AGENDA | SPECIAL MEETING
GOVERNANCE, FISCAL STEWARDSHIP AND INTERNAL SUPPORT COMMITTEE

Thursday, October 15, 2026 at 5:00 pm

Apex Town Hall
3rd Floor Training Room B
73 Hunter Street, Apex, NC

Town Council Committee Members and Senior Executive Leadership

Councilmember Edward Gray, Chair | Councilmember Arno Zegerman, Committee Member
Town Manager: Randal E. Vosburg
Deputy Town Manager: Shawn Purvis
Assistant Town Managers: Demetria John and Marty Stone
Town Clerk: Allen Coleman | Interim Town Attorney: Brian Meyer

Governance, Fiscal Stewardship, and Internal Support Committee Objective: *Governance related matters and the policy development process; Government Relations Strategy Recommendations, Town Council's Rules of Procedures, establishment of Council Committees; the annual budget process, capital improvement programming and debt, financial reporting, annual audit, and fees; and Policies and strategies related to Human Resources, including personnel, benefits, and compensation; Communication strategies and Innovative practices, policies related to advisory boards and commissions.*

1) **Call to Order, Welcome, and Review of Agenda**
   Councilmember Edward Gray, Chair

2) **Objective/Charter of the Governance, Fiscal Stewardship, and Internal Support Committee**
   Councilmember Edward Gray, Chair
   Allen Coleman, Town Clerk

3) **Finance Department Update**
   Jon Griffin, Director, Finance Department
   a) **Council Oversight Over Financial Statement Audit**
   b) **Preliminary Calculations of Fund Balance and Financial Metrics**
   c) **Debt Service Update**
   d) **Regional Audit Process Review**

4) **Budget Department Update**
   Jessica Hoffman, Director, Budget and Performance Management Department
   a) **Quarter 1 Year-To-Date Expenditures**
   b) **Revenue Trends**
   c) **Budget Amendments Year-to-Date**
   d) **Fiscal Year 2028 Budget Calendar**

Continued on next page

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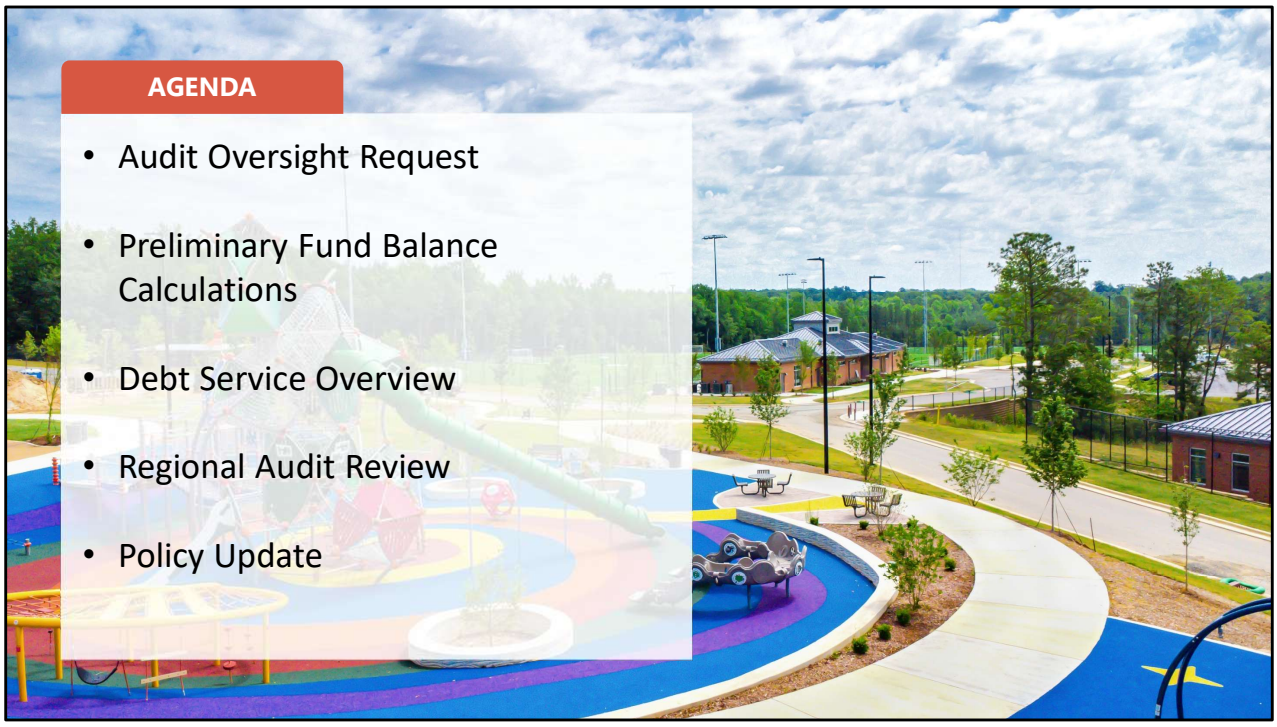
AGENDA CONTINUED

5) **Council Policies Update**
   Allen Coleman, Town Clerk

6) **Legislative Updates**
   Allen Coleman, Town Clerk

7) **Future Meeting Dates Discussion and Potential Adoption**
   Allen Coleman, Town Clerk

