassigned Fund Balance

The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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.

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024, the carrying amount of the Town’s deposits was \$ 84,891,661 and the bank balance was \$90,779,417. Of the bank balance, \$2,250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2024, the Town had \$2,100 of petty cash on hand.

Investments – at June 30, 2024, the Town’s investments consisted of the following:

Investment Type	Valuation Measurement Method	Book Value at 06/30/2024	Maturities			Rating
			Less Than 1 Year	Maturities 1 to 2 Years	Maturities 2 to 3 Years	
NCCMT - Government Portfolio	Fair Value - Level 1	\$ 86,680,850	\$ 86,680,850	\$ -	\$ -	AAAm
North Carolina Investment Pool	Fair Value - Level 2	24,020,722	\$ 24,020,722	-	-	AAAmmf
CDARS	Amortized Cost	7,372,553	7,372,553	-	-	N/A
Certificates of Deposit	Amortized Cost	28,048,754	28,048,754	-	-	N/A
Commercial Paper	Amortized Cost	7,808,161	7,808,161	-	-	A-1, P-1, F1+
US Government Treasuries	Fair Value - Level 1	993,930	993,930	-	-	Aaa
US Government Bonds	Fair Value - Level 1	10,789,976	5,272,797	4,024,894	1,492,285	Aaa, AA+
Totals		\$ 165,714,946	\$ 160,197,767	\$ 4,024,894	\$ 1,492,285	

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024.

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, 2024 the Town Healthcare Benefits (HCB) Plan Fund had \$2,517,679 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:

	Accounts	Taxes	
	Receivable	Receivable	Total
General Fund	\$ 403	\$ 268,616	\$ 269,018
Water and Sewer Fund	77,799	-	77,799
Stormwater Fund	2,761	-	2,761
	\$ 80,963	\$ 268,616	\$ 349,578

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 4 – LEASE RECEIVABLES

As of June 30, 2024, Town of Apex had 5 active leases. The leases have receipts that range from \$23,188 to \$40,656 and interest rates that range from 0.4170% to 1.5000%. As of June 30, 2024, the total value of the lease receivable is \$572,173 and the value of the deferred inflow of resources is \$554,159.

Year Ending June 30:	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 72,858	\$ 8,009	\$ 80,867
2026	50,282	7,104	57,386
2027	18,072	6,612	24,684
2028	18,345	6,339	24,684
2029	19,444	6,060	25,504
2030 - 2034	111,155	25,472	136,627
2035 - 2039	134,028	16,306	150,334
2040 - 2044	147,989	5,332	153,321
	<u>\$ 572,173</u>	<u>\$ 81,234</u>	<u>\$ 653,407</u>

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TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

GOVERNMENTAL ACTIVITIES	Balance June 30, 2023	Increases	Decreases	Transfers	Balance June 30, 2024
Capital assets not being depreciated/amortized:					
Land	\$ 71,610,584	\$ 12,322,934	\$ (86,785)	\$ 49,451,965	\$ 133,298,698
Construction in progress	71,497,791	21,522,277	(1,448,526)	-	91,571,542
Total capital assets not being depreciated	<u>143,108,375</u>	<u>33,845,211</u>	<u>(1,535,311)</u>	<u>49,451,965</u>	<u>224,870,240</u>
Capital assets being depreciated/amortized:					
Buildings and building improvements	66,787,174	1,286,931	-	-	68,074,105
Improvements	685,700,699	51,633,012	(534,834)	(49,451,965)	687,346,912
Equipment and furniture	11,631,812	1,730,336	-	-	13,362,148
Vehicles and motorized equipment	18,889,519	3,114,940	(127,025)	-	21,877,434
Right to Use Subscriptions Assets	106,539	822,656	-	-	929,195
Total capital assets being depreciated	<u>783,115,743</u>	<u>58,587,875</u>	<u>(661,859)</u>	<u>(49,451,965)</u>	<u>791,589,794</u>
Less Accumulated Depreciation/Amortization for:					
Building and building improvements	18,876,549	2,228,078	-	27,923,686	49,028,313
Improvements	197,113,848	19,202,744	-	(27,923,686)	188,392,906
Equipment and furniture	6,864,991	912,768	(7,500)	-	7,770,259
Vehicles and motorized equipment	14,094,396	2,003,855	(131,373)	-	15,966,878
Right to Use Subscriptions Assets	33,096	153,735	-	-	186,831
Total accumulated depreciation	<u>236,982,880</u>	<u>24,501,180</u>	<u>(138,873)</u>	<u>-</u>	<u>261,345,187</u>
Total capital assets being depreciated, net	<u>546,132,863</u>				<u>530,244,607</u>
Governmental activity capital assets, net	<u>\$ 689,241,238</u>				<u>\$ 755,114,847</u>

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

General government	\$ 2,955,806
Public safety	1,903,867
Public works	17,886,477
Environmental protection	157,459
Cultural and recreational	1,597,571
Total	<u>\$ 24,501,180</u>

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TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 5 –CAPITAL ASSETS (continued):

	Balance				Balance
	June 30, 2023	Increases	Decreases	Transfers	
BUSINESS-TYPE ACTIVITIES					
WATER & SEWER FUND:					
Capital assets not being depreciated:					
Land	\$ 81,627,855	\$ 11,539,341	\$ -	\$ (9,000,068)	\$ 84,167,128
Construction in progress	14,842,675	5,465,099	(228,907)	-	20,078,867
Total capital assets not being depreciated	<u>96,470,530</u>	<u>17,004,440</u>	<u>(228,907)</u>	<u>(9,000,068)</u>	<u>104,245,995</u>
Capital assets being depreciated:					
Utility improvements	298,564,752	6,862,714	-	9,000,068	314,427,534
Building and land improvements	9,649,003	-	-	-	9,649,003
Intangibles	3,490,000	-	-	-	3,490,000
Equipment and furniture	3,129,024	-	-	-	3,129,024
Vehicles and motorized equipment	3,226,555	1,722,355	(63,192)	-	4,885,718
Right to Use Subscriptions Assets	-	223,745	-	-	223,745
Total capital assets being depreciated	<u>318,059,334</u>	<u>8,808,814</u>	<u>(63,192)</u>	<u>9,000,068</u>	<u>335,805,024</u>
Less Accumulated Depreciation for:					
Utility improvements	136,024,772	10,698,241	-	-	146,723,013
Building and land improvements	2,648,381	400,323	-	-	3,048,704
Intangibles	3,490,000	-	-	-	3,490,000
Equipment and furniture	2,334,879	149,285	-	-	2,484,164
Vehicles and motorized equipment	2,926,006	232,195	(63,192)	-	3,095,009
Right to Use Subscriptions Assets	-	33,074	-	-	33,074
Total accumulated depreciation	<u>147,424,038</u>	<u>11,513,118</u>	<u>(63,192)</u>	<u>-</u>	<u>158,873,964</u>
Total capital assets being depreciated, net	<u>170,635,296</u>				<u>176,931,060</u>
Total Water and Sewer Fund Capital Assets	<u>\$ 267,105,826</u>				<u>\$ 281,177,055</u>
ELECTRIC FUND:					
Capital assets not being depreciated:					
Land	\$ 2,848,934	\$ -	\$ -	\$ -	\$ 2,848,934
Construction in progress	96,495	1,139,364	-	-	1,235,859
Total capital assets not being depreciated	<u>\$ 2,945,429</u>	<u>\$ 1,139,364</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,084,793</u>
Capital assets being depreciated:					
Utility Improvements	64,026,872	6,288,946	-	-	70,315,818
Building and land improvements	21,660,855	5,096	-	-	21,665,951
Equipment and furniture	1,455,450	141,984	-	-	1,597,434
Vehicles and motorized equipment	2,884,901	578,761	(194,232)	-	3,269,430
Right to Use Subscriptions Assets	-	248,995	-	-	248,995
Total capital assets being depreciated	<u>90,028,078</u>	<u>7,263,782</u>	<u>(194,232)</u>	<u>-</u>	<u>97,097,628</u>
Less Accumulated Depreciation for:					
Utility Improvements	30,554,985	2,012,555	-	-	32,567,540
Building and land improvements	6,174,947	1,313,910	-	-	7,488,857
Equipment and furniture	865,635	99,854	-	-	965,489
Vehicles and motorized equipment	2,493,208	257,193	(194,232)	-	2,556,169
Right to Use Subscriptions Assets	-	38,688	-	-	38,688
Total accumulated depreciation	<u>40,088,775</u>	<u>3,722,200</u>	<u>(194,232)</u>	<u>-</u>	<u>43,616,743</u>
Total capital assets being depreciated, net	<u>49,939,303</u>				<u>53,480,885</u>
Total Electric Fund Capital Assets	<u>\$ 52,884,732</u>				<u>\$ 57,565,678</u>
STORMWATER FUND:					
Capital assets not being depreciated:					
Total capital assets not being depreciated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital assets being depreciated:					
Utility Improvements	-	78,004	-	-	78,004
Equipment and furniture	-	6,706	-	-	6,706
Vehicles and motorized equipment	-	169,264	-	-	169,264
Right to Use Subscriptions Assets	-	20,243	-	-	20,243
Total capital assets being depreciated	<u>-</u>	<u>274,217</u>	<u>-</u>	<u>-</u>	<u>274,217</u>
Less Accumulated Depreciation for:					
Utility Improvements	-	1,716	-	-	1,716
Right to Use Subscriptions Assets	-	1,968	-	-	1,968
Total accumulated depreciation	<u>-</u>	<u>3,684</u>	<u>-</u>	<u>-</u>	<u>3,684</u>
Total capital assets being depreciated, net	<u>-</u>				<u>270,533</u>
Total Stormwater Fund Capital Assets	<u>\$ -</u>				<u>\$ 270,533</u>
Business-Type Activities Capital Assets, Net	<u>\$ 319,990,558</u>				<u>\$ 339,013,266</u>

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 5 – CAPITAL ASSETS (continued)

Construction Commitments

At June 30, 2024, the Town had contractual commitments as follows:

Project	Spent to Date	Remaining Commitment	Total
General Capital Projects	\$ 17,930,180	\$ 2,695,025	\$ 20,625,204
Recreation Capital Projects	37,523,857	13,439,137	50,962,994
Street Improvements Capital Projects	3,705,070	1,960,722	5,665,791
Water and Sewer Capital Projects	6,767,617	5,145,759	11,913,377
American Rescue Plan - State	66,576	3,693,480	3,760,056
General Fund	915,224	1,755,791	2,671,016
	<u>\$ 66,908,524</u>	<u>\$ 28,689,914</u>	<u>\$ 95,598,438</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.

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

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6 – PENSION PLAN OBLIGATIONS (continued)

within 180 days of their last day of service and who also have either completed 20 years of creditable service

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, 2024, was 14.04% of compensation for law enforcement officers and 12.88% 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 \$6,216,723 for the year ended June 30, 2024.

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, 2024, the Town reported a liability of \$35,564,193 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 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, 2023 measurement date, the Town's proportion was 0.53697%, which was a decrease of 0.03331% from its proportion measured as of June 30, 2022.

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6 – PENSION PLAN OBLIGATIONS (continued)

For the year ended June 30, 2024, the Town recognized pension expense of \$10,504,648. At June 30, 2024 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	\$ 3,962,904	\$ 85,314
Changes of assumptions	1,511,273	-
Net difference between projected and actual earnings on pension plan investments	9,518,534	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	891,635	200,173
Contributions subsequent to the measurement date	6,216,723	-
Total	<u>\$ 22,101,069</u>	<u>\$ 285,487</u>

The \$6,216,723 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, 2025.

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

Year ended June 30:

2025	\$ 5,757,589
2026	2,847,889
2027	6,590,887
2028	402,493
Total	<u><u>\$ 15,598,859</u></u>

Actuarial Assumptions. The total pension liability in the December 31, 2022 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, 2024

Note 6 – PENSION PLAN OBLIGATIONS (continued)

The actuarial assumptions used in the December 31, 2022 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, 2023 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	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
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, 2024

Note 6 – PENSION PLAN OBLIGATIONS (continued)

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Town's proportionate share of the net pension liability (asset)	\$ 61,613,560	\$ 35,564,193	\$ 14,117,906

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, 2022, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	11
Active plan members	90
Total	101

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, 2024, \$423,642 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, 2022 valuation. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	4.00 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, 2024

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 \$237,402 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, 2024, the Town reported a total pension liability of \$4,751,417. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 30, 2023, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the Town recognized pension expense of \$652,239.

At June 30, 2024 the Town reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 529,524	\$ -
Changes of assumptions	578,670	618,655
Town benefit payments and administrative costs subsequent to the measurement date	128,054	-
Total	\$ 1,236,248	\$ 618,655

The \$128,054 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, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ 236,916
2026	186,927
2027	88,792
2028	(46,886)
2029	16,621
Thereafter	7,169
Total	\$ 489,539

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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 4.00%, 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 (3.00%) or one percentage point higher (5.00%) than the current rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 5,148,497	\$ 4,751,417	\$ 4,390,175

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	\$ 4,264,094
Service cost	201,636
Interest on total pension liability	178,666
Difference between expected and actual experience	236,882
Changes of assumptions or other inputs	107,541
Benefit payments	<u>(237,402)</u>
Ending balance of the total pension liability	<u>\$ 4,751,417</u>

The actuarial assumptions used in the December 31, 2022 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, 2024

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:

	LGERS	LEOSSA	Total
Pension Expense	\$ 10,504,648	\$ 652,239	\$ 11,156,887
Pension Liability	35,564,193	4,751,417	40,315,610
Proportionate share of the net pension liability	0.53697%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	3,962,904	529,524	4,492,428
Changes of assumptions	1,511,273	579,354	2,090,627
Net difference between projected and actual earnings on plan investments	9,518,534	-	9,518,534
Changes in proportion and differences between contributions and proportionate share of contributions	891,636	-	891,636
Benefit payments and administrative costs paid subsequent to the measurement date	6,216,723	128,054	6,344,777
Deferred Inflows of Resources			
Differences between expected and actual experience	85,314	-	85,314
Changes of assumptions	-	618,655	618,655
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	200,173	-	200,173

(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, 2024 were \$635,757, which consisted of \$433,529 from the Town and \$202,228 from the law enforcement officers.

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024 were \$3,001,060, which consisted of \$1,940,677 from the Town and \$1,060,383 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, 2023, the date of the last actuarial valuation (used in these calculations), membership of the plan consisted of the following:

Retirees and dependents receiving benefits	75
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>370</u>
Total	<u><u>445</u></u>

3. Benefits Provided

The HCB Plan provides healthcare benefits for retirees. The Town pays the full cost of post-retirement health insurance for qualified retirees until the earlier of age 65, covered under Medicare coverage, or covered under another individual insurance plan. The Town is insured through private insurers. Post-retirement spouse and dependent coverage is allowed

TOWN OF APEX, NORTH CAROLINA
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JUNE 30, 2024

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 \$988,532 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, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>		<u>Long-Term Expected Real Rate of Return</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</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, 2024, 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, 2024 were as follows:

Total OPEB liability	\$ 37,940,383
Plan fiduciary net position	<u>2,517,679</u>
Net OPEB liability	<u>\$ 35,422,704</u>
Plan fiduciary net position as a percentage of the total OPEB liability	6.64%

7. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.30 to 8.30 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, 2024 utilizing update procedures incorporating the actuarial assumptions.

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2023, 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, 2024 was 3.97%. 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, 2024, 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 (2.97%) or 1-percentage-point higher (4.97%) than the current discount rate:

	<u>1% Decrease</u> <u>(2.97%)</u>	<u>Discount Rate</u> <u>(3.97%)</u>	<u>1% Increase</u> <u>(4.97%)</u>
Net OPEB liability	\$ 42,770,997	\$ 35,422,704	\$ 29,662,974

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, 2024, 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	\$ 28,878,823	\$ 35,422,704	\$ 44,029,214

11. Changes in Net OPEB Liability

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2024, the Town reported a net OPEB liability of \$35,422,704. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The total OPEB liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions.

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 7 – OTHER POST EMPLOYMENT BENEFIT (continued)

At June 30, 2024, the components of the net OPEB liability of the Town, measured as of June 30, 2024, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023	\$ 34,612,473	\$ 1,827,589	\$ 32,784,884
Changes for the year:			
Service cost	1,822,876	-	1,822,876
Interest	1,258,561	-	1,258,561
Difference between expected and actual experience	2,031,404	-	2,031,404
Changes of assumptions	(1,146,399)	-	(1,146,399)
Contributions - employer	-	988,532	(988,532)
Net investment income	-	340,090	(340,090)
Benefits payments	(638,532)	(638,532)	-
Net change	3,327,910	690,090	2,637,820
Balance at June 30, 2024	\$ 37,940,383	\$ 2,517,679	\$ 35,422,704

12. Changes of Assumptions

Changes of assumptions and other inputs reflect a change in the discount rate from 3.67 percent in 2023 to 3.97 percent in 2024. Decremental and salary increase assumptions have been updated based on the most recent NCLGERS experience analysis.

For the year ended June 30, 2024, the Town recognized OPEB expense of \$1,641,139. At June 30, 2024, 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	\$ 2,086,810	\$ 4,755,388
Changes of assumptions	3,915,734	8,346,179
Net difference between projected and actual earnings on plan investments	-	205,348
Total	\$ 6,002,544	\$ 13,306,915

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	\$ (1,358,777)
2025	(1,214,886)
2026	(1,039,480)
2027	(1,112,146)
2028	(1,486,762)
Thereafter	(1,092,320)
	<u>\$ (7,304,371)</u>

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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	\$ 120,953	\$ -	\$ -
Contributions to pension plan in current fiscal year	-	6,216,723	-
Changes of assumptions or other inputs	579,354	1,511,273	3,915,734
Differences between expected and actual experience	529,524	3,962,904	2,086,810
Change in proportion and differences between contributions and proportionate share of contributions	-	891,636	-
Net difference between projected and actual earnings on plan investments	-	9,518,534	-
Total deferred outflows	<u>\$ 1,229,831</u>	<u>\$ 22,101,070</u>	<u>\$ 6,002,544</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)	\$ 213,846	\$ 212,048
Prepaid taxes (Debt Service Fund)	13,083	12,603
Taxes receivable (General Fund)	-	48,478
Taxes receivable (Debt Service Fund)	-	11,459
Leases	554,159	-
LEOSSA deferrals	618,655	-
Pension deferrals	285,487	-
OPEB deferrals	<u>13,306,915</u>	<u>-</u>
Total deferred inflows of resources	<u>\$ 14,992,145</u>	<u>\$ 284,588</u>

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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 \$1,000,000. 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, 2024, a reserve of \$469,000 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. Changes in the balances of claims liabilities during the past three years are as:

	Health Claims	Dental Claims	Total
Balance-June 30, 2022	\$ 259,000	\$ -	\$ 259,000
Claims reported and changes in estimates for FY2023	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	419,000	-	419,000
Claims reported and changes in estimates for FY 2024	7,641,842	507,653	8,149,495
Claims paid in FY 2024	<u>(8,529,842)</u>	<u>(507,653)</u>	<u>(9,037,495)</u>
Balance-June 30, 2024	<u>\$ 469,000</u>	<u>\$ -</u>	<u>\$ 469,000</u>

Note 10 – CLAIMS, JUDGEMENTS AND CONTINGENT LIABILITIES

At June 30, 2024, 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, 2024

Note 11 – LONG-TERM DEBT (continued)

Bonds payable at June 30, 2024 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%.	\$ 2,700,000
\$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%.	19,650,000
\$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%.	23,840,000
\$24,500,000 Series 2023B Public Improvement serial bonds for Transportation Improvements, issued October 25, 2023, due in annual installments of varying amounts from \$965,000 to \$1,475,000 through February 1, 2043, plus interest at 4.11%.	24,500,000

Two-Thirds Bonds:

\$3,460,000 Series 2023A Public Improvement serial bonds for Planning and Inspections Building, issued October 24, 2023, due in annual installments of varying amounts from \$510,000 to \$1,475,000 through February 1, 2027, plus interest at 3.75%.	3,460,000
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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%.	480,000
\$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%.	455,000
\$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%.	1,375,000

Directly placed General Obligation Bonds payable at June 30, 2024 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>3,500,000</u>
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Total Serviced by General Fund	<u>79,960,000</u>
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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>\$ 26,100,000</u>
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TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Total Serviced by Water & Sewer Fund	<u>\$ 26,100,000</u>
Total General Obligation Bonds	<u>\$ 106,060,000</u>

At June 30, 2024, the Town has general obligations bonds for transportation improvements authorized but unissued of \$24.5 million from the 2021 authorization. The town has a legal debt margin of \$846,701,189.

