

# PROPRIETARY FUNDS

## **Enterprise Funds**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Town is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Electric Fund - used to account for the costs of providing electric service. The Town also maintains a subfund to account for the construction of an electric substation.

Water and Sewer Fund - used to account for the costs of providing water treatment and distribution and wastewater collection and treatment. The Town also maintains subfunds to account for water and sewer capital projects and development fees restricted to use for system improvements.

## **Internal Service Funds**

Internal service funds are used to account for providing goods and services to other funds or departments of the Town. This allows the Town to centralize certain services and then allocate them on a full cost-reimbursement basis.

Health and Dental Fund - the Town self insures routine health and dental claims and uses this fund to centralize costs and allocate them to various departments based on the number of employees.

**TOWN OF APEX, NORTH CAROLINA**  
**ELECTRIC OPERATIONS**  
**SCHEDULE OF REVENUES, EXPENSES AND SUPPLEMENTAL BUDGET EXPENDITURES**  
**BUDGET AND ACTUAL (Non-GAAP)**  
**For the Year Ended June 30, 2009**

With comparative actual amounts for the year ended June 30, 2008

**Schedule 11**

	<b>2009</b>		Variance Positive (Negative)	<b>2008</b>
	Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues:				
Charges for services				
Sale of electricity	\$ 24,550,000	\$ 25,509,045	\$ 959,045	\$ 23,335,082
Reconnection fees	14,000	14,387	387	16,611
Penalties	260,000	288,520	28,520	294,172
Total	<u>24,824,000</u>	<u>25,811,952</u>	<u>987,952</u>	<u>23,645,865</u>
Other operating revenues				
Sales tax revenues	736,500	760,471	23,971	690,026
Underground charges	375,000	144,607	(230,393)	347,366
Pole rental	3,588	3,625	37	3,315
Sale of capital assets	-	526	526	8,797
Miscellaneous	70,000	18,750	(51,250)	86,504
Total other operating revenues	<u>1,185,088</u>	<u>927,979</u>	<u>(257,109)</u>	<u>1,136,008</u>
Total operating revenues	26,009,088	26,739,931	730,843	24,781,873
Nonoperating revenues:				
Investment earnings	80,000	52,589	(27,411)	86,580
Total revenues	<u>26,089,088</u>	<u>26,792,520</u>	<u>703,432</u>	<u>24,868,453</u>
<b>EXPENDITURES</b>				
Personnel services	2,512,675	2,468,778	43,897	2,231,893
Operations and maintenance	1,006,587	807,251	199,336	822,502
Purchases of electricity	19,815,000	20,026,320	(211,320)	17,690,239
Electric sales tax	570,000	615,663	(45,663)	532,749
Total	<u>23,904,262</u>	<u>23,918,012</u>	<u>(13,750)</u>	<u>21,277,383</u>
Capital outlay	3,997,691	1,060,030	2,937,661	1,984,822
Total expenditures	<u>27,901,953</u>	<u>24,978,042</u>	<u>2,923,911</u>	<u>21,277,383</u>
Revenues over expenses	<u>(1,812,865)</u>	<u>1,814,478</u>	<u>3,627,343</u>	<u>3,591,070</u>

**TOWN OF APEX, NORTH CAROLINA**  
**ELECTRIC OPERATIONS**  
**SCHEDULE OF REVENUES, EXPENSES AND SUPPLEMENTAL BUDGET EXPENDITURES**  
**BUDGET AND ACTUAL (Non-GAAP)**  
**For the Year Ended June 30, 2009**

With comparative actual amounts for the year ended June 30, 2008

**Schedule 11**

	<u>2009</u>			<u>2008</u>
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -
Contingency	(3,000)	-	3,000	-
Transfer to Electric Substation Project	(328,263)	(100,000)	228,263	(1,000,000)
Appropriated fund balance	144,128	-	(144,128)	-
Total other financing sources (uses)	<u>1,812,865</u>	<u>1,900,000</u>	<u>87,135</u>	<u>(1,000,000)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	3,714,478	<u>\$ 3,714,478</u>	2,591,070

**Reconciliation from budgetary basis  
(modified accrual) to full accrual:**

Reconciling items:

Interfund transfers	100,000	1,000,000
Capital outlay	1,060,030	1,984,822
Depreciation	(1,143,682)	(1,107,268)
Amortization	(910)	-
Increase in accrued interest	(32,670)	-
Issuance of debt	(2,000,000)	-
Increase in accrued vacation and compensatory pay	(15,775)	(48,781)
Increase in accrued other post-employment benefits	(197,140)	-
Electric substation project		
Interest income	23,326	41,554
Net income	<u>\$ 1,507,657</u>	<u>\$ 4,461,397</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, 2009**

With comparative actual amounts for the year ended June 30, 2008

Schedule 12	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Operating revenues				
Charges for services	\$ 9,615,000	\$ 9,035,748	\$ (579,252)	\$ 8,874,204
Other Operating revenues				
Water and Sewer taps	100,000	27,420	(72,580)	100,470
Miscellaneous	15,000	70,326	55,326	54,009
Total other operating revenues	115,000	97,746	(17,254)	154,479
Total operating revenues	9,730,000	9,133,494	(596,506)	9,028,683
Nonoperating revenues:				
Investment earnings	350,000	177,115	(172,885)	391,598
Sale of capital assets	-	-	-	37,239
Total non-operating revenues	350,000	177,115	(172,885)	428,837
Total revenues	10,080,000	9,310,609	(769,391)	9,457,520
<b>EXPENDITURES</b>				
Sewer Treatment				
Personnel services	715,188	692,985	22,203	670,159
Operations and Maintenance	1,492,721	1,130,086	362,635	1,010,114
Total	2,207,909	1,823,071	384,838	1,680,273
Sewer Maintenance				
Personnel services	1,166,368	1,123,313	43,055	983,891
Operations and Maintenance	1,066,634	928,949	137,685	559,453
Total	2,233,002	2,052,262	180,740	1,543,344
Water Treatment				
Operations and Maintenance	290,000	149,623	140,377	140,404
Water purchases	950,000	1,059,051	(109,051)	861,024
Total	1,240,000	1,208,674	31,326	1,001,428
Water Maintenance				
Personnel services	966,513	943,375	23,138	758,680
Operations and Maintenance	440,987	333,878	107,109	320,533
Total	1,407,500	1,277,253	130,247	1,079,213
Debt service				
Interest	66,736	66,614	122	83,436
Principal retirement	672,991	672,700	291	708,520
Total debt service	739,727	739,314	413	791,956
Capital outlay				
Sewer treatment	21,404	19,477	1,927	9,425
Sewer maintenance	1,346,871	1,135,931	210,940	357,366
Water maintenance	1,054,754	743,876	310,878	385,744
Total capital outlay	2,423,029	1,899,284	523,745	752,535
Total expenditures	10,251,167	8,999,858	1,251,309	6,848,749
Revenues over (under) expenditures	(171,167)	310,751	481,918	2,608,771

**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, 2009**

With comparative actual amounts for the year ended June 30, 2008

Schedule 12	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out				
Water/Sewer Capital Reserve	\$ (680,004)	\$ (680,004)	-	\$ (2,050,000)
Fund balance appropriated	851,171	-	(851,171)	-
Total other financing sources (uses)	171,167	(680,004)	(851,171)	(2,050,000)
Revenues and other sources over (under) expenditures and other uses	-	(369,253)	\$ (369,253)	558,771
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>				
Capital outlay		1,899,284		752,535
Capital contributions		3,461,680		2,607,899
Interfund transfers		680,004		2,050,000
Sale of fixed assets		-		(14,818)
Depreciation		(4,213,301)		(4,053,282)
Decrease in accrued interest		5,570		14,005
Amortization of premiums and service charges on bonds issued		(10,510)		(16,398)
Payment of debt principal		672,700		708,520
Increase in accrued vacation pay		(31,492)		(28,850)
Increase in accrued other post-employment benefits		(197,140)		-
Water/Sewer Capital Project Fund				
Interest income		129,570		187,216
Miscellaneous income		-		553
Waste Water Treatment Plant Capital Project Fund				
Interest income		98,869		141,571
Miscellaneous income		-		404
Capital Reserve Fund				
Acreage fees		187,666		332,337
Capacity fees		863,232		4,197,299
Interest income		435,911		1,139,468
Refund of development fees		(256,200)		
Miscellaneous income		-		1,581
Net Income	\$ 3,356,590		\$ 8,578,811	