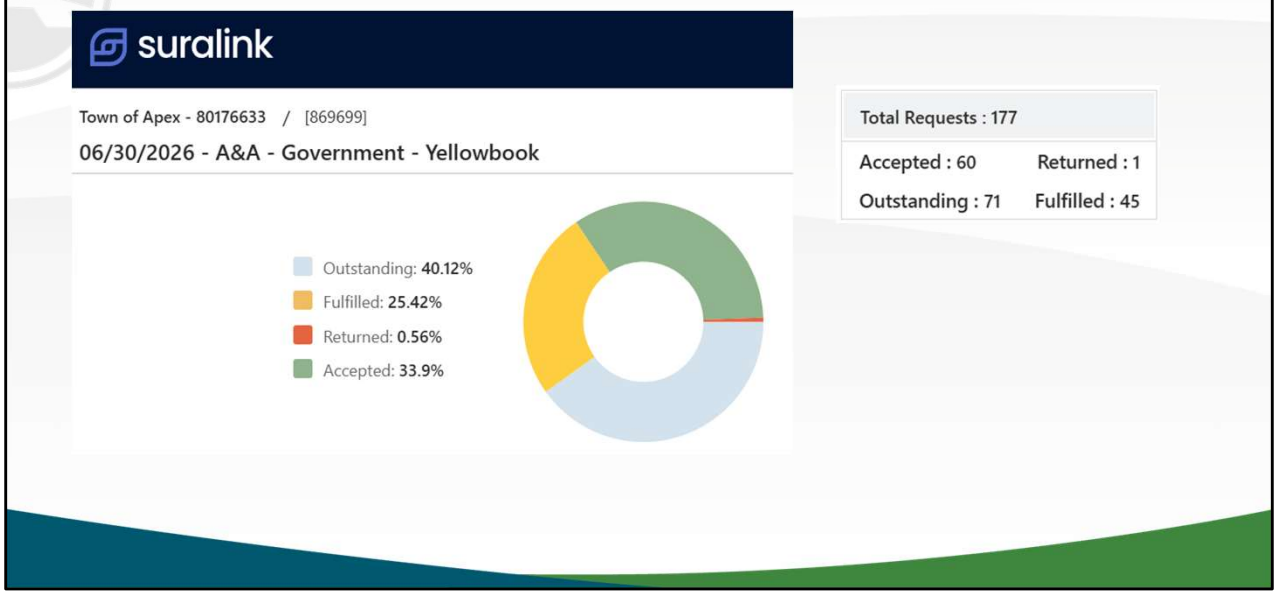
8) **Closing Remarks and Adjournment**


AGENDA
• Audit Oversight Request
• Preliminary Fund Balance Calculations
• Debt Service Overview
• Regional Audit Review
• Policy Update

Finance Department Update
Audit Oversight Request

As of 10-9-2026

Cherry Bekaert – Suralink Dashboard



Audit Process

1. The Town operates cash-basis (budgetary) in all funds 7/1/25 to 6/30/2026
2. From 7/1/26 to 9/30/26, the Town transitions to modified accrual accounting in all funds
   - Expenditures are accrued based on delivery of goods and services
   - Revenues are accrued based off if they are measurable and available
3. For the annual report – funds are aggregated and consolidated, and then management estimates of certain assets, liabilities and inflows/outflows are prepared and layered on top of these figures
4. The Town's financial position is now full accrual, and the book can be written.

All steps are examined separately in the audit process.

Major Components In Progress

- Cash (receipts, reconciliations)
- Proprietary revenues (utility receivables)
- Debt
- General accounting

Major Components Not Started

- Capital assets
- Fund balance calculations and rollforwards
- Review of the financial statements

Key Process Completion Comparison

Process	FY 2025 Completion	FY 2026 Completion
Utility revenue reconciliation	12/22/2025	09/18/2026
Property Tax reconciliation	02/18/2026	09/23/2026
Debt, SBITA, Lease Accruals	01/26/2026	10/9/2026
Compensated Absence Measurement	01/12/2026	09/30/2026
Capital asset reconciliation	01/19/2026	
LGERS / LEOSSA reconciliation	12/4/2025	9/23/2026
OPEB reconciliation	12/4/2025	
Financial Statements First Draft	3/13/2026	

Finance Department Update
Preliminary Fund Balance and Aggregated Financial Results

As of 06-30-2026

Overview

- What this covers:
  - Overview of the operating revenues and expenditures for the major operating funds of the Town (General Fund, Water Fund, Electric Fund, Stormwater Fund)
  - 3 fund balance calculations for the General Fund
  - Position to income ratios and cash to days of expense ratios for the utilities
- Purpose – assist the governing body with decision-making in future
- What this does not cover:
  - Nonmajor operating funds (Special revenue, affordable housing, cemetery)
  - Project funds (ARPA/Grants, General Projects, Parks Projects, Water Projects)

General Fund Overview

	Prior Yr	Budget	Actual	Variance
Total Revenues	$ 105,608,040	$ 107,092,600	$ 110,591,661	$ 3,499,061
Total Expenditures	$ 93,219,963	$ 118,769,759	$ 104,706,892	$ (14,062,867)
Other Financing	$ (4,813,300)	$ 10,136,172	$ (6,668,674)	$ (16,804,846)
CHANGE	$ 7,574,777	$ (1,540,987)	$ (783,905)	$ 757,082
Fund balance - Beginning of year			$ 59,184,867	
Change in Fund Balance			$ (783,905)	
Fund balance - End of year			$ 58,400,962	

The single largest reason for the decline in fund balance is certain revenues not being received in FY 2026.

The FY 2026 budget included estimated revenues of $3.0m in anticipated borrowings for rolling stock/vehicles. Between turnover in the Finance department and the subsequent delay in the Town's publication of its financial statements (as well as delays in the delivery of certain vehicles) the Town bore some rolling stock costs that are pending reimbursement. Even with a temporary delay in these revenues, the Town's fund balance remains healthy as evidenced in the three calculations to follow.

General Fund Balance

This is a calculation that converts Fund Balance from accrual-basis accounting into cash and represents a comparison of your cash balance to your budgeted expenditures for the following year:

Total fund balance - General Fund	58,401,277
Stabilization	16,955,323
Prepayments	322,928
Inventories	27,825
Fund Balance Available	**41,095,201**
Budget Expenditures (As Adjusted)	129,477,810
Fund Balance Available as % of Expenditures	**31.74 %**

32% falls within the LGC's range of acceptable outcomes and is ahead of comparable calculations that have occurred regionally.

General Fund Balance

Statutory Calculation

Total fund balance - General Fund	$58,401,277
Less:	
Stabilization	16,955,323
Prepayments	322,928
Inventories	27,825
Assigned for public safety expenditures	467,000
Assigned for subsequent years expenditures	3,962,400
Unassigned Fund Balance	$36,665,801

The unassigned calculation presented here provides the total fund balance figure, but primarily controls for policy decisions. For example, the FY 2026 fund balance calculation as presented here controls for the actual cash-on-hand for the General Fund (stabilization) but also includes some FY 2027 decisions (the “subsequent years expenditures” is what is baked into the existing FY 2027 budget.)

General Fund Balance

Council Policy: Unassigned fund balance must equal 25% of General Fund adopted budgeted expenditures for subsequent year, if fund balance exceeds the target by 30%, any funds should be transferred for capital purposes.