Note 11 – LONG-TERM DEBT (continued)

Annual debt service requirements to maturity for general obligation bonds at June 30, 2024 are as follows:

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 5,200,000	\$ 3,036,031	\$ 1,530,000	\$ 408,677
2026	4,995,000	2,819,181	1,560,000	397,967
2027	5,000,000	2,595,181	1,615,000	383,615
2028	5,005,000	2,370,931	1,740,000	366,496
2029	5,180,000	2,154,931	1,810,000	344,224
2030-2034	24,790,000	7,799,406	10,060,000	1,289,066
2035-2039	22,420,000	3,578,731	7,785,000	307,374
2040-2044	<u>7,370,000</u>	<u>700,539</u>	-	-
Total	<u>\$ 79,960,000</u>	<u>\$ 25,054,931</u>	<u>\$ 26,100,000</u>	<u>\$ 3,497,419</u>

(b) Installment Notes

The Town's installment notes outstanding at June 30, 2024 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.	\$ 1,647,960
\$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.	2,380,000
\$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.	3,310,345
\$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.	7,540,000
\$1,375,164 installment obligation to Pinnacle Bank issued August 31, 2023 for rolling stock for Public Safety, Parks and Recreation and Solid Waste, due in annual installments of \$580,000 plus semi-annual interest payments of 3.90% through 2027 secured by the vehicles and equipment	<u>1,203,269</u>
Total service by the General Fund	<u>\$16,081,573</u>

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 11 – LONG-TERM DEBT (continued)

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.	163,001
\$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.	109,120
\$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.	2,610,904
\$409,836 installment obligation to Pinnacle Bank issued for Water and Sewer rolling stock, due in annual installments of \$580,000 plus semi-annual interest payments of 3.90% through 2027 secured by the vehicles and equipment.	<u>369,907</u>
Total service by Water and Sewer Fund	<u>\$ 3,252,932</u>

Annual debt service requirements to maturity for installment notes at June 30, 2024 are as follows:

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
20254	\$ 2,106,584	\$ 328,878	\$ 798,062	\$ 70,559
2026	2,097,584	279,013	816,676	51,438
2027	2,087,584	229,315	833,676	33,366
2028	1,905,632	179,802	745,479	16,352
2029	1,333,793	140,642	15,345	2,003
2030-2034	4,810,396	321,522	43,694	1,663
2035-2039	<u>1,740,000</u>	<u>39,150</u>	-	-
Total	<u>\$ 16,081,573</u>	<u>\$ 1,518,322</u>	<u>\$ 3,252,932</u>	<u>\$ 175,381</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, 2024 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%.	<u>\$ 8,750,000</u>
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TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Annual debt service requirements to maturity for promissory notes at June 30, 2024 are as follow:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 875,000	\$ 194,250
2026	875,000	174,825
2027	875,000	155,400
2028	875,000	135,975
2029	875,000	116,550
2030-2034	<u>4,375,000</u>	<u>291,375</u>
Total	<u>\$ 8,750,000</u>	<u>\$ 1,068,375</u>

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

(d) Revenue Bond

\$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% \$ 8,282,000

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 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, 2024, is as follows:

Current revenues	\$ 60,729,622
Current expenses	<u>47,339,418</u>
Subtotal	13,330,204
15% of Unrestricted Net Position, 6-30-23	<u>2,266,691</u>
Income available for debt service	<u>\$ 15,596,895</u>
Debt service, principal and interest	
Paid (Revenue Bond only)	<u>\$ 1,248,323</u>
Debt Service Coverage Ratio	<u>1,249%</u>

Per rate covenants, current expenses do not include depreciation expense of \$3,683,512 debt service interest of \$195,323 and the increase in other post-employment benefits of \$238,473.

The Town pledged electric customer revenues, net of specific operating expenses, to repay the \$7,300,000 in electric system revenue bonds issued in May 2009. The debt was satisfied during the fiscal year. The total principal and interest paid for the current year was \$637,963.

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 \$9,759,600. Principal and interest paid for the current year and the income available for debt service was \$610,360 and \$8,116,875 respectively.

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Annual debt service requirements to maturity for the revenue bonds at June 30, 2024 is as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 444,000	\$ 165,640
2026	453,000	156,760
2027	462,000	147,700
2028	472,000	138,460
2029	481,000	129,020
2030-2034	2,553,000	496,900
2035-2039	2,819,000	231,160
2040-2044	<u>598,000</u>	<u>11,960</u>
Total	<u>\$ 8,282,000</u>	<u>\$ 1,477,600</u>

(e) Subscriptions

For the year ended June 30, 2024, the financial statements include subscriptions as defined in GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of June 30, 2024, Town of Apex had 7 active subscriptions. The subscriptions have payments that range from \$10,292 to \$120,515 and interest rates that range from 1.8937% to 3.4590%. As of 6/30/2024, the subscription liability for Governmental Activities is \$617,633 and Business-type Activities is \$333,085. The subscriptions are not short-term under GASB 96 and the payments are fixed.

Governmental Activities			
Year Ending	Governmental Activities		
June 30:	Principal	Interest	Total
2025	\$ 172,328	\$ 9,648	\$ 181,976
2026	157,467	7,528	164,995
2027	93,121	5,347	98,468
2028	96,333	3,080	99,413
2029	98,384	747	99,131
	<u>\$ 617,633</u>	<u>\$ 26,350</u>	<u>\$ 643,983</u>

Business-Type Activities			
Year Ending	Business-Type Activities		
June 30:	Principal	Interest	Total
2025	\$ 74,299	\$ 19,286	\$ 93,585
2026	76,419	14,877	91,296
2027	79,251	9,937	89,188
2028	81,518	6,755	88,273
2029	21,598	3,403	25,001
	<u>\$ 333,085</u>	<u>\$ 54,258</u>	<u>\$ 387,343</u>

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 11 – LONG-TERM DEBT (continued)

(f) Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Balance			Balance	Amounts Due
	July 1, 2023	Increases	Decreases	June 30, 2024	Within One
					Year
Governmental Activities:					
Bonds and Notes Payable:					
General obligation bonds	\$ 51,725,000	\$ 27,960,000	\$ 3,225,000	\$ 76,460,000	\$ 4,700,000
General obligation bonds - premiums	4,536,707	1,450,708	437,704	5,549,711	439,406
Bonds from direct placements	4,000,000	-	500,000	3,500,000	500,000
Total bonds payable	60,261,707	29,410,708	4,162,704	85,509,711	5,639,406
Installment Notes	16,649,098	1,375,164	1,942,689	16,081,573	2,106,584
Compensated absences	3,442,123	4,208,039	3,442,123	4,208,039	765,916
Net pension liability (LGRS)	21,709,498	5,463,873	-	27,173,371	-
Total Pension Liability (LEO)	4,264,094	487,323	-	4,751,417	-
Net OPEB liability	24,996,440	2,183,647	-	27,180,087	-
IT Subscriptions	63,207	749,356	194,930	617,633	172,202
Governmental activity long-term liabilities	131,386,167	43,878,110	9,742,446	165,521,831	8,684,108
Business-Type Activities:					
General obligation bonds	\$ 27,605,000	-	\$ 1,505,000	\$ 26,100,000	\$ 1,530,000
Installment notes	13,183,309	409,836	1,590,213	12,002,932	1,673,065
Revenue bonds	9,335,000	-	1,053,000	8,282,000	444,000
Compensated absences	745,741	851,094	745,741	851,094	462,604
Net pension liability (LGRS)	6,704,121	1,686,701	-	8,390,822	-
Net OPEB liability	7,788,444	888,352	434,179	8,242,617	-
IT Subscriptions	-	417,033	83,949	333,084	68,102
Business-type activity long-term liabilities	65,361,615	4,253,016	5,412,082	64,202,549	4,177,771
Total long-term liabilities	\$ 196,747,782			\$ 229,724,380	\$ 12,861,879

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 \$3,500,000 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, 2024

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	\$ 57,946,749
Less:	
Prepayments	128,212
Inventories	24,940
Restricted by Stabilization by State Statute	15,826,335
Restricted Public Safety	342,104
Restricted Planning	1,309,117
Committed Economic Development	5,411,464
Committed Public Safety	423,482
Assigned for subsequent years expenditures	1,660,000
Remaining fund balance	<u>\$ 32,821,095</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	\$ 3,316,542
Encumbrances - Affordable Housing Fund	407,200
Encumbrances – Electric Fund	3,014,307
Encumbrances – Water and Sewer Fund	574,945
Encumbrances – Stormwater Fund	396,542

(Intentionally left blank)

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 13 – INTERFUND BALANCES AND ACTIVITY

	<u>General Fund</u>	<u>Streets Reserve</u>	<u>Cemetery Fund</u>	<u>Capital Reserve</u>	<u>Water & Sewer Fund</u>	<u>Development Fee</u>	<u>Electric Fund</u>	<u>Total Transfers In</u>
Transfers In:								
General Fund	\$ -	\$ 112,977	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,977
Debt Service Fund	1,200,000	-	-	-	-	-	-	1,200,000
General Capital Projects	2,529,202	-	76,000	-	-	-	-	2,605,202
Perry Library	200,000	-	-	-	-	-	-	200,000
Street Improvements Project	4,242,306	1,466,143	-	-	-	-	-	5,708,449
Parks Recreation Projects	850,000	-	-	4,298,532	-	-	-	5,148,532
ARP Fund	140,000	-	-	-	1,250,000	-	-	1,390,000
Water/Sewer Fund	-	-	-	-	-	161,226	-	161,226
Water Sewer Debt Service	-	-	-	-	3,776,700	-	-	3,776,700
Water/Sewer Project	-	-	-	-	5,100,000	-	-	5,100,000
Electric Capital Project	-	-	-	-	-	-	1,163,711	1,163,711
Electric Debt Service	-	-	-	-	-	-	1,249,800	1,249,800
Total Transfers Out	<u>\$ 9,161,508</u>	<u>\$ 1,579,120</u>	<u>\$ 76,000</u>	<u>\$ 4,298,532</u>	<u>\$ 10,126,700</u>	<u>\$ 161,226</u>	<u>\$ 2,413,511</u>	<u>\$ 27,816,597</u>

Transfer Purposes:

- A) Funds were transferred out to establish debt service funds for the General Fund, Water & Sewer Fund and Electric Fund. The amounts were \$1,200,000, \$3,776,700 and \$1,249,800, respectively.
- B) 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, 2024 were \$33,584,830.

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, 2024

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 – ADJUSTMENTS TO BEGINNING FUND BALANCES

	Reporting Units Affected by Adjustments to Beginning Balances				
	Funds				
	General Capital Projects	Transportation Capital Projects	Non-Major Governmental	Water and Sewer Fund	Stormwater Fund
6/30/2023, as previously reported	\$ -	\$ -	\$ 23,854,109	\$ 295,553,424	\$ -
Change from major to non-major fund	(12,638,104)	-	12,638,104	-	-
Change from non-major fund to major fund	-	9,094,949	(9,094,949)	-	-
Creation of new fund	-	-	-	(1,570,100)	1,570,100
6/30/23, as adjusted	\$ (12,638,104)	\$ 9,094,949	\$ 27,397,264	\$ 293,983,324	\$ 1,570,100

During fiscal year 2024, the Stormwater enterprise fund was created. Prior to fiscal year 2024, stormwater revenues and expenditures were reported in the Water and Sewer Fund. During the year, \$1,570,100 was transferred from the Water and Sewer Fund to the Stormwater Fund. This amount represented the net stormwater revenues and expenditures that were previously reported in the Water and Sewer fund.

TOWN OF APEX, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 18 – SUBSEQUENT EVENTS

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.

- A) The Town entered into an installment purchase agreement with PNC Bank, National Association on November 26, 2024 for vehicle and equipment for \$1,890,000. This is a four-year installment note with an interest rate of 3.58%.
- B) On July 2, 2024, the Town of Apex Information Systems Technology (IT) Department discovered irregularities in our systems. The Town of Apex (the "Town") immediately launched an investigation and engaged the services of the North Carolina Joint Cybersecurity Task Force (a team of outside experts from the NC National Guard, the NCLGISA Cybersecurity Strike Team, NC Emergency Management, and NC Department of IT). The Town also reported this event to federal law enforcement agencies. The Town confirmed this incident to be a ransomware act. The investigation is ongoing, and the Town is not yet aware of what or whose information may have been impacted. To the extent that any personal information is involved, the Town will notify impacted individuals accordingly in compliance with state laws.

The financial impact of this cybersecurity incident is still being assessed. The Town has received cyber grant(s) to offset certain costs. The Town maintains a cybersecurity insurance and while our investigation and response is ongoing in coordination with a claim submitted to our insurance carrier for coverage of certain costs, we cannot yet estimate expenses and other impacts to the Town. To date, the Town's out of pocket expenses have not exceeded \$150,000.

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

June 30, 2024

TOTAL OPEB LIABILITY	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 1,822,876	\$ 1,707,945	\$ 2,767,276	\$ 2,910,827	\$ 2,129,618	\$ 1,833,733	\$ 2,225,212
Interest	1,258,561	1,157,736	963,944	920,729	1,185,723	1,111,292	854,654
Differences between expected and actual experience	2,031,404	314,895	(6,018,029)	(132,118)	(1,572,528)	143,860	110,047
Changes of assumptions	(1,146,399)	(806,390)	(9,107,174)	(337,017)	6,264,555	2,521,287	(3,373,245)
Benefit payments	(638,532)	(741,531)	(503,794)	(291,917)	(154,835)	(442,864)	(338,332)
Net change in total OPEB liability	3,327,910	1,632,655	(11,897,777)	3,070,504	7,852,533	5,167,308	(521,664)
Total OPEB liability - beginning	34,612,473	32,979,818	44,877,595	41,807,091	33,954,558	28,787,250	28,561,721
Total OPEB liability - ending	<u>\$ 37,940,383</u>	<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>
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 988,532	\$ 1,267,498	\$ 680,794	\$ 641,917	\$ 504,835	\$ 692,864	\$ -
Net investment income	340,090	161,710	(188,192)	177,074	24,030	-	-
Benefit payments	(638,532)	(741,531)	(503,794)	(291,917)	(154,835)	(442,864)	-
Net change in plan fiduciary net position	690,090	687,677	(11,192)	527,074	374,030	250,000	-
Plan fiduciary net position - beginning	1,827,589	1,139,912	1,151,104	624,030	250,000	-	-
Plan fiduciary net position - ending	<u>\$ 2,517,679</u>	<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>\$ 35,422,704</u>	<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>
Plan fiduciary net position as a percentage of total OPEB liability	6.64%	5.28%	3.46%	2.56%	1.49%	0.74%	0.00%
Covered employee payroll	\$ 28,843,366	\$ 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	122.81%	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:

Fiscal Year	Rate
2024	3.97%
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 SIX FISCAL YEARS**

JUNE 30, 2024

	2024	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 3,447,777	\$ 3,009,908	\$ 3,149,756	\$ 3,149,756	\$ 3,077,653	\$ 3,077,653
Contributions in relation to the actuarially determined contribution	988,531	1,267,498	680,794	641,917	504,835	692,864
Annual contribution deficiency	2,459,246	1,742,410	2,468,962	2,507,839	2,572,818	2,384,789
Covered employee payroll*	28,843,366	31,042,895	31,042,895	25,695,645	25,695,645	23,508,278
Actual contributions as a percentage of covered payroll	3.43%	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, 2023

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
Retirement Age	In the 2017 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2014 Health Annuitant Mortality Table.
Mortality	In the 2017 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2014 Health Annuitant Mortality Table.

	2024	2023	2022	2021	2020	2019
Annualized return, net of investment expense	37.78%	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*

A-3

June 30, 2024

	<u>2024</u>	<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>
Apex's proportion of the net pension liability (asset) (%)	0.53697%	0.50366%	0.50762%	0.46093%	0.42773%	0.42412%	0.40137%	0.39248%	0.39693%	0.38363%
Apex's proportion of the net pension liability (asset) (\$)	\$ 35,564,193	\$ 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)
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
Apex's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	86.83%	81.88%	22.96%	54.39%	43.36%	38.96%	25.75%	37.75%	8.65%	-11.65%
Plan fiduciary net position as a percentage of the total pension liability	82.49%	84.14%	95.51%	88.61%	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%

* 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, 2024

	<u>2024</u>	<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>
Contractually required contribution	\$ 6,216,723	\$ 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
Contributions in relation to the contractually required contributions	<u>6,216,723</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>									
Town of Apex's covered payroll	\$ 47,485,580	\$ 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
Contributions as a percentage of covered-employee payroll	13.09%	13.26%	11.65%	10.32%	9.13%	7.93%	7.68%	7.44%	6.81%	7.13%

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

JUNE 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 4,264,094	\$ 4,846,446	\$ 4,398,203	\$ 2,937,447	\$ 2,560,742	\$ 2,248,394	\$ 1,929,620	\$ 1,825,900
Service cost	201,636	279,193	292,727	161,762	128,648	138,637	111,974	114,548
Interest on total pension liability	178,666	106,672	83,370	93,447	90,723	69,277	73,484	64,730
Difference between expected and actual experience	236,882	33,392	363,041	140,103	206,659	320,220	38,475	-
Changes of assumptions or other inputs	107,541	(790,634)	(133,892)	1,207,405	87,378	(103,589)	146,595	(50,116)
Benefit payments	<u>(237,402)</u>	<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>\$ 4,751,417</u>	<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.

There are no assets accumulated in a trust that meets the criteria of GASB to pay related benefits for the pension plan.