**TOWN OF APEX, NORTH CAROLINA**  
**ELECTRIC SUBSTATION PROJECT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception to June 30, 2009**

**Schedule 13**

	Project Author - ization	Prior Years	Actual Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ -	\$ 3,815	\$ 23,326	\$ 27,141
<b>EXPENDITURES</b>				
Capital outlay - improvements	<u>6,700,000</u>	<u>179,626</u>	<u>832,032</u>	<u>1,011,658</u>
Revenues under expenditures	<u>(6,700,000)</u>	<u>(175,811)</u>	<u>(808,706)</u>	<u>(984,517)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
Issuance of debt	5,300,000	-	5,300,000	5,300,000
Electric Fund	1,100,000	1,000,000	100,000	1,100,000
Water/Sewer Fund	400,000	400,000	-	400,000
Bond issuance costs	<u>(100,000)</u>	<u>-</u>	<u>(109,224)</u>	<u>(109,224)</u>
Total other financing sources	<u>6,700,000</u>	<u>1,400,000</u>	<u>5,290,776</u>	<u>6,690,776</u>
Revenues and other financing sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 1,224,189</u>	<u>\$ 4,482,070</u>	<u>\$ 5,706,259</u>

**TOWN OF APEX, NORTH CAROLINA**  
**WATER/SEWER PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception to June 30, 2009**

**Schedule 14**

	Project Author - ization	Actual		Total to Date
		Prior Years	Current Year	
<b>REVENUES</b>				
Investment earnings	\$ 206,000	\$ 482,040	\$ 129,570	\$ 611,610
Miscellaneous	-	553	-	553
Subtotal revenues	<u>206,000</u>	<u>482,593</u>	<u>129,570</u>	<u>612,163</u>
Less closed projects	<u>160,000</u>	<u>143,333</u>	<u>24,309</u>	<u>167,642</u>
Total revenues	<u>46,000</u>	<u>339,260</u>	<u>105,261</u>	<u>444,521</u>
<b>EXPENDITURES</b>				
Capital outlay - improvements	11,224,421	5,036,565	970,577	6,007,142
Less closed projects	<u>4,002,640</u>	<u>3,312,388</u>	<u>136,531</u>	<u>3,448,919</u>
Total expenditures	<u>7,221,781</u>	<u>1,724,177</u>	<u>834,046</u>	<u>2,558,223</u>
Revenues under expenditures	<u>(7,175,781)</u>	<u>(1,384,917)</u>	<u>(728,785)</u>	<u>(2,113,702)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in				
Water/Sewer Capital Reserve	11,018,421	11,316,262	200,000	11,516,262
Less closed projects	<u>3,842,640</u>	<u>3,169,054</u>	<u>112,223</u>	<u>3,281,277</u>
Total other financing sources	<u>7,175,781</u>	<u>8,147,208</u>	<u>87,777</u>	<u>8,234,985</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 6,762,290</u>	<u>\$ (641,008)</u>	<u>\$ 6,121,282</u>

**TOWN OF APEX, NORTH CAROLINA**  
**WASTE WATER TREATMENT PLANT PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception to June 30, 2009**

**Schedule 15**

	Project Author - ization	Actual		Total to Date
		Prior Years	Current Year	
<b>REVENUES</b>				
Investment earnings	\$ -	\$ 192,699	\$ 98,869	\$ 291,568
Miscellaneous	-	404	-	404
Total Revenues	<u>-</u>	<u>193,103</u>	<u>98,869</u>	<u>291,972</u>
<b>EXPENDITURES</b>				
Capital outlay - improvements	<u>9,040,000</u>	<u>5,385,947</u>	<u>975,474</u>	<u>6,361,421</u>
Revenues under expenditures	<u>(9,040,000)</u>	<u>(5,192,844)</u>	<u>(876,605)</u>	<u>(6,069,449)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in				
Installment Notes	-	1,159,825	-	1,159,825
Water/Sewer Capital Reserve	<u>9,040,000</u>	<u>9,040,000</u>	<u>-</u>	<u>9,040,000</u>
Total other financing sources	<u>9,040,000</u>	<u>10,199,825</u>	<u>-</u>	<u>10,199,825</u>
Revenues and other financing sources over (under) expenditures	\$ <u>-</u>	\$ <u>5,006,981</u>	\$ <u>(876,605)</u>	\$ <u>4,130,376</u>