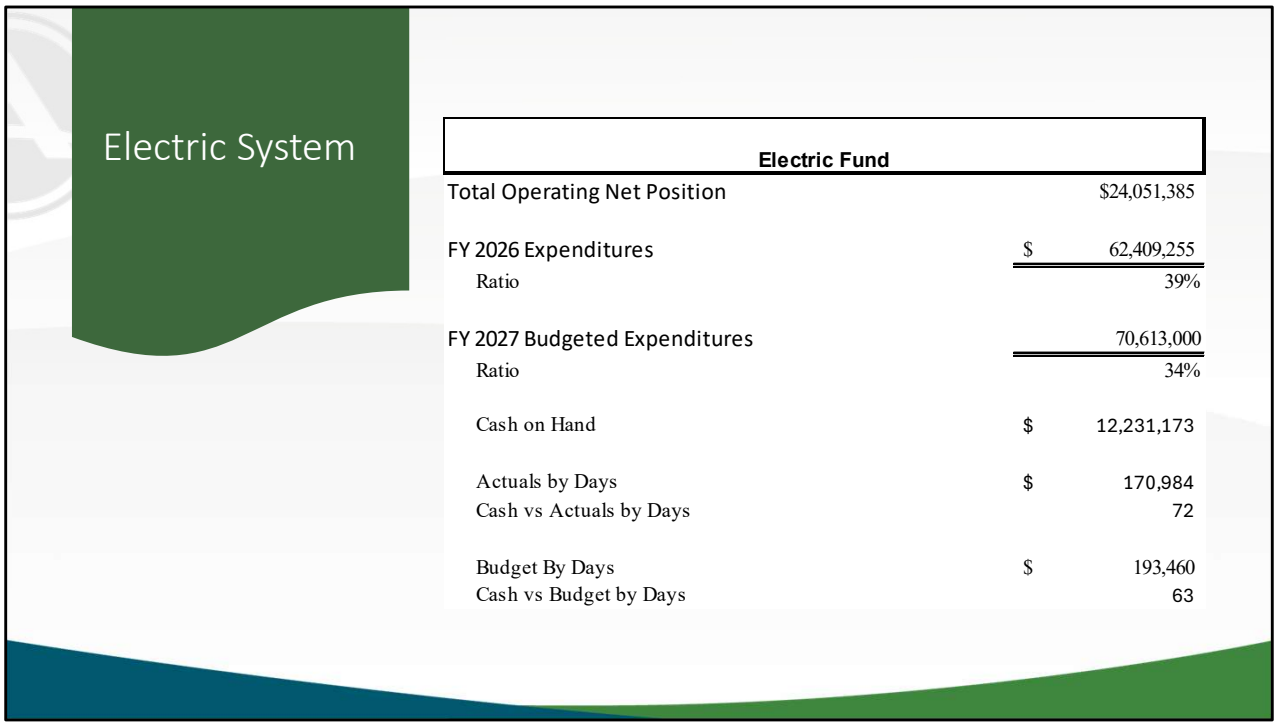
Beginning Fund Balance	$59,185,182
Total change in fund balance	($783,905)
Ending Fund Balance	$58,401,277
State Stabilization	($16,955,323)
FY 2026 Budget Appropriation	($3,962,400)
25% Operating Target Policy	($30,585,400)
Available for Appropriation	$6,898,154

The $30,585,400 figure is 25% of the total General Fund expenditures budgeted in FY 2027.

Currently, $781,074 exists in excess of the 30% threshold.

This policy should be re-evaluated in the coming year, because the Town's practices have shifted since it was adopted. The funds in excess of 30% being committed automatically for capital purposes served as a guardrail on the back end accounting to ensure that funds were put to work – in essence, ensuring that any revenues overcollected or underexpenses get pivoted as appropriate tobuying down any capital needs.

However, since adoption of this policy the Town began dividing its general ad valorem property tax levy between 3 funds (general fund ,affordable housing fund, debt service/capital fund) on the front end – this means the year end calculation primarily factors in only underexpenses, and



Actuals-by-day ratio improved somewhat – improving from 61 days to 72 days. This is an expected result – 2026 rate increases translating into an improved cash on hand.

Billed revenues for the Electric Fund are $70.2 million, which exceeded the operating expenditures for the Electric Fund of $62.4m, or 7.8m. Given the accrual basis of accounting, a $7.8 surplus did not generate an improved cash on hand given the known issue of some customers not paying.

Billed revenues exceeded the budgetary revenue estimate of $62.4m by approximately $7.5m. This is attributable to a rate increase ($1.5 increase in each residential base charge and a 4% increase in the variable per kWh charge), which was compounded by higher kWh distributed (NCEMPA billed the Town for 3.5% more kWh) and higher demand usage on the grid (the peak demand charge billings recorded 8% higher kW than the prior fiscal year.)

Additionally, the meter replacement project appears to have improved demand (surcharge) billings for commercial electric customers, with a budget estimate of $2.5m in billings generating $3.4m in revenue (a 32% increase).

Water and Wastewater System

Water and Sewer Fund		
Total Operating Net Position		$23,714,908
FY 2026 Expenditures	$	22,189,632
Ratio		107%
FY 2027 Budgeted Expenditures	$	35,610,700
Ratio		67%
Cash on Hand		25,044,300
Actuals By Days	$	60,794
Cash By Days		412
Budget By Days	$	97,564
Cash By Days		257

Daily Actual Expenditures improved greatly - going from 311 days of cash on hand to 412 days of cash on hand.

Budgeted revenues for usage/charges were $28 million, and billed revenues were $29 million. This is primarily driven by higher billing for sewer than were anticipated. (Water billings were within .3% of budget, while sewer exceeded budget by 6.3%. This appears to have been incomplete data from the Town's prior billing system complicating the rate model.

Water/sewer system revenues of $31.2m exceeded $22.1m expenditures by $9m. This is primarily driven by underspending of certain budget lines, such as operating expenses (contracted services, supplies, printing, travel, internal utilitess) undershot their budget estimates by $2.4m, maintenance and repair items coming under budget by $1m and $500k in delayed capital equipment purchases.

Stormwater Management

Stormwater Fund		
Total Operating Net Position	$	4,204,513
FY 2026 Expenditures	$	2,903,851
Coverage		69%
FY 2027 Budgeted Expenditures		3,712,300
		88%
Cash on Hand	$	5,448,663
Actuals by Days	$	7,956
Cash vs Actuals by Days		685
Budget By Days	$	10,171
Cash vs Budget by Days		536

Billed and budgeted revenues for stormwater were within 2% of the budgeted amounts.

Revenues for the Stormwater fund exceeded expenditures by $266k, which was primarily driven by certain categories of expenditures coming in below their respective budget estimates. Overall, the Stormwater Management

Utility Accounting

1. Bills Issued (increase receivables, increase revenues)
2. Bills Collected (decrease receivables, increase cash)
3. Calculate allowances (decrease revenue, increase allowance)
   This is an annual management estimate of how much revenue is likely to be received.
4. Unbilled Receivables (increase receivable, increase revenue then reverse)
   This trues up the fiscal year by pulling the prior years revenues forward.
5. Write-offs (statutory deadlines) (decrease receivable, increase expense)
   Write offs align with statutory limits – the Town only has a legal right to pursue collections up to a pre-defined point based on the nature of the contract.

Utility Accounting

- The Town's actual revenues billed do not currently translate into collectible amounts, due to the significant gap that exists between bills issued and bills collected on.