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

June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	4,751,417	\$4,264,094	\$4,846,446	\$4,398,203	\$2,937,447	\$2,560,742	\$2,248,394	\$1,929,620
Covered payroll	7,608,292	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	62.45%	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, 2024
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Ad valorem taxes:				
Current year taxes	\$ 39,964,800	\$ 38,763,101	\$ (1,201,699)	\$ 44,372,211
Prior years taxes	16,000	32,829	16,829	(51,300)
Penalties and interest	11,900	73,835	61,935	61,918
Vehicle tax	3,605,300	3,515,613	(89,687)	3,849,657
Chatham County	-	50,583	50,583	2,349
Total	43,598,000	42,435,961	(1,162,039)	48,234,835
Other taxes and licenses:				
Rental vehicle tax	100,000	124,044	24,044	114,653
Local option sales taxes	20,698,500	22,225,886	1,527,386	19,486,512
Vehicle Fee	280,000	279,853	(147)	270,786
Total	21,078,500	22,629,783	1,551,283	19,871,951
Unrestricted intergovernmental:				
Utility distribution	3,350,000	4,038,862	688,862	3,487,941
Beer and wine tax	250,000	338,283	88,283	278,684
Solid waste disposal tax	230,000	54,181	(175,819)	49,569
ABC profit distribution	500,000	402,279	(97,721)	445,055
Total	4,330,000	4,833,605	503,605	4,261,249
Restricted intergovernmental:				
Powell Bill	2,098,990	2,098,992	2	1,726,525
Wake County - Fire District	1,509,200	1,745,827	236,627	1,328,609
Federal grants	-	12,193	12,193	50,326
Wake County - grants	440,600	338,695	(101,905)	652,500
Other restricted intergovernmental	211,000	228,495	17,495	48,289
Total	4,259,790	4,424,202	164,412	3,806,249
Permits and fees:				
Building permits and inspection fees	2,223,500	3,658,663	1,435,163	3,245,626
Subdivision approval fees	150,000	225,426	75,426	229,459
Application fees	134,500	279,033	144,533	223,506
Vendor permits	6,000	10,320	4,320	11,055
Fine and penalties	-	-	-	500
Total	2,514,000	4,173,442	1,659,442	3,710,146
Sales and services:				
Refuse collection fees	3,004,300	3,156,831	152,531	2,821,544
Recreation fees	1,186,100	1,990,786	804,686	1,571,941
Yard waste fees	2,131,000	2,211,725	80,725	2,074,250
Recycling revenue	1,470,000	1,525,529	55,529	1,181,477
Emergency services - Duke-Harris Plant	12,000	12,000	-	12,000
Total	7,803,400	8,896,871	1,093,471	7,661,212

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, 2024

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

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Miscellaneous:				
Procurement card rebate	\$ -	\$ 81,173	\$ 81,173	\$ 59,373
South Wake Landfill	-	315,146	315,146	217,271
Sale of capital assets	50,000	51,543	1,543	173,466
Donations	-	7,773	7,773	45,090
Lease revenue	-	22,080	22,080	21,469
Insurance refund	-	66,248	66,248	77,419
Miscellaneous grants	-	3,000	3,000	-
Miscellaneous revenue	141,500	154,786	13,286	226,965
Total	191,500	701,749	510,249	821,053
Investment earnings	2,600,792	4,554,528	1,953,736	2,544,666
Total revenues	86,375,982	92,650,141	6,274,159	90,911,361
Expenditures:				
General government:				
Town Council:				
Salaries and employee benefits	107,000	106,477	523	61,415
Operating expenditures	413,521	408,120	5,401	141,462
Professional services	3,779	3,215	564	18,011
Total	524,300	517,812	6,488	220,888
Administration:				
Town Manager's Office				
Salaries and employee benefits	1,397,700	1,378,165	19,535	999,747
Operating expenditures	144,600	113,879	30,721	159,390
Professional services	60,500	47,308	13,192	90,900
Capital outlay	-	-	-	10,907
Total	1,602,800	1,539,352	63,448	1,260,944
Human Resources				
Salaries and employee benefits	1,097,300	1,062,569	34,731	1,014,915
Operating expenditures	1,414,800	1,312,192	102,608	770,288
Professional services	211,600	177,839	33,761	439,311
Capital outlay	-	-	-	-
Total	2,723,700	2,552,600	171,100	2,224,514
Town Attorney				
Salaries and employee benefits	575,100	541,981	33,119	540,241
Operating expenditures	42,500	38,506	3,994	61,259
Professional services	50,200	47,682	2,518	8,930
Total	667,800	628,169	39,631	610,430
Town Clerk				
Salaries and employee benefits	388,700	374,317	14,383	241,368
Operating expenditures	46,500	30,254	16,246	12,032
Professional services	64,000	35,599	28,401	-
Capital outlay	-	-	-	23,778
Total	499,200	440,170	59,030	277,178

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, 2024
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Economic Development				
Salaries and employee benefits	\$ 493,680	\$ 483,458	\$ 10,222	\$ 462,991
Operating expenditures	231,450	213,079	18,371	72,736
Professional service	13,320	4,708	8,612	30,260
Downtown Merchant	5,000	-	5,000	9,968
Capital outlay	32,300	31,589	711	-
Total	775,750	732,834	42,916	575,955
Communications:				
Salaries and employee benefits	409,100	389,771	19,329	323,763
Operating expenditures	171,300	161,625	9,675	173,955
Professional services	57,100	54,612	2,488	25,443
Total	637,500	606,008	31,492	523,161
Budget, Performance & Strategy				
Salaries and employee benefits	649,400	617,433	31,967	598,531
Operating expenditures	69,600	54,132	15,468	57,054
Professional services	41,300	41,250	50	9,900
Total	760,300	712,815	47,485	665,485
Community & Neighborhood Connection				
Salaries and employee benefits	503,300	482,244	21,056	170,477
Operating expenditures	61,850	44,839	17,011	5,506
Professional services	196,500	74,217	122,283	8,641
Total	761,650	601,300	160,350	184,624
Finance:				
Salaries and employee benefits	444,150	443,269	881	386,027
Operating expenditures	311,550	287,583	23,967	135,044
Professional services	548,250	548,356	(106)	555,179
Total	1,303,950	1,279,208	24,742	1,076,250
Information Technology				
Salaries and employee benefits	1,580,400	1,552,505	27,895	1,345,134
Operating expenditures	1,065,417	1,032,481	32,936	1,149,712
Professional services	425,461	390,171	35,290	320,522
Capital Outlay	640,419	327,592	312,827	104,508
Total	3,711,697	3,302,749	408,948	2,919,876
Planning				
Salaries and employee benefits	2,504,100	2,478,312	25,788	2,376,949
Operating expenditures	1,251,806	840,185	411,621	765,511
Professional services	134,000	68,440	65,560	102,128
Capital outlay	31,500	29,924	1,576	136,656
Total	3,921,406	3,416,861	504,545	3,381,244

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, 2024
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Inspections				
Salaries and employee benefits	\$ 2,835,500	\$ 2,749,660	\$ 85,840	\$ 2,538,847
Operating expenditures	535,300	489,924	45,376	261,088
Professional services	6,600	6,225	375	2,936
Capital outlay	-	-	-	32,008
Total	3,377,400	3,245,809	131,591	2,834,879
Facility Services				
Salaries and employee benefits	708,497	643,959	64,538	484,124
Operating expenditures	419,619	356,851	62,768	502,852
Professional services	617,200	592,536	24,664	272,636
Capital outlay	518,969	364,296	154,673	2,600,443
Total	2,264,285	1,957,642	306,643	3,860,055
Special Appropriations				
Apex Customer Assistance	289,645	110,516	179,129	96,743
Downtown Merchants	6,500	4,368	2,132	38,109
Other	75,000	60,300	14,700	72,900
Total	371,145	175,184	195,961	207,752
Total general government	23,902,883	21,708,513	2,194,370	20,823,235
Public safety:				
Police:				
Law enforcement				
Salaries and employee benefits	13,734,965	13,552,556	182,409	12,504,834
Operating expenditures	2,185,000	2,088,064	96,936	1,477,624
Professional services	861,888	854,195	7,693	220,493
Capital outlay	1,523,169	1,193,941	329,228	998,114
Total	18,305,022	17,688,756	616,266	15,201,065
Telecommunications				
Salaries and employee benefits	1,100,000	1,058,327	41,673	912,248
Operating expenditures	245,850	205,178	40,672	201,627
Professional services	125,895	107,912	17,983	75,126
Capital outlay	173,727	104,360	69,367	-
Total	1,645,472	1,475,777	169,695	1,189,001
Fire:				
Salaries and employee benefits	13,371,294	13,015,759	355,535	12,163,888
Operating expenditures	1,393,965	1,337,859	56,106	1,417,719
Hazmat program	30,000	29,721	279	27,065
Professional services	277,000	266,292	10,708	306,502
Capital outlay	2,023,789	1,796,068	227,721	1,622,219
Total	17,096,048	16,445,699	650,349	15,537,393
Total public safety	37,046,542	35,610,232	1,436,310	31,927,459

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, 2024
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Environmental Protection				
Solid Waste				
Salaries and employee benefits	\$ 1,581,000	\$ 1,505,308	\$ 75,692	\$ 1,374,547
Operating expenditures	578,600	543,161	35,439	471,711
Professional services	4,802,700	4,802,368	332	3,710,067
Capital outlay	560,597	557,898	2,699	2,006
Total	7,522,897	7,408,735	114,162	5,558,331
Total environmental protection	7,522,897	7,408,735	114,162	5,558,331
Public Works				
Fleet Maintenance				
Salaries and employee benefits	444,803	441,213	3,590	362,354
Operating expenditures	362,187	358,532	3,655	145,361
Professional services	18,800	14,540	4,260	7,241
Capital outlay	10,913	7,227	3,686	188,574
Total	836,703	821,512	15,191	703,530
Transportation and Infrastructure				
Salaries and employee benefits	2,665,750	2,599,509	66,241	2,226,842
Operating expenditures	307,200	286,386	20,814	171,555
Professional services	330,073	176,147	153,926	69,673
Capital outlay	923,777	906,268	17,509	41,209
Total	4,226,800	3,968,310	258,490	2,509,279
Streets				
Salaries and employee benefits	1,116,245	918,591	197,654	632,041
Operating expenditures	699,500	610,528	88,972	503,653
Professional services	403,993	384,905	19,088	411,233
Powell Bill	2,048,990	1,406,164	642,826	3,132,581
Capital outlay	1,202,477	903,667	298,810	672,798
Total	5,471,205	4,223,855	1,247,350	5,352,306
Public Works Admin				
Salaries and employee benefits	-	-	-	395,478
Operating expenditures	-	-	-	43,171
Professional services	-	-	-	5,681
Capital outlay	-	-	-	13,713
Total	-	-	-	458,043
Cemetery				
Professional services	25,000	21,578	3,422	19,992
Total	25,000	21,578	3,422	19,992
Total public works	10,559,708	9,035,255	1,524,453	9,043,150

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, 2024
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Cultural and recreational:				
Parks and recreation:				
Salaries and employee benefits	\$ 5,666,850	\$ 5,553,326	\$ 113,524	\$ 4,716,068
Operating expenditures	2,170,795	2,105,269	65,526	1,562,750
Professional services	1,185,080	1,143,678	41,402	1,072,537
Capital outlay	860,250	720,489	139,761	1,098,982
Total cultural and recreational	9,882,975	9,522,762	360,213	8,450,337
Debt Service				
Principal	-	-	-	5,506,833
Interest	-	-	-	2,304,130
Total debt service	-	-	-	7,810,963
Total expenditures	88,915,005	83,285,497	5,629,508	83,613,475
Revenues under expenditures	(2,539,023)	9,364,644	11,903,667	7,297,886
Other financing sources (uses):				
Transfers in:				
General Capital Projects Fund	-	-	-	6,643
American Rescue Plan 2021	-	-	-	2,628,841
Recreation Capital Reserve Fund	-	-	-	630,316
Transportation Reserve Fund	650,000	112,977	(537,023)	750,000
Transfers out:				
Affordable Housing Fund	-	-	-	(1,776,000)
American Rescue Plan 2021	(140,000)	(140,000)	-	(2,628,841)
General Government - Debt Service Fund	(1,200,000)	(1,200,000)	-	(3,600,000)
General Capital Projects Fund	(3,534,971)	(2,529,202)	1,005,769	(6,370,550)
Perry Library Fund	(200,000)	(200,000)	-	(400,000)
Recreation Capital Project Fund	(1,100,000)	(850,000)	250,000	(2,009,500)
Recreation Capital Reserve Fund	-	-	-	(1,073,600)
Street Projects Fund	(3,036,031)	(4,242,307)	(1,206,276)	(1,400,000)
Installment purchase agreement	1,375,000	1,375,000	-	-
Contingency	(100,000)	-	100,000	-
IT subscription based agreements (SBITAs)	-	749,356	749,356	106,539
Appropriated fund balance	9,825,025	-	(9,825,025)	-
Total other financing sources (uses)	2,539,023	(6,924,176)	(9,463,199)	(15,136,152)
Net change in fund balance	\$ -	2,440,468	\$ 2,440,468	(7,838,266)
Fund balance - Beginning of year		49,329,232		57,167,498
Fund balance - End of year		\$ 51,769,700		\$ 49,329,232

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, 2024
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Ad valorem taxes:				
Current year taxes	\$ 8,674,100	\$ 10,420,837	\$ 1,746,737	\$ -
Prior year taxes	3,500	7,942	4,442	-
Penalties and interest	2,700	6,099	3,399	-
Vehicle taxes	782,700	872,756	90,056	-
Total	9,463,000	11,307,634	1,844,634	-
Investment earnings	-	271,977	271,977	-
Total revenues	9,463,000	11,579,611	2,116,611	-
Expenditures:				
Bond principal	3,725,000	3,725,000	-	-
Bond interest	2,797,750	2,208,200	589,550	-
Installment note principal	3,602,600	1,942,689	1,659,911	-
Installment note interest	537,650	286,059	251,591	-
Total expenditures	10,663,000	8,161,948	2,501,052	-
Revenues under expenditures	(1,200,000)	3,417,663	4,617,663	-
Other financing sources (uses):				
Transfers-in	1,200,000	1,200,000	-	3,600,000
Total other financing sources (uses)	1,200,000	1,200,000	-	3,600,000
Net change in fund balance	\$ -	4,617,663	\$ 4,617,663	3,600,000
Fund balance - Beginning of year		3,600,000		-
Fund balance - End of year		\$ 8,217,663		\$ 3,600,000

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, 2024

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

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Miscellaneous:				
Miscellaneous revenue	\$ 1,500	\$ 2,451	\$ 951	\$ 29,205
Total	1,500	2,451	951	29,205
Investment earnings	100	3,270	3,170	2,067
Total revenues	1,600	5,721	4,121	31,272
Expenditures:				
Operating expenditures	1,600	-	1,600	-
Total expenditures	1,600	-	1,600	-
Revenues under expenditures	-	5,721	5,721	31,272
Net change in fund balance	<u>\$ -</u>	5,721	<u>\$ 5,721</u>	31,272
Fund balance - Beginning of year		89,303		58,031
Fund balance - End of year		<u>\$ 95,024</u>		<u>\$ 89,303</u>

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, 2024

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

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Federal grants	\$ -	\$ 151,481	\$ 151,481	\$ -
Total	-	151,481	151,481	-
Miscellaneous:				
Miscellaneous revenue	500	-	(500)	-
Total	500	-	(500)	-
Investment earnings	100	960	860	759
Total revenues	600	152,441	151,841	759
Expenditures:				
Operating expenditures	600	-	600	-
Total expenditures	600	-	600	-
Revenues under expenditures	-	152,441	152,441	759
Net change in fund balance	\$ -	152,441	\$ 152,441	759
Fund balance - Beginning of year		26,430		25,671
Fund balance - End of year		\$ 178,871		\$ 26,430

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, 2024

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

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Miscellaneous:				
Miscellaneous revenue	\$ 5,450	\$ 5,450	\$ -	\$ 6,665
Total	5,450	5,450	-	6,665
Investment earnings	1,400	1,604	204	1,421
Total revenues	6,850	7,054	204	8,086
Expenditures:				
Operating expenditures	8,300	8,269	31	9,478
Total expenditures	8,300	8,269	31	9,478
Revenues under expenditures	(1,450)	(1,215)	235	(1,392)
Other financing sources (uses):				
Appropriated fund balance	1,450	-	(1,450)	-
Total other financing sources (uses)	1,450	-	(1,450)	-
Net change in fund balance	\$ -	(1,215)	\$ (1,215)	(1,392)
Fund balance - Beginning of year		45,872		47,264
Fund balance - End of year		\$ 44,657		\$ 45,872

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, 2024

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

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Miscellaneous:				
Miscellaneous revenue	\$ 1,000	\$ 83	\$ (917)	\$ 2,850
Total	1,000	83	(917)	2,850
Investment earnings	100	824	724	602
Total revenues	1,100	907	(193)	3,452
Expenditures:				
Operating expenditures	1,100	-	1,100	-
Total expenditures	1,100	-	1,100	-
Revenues under expenditures	-	907	907	3,452
Net change in fund balance	<u>\$ -</u>	<u>907</u>	<u>\$ 907</u>	<u>3,452</u>
Fund balance - Beginning of year		<u>22,645</u>		<u>19,193</u>
Fund balance - End of year		<u>\$ 23,552</u>		<u>\$ 22,645</u>

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, 2024
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Miscellaneous:				
Retirement contributions	\$ -	\$ 243,100	\$ 243,100	\$ -
Total	-	243,100	243,100	-
Investment earnings	-	15,442	15,442	16,305
Total revenues	-	258,542	258,542	16,305
Expenditures:				
Salaries & benefits	-	268,339	(268,339)	254,825
Total expenditures	-	268,339	(268,339)	254,825
Revenues under expenditures	-	(9,797)	(9,797)	(238,520)
Net change in fund balance	<u>\$ -</u>	<u>(9,797)</u>	<u>\$ (9,797)</u>	
Fund balance - Beginning of year		<u>433,279</u>		<u>671,799</u>
Fund balance - End of year		<u>\$ 423,482</u>		<u>\$ 433,279</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, 2024

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Restricted intergovernmental:				
State Grant				
Baucom Sewer Extension	\$ 250,000	\$ -	\$ -	\$ -
1.5 MGD Elevated Storage Tank	5,100,000	-	-	-
Sunset Hills Pump Station	3,150,000	-	-	-
Site Acquisition Affordable Housing	3,000,000	-	-	-
Total State Grants	11,500,000	-	-	-
Investment earnings				
West Street Park	-	10,708	(10,169)	539
Baucom Sewer Extension	70,000	1,785	69,395	71,180
1.5 MGD Elevated Storage Tank	241,500	25,699	236,377	262,076
Sunset Hills Pump Station	-	22,487	17,527	40,014
Site Acquisition Affordable Housing	-	21,416	(9,860)	11,556
Total Investment Earnings	311,500	82,095	303,270	385,365
Total revenues	11,811,500	82,095	303,270	385,365
Expenditures				
Capital Outlay:				
West Street Park	140,000	-	-	-
Baucom Sewer Extension	320,000	-	13,635	13,635
1.5 MGD Elevated Storage Tank	5,981,400	-	-	-
Sunset Hills Pump Station	3,760,100	-	66,576	66,576
Site Acquisition Affordable Housing	3,000,000	-	-	-
Total expenditures	13,201,500	-	80,211	80,211
Revenues under expenditures	(1,390,000)	82,095	223,059	305,154

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, 2024

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Other financing sources (uses):				
Transfers in:				
West Street Park	\$ 140,000	\$ -	\$ 140,000	\$ 140,000
1.5 MGD Elevated Storage Tank	639,900	-	639,900	639,900
Sunset Hills Pump Station	610,100	-	610,100	610,100
Total financing sources (uses)	<u>1,390,000</u>	<u>-</u>	<u>1,390,000</u>	<u>1,390,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 82,095</u>	<u>1,613,059</u>	<u>\$ 1,695,154</u>
Fund balances:				
Beginning of year			<u>82,095</u>	
End of year			<u>\$ 1,695,154</u>	

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Ad valorem taxes:				
Current year taxes	\$ 1,130,100	\$ -	\$ 1,142,563	\$ 1,142,563
Prior year taxes	500	-	968	968
Penalties and interest	400	-	1,469	1,469
Vehicle taxes	102,000	-	169,954	169,954
Total	1,233,000	-	1,314,954	1,314,954
Investment earnings	15,000	50,301	95,551	145,852
Miscellaneous revenues	-	19,300	310,320	329,620
Total revenues	1,248,000	69,601	1,720,825	1,790,426
Expenditures:				
Operations:				
Affordable Housing Grants	165,000	81,963	-	81,963
Affordable Housing Loans	185,000	1,665,000	-	1,665,000
Contracted Services	250,000	500,000	188,000	688,000
Total expenditures	600,000	2,246,963	188,000	2,434,963
Revenues under expenditures	648,000	(2,177,362)	1,532,825	(644,537)
Other financing sources:				
Transfer in - General Fund	-	4,391,000	-	4,391,000
Reserved for future expenditures	(998,000)	-	-	-
Appropriated fund balance	350,000	-	-	-
Total other financing sources	(648,000)	4,391,000	-	4,391,000
Net change in fund balance	\$ -	\$ 2,213,638	1,532,825	3,746,463
Contra expense for issuance of long-term loans receivable			(1,665,000)	(1,665,000)
				\$ 5,411,463
Fund balances:				
Beginning of Year			2,213,638	
End of Year			\$ 5,411,463	

