



FISCAL YEAR ENDED JUNE 30, 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOWN OF WAKE FOREST ~ NORTH CAROLINA





TOWN *of*
WAKE FOREST

**TOWN OF WAKE FOREST,
NORTH CAROLINA**



TOWN *of*
WAKE FOREST

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2014

Prepared by the Finance Department

TOWN OF WAKE FOREST – BOARD OF COMMISSIONERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014



Mayor
Vivian A. Jones



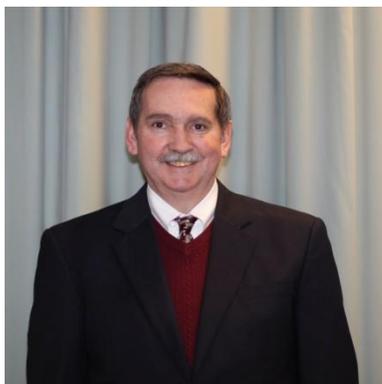
Mayor Pro-Tem
Zachary Donahue



Margaret Stinnett



Jim Thompson



Greg Harrington



Anne Hines

TOWN OF WAKE FOREST STAFF

Mark S. Williams
Town Manager

Deeda Harris
Town Clerk

Town Attorney
Eric Vernon

Virginia Jones
Human Resources Director

Jeff Leonard
Police Chief

Aileen J. Staples
Finance Director

Roe O'Donnell
Deputy Town Manager – Operations

Roger A. Russell
Planning Director

Ruben Wall
Parks and Recreation Director

Eric Keravuori
Director of Engineering

Mike Barton
Public Works Director

Tom LaBarge
Information Technology Director

Bill Crabtree
Public Information Officer

J J Carr
Inspections Director

Mickey Rochelle
Facilities Manager

Lisa Hayes
Downtown Development Director

ADVISORY BOARDS AND COMMISSIONS

Planning and Zoning Board
Bob Hill, Chairperson

Board of Adjustment
Dale Dawson, Chairperson

Cemetery Advisory Board
Alan O'Shaughnessy, Chairperson

Public Art Commission
John Pelosi, Chairperson

Design Review Board
Paul Eitel, Chairperson

Recreation Advisory Board
Jeff Sank, Chairperson

Greenway Advisory Board
Jan Ammons, Chairperson

Senior Center Advisory Board
Jerry Glynn, Chairperson

Historic Preservation Commission
Ann Welton, Chairperson

Urban Forestry Advisory Board
Sarah Hutchins, Chairperson

Human Relations Council
Henrietta Coursey, Chairperson

Youth In Government
Mary Daley, Chairperson

TOWN OF WAKE FOREST, NORTH CAROLINA
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TOWN *of* WAKE FOREST

October 20, 2014

**Honorable Mayor Vivian A. Jones
Members of the Governing Board and
Citizens of the Town of Wake Forest:**

The Comprehensive Annual Financial Report (CAFR) of the Town of Wake Forest (the "Town"), as of and for the fiscal year ended June 30, 2014, is submitted herewith by the Finance Department in compliance with North Carolina General Statute 159-34. The organization, form and contents of this report plus the accompanying financial statements and statistical tables are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, the State of North Carolina, Town Ordinances and the Government Finance Officers Association.

This report is the official comprehensive publication of the Town's financial position at June 30, 2014, and results of operations for the fiscal year then ended for all funds for the Town. 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 data and presentation are fair and accurate and that you will find everything necessary in this document to gain an understanding of the Town's financial activities over the past fiscal year.

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.

Profile of the Town

Incorporated in 1909, Wake Forest offers a unique blend of small-town charm, coupled with a vibrant and growing business community. The Town is located in Northern Wake County and is contiguous to the City of Raleigh. In addition to a focus on business and industry, Wake Forest also has a strong commitment to environmental stewardship, pursuing many sustainable green building and development practices. Residents enjoy 873 acres of open space, natural land and trails, excellent schools and access to higher education, all in close proximity to Research Triangle and Raleigh-Durham International Airport ("RDU").

The Town boasts a plethora of community events and activities designed to enhance our citizens' experience and draw them together and to local businesses. Wake Forest is very proud of our "Art After Hours" - a monthly downtown gathering of artistic expression; "Meet in the Street" - a music and art festival held each spring; an extremely popular annual Christmas parade; "Six Sundays in Spring" - a free outdoor concert series, and a host of other family-oriented community-centered events. Add to that wonderful mix the new Wake Forest Renaissance Centre, located in the heart of the Wake Forest Renaissance District, which was formally introduced in November 2013. The centre is a multi-purpose facility providing visual and performing arts programming for people of all ages, while also serving as a popular venue for a variety of community events.

The Town operates under the council-manager form of government. The governing body is comprised of a Mayor and a five-member Board of Commissioners, elected on a nonpartisan, at-large basis for staggered four-year terms in odd-numbered years. The Board of Commissioners appoints members of various Town boards and commissions, the Town Manager and the Town Attorney. The Board of Commissioners enacts all general and technical ordinances including budgetary appropriations within a balanced budget, establishes a tax rate for supported Town programs and originates general management policies as recommended by the Town

Manager. The Town Manager directs Wake Forest's daily operations through department heads he appoints.

The Town provides its citizens with a full range of services, including police, leisure and recreational opportunities, land use development administration and management, solid waste collection and disposal, construction and maintenance of streets, curbs, gutters, sidewalks and other infrastructure. In addition, as a Public Power community, the Town operates Wake Forest Power, an electric utility providing residential and commercial service. Fire protection is provided through a contract with the Wake Forest Fire Department, a private non-profit entity. This report includes all the Town's activities in delivering and administering these services.

The Wake Forest Board of Commissioners is required to adopt an annual operating budget by July 1 each year. The Town is empowered to levy a property tax on both real and personal 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. The Town Manager is authorized by the budget ordinance to make transfers within funds to facilitate budget execution consistent with the Board of Commissioner's intent.

Economic Condition & Outlook

By creating a unique, safe and affordable community environment, friendly to commerce and industry, the Town has positioned itself as a magnet for businesses, both large and small. Because of this, and our geographic proximity to Raleigh, Durham, the Research Technology Park, and RDU International Airport, Wake Forest is increasingly considered one of the most desirable places to live and work in the eastern United States.

Southeastern Baptist Theological Seminary was founded in 1950 on the former campus of Wake Forest College with a mandate to educate ministers on the East Coast. The school is located on 300 acres in downtown Wake Forest. Approximately 3,300 students study in 40 different undergraduate, graduate and post-graduate degree programs. Enrollment has increased over 28% in the past ten years.

Wake Forest is home to The Wireless Research Center of NC (WRCNC), a non-profit 501(c)(3) research organization focused on economic growth supporting research, development, testing and regulatory assistance for current and next generation wireless antenna technologies. As the only facility of its kind in the state, the WRCNC is an international destination for customers and partners who require specialized facilities coupled with applied and theoretical expertise, such as telecommunications, government/defense and medical industries. Current customers include mobile device companies, antenna design companies, defense contractors and universities/researchers.

The center serves as a hub for job creation, retention and expansion around the growing field of wireless and antenna technology for communications, medical and government use. It also serves as a catalyst for university research initiatives in wireless and antenna technology by providing cost-effective ready access to test laboratories and expertise that will make area universities more competitive when seeking government and commercial research grants and in the commercialization of technology.

As of June 30, 2014, the Town's estimated population was 35,609 - an increase of 5.7% over the previous fiscal year. Total growth has been 75% since 2005. Wake Forest's tax base has grown from \$1.5 billion in 2005 to \$4.1 billion in 2014. The Town's tax base is approximately 29% commercial/industrial and 71% residential for fiscal year 2013-14.

The Town recognized a 5% decrease in commercial permits issued from the previous fiscal year. Total value of permits issued decreased over 18%. This reduction was primarily due to the fact that the Town's available commercial space for rent did not provide for issuance of additional commercial permits.

Development continues in Heritage which is the single largest subdivision in Wake Forest and is located in the heart of Wake Forest. It is less than one (1) mile from Capital Boulevard and is being developed by Ammons Development Group. Heritage consists of 1,350 acres which includes a golf course and a clubhouse, swim and

tennis club, three (3) public schools, an industrial and business park, shopping and commercial opportunities, neighborhood business and office opportunities and over 2,250 residential homes. Heritage Lake Road connects Heritage to the 98 By-pass. This thoroughfare connects Heritage to downtown Wake Forest.

Construction commenced during November 2012 for Traditions. This single and multi-family development which runs along the Wake Forest Reservoir affords its residents access to a pristine lake that is simply perfect for an afternoon canoe ride or a stroll along the paved walking paths. A community pool and pavilion is planned for 2014.

In January 2014 approval was granted for a 139,000-square-foot Sam's Club which will be located at the Shoppes at Caveness located just off of Capital Boulevard. Construction is expected to begin in late 2014.

Currently under construction is a 29,000 square foot expansion to the Wake EMC located in downtown Wake Forest on South Franklin Street. This building is expected to be completed by early 2015.

In addition to the above there are a wide variety of smaller projects completed or under construction, including auto repair and supply, several new restaurants, and other initiatives.

Major Initiatives

The following events and projects are highlights of fiscal year 2013-14. These projects reflect the Town's continued commitment to quality of life while maintaining its unique personality.

At the planning retreat in February 2013, the Board of Commissioners finalized the Wake Forest Strategic Plan and identified the following four (4) goals: 1) Stimulate economic development; 2) Enhance and promote community cohesion; 3) Instill an organizational culture that embraces/reflects our core values; and 4) Maintain fiscal strength. These goals set the tone for the 2013-14 operating budget with one of the main objectives focusing on personnel. Twelve (12) new positions were added as follows: eight Police Officers (four – patrol unit and four – impact unit); three Construction workers for Streets; and a Recreation Specialist for Parks and Recreation. Four positions that had been previously frozen for the past several years were funded. This included Code Enforcement Officer for Inspections and three Powerline Technicians in our Electric department. The demands of a growing community precipitated the need to fund 16 positions in order for us to maintain the level of service our citizens expect.

One of the major events and highlights of the fiscal year started in May 2013 when the Town agreed to purchase Tuxedo Junction and Rejoice Community School for the purpose of developing a cultural arts facility. The property has officially been named the Wake Forest Renaissance Centre and host a variety of events and activities, including weddings, receptions, exhibits, concerts, plays, recitals, conventions and meetings. The Renaissance Centre officially opened in November 2013 during a three-day Celebration of the Arts.

The Town completed the Safe Routes to Schools (SRTS) Infrastructure and the Crenshaw Multi-Use Path and Forestville Road Sidewalk Extension projects.

- 1) The SRTS project included curb ramps, striping, marking and signage where needed along the project routes to accommodate pedestrian crossings. This effort completed approximately 2,194 linear feet of sidewalk to fill gaps on Durham Road, Tyler Run and North Wingate Street. These improvements serve students attending schools in the surrounding areas, the Boys & Girls Club and Community House. The town received a 100% reimbursable federal grant administered through the North Carolina Department of Transportation to fund the project.
- 2) The Crenshaw Multi-Use Path and Forestville Road Sidewalk Extension constructed sidewalks to fill gaps on Forestville Road from Foundation Drive to Heritage Station shopping center, as well as the multi-use path on Durham Road from NC 98 Bypass to Richland Creek Plaza. These improvements accommodate the pedestrian and bicycle traffic that travel these routes each day to access school, work and other attractions in Wake Forest. The town received an 80% reimbursable federal grant administered through the NC Department of Transportation.

During 2014 the Town renovated the Holding Park Pool located at 133 W. Owen Ave., which originally opened in the early 1940s. This project included pool renovations which included a new epoxy floor on the pool deck, new pumps and filters, new tiles and depth markers, a new diving board and slide and new ADA compliant steps and a fresh coat of paint for the pool shell and assorted leaks were repaired. In addition, there were extensive repairs to the pool locker rooms and restrooms. These improvements included new water-saving fixture, lockers, flooring, lighting, stalls and showers. The total cost of the project renovation was approximately \$750,000. This past summer, the pool experienced significant increases in revenues and attendance from the previous summer as follows:

▪ Daily admissions	22%
▪ Pool passes	18%
▪ Concessions	67%
▪ Total attendance	32%

The Town commenced the Electric System Improvements project which includes rebuilding the existing substation (JB Cole) located on Cedar Street, along with replacing the transformer currently leased from Duke Energy Progress. In addition, the Town will also install street lighting along North Main Street.

The Board of Commissioners agreed to proceed with a \$25.1 million bond referendum scheduled for vote in November 2014. This referendum will include three ballot questions that voters will consider separately:

- 1) Streets & Sidewalks - \$6.3 million
- 2) Parks & Recreation Facilities - \$14.2 million
- 3) Greenway Improvements - \$4.6 million

In effort to ensure that the Town citizenry has been properly educated about bond financing the Town introduced a comprehensive public education campaign. This included providing a portal on the Town website to provide detailed information on each bond item and its impact on the tax rate. In addition, the Town released a four-minute 'In Focus' segment, in which key members of staff provided discussion on important aspects of the referendum.

The Board continues to conduct annual and semi-annual planning retreats in the winter and summer to discuss current issues and long range goals for the Town. These planning sessions provide staff with the tools to carry out the policies and goals. Each year during the annual budget process, those goals become a reality and are incorporated into a spending plan.

Internal Control

In developing and maintaining the Town's accounting system, consideration is given to the adequacy of internal accounting controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principals and maintaining accountability of assets; (3) the effectiveness and efficiency of operations and (4) compliance with applicable laws and regulations related to federal and state financial assistance programs. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. To further enhance management's position, a formal Internal Control Policy was adopted by the Board of Commissioners in October 2008.

Independent Audit

The General Statutes of North Carolina require an annual independent financial audit of all local government units in the state. Cherry Bekaert LLP, a firm of 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 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. The auditor's reports related specifically to the single audit are included in the compliance section.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the government for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the 24th consecutive year in which the Town has received this recognition. To be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The GFOA award is valid for a period of one year.

Acknowledgments

We appreciate the assistance and dedication of the Finance Department staff throughout the year. The preparation of this comprehensive annual financial 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. In addition, we would also like to thank the Mayor and Board of Commissioners 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,



Mark S. Williams
Town Manager



Aileen J. Staples
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Wake Forest
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



History of the Town of Wake Forest

The Town of Wake Forest grew up around a college founded by North Carolina Baptists in 1834. After purchasing a plantation, which originally belonged to Dr. Calvin Jones, the North Carolina Baptist Convention opened the doors of the college on February 3, 1834. Lots were sold around the campus until gradually a town developed. The first Town Charter was obtained in 1880 for the Town of Wake Forest College. It was not until February 20, 1909 – 29 years later – that the Town of Wake Forest was chartered.

When the college made plans to relocate in the 1950s, the campus was sold to the Southern Baptist Convention for use as a seminary, which opened in 1951. For the next five years Southeastern Baptist Seminary and Wake Forest College existed on the same campus. These dates – 1834, 1909, 1951 – are significant to the Town and consequently are represented on the town seal.

Wake Forest remained a quiet village throughout the 1960s and 70s. Along with most other Wake County towns, however, it began to experience significant growth in the 80s and 90s.

Tremendous progress and development continue today as easy access to Raleigh and the Research Triangle area, combined with the many amenities of small-town living, make Wake Forest a desirable destination for residential and commercial development. An emphasis on planned growth and professional management continue to ensure that the Town's unique personality is maintained and enhanced by the changes currently in progress.

Responsibilities of Town Government By Department and Division

Legislative

The Legislative Department consists of the Board of Commissioners which is comprised of the Mayor and five Board members. All are elected by the registered voters of the Town of Wake Forest.

Administration

Responsible for the general management of all municipal functions, this department includes the Town Manager, Deputy Town Manager, and Town Clerk.

Downtown Development

Responsible for public relations, business development, and marketing and promotion of the Downtown Renaissance area for the purpose of assisting Downtown Wake Forest in achieving its economic and cultural potential.

Communications

The Public Information officer oversees and directs the communications, marketing and public relations functions of the Town.

Human Resources

Responsible for directing and overseeing the personnel system, risk management and safety programs for the Town.

Finance

Responsible for financial management through the areas of billings and collections, customer service, cash management, payroll, purchasing and inventory control, accounts payable, financial reporting, debt management and of the operating and capital budgets.

Management Information Systems

Responsible for maintaining and administering the Town's centralized computer system. Staff is responsible for assisting departments with computer and network needs.

Planning and Inspections

Responsible for the development and maintenance of all land management documents and the review and inspection of proposed construction and development, department also includes building inspections and code enforcement. Provides staff support to the Planning and Zoning Board, the Board of Adjustment, the Urban Forestry Board, and the Historic Preservation Commission.

Engineering

Responsible for plan review, design work and construction inspection.

Parks and Recreation

Responsible for the maintenance of all Town parks and open space and for the provision and supervision of programs and activities designed to serve the population of the Wake Forest community. Town's parks include Holding Park, Forrest Park, H. L. Miller Park, Ailey M. Young Park, Alston-Massenburg Center Park, Flaherty Park, Joyner Park, Taylor Street Park, assorted

school facilities, and the operation of a swimming pool. Staff support is also provided to the Recreation Advisory Board and Youth Advisory Board.

Public Facilities

Responsible for maintenance and housekeeping for the following Town buildings: Town Hall, the Community House, Alston-Massenburg Center, Police Station, Public Works Operations Center, and Senior Center.

Public Safety

The Public Safety Department is comprised of Police, Fire and Rescue Services and is responsible for the protection of life and property, traffic control, enforcement of state statutes and local ordinances, and crime prevention.