Allowance for Uncollectible Accounts

	Customer Balances	Allowance	Net Receivable
General Fund	$ 1,424,573	$ (275,660)	$ 1,148,912
Electric Fund	$ 6,312,552	$ (5,012,001)	$ 1,300,551
Water/Sewer Fund	$ 4,822,515	$ (1,089,654)	$ 3,732,861
Stormwater Fund	$ 275,664	$ (87,051)	$ 188,613
	$ 12,835,304	$ (6,464,366)	$ 6,370,937

Finance Department Update
Debt Service Update

6-30-2026 to 10-31-2026

Debt Policy

- Total assessed property valuation as of 6-30-2026: $21,649,294,497
  - Town Policy – 2.5% $541,232,362
  - State Statute – 8% $1,731,943,559
  - FY '26 Ending Debt: $82,834,639
  - Legal Debt Margin $1,649,103,920
- Debt Service Ratio – goal is 12% - steady state rotating balance

	DS	FY 27 GF Budget	
Current State	7,560,084	122,341,600.00	6.2%
after LOB	8,560,084	122,341,600.00	7.0%
after $5.5 RS	9,660,084	122,341,600.00	7.9%

The

Governmental Debt Service Fund (the Community Investment Fund)

• Total Tax Revenue Estimate:	$16,409,100
• Debt Service (after 2 pending actions)	$9,660,084
• Remaining Budget	$6,749,016

Debt Issuance Update for FY 2027

Subsequent Fiscal Year – as of Audit Report Date

- **Limited Obligation Bonds –** the underwriting has begun on the Town's sale of limited obligation bonds

- **Pending Installment Financing Contracts**
  - $4.5-$5.0 million – Rolling Stock (Vehicle and Equipment) – Vehicles for FY 2025 and FY 2026
  - Bidding expected in November

- **General Obligation Bonds (24.5m unissued)**
  - Most projects slated for this Streets and Sidewalks bond are not underway (prefer them under contract prior to going to LGC)
  - However, the Town has a 7-year time limit from voter approval in 2021 so may need to borrow these funds in advance of the projects.

Finance Department Update
Regional Review

Regional Review

- Recent public audits have reviewed the internal financial operations of two Wake County municipalities
- A report generally comparing the Office of State Auditor's investigations and responses has been prepared and is submitted to you for review.
- Questions are welcome.

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Finance Department Update
Other Updates

Other Updates

- The Finance Department will be requested an additional extension on the change in the purchase order threshold that is effective through 10/31/26.
  - Overtime, the Town divided its purchasing policies into several documents (a general Town-funded purchasing policy, a "uniform guidance" policy
  - The current plan is to replace these existing policies with a resolution approved by the Council, setting the dollar thresholds for various purchasing needs, which would be approved annually ,with an administrative policy explaining what happens when thresholds are met.
- The Finance Department is additionally working through a more comprehensive re-write of the P-Card policy, with the intent of making it a Council-level policy with clearer guidelines around allowed and unallowed transactions and more user-friendly timelines.
- The Customer Service Policy (for billing) is nearly complete and is in a final re-draft process after our most recent disconnection cycles so that we reflect our practices.

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October 12th, 2026

Pursuant to a request to review the Office of State Auditor's recent reports, the following memorandum represents the Finance Department's review of those reports. The following is intended to be an informal review of the findings and provide some context or relative comparison to the Town of Apex. Generally, the comparisons are difficult to make and speak more to the relative governance environment at the other municipalities and they are more specific.

Themes from Findings & Observations

1. The Office of State Auditor found more than one municipality not complying with its published/adopted fund balance policies, and that their budget monitoring was poor and that they had recurring variances that were not being addressed.

Absent turnover in key positions, Apex has a reasonable history of reporting financial results and meeting goals. The Town has a budget department; the budget department meets regularly with other Town departments concerning spending and presents budgetary estimates to Town Council for review. There are several different ways that calculate fund balance, each of which has a different outcome because it serves a different purpose. In some of the audit findings, there may be some discrepancy between how the Office of State Auditor chose to present the fund balance calculation versus how other financial professionals may choose to.

Staff could explore more frequent financial reporting, however this would need to be balanced against the time and effort currently needed to consolidate and present financial results versus the business case – (ex; the first quarter is generally speaking the lowest point of every local government's fund balance and cash position.) – so additional time may be spent contextualizing seasonal differences in the data.

For the Town of Apex, all of the possible fund balance calculations indicate a healthy operating balance that is sufficient to meet the Town's cash flow needs and does not indicate that it is in distress.

2. At one municipality, the Office of State Auditor Rapid Response staff notated a high number of individual p-cards issued to Town staff, which were then used to purchase food or accommodations that the Office of State Auditor deemed unreasonable or lacking a valid business purpose. Additionally, they noted a lack of supporting documentation in some situations that

In Apex, most cards are issued to middle management level employees within departments. Most department heads and most Town Administration staff are not issued cards. The Finance Department has dedicated staff who pursue collection of receipts and support documentation for all transactions. Some departments have shared cards, which are governed by sign-in/sign-out sheets, but generally all transactions receive one or more layers of review prior to ever going towards the Finance Department. The Finance Department additionally has layers of review and follow up manned by staff at month end to monitor the timely submission and coding of transactions in *Bank of America Works.*

The Town's current p-card policy is an administrative policy (approved by the Town Manager) that was originally drafted and implemented by the Town's budget department. The Finance Department currently acts as the owner of the policy and is contemplating some minor changes (to increase specificity over certain kinds of transactions and the timeliness of submission of receipts) and intends to elevate it to a Council-approved policy.

3. At one municipality, a member of Town Council received a reimbursement for graduate level coursework in a master's degree program that was contrary to Town policy.

After review, the Town of Apex does not offer any benefits to elected officials that would fall within this category. The Town of Apex has a tuition reimbursement program managed by the Human Resources department that has relatively sparse utilization.

4. In one municipality, the Town Manager executed the acquisition of real property for the Town against the recommendation of Town staff and without the Board's full approval.

The Town of Apex does not have any recurring line items in its operating budgets for the acquisition of land (it does have small operating budgets for the acquisition of easements). Additionally, any capital asset acquisitions in excess of $100,000 are required by policy to be included in the Town-wide Capital Improvement Program (CIP).

Therefore, in the absence of an appropriation, the acquisition could be financed only through a budget amendment. The governing body (Town Council) would have to consider such an amendment in its regular meetings. The Council should consider how it would evaluate a budget amendment that deviated from the Town's adopted CIP, as this would be the only method by which that kind of deviation from a spending plan could occur in Apex

5. Town funds were used to pay for ghost-writing services, facilitating retreats or events in other municipalities that were considered unreasonable by the Office of State Auditor.

These finding(s) speak more to the governance environment at other municipalities than to anything any one reasonable policy would otherwise be intended to prevent. The Finance Department is currently evaluating certain policies to include a definition for a "reportable" transaction (e.g. something that by the nature of it happening, should be reported up to management or Council) and we could add these kinds of benefits to that list.

6. The Office of State Auditor determined that a municipality was unable to provide an executed contract supporting payments to an individual who served in an interim capacity for the Town, and further that there were internal control failures and weaknesses related to payments and independent review of contractor efforts did not occur.