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
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, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Project Closeouts	
Revenues:					
Investment earnings					
Senior Center	\$ -	\$ 210,673	\$ 63,486	\$ (274,159)	\$ -
Beaver Creek Greenway (Jaycee.Kelly)	190,000	39,051	201,371	6,685	247,107
Middle Creek Greenway	71,500	10,414	128,271	-	138,685
Salem Pond Park - Phase 3	-	6,061	24,793	-	30,854
Pleasant Park	1,458,500	1,215,466	187,404	89,774	1,492,644
Greenway Connections	-	2,787	14,234	-	17,021
Hunter Street Bike Track	-	-	4,867	-	4,867
Beaver Creek Greenway (Nature.Acadia)	-	-	15,574	-	15,574
Environmental Education Center	-	-	4,184	-	4,184
Apex West Greenway	10,000	-	10,010	-	10,010
Reedy Branch Greenway	-	-	5,028	-	5,028
Restricted intergovernmental:					
State grant:					
Senior Center	1,500,000	100,000	-	(100,000)	-
Federal grant					
Beaver Creek Greenway (Jaycee.Kelly)	3,442,629	-	-	-	-
Wake County grant					
Beaver Creek Greenway (Jaycee.Kelly)	10,000	160,000	(150,000)	-	10,000
Middle Creek Greenway	1,680,000	140,000	1,195,845	-	1,335,845
Pleasant Park	500,000	-	500,000	-	500,000
Beaver Creek Greenway (Nature.Acadia)	150,000	-	-	-	-
Apex West Greenway	150,000	-	150,000	-	150,000
Pleasant Park - Phase 2	1,800,000	-	-	-	-
Sales and services					
Reedy Branch Greenway	445,634	-	445,634	-	445,634
Miscellaneous revenues					
Salem Pond Park - Phase 3	-	40,000	-	-	40,000
Pleasant Park	305,000	5,000	-	-	5,000
Total revenues	11,713,263	1,929,452	2,800,701	(277,700)	4,452,453
Expenditures:					
Operating:					
Pleasant Park	274,880	274,879	-	-	274,879
Professional Services:					
Senior Center	-	3,411,837	-	(3,411,837)	-
Beaver Creek Greenway (Jaycee.Kelly)	1,833,435	317,398	55,957	-	373,355
Middle Creek Greenway	774,350	766,203	13,108	-	779,311
Salem Pond Park - Phase 3	783,450	782,923	-	-	782,923
Pleasant Park	2,689,500	3,232,314	5,218	-	3,237,532
Greenway Connections	537,120	-	10,600	-	10,600
Environmental Education Center	1,300,000	-	-	-	-
Apex West Greenway	10,000	-	-	-	-

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, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Project Closeouts	
ACP - Street Hockey Rink	250,000	-	-	-	-
KidsTowne Playground Renovation	225,000	-	-	-	-
Pleasant Park - Phase 2	350,000	-	-	-	-
Capital outlay:					
Senior Center	-	11,916,380	21,844	(11,938,224)	-
Beaver Creek Greenway (Jaycee.Kelly)	10,205,134	24,627	1,091,108	-	1,115,735
Middle Creek Greenway	6,295,450	331,351	2,268,496	-	2,599,847
Salem Pond Park - Phase 3	309,631	108,833	-	-	108,833
Pleasant Park	40,590,537	34,887,514	2,729,532	-	37,617,046
Greenway Connections	300,700	-	700	-	700
Hunter Street Bike Track	250,000	-	-	-	-
Beaver Creek Greenway (Nature.Acadia)	800,000	-	787	-	787
Apex West Greenway	715,000	-	605,562	-	605,562
Reedy Branch Greenway	445,634	-	142,765	-	142,765
Wimberly Property	565,000	-	-	-	-
ACP - Street Hockey Rink	900,000	-	-	-	-
KidsTowne Playground Renovation	25,000	-	-	-	-
Pleasant Park - Phase 2	13,500,000	-	-	-	-
Total expenditures	83,929,821	56,054,259	6,945,677	(15,350,061)	47,649,875
Revenues under expenditures	(72,216,558)	(54,124,807)	(4,144,976)	15,072,361	(43,197,422)
Other financing sources:					
General Obligation Bonds:					
Senior Center	-	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)	-
Pleasant Park	4,404,214	4,404,214	-	-	4,404,214
Limited Obligation Bonds:					
Pleasant Park - Phase 2	11,050,000	-	-	-	-
Transfer in:					
General Fund:					
Senior Center	-	400,000	-	(400,000)	-
Middle Creek Greenway	1,509,500	809,500	700,000	-	1,509,500
Greenway Connections	700,000	600,000	(400,000)	-	200,000
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	-	300,000	-	300,000
ACP - Street Hockey Rink	1,150,000	-	250,000	-	250,000
KidsTowne Playground Renovation	250,000	-	-	-	-

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, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Project Closeouts	
Parks & Recreation Reserve:					
Senior Center	-	643,712	-	(643,712)	-
Beaver Creek Greenway (Jaycee.Kelly)	6,895,940	5,352,940	1,543,000	-	6,895,940
Middle Creek Greenway	3,808,800	2,564,800	1,244,000	-	3,808,800
Salem Pond Park - Phase 3	1,093,081	849,369	243,712	-	1,093,081
Pleasant Park - Phase 1	1,285,404	1,732,610	-	-	1,732,610
Greenway Connections	137,820	137,820	-	-	137,820
Environmental Education Center	1,000,000	-	-	-	-
Apex West Greenway	565,000	-	565,000	-	565,000
Reedy Branch Greenway	-	-	137,820	-	137,820
Wimberly Property	565,000	-	565,000	-	565,000
Pleasant Park - Phase 2	1,000,000	-	-	-	-
Transfer out:					
General Fund:					
Pleasant Park - Phase 1	(494,329)	(494,329)	-	-	(494,329)
Total other financing sources	72,216,558	68,025,413	5,148,532	(15,072,361)	58,101,584
Net change in fund balance	\$ -	\$ 13,900,606	1,003,556	\$ -	\$ 14,904,162
Fund balances:					
Beginning of Year			13,900,606		
End of Year			\$ 14,904,162		

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, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Revenues:					
Restricted intergovernmental:					
Federal Grant					
Chatham Street Improvements	\$ 381,000	\$ -	\$ -	\$ -	\$ -
Lake Pine Improvements	2,254,497	1,912,864	-	-	1,912,864
Peakway SW Connector	12,500,000	-	-	-	-
James Street to Downtown Pedestrian	455,292	-	450,392	-	450,392
Kelly Road Sidewalk & Apex BBQ	647,500	639,964	-	-	639,964
NC55 Sidewalk Connector	480,000	354,507	-	-	354,507
Downtown Safe School Routes	1,395,300	-	-	-	-
Laura Duncan Road Ped Bike Improvements	-	221,158	-	(221,158)	-
Tingen Pedestrian Bridge	550,000	-	-	-	-
NC540 Roadway Enhancement	-	-	-	-	-
Safe Routes to Schools	173,000	-	-	-	-
Saunders & Hinton Sidewalk	1,075,200	-	-	-	-
Total Federal Grants	19,911,789	3,128,493	450,392	(221,158)	3,357,727
State Grant					
Lake Pine Improvements	200,000	200,000	-	-	200,000
Total State Grants	200,000	200,000	-	-	200,000
Investment earnings					
Unidentified projects	-	116,673	-	(116,673)	-
Pavement Improvements	-	7,942	71,365	-	79,307
S Salem/Tingen Intersection	10,000	11,783	11,151	-	22,934
Chatham Street Improvements	25,000	4,173	26,098	-	30,271
Lake Pine Improvements	131,700	47,007	106,623	13,814	167,444
Peakway SW Connector	472,600	179,895	1,082,434	-	1,262,329
Peakway SE Connector	-	61,516	5,563	(67,079)	-
James Street to Downtown Pedestrian	7,100	10,953	(10,953)	-	-
Jenks Road and US64 Signals	-	1,647	10,304	-	11,951
Kelly Road Sidewalk & Apex BBQ	-	5,476	36,140	-	41,616
NC55 Sidewalk Connector	-	2,462	15,399	-	17,861
School Infrastructure Reimbursement	30,000	2,335	35,156	3,489	40,980
Downtown Safe School Routes	-	8,389	52,014	-	60,403
Humie Olive Signalization	-	255	1,369	(1,624)	-
Justice Heights Extension	-	1,061	22,493	-	23,554
Ragan Road Sidepath	-	849	2,640	(3,489)	-
Tingen Pedestrian Bridge	-	637	15,610	-	16,247
TenTen at Jessie Drive Turn Lane	-	1,486	9,292	-	10,778
GPS Emergency Vehicle Preemption	-	-	5,497	-	5,497
NC540 Roadway Enhancement	60,100	765	4,782	-	5,547
Jessie Drive	-	5,268	32,948	-	38,216
Laura Duncan Road Pedestrian Bike Improvements	-	706	4,700	(5,406)	-
Safe Routes to School	45,400	8,766	110,806	-	119,572
Old US 1 & New Hill Road Intersection	-	573	3,553	-	4,126
Beaver Creek Commons Drive & Zeno Road	16,200	3,396	12,719	-	16,115
Downtown Alley Improvements	-	4,676	32,627	-	37,303

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, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Richardson Road Mitigation	-	2,420	15,133	-	17,553
Salem Street Downtown Streetscape	8,000	2,468	14,091	-	16,559
Saunders Street Parking Lot Expansion	24,650	35,180	66,377	-	101,557
Burma Drive		6,123	38,410	2,072	46,605
Olive Chapel Road Bridge		444	1,628	(2,072)	-
Cash Corporate Center - Sewer Interceptor	17,000	36,497	3,657	-	40,154
Salem Street Bicycle Connection		-	4,729	-	4,729
Old US 1/Friendship Road Improvements		-	25,664	-	25,664
Total Investment Earnings	847,750	571,821	1,870,019	(176,968)	2,264,872
Sales and Services					
Unidentified projects	-	2,100,184	-	(2,100,184)	-
Lake Pine Improvements	34,000	34,000	-	-	34,000
Jessie Drive	31,000	31,000	-	-	31,000
	65,000	2,165,184	-	(2,100,184)	65,000
Miscellaneous					
Lake Pine Improvements	750,412	569,490	180,923	-	750,413
Burma Drive	150,250	150,251	-	-	150,251
Unidentified projects	-	50,571	-	(50,571)	-
Total Miscellaneous Revenues	900,662	770,312	180,923	(50,571)	900,664
Total revenues	21,925,201	6,835,810	2,501,334	(2,548,881)	6,788,263
Expenditures					
Operating:					
Unidentified projects	-	74,100	-	(74,100)	-
Pavement Improvements	8,905	-	8,839	-	8,839
Safe Routes to Schools	8,810	-	8,839	-	8,839
Peakway SW Connector	200,785	-	200,781	-	200,781
Capital Outlay:					
Pavement Improvements	10,926,595	5,337,631	-	-	5,337,631
S Salem/Tingen Intersection	420,000	204,564	-	-	204,564
Chatham Street Improvements	1,208,000	236,430	14,057	-	250,487
Lake Pine Improvements	4,890,109	3,706,848	825,959	-	4,532,807
Peakway SW Connector	38,964,408	3,247,018	1,391,650	-	4,638,668
Peakway SE Connector		182,722	12,402	(195,124)	-
James Street to Downtown Pedestrian	963,892	907,430	-	-	907,430
Kelly Road Sidewalk & Apex BBQ	1,379,450	1,284,827	(7,347)	-	1,277,480
NC55 Sidewalk Connector	580,000	490,033	(19,342)	-	470,691
Jenks Road and US 64 Signals	388,103	171,575	229,320	-	400,895
School Infrastructure Reimbursement	2,400,000	-	-	-	-
Downtown Safe School Routes	1,976,330	17,484	108,735	-	126,219
Justice Heights Extension	1,000,000	-	5,308	-	5,308
Tingen Pedestrian Bridge	700,000	419	20,871	-	21,290
Ten Ten at Jessie Drive Turn Lane	350,000	-	107,242	-	107,242
GPS Emergency Vehicle Preemption	260,000	15,150	13,825	-	28,975
Apex Peakway N Widening	5,400,000	-	-	-	-
Center Street Railroad Crossing & Sidewalk	950,000	-	-	-	-
Chatham Street Railroad Crossing & Sidewalk	1,450,000	-	-	-	-

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, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
West Williams Street Sidewalk	850,000	-	-	-	-
Jessie Drive	9,321,000	849,685	17,362	-	867,047
Laura Duncan Road Ped Bike Improvements	-	324,465	-	(324,465)	-
NC540 Roadway Enhancement	180,100	-	-	-	-
Safe Routes to Schools	9,157,180	361,682	709,548	-	1,071,230
Old US1 & New Hill Road Intersection	134,950	100,425	-	-	100,425
Beaver Creek Commons Drive & Zeno Road	895,200	892,344	2,776	-	895,120
Downtown Alley Improvements	1,261,500	127,639	47,500	-	175,139
Richardson Road Mitigation	570,000	-	468,107	-	468,107
Salem Street Downtown Streetscape	559,500	505,649	23,228	-	528,877
Saunders Street Parking Lot Expansion	2,505,150	164,155	69,939	-	234,094
Burma Drive	1,503,250	1,440,421	-	-	1,440,421
Cash Corporate Center - Sewer Interceptor	173,000	136,104	-	-	136,104
Olive Chapel Road Bridge	-	45,000	-	(45,000)	-
Salem Street Bicycle Connection	1,040,000	-	-	-	-
Saunders & Hinton Sidewalk	1,075,200	-	8,752	-	8,752
Old US 1/Friendship Road Improvements	200,000	-	-	-	-
Technology Drive Enhancements	300,000	-	-	-	-
Olive Chapel Road at Apex BBQ Improvements	450,000	-	-	-	-
Transportation Easements	233,800	-	-	-	-
Total expenditures	104,835,217	20,823,800	4,268,351	(638,689)	24,453,462
Revenues under expenditures	(82,910,016)	(13,987,990)	(1,767,017)	(1,910,192)	(17,665,199)
Other financing sources (uses):					
Transfers in:					
General Fund					
Pavement Improvements	935,500	935,500	-	-	935,500
S Salem/Tingen Intersection	410,000	355,000	55,000	-	410,000
Chatham Street Improvements	802,000	602,000	-	-	602,000
Lake Pine Improvements	1,406,406	1,202,875	-	125,500	1,328,375
Peakway SW Connector	577,692	577,692	-	-	577,692
Peakway SE Connector	-	297,109	-	(297,109)	-
James Street to Downtown Pedestrian	501,500	476,000	(18,962)	-	457,038
Kelly Road Sidewalk & Apex BBQ	247,950	158,528	-	-	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

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, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Jessie Drive	825,000	825,000	-	-	825,000
Laura Duncan Road Ped Bike Improvements	-	208,700	-	(208,700)	-
Beaver Creek Commons Drive & Zeno Road	631,000	552,000	68,381	10,625	631,006
Downtown Alley Improvements	1,150,000	1,150,000	-	-	1,150,000
Richardson Road Mitigation	570,000	570,000	130,000	-	700,000
Salem Street Downtown Streetscape	443,500	313,500	-	-	313,500
Saunders Street Parking Lot Expansion	2,450,000	2,244,820	205,180	-	2,450,000
Burma Drive	1,353,000	585,422	662,578	105,000	1,353,000
Cash Corporate Center - Sewer Interceptor	156,000	99,610	-	-	99,610
Olive Chapel Road Bridge	-	150,000	-	(150,000)	-
Safe Routes to Schools	1,331,030	150,000	1,181,030	-	1,331,030
Tingen Pedestrian Bridge	120,000	-	120,000	-	120,000
School Infrastructure Reimbursement	1,870,000	-	1,464,638	405,362	1,870,000
Humie Olive Signalization	-	30,000	30,000	(60,000)	-
Justice Heights Extension	250,000	250,000	-	-	250,000
Ragan Road Sidepath	-	200,000	-	(200,000)	-
Salem Street Bicycle Connection	1,040,000	-	300,000	-	300,000
Old US 1/Friendship Road Improvements	-	-	44,462	-	44,462
Transportation Easements	233,800	-	-	-	-
Total General Fund	18,014,378	12,643,756	4,242,307	(269,322)	16,616,741
Transportation Reserves:					
Peakway SW Connector	507,320	507,320	-	-	507,320
Kelly Road Sidewalk & Apex BBQ	484,000	484,000	-	-	484,000
Jenks Road and US 64 Signals	388,103	388,103	-	-	388,103
School Infrastructure Reimbursement	500,000	500,000	-	-	500,000
Jessie Drive	385,000	385,000	-	-	385,000
NC540 Roadway Enhancement	120,000	119,997	-	-	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
Downtown Safe Routes to Schools	231,030	231,030	-	-	231,030
Justice Heights Extension	750,000	-	750,000	-	750,000
Tingen Pedestrian Bridge	30,000	30,000	-	-	30,000
Unidentified projects	-	35,677	-	(35,677)	-
Safe Routes to School	-	594,928	-	-	594,928
Ten Ten at Jessie Drive Turn Lane	350,000	350,000	-	-	350,000
Center Street Railroad Crossing & Sidewalk	150,000	-	-	-	-
Chatham Street Railroad Crossing & Sidewalk	150,000	-	-	-	-
Old US 1/Friendship Road Improvements	200,000	-	-	-	-
Technology Drive Enhancements	300,000	-	-	-	-
Olive Chapel Road at Apex BBQ Improvements	450,000	-	-	-	-
Total Transportation Reserve	7,189,373	5,225,047	750,000	(35,677)	5,939,370
Total Transfers In	25,203,751	17,868,803	4,992,307	(304,999)	22,556,111

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, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
General Obligation Bonds					
Pavement Improvements	10,000,000	5,000,000	1,000,000	-	6,000,000
Lake Pine Improvements	37,795	37,794	-	-	37,794
Old Holly Springs/Apex Road - NC540	-	-	-	-	-
Peakway SW Connector	23,856,781	2,217,811	22,500,000	-	24,717,811
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	-	1,000,000	-	1,000,000
Total General Obligation Bonds	<u>56,244,576</u>	<u>7,255,605</u>	<u>24,500,000</u>	<u>-</u>	<u>31,755,605</u>
General Obligation Bonds - Premium					
Unidentified projects	-	29,050	-	(29,050)	-
Pavement Improvements	-	-	55,592	-	55,592
Lake Pine Improvements	75,299	75,299	-	-	75,299
Peakway SW Connector	1,250,800	-	1,250,813	-	1,250,813
Safe Routes to School	55,590	-	55,592	-	55,592
Jessie Drive	80,000	98,423	-	-	98,423
Total General Obligation Bonds - Premium	<u>1,461,689</u>	<u>202,772</u>	<u>1,361,997</u>	<u>(29,050)</u>	<u>1,535,719</u>
Transfers out					
Capital Project Funds	-	(2,215,191)	-	2,215,191	-
General Fund	-	(29,050)	-	29,050	-
Total Transfers Out	<u>-</u>	<u>(2,244,241)</u>	<u>-</u>	<u>2,244,241</u>	<u>-</u>
Total financing sources (uses)	<u>82,910,016</u>	<u>23,082,939</u>	<u>30,854,304</u>	<u>1,910,192</u>	<u>55,847,435</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,094,949</u>	<u>29,087,287</u>	<u>\$ -</u>	<u>\$ 38,182,236</u>
Fund balances:					
Beginning of year			<u>9,094,949</u>		
End of year			<u>\$ 38,182,236</u>		

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

JUNE 30, 2024

	Capital Project Fund			Total Capital Projects Fund
	Recreation Capital Reserve	Transportation Capital Reserve	General Capital Projects	
Assets				
Cash and cash equivalents	\$ 5,346,781	\$ 2,769,266	\$ 9,704,706	\$ 17,820,753
Restricted cash and cash equivalents	-	-	-	-
Due from other governments	-	121,068	-	121,068
Accounts receivable	-	-	93,248	93,248
Total assets	<u>\$ 5,346,781</u>	<u>\$ 2,890,334</u>	<u>\$ 9,797,954</u>	<u>\$ 18,035,069</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ 708,890	\$ 708,890
Unearned grant revenue	-	-	-	-
Total liabilities	-	-	708,890	708,890
Fund balances:				
Restricted:				
Recreation improvements	-	-	-	-
Public Safety	-	-	2,864,535	2,864,535
General Government	-	-	4,764,519	4,764,519
Planning	-	-	1,460,010	1,460,010
Committed:				
Library maintenance	-	-	-	-
Cemetery	-	-	-	-
Assigned:				
Recreation improvements	5,346,781	-	-	5,346,781
Street improvements	-	2,890,334	-	2,890,334
Total fund balances	<u>5,346,781</u>	<u>2,890,334</u>	<u>9,089,064</u>	<u>17,326,179</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,346,781</u>	<u>\$ 2,890,334</u>	<u>\$ 9,797,954</u>	<u>\$ 18,035,069</u>