**TOWN OF APEX, NORTH CAROLINA**  
**WATER/SEWER CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP)**  
**For the year ended June 30, 2009**

**Schedule 16**

	<u>2009</u>			<u>2008</u>
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
<b>REVENUES</b>				
Capacity fees	\$ 3,000,000	\$ 863,232	\$ (2,136,768)	\$ 4,197,299
Acreage fees	300,000	187,666	(112,334)	332,337
Investment earnings	1,100,000	435,911	(664,089)	1,139,468
Miscellaneous	-	-	-	1,581
Total revenues	<u>4,400,000</u>	<u>1,486,809</u>	<u>(2,913,191)</u>	<u>5,670,685</u>
<b>EXPENDITURES</b>				
Refund development fees	<u>256,200</u>	<u>256,200</u>	-	-
Revenues over expenditures	<u>4,143,800</u>	<u>1,230,609</u>	<u>(2,913,191)</u>	<u>5,670,685</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)				
Water and Sewer Fund	-	680,004	680,004	2,050,000
Water/Sewer Capital Project Fund	(200,000)	(200,000)	-	(5,396,098)
Waste Water Treatment Plant Project Fund	-	-	-	(4,000,000)
Reserved for future expenditures	<u>(3,943,800)</u>	-	<u>3,943,800</u>	-
Total other financing sources (uses)	<u>(4,143,800)</u>	<u>480,004</u>	<u>4,623,804</u>	<u>(7,346,098)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,710,613</u>	<u>\$ 1,710,613</u>	<u>(1,675,413)</u>
FUND BALANCE - Beginning of year		<u>20,366,357</u>		<u>22,041,770</u>
FUND BALANCE - End of year		<u>\$ 22,076,970</u>		<u>\$ 20,366,357</u>

**TOWN OF APEX, NORTH CAROLINA**  
**INTERNAL SERVICE FUND**  
**HEALTH AND DENTAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN NET ASSETS - FINANCIAL PLAN AND ACTUAL (Non - GAAP)**  
**For the year ended June 30, 2009**

**Schedule 17**

	2009		Variance Positive (Negative)
	Financial Plan	Actual	
<b>REVENUES</b>			
Health premiums	\$ 2,100,000	\$ 1,853,814	\$ (246,186)
Dental premiums	180,000	93,509	(86,491)
Employee health contributions	-	479,591	479,591
Employee dental contributions	-	68,069	68,069
Total revenues	2,280,000	2,494,983	214,983
<b>EXPENDITURES</b>			
Health claims	1,650,000	1,644,518	5,482
Dental claims	180,000	163,061	16,939
Administrative fees	450,000	410,155	39,845
Total expenditures	2,280,000	2,217,734	62,266
Revenues over expenditures	\$ -	277,249	\$ 277,249

**Reconciliation from financial plan basis  
(modified accrual) to full accrual:**

Reconciling items:

Increase in reserve for incurred but not reported ("IBNR") claims	(263,500)
Change in net assets	\$ 13,749

## **SUPPLEMENTAL FINANCIAL DATA**

This section contains additional information on Taxes Receivable, the Tax Levy, and Debt Service Requirements as of June 30, 2009.