If the Town Council required interim staffing for any purpose, staff would strongly recommend to the Council that a contract that adequately described the pricing, terms and conditions of such a service be used. If the Board independently sought service contracts, it would be reasonable to suggest that regular meetings would need to occur regularly between key staff and members of the Council to ensure that adequate oversight occurred and was documented. Proper oversight over a contract would require a joint effort between staff and the Council to ensure that expenditures were properly documented and reviewed. As noted above, this is one of the more clear examples where breakdowns in the governance environment between Council and staff drove the finding more than any one particular policy.

7. The Office of State Auditor additionally found that a municipality had contracted for support services on budget development, and after payments against the contract were made, the Town was unable to provide copies of invoices to the Office of State Auditor.

The Town of Apex uses an SaaS vendor to maintain its records and has staff in departments and in the Finance Department who are responsible for ensuring sufficient supporting documents exist prior to payments. The ability to delete supporting documents from accounting transactions is generally disabled in the Town's Infor Cloudsuite ERP. It is common in ERP accounting systems used by governmental entities such as small local governments that documents are stored in paper copies rather than fully digitized. The Town of Apex has been using electronic storage methods for all expenditures since at least 2023, and while some record retention for financial documents was impacted by the 2024 cybersecurity incident, the Finance Department generally believes that it would be able to document nearly all expenditures from the Town.

8. The Office of State Auditor found at least one municipality did not comply with the requirements of the North Carolina Unclaimed Property Act.

The Town of Apex's compliance with the Unclaimed Property Act has been evaluated as a part of its annual financial statement audit and it has not been found to be not in compliance. The Town evaluates escheats checks and transmits them annually. It should be noted that for governments, the unclaimed property act uses a significantly more aggressive schedule than for other entities such as the private sector. In situations where accounting staffing is limited and staff lack familiarity with specific governmental requirements; it is easy to imagine that these kinds of noncompliance could occur.

9. The Office of State Auditor found at least one municipality that lacked adequate invoice-entry controls or effective accounts payable reconciliation, resulting in invalid and duplicate payments.

Both of Apex's recent ERP accounting systems have included features that prevent the issuance of duplicate invoice numbers or payment numbers (check numbers) to the same vendor in the system's files. This is a relatively common feature in general accounting systems but is often not present in the kinds of systems used by smaller governmental entities.

10. The Office of State Auditor found that the Town's bank accounts were tied to employee's personal bank accounts.

The Town of Apex processes disbursements only from a designated disbursement bank account, which was established for that express purpose.

Exhibit 5

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, 2026

	Final	Actual Amounts	Variance	Prior
Revenues:				
Ad valorem taxes	$ 56,711,800	$ 55,647,130	$ 1,064,670	$ 54,042,895
Other taxes and licenses	23,416,000	25,043,843	(1,627,843)	23,644,858
Unrestricted intergovernmental	4,500,000	5,670,182	(1,170,182)	5,272,308
Restricted intergovernmental	5,500,700	5,379,862	120,838	5,410,382
Permits and fees	3,355,000	3,609,160	(254,160)	4,053,186
Sales and services	9,459,100	11,233,476	(1,774,376)	8,356,875
Miscellaneous	1,000,000	1,070,219	(70,219)	1,401,570
Investment earnings	3,150,000	2,937,789	212,211	3,425,966
Total revenues	$ 107,092,600	$ 110,591,661	$ (3,499,061)	$ 105,608,040
Expenditures:				
General government	$ 29,565,095	$ 25,292,330	$ 4,272,765	$ 22,633,144
Public safety	47,823,783	44,119,872	3,703,911	40,241,218
Public works	17,693,591	13,667,801	4,025,790	11,552,684
Environmental services	8,356,645	7,817,627	539,018	7,284,468
Cultural and recreational	15,330,645	13,809,262	1,521,383	11,508,449
Total expenditures	$ 118,769,759	$ 104,706,892	$ 14,062,867	$ 93,219,963
Revenues over (under) expenditures	$ (11,677,159)	$ 5,884,769	$ 10,563,806	$ 12,388,077
Other financing sources (uses):				
Transfers in	$ -	$ 467,536	$ (467,536)	
Contingency	$ 100,000			
Installment purchasing agreements	3,000,000	-	3,000,000	1,890,000
Transfers out	(7,136,210)	(7,136,210)	-	(6,703,300)
Appropriated fund balance	14,172,382	-	-	-
Total other financing sources (uses)	$ 10,136,172	$ (6,668,674)	$ 2,532,464	$ (4,813,300)
Net change in fund balance	$ (1,540,987)	$ (783,905)	$ 13,096,270	$ 7,574,777
Fund balance - Beginning of year		59,184,867		
Fund balance - End of year		$ 58,400,962		

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

Exhibit 5

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, 2026

Exhibit 7

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

FOR THE YEAR ENDED JUNE 30, 2026

	Major Funds				
	Water and Sewer Fund	Electric Fund	Stormwater Fund	Total	Benefit Fund
Operating revenues:					
Charges for services	$ 30,731,109	$ 62,795,708	$ 3,058,887	$ 96,585,704	$ 11,434,753
Other operating revenues	510,208	7,441,514	111,552	8,063,274	-
Total operating revenues	$ 31,241,317	$ 70,237,222	$ 3,170,439	$ 104,648,978	$ 11,434,753
Operating expenses:					
Water and sewer operations	$ 14,558,471			$ 14,558,471	$ -
Electric operations		15,363,414		$ 15,363,414	-
Purchase for resale	6,066,691	41,364,747		$ 47,431,438	-
Stormwater management			2,871,048	$ 2,871,048	-
Capital outlay	1,564,470.00	5,681,094	32,803	$ 7,278,367	
Health and dental claims	-	-	-	$ -	9,718,953
Health and dental administrative fees	-	-	-	$ -	1,203,757
Total operating expenses	$ 22,189,632	$ 62,409,255	$ 2,903,851	$ 87,502,737	$ 10,922,711
				$ -	
Operating income (loss)	$ 9,051,685	$ 7,827,967	$ 266,588	$ 17,146,241	$ 512,042
				$ -	
Nonoperating revenues (expenses):				$ -	
Investment earnings	$ 662,619	$ 461,745	$ 169,065	$ 1,293,429	$ -
Debt proceeds				-	-
Miscellaneous	1,963,550	95,540		2,059,090	-
Other	543,983			543,983	-
Total nonoperating revenues (expenses)	$ 3,170,152	$ 557,285	$ 169,065	$ 3,896,502	$ -
Income before transfers and capital contributions	$ 12,221,837	$ 8,385,252	$ 435,653	$ 21,042,743	$ 512,042
Transfers from other funds				-	$ 959,500
Transfers to other funds	(6,149,400)	(2,698,700)		(8,848,100)	-
Total transfers and capital contributions	$ (6,149,400)	$ (2,698,700)	$ -	$ (8,848,100)	$ 959,500
Change in net position	$ 6,072,437	$ 5,686,552	$ 435,653	$ 12,194,643	$ 1,471,542
Operating net position, beginning	$ 23,714,908	$ 18,364,833	$ 3,768,860	$ 45,848,601	$ (1,237,264)
Operating net position, ending	$ 29,787,345	$ 24,051,385	$ 4,204,513	$ 58,043,243	$ 234,278