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

JUNE 30, 2024

	Special Revenue Funds		Total Special Revenue Funds	Permanent Fund	Total
	American Rescue Plan 2022 Federal - Unrestricted	Perry Library		Cemetery Fund	Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	\$ 5,470,994	\$ 721,943	\$ 6,192,937	\$ -	\$ 24,013,690
Restricted cash and cash equivalents	-	-	-	491,559	491,559
Due from other governments	-	-	-	-	121,068
Accounts receivable	-	-	-	-	93,248
Total assets	\$ 5,470,994	\$ 721,943	\$ 6,192,937	\$ 491,559	\$ 24,719,565
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 708,890
Unearned grant revenue	-	-	-	-	-
Total liabilities	-	-	-	-	708,890
Fund balances:					
Restricted:					
Recreation improvements	-	-	-	-	-
Public Safety	-	-	-	-	2,864,535
General Government	5,470,994	-	5,470,994	-	10,235,513
Planning	-	-	-	-	1,460,010
Committed:					
Library maintenance	-	721,943	721,943	-	721,943
Cemetery	-	-	-	491,559	491,559
Assigned:					
Recreation improvements	-	-	-	-	5,346,781
Street improvements	-	-	-	-	2,890,334
Total fund balances	5,470,994	721,943	6,192,937	491,559	24,010,675
Total liabilities, deferred inflows and fund balances	\$ 5,470,994	\$ 721,943	\$ 6,192,937	\$ 491,559	\$ 24,719,565

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

FOR THE YEAR ENDED JUNE 30, 2024

	Capital Project Fund				Total Capital Projects Fund
	Recreation Capital Reserve	Transportation Capital Reserve	Formerly Major Fund General Capital Projects	Formerly Non-Major Fund Transportation Capital Projects	
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ 43,248		\$ 43,248
Other taxes	-	1,399,267	-		1,399,267
Sales and services	4,271,573	116,147	-		4,387,720
Investment earnings	-	-	446,423		446,423
Miscellaneous	-	-	115,625		115,625
Total revenues	4,271,573	1,515,414	605,296	-	6,392,283
Expenditures:					
Operating	-	-	34,233		34,233
Capital outlay	-	-	10,274,016		10,274,016
Total expenditures	-	-	10,308,249	-	10,308,249
Revenues over (under) expenditures	4,271,573	1,515,414	(9,702,953)	-	(3,915,966)
Other financing sources (uses):					
Transfers in	-	-	2,605,202		2,605,202
Transfers out	(4,298,533)	(1,579,120)	-		(5,877,653)
Bond proceeds	-	-	3,460,000		3,460,000
Bond premium	-	-	88,711		88,711
Total other financing sources (uses)	(4,298,533)	(1,579,120)	6,153,913	-	276,260
Net change in fund balances	(26,960)	(63,706)	(3,549,040)	-	(3,639,706)
Fund balances:					
Beginning of year, as previously presented	5,373,741	2,954,040	-	9,094,949	17,422,730
Change within financial reporting entity	-	-	12,638,104	(9,094,949)	3,543,155
Beginning of year, as adjusted	5,373,741	2,954,040	12,638,104	-	20,965,885
End of year	\$ 5,346,781	\$ 2,890,334	\$ 9,089,064	\$ -	\$ 17,326,179

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

FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds		Total Special Revenue Funds	Permanent Fund	Total Nonmajor Governmental Funds
	American Rescue Plan 2022 Federal - Unrestricted	Perry Library		Cemetery Fund	
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 43,248
Other taxes	-	-	-	-	1,399,267
Sales and services	-	-	-	-	4,387,720
Investment earnings	110,516	-	110,516	18,601	575,540
Miscellaneous	-	-	-	-	115,625
Total revenues	110,516	-	110,516	18,601	6,521,400
Expenditures:					
Operating	-	-	-	-	34,233
Capital outlay	-	-	-	-	10,274,016
Total expenditures	-	-	-	-	10,308,249
Revenues over (under) expenditures	110,516	-	110,516	18,601	(3,786,849)
Other financing sources (uses):					
Transfers in	-	200,000	200,000	-	2,805,202
Transfers out	-	-	-	(76,000)	(5,953,653)
Bond proceeds	-	-	-	-	3,460,000
Bond premium	-	-	-	-	88,711
Total other financing sources (uses)	-	200,000	200,000	(76,000)	400,260
Net change in fund balances	110,516	200,000	310,516	(57,399)	(3,386,589)
Fund balances:					
Beginning of year, as previously presented	5,360,478	521,943	5,882,421	548,958	23,854,109
Change within financial reporting entity	-	-	-	-	3,543,155
Beginning of year, as adjusted	5,360,478	521,943	5,882,421	548,958	27,397,264
End of year	\$ 5,470,994	\$ 721,943	\$ 6,192,937	\$ 491,559	\$ 24,010,675

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, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Revenues:					
Subdivision recreation fees	\$ 5,800,000	\$ 5,872,680	\$ 4,271,573	\$ (1,577,636)	\$ 8,566,617
Investment earnings	67,000	5,097	-	-	5,097
Total revenues	<u>5,867,000</u>	<u>5,877,777</u>	<u>4,271,573</u>	<u>(1,577,636)</u>	<u>8,571,714</u>
Other financing sources (uses):					
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	(6,823,620)	(947,320)	(4,298,533)	947,320	(4,298,533)
Reserved for future expenditures	(4,875,600)	-	-	-	-
Appropriated fund balance	5,966,692	-	-	-	-
Total financing sources (uses)	<u>(5,867,000)</u>	<u>(504,036)</u>	<u>(4,298,533)</u>	<u>1,577,636</u>	<u>(3,224,933)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 5,373,741</u>	<u>(26,960)</u>	<u>\$ -</u>	<u>\$ 5,346,781</u>
Fund balances:					
Beginning of year			<u>5,373,741</u>		
End of year			<u>\$ 5,346,781</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, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Revenues:					
Motor vehicle licenses	\$ 6,685,000	\$ 4,388,874	\$ 1,399,267	\$ (2,394,872)	\$ 3,393,269
Transportation fees	2,517,600	-	-	-	-
Payments in lieu of streets	-	897,654	116,147	-	1,013,801
Payments in lieu of sidewalks	-	62,384	-	-	62,384
Investment earnings	79,850	-	-	-	-
Total revenues	<u>9,282,450</u>	<u>5,348,912</u>	<u>1,515,414</u>	<u>(2,394,872)</u>	<u>4,469,454</u>
Expenditures:					
Refund of development fees	<u>11,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Transfers Out - General Fund	(3,557,003)	(750,000)	(112,977)	750,000	(112,977)
Transfer Out - Capital Projects	(7,088,951)	(1,644,872)	(1,466,143)	1,644,872	(1,466,143)
Reserved for future expenditures	(1,126,792)	-	-	-	-
Appropriated fund balance	<u>2,501,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total financing sources (uses)	<u>(9,271,117)</u>	<u>(2,394,872)</u>	<u>(1,579,120)</u>	<u>2,394,872</u>	<u>(1,579,120)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,954,040</u>	<u>(63,706)</u>	<u>\$ -</u>	<u>\$ 2,890,334</u>
Fund balances:					
Beginning of year			2,954,040		
End of year			<u>\$ 2,890,334</u>		

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Project Closeouts	
Revenues:					
Investment earnings					
Fire Station #1	\$ 100	\$ 31,657	26,360	\$ -	\$ 58,017
Go Apex Bus Stop	-	35,336	17,652	(52,988)	-
Town Hall Renovations	-	5,626	5,132	5,992	16,750
Fire Station #5	-	21,281	20,752	(42,033)	-
Town Fiber Optic Expansion	-	14,550	17,150	-	31,700
Mason Street Building	214,200	93,044	160,264	-	253,308
Eva Perry Library Improvements	-	-	-	-	-
PBX - Phone System Upgrade	19,970	4,382	6,687	(5,992)	5,077
Fire Station #6	12,000	91,987	21,984	-	113,971
Tunstall House	-	16,071	40,930	-	57,001
Cash Corporate Center	-	11,965	31,043	-	43,008
Cemetery Parking and Columbarium	12,500	12,498	9,420	-	21,918
Firearms Training Center	-	4,171	8,680	-	12,851
GoApex CDBG Project	6,300	2,836	7,453	-	10,289
ERP Conversion	70,000	-	63,611	17,651	81,262
Wayfinding Plan	4,000	-	4,319	-	4,319
Public Safety Radio Project	1,900	-	1,369	-	1,369
Fire SCBA Replacement Project	3,000	-	2,468	-	2,468
Fire Station #3	-	-	1,149	-	1,149
Total investment earnings	343,970	345,404	446,423	(77,370)	714,457
Restricted intergovernmental					
Federal grants					
Cybersecurity Maturity	99,971	-	43,248	-	43,248
State grants					
Go Apex Bus Stop	-	348,421	-	(348,421)	-
Total restricted intergovernmental	99,971	348,421	43,248	(348,421)	43,248
Miscellaneous revenue					
GoApex CDBG Project	100,000	9,513	115,625	(9,513)	115,625
Total restricted intergovernmental	100,000	9,513	115,625	(9,513)	115,625
Total revenues	543,941	703,338	605,296	(435,304)	873,330
Expenditures:					
Operating:					
Fire Station #6		49,913	-	-	49,913
Mason Street Building		-	34,233	-	34,233
Capital Outlay:					
Fire Station #1	987,000	9,500	546	-	10,046
Go Apex Bus Stop	13,400	587,142	1,649	(587,142)	1,649
Town Hall Renovations	1,108,942	-	75,600	-	75,600
Fire Station #5		598,167	-	(598,167)	-
Town Fiber Optic Expansion	642,100	296,269	25,180	-	321,449

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, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Project Closeouts	
Mason Street Building	9,277,335	3,390,947	4,828,506	-	8,219,453
PBX - Phone System Upgrade	266,858	232,013	19,953	-	251,966
Fire Station #6	8,202,686	6,726,354	768,941	-	7,495,295
Tunstall House	2,543,097	44,283	124,898	-	169,181
Cash Corporate Center	1,712,695	154,793	-	-	154,793
Cemetery Parking and Columbarium	708,500	51,953	621,767	-	673,720
Firearms Training Center	325,000	-	120,725	-	120,725
GoApex CDBG Project	493,842	2,000	483,184	-	485,184
ERP Conversion	7,553,989	223,043	3,148,594	-	3,371,637
Wayfinding Plan	724,000	-	-	-	-
Public Safety Radio Project	1,051,000	-	-	-	-
Fire SCBA Replacement Project	778,000	-	-	-	-
Fire Station #3	598,102	-	-	-	-
Cybersecurity Maturity	120,000	-	54,473	-	54,473
Town Solar Initiative	787,000	-	-	-	-
GoApex Route 2 Expansion	100,000	-	-	-	-
Town Camera System Expansion	350,000	-	-	-	-
Total expenditures	38,343,546	12,366,377	10,308,249	(1,185,309)	21,489,317
Revenues under expenditures	(37,799,605)	(11,663,039)	(9,702,953)	750,005	(20,615,987)
Other financing sources:					
General Obligation Bonds:					
Mason Street Building	3,460,000	-	3,460,000	-	3,460,000
General Obligation Bonds - Premium					
Mason Street Building	88,700	-	88,711	-	88,711
Town Hall Renovations	900,000	-	-	-	-
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	13,400	630,000	46,300	(630,000)	46,300
Town Hall Renovations	208,942	182,611	26,331	-	208,942
Fire Station #5	-	1,004,237	-	(1,004,237)	-
Town Fiber Optic Expansion	642,100	642,100	-	-	642,100
Mason Street Building	4,100,000	4,100,000	-	-	4,100,000
Eva Perry Library Improvements	-	-	-	-	-
PBX - Phone System Upgrade	246,888	246,889	-	-	246,889
Fire Station #6	715,060	715,060	-	-	715,060
Tunstall House	2,543,097	693,097	1,850,000	-	2,543,097
Cash Corporate Center	1,712,695	149,471	-	-	149,471
Cemetery Parking and Columbarium	20,000	-	20,000	-	20,000
Firearms Training Center	325,000	325,000	-	-	325,000

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, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Project Closeouts	
GoApex CDBG Project	387,542	221,000	166,542	-	387,542
ERP Conversion	5,076,179	3,229,550	-	436,129	3,665,679
Wayfinding Plan	720,000	320,000	-	-	320,000
Public Safety Radio Project	1,049,100	-	150,000	-	150,000
Fire SCBA Replacement Project	775,000	-	250,000	-	250,000
Fire Station #3	598,102	-	-	448,103	448,103
Cybersecurity Maturity	20,029	-	20,029	-	20,029
Town Solar Initiative	787,000	-	-	-	-
GoApex Route 2 Expansion	100,000	-	-	-	-
Town Camera System Expansion	350,000	-	-	-	-
Capital Project Funds:					
Fire Station #6	190,061	190,061	-	-	190,061
Cemetery Parking and Columbarium	676,000	600,000	76,000	-	676,000
Utility Funds:					
ERP Conversion	2,407,810	1,371,810	-	-	1,371,810
Transfer out:					
General Fund:Cash Corporate Center	-	(6,643)	-	-	(6,643)
Total other financing sources	<u>37,799,605</u>	<u>24,301,143</u>	<u>6,153,913</u>	<u>(750,005)</u>	<u>29,705,051</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 12,638,104</u>	<u>(3,549,040)</u>	<u>\$ -</u>	<u>\$ 9,089,064</u>
Fund balances:					
Beginning of Year			<u>12,638,104</u>		
End of Year			<u>\$ 9,089,064</u>		

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Restricted intergovernmental:				
Federal Grant				
To Be Determined	\$ -	\$ 5,257,682	\$ -	\$ 5,257,682
Total Federal Grants	-	5,257,682	-	5,257,682
Investment earnings				
To Be Determined	-	102,796	(102,796)	-
West Street Park	192,319	-	198,675	198,675
Downtown Improvements	-	-	11,556	11,556
Non-Profit Funding	-	-	1,156	1,156
Housing Transition for Displaced	-	-	1,925	1,925
Total Investment Earnings	192,319	102,796	110,516	213,312
Total revenues	192,319	5,360,478	110,516	5,470,994
Expenditures				
Capital Outlay:				
West Street Park	1,650,000	-	-	-
Downtown Improvements	3,000,000	-	-	-
Non-Profit Funding	300,000	-	-	-
Housing Transition for Displaced	500,000	-	-	-
Total expenditures	5,450,000	-	-	-
Revenues under expenditures	(5,257,681)	5,360,478	110,516	5,470,994

TOWN OF APEX, NORTH CAROLINA

CAPITAL PROJECTS FUND

AMERICAN RESCUE PLAN 2021 - FEDERAL (UNRESTRICTED)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Other financing sources (uses):				
Transfers in:				
General Fund - ARPA	-	5,257,682	(5,257,682)	-
West Street Park	1,457,681	-	1,457,682	1,457,682
Downtown Improvements	3,000,000	-	3,000,000	3,000,000
Non-Profit Funding	300,000	-	300,000	300,000
Housing Transition for Displaced	500,000	-	500,000	500,000
Transfers out:				
General Fund - ARPA	-	(5,257,682)	-	(5,257,682)
Total Transfers Out	5,257,681	-	-	-
Total financing sources (uses)	5,257,681	-	-	-
Net change in fund balance	\$ -	\$ 5,360,478	110,516	\$ 5,470,994
Fund balances:				
Beginning of year			5,360,478	
End of year			\$ 5,470,994	

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, 2024

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

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay	600,000	-	600,000	-
Total expenditures	600,000	-	600,000	-
Revenues under expenditures	(600,000)	-	600,000	-
Other financing sources (uses):				
Transfer in	200,000	200,000	-	400,002
Appropriated fund balance	400,000	-	(400,000)	-
Total other financing sources (uses)	600,000	200,000	(400,000)	400,002
Net change in fund balance	-	200,000	200,000	400,002
	\$ -		\$ 200,000	
Fund balance - Beginning of year		521,943		121,941
Fund balance - End of year		\$ 721,943		\$ 521,943

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, 2024

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

	2024		Variance	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Miscellaneous:				
Sale of plots	\$ -		\$ -	\$ (1,600)
Investment earnings	8,000	18,601	10,601	15,783
Total revenues	8,000	18,601	10,601	14,183
Expenditures:				
Reserved for future expenditures	8,000	-	8,000	-
Total expenditures	8,000	-	8,000	-
Revenues under expenditures	-	18,601	18,601	14,183
Other financing sources (uses):				
Transfer out	-	(76,000)	(76,000)	-
Total other financing sources (uses)	-	(76,000)	(76,000)	-
Net change in fund balance	-	(57,399)	(57,399)	14,183
	\$ -		\$ (57,399)	
Fund balance - Beginning of year		548,958		534,775
Fund balance - End of year		\$ 491,559		\$ 548,958

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

FOR THE YEAR ENDED JUNE 30, 2024

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

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Operating revenues:				
Charges for services				
Sale of electricity	\$ 46,172,300	\$ 52,811,933	\$ 6,639,633	\$ 41,254,456
Reconnection fees	165,000	150,690	(14,310)	194,679
Service initiation fees	72,500	80,275	7,775	70,815
Penalties	75,000	99,208	24,208	113,342
Total	<u>46,484,800</u>	<u>53,142,106</u>	<u>6,657,306</u>	<u>41,633,292</u>
Other operating revenues				
Sales tax revenues	4,017,300	3,318,762	(698,538)	2,911,435
Underground charges	3,447,700	3,481,738	34,038	832,143
Miscellaneous	65,000	34,692	(30,308)	106,026
Lease revenue	30,800	4,365	(26,435)	8,730
Electric meters	105,000	110,286	5,286	120,286
Total other operating revenues	<u>7,665,800</u>	<u>6,949,843</u>	<u>(715,957)</u>	<u>3,978,620</u>
Total operating revenues	<u>54,150,600</u>	<u>60,091,949</u>	<u>5,941,349</u>	<u>45,611,912</u>
Nonoperating revenues:				
Investment earnings	309,200	360,374	51,174	277,748
Sale of assets	10,000	24,012	14,012	38,128
Total nonoperating revenues	<u>319,200</u>	<u>384,386</u>	<u>65,186</u>	<u>315,876</u>
Total revenues	<u>54,469,800</u>	<u>60,476,335</u>	<u>6,006,535</u>	<u>45,927,788</u>
Expenditures:				
Salaries and employee benefits	7,068,900	6,873,913	194,987	6,099,789
Operations and maintenance	1,515,957	1,119,152	396,805	1,492,157
Purchases of electricity	33,696,900	33,584,830	112,070	29,307,764
Electric sales tax	3,412,900	3,341,605	71,295	3,015,809
Professional services	444,817	382,743	62,074	447,086
Repairs and maintenance	593,500	589,189	4,311	601,924
Total utility operations	<u>46,732,974</u>	<u>45,891,432</u>	<u>841,542</u>	<u>40,964,529</u>
Debt service				
Principal retirement	-	-	-	1,022,000
Interest expense	-	-	-	226,731
Total debt service expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,248,731</u>
Capital outlay	7,361,585	7,014,786	346,799	3,506,479
Total expenditures	<u>54,094,559</u>	<u>52,906,218</u>	<u>1,188,341</u>	<u>45,719,739</u>
Revenues over expenditures	<u>375,241</u>	<u>7,570,117</u>	<u>7,194,876</u>	<u>208,049</u>