Public Works and Utilities Department

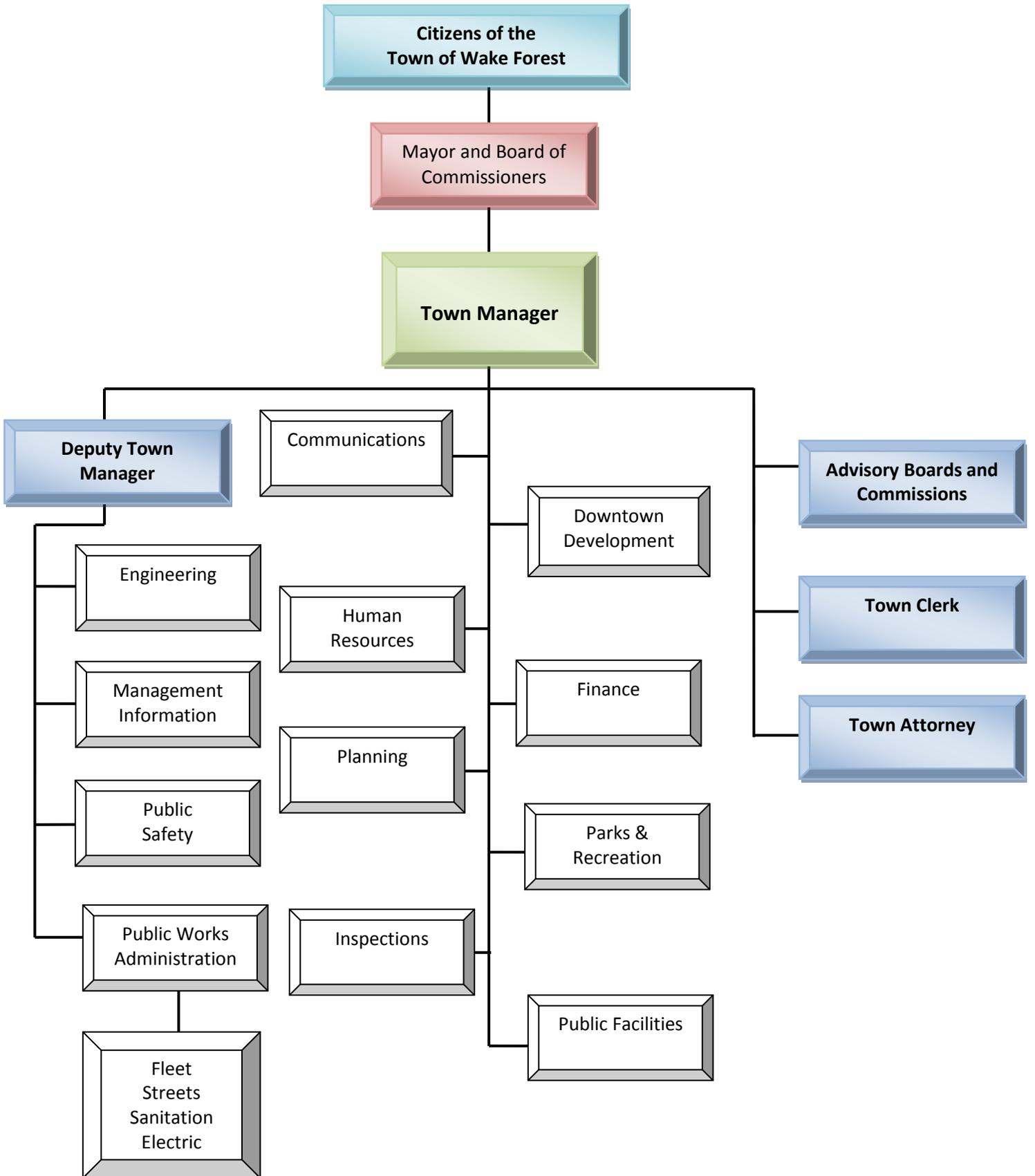
Administration The Director, Assistant Director and Office Assistant are responsible for the day to day operations of all divisions in Public Works and Electric.

Electric Operations Division This division is charged with constructing, operating and maintaining the Town's electric distribution system, including power lines, substations and other equipment. Division is also responsible for tree trimming, system additions and conversions.

Sanitation Division Responsible for the collection and disposal of commercial and residential garbage and yard waste. A private contractor provides recyclable collection service.

Streets Division Charged with the construction, maintenance and repair of municipally owned streets. Also responsible for the maintenance and repair of the Town's three cemeteries located on North White Street, North Taylor Street and East Walnut Avenue which includes maintenance of the roadways in the cemetery on an as-needed basis.

TOWN OF WAKE FOREST ORGANIZATIONAL CHART



Report of Independent Auditor

To the Honorable Mayor and
Members of the Board of Commissioners
Town of Wake Forest, North Carolina

Report on the Financial Statements

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 Wake Forest, North Carolina (the "Town") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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, 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 and Other 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 introductory section, individual fund statements and schedules, other schedules, and statistical section as listed in the table of contents as well as the schedule of expenditures of federal and state awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund statements and schedules and other schedules for the years ended June 30, 2014 and 2013 and the schedule of expenditures of federal and state awards for the year ended June 30, 2014 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2014 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 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 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 Town's internal control over financial reporting and compliance.

 Cherry Roubert LLP

Raleigh, North Carolina
October 20, 2014

Management's Discussion and Analysis

As management of the Town of Wake Forest (the "Town"), 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, 2014. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

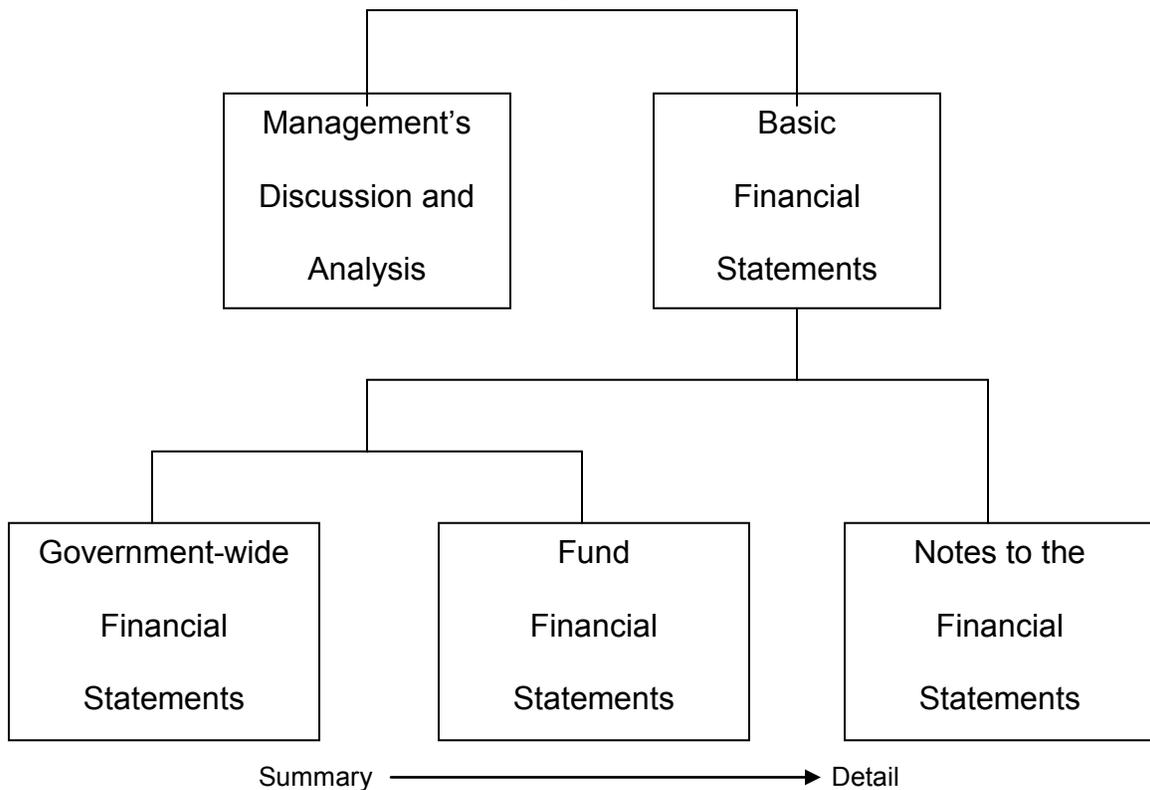
- The assets of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$148,831,696 (*net position*).
- The Town's total net position increased by \$3,713,984, primarily due to increases in the governmental-type activities net position.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,075,727. Approximately 33.2% percent of this total amount, or \$5,340,895, is non spendable or restricted.
- The Town's total debt *increased* by \$1,130,176 (3.5%) during the current fiscal year. The Town had five new debt issuances as follows:
 - Installment purchase agreements:
 - \$1,181,000 – Purchase of Wake Forest Renaissance Centre properties – September 2013 - four and a half year term – 1.34%
 - \$462,670 – Seventeen (17) patrol vehicles – December 2013 – three year term – 1.04%
 - \$740,000 – Holding Park Pool improvements – February 2014 – six year term – 1.65%
 - \$505,035 – Equipment and vehicles – May 2014 – six year term – 1.05%
 - Private placement revenue bond for improvements to existing substation and street lighting on North Main Street:
 - \$2,500,000 – ten year term – 2.24%
- The Town's current bond ratings are as follows:
 - Standard & Poor's - AAA
 - Moody's – Aa1
 - N.C. Municipal Council -87

Overview of the Financial Statements

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

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, using the full accrual basis of accounting, in a manner similar to a private-sector business.

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. They provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements.

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances. The government-wide statements provide short and long-term information about the Town's overall financial status.

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 if applicable, 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; 2) business-type activities. The governmental activities include most of the Town's basic services such as general government, public safety, public works, environmental protection and cultural and recreation. Property taxes and intergovernmental revenues finance most of these activities. The business-type activities are those that the Town charges customers to provide which include the electric services offered by the Town.

In accordance with the Governmental Accounting Standards Board criteria for inclusion in the reporting entity, the Town 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 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, 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 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* which 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 adopts an annual appropriated 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 Board 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 complied with the budget ordinance and whether or not the Town 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 board; 2) the final budget as amended by the board; 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.

The basic governmental fund financial statements can be found on Exhibits 3 through 5. Governmental funds considered to be non-major are presented as a single column in these statements.

Proprietary Funds – Proprietary funds provide the same type of information as the entity-wide financial statements, only in more detail. The Town of Wake Forest uses enterprise funds to account for its electric services. The Electric Fund is classified as a major fund.

The basic proprietary fund financial statements can be found on Exhibits 6 through 8 of this report.

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 included in the financial section 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’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found behind the notes to the financial statements and just before the individual fund statements in this report.

Government-Wide Financial Analysis

Net position over time may serve as one useful indicator of the Town’s financial condition. At the end of the current fiscal year, the Town is able to report positive balances in both categories of net position, for the Town as a whole, as well as for its separate governmental and business-type activities.

**Town of Wake Forest Net Position
Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 19,740,849	\$ 19,579,566	\$ 9,327,378	\$ 9,378,352	\$ 29,068,227	\$ 28,957,918
Capital assets	147,426,837	143,198,273	16,675,228	15,406,457	164,102,065	158,604,730
Total assets	167,167,686	162,777,839	26,002,606	24,784,809	193,170,292	187,562,648
Long-term liabilities outstanding	28,848,652	29,290,693	5,106,342	3,383,649	33,954,994	32,674,342
Other liabilities	7,247,502	5,912,331	3,110,527	3,806,628	10,358,029	9,718,959
Total liabilities	36,096,154	35,203,024	8,216,869	7,190,277	44,313,023	42,393,301
Deferred Inflows of Resources						
Prepaid taxes	25,573	51,635	-	-	25,573	51,635
Net position:						
Net investment in capital assets	120,837,511	115,919,685	12,716,267	14,129,141	133,553,778	130,048,826
Restricted	4,574,256	3,249,646	-	-	4,574,256	3,249,646
Unrestricted	5,634,192	8,353,849	5,069,470	3,465,391	10,703,662	11,819,240
Total net position	\$ 131,045,959	\$ 127,523,180	\$ 17,785,737	\$ 17,594,532	\$ 148,831,696	\$ 145,117,712

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The Town’s assets exceeded liabilities and deferred inflows by \$148,831,696 as of June 30, 2014. However, the largest portion (89.7%) reflects the Town’s net investment in capital assets (e.g. land, buildings, machinery and equipment); less any related debt still outstanding that was issued to acquire those assets. The Town uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the Town’s net 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 cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position (\$10,156,935) may be used to meet the Town’s ongoing obligations to citizens and creditors.

Town of Wake Forest Changes in Net Position
Figure 3

	Governmental Activities		Business Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 3,205,088	\$ 3,873,512	\$ 18,068,548	\$ 17,987,671	\$ 21,273,636	\$ 21,861,183
Operating grants and contributions	919,021	907,675	-	-	919,021	907,675
Capital grants and contributions	4,088,825	3,771,791	-	-	4,088,825	3,771,791
General revenues:						
Property taxes	21,387,601	20,062,610	-	-	21,387,601	20,062,610
Other taxes	110,789	92,347	-	-	110,789	92,347
Investment Earnings	69,369	139,553	65,167	82,968	134,536	222,521
Other	8,294,886	7,588,299	89,078	32,263	8,383,964	7,620,562
Total revenues	38,075,579	36,435,787	18,222,793	18,102,902	56,298,372	54,538,689
Expenses:						
General government	10,466,637	9,524,312	-	-	10,466,637	9,524,312
Public Safety	12,809,633	11,228,188	-	-	12,809,633	11,228,188
Transportation	4,436,052	4,119,839	-	-	4,436,052	4,119,839
Environmental protection	2,787,905	2,666,922	-	-	2,787,905	2,666,922
Cultural and recreation	3,250,469	2,819,826	-	-	3,250,469	2,819,826
Interest on long-term debt	809,270	995,852	-	-	809,270	995,852
Water and sewer	-	-	60,395	74,309	60,395	74,309
Electric	-	-	17,964,027	17,486,017	17,964,027	17,486,017
Total expenses	34,559,966	31,354,939	18,024,422	17,560,326	52,584,388	48,915,265
Increase (decrease) in net position	3,515,613	5,080,848	198,371	542,576	3,713,984	5,623,424
Transfers	7,166	-	(7,166)	-	-	-
Net position-July 1	127,523,180	122,596,664	17,594,532	17,051,956	145,117,712	139,648,620
Prior period adjustment	-	(154,332)	-	-	-	(154,332)
Net assets - June 30	\$ 131,045,959	\$ 127,523,180	\$ 17,785,737	\$ 17,594,532	\$ 148,831,696	\$ 145,117,712

Governmental activities. Governmental activities increased the Town's net position by \$3,522,779 thereby accounting for 94.9% of the total growth in the net position of the Town. Key elements of this increase are as follows:

- Ad valorem taxes made up 56.2% of governmental activity revenue and continue to be a significant revenue source for funding local government operations. Current year ad valorem taxes increased 6.6% over the previous fiscal year.
- Capital grants and contributions increased 8.4% from previous fiscal year due to infrastructure contributions from development activity.
- Local option sales tax increased \$414,500 (7.8%) over prior fiscal year.
- Total governmental activity revenue *increased* 4.5% while expenses *increased* 10.2% from the previous fiscal year.

Business-type activities. Business-type activities increased the Town of Wake Forest's net position by \$191,205. Key elements of this increase are as follows:

- Charges for services from the Sale of Power *increased* \$336,036 (1.9%) in fiscal year ended June 30, 2014 from fiscal year ended June 30, 2013.
- Total business-type expenses *increased* \$586,334 (3.3%).

Financial Analysis of the Town's Funds

As noted earlier, the Town 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.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, fund balance available in the General Fund was \$5,634,102 while total fund balance was \$11,648,804. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned (available) fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 15.8% of the total General Fund expenditures, while total fund balance represents 32.7% of that same amount.

The General Fund balance has enabled the Town to sustain its sound fiscal position during the recession utilizing fund balance for one time capital items. The percentage of available fund balance *decreased* from 24.7% in 2012-2013 to 15.8% in 2013-2014.

A unique opportunity presented itself during fiscal year 2013-2014. The Town purchased two adjacent downtown properties now known as the Wake Forest Renaissance Centre which is a multi-purpose facility that provides visual and performing arts programs. While the acquisition of the properties was financed over four and a half years at a rate of 1.34%, the Town used fund balance to make improvements to the buildings which largely attributed to the decrease in fund balance. The Town reduced its appropriated fund balance in the fiscal year 2014-2015 budget and will take aggressive action to increase the percentage of available fund balance in the coming fiscal year.

At June 30, 2014, the governmental funds of the Town reported a combined fund balance of \$16,388,278. The General Fund, special revenue funds, capital project funds and future capital reserve funds are included in this combined amount.

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 services. Some differences between the original budget and the final amended budget are as follows:

- Ad valorem taxes received exceeded original budget estimates by \$566,067 due to conservative budgeting regarding the collection rate along with growth in the tax base.
- Unrestricted intergovernmental revenues exceeded original estimates by \$371,559. This is attributed to growth in sales tax revenues and utility franchise tax revenues.
- The major difference between the original and amended budget in general government are due to the acquisition of property in the amount of \$1.2 million along with improvements to the buildings and increased legal fees from the prior fiscal year.

Revenues were more than the budgeted amounts primarily because the Town did not expect to receive some of the unrestricted intergovernmental funds that became available. Expenditures were held in check to comply with its budgetary requirements.

The original budget planned to use \$935,130 of appropriated fund balance for one time capital items, however it was amended during the year to \$1,500,783. Due to revenues exceeding original budgeted expectations only \$292,204 of fund balance was actually used during fiscal year 2013-2014.

Proprietary Funds. The Town’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Electric Fund at the end of the fiscal year amounted to \$5,135,217 and the total ending net position were \$17,851,484.

The Electric Fund’s net position increased \$195,989 while the total proprietary fund’s net position increased \$191,205 during this past fiscal year. Operating expenses *increased 2.8%* while sale of power revenues *increased 2.0%*.

The Proprietary Funds are discussed further in the business-type activities section.