October 15, 2026

Governance, Fiscal Stewardship, and Internal Support Committee Meeting

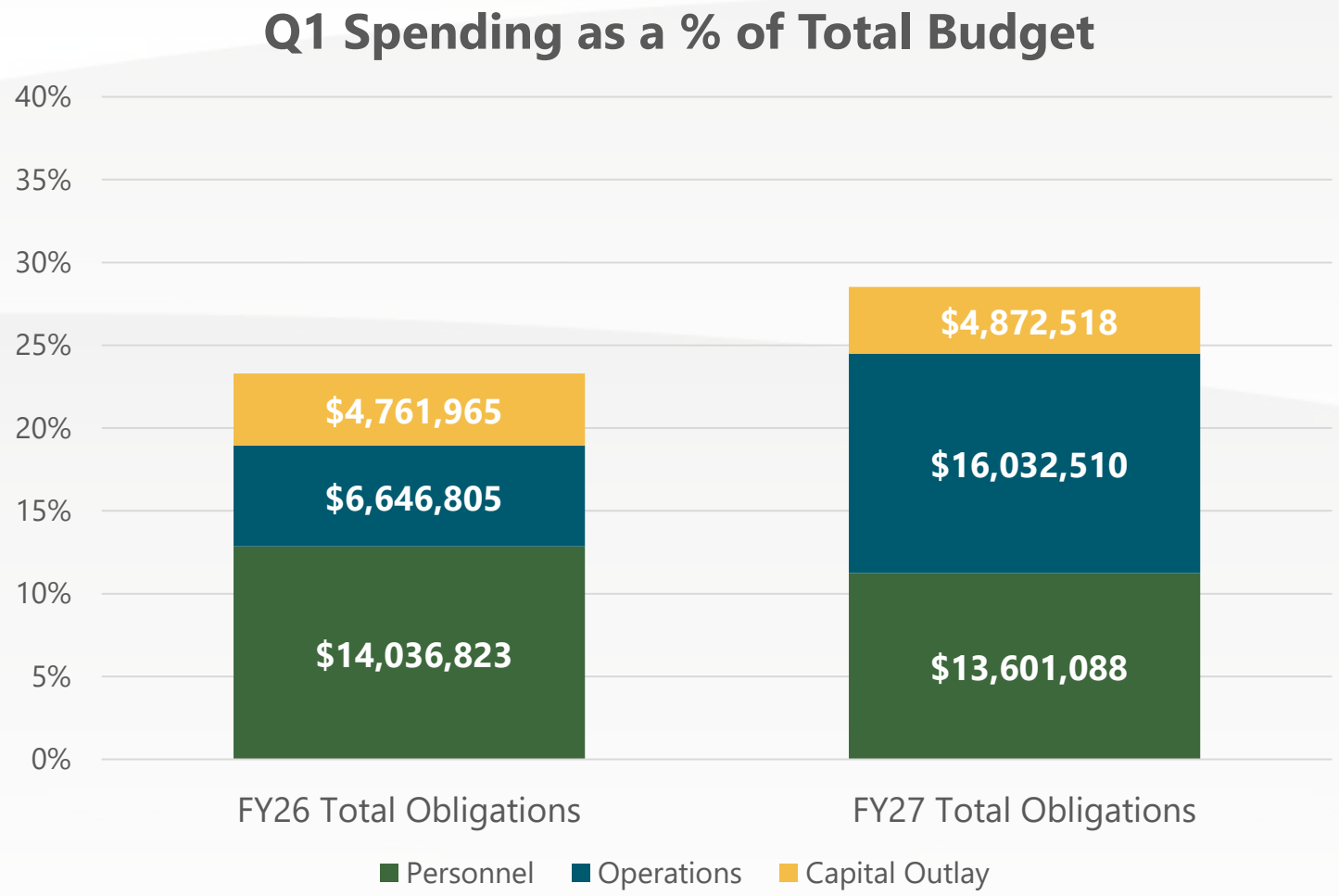
APEX
NORTH CAROLINA

AGENDA

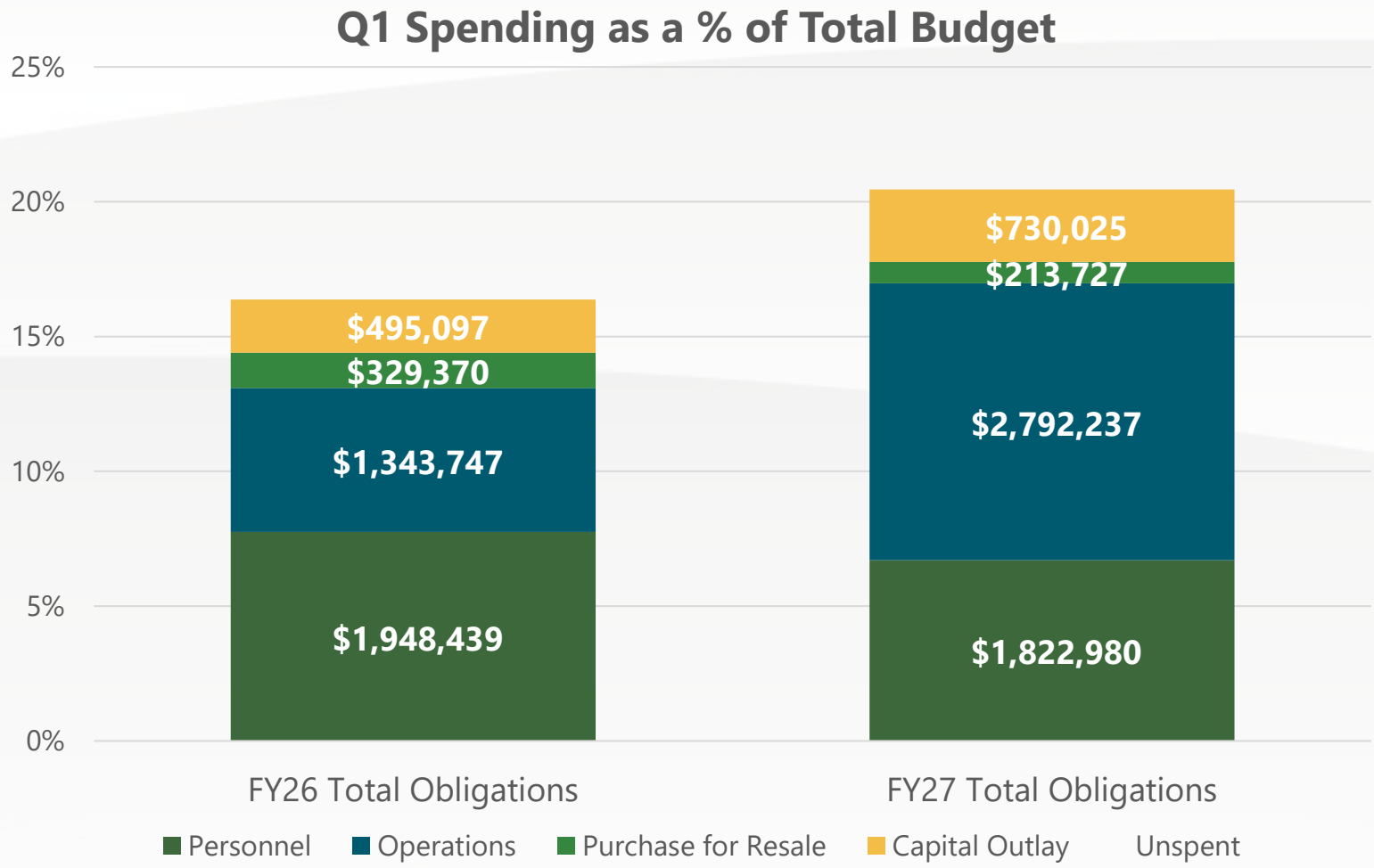
- Q1 YTD
- Revenue Trends
- Amendments YTD
- Budget Calendar Review