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

FOR THE YEAR ENDED JUNE 30, 2024

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

	2024			2023
	Budget	Actual	Variance Positive (Negative)	Actual
Other financing sources (uses):				
Transfer (to) other funds*	\$ (3,299,800)	\$ (2,413,511)	\$ 886,289	\$ (706,400)
Subscription proceeds	-	206,370	206,370	-
Contingency	(97,000)	-	97,000	-
Appropriated fund balance	3,021,559	-	(3,021,559)	-
Total other financing sources (uses)	<u>(375,241)</u>	<u>(2,207,141)</u>	<u>(1,831,900)</u>	<u>(706,400)</u>
Revenues over expenditures and other financing uses	<u>\$ -</u>	<u>5,362,976</u>	<u>\$ 5,362,976</u>	<u>(498,351)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Depreciation and amortization		(3,722,200)		(3,331,414)
Capital outlay		8,403,145		3,719,075
Gain/loss on sale of assets		-		16,533
Principal retirement		1,053,000		1,022,000
Intrafund transfers		2,413,511		50,000
Change in accrued interest		10,847		10,458
Increase in compensated absences		(40,171)		56,977
Increase in pension obligation		(732,811)		(2,042,827)
Increase in deferred inflows - pension		14,407		1,072,728
Increase in deferred outflows - pension		(1,022,540)		1,654,934
Lease/subscriptions accrued interest receivable		3,955		-
Deferred inflows of resources - leases/subscriptions		(206,370)		-
Amoritzation of leases/subscriptions		34,259		-
Increase in OPEB obligation		(339,911)		(690,915)
Increase deferred inflows of resources - OPEB		125,871		152,248
Decrease deferred outflows of resources - OPEB		74,653		(200,480)
Total reconciling items		<u>6,069,645</u>		<u>1,489,317</u>
Net income - Electric Fund		11,432,621		990,966
Other Utility Funds:				
Debt Service Fund		(1,241,962)		-
Capital project funds:				
Electric capital project fund		(676,136)		(130,771)
Net income		<u>(1,918,098)</u>		<u>(130,771)</u>
Net income - GAAP		<u>\$ 9,514,523</u>		<u>\$ 860,195</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, 2024
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Investment earnings	\$ -	\$ 6,361	\$ 6,361	\$ -
Total revenues	-	6,361	6,361	-
Expenditures:				
Debt service:				
Bond principal	1,053,000	1,053,000	-	-
Bond interest	196,800	195,323	1,477	-
Total expenditures	1,249,800	1,248,323	1,477	-
Revenues under expenditures	(1,249,800)	(1,241,962)	7,838	-
Other financing sources (uses):				
Transfers in:				
Electric Fund	1,249,800	1,249,800	-	50,000
Total other financing sources (uses)	1,249,800	1,249,800	-	50,000
Net change in fund balance	\$ -	7,838	\$ 7,838	50,000
Fund balance - Beginning of year		50,000		-
Fund balance - End of year		\$ 57,838		\$ 50,000

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, 2024

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Investment earnings				
Operations Center	\$ 323,274	\$ -	\$ 36,987	\$ 36,987
Smart Meters (AMI)	-	77,501	159,667	237,168
Green Level Substation	-	14,264	34,988	49,252
Laura Duncan Substation	-	5,896	14,462	20,358
Corporate Cash Center	-	-	244	244
East Williams Substation	-	-	21,591	21,591
LED Replacement (Street Lights)	-	-	2,999	2,999
Total revenues	323,274	97,661	270,938	368,599
Expenditures:				
Capital outlay:				
Operations Center	12,200,820	-	10,160	10,160
Smart Meters (AMI)	6,150,000	96,491	217,329	313,820
Green Level Substation	1,500,000	-	-	-
Laura Duncan Substation	620,000	39,150	613	39,763
Corporate Cash Center	16,000	-	-	-
East Williams Substation	1,800,000	-	469,154	469,154
LED Replacement (Street Lights)	750,000	-	249,818	249,818
System Fault Indicators - SCADA	175,000	-	-	-
Mount Zion upgrades	230,000	-	-	-
Total expenditures	23,441,820	135,641	947,074	1,082,715
Revenues under expenditures	(23,118,546)	(37,980)	(676,136)	(714,116)

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, 2024

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Other financing sources:				
Revenue bond proceeds				
Operations Center	\$ 10,000,000	\$ -	\$ -	\$ -
Transfer in:				
Electric Fund				
Operations Center	1,769,183	-	-	-
Smart Meters (AMI)	6,150,000	5,236,289	913,711	6,150,000
Green Level Substation	1,500,000	1,500,000	-	1,500,000
Laura Duncan Substation	620,000	620,000	-	620,000
Corporate Cash Center	16,000	-	-	-
East Williams Substation	1,800,000	-	-	-
LED Replacement (Street Lights)	750,000	-	250,000	250,000
System Fault Indicators - SCADA	175,000	-	-	-
Mount Zion upgrades	230,000	-	-	-
Water & Sewer Fund				
Operations Center	108,363	-	-	-
Total other financing sources	<u>23,118,546</u>	<u>7,356,289</u>	<u>1,163,711</u>	<u>8,520,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,318,309</u>	487,575	<u>\$ 7,805,884</u>
Fund balances:				
Beginning of Year			<u>7,318,309</u>	
End of Year			<u>\$ 7,805,884</u>	

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

FOR THE YEAR ENDED JUNE 30, 2024

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

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Operating revenues:				
Charges for services	\$ 2,511,900	\$ 2,861,875	\$ 349,975	\$ -
Total	2,511,900	2,861,875	349,975	-
Other operating revenues				
Permit and fees	150,000	198,885	48,885	-
State grant	-	6,937	6,937	-
Total other operating revenues	150,000	205,822	55,822	-
Total operating revenues	2,661,900	3,067,697	405,797	-
Nonoperating revenues:				
Investment earnings	10,000	96,983	86,983	-
Total nonoperating revenues	10,000	96,983	86,983	-
Total revenues	2,671,900	3,164,680	492,780	-
Expenditures:				
Stormwater				
Salaries and employee benefits	1,120,900	1,053,637	67,263	-
Operations and maintenance	353,700	282,056	71,644	-
Professional services	715,976	349,371	366,605	-
Total	2,190,576	1,685,064	505,512	-
Capital outlay	607,300	253,974	353,326	-
Total expenditures	2,797,876	1,939,038	858,838	-
Revenues over expenditures	(125,976)	1,225,642	1,351,618	-
Other financing sources (uses):				
Transfer from other funds*	1,570,100	1,570,100	-	-
Subscription proceeds	-	20,243	20,243	-
Contingency	(1,570,100)	-	1,570,100	-
Appropriated fund balance	125,976	-	(125,976)	-
Total other financing sources (uses)	125,976	1,590,343	1,464,367	-
Revenues over expenditures and other financing uses	\$ -	2,815,985	\$ 2,815,985	-

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

FOR THE YEAR ENDED JUNE 30, 2024

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

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Depreciation and amortization		(3,684)		-
Capital outlay		274,216		-
Subscription proceeds		(20,243)		-
Subscription liability retirement		3,615		-
Increase in compensated absences		(20,450)		-
Increase in pension obligation		(110,547)		-
Increase in deferred outflows - pension		44,538		-
Increase in deferred inflows - pension		(4,393)		-
Increase in accrued interest payable subscriptions		(383)		-
Increase in OPEB obligation		(548,441)		-
Increase deferred inflows of resources - OPEB		19,294		-
Decrease deferred outflows of resources - OPEB		11,443		-
Total reconciling items		<u>(355,035)</u>		<u>-</u>
Net income - Stormwater Fund		2,460,950		-
Net income - GAAP		<u>\$ 2,460,950</u>		<u>\$ -</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, 2024
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Operating revenues:				
Charges for services	\$ 23,846,200	\$ 26,751,634	\$ 2,905,434	\$ 25,724,762
Total	23,846,200	26,751,634	2,905,434	25,724,762
Other operating revenues				
Water and sewer taps	260,000	424,304	164,304	314,472
Water tank rentals	145,000	125,659	(19,341)	155,709
State grant	-	21,877	21,877	-
Miscellaneous	133,000	163,650	30,650	195,838
Total other operating revenues	538,000	735,490	197,490	666,019
Total operating revenues	24,384,200	27,487,124	3,102,924	26,390,781
Nonoperating revenues:				
Investment earnings	475,000	960,396	485,396	860,375
Sale of assets	15,000	16,936	1,936	4,702
Total nonoperating revenues	490,000	977,332	487,332	865,077
Total revenues	24,874,200	28,464,456	3,590,256	27,255,858
Expenditures:				
Water & Sewer Administration				
Salaries and employee benefits	3,930,700	3,756,975	173,725	3,509,109
Professional services	523,350	275,340	248,010	168,257
Operations and maintenance	924,978	893,273	31,705	496,921
Total	5,379,028	4,925,588	453,440	4,174,287
Sewer Treatment				
Salaries and employee benefits	964,100	917,809	46,291	979,391
Operations and maintenance	3,459,961	3,820,391	(360,430)	3,300,782
Professional services	84,500	41,917	42,583	39,954
Total	4,508,561	4,780,117	(271,556)	4,320,127
Sewer Maintenance				
Salaries and employee benefits	1,630,200	1,572,640	57,560	1,522,448
Operations and maintenance	1,618,773	1,603,039	15,734	932,040
Professional services	557,700	506,890	50,810	512,188
Total	3,806,673	3,682,569	124,104	2,966,676
Water Treatment				
Operations and maintenance	82,000	64,214	17,786	63,164
Water purchases	3,384,300	2,852,907	531,393	2,530,363
Total	3,466,300	2,917,121	549,179	2,593,527
Stormwater				
Salaries and employee benefits	-	-	-	875,191
Operations and maintenance	-	-	-	48,626
Professional services	-	-	-	238,324
Total	-	-	-	1,162,141

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, 2024
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Water Maintenance				
Salaries and employee benefits	\$ 1,815,100	\$ 1,660,336	\$ 154,764	\$ 1,685,566
Professional services	343,379	184,130	159,249	490,003
Operations and maintenance	949,398	756,990	192,408	666,502
Total	<u>3,107,877</u>	<u>2,601,456</u>	<u>506,421</u>	<u>2,842,071</u>
Debt service				
Principal retirement	-	-	-	3,001,347
Interest expense	-	-	-	737,517
Total debt service expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,738,864</u>
Capital outlay	<u>2,487,998</u>	<u>2,434,590</u>	<u>53,408</u>	<u>2,130,947</u>
Total expenditures	<u>22,756,437</u>	<u>21,341,441</u>	<u>1,414,996</u>	<u>23,928,640</u>
Revenues over expenditures	<u>2,117,763</u>	<u>7,123,015</u>	<u>5,005,252</u>	<u>3,327,218</u>
Other financing sources (uses):				
Transfer from other funds*	206,716	161,226	(45,490)	-
Transfer (to) other funds*	(10,696,800)	(11,696,800)	(1,000,000)	(2,995,410)
Subscription proceeds	-	190,420	190,420	-
Installment purchase	-	410,000	410,000	-
Contingency	(76,000)	-	76,000	-
Appropriated fund balance	8,448,321	-	(8,448,321)	-
Total other financing sources (uses)	<u>(2,117,763)</u>	<u>(10,935,154)</u>	<u>(8,817,391)</u>	<u>(2,995,410)</u>
Revenues over expenditures and other financing uses	<u>\$ -</u>	<u>(3,812,139)</u>	<u>\$ (3,812,139)</u>	<u>331,808</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Depreciation and amortization		(11,499,229)		(11,280,653)
Capital outlay		2,377,218		3,011,709
Capital contributions		17,689,822		12,903,080
Debt issuance		(410,000)		-
Principal retirement		3,106,513		3,001,347
Intrafund transfers		8,666,200		2,280,000
Change in accrued interest		437		6,361
Increase in compensated absences		(44,734)		(172,391)

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, 2024
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Increase in pension obligation		\$ (843,342)		\$ (2,870,781)
Increase in deferred inflows - pension		\$27,620		1,389,944
Increase in deferred outflows - pension		(1,332,328)		2,382,860
Increase subscriptions obligations		(3,643)		-
Deferred inflows of resources - leases/subscriptions		(131,595)		-
Amoritization of subscriptions		(33,074)		-
Increase in OPEB obligation		434,179		(1,875,785)
Increase deferred inflows of resources - OPEB		144,802		213,945
Decrease deferred outflows of resources - OPEB		85,882		(274,638)
Total reconciling items		<u>18,234,728</u>		<u>8,714,998</u>
Net income - Utility Fund		14,422,589		9,046,806
Other Utility Funds:				
Debt Service Fund		(3,777,961)		-
Capital project funds:				
Water/Sewer Capital Project Fund		1,251,706		289,184
Water/Sewer Capital Reserve Fund		-		71,269
System Development Fee Capital Reserve Fund		7,024,333		5,888,418
WasteWater Treatment Plant Capital Project Fund		40,331		22,821
		<u>-</u>		<u>-</u>
Net income		<u>4,538,409</u>		<u>6,271,692</u>
Net income - GAAP		<u>\$ 18,960,998</u>		<u>\$ 15,318,498</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, 2024
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Investment earnings	\$ -	\$ 59,195	\$ 59,195	\$ -
Total revenues	-	59,195	59,195	-
Expenditures:				
Debt service:				
Bond principal	1,505,000	1,505,000	-	-
Bond interest	417,800	417,707	93	-
Installment note principal	1,568,700	1,601,513	(32,813)	-
Installment note interest	285,200	312,936	(27,736)	-
Total debt service	3,776,700	3,837,156	(60,456)	-
Total expenditures	3,776,700	3,837,156	(60,456)	-
Revenues under expenditures	(3,776,700)	(3,777,961)	(1,261)	-
Other financing sources (uses):				
Transfers in:				
Water and Sewer Fund	3,776,700	3,776,700	-	250,000
Total other financing sources (uses)	3,776,700	3,776,700	-	250,000
Net change in fund balance	\$ -	(1,261)	\$ (1,261)	250,000
Fund balance - Beginning of year		250,000		-
Fund balance - End of year		\$ 248,739		\$ 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, 2024

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Investment earnings				
Water & Sewer Easements	\$ -	\$ 1,165	\$ 3,668	\$ 4,833
Regional WWTP	-	285	899	1,184
WWTP Phase III	-	3,597	11,327	14,924
Raw Water Pipeline	-	29,806	93,864	123,670
Western Transmission	-	41,749	132,472	174,221
Downtown Water Upgrades	-	8,154	25,678	33,832
Inflow and Infiltration	-	13,687	36,453	50,140
Water Meter ERF	-	23,385	153,665	177,050
Pump Station Upgrades	-	2,824	8,894	11,718
Utility Relocate - Peakway/Old US1	-	8,737	27,513	36,250
Utility Relocate - I540	-	3,005	11,844	14,849
Utility Relocate - NC55	-	1,456	4,585	6,041
Process Basin Rehab	-	1,864	5,869	7,733
Future Water Plan Expansion	-	903	2,843	3,746
Big Branch 2 Pump Station	-	24,161	331,597	355,758
Cary-Apex Water	-	32,045	100,916	132,961
Apex Peakway System	100,000	100,582	1,834	102,416
Chatham Street Water	175,000	175,204	3,915	179,119
Elevated Water	-	45,057	141,892	186,949
Lawrence Crossing	-	6,407	26,826	33,233
Middle Creek-Sunset	-	6,203	19,534	25,737
Apex-Cary Project	-	201,165	3,668	204,833
James Street Sewer	-	2,213	6,970	9,183
Dogwood Ridge	-	3,495	11,005	14,500
Cash Corporate Center - Gravity Sewer	114,736	72,464	53,516	125,980
Beaver Creek Common Sewer Extension	-	8,154	25,678	33,832
Roberts Road Water Line Connection	-	-	2,598	2,598
WasteWater Reclamation WRF	-	-	1,767	1,767
Wimberly Road Water Supply Vault	-	-	416	416
Total investment earnings	389,736	817,767	1,251,706	2,069,473
State grants:				
ARPA DWI - Asset Inventory Assessment	400,000	-	-	-
Total revenues	789,736	817,767	1,251,706	2,069,473

Expenditures:

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, 2024

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Capital outlay:				
Water & Sewer Easements	\$ 200,000	\$ 64,496	\$ -	\$ 64,496
Regional WWTP	49,000	-	-	-
WWTP Phase III	1,246,541	81,686	65,526	147,212
Raw Water Pipeline	5,117,500	4,990,478	43,399	5,033,877
Western Transmission	7,168,000	1,815,683	62,701	1,878,384
Downtown Water Upgrades	1,400,000	175,946	-	175,946
Inflow and Infiltration	1,710,000	1,369,420	34,518	1,403,938
Water Meter ERF	8,115,000	162,384	1,807,625	1,970,009
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	2,262,870	583,982	2,846,852
Cary-Apex Water Treatment Plant	5,789,500	1,668,358	854,045	2,522,403
Apex Peakway System	100,000	-	-	-
Chatham Street Water	350,000	7,063	23,520	30,583
Elevated Water Storage Tank - 1.5MG	7,736,000	76,720	161,280	238,000
Lawrence Crossing	1,740,000	133,240	1,466,036	1,599,276
Middle Creek-Sunset Hills Pump Station Renovation	1,065,000	486,543	95,900	582,443
Apex-Cary Project	200,000	52,203	-	52,203
James Street Sewer	380,000	61,621	70,217	131,838
Dogwood Ridge Stream Stabilization	600,000	342,070	32,254	374,324
Cash Corporate Center - Gravity Sewer	5,150,000	(197,293)	24,294	(172,999)
Beaver Creek Commons Gravity Sewer Ext	1,400,000	21,938	82,008	103,946
Roberts Road Waterline Connection	250,000	-	3,500	3,500
WasteWater Reclamation WRF	170,000	-	-	-
Wimberly Road Water Supply Vault	240,000	-	-	-
ARPA DWI - Asset Inventory Assessment	400,000	-	125,692	125,692
Little Beaver Creek - Gravity Sewer	300,000	-	-	-
Old Raleigh Road - Water Line	850,000	-	-	-
Total expenditures	79,100,500	14,486,727	5,536,497	20,023,224
Revenues under expenditures	(78,310,764)	(13,668,960)	(4,284,791)	(17,953,751)

Other financing sources:

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, 2024

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Transfer in:				
Water & Sewer Fund:				
Water & Sewer Easements	\$ 200,000	\$ 200,000	\$ -	\$ 200,000
Western Transmission	2,950,000	1,950,000	1,000,000	2,950,000
Inflow and Infiltration	1,060,000	1,700,000	(640,000)	1,060,000
Water Meter ERF	5,706,500	48,993	4,100,000	4,148,993
Pump Station Upgrades	274,900	274,900	-	274,900
Cary-Apex Water	600,000	600,000	-	600,000
Lawrence Crossing	1,265,000	625,000	640,000	1,265,000
Dogwood Ridge	530,000	530,000	-	530,000
James Street Sewer	130,000	130,000	-	130,000
Beaver Creek Common Sewer Extension	1,400,000	1,400,000	-	1,400,000
Wimberly Road Water Supply Vault	200,000	-	-	-
Old Raleigh Road - Water Line	850,000	-	-	-
Total water/sewer fund	15,166,400	7,458,893	5,100,000	12,558,893
Water & Sewer Reserve				
Regional WWTP	49,000	49,000	-	49,000
WWTP Phase III	556,636	556,636	-	556,636
Raw Water Pipeline	5,117,500	5,117,500	-	5,117,500
Western Transmission	3,378,000	3,378,000	-	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
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	1,663,566	5,718,767
Cary-Apex Water Treatment Plant	3,614,000	3,614,000	-	3,614,000
Elevated Water	6,886,000	6,886,000	-	6,886,000
Apex-Cary Project	200,000	200,000	-	200,000
James Street Sewer	250,000	250,000	-	250,000
Lawrence Crossing	300,000	300,000	-	300,000
Cash Corporate Center - Gravity Sewer	2,685,264	460,843	-	460,843

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, 2024

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Dogwood Ridge Stream Stabilization	\$ 70,000	\$ 70,000	\$ -	\$ 70,000
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>50,718,959</u>	<u>30,401,539</u>	<u>1,663,566</u>	<u>32,065,105</u>
System Development Fee Reserve				
WWTP Phase III	689,905	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
Cary-Apex Water	1,575,500	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
Cash Corporate Center - Gravity Sewer	2,350,000	1,175,000	-	1,175,000
Little Beaver Creek - Gravity Sewer	300,000	-	-	-
Total system development fee reserve	<u>12,425,405</u>	<u>10,033,905</u>	<u>-</u>	<u>10,033,905</u>
Total other financing sources	<u>78,310,764</u>	<u>47,894,337</u>	<u>6,763,566</u>	<u>54,657,903</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 34,225,377</u>	<u>2,478,775</u>	<u>\$ 36,704,152</u>
Fund balances:				
Beginning of Year			<u>34,225,377</u>	
End of Year			<u>\$ 36,704,152</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, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Revenues:					
Investment earnings					
Regional WWTP	\$ -	\$ 8,539	\$ 40,331	\$ (48,870)	\$ -
Miscellaneous revenues					
Regional WWTP	-	404	-	(404)	\$ -
Total revenues	-	8,943	40,331	(49,274)	-
Expenditures:					
Capital outlay:					
Total expenditures	-	-	-	-	-
Revenues under expenditures	-	8,943	40,331	(49,274)	-
Other financing sources:					
Transfer in:					
Water & Sewer Reserve					
Regional WWTP	-	1,663,566	(1,712,840)	49,274	-
Total other financing sources	-	1,663,566	(1,712,840)	49,274	-
Net change in fund balance	\$ -	\$ 1,672,509	(1,672,509)	-	\$ -
Fund balances:					
Beginning of Year			1,672,509		
End of Year			\$ -		