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, 2014 totaled \$164,102,065 (net of accumulated depreciation). This represents a 3.5% increase from June 30, 2013. These assets include buildings, streets and sidewalks, land, machinery and equipment including vehicles, park facilities and electric system. Major capital asset transactions during the year include the following:

- Acquisition of 405, 406 and 407 Brooks Street (Wake Forest Renaissance Centre) - \$1,174,719
- Upfit and improvements of Wake Forest Renaissance Centre buildings - \$233,166
- Improvements to 301 S. Brooks Street (Wake Forest Town Hall) - \$587,567
- Police vehicle additions and replacements (17) - \$509,746

**Town of Wake Forest Capital Assets
(net of depreciation)
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land, rights and easements	\$ 35,348,234	\$ 34,599,357	\$ 510,605	\$ 510,605	\$ 35,858,839	\$ 35,109,962
Buildings and system	14,666,803	18,239,526	-	-	14,666,803	18,239,526
Other improvements	91,360,008	82,803,530	13,970,287	13,995,103	105,330,295	96,798,633
Equipment and furniture	1,814,249	1,694,443	470,841	525,333	2,285,090	2,219,776
Vehicles and motorized equipment	2,121,781	2,055,225	611,023	375,416	2,732,804	2,430,641
Construction in progress	2,115,762	3,806,192	1,112,472	-	3,228,234	3,806,192
Total	\$ 147,426,837	\$ 143,198,273	\$ 16,675,228	\$ 15,406,457	\$ 164,102,065	\$ 158,604,730

See Note 5 of this report for additional information regarding the Town’s capital assets.

Long-term Debt. As of June 30, 2014, the Town had total bonded debt outstanding of \$12,755,000 and installment purchase related debt of \$15,121,751. The outstanding revenue bond debt totals \$3,583,652 which represents the balance owed on the electric substation constructed in 2007 along with the John B. Cole substation improvements currently underway as of June 30, 2014. The remaining \$620,000 installment note along with the \$1,153,072 in N.C. Water Pollution Control Revolving Loan and Bond funds are being repaid from utility system revenues. As part of the merger agreement, the City of Raleigh is required to pay to the Town amounts equal to the debt service on the Town’s water and sewer obligations.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to eight (8%) percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town is \$304,109,008. Practically, these statutory limits exceed the Town's realistic debt capacity.

**Town of Wake Forest Outstanding Debt
General Obligation and Revenue Bonds
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 12,755,000	\$ 13,760,000	\$ -	\$ -	\$ 12,755,000	\$ 13,760,000
Revenue bonds	-	-	3,583,652	1,277,315	3,583,652	1,277,315
N.C Water Pollution Control Revolving Loan and Bond Fund	-	-	1,153,072	1,541,132	1,153,072	1,541,132
Installment Purchase	14,501,751	14,078,185	620,000	826,667	15,121,751	14,904,852
Total	\$ 27,256,751	\$ 27,838,185	\$ 5,356,724	\$ 3,645,114	\$ 32,613,475	\$ 31,483,299

Additional information regarding the Town of Wake Forest's long-term debt can be found in Note 10 of this report.

Budget Highlights for the Fiscal Year Ending June 30, 2015

Governmental Activities: The 2014-2015 Adopted Budget increased 1.9% over the 2013-2014 Amended Budget. As part of its strategic planning process, the Board of Commissioners set four key goals for the Town. These goals set the road map for future plans and were used to formulate the upcoming budget. Emphasis continued to be on maintaining current levels of service, while continuing to be conservative in our revenue projections and prudent in our use of revenues. Performance pay (merit) and career ladder funds for eligible departments were included. Five (5) new positions were funded.

The Town's tax rate increased to \$.52 for the coming fiscal year. This equates to a breakdown of \$.41 for town operations and debt service and \$.11 for fire services. The final budget for the General Fund totaled \$35.8 million. Despite the appearance of renewed fiscal growth and other positive changes in economic conditions, the Town will continue to focus on financial sustainability. Emphasis will continue to be on leveraging existing assets, services and programs while limiting new initiatives. Decision making will still require much care and prudence as we continue to focus on providing the core services our citizens expect. Prioritizing how our resources are utilized is critical as we make long term plans for capital investments.

Business-type Activities: Utility rates were unchanged in the Electric Fund. The total budget was \$20.3 million for the Electric Fund. Effective July 1, 2005 the City of Raleigh operates the water and wastewater systems.

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 the Finance Director, Town of Wake Forest, 301 S. Brooks Street Wake Forest, North Carolina 27587; (919) 435-9461 or astaples@wakeforestnc.gov.

TOWN OF WAKE FOREST, NORTH CAROLINA
STATEMENT OF NET POSITION

JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 13,760,024	\$ 4,843,557	\$ 18,603,581
Taxes receivables (net)	329,927	-	329,927
Accounts receivable (net)	2,956,030	2,035,621	4,991,651
Internal balances	443,429	(443,429)	-
Due from other governments	236,695	-	236,695
Inventories	15,099	1,118,563	1,133,662
Prepaid expenditures	41,213	-	41,213
Restricted cash and cash equivalents	1,009,482	-	1,009,482
Due within one year			
Note receivable-current portion	-	594,727	594,727
Due in more than one year			
Note receivable-noncurrent portion	948,950	1,178,339	2,127,289
Capital assets			
Land, improvements, and construction in progress	37,463,996	1,623,077	39,087,073
Other capital assets, net of depreciation	109,962,841	15,052,151	125,014,992
Total Assets	167,167,686	26,002,606	193,170,292
Liabilities			
Accounts payable	2,344,769	1,753,769	4,098,538
Accrued interest payable	257,214	26,767	283,981
Customer deposits	-	201,604	201,604
Due within one year			
Compensated absences	833,686	100,060	933,746
Bonds and notes payable	3,811,833	1,028,327	4,840,160
Due in more than one year			
Compensated absences	70,115	-	70,115
Net pension obligation	737,574	-	737,574
Other postemployment benefits	4,408,355	777,945	5,186,300
Bonds and notes payable	23,632,608	4,328,397	27,961,005
Total Liabilities	36,096,154	8,216,869	44,313,023
Deferred Inflows of Resources			
Prepaid taxes	25,573	-	25,573
Net Position			
Net investment in capital assets	120,837,511	12,716,267	133,553,778
Restricted for			
Stabilization by state statute	4,111,501	-	4,111,501
Downtown district	236,256	-	236,256
Public safety	267,986	-	267,986
Street improvements	478,867	-	478,867
Holding park pool renovations	26,373	-	26,373
Unrestricted	5,087,465	5,069,470	10,156,935
Total Net Position	\$ 131,045,959	\$ 17,785,737	\$ 148,831,696

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

TOWN OF WAKE FOREST, NORTH CAROLINA
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

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	\$ 10,466,637	\$ 1,767,013	\$ -	\$ -	\$ (8,699,624)	\$ -	\$ (8,699,624)
Public safety	12,809,633	444,838	85,197	264,256	(12,015,342)	-	(12,015,342)
Transportation	4,436,052	19,403	796,640	3,397,026	(222,983)	-	(222,983)
Environmental protection	2,787,905	168,524	37,184	-	(2,582,197)	-	(2,582,197)
Cultural and recreation	3,250,469	805,310	-	427,543	(2,017,616)	-	(2,017,616)
Interest on long-term debt	809,270	-	-	-	(809,270)	-	(809,270)
Total governmental activities	<u>34,559,966</u>	<u>3,205,088</u>	<u>919,021</u>	<u>4,088,825</u>	<u>(26,347,032)</u>	<u>-</u>	<u>(26,347,032)</u>
Business-type activities:							
Water and sewer	60,395	-	-	-	-	(60,395)	(60,395)
Electric	17,964,027	18,068,548	-	-	-	104,521	104,521
Total business-type activities	<u>18,024,422</u>	<u>18,068,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,126</u>	<u>44,126</u>
Total	<u>\$ 52,584,388</u>	<u>\$ 21,273,636</u>	<u>\$ 919,021</u>	<u>\$ 4,088,825</u>	<u>(26,347,032)</u>	<u>44,126</u>	<u>(26,302,906)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					21,387,601	-	21,387,601
Other taxes and licenses					110,789	-	110,789
Unrestricted intergovernmental					7,527,964	-	7,527,964
Unrestricted investment earnings					69,369	65,167	134,536
Miscellaneous					766,922	89,078	856,000
Total general revenues not including transfers					<u>29,862,645</u>	<u>154,245</u>	<u>30,016,890</u>
Transfers					7,166	(7,166)	-
Total general revenues and transfers					<u>29,869,811</u>	<u>147,079</u>	<u>30,016,890</u>
Change in net position					<u>3,522,779</u>	<u>191,205</u>	<u>3,713,984</u>
Net position-beginning					<u>127,523,180</u>	<u>17,594,532</u>	<u>145,117,712</u>
Net position-ending					<u>\$ 131,045,959</u>	<u>\$ 17,785,737</u>	<u>\$ 148,831,696</u>

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

TOWN OF WAKE FOREST, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2014

	General	General Capital Reserve	Greenway Transportation Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 9,546,172	\$2,353,473	\$ -	\$ 1,860,379	\$ 13,760,024
Receivables, net					
Taxes	329,927	-	-	-	329,927
Accounts	2,047,947	-	700,940	37,048	2,785,935
Due from other governments	406,790	-	-	-	406,790
Due from other funds	1,376,114	-	-	-	1,376,114
Inventories	15,099	-	-	-	15,099
Prepaid expenditures	41,213	-	-	-	41,213
Restricted cash and cash equivalents	504,242	-	-	505,240	1,009,482
Total Assets	\$14,267,504	\$2,353,473	\$ 700,940	\$ 2,402,667	\$19,724,584
Liabilities					
Accounts payable and accrued liabilities	\$ 2,247,297	\$ -	\$ 61,462	\$ 36,010	\$ 2,344,769
Due to other funds	-	-	932,685	-	932,685
Accounts payable from restricted assets	-	-	-	-	-
Total Liabilities	2,247,297	-	994,147	36,010	3,277,454
Deferred Inflow of Resources					
Property taxes receivable	329,926	-	-	-	329,926
Sanitation receivables	15,904	-	-	-	15,904
Prepaid taxes	25,573	-	-	-	25,573
Total deferred inflows of resources	371,403	-	-	-	371,403
Fund Balances					
Non Spendable					
Inventories	15,099	-	-	-	15,099
Restricted					
Stabilization by state statute	4,111,501	-	-	-	4,111,501
Downtown district	236,256	-	-	-	236,256
Public safety	267,986	-	-	-	267,986
Street improvements	-	-	-	478,867	478,867
Holding park pool renovations	-	-	-	26,373	26,373
Committed					
Economic development	-	-	-	923,451	923,451
Assigned					
Subsequent years expenditures	1,383,860	2,353,473	-	-	3,737,333
Recreation improvements	-	-	-	833,558	833,558
Cemetery improvements	-	-	-	104,408	104,408
Unassigned	5,634,102	-	(293,207)	-	5,340,895
Total fund balances	11,648,804	2,353,473	(293,207)	2,366,657	16,075,727
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,267,504	\$ 2,353,473	\$ 700,940	\$ 2,402,667	\$ 19,724,584

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

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

JUNE 30, 2014

Fund balances-total governmental funds		\$ 16,075,727
Amounts reported for governmental activities in the statement of net position are different because;		
Long-term assets, including notes receivable are not due and receivable in the current period and therefore are not reported in the governmental funds.		948,950
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	\$ 190,655,664	
Less accumulated depreciation	<u>(43,228,827)</u>	147,426,837
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
Government bonds and notes payable	(27,256,751)	
Premiums received on bond issuance	(187,690)	
Compensated absences	(903,801)	
Other postemployment benefits	(4,408,355)	
Net pension obligation	<u>(737,574)</u>	(33,494,171)
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		345,830
Other liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest expenses payable		<u>(257,214)</u>
Net position of governmental activities		<u><u>\$ 131,045,959</u></u>

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

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

FOR THE YEAR ENDED JUNE 30, 2014

	General	General Capital Reserve	Greenway Transportation Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Ad valorem taxes	\$ 21,364,309	\$ -	\$ -	\$ -	\$ 21,364,309
Other taxes	110,789	-	-	-	110,789
Unrestricted intergovernmental	7,527,964	-	-	-	7,527,964
Restricted intergovernmental	932,332	-	1,301,171	-	2,233,503
Permits and fees	1,803,280	424,653	-	302,411	2,530,344
Sales and services	746,997	-	-	-	746,997
Miscellaneous	433,790	293,422	5,803	24,472	757,487
Investment earnings	25,870	1,622	-	25,097	52,589
Total revenues	<u>32,945,331</u>	<u>719,697</u>	<u>1,306,974</u>	<u>351,980</u>	<u>35,323,982</u>
Expenditures:					
Current:					
General government	9,245,621	-	-	-	9,245,621
Public safety	11,896,289	-	-	-	11,896,289
Transportation	1,836,957	-	-	-	1,836,957
Environmental protection	2,700,114	-	-	-	2,700,114
Cultural and recreation	2,369,564	-	-	-	2,369,564
Capital outlay	3,226,343	-	1,796,719	1,157,400	6,180,462
Debt service:					
Bond principal	1,005,000	-	-	-	1,005,000
Bond interest	511,988	-	-	-	511,988
Installment note principal	2,465,139	-	-	-	2,465,139
Installment note interest	321,270	-	-	-	321,270
Total expenditures	<u>35,578,285</u>	<u>-</u>	<u>1,796,719</u>	<u>1,157,400</u>	<u>38,532,404</u>
Revenues under expenditures	<u>(2,632,954)</u>	<u>719,697</u>	<u>(489,745)</u>	<u>(805,420)</u>	<u>(3,208,422)</u>
Other financing sources (uses):					
Transfers in	356,367	-	-	-	356,367
Transfers out	(152,081)	(197,120)	-	-	(349,201)
Issuance of debt	2,148,705	-	-	740,000	2,888,705
Total other financing sources (uses)	<u>2,352,991</u>	<u>(197,120)</u>	<u>-</u>	<u>740,000</u>	<u>2,895,871</u>
Net change in fund balances	<u>(279,963)</u>	<u>522,577</u>	<u>(489,745)</u>	<u>(65,420)</u>	<u>(312,551)</u>
Fund balance - beginning of year	11,928,767	1,830,896	196,538	2,432,077	16,388,278
Fund balance - end of year	<u>\$ 11,648,804</u>	<u>\$ 2,353,473</u>	<u>\$ (293,207)</u>	<u>\$ 2,366,657</u>	<u>\$ 16,075,727</u>

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

TOWN OF WAKE FOREST, NORTH CAROLINA
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

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

Net change in fund balances - total governmental funds	\$ (312,551)
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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	\$ 6,180,462	
Less current year depreciation	<u>(4,776,016)</u>	1,404,446

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	2,818,385
Change in unavailable revenue for tax and sanitation revenues	(89,304)

The net effect of various miscellaneous transactions involving capital assets is to decrease net position.	5,733
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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 issuance costs	-	
Amortization of bond premiums	16,783	
Issuance of debt	(2,888,705)	
Principal payments	<u>3,470,139</u>	598,217

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	(223,562)
Net pension obligation	(113,611)
Other postemployment benefits	(588,962)
Change in accrued interest payable	<u>23,988</u>

Total changes in net position of governmental activities	<u><u>\$ 3,522,779</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF WAKE FOREST, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 20,724,355	\$ 21,375,755	\$ 21,290,422	\$ (85,333)
Other taxes and licenses	50,000	98,580	110,789	12,209
Unrestricted intergovernmental	7,156,405	7,401,265	7,527,964	126,699
Restricted intergovernmental	844,075	903,740	888,290	(15,450)
Permits and fees	1,465,000	1,749,050	1,803,280	54,230
Sales and services	630,285	806,130	695,300	(110,830)
Miscellaneous	457,930	343,730	385,953	42,223
Investment earnings	50,000	50,000	25,436	(24,564)
Total revenues	<u>31,378,050</u>	<u>32,728,250</u>	<u>32,727,434</u>	<u>(816)</u>
Expenditures:				
Current				
General government	9,769,090	12,149,445	11,428,809	720,636
Public safety	12,143,005	12,579,483	12,420,494	158,989
Transportation	2,311,670	2,348,010	2,155,007	193,003
Environmental protection	2,794,380	2,838,250	2,700,114	138,136
Cultural and recreational	2,759,505	2,743,210	2,486,889	256,321
Debt service				
Bond principal	1,005,000	1,005,000	1,005,000	-
Bond interest	517,925	511,995	511,988	7
Installment note principal	2,008,140	2,465,010	2,465,139	(129)
Installment note interest	346,965	321,705	321,270	435
Total expenditures	<u>33,655,680</u>	<u>36,962,108</u>	<u>35,494,710</u>	<u>1,467,398</u>
Revenues over (under) expenditures	<u>(2,277,630)</u>	<u>(4,233,858)</u>	<u>(2,767,276)</u>	<u>1,466,582</u>
Other financing sources (uses):				
Transfers in (out)				
Downtown District Special Tax	-	75,000	62,081	(12,919)
Police Department Special Revenue Fund	-	100,950	75,000	(25,950)
Futures Fund	-	-	-	-
Wake Forest Renaissance Centre	-	(15,000)	(15,000)	-
General Capital Reserve Fund	273,500	395,620	197,120	(198,500)
Street Improvements Capital Projects Fund	-	27,800	-	(27,800)
Water and Sewer Fund	-	-	7,166	7,166
Installment note issuance	1,069,000	2,148,705	2,148,705	-
Appropriated fund balance	935,130	1,500,783	-	(1,500,783)
Total other financing sources (uses)	<u>2,277,630</u>	<u>4,233,858</u>	<u>2,475,072</u>	<u>(1,758,786)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(292,204)</u>	<u>\$ (292,204)</u>

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

TOWN OF WAKE FOREST, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original</u>	<u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Positive</u> <u>(Negative)</u>
(continued)				
Fund balance - Beginning of year			11,436,594	
Fund balance - End of year			11,144,390	
A legally budgeted Downtown District Special Tax Fund is consolidated into the General Fund for reporting purposes:				
Ad valorem taxes			73,887	
Investment earnings			181	
Miscellaneous			-	
Transfer to General Fund			(62,081)	
Fund balance - beginning of year			224,269	
A legally budgeted Police Department Special Fund is consolidated into the General Fund for reporting purposes:				
Donations			24,877	
Forfeited currency			44,042	
Investment earnings			253	
Miscellaneous			5,910	
Transfer to General Fund			(75,000)	
Fund balance - beginning of year			267,904	
A legally budgeted Wake Forest Renaissance Centre Fund is consolidated into the General Fund for reporting purposes:				
Sales and services			51,697	
Events revenue			17,050	
Operating expenditures			(83,575)	
Transfer from General Fund			15,000	
Fund balance - beginning of year			-	
Fund balance - end of year (Exhibit 4)			<u>\$ 11,648,804</u>	