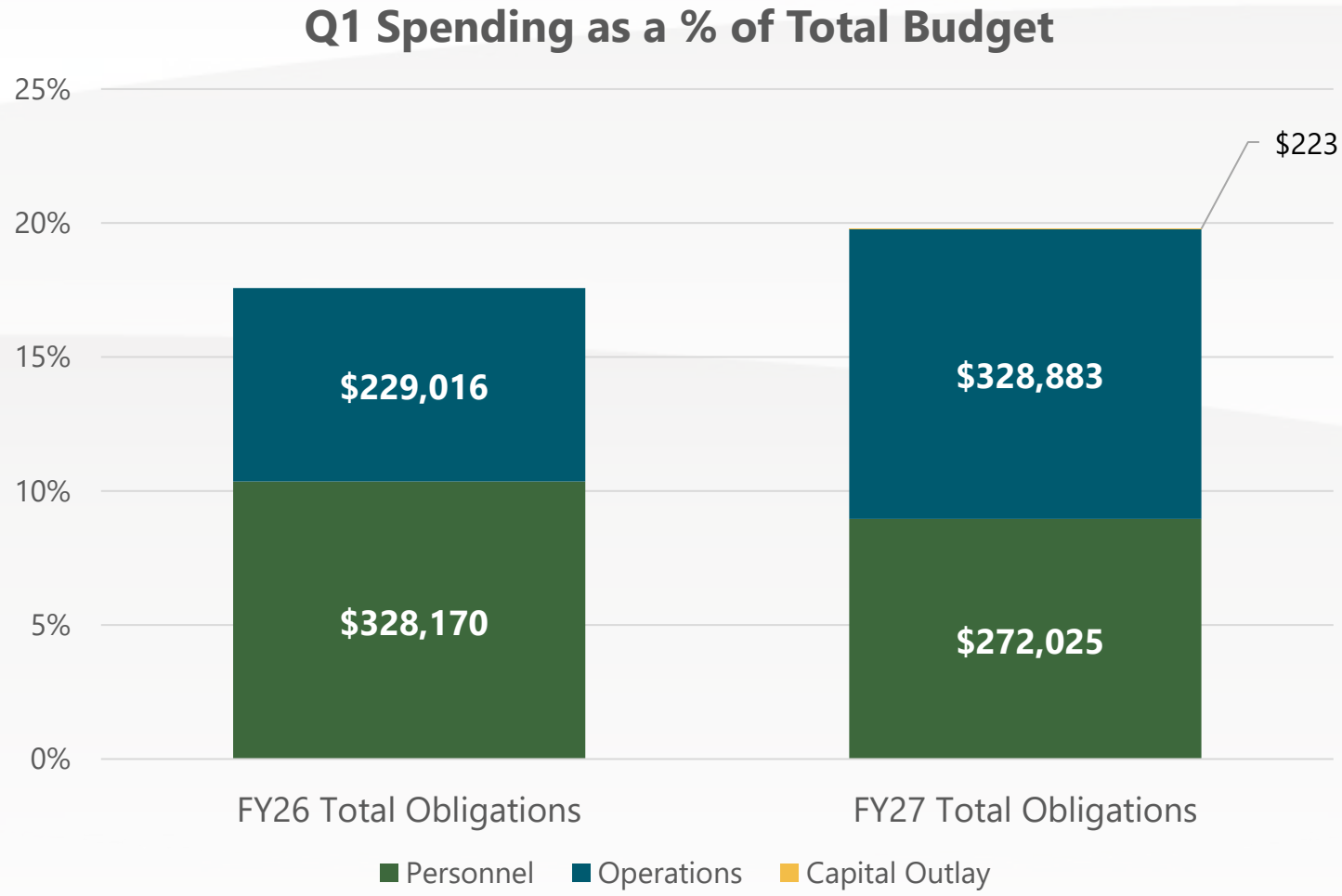
Q1 – General Fund Expenditures



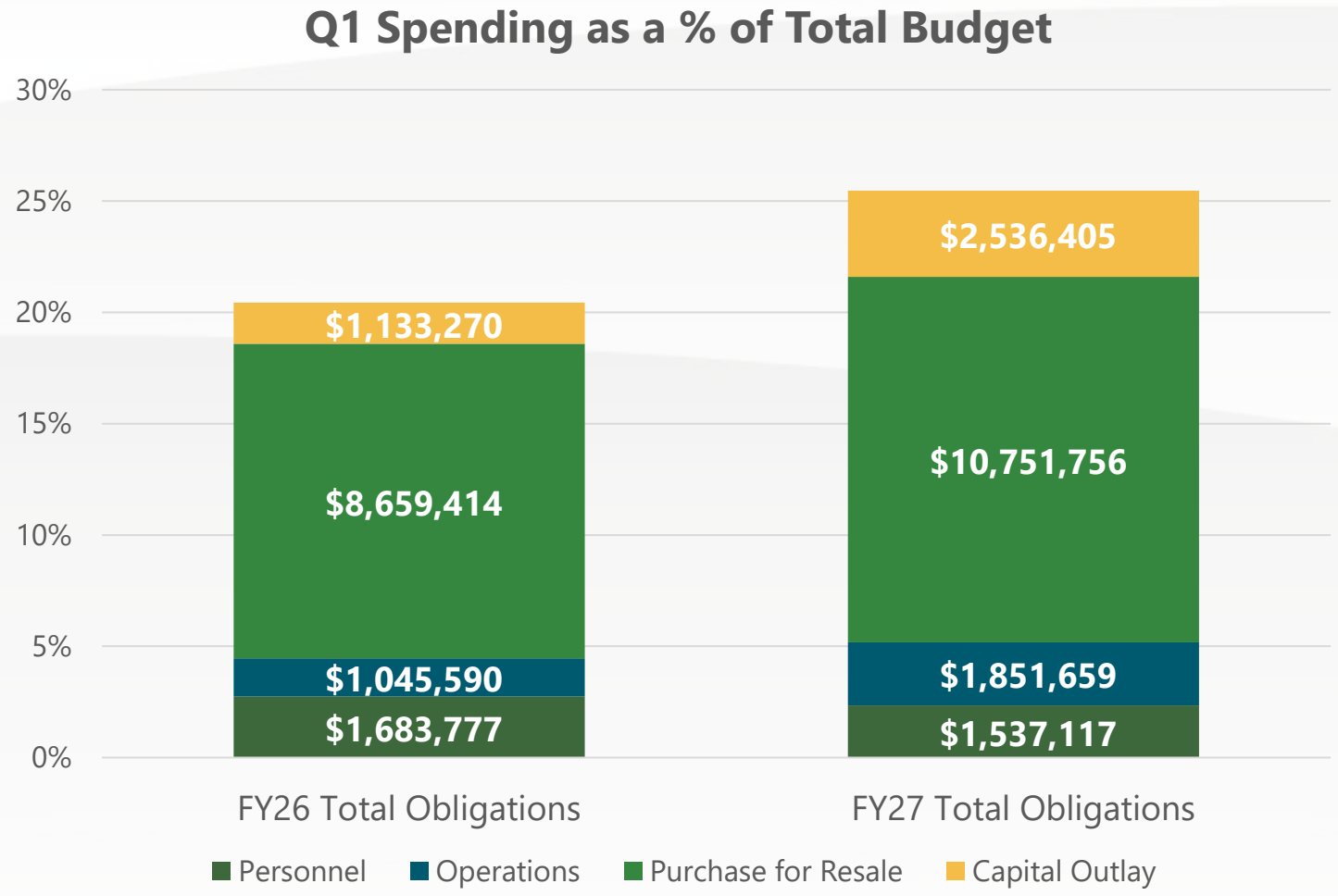
Q1 – Water Sewer Fund Expenditures



Q1 – Stormwater Fund Expenditures



Q1 – Electric Fund Expenditures



Revenue Trends

- Sales Tax
  - FY26 total – $24.6M
    - 7.1% increase YOY
    - First half of year had strongest growth
  - SNAP Impacts
    - FY26 as an example - ~$787K
      - Cuts YOY growth from 7.1% to 2.7%
- Property Taxes
  - Preparing for reevaluation for FY28 budget
  - Detailed info available in Jan 2027

Amendments YTD

BOA-01

Approved August 11th, 2026

$50,000 | Police Management Training Program

- Federal Equitable Sharing Funds

$100,000 | Mobility Solutions Study

- $65k from Wake County Grants; $35k from Fund Balance

$300,000 | Apex Mobility Hub Phase 1

- Wake County Grants

BOA-02

Approved August 11th, 2026

$170,000 | Fire Station No. 1 Market Analysis & Feasibility Study

- Fund Balance

Upcoming Amendments

General Fund

$185,000 | Local Law Enforcement Bonus Program

- NC State Bureau of Investigation Funds

$250,000 | Utility Customer Assistance Program

- Fund Balance

FY 28 Budget Calendar Overview

October

October 8th
Town Council Strategic Plan Work Session

October 15th
Departments' Preliminary Capital Improvement Plan (CIP) Requests Due

October 31st
Staffing Projections Due

November

November 6th
Draft CIP Completed and Reviewed with Assistant Managers

November 11th - 25th
Staff Committee Scoring and Evaluation of CIP Projects

December

December 4th
Town Manager Evaluation of CIP Projects

New Line-item Additions

December 15th
Capital Improvement Plan Work Session

December 31st
New Position Requests Due

FY 28 Budget Calendar Overview

January

January 4th - 28th
Internal Position Validation

Portfolio Personnel Meetings

January 4th
Preliminary Budget Requests Distributed

Capital Improvement Plan to Council for Project Evaluation & Ranking

January 29th
Recommend Positions for Classification

January 12th
Pre-Budget Public Hearing

February

February 3rd
All New Budget Requests Due in System

February 4th
Elected Official Compensation/ Benefits Requests Due

February 8th - 19th
Preliminary Department Budget Meetings with Budget Staff & Administration

February 10th - 12th
Annual Retreat- Council Review CIP & Prioritization of Projects for FY27-28

February 28th
Proposed Rate and Fee Changes Due & Baseline Payroll Projections Completed

March