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, 2024

	Project Authorization	Prior Years	Actual	
			Current Year	Total to Date
Revenues:				
Capital reimbursement fees - Water	\$ 9,036,530	\$ 3,936,078	\$ 1,865,088	\$ 5,801,166
Capital reimbursement fees - Sewer	17,375,161	7,743,503	4,602,593	12,346,096
Investment earnings	143,500	-	-	-
Miscellaneous	-	-	556,652	556,652
Total revenues	<u>26,555,191</u>	<u>11,679,581</u>	<u>7,024,333</u>	<u>18,703,914</u>
Other financing sources (uses):				
Transfers in				
General Fund	-	300,000		300,000
Transfers (out)				
Water/Sewer Fund	(10,087,905)	-	(161,226)	(161,226)
General Capital Projects	(135,099)	-	-	-
Water/Sewer Project Fund	(32,939,750)	-	-	-
Reserved for future expenditures	(9,562,500)	-	-	-
Appropriated fund balance	26,170,063	-	-	-
Total other financing sources (uses)	<u>(26,555,191)</u>	<u>300,000</u>	<u>(161,226)</u>	<u>138,774</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 11,979,581</u>	6,863,107	<u>\$ 18,842,688</u>
Fund balances:				
Beginning of year			<u>11,979,581</u>	
End of year			<u>\$ 18,842,688</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, 2024
With comparative actual amounts for the year ended June 30, 2023

Schedule 29

	2024			2023
	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
REVENUES				
Health premiums	\$ 6,258,100	\$ 5,881,430	\$ (376,670)	\$ 5,538,886
Dental premiums	357,500	312,590	(44,910)	300,295
Employee health contributions	1,199,000	1,319,919	120,919	1,203,540
Employee dental contributions	175,000	193,817	18,817	183,532
Employee vision contributions	78,100	76,404	(1,696)	84,705
Retiree health contributions	35,000	17,077	(17,923)	25,612
Total revenues	<u>8,102,700</u>	<u>7,801,237</u>	<u>(301,463)</u>	<u>7,336,570</u>
EXPENDITURES				
Health claims-employees	6,173,400	6,663,920	(490,520)	5,599,978
Dental claims-employees	509,700	507,653	2,047	458,739
Administrative fees-employees	832,400	1,001,868	(169,468)	950,834
Health claims-retiree	464,700	632,699	(167,999)	631,919
Administrative fees-retiree	44,400	50,927	(6,527)	61,986
Administrative fees-vision	78,100	97,394	(19,294)	78,514
Contracted services	-	10,962	(10,962)	-
Total expenditures	<u>8,102,700</u>	<u>8,965,423</u>	<u>(862,723)</u>	<u>7,781,970</u>
Revenues over expenditures	<u>\$ -</u>	<u>(1,164,186)</u>	<u>\$ (1,164,186)</u>	<u>(445,400)</u>
Reconciliation from financial plan basis (modified accrual) to full accrual:				
Reconciling items:				
Decrease (increase) in reserve for incurred but not reported ("IBNR") claims		<u>50,000</u>		<u>160,000</u>
Change in net position		<u>\$ (1,114,186) *</u>		<u>\$ (285,400)</u>

Note: The Town has historically collected employee premiums a month in advance of the billing. For example, for the June billing the funds would have been collected in May. In preparation for the upcoming ERP conversion this process has been updated. This process was updated because the new ERP system requires fund to be collected in the same month of the billing. This revision has affected the current year's change in net position.

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

Schedule 30

June 30, 2024

Fiscal Year	UTILITIES		OTHER		TOTAL	
	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest
2024-2025	\$ 1,530,000	\$ 1,938,678	\$ 5,200,000	\$ 8,236,031	\$ 6,730,000	\$ 10,174,709
2025-2026	1,560,000	1,957,968	4,995,000	7,814,181	6,555,000	9,772,149
2026-2027	1,615,000	1,998,614	5,000,000	7,595,181	6,615,000	9,593,795
2027-2028	1,740,000	2,106,496	5,005,000	7,375,931	6,745,000	9,482,427
2028-2029	1,810,000	2,154,224	5,180,000	7,334,931	6,990,000	9,489,155
2029-2030	1,880,000	2,199,246	5,085,000	7,029,481	6,965,000	9,228,727
2030-2031	1,950,000	2,241,422	5,080,000	6,822,381	7,030,000	9,063,803
2031-2032	2,005,000	2,265,612	4,765,000	6,305,531	6,770,000	8,571,143
2032-2033	2,085,000	2,311,928	4,995,000	6,363,181	7,080,000	8,675,109
2033-2034	2,140,000	2,330,858	4,865,000	6,068,831	7,005,000	8,399,689
2034-2035	2,650,000	2,802,766	4,865,000	5,906,000	7,515,000	8,708,766
2035-2036	2,590,000	2,692,944	4,865,000	5,743,169	7,455,000	8,436,113
2036-2037	2,545,000	2,596,664	4,865,000	5,580,338	7,410,000	8,177,002
2037-2038	-	-	4,865,000	5,415,125	4,865,000	5,415,125
2038-2039	-	-	2,960,000	3,354,100	2,960,000	3,354,100
2039-2040	-	-	2,960,000	3,258,125	2,960,000	3,258,125
2040-2041	-	-	1,470,000	1,670,288	1,470,000	1,670,288
2041-2042	-	-	1,470,000	1,604,138	1,470,000	1,604,138
2042-2043	-	-	1,470,000	1,537,988	1,470,000	1,537,988
	<u>\$ 26,100,000</u>	<u>\$ 29,597,420</u>	<u>\$ 79,960,000</u>	<u>\$ 105,014,931</u>	<u>\$ 106,060,000</u>	<u>\$ 134,612,351</u>

TOWN OF APEX, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE -
GENERAL FUND AND DEBT SERVICE FUND

SCHEDULE 31

June 30, 2024

Fiscal Year	Uncollected Balance June 30, 2023	Additions	Collections and Credits	Uncollected Balance June 30, 2024
2023-2024	\$ -	\$ 55,083,779	\$ (54,976,289)	\$ 107,490
2022-2023	92,383	-	(38,360)	54,023
2021-2022	33,920	-	(1,961)	31,959
2020-2021	37,611	-	(1,724)	35,887
2019-2020	37,620	-	(452)	37,168
2018-2019	21,290	-	(110)	21,180
2017-2018	17,154	-	(53)	17,101
2016-2017	9,699	-	(40)	9,659
2015-2016	9,829	-	(104)	9,725
2014-2015	5,640	-	(5,640)	-
	<u>\$ 265,146</u>	<u>\$ 55,083,779</u>	<u>\$ (55,024,733)</u>	<u>\$ 324,192</u>

Less: allowance for uncollectible accounts	
General Fund	(207,130)
Debt Service Fund	(55,389)
Affordable Housing Fund	(6,099)
Ad valorem taxes receivable-net	<u>\$ 55,575</u>

Reconciliation to revenues:

Ad valorem taxes-General Fund	\$ 55,058,551
Reconciling items:	
Releases allowed	59,719
Penalties and interest	(81,001)
County vehicle decal collections	4,975
Other	(17,511)
Total collections and credits	<u>\$ 55,024,733</u>

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

Schedule 32

YEAR ENDED JUNE 30, 2024

	Town - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	\$ 12,499,730,466	\$ 0.4400	\$ 54,998,814	\$ 50,395,128	\$ 4,603,686
Motor Vehicle Decals	-		18,420	18,420	-
Penalties	-		19,580	19,580	-
Total	<u>12,499,730,466</u>		<u>55,036,814</u>	<u>50,433,128</u>	<u>4,603,686</u>
Discoveries			106,684	106,684	-
Rebates and Releases	<u>\$ (13,572,500)</u>	\$ 0.4400	<u>(59,719)</u>	<u>(59,719)</u>	-
Total Property Valuation	<u>\$ 12,486,157,966</u>				
Net levy			55,083,779	50,480,093	4,603,686
Uncollected taxes at June 30, 2023			<u>(107,490)</u>	<u>(80,750)</u>	<u>(26,740)</u>
Current year's taxes collected			<u>\$ 54,976,289</u>	<u>\$ 50,399,343</u>	<u>\$ 4,576,946</u>
Current levy collection percentage			<u>99.80%</u>	<u>99.84%</u>	<u>99.42%</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

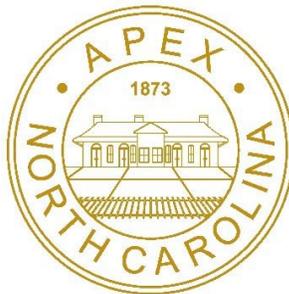
These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

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, 2024

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities			
Net investment in capital assets	\$ 172,231	\$ 208,352	\$ 298,896
Restricted	6,090	10,486	8,279
Unrestricted	<u>14,216</u>	<u>13,406</u>	<u>17,797</u>
Total governmental activities net position	<u>\$ 192,537</u>	<u>\$ 232,244</u>	<u>\$ 324,972</u>
Business-type activities			
Net investment in capital assets	\$ 147,820	\$ 181,185	\$ 202,626
Restricted	-	-	-
Unrestricted	<u>46,393</u>	<u>44,345</u>	<u>49,435</u>
Total business-type activities net position	<u>\$ 194,213</u>	<u>\$ 225,530</u>	<u>\$ 252,061</u>
Primary government			
Net investment in capital assets	\$ 320,051	\$ 389,537	\$ 501,522
Restricted	6,090	10,486	8,279
Unrestricted	<u>60,609</u>	<u>57,751</u>	<u>67,232</u>
Total primary government net position	<u>\$ 386,750</u>	<u>\$ 457,774</u>	<u>\$ 577,033</u>

Table 1

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 383,833	\$ 446,504	\$ 492,439	\$ 548,258	\$ 578,966	\$ 612,330	\$ 677,522
10,340	11,128	10,525	10,556	19,247	33,349	58,835
<u>13,270</u>	<u>14,301</u>	<u>19,204</u>	<u>17,325</u>	<u>26,395</u>	<u>25,016</u>	<u>8,200</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>	<u>\$ 744,557</u>
\$ 220,327	\$ 225,236	\$ 238,830	\$ 249,228	\$ 256,825	\$ 269,867	\$ 292,973
-	-	-	-	-	12,275	20,638
<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>71,540</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>	<u>\$ 385,151</u>
\$ 604,160	\$ 671,740	\$ 731,269	\$ 797,486	\$ 835,791	\$ 882,197	\$ 970,495
10,340	11,128	10,525	10,556	19,247	45,624	79,473
<u>80,164</u>	<u>73,983</u>	<u>89,157</u>	<u>90,454</u>	<u>107,606</u>	<u>97,088</u>	<u>79,740</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>	<u>\$ 1,129,708</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, 2024

	2015	2016	2017	2018
Expenses				
Governmental activities				
General government	\$ 9,235	\$ 9,851	\$ 10,069	\$ 10,584
Public Safety	15,491	16,623	19,644	21,076
Public Works	8,854	8,697	13,241	16,523
Environmental Protection	3,794	4,006	3,394	3,642
Culture and recreation	4,811	5,336	5,519	5,750
Interest on long-term debt	944	822	764	1,073
Total governmental activities expenses	43,129	45,335	52,631	58,648
Business-type activities				
Water and Sewer	15,498	18,485	20,140	22,334
Stormwater	-	-	-	-
Electric	31,674	31,179	34,154	34,215
Total business-type activities expenses	47,172	49,664	54,294	56,549
Total primary government expenses	\$ 90,301	\$ 94,999	\$ 106,925	\$ 115,197
Program Revenues				
Governmental activities				
Charges for services:				
General government	\$ 2,557	\$ 3,501	\$ 4,960	\$ 5,638
Public Safety ⁽¹⁾	11	15	17	12
Culture and recreation	2,324	323	4,892	5,149
Public Works	636	2,953	1,487	1,152
Environmental Protection	2,814	3,029	3,351	3,629
Operating grants and contributions	3,008	3,073	3,773	4,276
Capital grants and contributions	23,058	38,469	92,297	98,076
Total governmental activities program revenues	34,408	51,363	110,777	117,932
Business-type activities				
Charges for services:				
Water and Sewer	12,949	13,374	14,457	16,260
Stormwater	-	-	-	-
Electric	32,646	33,299	36,224	38,364
Operating grants and contributions	-	-	-	-
Capital grants and contributions	14,977	34,121	29,850	37,863
Total business-type activities program revenues	60,572	80,794	80,531	92,487
Total primary government program revenues	\$ 94,980	\$ 132,157	\$ 191,308	\$ 210,419
Net (expense)/revenue				
Governmental activities	\$ (8,721)	\$ 6,028	\$ 58,146	\$ 59,293
Business-type activities	13,400	31,130	26,237	35,938
Total primary government net expenses	\$ 4,679	\$ 37,158	\$ 84,383	\$ 95,231

Table 2

	2019	2020	2021	2022	2023	2024
\$	11,746	\$ 13,145	\$ 15,116	\$ 17,211	\$ 26,722	\$ 29,480
	21,019	25,437	28,530	28,050	29,947	33,479
	18,984	21,547	23,269	23,037	25,522	25,682
	4,147	4,792	5,397	5,764	5,793	6,928
	6,395	7,127	6,833	7,644	8,774	10,161
	1,510	1,743	2,024	2,397	2,394	3,044
	<u>63,801</u>	<u>73,791</u>	<u>81,169</u>	<u>84,103</u>	<u>99,152</u>	<u>108,774</u>
	24,462	25,080	26,900	27,535	30,732	32,749
	-	-	-	-	-	2,294
	37,018	39,817	41,276	44,477	44,179	51,445
	<u>61,480</u>	<u>64,897</u>	<u>68,176</u>	<u>72,012</u>	<u>74,911</u>	<u>86,489</u>
\$	<u>125,281</u>	<u>\$ 138,688</u>	<u>\$ 149,345</u>	<u>\$ 156,115</u>	<u>\$ 174,063</u>	<u>\$ 195,263</u>
\$	5,080	\$ 4,216	\$ 4,953	\$ 3,853	\$ 3,710	\$ 4,048
	-	-	-	-	-	94
	4,539	3,125	2,730	-	1,584	6,720
	220	46	631	6,315	1,875	1,236
	4,193	4,853	5,450	4,477	6,077	6,894
	2,865	2,929	5,015	6,859	3,809	4,424
	65,952	57,687	54,833	44,511	46,212	63,553
	<u>82,849</u>	<u>72,856</u>	<u>73,612</u>	<u>66,014</u>	<u>63,267</u>	<u>86,969</u>
	17,408	19,966	21,306	24,201	26,391	27,465
	-	-	-	-	-	3,068
	40,807	42,674	44,958	46,729	45,612	60,092
	-	99	-	-	-	-
	14,231	24,794	15,054	16,601	18,793	24,158
	<u>72,446</u>	<u>87,533</u>	<u>81,318</u>	<u>87,530</u>	<u>90,796</u>	<u>114,783</u>
\$	<u>155,295</u>	<u>\$ 160,389</u>	<u>\$ 154,930</u>	<u>\$ 153,544</u>	<u>\$ 154,063</u>	<u>\$ 201,752</u>
\$	19,048	\$ (935)	\$ (7,557)	\$ (18,089)	\$ (35,885)	\$ (21,805)
	10,966	22,636	13,142	15,518	15,885	28,294
\$	<u>30,014</u>	<u>\$ 21,701</u>	<u>\$ 5,585</u>	<u>\$ (2,572)</u>	<u>\$ (20,000)</u>	<u>\$ 6,489</u>

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

	2015	2016	2017	2018
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 19,547	\$ 20,676	\$ 22,987	\$ 24,665
Sales taxes	7,959	8,753	9,407	10,109
Motor vehicle licenses	168	176	329	345
Unrestricted grants and contributions	2,910	3,027	3,036	3,299
Investment earnings	24	95	202	562
Miscellaneous	398	364	475	536
Transfers	-	-	-	-
Total governmental activities	<u>31,006</u>	<u>33,091</u>	<u>36,436</u>	<u>39,516</u>
Business-type activities				
Investment earnings	71	133	264	694
Miscellaneous	10	54	30	39
Transfers	-	-	-	-
Total business-type activities	<u>81</u>	<u>187</u>	<u>294</u>	<u>733</u>
Total primary government	<u>\$ 31,087</u>	<u>\$ 33,278</u>	<u>\$ 36,730</u>	<u>\$ 40,249</u>
Special Item: Legal Settlement				
Total governmental activities	-	-	-	-
Total business-type activities	-	-	-	-
Total primary government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Position				
Governmental activities	\$ 22,285	\$ 39,119	\$ 94,582	\$ 98,809
Business-type activities	13,481	31,317	26,531	36,671
Total primary government	<u>\$ 35,766</u>	<u>\$ 70,436</u>	<u>\$ 121,113</u>	<u>\$ 135,480</u>

Notes

Table 2

	2019	2020	2021	2022	2023	2024
\$	29,498	\$ 32,687	\$ 39,485	\$ 43,733	\$ 48,149	\$ 55,054
	11,038	12,175	17,044	18,057	19,602	22,350
	791	1,049	1,461	1,539	1,625	1,679
	3,343	3,540	2,189	2,636	4,261	4,834
	1,621	1,244	715	189	3,813	8,790
	475	476	633	405	3,150	1,711
	-	-	-	-	1,372	1,250
	<u>46,766</u>	<u>51,171</u>	<u>61,527</u>	<u>66,559</u>	<u>81,972</u>	<u>95,668</u>
	1,453	1,211	167	146	1,552	3,046
	59	17	265	14	114	846
	-	-	-	-	(1,372)	(1,250)
	<u>1,512</u>	<u>1,228</u>	<u>432</u>	<u>160</u>	<u>294</u>	<u>2,642</u>
\$	<u>48,278</u>	<u>\$ 52,399</u>	<u>\$ 61,959</u>	<u>\$ 66,719</u>	<u>\$ 82,266</u>	<u>\$ 98,310</u>
	(699)	-	-	-	-	-
	(14,658)	-	-	-	-	-
\$	<u>(15,357)</u>	<u>\$ -</u>				
\$	65,115	\$ 50,236	\$ 53,970	\$ 48,469	\$ 46,087	\$ 73,863
	(2,180)	23,864	13,575	15,678	16,179	30,936
\$	<u>62,935</u>	<u>\$ 74,100</u>	<u>\$ 67,545</u>	<u>\$ 64,147</u>	<u>\$ 62,266</u>	<u>\$ 104,799</u>

(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, 2024

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Utility Distribution</u>	<u>Motor Vehicle Licenses</u>	<u>Beer & Wine Tax</u>	<u>Rental Vehicle Tax</u>	<u>Total</u>
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
2024	55,058,551	22,225,886	4,038,862	1,679,120	338,283	124,044	83,464,746

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, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nondisposable	\$ 142	\$ 166	\$ 115	\$ 114	\$ 163	\$ 285	\$ 311	\$ 311	\$ 165	\$ 153
Restricted	5,377	7,179	7,569	9,640	10,431	9,839	9,870	21,066	10,601	17,477
Committed	-	677	776	842	850	865	857	2,910	4,312	5,834
Assigned	1,012	1,826	-	2,358	2,327	2,370	1,549	3,620	4,675	1,660
Unassigned	15,190	15,467	19,377	21,883	26,062	28,905	36,040	32,321	34,072	32,822
Total General Fund	\$ 21,721	\$ 25,315	\$ 27,837	\$ 34,837	\$ 39,833	\$ 42,264	\$ 48,627	\$ 60,228	\$ 53,825	\$ 57,946
All other governmental funds										
Nondisposable	\$ 713	\$ 712	\$ 709	\$ 700	\$ 697	\$ 687	\$ 686	\$ -	\$ -	\$ -
Restricted	-	2,595	-	20,177	18,237	46,145	39,976	10,688	17,703	62,355
Committed	3,509	3,999	5,476	8,507	12,032	17,426	17,424	39,867	24,363	8,200
Assigned	2,934	2,833	5,202	6,622	7,204	6,482	4,792	7,995	12,009	16,455
Total all other governmental funds	\$ 7,156	\$ 10,139	\$ 11,387	\$ 36,006	\$ 38,170	\$ 70,740	\$ 62,878	\$ 58,550	\$ 54,075	\$ 87,010