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

TOWN OF WAKE FOREST, NORTH CAROLINA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2014

	Electric Fund	Water and Sewer Fund	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 4,597,419	\$ 246,138	\$ 4,843,557
Accounts receivable, net	2,035,621	-	2,035,621
Note receivable - current portion	-	594,727	594,727
Inventories	1,118,563	-	1,118,563
Subtotal	<u>7,751,603</u>	<u>840,865</u>	<u>8,592,468</u>
Noncurrent assets:			
Note receivable - noncurrent portion	-	1,178,339	1,178,339
Capital assets:			
Land and other non-depreciable assets	1,623,077	-	1,623,077
Other capital assets, net of depreciation	15,052,151	-	15,052,151
Capital assets (net)	<u>16,675,228</u>	<u>-</u>	<u>16,675,228</u>
Subtotal-noncurrent assets	<u>16,675,228</u>	<u>1,178,339</u>	<u>17,853,567</u>
Total assets	<u>24,426,831</u>	<u>2,019,204</u>	<u>26,446,035</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	1,448,869	304,900	1,753,769
Due to other funds	443,429	-	443,429
Customer deposits	201,604	-	201,604
Accrued interest payable	19,787	6,980	26,767
Compensated absences	100,060	-	100,060
Bonds and notes payable	436,289	594,727	1,031,016
Total current liabilities	<u>2,650,038</u>	<u>906,607</u>	<u>3,556,645</u>
Noncurrent liabilities:			
Other postemployment benefits	777,945	-	777,945
Bonds and notes payable	3,147,364	1,178,344	4,325,708
Total noncurrent liabilities	<u>3,925,309</u>	<u>1,178,344</u>	<u>5,103,653</u>
Total liabilities	<u>6,575,347</u>	<u>2,084,951</u>	<u>8,660,298</u>
Net Position			
Net investment in capital assets	12,716,267	-	12,716,267
Unrestricted	5,135,217	(65,747)	5,069,470
Total net position	<u>\$ 17,851,484</u>	<u>\$ (65,747)</u>	<u>\$ 17,785,737</u>

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

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

FOR THE YEAR ENDED JUNE 30, 2014

	Electric Fund	Water and Sewer Fund	Totals
Operating revenues:			
Charges for services	\$ 17,335,753	\$ -	\$ 17,335,753
Other operating revenues	732,795	-	732,795
Total operating revenues	<u>18,068,548</u>	<u>-</u>	<u>18,068,548</u>
Operating expenses:			
Electric operations	3,747,760	-	3,747,760
Electric power purchases	13,229,609	-	13,229,609
Depreciation	926,029	-	926,029
Total operating expenses	<u>17,903,398</u>	<u>-</u>	<u>17,903,398</u>
Operating income	<u>165,150</u>	<u>-</u>	<u>165,150</u>
Nonoperating revenues (expenses):			
Investment earnings	2,385	62,782	65,167
Interest expense	(60,629)	(60,395)	(121,024)
Gain on capital asset disposals	89,078	-	89,078
Total nonoperating revenues (expenses)	<u>30,834</u>	<u>2,387</u>	<u>33,221</u>
Income before transfers	195,984	2,387	198,371
Transfers to other funds	-	(7,166)	(7,166)
Total transfers	<u>-</u>	<u>(7,166)</u>	<u>(7,166)</u>
Change in net position	195,984	(4,779)	191,205
Net position, beginning of year	<u>17,655,500</u>	<u>(60,968)</u>	<u>17,594,532</u>
Net position, end of year	<u>\$ 17,851,484</u>	<u>\$ (65,747)</u>	<u>\$ 17,785,737</u>

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

TOWN OF WAKE FOREST, NORTH CAROLINA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2014

	Electric Fund	Water and Sewer Fund	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 17,997,029	\$ -	\$ 17,997,029
Cash paid for goods and services	(14,150,062)	-	(14,150,062)
Cash paid to employees for services	(2,350,354)	-	(2,350,354)
Customer deposits received	89,098	-	89,098
Customer deposits returned	(64,264)	-	(64,264)
Net cash provided by operating activities	<u>1,521,447</u>	<u>-</u>	<u>1,521,447</u>
Cash flows from noncapital financing activities:			
Repayment of interfund loan	(67,731)	-	(67,731)
Interfund transfer	-	(7,166)	(7,166)
Net cash used by noncapital financing activities	<u>(67,731)</u>	<u>(7,166)</u>	<u>(74,897)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(2,194,799)	-	(2,194,799)
Proceeds of sale of capital assets	89,078	-	89,078
Principal paid on bond maturities and equipment notes	(193,663)	(594,727)	(788,390)
Interest paid on bond maturities and equipment notes	(58,756)	(62,782)	(121,538)
Proceeds from issuance of bond	2,500,000	-	2,500,000
Collections for the City of Raleigh, pursuant to merger agreement	-	2,294,082	2,294,082
Transfer of funds to City of Raleigh, pursuant to merger agreement	-	(3,314,788)	(3,314,788)
Transfer of funds from City of Raleigh, pursuant to merger agreement	-	594,728	594,728
Net cash provided by (used by) capital and related financing activities	<u>141,860</u>	<u>(1,083,487)</u>	<u>(941,627)</u>
Cash flows from investing activities:			
Interest on investments	<u>2,385</u>	<u>62,782</u>	<u>65,167</u>
Net increase (decrease) in cash and cash equivalents	1,597,961	(1,027,871)	570,090
Cash and cash equivalents:			
Beginning of year	2,999,458	1,274,009	4,273,467
End of year	<u>\$ 4,597,419</u>	<u>\$ 246,138</u>	<u>\$ 4,843,557</u>

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

TOWN OF WAKE FOREST, NORTH CAROLINA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2014

	Electric Fund	Water and Sewer Fund	Totals
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 165,150	\$ -	\$ 165,150
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	926,029	-	926,029
Changes in assets and liabilities:			
Increase in accounts receivable	(71,519)	-	(71,519)
Decrease in inventory	165,585	-	165,585
Increase in accounts payable and accrued liabilities	65,433	-	65,433
Increase in customer deposits	24,834	-	24,834
Decrease in accrued vacation pay	(5,086)	-	(5,086)
Increase in other postemployment benefits	251,021	-	251,021
Total adjustments	1,356,297	-	1,356,297
Net cash provided by operating activities	\$ 1,521,447	\$ -	\$ 1,521,447

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

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1—Summary of significant accounting policies

The financial statements of the Town of Wake Forest (the “Town”) have been prepared in conformity with generally accepted accounting principles as applied to government units. 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 Board. 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 the financial activities of the Town. 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. Separate statements for each fund category-governmental and proprietary-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 ancillary activities such as investment earnings.

The government reports the following major governmental fund:

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 and state-shared revenues. The primary expenditures are for public safety, streets, sanitation, parks and recreation, and general governmental services. Additionally, the Town has legally adopted a Downtown District Special Tax Fund, Wake Forest Renaissance Centre, and a Police Department Special Fund. Under GASB 54 guidance these three funds are consolidated in the General Fund. The budgetary comparisons for the Downtown District Special Tax Fund, Police Department Special Fund, and Wake Forest Renaissance Centre Fund have been included in the supplemental information.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1—Summary of significant accounting policies (continued)

The government reports the following major governmental fund: (continued)

General Capital Reserve Fund - The General Capital Reserve Fund is used to account for the receipt of fire impact fees along with other funds for future general capital improvements.

Greenway Transportation Project Fund - The Greenway Transportation Project Fund is used to account for design, construction and improvements to greenways, trails, bike paths and pedestrian accesses throughout town.

The government reports the following major proprietary funds:

Electric Fund - The Electric Fund is used to account for electric operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Electric Fund is composed of three sub-funds: Electric Operations, Substation and Street Lighting, and Electric Capital Reserve, which are consolidated for financial reporting purposes.

Water and Sewer Fund - The Water and Sewer Utility System of the Town was transferred to the City of Raleigh effective July 1, 2005; however these funds remain open to collect availability fees and other fees on behalf of the City of Raleigh and to pay long-term debt and interest on long term debt as it becomes due.

The Town reports the following nonmajor governmental funds:

Special Revenue Funds - Special Revenue funds are used to account for resources set aside for specific purposes. The Town has one special revenue fund: the Futures Fund which is used to account for resources set aside for economic development.

Capital Project Funds - Capital project funds are used to account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by proprietary funds). The Town has four (4) non-major capital project funds: Recreation Capital Reserve, Cemetery Capital Reserve, Street Improvements and Holding Park Pool Renovations.

(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 and Proprietary Fund Financial Statements - The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and 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.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1—Summary of significant accounting policies (continued)

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

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, including special assessments. 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. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The Town considers all revenues available if they are collected within 90 days after year end, except for property taxes. Ad valorem property taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Wake County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the Town of Wake Forest. Property taxes are due when vehicles are registered. The billed taxes in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year end on behalf of the Town are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. 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 are 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is charges between the Town's Electric Fund and various other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1—Summary of significant accounting policies (continued)

(d) Budgetary Data

Budgets are adopted as required by North Carolina General Statutes. Annual budget ordinances are adopted for the general, special revenue and enterprise funds. All annual appropriations lapse at fiscal year-end. Project ordinances, which may cover more than one year, are adopted for the capital project and capital reserve funds. All budgets are prepared using the modified accrual basis of accounting, which is consistent with the accounting system used to record transactions. Supplemental appropriations that amend the total expenditures of any fund require an ordinance of the Board of Commissioners. The Town Manager is authorized by the budget ordinance to transfer appropriations between objects of expenditure within a functional area without limitation and without a report being required and may transfer appropriations up to \$25,000 between functional areas within a fund with an official reporting of such transfers to the Board. Any interfund transfer not included in the original budget or any appropriation from a contingency account must be approved by the Board of Commissioners. During the year several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

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

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 as determined by quoted market prices. The securities of the NCCMT cash portfolio, a SEC-registered (2a-7) money market fund, are valued at fair value, which is the NCCMT's share price.

Cash and Cash Equivalents - The Town pools moneys from several funds 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.

Restricted Assets - The unexpended debt proceeds of the Street Improvements Capital Project Fund issued by the Town are classified as restricted assets for the Street Improvements Capital Project Fund because their use is completely restricted to the purpose for which the debt was originally issued. Money in the Downtown District Special Tax Fund and the Police Department Special Fund is classified as restricted assets because its use is restricted to the Downtown District Special Tax Fund and the Police Department Special Fund per N.C. G.S. Chapter 159, Article 3, Part 2.

TOWN OF WAKE FOREST, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1—Summary of significant accounting policies (continued)

Governmental Activities

General Fund

Downtown District \$ 236,256

Public Safety 267,986

504,242

Other Nonmajor Governmental Funds

Street improvements 478,867

Holding park pool renovations 26,373

505,240

Total Restricted Cash

\$ 1,009,482

Ad Valorem Taxes Receivable - In accordance with North Carolina General Statutes (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 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 1.

Allowances for Doubtful Accounts - An allowance for doubtful accounts is maintained on the ad valorem taxes receivable and customer accounts receivable for electric operations. The allowance for ad valorem taxes receivable is estimated by analyzing the percentage of receivables that are written off in prior years. The allowance for customer accounts receivable for electric operations is estimated at the amount of accounts receivable that have not been written off that exceeds 120 days. 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, 2014 have been charged against operations.

Inventories - Inventories are maintained for general and enterprise fund supplies. They are at cost (weighted average), which approximates market. The inventories of the Town's General and Enterprise Funds consist of materials and supplies for consumption. In each case the cost is recorded as an expense when the inventory is consumed.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more. Such assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2003 consist of the road network that was acquired or that received substantial improvements subsequent to July 1, 1980 and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1—Summary of significant accounting policies (continued)

Capital assets are depreciated on a straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	40 years
Equipment and vehicles	3-10 years
Water and sewer systems	30-40 years
Buildings and improvements	10-30 years
Land improvements	10 to 40 years
Furniture and fixtures	5 to 8 years

Deferred Inflows of Resources - 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 position that applies to a future period and so will not be recognized as revenue until then. The Town has only three items that meet the criterion for this category - prepaid taxes, property tax receivable, and sanitation receivable.

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 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, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

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 amounts of debt issuances are 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.

Compensated Absences - The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned, except that police officers may accumulate thirty (30) regular days and twenty-two (22) holidays for a total of fifty-two (52) vested vacation days. The Town's policy for compensatory pay is to pay for unused compensatory time for those employees qualifying for such time in accordance with the Fair Labor Standards Act up to a maximum of 240 hours at a rate of one and one-half hours per hour overtime worked, except that police officers may accumulate a maximum of 480 hours.

For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1—Summary of significant accounting policies (continued)

Net Position/Fund Balances

Net Position - Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents 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:

Nonspendable 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.

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 - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for Downtown District - portion of fund balance that is restricted by revenue source for certain downtown district expenditures.

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for certain public safety expenditures.

Restricted for Street Improvements - portion of fund balance that is restricted by revenue source for street construction and maintenance.

Restricted for Parks & Recreation Improvements - portion of fund balance that is restricted by revenue source for renovations to the Holding Park Pool.

Committed Fund Balance

This classification includes amounts of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town's Board of Commissioners, the highest level of decision making authority. Any changes or removal of specific purpose requires majority action by the Board. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation with funds up to \$25,000.

Committed for economic development – portion of fund balance committed by the Board for future economic development projects.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1—Summary of significant accounting policies (continued)

Assigned Fund Balance

This classification includes amounts of fund balance that reflect a government's intended use of resources through authority delegated by the Town's Board of Commissioners to some other body or official.

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

Assigned for recreation improvements - portion of fund balance that has been budgeted by the Board for recreation improvements.

Assigned for cemetery improvements - portion of fund balance that has been budgeted by the Board for cemetery improvements.

Unassigned Fund Balance

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

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-Town funds, Town funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the Town.

The Town's fund balance policy adopted in September 2004 requires that the Town maintain an available (unreserved/undesignated) fund balance of 35% of general fund expenditures. Amounts in excess of this minimum may be used for construction projects or major capital outlay when the Town wishes to avoid the issuance of debt, purchase of real property, emergency work after disasters or for maintaining a stable tax rate when economically dependent revenues (i.e. sales taxes) are less than budgeted amounts.

Note 2—Stewardship, compliance, and accountability

Deficit in Fund Balance of Individual Fund - The Greenways, Trails, and Pedestrian Corridors (GTP) Fund had a deficit fund balance of \$293,207 at June 30, 2014. This deficit is related to the Town's local match responsibility for the various related grants received. The Town's anticipated plan for eliminating this deficit will be through future debt issuance and transfers from capital reserve funds.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 3—Deposits and investments

Deposits - 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, 2014, the carrying amount of the Town's deposits was \$8,249,452 and the bank balance was \$8,625,415. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$7,375,415 was covered under the Pooling Method. At June 30, 2014, the Town had \$1,230 of petty cash on hand.

Investments - At June 30, 2014, the Town had \$11,362,381 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town's investment policy states that investment securities purchased by the Town shall be held in third-party safekeeping by an institution designated as primary agent.

Interest Rate Risk - The Town's policy states that all investments shall have maturities not to exceed eighteen (18) months as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk - The Town's investment policy states that investment securities purchased by the Town shall be held in third-party safekeeping by an institution designated as primary agent. Generally the Town invests available cash in North Carolina Capital Management Trust's Cash Portfolio or other interest generating account as allowed by North Carolina law. The Town's investment in the N.C. Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2014.