**TOWN OF APEX, NORTH CAROLINA  
GENERAL FUND  
SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
June 30, 2009**

**Schedule 18**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2008</u>	<u>Additions</u>	<u>Collections, Adjustments and Releases</u>	<u>Uncollected Balance June 30, 2009</u>
2008-2009	\$ -	\$ 14,246,248	\$ 14,096,582	\$ 149,666
2007-2008	166,117		136,742	29,375
2006-2007	25,345	-	6,007	19,338
2005-2006	17,216	-	2,051	15,165
2004-2005	10,232	-	504	9,728
2003-2004	8,821	-	188	8,633
2002-2003	9,006	-	703	8,303
2001-2002	11,035	-	362	10,673
2000-2001	8,229	-	73	8,156
1999-2000	7,666	-	127	7,539
1998-1999	3,786	-	3,786	-
	<u>\$ 267,453</u>	<u>\$ 14,246,248</u>	<u>\$ 14,247,125</u>	<u>266,576</u>
				<u>29,760</u>
				<u>\$ 236,816</u>

Less: Allowance for uncollectible accounts

Ad valorem taxes receivable - net

Reconciliation with revenues:

Ad valorem taxes - General Fund	\$ 14,247,333
Reconciling items:	
Less: Penalties and interest	(32,893)
Add: Adjustments and releases	32,685
Total collections and credits	<u>\$ 14,247,125</u>

**TOWN OF APEX, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
For the Year Ended June 30, 2009**

**Schedule 19**

	City - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current rate	\$ 4,071,543,529	0.34	\$ 13,843,248	\$ 13,147,189	\$ 696,059
Registered motor vehicles taxed at prior year's rate	108,667,000	0.40	434,668	-	434,668
Penalties	<u>-</u>		<u>9,722</u>	<u>9,722</u>	<u>-</u>
Total	<u>4,180,210,529</u>		<u>14,287,638</u>	<u>13,156,911</u>	<u>1,130,727</u>
Discoveries:					
Prior year taxes	-	-	78,288	58,018	20,270
Abatements	<u>(35,199,412)</u>	0.34	<u>(119,678)</u>	<u>(100,655)</u>	<u>(19,023)</u>
Total property valuation	<u>\$ 4,145,011,117</u>				
Net levy			14,246,248	13,114,274	1,131,974
Uncollected taxes at June 30, 2008			<u>149,666</u>	<u>62,329</u>	<u>87,337</u>
Current year's taxes collected			<u>\$ 14,096,582</u>	<u>\$ 13,051,945</u>	<u>\$ 1,044,637</u>
Current levy collection percentage			<u>98.9%</u>	<u>99.5%</u>	<u>92.3%</u>

**TOWN OF APEX, NORTH CAROLINA  
GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS  
AND MATURITY SCHEDULE  
June 30, 2009**

**Schedule 20**

Fiscal Year	UTILITIES		OTHER		TOTAL	
	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest
2009-2010	585,000	614,525	4,060,000	1,851,668	4,645,000	2,466,193
2010-2011	560,000	574,900	1,165,000	1,761,494	1,725,000	2,336,394
2011-2012	30,000	30,900	1,150,000	1,713,144	1,180,000	1,744,044
2012-2013	-	-	1,140,000	1,670,094	1,140,000	1,670,094
2013-2014	-	-	1,130,000	1,625,444	1,130,000	1,625,444
2014-2015	-	-	1,120,000	1,580,794	1,120,000	1,580,794
2015-2016	-	-	1,115,000	1,539,944	1,115,000	1,539,944
2016-2017	-	-	1,105,000	1,494,088	1,105,000	1,494,088
2017-2018	-	-	960,000	1,312,738	960,000	1,312,738
2018-2019	-	-	950,000	1,270,138	950,000	1,270,138
2019-2020	-	-	950,000	1,236,525	950,000	1,236,525
2020-2021	-	-	950,000	1,202,275	950,000	1,202,275
2021-2022	-	-	950,000	1,167,463	950,000	1,167,463
2022-2023	-	-	950,000	1,131,181	950,000	1,131,181
2023-2024	-	-	950,000	1,094,494	950,000	1,094,494
2024-2025	-	-	950,000	1,056,856	950,000	1,056,856
2025-2026	-	-	450,000	518,669	450,000	518,669
2026-2027	-	-	450,000	500,419	450,000	500,419
2027-2028	-	-	450,000	482,106	450,000	482,106
2028-2029	-	-	325,000	338,406	-	-
	<u>\$ 1,175,000</u>	<u>\$ 1,220,325</u>	<u>\$ 21,270,000</u>	<u>\$ 24,547,940</u>	<u>\$ 22,120,000</u>	<u>\$ 25,429,859</u>