(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, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Ad valorem taxes	\$ 19,577	\$ 20,709	\$ 22,995	\$ 24,672	\$ 29,525	\$ 32,658	\$ 39,462	\$ 43,601	\$ 48,232	\$ 55,059
Other taxes and licenses	8,186	8,989	9,672	10,729	11,911	13,300	17,280	18,057	21,226	24,029
Unrestricted intergovernmental	2,859	2,971	2,971	3,028	3,261	3,459	3,408	4,175	4,261	4,834
Restricted intergovernmental	4,341	3,555	4,306	5,617	3,015	3,591	5,015	12,859	7,248	6,614
Permits and fees	4,652	5,945	10,461	10,948	8,749	6,815	7,595	3,853	3,710	4,173
Sales and services	3,691	3,874	4,380	4,629	5,282	5,419	6,169	7,420	9,536	13,730
Investment earnings	24	95	201	562	1,621	1,244	715	189	3,809	8,352
Miscellaneous	413	397	560	848	596	551	1,318	482	1,485	1,711
Total revenues	43,743	46,535	55,546	61,033	63,960	67,037	80,962	90,636	99,507	118,502
Expenditures										
General government	8,251	8,864	8,688	9,238	10,372	12,352	12,851	15,273	19,648	21,177
Public safety	14,487	15,534	17,173	18,479	18,421	21,377	23,223	24,521	29,557	32,792
Public works	3,578	2,593	5,124	5,727	5,894	6,472	6,242	5,171	8,124	7,437
Environmental protection	3,680	3,887	3,208	3,417	3,898	4,476	4,972	5,405	5,656	6,851
Cultural and recreation	3,555	3,682	3,674	3,884	4,384	4,901	4,578	5,442	7,345	8,802
Capital outlay	8,718	6,928	9,994	14,918	8,562	11,502	28,594	28,929	35,387	28,293
Debt Service										
Principal	2,134	2,667	3,028	3,870	2,904	5,926	4,474	4,924	5,506	5,668
Interest	732	817	886	1,012	1,666	1,816	2,436	2,398	2,305	2,494
Total expenditures	45,135	44,972	51,775	60,545	56,101	68,822	87,370	92,063	113,528	113,515
Excess of revenues over (under) expenditures	(1,392)	1,563	3,771	488	7,859	(1,785)	(6,408)	(1,427)	(14,021)	4,987
Other financing sources (uses)										
Issuance of debt	2,226	4,500	-	6,000	-	-	-	8,700	-	29,335
Premium on bond issuance	-	-	-	1,026	-	4,540	-	-	-	1,451
Transfers in	-	3,729	3,932	4,578	10,567	8,364	14,104	12,972	27,238	15,649
Transfers out	-	(3,804)	(3,932)	(4,578)	(10,567)	(8,364)	(14,104)	(12,972)	(25,866)	(15,115)
IT subscription based agreements	-	-	-	-	-	-	-	-	107	749
Total other financing sources (uses)	2,229	4,425	-	31,131	-	36,785	4,909	8,700	1,479	32,069
Special Item										
Legal Settlement	-	-	-	-	(699)	-	-	-	-	-
Net change in fund balances	\$ 837	\$ 5,988	\$ 3,771	\$ 31,619	\$ 7,160	\$ 35,000	\$ (1,498)	\$ 7,273	\$ (12,542)	\$ 37,056
Debt service as a percentage of noncapital expenditures	7.9%	9.2%	9.4%	10.7%	9.6%	13.5%	11.8%	11.6%	10.0%	9.6%

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

Table 6

<u>Year Ended</u>	<u>Real Property</u>	<u>Public Service Property</u>	<u>Motor Vehicles</u>	<u>Other Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>per \$100 Assessed</u>	<u>Estimated Actual Taxable Value</u>	<u>as a Percentage of Actual Value</u>
2015	\$ 4,373,110,017	\$ 27,414,807	\$ 418,989,744	\$ 174,630,304	\$ 4,994,144,872	\$ 0.39	\$ 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%
2024	11,125,787,277	67,017,449	1,058,699,558	234,653,682	12,486,157,966	0.440	12,598,539,656	99.1%

(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, 2023.

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

Table 7

YEAR ENDED JUNE 30, 2024

Fiscal Year	Town of Apex	Wake County	Combined Tax Rate Per \$100 of Assessed Value
2015	\$ 0.390	\$ 0.578	\$ 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
2024	0.440	0.6570	1.097

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, 2023.

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

Table 8

YEAR ENDED JUNE 30, 2024

Fiscal Year Ended	Taxes Levied for the Fiscal Year		Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	June 30 (Original Levy)	Adjustments		Amount	Percentage of Original Levy		Amount	Percentage of Levy
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%
2024	55,036,814	46,965	55,083,779	54,976,289	99.80%	48,444	55,024,733	99.89%

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

Table 9

Taxpayer	2024*			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
CSP Community Owner LLC	\$ 130,621,728	1	1.05%	\$ 63,317,954	2	1.27%
B9 MF Village West Owner LLC	52,969,313	2	0.42%	-	-	-
Meridian at Ten Ten LLC	51,689,600	3	0.41%	-	-	-
BEL Nichols LP	45,122,539	4	0.36%	-	-	-
JHG VBS I LLC	44,815,516	5	0.36%	-	-	-
CRLP Creekside Hills Drive LLC	44,404,108	6	0.36%	25,275,498	8	0.51%
Beaver Creek Crossings Owner LLC	43,679,181	7	0.35%	-	-	-
CTO21 Apex LLC	43,015,354	8	0.34%	-	-	-
CFK Apex Land Co LLC	42,689,530	9	0.34%	-	-	-
G&I IX Lake Cameron LLC	42,188,281	10	0.34%	-	-	-
DDR 1st Carolina	-	-	-	72,514,343	1	1.45%
Enterprise Propane Terminals	-	-	-	33,009,868	4	0.66%
TRT DDR BeaverCreek	-	-	-	34,994,051	3	0.70%
EMC Corporation	-	-	-	32,501,252	5	0.65%
HH Trinity Apex Investments LLC	-	-	-	27,768,772	6	0.56%
Villageg at Broadstone Station I, LLC	-	-	-	26,403,820	7	0.53%
Lake Cameron LLC	-	-	-	23,755,976	9	0.48%
Bell HNW Exchange Apex LLC	-	-	-	21,694,373	10	0.43%
Totals	<u>\$ 541,195,150</u>		<u>4.33%</u>	<u>\$ 361,235,907</u>		<u>7.23%</u>
Total Assessed Valuation	= <u>\$ 12,486,157,966</u>			<u>\$ 4,994,144,872</u>		

PRINCIPAL ELECTRIC RATEPAYERS

Current Year and Nine Years Ago

Electric Ratepayer	2024				2015			
	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	18,237,247	\$ 884,812	1	1.67%	10,812,420	\$ 948,265	1	2.82%
Wake County Public Schools	5,221,620	351,781	2	0.67%	6,623,520	787,192	2	2.64%
Harris Teeter	4,689,360	289,497	3	0.55%	2,661,640	225,761	4	0.76%
Food Lion	3,070,160	191,557	4	0.36%	3,057,200	222,774	5	0.75%
Target Corporation	3,037,200	148,039	5	0.28%	3,810,600	236,960	3	0.79%
Lowe's Foods	2,497,160	154,651	6	0.29%	2,373,440	196,338	7	0.66%
Wake Med Property Services	2,357,215	148,465	7	0.28%	2,220,800	189,064	8	0.63%
Crossroads Ford	1,954,557	137,395	8	0.26%				
Lowe's Home Improvement	1,068,640	68,291	9	0.13%	2,564,160	185,216	9	0.62%
Home Depot	853,440	53,711	10	0.10%	1,737,600	157,795	10	0.53%
Kroger	-	-	-	0.00%	2,577,600	213,853	6	0.72%
Hendricks Toyota Scion of Apex NC	-	-	-	0.00%				
Totals	42,986,599	\$ 2,428,198		4.59%	38,438,980	\$ 3,363,218		10.92%

Total Sales of Electricity = \$ 52,849,482

\$ 29,818,009

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

Table 11

YEAR ENDED JUNE 30, 2024

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Debt as a % of Assessed Valuation ⁽²⁾	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽³⁾
	General Obligation Bonds	Installment Financings	IT Subscriptions	General Obligation Bonds	Installment Financings	Revenue Bonds	IT Subscriptions				
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 ⁽⁴⁾	-	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
2024	85,509,875	16,081,573	617,633	26,100,000	11,991,631	8,282,000	333,084	148,915,796	1.19%	2.5%	1,898

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 2024, \$1,785,000 was issued for Rolling Stock, \$3,460,000 for Mason Street Building and \$24,500,000 for Transportation projects.

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

Table 12

YEAR ENDED JUNE 30, 2024

Fiscal Year	General Obligation Bonds ⁽³⁾	Percentage of Estimated Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾
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
2024	111,609,875	0.89%	1,423

Notes:

⁽¹⁾ See Table 6 for estimated taxable values of property.

⁽²⁾ See Table 14 for estimated population data.

⁽³⁾ 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, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ⁽¹⁾</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County Wake County General Obligation Bonds ⁽²⁾	\$ 2,628,768,042	6.00%	\$ 157,597,781
Town of Apex governmental activities debt	102,209,081 ⁽³⁾	100.00%	<u>102,209,081</u>
Total direct and overlapping debt			<u><u>\$ 259,806,862</u></u>

Notes:

(1) Percentage based on total assessed property values.

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

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

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

Table 14

YEAR ENDED JUNE 30, 2024

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Less: Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</u>
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%
2024	998,893	152,191	846,701	15.24%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	<u>\$ 12,486,157,966</u>
Debt Limit (8% of total assessed value)	998,892,637
Debt applicable to limit:	
General obligation bonds (including premium)	111,609,875
Authorized but not issued general obligation bonds	24,500,000
Installment purchase agreements	16,081,573
Total net debt applicable to limit	<u>152,191,448</u>
Legal Debt Margin	<u>\$ 846,701,189</u>
Percentage of debt to debt limit	15.24%
Percentage of debt to assessed value	1.22%

⁽¹⁾ 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>
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%
2024	78,450	5,990,207	76,357	3.80%

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 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	2024			2015		
	Estimated Number of Employees ⁽¹⁾	Rank	Percentage of Total Town Employment	Estimated Number of Employees ⁽¹⁾	Rank	Percentage of Total Town Employment
Wake County Public Schools	1,915	1	5.10%	1,013	1	4.59%
Town of Apex	762	2	2.03%	364	4	1.65%
Bland Landscaping	527	3	1.40%	203	7	0.92%
Apex Tool Group	375	4	1.00%	-	-	-
Costco	360	5	0.96%	-	-	-
Dell Technologies Inc	350	6	0.93%	-	-	-
Super Target	290	7	0.77%	-	-	-
WalMart	250	8	0.67%	220	6	1.00%
ATI Industrial Automation	225	9	0.60%	150	9	0.68%
Empire Distributors	222	10	0.59%	-	-	-
Lowe's Home Improvement	-	-	-	150	10	0.68%
Cooper Industries (Lufkin)	-	-	-	425	3	1.93%
EMC Corp.	-	-	-	700	2	3.17%
Target	-	-	-	250	5	1.13%
Rex Healthcare	-	-	-	160	8	0.73%
Total Employed by Top Ten Principal Employers	5,276			3,635		
Total Employed in Apex ⁽²⁾	37,557			22,068		

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, 2024

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Administration	6	7	9	10	9	11	4	11	6	8
Town Clerk's Office	-	-	-	-	1	1	2	2	4	4
Budget, Performance & Strategy	-	-	-	-	-	-	5	5	7	7
Building Inspections	13	15	19	20	21	22	24	24	24	25
Communications	-	-	-	-	-	-	2	3	4	5
Economic Development	2	2	2	2	2	3	3	4	4	4
Finance	22	22	21	17	18	18	19	20	21	23
Human Resources	3	3	5	5	5	6	6	11	12	12
Information Technology	6	8	8	9	10	11	13	13	17	21
Legal	2	2	2	2	3	3	3	4	4	4
Diversity, Equity and Inclusion	-	-	-	-	-	-	-	-	2	2
Community Development and Neighborhood Connections	-	-	-	-	-	-	1	4	5	7
Planning	16	16	17	17	18	19	20	20	21	21
Public Safety	-	-	-	-	-	-	-	-	-	-
Law Enforcement										
Officers	75	79	86	89	99	104	105	110	113	120
Civilians	9	10	8	11	11	11	13	13	13	13
Fire/Rescue	57	57	73	76	81	94	98	114	114	115
EMS	14	18	18	18	-	-	-	-	-	-
Public Works and Infrastructure										
Administration	-	-	-	-	-	-	5	5	-	-
Facility & Fleet Services	8	9	10	10	14	14	14	15	15	15
Streets	11	11	13	18	15	15	15	15	21	21
Transportation & Infrastructure	5	6	7	8	9	10	16	18	22	21
Construction Management	16	15	15	18	19	16	-	-	-	-
Environmental Protection	10	11	11	14	16	18	18	18	19	19
Parks and Recreation	25	27	27	28	32	36	39	45	55	64
Electric	28	31	32	34	36	37	37	40	42	44
Water/Sewer	33	34	33	38	43	51	55	56	61	62
Stormwater	-	-	-	-	-	-	5	6	7	9
Total	361	383	416	444	462	500	522	576	613	645

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>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Physical arrests	504	464	484	484	682	650	512	516	442	n/a
Parking violations	235	256	426	394	529	341	107	104	135	n/a
Traffic violations	6,047	6,904	8,169	7,414	7,051	6,807	6,966	4680	3860	n/a
Fire										
Number of calls answered	2,881	2,822	3,009	3,034	3,972	3,503	3,513	4,216	4660	4886
Highways and streets										
Street resurfacing (miles)	9.9	0.0	20.1	22.2	2.6	4.3	9.0	6.8	22.8	7.2
Environmental Protection										
Number of households served	13,689	14,604	15,445	16,257	17,838	19,581	21,463	22,204	23,170	24,650
Solid waste collected (tons/day)	30.62	32.68	34.89	37.71	41.58	43.12	40.25	53.52	51.57	50.27
Recyclables collected (tons/day)	9.91	11.03	10.82	10.89	11.62	13.17	11.52	11.46	13.20	11.61
Mulching and composting (tons/day)	16.80	17.92	17.89	16.71	21.54	19.22	20.00	16.75	14.02	17.80
Cultural and recreation										
Number of program/activity participants	59,808	63,396	60,958	63,978	62,896	48,329	11,094	67,980	85,175	121,156
Water										
Number of customers	14,770	15,459	17,209	18,697	20,423	22,317	23,731	24,971	25,739	29,211
Average daily consumption (millions of gallons)	3.3	3.37	3.58	3.79	3.75	4.16	4.44	4.81	4.58	5.34
Wastewater										
Number of customers	14,485	15,207	16,949	18,431	20,156	22,031	23,438	24,435	25,445	28,238
Average daily sewage treatment (millions of gallons)	2.68	2.79	2.85	3.38	3.86	3.72	4.74	4.86	4.25	5.01
Electric										
Number of customers	16,682	17,314	18,936	20,363	22,269	24,440	25,809	26,953	27,817	28,973
Average daily consumption (kilowatt-hours)	833,966	846,098	877,824	939,159	969,098	1,004,896	1,079,763	1,036,103	898,032	1,102,900

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

Note: FY2024 lines that show "n/a" represent data that was unavailable for the fiscal year due to the cyber attack.

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

Table 19

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Function</u>										
Public safety										
Police										
Stations	1	1	1	2	2	3	3	3	3	4
Patrol Units	80	80	81	82	88	96	98	101	108	
K-9 Units	1	1	2	2	2	2	2	4	3	4
Fire stations	4	4	4	5	5	5	5	5	5	6
Streets										
Streets (miles)	140.04	151.04	171.14	193.14	207.17	215.64	224.7	234.6	240.59	247
Streetlights	2,775	2,846	3,391	3,479	3,914	4,091	4,255	4,577	4,761	4,999
Parks and Recreation										
Parks acreage	544.51	544.51	544.51	558	618.28	618.28	618.28	629.00	629.00	616.50
Parks	10	10	10	11	11	13	11	11	11	12
Tennis courts (Adult & Youth)	15	15	15	15	15	15	12	12	12	16
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	1
Lakes	1	1	1	1	1	1	1	1	1	1
Water										
Water lines (miles)	207	215	269	293	310	318	326	345	347	352
Maximum daily treatment capacity (millions of gallons)	13.4	13.4	13.4	13.4	13.4	13.4	13.4	12.88	12.88	12.88
Electric										
Number of delivery points (substations)	3	3	3	3	3	3	3	3	3	3
Miles of service lines ⁽¹⁾	554	569	569	681	764	787	822	862.42	896.11	930.17
Sewer										
Sanitary sewer lines (miles)	207	239	249	280	296	303	311	349.5	332.24	338.58
Maximum daily treatment capacity (millions of gallons)	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.72	9.72	9.72

Sources:

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

Notes:

⁽¹⁾ 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, 2024

Calendar Year	Commercial ⁽²⁾		Residential ⁽³⁾		Total	
	Number	Value	Number	Value	Number	Value
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
2024	538	444,213,133	3,739	264,273,337	4,277	708,486,470

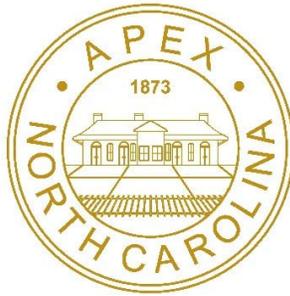
Notes:

(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, 2024, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated December 20, 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
December 20, 2024

**Independent Auditor’s Report on Compliance for the 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 the Major State Program

Opinion on the 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 *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 program for the year ended June 30, 2024. The Town’s major state program is 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 program for the year ended June 30, 2024.

Basis for Opinion on the 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 the 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 program.

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 the 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
December 20, 2024

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

YEAR ENDED JUNE 30, 2024

Section I—Summary of Auditor’s Results

Financial Statements

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

Internal control over financial reporting:

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

State Awards

Internal control over the major state program:

- 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 the major state program: 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 the major state program:

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—State Award Findings and Questioned Costs

None reported.

TOWN OF APEX, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED JUNE 30, 2024

None reported.

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

For the fiscal year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Program Title	Federal ALN	Pass - Through/ State Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures
<u>FEDERAL GRANTS:</u>					
<u>US Department of Transportation</u>					
Passed through NC Department of Transportation					
<i>Lake Pine Drive Improvements</i>	20.205	TIP# U-5537	\$ 285,685	\$ -	\$ 540,274
<i>Peakway South Salem Interchange</i>	20.205	TIP# U-5928	-	-	1,592,431
<i>Total Highway Planning and Construction</i>			285,685	-	2,132,705
<u>Federal Highway Administration</u>					
Passed through NC Department of Transportation					
<i>Beaver Creek Greenway</i>	20.205	TIP# EB-6021	-	-	1,147,065
<i>Downtown Safe Routes to School</i>	20.205	TIP# BL-0047	-	-	108,735
<i>Tingen Road (SR 1153) Bicycle and Pedestrian Bridge</i>	20.205	TIP# BO-2416	-	-	20,872
<u>NC Department of Transportation</u>					
<i>Governor's Highway Safety Program</i>	20.616	M5HVE-23-15-06	22023.14.13	14,044	-
<u>NC Department of Public Safety</u>					
<i>State and Local Cybersecurity Grant Program</i>	97.137	EMW-2022-CY-00006		43,248	11,225
Total assistance-federal programs			342,977	-	3,420,602
<u>STATE GRANT:</u>					
<u>NC Department of Transportation</u>					
<i>Powell Bill Fund</i>	N/A	32570	-	2,149,316	-
<u>Triangle J Council</u>					
<i>Transportation Demand Management</i>	N/A		-	-	-
<u>NC Department of Natural and Cultural Resources</u>					
<i>NC Land and Water Fund Grant</i>	N/A	2021-401	-	43,755	35,800
Total assistance			\$ 342,977	\$ 2,193,071	\$ 3,456,402

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, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Town of Apex, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Apex.

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

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



Prepared by the Town of Apex Finance Department