Note 4—Receivables – allowance for doubtful accounts

The amounts presented in the Statement of Net Position are net of allowance for doubtful accounts in the following amounts:

General Fund	Allowance for uncollectible property taxes receivable	\$ 58,571
Electric	Allowance for uncollectible customer receivables	354,156

TOWN OF WAKE FOREST, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 5—Capital assets

Capital asset activity for the year ended June 30, 2014, was as follows:

GOVERNMENTAL ACTIVITIES	Balance			Balance		
	June 30, 2013	Additions	Transfers	Deletions	June 30, 2014	
Capital assets not being depreciated:						
Land	\$ 34,599,357	\$ 6,377	\$ (23,811,639)	\$ -	\$ 10,794,095	
Land rights and easements	-	570,420	23,983,719	-	24,554,139	
Construction in progress	3,806,192	1,711,771	(3,402,201)	-	2,115,762	
Total capital assets not being depreciated	<u>38,405,549</u>	<u>2,288,568</u>	<u>(3,230,121)</u>	<u>-</u>	<u>37,463,996</u>	
Capital assets being depreciated:						
Buildings	22,701,074	1,174,719	(7,181,061)	-	16,694,732	
Improvements	111,312,990	1,800,908	(85,365,630)	-	27,748,268	
Infrastructure	-	2,789,747	95,747,233	-	98,536,980	
Equipment and furniture	4,343,296	401,818	87,908	50,748	4,782,274	
Vehicles and motorized equipment	5,229,463	568,581	(58,329)	310,301	5,429,414	
Total capital assets being depreciated	<u>143,586,823</u>	<u>6,735,773</u>	<u>3,230,121</u>	<u>361,049</u>	<u>153,191,668</u>	
Less Accumulated Depreciation for:						
Buildings	4,461,548	538,766	(2,972,385)	-	2,027,929	
Improvements	28,509,460	1,141,949	(21,045,601)	-	8,605,808	
Infrastructure	-	2,302,857	24,016,575	-	26,319,432	
Equipment and furniture	2,648,853	362,131	6,271	49,230	2,968,025	
Vehicles and motorized equipment	3,174,238	430,313	(4,860)	292,058	3,307,633	
Total accumulated depreciation	<u>38,794,099</u>	<u>4,776,016</u>	<u>-</u>	<u>341,288</u>	<u>43,228,827</u>	
Total capital assets being depreciated, net	<u>104,792,724</u>				<u>109,962,841</u>	
Governmental activity capital						
assets, net	<u>\$ 143,198,273</u>				<u>\$ 147,426,837</u>	

Depreciation expense was charged to

Functions/programs as follows:

General government	\$ 819,280
Public safety	456,449
Public works	2,546,262
Environmental protection	66,377
Cultural and recreational	887,648
Total	<u>\$ 4,776,016</u>

TOWN OF WAKE FOREST, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 5—Capital assets (continued)

Business-type Activities	Balance				Balance
	June 30, 2013	Additions	Transfers	Deletions	June 30, 2014
Capital assets not being depreciated					
Land	\$ 510,605	\$ -	\$ -	\$ -	\$ 510,605
Construction in progress	-	1,112,472	-	-	1,112,472
Total capital assets not being depreciated	<u>510,605</u>	<u>1,112,472</u>	<u>-</u>	<u>-</u>	<u>1,623,077</u>
Capital assets being depreciated					
Utility improvements	23,534,677	707,896	-	-	24,242,573
Equipment and furniture	1,528,634	80,745	-	-	1,609,379
Vehicles and motorized equipment	1,415,076	293,686	-	152,438	1,556,324
Total capital assets being depreciated	<u>26,478,387</u>	<u>1,082,327</u>	<u>-</u>	<u>152,438</u>	<u>27,408,276</u>
Less accumulated depreciation for					
Utility improvements	9,539,574	732,712	-	-	10,272,286
Equipment and furniture	1,003,301	135,237	-	-	1,138,538
Vehicles and motorized Equipment	1,039,660	58,080	-	152,439	945,301
Total accumulated depreciation	<u>11,582,535</u>	<u>926,029</u>	<u>-</u>	<u>152,439</u>	<u>12,356,125</u>
Total capital assets being depreciated, net	<u>14,895,852</u>				<u>15,052,151</u>
Business-type activity capital assets, net	<u>\$ 15,406,457</u>				<u>\$ 16,675,228</u>

Construction Commitments - The identification of possible commitments is the responsibility of the finance department. Once identified, the department involved with the project and the finance department evaluates the financial statement impact by evaluating the funding and timing of the contracts.

TOWN OF WAKE FOREST, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 6—Pension plan obligations

(a) Local Government Employees' Retirement System

Plan Description - The Town contributes to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employee's Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy - Plan members are required to contribute six percent of their annual covered salary. The Town is required to contribute at an actuarially determined rate. For the Town, the current rate for employees not engaged in law enforcement and for law enforcement officers is 7.07% and 7.55%, respectively, of annual covered payroll. The contribution requirements of members and of the Town are established and may be amended by the North Carolina General Assembly. The Town's contributions to LGERS for the years ended June 30, 2014, 2013 and 2012 and were \$869,753, \$770,777, and \$746,798, respectively. The contributions made by the Town equaled the required contributions for each year.

(b) Law Enforcement Officers Special Separation Allowance

Plan Description - The Town of Wake Forest 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. The Separation Allowance is equal to .85% 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, 2013 the Separation Allowance's membership consisted of:

Retirees receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>61</u>
Total	<u><u>61</u></u>

A separate report was not issued for the plan.

TOWN OF WAKE FOREST, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 6—Pension plan obligations

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.

Method Used to Value Investments: No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Contributions - The Town is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2013 actuarial valuation using the projected unit credit actuarial cost method and the level dollar closed amortization method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses over a remaining amortization period of 17 years) and (b) projected salary increases of 4.25 – 7.85% per year. The inflation component was 3.00%. The assumptions do not include post-employment benefit increases.

Annual Pension Cost and Net Pension Obligation - The Town's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 133,249
Interest on net pension obligation	31,198
Adjustment to annual required contribution	<u>(50,836)</u>
annual pension cost	113,611
Contributions made	<u>-</u>
Increased (decrease) in net pension obligation	113,611
Net pension obligation - beginning of year	<u>623,963</u>
Net pension obligation - end of year	<u><u>\$ 737,574</u></u>

Trend Information

<u>Year Ended</u>	<u>Annual Pension Costs (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/14	\$ 113,611	0.00%	\$ 737,574
6/30/13	108,648	0.00%	623,963
6/30/12	103,703	31.35%	515,315

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 6—Pension plan obligations (continued)

Funded Status and Funding Progress - As of December 31, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$1,086,724. The covered payroll (annual payroll of active employees covered by the plan) was \$3,742,024, and the ratio of the UAAL to the covered payroll was 29.04%.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(c) Supplemental Retirement Income Plan for Law Enforcement Officers

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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.

Funding Policy - Article 12E of G. S. Chapter 143 requires the Town to contribute each month an amount equal to 5% 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, 2014 were \$227,280, which consisted of \$192,165 from the Town and \$35,115 from the law enforcement officers.

(d) Supplemental Retirement Income Plan for all Other Employees

Plan Description - All other employees of the Town (excluding Law Enforcement Officers) are members of the Town's 401(k) plan, a defined contribution pension plan as described above.

Funding Policy - The Town contributes each month an amount equal to 5% of eligible employee's salary, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2014 were \$553,989, which consisted of \$386,324 from the Town and \$167,665 from employees.

TOWN OF WAKE FOREST, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 6—Pension plan obligations (continued)

(e) Other Postemployment Benefit (OPEB) – Healthcare Benefits

Plan Description - Under a Town resolution July 1, 2008, the Town provides healthcare benefits through the Healthcare Benefits Plan (HCB Plan) as a single-employer defined benefit plan to cover retirees of the Town who participate in the North Carolina Local Government Employees' Retirement System (System) and have met certain service requirements with the Town. Employees hired after April 15, 2003 who have 20 or more years of continuous creditable service with the Town at the time of their retirement will receive full benefits; those with 15-19 years of continuous creditable service with the Town will receive one-half of the benefits. Employees hired prior to April 15, 2003 who have 15 or more years of service at retirement will receive full benefits; those with 5-14 years of service will receive one-half of the benefits. Also, the Town's retirees can purchase coverage for their dependents at the Town's group rates. The Town Board may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at December 31, 2013, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	23	3
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	142	61
Total	165	64

Funding Policy - The Board of Commissioners established the contribution requirements of plan members and this may be amended by the Board. Employees pay \$573 per month for dependent coverage and \$1,435 per month for family coverage. The Town has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 8.80% of annual covered payroll. For the current year, the Town contributed \$148,696 or 1.25% of annual covered payroll. The Town obtains healthcare coverage through private insurers. The Town's required contributions, under a Board resolution, for employees not engaged in law enforcement and for law enforcement officers represented .91% and .50% of covered payroll, respectively. There were no contributions made by employees, except for dependent coverage in the amount of \$186,352. The Town's obligation to contribute to the HCB Plan is established and may be amended by the Board of Commissioners.

Summary of Significant Accounting Policies - Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

TOWN OF WAKE FOREST, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 6—Pension plan obligations (continued)

Annual OPEB Cost and Net OPEB Obligation - The Town's annual (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC) an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 980,909
Interest on OPEB obligation	173,853
Adjustment to annual required contribution	<u>(166,083)</u>
Annual OPEB cost	988,679
Contributions made	<u>(148,696)</u>
Increase in net OPEB obligation	839,983
Net OPEB obligation - beginning of year	<u>4,346,317</u>
Net OPEB obligation - end of year	<u><u>\$ 5,186,300</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the HCB Plan, and the net OPEB obligation as of June 30, 2014 were as follows:

<u>Year Ended</u>	<u>Annual OPEB Costs</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Net OPEB Obligation</u>
6/30/14	\$ 988,679	15.00%	\$ 5,186,300
6/30/13	997,277	15.90%	4,346,317
6/30/12	965,878	11.70%	3,507,868

Funded Status and Funding Progress - As of December 31, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$10,291,047. The covered payroll (annual payroll of active employees covered by the plan) was \$11,932,156 and the ratio of the UAAL to the covered payroll was 86.2%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 6—Pension plan obligations (continued)

Actuarial Methods and Assumptions - Projections of benefits for the financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2013 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.75 to 5.0% annually. The investment rate included a 3.00% inflation assumption. The actuarial value, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013 was 30 years.

(f) Other Employment Benefit

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 twelve (12) highest months' salary in a row during the twenty-four (24) months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Town has no liability beyond the payment of monthly contributions. 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. Because the benefit payments are made by the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. Due to a surplus, a decision was made to temporarily stop employer contributions to the Death Benefit Plan beginning July 1, 2012 for a period of three years. Thus, the Town's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.0% of covered payroll. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

TOWN OF WAKE FOREST, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 7—Deferred outflows and inflows of resources

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

	<u>Unavailable Revenue</u>	<u>Unearned Revenue</u>	<u>Total</u>
General Fund			
Prepaid taxes not yet earned	\$ -	\$ 23,073	\$ 23,073
Taxes receivable (net)	251,231	-	251,231
Vehicle licenses receivable	78,695	-	78,695
Sanitation receivable	15,904	-	15,904
Prepaid other	-	2,500	2,500
Total	<u>\$ 345,830</u>	<u>\$ 25,573</u>	<u>\$ 371,403</u>

Note 8—Risk management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Town participates in two (2) self-funded risk financing pools administered by the North Carolina League of Municipalities (NCLM). Through these pools, the Town obtains general liability coverage in the amount of \$3,000,000 per occurrence, auto liability coverage in the amount of \$2,000,000 combined single limit, property coverage up to the total insurance values of the property policy and workers' compensation coverage up to the statutory limits. The Town contracts with a preferred provider organization (PPO) to provide employee health insurance coverage. The pools are reinsured through commercial companies for single occurrence claims against general liability and auto liability in excess of \$1,000,000. The pools are reinsured through commercial companies for single occurrence claims against property in excess of \$500,000 and statutory limits for workers' compensation in excess of \$1,000,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

The Town carries commercial coverage for all other risks of loss. 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 (3) fiscal years. The Town does not carry flood insurance because flood plain maps show insignificant property values within flood plains.

In accordance with G.S. 159-29, Town's employees with access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial fidelity bond with limits of \$100,000. The Finance Director and the tax collector are individually bonded for \$100,000 each. Government crime coverage provides \$5,000 per occurrence for theft of money and securities inside or outside the premises.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 9—Claims, judgments and contingent liabilities

At June 30, 2014, 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.

During fiscal year ended June 30, 2007, the Town issued bonds in the amount of \$9,200,000 that are subject to arbitrage rebate in accordance with Internal Revenue Code Section 148. Arbitrage restrictions limit the ability of governmental units to profit from the investment of tax-exempt bond proceeds. Excess earnings resulting from arbitrage must be rebated to the federal government and is calculated and rebated at the end of each five-year period that tax-exempt debt is outstanding and at maturity. There are certain exceptions allowed by the Internal Revenue Service whereby the arbitrage rebate does not have to be paid. Management believes that the Town will not be subject to arbitrage rebate and accordingly, no provision has been made for potential arbitrage rebate in these financial statements.

Note 10—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 street improvements. Those general obligation bonds issued to finance the construction of facilities utilized in the operations of the water, sewer and electric systems and which are being retired by its resources are reported as long-term debt in the Water and Sewer Fund and the Electric Fund. In addition, general obligation bonds have been issued to refund general obligation bonds. 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.

Bonds payable at June 30, 2014 are comprised of the following individual issues:

Serviced by the General Fund:

\$7,300,000 Series 2009A Public Improvement Bonds with annual installments of \$365,000 due annually on February 1 through February 1, 2030 plus interest from 2.0 to 4.0 percent	\$ 5,840,000
\$1,705,000 Series 2009B Refunding Bonds with annual installments of \$100,000 to \$190,000 due annually on February 1 through February 1, 2020 plus interest from 2.5 to 4.0 percent	935,000
\$9,200,000 Series 2006 Public Improvement Bonds with annual installments of \$460,000 due annually on April 1 through April 1, 2027 plus interest from 3.6 to 5.0 percent	<u>5,980,000</u>
Total	<u>\$ 12,755,000</u>

TOWN OF WAKE FOREST, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 10—Long-term debt (continued)

At June 30, 2014, the Town of Wake Forest had a legal debt margin of \$304,109,008.

Annual debt service requirements to maturity for general obligation bonds at June 30, 2014 are as follows:

Year Ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,000,000	\$ 475,375
2016	995,000	438,000
2017	990,000	398,525
2018	990,000	363,400
2019	985,000	324,625
2020 - 2024	4,225,000	1,132,133
2025 - 2029	3,205,000	393,675
2030 - 2034	365,000	14,600
Total	<u>\$ 12,755,000</u>	<u>\$ 3,540,333</u>

(b) Revenue Bonds

\$2,300,000 Electric Revenue Bonds, Series 2007, issued for acquiring, constructing and equipping an electric substation. Principal installments are due semiannually on August 15 and February 15 of \$119,820 through 2019 which includes interest at 3.74%.

\$ 1,083,652

\$2,500,000 Electric Revenue Bond, Series 2014, issued for system improvements. Principal installments are due semiannually on February 1 and August 1 of \$112,630 and \$137,633 through 2024 which includes interest at 2.24%

2,500,000
\$ 3,583,652

The Town is in compliance with the covenants as to rates, fees, rentals and charges in Section 5.02 of the Bond Order, authorizing the issuance of the Electric System Revenue Bond, Series 2007 and Series 2014. Section 5.02 (a) requires the debt service coverage ratio to be no less than 120%. The debt service coverage ratio calculation for the year ended June 30, 2014, is as follows:

Operating revenues	\$ 18,068,548
Operating expenses (less depreciation)	17,099,607
Net revenues available for debt service	<u>\$ 968,941</u>
Debt service, principal and interest paid (revenue bond only)	<u>\$ 239,640</u>
Debt service coverage ratio	<u>404%</u>

TOWN OF WAKE FOREST, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 10—Long-term debt (continued)

The Town has pledged future electric revenues, net of specified operating expenses, to repay \$2,300,000 in electric revenue bonds issued in February 2007 and \$2,500,000 in electric revenue bonds issued in June 2014. Proceeds from the bonds provided financing for an electric substation, substation improvements, and installation of street lights. The bonds are payable solely from electric customer net revenues and are payable through 2019 for the Series 2007 bonds and 2024 for the Series 2014 bonds. Annual principal and interest payments on the bonds are expected to require less than 523 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,981,682. Principal and interest paid for the current year and total customer net revenues were \$239,640 and \$1,253,910, respectively.

Annual debt service requirements to maturity for revenue bonds at June 30, 2014 are as follows:

Year Ending June 30:	Principal	Interest
2015	\$ 443,599	\$ 74,389
2016	437,618	80,370
2017	450,651	67,337
2018	464,097	53,891
2019	477,971	40,018
2020-2024	1,309,716	82,025
Total	<u>\$3,583,652</u>	<u>\$ 398,030</u>

TOWN OF WAKE FOREST, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 10—Long-term debt (continued)

c) Installment Notes

The Town's installment notes outstanding at June 30, 2014 are as follows:

	<u>Governmental Activities</u>
\$9,800,000 installment obligation to BB&T for the New Town Hall issued July 23, 2008; semi-annual payments of \$326,667, plus interest at 3.72%, secured by a building. <i>(Rate reduced to 2.70% - April 2012)</i>	\$ 6,206,663
\$850,000 installment obligation to BB&T Bank for the renovation of the existing police department issued October 17, 2012; semi-annual payments of \$85,000 plus interest at 1.53%, secured by real estate.	595,000
\$4,000,000 installment obligation to RBC Bank for street improvements issued September 20, 2011; semi-annual payments of varying amounts from \$252,725 to \$293,600 which includes interest at 2.18%.	2,750,000
\$753,825 installment obligation to PNC Bank for vehicles and equipment issued June 10, 2013; quarterly payments of \$63,958 which includes interest at 1.11%, secured by vehicles and equipment.	505,330
\$2,300,000 installment obligation to BB&T for street improvements issued May 16, 2012; semi-annual payments of varying amounts from \$165,797 to \$185,446 which includes interest at 1.84%.	1,642,857
\$550,155 installment obligation to PNC Bank for vehicles and equipment issued June 29, 2012; quarterly payments of \$46,956 which includes interest at 1.48%, secured by vehicles and equipment.	186,143
\$462,670 installment obligation to BB&T for police patrol cars issued December 18, 2013; quarterly payments of \$39,211 which includes interest at 1.04%.	386,556
\$1,181,000 installment obligation to PNC Bank for the purchase of the Wake Forest Renaissance Centre issued September 16, 2013; quarterly payments of varying amounts from \$66,051 to \$69,567 which includes interest at 1.34%.	984,167
\$740,000 installment obligation to BB&T for Holding Park Pool renovations issued February 27, 2014; semi-annual payments of \$61,667 which includes interest at 1.65%.	740,000
\$505,035 installment obligation to BB&T for the purchase of vehicles and equipment issued May 29, 2014; semi-annual payments of \$42,808 which includes interest at 1.05%.	505,035
Total	<u>\$ 14,501,751</u>

TOWN OF WAKE FOREST, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 10—Long-term debt (continued)

c) Installment Notes (continued)

The Town's installment notes outstanding at June 30, 2014 are as follows:

	Business-Type Activities
\$3,100,000 installment obligation to BB&T for land and land improvements issued May 31, 2002; quarterly payments of \$51,667 plus interest at 4.79%, secured by land and land improvements. (Rate reduced to 1.96% - April 2012)	<u>\$ 620,000</u>

Annual debt service requirements to maturity for installment notes at June 30, 2014 are as follows:

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 2,795,050	\$ 295,497	\$ 206,667	\$ 10,633
2016	2,615,108	244,886	206,667	6,582
2017	2,285,913	197,081	206,666	2,532
2018	1,887,072	152,920	-	-
2019	1,605,239	114,330	-	-
2020-2024	3,313,369	202,701	-	-
Total	<u>\$ 14,501,751</u>	<u>\$ 1,207,415</u>	<u>\$ 620,000</u>	<u>\$ 19,747</u>

(d) North Carolina Water Pollution Control Revolving Fund Loan and Revolving Bond Fund

The Town has \$6,450,000 and \$1,300,105 in promissory notes issued by the North Carolina Department of Environment, Health, and Natural Resources for the construction of additional capacity at the Town's Wastewater Treatment Plant. Future revenues of the sanitary sewer system collateralize the notes. This debt is recorded as long-term debt in the proprietary fund with principal and interest requirements appropriated when due.