March 1st
Departmental Requests Completed & Returned

March 8th - 19th
Directors Retreat Pre-work Materials Released

Budget Preview at Directors Meeting

Directors Budget Development Retreat Pt. 1 & 2

March 22nd - 31st
Year End Projections & Adjustments Completed

Preliminary Revenue Projections Completed

Portfolio Budget Meetings

FY 28 Budget Calendar Overview

April

April 15th
Town Manager's Budget Presentation & Budget Distributed to Town Council

April 20th
Governance, Fiscal Stewardship, & Internal Support Committee Meeting (Personnel, Policies, Budget)

April 22nd
Governance, Fiscal Stewardship, & Internal Support Committee Meeting (Budget)

April 27th
Budget Public Hearing

May

May 6th
Town Council Budget Workshop

May 11th
Budget Public Hearing

May 25th
Public Hearing on Proposed Budget
Budget Adoption *(Potential)*

May 27th *(If Needed)*
Town Council Budget Workshop

June

June 8th
Budget Ordinance/CIP Adopted

Questions?



From a Governance and Fiscal Stewardship perspective, the State budget contains several provisions with direct local-government implications. The most immediate are new reporting requirements for economic-development expenditures, changes to public contracting requirements, a new State building-code fee that municipalities must collect and remit beginning January 1, and greater flexibility for water and sewer construction bidding and investment of idle funds. The legislation also changes the governance structures overseeing local-government debt and retirement systems and creates new fiscal considerations for certain regional transportation decisions. Staff will continue reviewing these changes to determine where Town policies, financial controls, procurement procedures, fee schedules, or administrative processes need to be updated.

Town of Apex

Governance, Fiscal Stewardship, and Internal Support Council Committee

Schedule Fiscal Year 2026 – 2027

PROPOSED OCTOBER 15, 2026

- Thursday, December 10, 2026 – 5:00 p.m.
- Thursday, January 21, 2027 – 5:00 p.m.
- Thursday, March 18, 2027 – 5:00 p.m.
- Tuesday, April 20, 2027 – 5:00 p.m. – Budget Development
- Thursday, April 22, 2027 – 5:00 p.m. – Budget Development
- Thursday, June 03, 2027 – 5:00 p.m.

All meetings will be held at Apex Town Hall located at 73 Hunter Street Apex, North Carolina.

Questions should be directed to the Office of the Town Clerk by email at allen.coleman@apexnc.org or by telephone at 919-249-1260.