For the \$6,450,000 promissory note, interest is due semi-annually at 3.035% with principal payable in 20 annual installments beginning May 1, 1998 of \$322,500 plus interest. At June 30, 2014 the outstanding balance on this note totaled \$967,500. For the \$1,300,105 total promissory note, \$211,105 is a separate note with an interest rate of 5.85%, due semi-annually with principal payable in 20 annual installments beginning May 1, 1998 of \$11,111 plus interest. The balance of the promissory note of \$1,089,000 has an interest rate of 5.30% due semi-annually with principal payable in not more than 20 annual installments beginning May 1, 1998 of \$54,450 plus interest. At June 30, 2014 the remaining balance on these notes totaled \$22,222 and \$163,350, respectively.

Annual debt service requirements to maturity are as follows:

Year Ending June 30:	Principal	Interest
2015	\$ 388,061	\$ 36,266
2016	388,061	23,961
2017	376,950	11,656
Total	<u>\$1,153,072</u>	<u>\$ 71,883</u>

TOWN OF WAKE FOREST, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 10—Long-term debt (continued)

Changes in Long-Term Liabilities - Long-term liability activity for the year ended June 30, 2014, was as follows:

	Balance			Amounts Due	
	July 1, 2013	Increases	Decreases	Balance June 30, 2014	Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General obligation bonds	\$ 13,760,000	\$ -	\$ 1,005,000	\$ 12,755,000	\$ 1,000,000
Premiums on issuance	204,473	-	16,783	187,690	16,783
Total bonds payable	13,964,473	-	1,021,783	12,942,690	1,016,783
Installment Notes	14,078,185	2,888,705	2,465,139	14,501,751	2,795,050
Compensated absences	680,239	880,857	657,295	903,801	833,686
Net pension obligation	623,963	113,611	-	737,574	-
Other post employment benefits	3,819,393	588,962	-	4,408,355	-
Governmental activity long-term liabilities	33,166,253	4,472,135	4,144,217	33,494,171	4,645,519
Business-Type Activities:					
Revenue bonds	\$ 1,277,315	\$ 2,500,000	\$ 193,663	\$ 3,583,652	\$ 433,599
Installment notes	2,367,799	-	594,727	1,773,072	594,728
Compensated absences	105,145	97,353	102,438	100,060	100,060
Other post employment benefits	526,924	251,021	-	777,945	-
Business-type activity long-term liabilities	4,277,183	2,848,374	890,828	6,234,729	1,128,387
Total long-term liabilities	<u>\$ 37,443,436</u>			<u>\$ 39,728,900</u>	<u>\$ 5,773,906</u>

Compensated absences, net pension obligations, and net other postemployment benefit obligations for governmental activities typically have been liquidated in the General Fund.

Note 11—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	\$11,648,804
Less:	
Inventories	(15,099)
Stabilization by State Statute	(4,111,501)
Downtown District	(236,256)
Public Safety	(267,986)
Assigned for subsequent year's expenditures	(1,383,860)
Remaining fund balance	<u>\$ 5,634,102</u>

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

Encumbrances – General Fund \$ 255,340

TOWN OF WAKE FOREST, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 12—Interfund balances and transfers

A summary of interfund transfers follows:

	Transfers Out						Total Transfers In
	General	Downtown District	Police Department Special Revenue	Electric Fund	Water & Sewer Fund	General Capital Reserve Fund	
	Fund	Special Tax	Fund	Fund	Fund	Fund	
Transfers In:							
General Fund	\$ -	\$ 62,081	\$ 75,000	\$ -	\$ 7,166	\$ 197,120	\$ 341,367
Wake Forest Renaissance Centre	15,000	-	-	-	-	-	15,000
Electric Fund Capital Reserve	-	-	-	25,000	-	-	25,000
Electric Fund Capital Project	-	-	-	1,091,230	-	-	1,091,230
Total Transfers Out	\$ 15,000	\$ 62,081	\$ 75,000	\$ 1,116,230	\$ 7,166	\$ 197,120	\$ 1,472,597

Balances due to/from other funds at June 30, 2014, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Electric Fund	\$ 443,429

The amounts payable to the General Fund relate to working capital loans made to the Electric Fund. This loan to the Electric Fund is for the construction of the Electric Substation. The Electric Fund will make payments over the next five (5) years plus interest at 2.5% or it may prepay the loan in full within the five-year period.

Note 13—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 .7262% 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 supply 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, 2014 were \$13,229,609.

Note 14—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 monies.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

Note 15—Merger of water and sewer system with the City of Raleigh

The Water and Sewer Utility System of the Town was transferred to the City of Raleigh effective July 1, 2005. Under the terms of the agreement, Raleigh assumed full responsibility for the provision of water and sewer services in Wake Forest, including responsibility for Wake Forest's water and sewer utility systems and related equipment and property rights. Upon the transfer, Raleigh assumed immediate and sole duty and responsibility for financing, operating, maintaining, improving and expanding the water and sewer systems serving Wake Forest's existing and future corporate limits and Urban Services Area. The Town transferred ownership of all facilities, property, land, equipment, financial assets, information and data subject to the agreement with Raleigh.

The accompanying statement of net position shows total notes receivable of \$1,773,066 due from the City of Raleigh related to this merger. The amount due from the City of Raleigh is shown as \$594,727 due within one year and \$1,178,339 due in more than one year. The City of Raleigh will also pay interest on this balance based on the Town of Wake Forest's interest rates on the associated long term debt. The financial statements include a current account payable amount to the City of Raleigh of \$304,900 related to the merger.

Note 16—Note receivable

The Town entered into an agreement with the Wireless Research Center of North Carolina whereby the Town would advance loan funds to the Wireless Research Center up to \$975,000 for the purpose of economic development. The loan funds are for the purpose of covering operating expenses during the startup period. As of June 30, 2014, the Town had advanced funding in the amount of \$948,950. Under the terms of the loan, interest at the rate of 2.5% per annum began July 1, 2011 with interest only payments beginning January 1, 2012 and continuing on the first day of each calendar month thereafter until December 31, 2016 at such time the entire outstanding principal balance is due. Accordingly the amounts advanced at June 30, 2014 have been recorded as noncurrent assets in the government-wide financial statements.

Note 17—Subsequent events

Subsequent to June 30, 2014 and prior to the issuance of these financial statements, the Town is scheduled to hold a referendum on November 4, 2014 for General Obligation bonds in the amount of \$25.1 million for Streets and Sidewalk improvements, Parks and Recreation improvements and Greenway improvements. In addition, the Town has reached a settlement in an ongoing lawsuit relative to the design and construction of the Town Hall in 2009. The terms and amounts will be determined during mediation.

TOWN OF WAKE FOREST, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

TEN YEARS ENDED DECEMBER 31, 2013

Actual Valuation Date December 31	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2004	\$ -	\$ 263,188	\$ 263,188	0.00%	\$ 1,656,800	15.89%
12/31/2005	-	242,453	242,453	0.00%	1,946,655	12.45%
12/31/2006	-	266,027	266,027	0.00%	2,063,352	12.89%
12/31/2007	-	344,645	344,645	0.00%	2,519,495	13.68%
12/31/2008	-	435,525	435,525	0.00%	2,988,072	14.58%
12/31/2009	-	789,979	789,979	0.00%	3,419,561	23.10%
12/31/2010	-	755,126	755,126	0.00%	3,362,329	22.46%
12/31/2011	-	800,445	800,445	0.00%	3,366,249	23.78%
12/31/2012	-	960,167	960,167	0.00%	3,486,457	27.54%
12/31/2013	-	1,086,724	1,086,724	0.00%	3,742,024	29.04%

TOWN OF WAKE FOREST, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

TEN YEARS ENDED JUNE 30, 2014

<u>Year Ended</u> <u>June 30</u>	<u>Annual Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contribution</u>
2005	\$ 38,152	0.00%
2006	40,003	0.00%
2007	38,720	0.00%
2008	42,174	4.89%
2009	52,771	7.41%
2010	66,638	26.50%
2011	114,892	28.30%
2012	107,991	30.10%
2013	114,951	0.00%
2014	133,249	0.00%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2013
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	17 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	5.00%
Projected salary increases	4.25 - 7.85%
Includes inflation at	3.00%
Cost-of-living adjustments	N/A

TOWN OF WAKE FOREST, NORTH CAROLINA
RETIREMENT HEALTH CARE PLAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS

FIVE YEARS ENDED DECEMBER 31, 2013

Actual Valuation Date December 31	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
2009	-	\$ 8,005,686	\$8,005,686	0.00%	\$10,405,650	76.94%
2010	-	9,078,267	9,078,267	0.00%	10,473,071	86.68%
2011	-	9,402,161	9,402,161	0.00%	10,771,362	87.29%
2012	-	9,504,056	9,504,056	0.00%	11,159,640	85.16%
2013	-	10,291,047	10,291,047	0.00%	11,932,156	86.25%

TOWN OF WAKE FOREST, NORTH CAROLINA
RETIREMENT HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

FIVE YEARS ENDED JUNE 30, 2014

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2010	\$ 991,402	8.88%
2011	893,708	10.49%
2012	961,132	11.75%
2013	991,006	16.03%
2014	980,909	15.16%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2013
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percent of Pay, Open
Remaining amortization period	30 years
Amortization factor	26.1695
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment rate of return	4.00%
Medical Cost Trend Rate	
Pre-Medicare cost trend rate	7.75 - 5.00%
Post-Medicare cost trend rate	5.75 - 5.00%
Year of Ultimate Trend Rate	2019
Includes inflation at	3.00%

TOWN OF WAKE FOREST, NORTH CAROLINA

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	2014		Variance Positive (Negative)	2013
	Budget	Actual		Actual
Revenues:				
Ad valorem taxes:				
Current year taxes	\$ 21,047,685	\$ 21,076,021	\$ 28,336	\$ 19,760,773
Prior years taxes	267,170	146,599	(120,571)	175,916
Penalties and interest	60,900	67,802	6,902	51,590
Total	21,375,755	21,290,422	(85,333)	19,988,279
Other taxes and licenses:				
Gross receipts tax on short-term rental property	37,000	39,867	2,867	38,731
Privilege licenses	61,580	70,922	9,342	53,616
Total	98,580	110,789	12,209	92,347
Unrestricted intergovernmental:				
Local option sales taxes	5,549,855	5,700,274	150,419	5,285,774
Beer and wine tax	139,020	139,022	2	125,512
Utility franchise tax	1,690,290	1,661,397	(28,893)	1,581,534
Other unrestricted intergovernmental	22,100	27,271	5,171	77,595
Total	7,401,265	7,527,964	126,699	7,070,415
Restricted intergovernmental:				
Powell Bill allocation	796,635	796,640	5	770,703
County grants	75,680	76,124	444	79,704
Federal grants	31,425	15,526	(15,899)	57,268
Total	903,740	888,290	(15,450)	907,675
Permits and fees:				
Building permits	1,142,500	1,030,818	(111,682)	1,316,712
Fire inspection and prevention	18,450	20,184	1,734	20,792
Utility and street inspection fees	20,000	19,403	(597)	36,873
Vehicle licenses	325,000	485,076	160,076	324,888
Other permits and fees	243,100	247,799	4,699	154,426
Total	1,749,050	1,803,280	54,230	1,853,691
Sales and services:				
Solid waste fees	205,000	149,074	(55,926)	172,869
Recreation fees	449,180	434,122	(15,058)	424,779
Cemetery	19,450	19,450	-	19,750
Other sales and services	132,500	92,654	(39,846)	92,633
Total	806,130	695,300	(110,830)	710,031

TOWN OF WAKE FOREST, NORTH CAROLINA

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	2014		Variance Positive (Negative)	2013
	Budget	Actual		Actual
Miscellaneous:				
ABC revenue	\$ 101,280	\$ 125,543	\$ 24,263	\$ 111,851
Miscellaneous revenue	242,450	260,410	17,960	250,185
Total	343,730	385,953	42,223	362,036
Investment earnings	50,000	25,436	(24,564)	34,181
Total revenues	32,728,250	32,727,434	(816)	31,018,655
Expenditures:				
General government:				
Governing body:				
Salaries and employee benefits	176,860	170,798	6,062	157,605
Professional services	496,035	486,119	9,916	230,291
Contributions	123,500	123,500	-	146,477
Operating expenditures	108,900	97,221	11,679	72,166
Total	905,295	877,638	27,657	606,539
Administration:				
Salaries and employee benefits	369,900	368,166	1,734	404,890
Professional services	-	-	-	9,240
Operating expenditures	42,830	32,619	10,211	52,496
Total	412,730	400,785	11,945	466,626
Communications:				
Salaries and employee benefits	201,995	200,213	1,782	176,468
Operating expenditures	182,785	170,627	12,158	169,935
Total	384,780	370,840	13,940	346,403
Human Resources:				
Salaries and employee benefits	343,885	342,402	1,483	346,880
Professional services	47,800	46,207	1,593	15,376
Operating expenditures	68,435	64,046	4,389	57,790
Capital Outlay	20,085	20,085	-	-
Total	480,205	472,740	7,465	420,046
Downtown Development				
Salaries and employee benefits	74,670	74,063	607	-
Professional services	100	37	63	-
Operating expenditures	101,375	72,061	29,314	-
Capital Outlay	-	-	-	-
Total	176,145	146,161	29,984	-

TOWN OF WAKE FOREST, NORTH CAROLINA

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	2014		Variance Positive (Negative)	2013
	Budget	Actual		Actual
Finance:				
Salaries and employee benefits	\$ 849,090	\$ 846,471	\$ 2,619	\$ 830,020
Professional services	52,700	52,527	173	68,100
Operating expenditures	423,300	414,175	9,125	258,766
Capital outlay	36,000	35,538	462	66,408
Total	1,361,090	1,348,711	12,379	1,223,294
Management Information Systems:				
Salaries and employee benefits	450,725	450,201	524	393,037
Operating expenditures	311,950	269,252	42,698	239,128
Capital outlay	90,000	58,220	31,780	43,900
Total	852,675	777,673	75,002	676,065
Inspections:				
Salaries and employee benefits	1,158,105	1,156,181	1,924	990,009
Operating expenditures	100,350	84,550	15,800	60,539
Capital outlay	22,020	22,020	-	17,242
Total	1,280,475	1,262,751	17,724	1,067,790
Planning:				
Salaries and employee benefits	658,695	645,453	13,242	632,222
Professional services	70,000	43,688	26,312	59,694
Operating expenditures	110,880	86,264	24,616	92,053
Capital outlay	16,745	(27,494)	44,239	-
Total	856,320	747,911	108,409	783,969
Public buildings:				
Salaries and employee benefits	135,820	134,768	1,052	93,360
Professional services	90,500	21,822	68,678	837,452
Operating expenditures	1,094,460	976,408	118,052	75,767
Capital outlay	2,074,140	2,074,819	(679)	610,308
Total	3,394,920	3,207,817	187,103	1,616,887
Engineering:				
Salaries and employee benefits	749,135	747,476	1,659	723,265
Professional services	165,680	137,284	28,396	73,274
Operating expenditures	348,480	320,789	27,691	315,196
Capital outlay	-	-	-	2,000
Total	1,263,295	1,205,549	57,746	1,113,735

TOWN OF WAKE FOREST, NORTH CAROLINA

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	2014		Variance Positive (Negative)	2013
	Budget	Actual		Actual
Public Works Administration:				
Salaries and employee benefits	\$ 226,395	\$ 153,310	\$ 73,085	\$ 304,253
Operating expenditures	38,350	31,001	7,349	34,029
Total	264,745	184,311	80,434	338,282
Fleet Maintenance:				
Salaries and employee benefits	338,510	335,389	3,121	324,955
Operating expenditures	109,290	90,533	18,757	76,713
Capital outlay	68,970	-	68,970	19,772
Total	516,770	425,922	90,848	421,440
Total general government	12,149,445	11,428,809	720,636	9,081,076
Public safety:				
Police:				
Salaries and employee benefits	6,123,870	6,069,908	53,962	5,461,282
Operating expenditures	1,618,608	1,570,642	47,966	1,111,855
Capital outlay	581,260	524,205	57,055	418,094
Total	8,323,738	8,164,755	158,983	6,991,231
Fire:				
Contributions to:				
Fire Department	4,242,320	4,242,320	-	3,831,565
Hazmat	13,425	13,419	6	13,422
Total	4,255,745	4,255,739	6	3,844,987
Total public safety	12,579,483	12,420,494	158,989	10,836,218
Transportation:				
Streets:				
Salaries and employee benefits	948,830	933,005	15,825	894,612
Professional services	25,000	24,578	422	23,834
Operating expenditures	916,390	879,374	37,016	815,611
Capital outlay	457,790	318,050	139,740	609,435
Total transportation	2,348,010	2,155,007	193,003	2,343,492
Environmental protection:				
Sanitation:				
Salaries and employee benefits	387,920	378,184	9,736	403,010
Contracted services	2,040,120	2,037,357	2,763	1,941,239
Operating expenditures	297,710	284,573	13,137	233,510
Capital outlay	112,500	-	112,500	363,134
Total environmental protection	2,838,250	2,700,114	138,136	2,940,893

TOWN OF WAKE FOREST, NORTH CAROLINA

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	2014		Variance Positive (Negative)	2013
	Budget	Actual		Actual
Cultural and recreational:				
Parks and recreation:				
Salaries and employee benefits	\$ 1,368,700	\$ 1,356,791	\$ 11,909	\$ 1,133,442
Professional services	16,500	646	15,854	45,058
Operating expenditures	1,031,030	928,552	102,478	825,392
Capital outlay	326,980	200,900	126,080	186,449
Total cultural and recreational	2,743,210	2,486,889	256,321	2,190,341
Debt service:				
Bond principal	1,005,000	1,005,000	-	1,005,000
Bond interest	511,995	511,988	7	542,188
Installment note principal	2,465,010	2,465,139	(129)	1,957,402
Installment note interest	321,705	321,270	435	361,021
Total debt service	4,303,710	4,303,397	313	3,865,611
Total expenditures	36,962,108	35,494,710	1,467,398	31,257,631
Revenues under expenditures	(4,233,858)	(2,767,276)	1,466,582	(238,976)
Other financing sources (uses):				
Transfers in (out):				
Downtown District Special Tax	75,000	62,081	(12,919)	74,500
Police Department Special Revenue Fund	100,950	75,000	(25,950)	(84,580)
Wake Forest Renaissance Centre	(15,000)	(15,000)	-	-
General Capital Reserve Fund	395,620	197,120	(198,500)	44,483
Street Improvements				
Capital Projects Fund	27,800	-	(27,800)	-
Water and Sewer Fund	-	7,166	7,166	1,460
Installment note issuance	2,148,705	2,148,705	-	753,825
Appropriated fund balance	1,500,783	-	(1,500,783)	-
Total other financing sources (uses)	4,233,858	2,475,072	(1,758,786)	789,688
Net change in fund balance	\$ -	(292,204)	\$ (292,204)	550,712
Fund balance - Beginning of year		11,436,594		10,885,882
Fund balance - End of year		\$ 11,144,390		\$ 11,436,594

TOWN OF WAKE FOREST, NORTH CAROLINA
SPECIAL REVENUE FUND
DOWNTOWN DISTRICT SPECIAL TAX
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	2014		Variance Positive (Negative)	2013
	Budget	Actual		Actual
Revenues:				
Ad valorem taxes	\$ 74,500	\$ 73,887	\$ (613)	\$ 74,514
Miscellaneous	-	-	-	1,414
Investment earnings	500	181	(319)	341
Total revenues	<u>75,000</u>	<u>74,068</u>	<u>(932)</u>	<u>76,269</u>
Other Financings Uses:				
Transfers out:				
General Fund	<u>(75,000)</u>	<u>(62,081)</u>	<u>12,919</u>	<u>(74,500)</u>
Net change in fund balance	<u>\$ -</u>	<u>11,987</u>	<u>\$ 11,987</u>	<u>1,769</u>
Fund Balances:				
Beginning of year		<u>224,269</u>		<u>222,500</u>
End of year		<u>\$ 236,256</u>		<u>\$ 224,269</u>

TOWN OF WAKE FOREST, NORTH CAROLINA
SPECIAL REVENUE FUND
POLICE DEPARTMENT SPECIAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	2014		Variance Positive (Negative)	2013
	Budget	Actual		Actual
Revenues:				
Donations	\$ 25,000	\$ 24,877	\$ (123)	\$ 18,663
Forfeited currency	43,900	44,042	142	32,614
Investment earnings	250	253	3	309
Miscellaneous	6,000	5,910	(90)	8,060
Total revenues	<u>75,150</u>	<u>75,082</u>	<u>(68)</u>	<u>59,646</u>
Other financing uses:				
Transfers out:				
General Fund	<u>(75,150)</u>	<u>(75,000)</u>	<u>150</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>82</u>	<u>\$ 82</u>	<u>59,646</u>
Fund Balances:				
Beginning of year		<u>267,904</u>		<u>208,258</u>
End of year		<u>\$ 267,986</u>		<u>\$ 267,904</u>

TOWN OF WAKE FOREST, NORTH CAROLINA
SPECIAL REVENUE FUND
WAKE FOREST RENAISSANCE CENTRE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	2014			2013
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Sales and services	\$ 130,000	\$ 51,697	\$ (78,303)	\$ -
Events revenue	15,000	17,050	2,050	-
Total revenues	145,000	68,747	(76,253)	-
Expenditures:				
Operating expenses	155,000	83,575	(71,425)	-
Revenues over (under) expenditures	(10,000)	(14,828)	(4,828)	-
Other Financing Uses:				
Transfer in:				
General Fund	10,000	15,000	(15,000)	-
Total other financing sources	10,000	15,000	(15,000)	-
Net change in fund balance	\$ -	172	\$ (19,828)	-
Fund balances:				
Beginning of year		-		-
End of year		\$ 172		\$ -

TOWN OF WAKE FOREST, NORTH CAROLINA
CAPITAL PROJECTS FUND
GENERAL CAPITAL RESERVE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Payments in lieu	\$ 488,220	\$ 218,218	\$ 268,422	\$ 486,640
Greenway fees	20,690	20,692	-	20,692
Fire Impact Fees	2,435,000	1,989,960	424,653	2,414,613
Investment earnings	160,000	153,109	1,622	154,731
Donations	205,000	204,930	-	204,930
Development proceeds	86,560	61,560	25,000	86,560
Total revenues	<u>3,395,470</u>	<u>2,648,469</u>	<u>719,697</u>	<u>3,368,166</u>
Other financing sources (uses):				
Transfers in (out):				
General Fund	49,309	11,715	-	11,715
General Fund	(2,475,904)	(829,288)	(197,120)	(1,026,408)
Capital Projects Fund	<u>(968,875)</u>	-	-	-
Total other financing sources (uses)	<u>(3,395,470)</u>	<u>(817,573)</u>	<u>(197,120)</u>	<u>(1,014,693)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,830,896</u>	522,577	<u>\$ 2,353,473</u>
Fund balances:				
Beginning of year			1,830,896	
End of year			<u>\$ 2,353,473</u>	

TOWN OF WAKE FOREST, NORTH CAROLINA
CAPITAL PROJECTS FUND
GREENWAY TRANSPORTATION PEDESTRIAN ACCESS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Federal grants	\$ 1,440,000	\$ 333,809	\$ 1,301,171	\$ 1,634,980
Sales Tax Refund	-	-	5,803	5,803
Total revenues	<u>1,440,000</u>	<u>333,809</u>	<u>1,306,974</u>	<u>1,640,783</u>
Expenditures:				
Capital outlay:				
Neuse River Greenway	1,249,100	1,249,059	(39,044)	1,210,015
NC 98 Bypass Pedestrian Culvert	535,000	-	-	-
Smith Creek/Sanford Creek Greenway	495,000	-	11,332	11,332
Other improvements	<u>2,355,000</u>	<u>432,162</u>	<u>1,824,431</u>	<u>2,256,593</u>
Sub-total expenditures	4,634,100	1,681,221	1,796,719	3,477,940
Less closed projects	-	1,249,060	-	1,249,060
Total expenditures	<u>4,634,100</u>	<u>432,161</u>	<u>1,796,719</u>	<u>2,228,880</u>
Revenues under expenditures	<u>(3,194,100)</u>	<u>(98,352)</u>	<u>(489,745)</u>	<u>(588,097)</u>
Other financing sources:				
Transfers in:				
General Capital Reserve Fund	2,044,100	1,543,950	-	1,543,950
General Fund	<u>1,150,000</u>	-	-	-
Sub-total other financing sources	3,194,100	1,543,950	-	1,543,950
Less closed projects	-	1,249,060	-	1,249,060
Total other financing sources	<u>3,194,100</u>	<u>294,890</u>	-	<u>294,890</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 196,538</u>	<u>(489,745)</u>	<u>\$ (293,207)</u>
Fund balances:				
Beginning of year			196,538	
End of year			<u>\$ (293,207)</u>	

TOWN OF WAKE FOREST, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2014

	Capital Project Funds				Total Capital Projects Funds	Special Revenue Fund	Total Nonmajor Governmental Funds
	Recreation Capital Reserve	Cemetery Capital Reserve	Street Improvements	Holding Park Pool Renovations		Futures Fund	
Assets							
Cash and cash equivalents	\$ 833,558	\$ 104,408	\$ 484,975	\$ 39,303	\$ 1,462,244	\$ 903,375	\$ 2,365,619
Accounts receivable	-	-	98	16,874	16,972	20,076	37,048
Total assets	\$ 833,558	\$ 104,408	\$ 485,073	\$ 56,177	\$ 1,479,216	\$ 923,451	\$ 2,402,667
Liabilities and fund balances							
Accounts payable	\$ -	\$ -	\$ 6,206	\$ 29,804	\$ 36,010	\$ -	\$ 36,010
Fund balances:							
Restricted:							
Street improvements	-	-	478,867	-	478,867	-	478,867
Holding park pool renovations	-	-	-	26,373	26,373	-	26,373
Committed:							
Economic development	-	-	-	-	-	923,451	923,451
Assigned:							
Recreation improvements	833,558	-	-	-	833,558	-	833,558
Cemetery improvements	-	104,408	-	-	104,408	-	104,408
Total fund balances	833,558	104,408	478,867	26,373	1,443,206	923,451	2,366,657
Total liabilities and fund balances	\$ 833,558	\$ 104,408	\$ 485,073	\$ 56,177	\$ 1,479,216	\$ 923,451	\$ 2,402,667

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

FOR THE YEAR ENDED JUNE 30, 2014

	Capital Project Funds				Total Capital Projects Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
	Recreation Capital Reserve	Cemetery Capital Reserve	Street Improvements	Holding Park Pool Renovations		Futures Fund	
Revenues:							
Investment earnings	\$ 805	\$ 78	\$ 801	\$ 15	\$ 1,699	\$ 23,398	\$ 25,097
Impact fees	302,411	-	-	-	302,411	-	302,411
Miscellaneous	-	-	7,598	16,874	24,472	-	24,472
Total revenues	<u>303,216</u>	<u>78</u>	<u>8,399</u>	<u>16,889</u>	<u>328,582</u>	<u>23,398</u>	<u>351,980</u>
Expenditures:							
Capital outlay	-	-	426,884	730,516	1,157,400	-	1,157,400
Revenues over (under) expenditures	<u>303,216</u>	<u>78</u>	<u>(418,485)</u>	<u>(713,627)</u>	<u>(828,818)</u>	<u>23,398</u>	<u>(805,420)</u>
Other financing sources (uses):							
Installment note issuance	-	-	-	740,000	740,000	-	740,000
Net change in fund balances	<u>303,216</u>	<u>78</u>	<u>(418,485)</u>	<u>26,373</u>	<u>(88,818)</u>	<u>23,398</u>	<u>(65,420)</u>
Fund balances:							
Beginning of year	530,342	104,330	897,352	-	1,532,024	900,053	2,432,077
End of year	<u>\$ 833,558</u>	<u>\$ 104,408</u>	<u>\$ 478,867</u>	<u>\$ 26,373</u>	<u>\$ 1,443,206</u>	<u>\$ 923,451</u>	<u>\$ 2,366,657</u>

TOWN OF WAKE FOREST, NORTH CAROLINA
CAPITAL PROJECTS FUND
RECREATION CAPITAL RESERVE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Project Authorization	Prior Years	Actual	
			Current Year	Total to Date
Revenues:				
Payments in lieu	\$ 318,212	\$ 318,211	\$ -	\$ 318,211
Impact fees	3,489,600	3,191,584	302,411	3,493,995
Investment earnings	330,000	323,733	805	324,538
Miscellaneous	1,000	932	-	932
Donations	31,100	30,973	-	30,973
Total revenues	<u>4,169,912</u>	<u>3,865,433</u>	<u>303,216</u>	<u>4,168,649</u>
Other financing sources (uses):				
Transfers in (out):				
General Fund	551,632	525,578	-	525,578
General Fund	(1,083,544)	(589,857)	-	(589,857)
Capital Project Fund	<u>(3,638,000)</u>	<u>(3,270,812)</u>	-	<u>(3,270,812)</u>
Total financing sources (uses)	<u>(4,169,912)</u>	<u>(3,335,091)</u>	-	<u>(3,335,091)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 530,342</u>	303,216	<u>\$ 833,558</u>
Fund balances:				
Beginning of year			<u>530,342</u>	
End of year			<u>\$ 833,558</u>	

TOWN OF WAKE FOREST, NORTH CAROLINA
CAPITAL PROJECTS FUND
CEMETERY CAPITAL RESERVE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Donations	\$ 150,000	\$ 143,490	\$ -	\$ 143,490
Investment earnings	115,000	111,923	78	112,001
Miscellaneous	-	9	-	9
Total revenues	<u>265,000</u>	<u>255,422</u>	<u>78</u>	<u>255,500</u>
Other financing uses				
Transfer out:				
General Fund	<u>(265,000)</u>	<u>(151,092)</u>	<u>-</u>	<u>(151,092)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 104,330</u>	<u>78</u>	<u>\$ 104,408</u>
Fund balances:				
Beginning of year			<u>104,330</u>	
End of year			<u>\$ 104,408</u>	

TOWN OF WAKE FOREST, NORTH CAROLINA
CAPITAL PROJECTS FUNDS
STREET IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Sales tax refund	\$ 44,000	\$ 43,166	\$ 98	\$ 43,264
Investment earnings	4,550	3,785	801	4,586
Miscellaneous revenue	93,835	86,331	7,500	93,831
Sub-total revenues	142,385	133,282	8,399	141,681
Less closed projects	-	31,170	-	31,170
Total revenues	142,385	102,112	8,399	110,511
Expenditures:				
Capital outlay:				
Professional services	140,230	48,849	58,494	107,343
Capital outlay-land	3,070	3,070	52,000	55,070
Capital outlay-improvements	6,299,085	5,484,011	316,390	5,800,401
Sub-total expenditures	6,442,385	5,535,930	426,884	5,962,814
Less closed projects	-	2,199,922	-	2,199,922
Total expenditures	6,442,385	3,336,008	426,884	3,762,892
Revenues under expenditures	(6,300,000)	(3,233,896)	(418,485)	(3,652,381)
Other financing sources:				
Installment note issuance	6,300,000	6,300,000	-	6,300,000
Sub-total other financing sources	6,300,000	6,300,000	-	6,300,000
Less closed projects	-	2,168,752	-	2,168,752
Total other financing sources	6,300,000	4,131,248	-	4,131,248
Net change in fund balance	\$ -	\$ 897,352	(418,485)	\$ 478,867
Fund balances:				
Beginning of year			897,352	
End of year			\$ 478,867	

TOWN OF WAKE FOREST, NORTH CAROLINA
CAPITAL PROJECTS FUND
HOLDING PARK POOL RENOVATIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Sales tax refund	\$ -	\$ -	\$ 16,874	\$ 16,874
Investment earnings	100	-	15	15
Total revenues	100	-	16,889	16,889
Expenditures:				
Capital outlay:				
Professional services	30,000	-	3,831	3,831
Capital outlay-improvements	760,000	-	726,685	726,685
Total expenditures	790,000	-	730,516	730,516
Revenues under expenditures	(789,900)	-	(713,627)	(713,627)
Other financing sources:				
Installment note issuance	740,000	-	740,000	740,000
Transfer in - General Fund	49,900	-	-	-
Total other financing sources	789,900	-	740,000	740,000
Net change in fund balance	\$ -	\$ -	26,373	\$ 26,373
Fund balances:				
Beginning of Year			-	
End of Year			\$ 26,373	

TOWN OF WAKE FOREST, NORTH CAROLINA
SPECIAL REVENUE FUND
FUTURES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	2014		Variance Positive (Negative)	2013
	Budget	Actual		Actual
Revenues:				
Investment earnings	\$ 29,000	\$ 23,398	\$ (5,602)	\$ 20,297
Expenditures:				
Professional services	-	-	-	84,545
Contracted services	29,000	-	29,000	299,500
Total expenditures	29,000	-	29,000	384,045
Revenues over (under) expenditures	\$ -	23,398	\$ 23,398	(363,748)
Fund balances:				
Beginning of year		900,053		1,263,801
End of year		\$ 923,451		\$ 900,053

TOWN OF WAKE FOREST, NORTH CAROLINA
ELECTRIC FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON - GAAP)

FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	2014		Variance Positive (Negative)	2013
	Budget	Actual		Actual
Revenues:				
Operating revenues:				
Charges for services	\$ 18,113,460	\$ 17,335,753	\$ (777,707)	\$ 16,999,717
Other operating revenues				
Sales tax	542,795	527,268	(15,527)	532,589
Reconnect charges	120,500	123,250	2,750	112,761
Miscellaneous	96,750	82,277	(14,473)	342,604
Total operating revenues	<u>18,873,505</u>	<u>18,068,548</u>	<u>(804,957)</u>	<u>17,987,671</u>
Nonoperating revenues:				
Investment earnings	3,500	2,085	(1,415)	3,506
Sale of assets	87,100	89,078	1,978	33,723
Total nonoperating revenues	<u>90,600</u>	<u>91,163</u>	<u>563</u>	<u>37,229</u>
Total revenues	<u>18,964,105</u>	<u>18,159,711</u>	<u>(804,394)</u>	<u>18,024,900</u>
Expenditures:				
Electric operations:				
Salaries and employee benefits	2,384,655	2,366,287	18,368	2,327,890
Power purchases for resale	13,685,615	13,229,609	456,006	12,888,551
Utility sales tax	405,090	391,268	13,822	379,340
Repairs and maintenance	249,750	152,418	97,332	123,715
Other operating expenditures	874,505	426,267	448,238	694,198
Total electric operations	<u>17,599,615</u>	<u>16,565,849</u>	<u>1,033,766</u>	<u>16,413,694</u>
Debt service:				
Principal retirement	193,665	193,663	2	246,822
Interest and fees	58,800	58,756	44	68,240
Total debt service	<u>252,465</u>	<u>252,419</u>	<u>46</u>	<u>315,062</u>
Capital outlay	<u>1,087,025</u>	<u>1,082,327</u>	<u>4,698</u>	<u>815,542</u>
Total expenditures	<u>18,939,105</u>	<u>17,900,595</u>	<u>1,038,510</u>	<u>17,544,298</u>
Revenues over expenditures	<u>25,000</u>	<u>259,116</u>	<u>(234,116)</u>	<u>480,602</u>

TOWN OF WAKE FOREST, NORTH CAROLINA
ELECTRIC FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON - GAAP)

FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	2014		Variance Positive (Negative)	2013
	Budget	Actual		Actual
Other financing sources (uses):				
Transfer in (out):				
Electric capital reserve fund	\$ (25,000)	\$ (25,000)	\$ -	\$ (125,000)
Substation and street lighting capital reserve fund	-	(1,091,230)	(1,091,230)	-
Revenue bond issuance	-	2,500,000	2,500,000	-
Total other financing sources (uses)	(25,000)	1,383,770	1,408,770	(125,000)
Revenues over expenditures and other financing uses	\$ -	1,642,886	\$ 1,174,654	355,602
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Depreciation		(926,029)		(932,018)
Capital outlay		1,082,327		815,542
Interfund transfers		1,116,230		125,000
Debt issuance		(2,500,000)		-
Principal retirement		193,663		246,822
Decrease in inventory		(165,585)		59,295
Increase in accrued interest		(1,873)		2,617
Decrease in accrued vacation pay		5,086		(30,650)
Increase in accrued other postemployment benefits		(251,021)		(103,327)
Capital project funds:				
Investment earnings		300		329
Total reconciling items		(1,446,902)		183,610
Change in net position	\$	195,984	\$	539,212

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

FOR THE YEAR ENDED JUNE 30, 2014

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	2014		Variance Positive (Negative)	2013
	Budget	Actual		Actual
Revenues:	\$ 3,498,539	\$ -	\$ (3,498,539)	\$ -
Expenditures:				
Debt service:				
Principal retirement	594,742	594,728	14	594,727
Interest and fees	62,797	62,776	21	79,133
Total debt service	657,539	657,504	35	673,860
Revenues over (under) expenditures	2,841,000	(657,504)	(3,498,504)	(673,860)
Other financing sources (uses):				
Transfers in (out):				
General Fund	(21,000)	(7,166)	13,834	(1,460)
City of Raleigh	(2,820,000)	-	2,820,000	-
City of Raleigh	-	657,504	657,504	673,860
Total other financing sources (uses)	(2,841,000)	650,338	3,491,338	672,400
Revenues and other financing sources under expenditures and other financing uses	\$ -	(7,166)	\$ (7,166)	(1,460)
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Principal retirement		594,728		594,727
Decrease in accrued interest		2,387		4,824
Principal payments of note receivable from City of Raleigh		(594,728)		(594,727)
Total reconciling items		2,387		4,824
Change in net position		\$ (4,779)		\$ 3,364

TOWN OF WAKE FOREST, NORTH CAROLINA
ELECTRIC CAPITAL PROJECTS FUND CAPITAL RESERVE
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON - GAAP)

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Investment earnings	\$ 170,000	\$ 169,728	280	170,008
Other financing sources (uses):				
Transfers in (out)				
Electric Fund	830,000	702,144	25,000	727,144
Electric Fund	(1,000,000)	(496,500)	-	(496,500)
Total other financing sources (uses)	(170,000)	205,644	25,000	230,644
Revenues and other financing sources over other financing uses	\$ -	\$ 375,372	\$ 25,280	\$ 400,652

TOWN OF WAKE FOREST, NORTH CAROLINA
SUBSTATION AND STREET LIGHTING CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON - GAAP)

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Investment earnings	\$ -	\$ -	\$ 20	\$ 20
Expenditures:				
Professional service	100,000	-	112,003	112,003
Capital outlay - improvements	325,000	-	-	-
Capital outlay - system improvements	2,175,000	-	990,234	990,234
Total expenditures	<u>2,600,000</u>	<u>-</u>	<u>1,102,237</u>	<u>1,102,237</u>
Revenues over expenditures	(2,600,000)	-	(1,102,217)	(1,102,217)
Other financing sources (uses):				
Transfers in (out)				
Capital Reserve Fund	100,000	-	-	-
Electric Fund	-	-	1,091,230	1,091,230
Revenue bond issuance	2,500,000	-	-	-
Total other financing sources (uses)	<u>2,600,000</u>	<u>-</u>	<u>1,091,230</u>	<u>1,091,230</u>
Revenues and other financing sources over other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,987)</u>	<u>\$ (10,987)</u>

**TOWN OF WAKE FOREST, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE**

JUNE 30, 2014

Fiscal Year	Uncollected Balance June 30, 2013	Additions	Collections And Credits	Uncollected Balance June 30, 2014
2013-2014	\$ -	\$ 21,184,179	\$ 21,076,021	\$ 108,158
2012-2013	194,342	-	153,365	40,977
2011-2012	40,737	-	9,085	31,652
2010-2011	30,951	-	6,064	24,887
2009-2010	3,103	-	1,799	1,304
2008-2009	22,185	-	1,163	21,022
2007-2008	17,930	-	596	17,334
2006-2007	14,249	-	871	13,378
2005-2006	12,610	-	293	12,317
2004-2005	7,302	-	345	6,957
2003-2004	4,769	-	4,769	-
	\$ 348,178	\$ 21,184,179	\$ 21,254,369	277,988
				58,570
				\$ 219,418
Revenue reconciliation:				
Ad valorem taxes - General Fund			\$ 21,290,422	
Add (deduct):				
Releases allowed			26,980	
Taxes written off			4,769	
Penalties and interest			(67,802)	
			\$ 21,254,369	

TOWN OF WAKE FOREST, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
TOWN-WIDE LEVY

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Town - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 4,149,081,596	0.51	\$ 21,160,316	\$ 19,129,466	\$ 2,030,850
Penalties	-		9,600	9,600	-
Total	4,149,081,596		21,169,916	19,139,066	2,030,850
Discoveries:					
Prior year taxes	-		50,012	20,723	29,289
Less: abatements	(7,009,608)	0.51	(35,749)	(25,261)	(10,488)
Total property valuation	<u>\$ 4,142,071,987</u>				
Net levy			21,184,179	19,134,528	2,049,651
Less: uncollected taxes at June 30, 2014			108,158	45,958	62,200
Current year's taxes collected			<u>\$ 21,076,021</u>	<u>\$ 19,088,570</u>	<u>\$ 1,987,451</u>
Current levy collection percentage			<u>99.49%</u>	<u>99.76%</u>	<u>96.97%</u>

TOWN OF WAKE FOREST, NORTH CAROLINA
GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS AND MATURITY SCHEDULE

JUNE 30, 2014

<u>Fiscal Year</u>	<u>Governmental Funds</u>	
	<u>Principal</u>	<u>Principal and Interest</u>
2014-2015	\$ 1,000,000	\$ 1,475,375
2015-2016	995,000	1,433,000
2016-2017	990,000	1,388,525
2017-2018	990,000	1,353,400
2018-2019	985,000	1,309,625
2019-2020	925,000	1,212,065
2020-2021	825,000	1,079,642
2021-2022	825,000	1,051,220
2022-2023	825,000	1,021,885
2023-2024	825,000	992,320
2024-2025	825,000	962,526
2025-2026	825,000	932,500
2026-2027	825,000	900,650
2027-2028	365,000	408,800
2028-2029	365,000	394,200
2029-2030	365,000	379,600
Total	<u>\$ 12,755,000</u>	<u>\$ 16,295,333</u>



TOWN *of*
WAKE FOREST



TOWN *of*
WAKE FOREST

TOWN OF WAKE FOREST, NORTH CAROLINA
NET POSITION BY CATEGORY
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

JUNE 30, 2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities				
Net investment in capital assets	\$ 49,400,842	\$59,573,601	\$62,558,549	\$ 87,439,825
Restricted for:				
Streets	-	-	-	261,802
Stabilization by State Statute	-	-	-	-
Downtown District	-	-	-	-
Public Safety	-	-	-	-
Street improvements	-	-	-	-
Holding park pool renovations	-	-	-	-
Unrestricted	<u>10,712,444</u>	<u>10,580,086</u>	<u>19,654,914</u>	<u>18,522,494</u>
Subtotal governmental activities net position	<u>60,113,286</u>	<u>70,153,687</u>	<u>82,213,463</u>	<u>106,224,121</u>
Business-type activities				
Net investment in capital assets	43,067,952	11,072,201	12,189,177	12,711,174
Unrestricted	<u>12,689,129</u>	<u>2,140,802</u>	<u>909,821</u>	<u>1,017,401</u>
Subtotal business-type activities net position	<u>55,757,081</u>	<u>13,213,003</u>	<u>13,098,998</u>	<u>13,728,575</u>
Primary Government				
Net investment in capital assets	92,468,794	70,645,802	74,747,726	100,150,999
Restricted for:				
Streets	-	-	-	261,802
Stabilization by State Statute	-	-	-	-
Downtown District	-	-	-	-
Public Safety	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Unrestricted	<u>23,401,573</u>	<u>12,720,888</u>	<u>20,564,735</u>	<u>19,539,895</u>
Total primary government net position	<u>\$ 115,870,367</u>	<u>\$83,366,690</u>	<u>\$95,312,461</u>	<u>\$ 119,952,696</u>

Table 1

2009	2010	2011	2012	2013	2014
\$ 109,374,788	\$ 110,101,600	\$ 112,448,969	\$ 112,059,645	\$ 115,919,685	\$ 120,837,511
185,777	-	-	-	-	-
-	-	5,424,734	3,753,434	2,757,473	4,111,501
-	-	-	222,608	224,269	236,256
-	-	-	208,258	267,904	267,986
-	-	-	-	-	478,867
-	-	-	-	-	26,373
12,613,374	12,534,616	4,887,874	6,352,719	8,353,849	5,087,465
122,173,939	122,636,216	122,761,577	122,596,664	127,523,180	131,045,959
13,606,123	13,938,763	14,324,918	13,998,797	14,129,141	12,716,267
680,804	1,801,040	2,591,519	3,053,159	3,465,391	5,069,470
14,286,927	15,739,803	16,916,437	17,051,956	17,594,532	17,785,737
122,980,911	124,040,363	126,773,887	\$ 126,058,442	\$ 130,048,826	\$ 133,553,778
185,777	-	-	-	-	-
-	-	5,424,734	3,753,434	2,757,473	4,111,501
-	-	-	222,608	224,269	236,256
-	-	-	208,258	267,904	267,986
-	-	-	-	-	478,867
-	-	-	-	-	26,373
13,294,178	14,335,656	7,479,393	9,405,878	11,819,240	10,156,935
\$ 136,460,866	\$ 138,376,019	\$ 139,678,014	\$ 139,648,620	\$ 145,117,712	\$ 148,831,696

**TOWN OF WAKE FOREST, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

JUNE 30, 2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses				
Governmental activities:				
General Government	\$ 3,579,532	\$ 5,078,512	\$ 6,122,587	\$ 7,613,303
Public Safety	4,919,342	5,656,444	6,366,631	7,445,480
Transportation	2,074,901	2,220,905	2,605,715	2,795,746
Environmental Protection	1,364,786	2,110,057	1,797,390	1,976,526
Cultural and Recreational	1,100,051	1,216,086	1,354,940	1,519,941
Interest on long-term debt	221,154	190,793	443,086	489,404
Subtotal governmental activities expense	<u>13,259,766</u>	<u>16,472,797</u>	<u>18,690,349</u>	<u>21,840,400</u>
Business-type activities:				
Water and sewer	7,754,258	280,588	(3,877)	34,441
Electric	11,567,024	14,278,166	14,565,448	14,228,087
Subtotal business-type activities expenses	<u>19,321,282</u>	<u>14,558,754</u>	<u>14,561,571</u>	<u>14,262,528</u>
Total primary government expenses	<u>32,581,048</u>	<u>31,031,551</u>	<u>33,251,920</u>	<u>36,102,928</u>
Program Revenues				
Governmental activities:				
Charges for Services				
General Governmental	1,338,727	1,762,151	1,941,342	1,825,345
Public Safety	63,147	31,849	29,063	181,975
Transportation	225,280	321,999	515,279	28,311
Environmental Protection	1,204,045	1,338,077	1,455,622	1,566,112
Cultural and Recreational	199,105	237,976	323,983	561,482
Operating Grants and Contributions				
General Governmental	10,000	-	-	-
Public Safety	37,913	94,028	111,463	106,447
Transportation	481,947	490,467	321,471	680,220
Environmental Protection	-	-	-	-
Cultural and Recreational	-	1,181,244	-	-
Capital Grants and Contributions				
Public Safety	-	76,597	100,937	-
Transportation	5,160,675	4,610,306	7,578,376	20,637,263
Environmental Protection	-	-	-	-
Cultural and Recreational	-	18,881	905,155	242,000
Subtotal governmental activities program revenues	<u>8,720,839</u>	<u>10,163,575</u>	<u>13,282,691</u>	<u>25,829,155</u>

Table 2

2009	2010	2011	2012	2013	2014
\$ 8,618,506	\$ 8,682,965	\$ 9,814,820	\$ 9,629,543	\$ 9,524,312	\$ 10,466,637
9,447,725	10,253,680	10,478,094	10,697,935	11,228,188	12,809,633
3,604,053	4,299,079	4,370,908	4,052,075	4,119,839	4,436,052
2,272,165	2,397,576	2,520,645	2,554,192	2,666,922	2,787,905
1,798,042	2,024,989	2,502,178	2,644,989	2,819,826	3,250,469
784,454	902,986	909,477	932,318	995,852	809,270
<u>26,524,945</u>	<u>28,561,275</u>	<u>30,596,122</u>	<u>30,511,052</u>	<u>31,354,939</u>	<u>34,559,966</u>
195,625	170,850	147,731	126,995	74,309	60,395
<u>16,048,282</u>	<u>16,097,214</u>	<u>17,327,845</u>	<u>16,908,508</u>	<u>17,486,017</u>	<u>17,964,027</u>
<u>16,243,907</u>	<u>16,268,064</u>	<u>17,475,576</u>	<u>17,035,503</u>	<u>17,560,326</u>	<u>18,024,422</u>
<u>42,768,852</u>	<u>44,829,339</u>	<u>48,071,698</u>	<u>47,546,555</u>	<u>48,915,265</u>	<u>52,584,388</u>
1,071,361	1,101,020	1,206,061	1,240,682	1,901,453	1,767,013
376,472	417,136	298,319	272,903	624,000	444,838
70,698	52,628	73,665	73,334	36,873	19,403
256,014	266,524	267,115	210,471	191,383	168,524
415,745	471,331	625,252	566,154	1,119,803	805,310
-	-	144,937	342,982	-	-
55,286	56,655	116,649	75,676	82,944	85,197
708,220	656,839	686,375	738,982	770,703	796,640
5,460	396	3,057	-	54,028	37,184
56,482	-	-	-	-	-
-	21,454	62,117	-	16,960	264,256
12,395,415	700,731	1,487,487	-	3,612,138	3,397,026
-	210,394	46,999	-	-	-
<u>750,000</u>	<u>158,479</u>	<u>291,521</u>	<u>284,861</u>	<u>142,693</u>	<u>427,543</u>
<u>16,161,153</u>	<u>4,113,587</u>	<u>5,309,554</u>	<u>3,806,045</u>	<u>8,552,978</u>	<u>8,212,934</u>

Continued on next page

**TOWN OF WAKE FOREST, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

JUNE 30, 2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Business-type activities:				
Charges for Services -				
Water and sewer	\$ 9,473,396	\$ -	\$ -	\$ -
Electric	12,271,899	13,819,974	14,348,899	14,827,940
Operating Grants and Contributions -				
Water and sewer	-	-	-	-
Capital Grants and Contributions -				
Water and sewer	1,079,690	-	-	-
Electric	23,804	89,532	-	-
Subtotal business-type activities program	<u>22,848,789</u>	<u>13,909,506</u>	<u>14,348,899</u>	<u>14,827,940</u>
Total primary government program revenues	<u>31,569,628</u>	<u>24,073,081</u>	<u>27,631,590</u>	<u>40,657,095</u>
Net (Expense) Revenue				
Governmental activities	(4,538,927)	(6,309,222)	(5,407,658)	3,988,755
Business-type activities:				
Water and sewer	2,798,828	(280,588)	3,877	(34,441)
Electric	728,679	(368,660)	(216,549)	599,853
Total primary government net expense	<u>(1,011,420)</u>	<u>(6,958,470)</u>	<u>(5,620,330)</u>	<u>4,554,167</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes, levied for				
general purpose	7,866,320	9,469,105	10,918,755	12,712,109
Other taxes and licenses	39,234	59,050	63,925	73,320
Unrestricted intergovernmental	3,681,220	4,078,480	5,028,295	5,834,891
Unrestricted investment earnings	211,950	395,979	1,129,731	825,169
Miscellaneous	911,615	2,122,009	326,728	576,414
from IDC	-	-	-	-
Transfers	(200,235)	225,000	-	-
Subtotal governmental activities	<u>12,510,104</u>	<u>16,349,623</u>	<u>17,467,434</u>	<u>20,021,903</u>
Business type activities:				
Unrestricted investment earnings	208,616	369,920	89,731	44,161
Miscellaneous	-	37,116	-	20,004
Transfers and Special items	200,235	(42,301,866)	8,936	-
Subtotal business-type activities	<u>408,851</u>	<u>(41,894,830)</u>	<u>98,667</u>	<u>64,165</u>
Total primary government	<u>12,918,955</u>	<u>(25,545,207)</u>	<u>17,566,101</u>	<u>20,086,068</u>
Change in Net Position				
Governmental activities	7,971,177	10,040,401	12,059,776	24,010,658
Business-type activities	3,936,358	(42,544,078)	(114,005)	629,577
Total primary Government	<u>\$ 11,907,535</u>	<u>\$ (32,503,677)</u>	<u>\$ 11,945,771</u>	<u>\$ 24,640,235</u>

Table 2

2009	2010	2011	2012	2013	2014
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16,483,781	17,520,430	18,453,796	17,033,633	17,987,671	18,068,548
-	-	311	31	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,483,781	17,520,430	18,454,107	17,033,664	17,987,671	18,068,548
32,644,934	21,634,017	23,763,661	20,839,709	26,540,649	26,281,482
(10,363,792)	(24,447,688)	(25,286,568)	(26,705,007)	(22,801,961)	(26,347,032)
(195,625)	(170,850)	(147,420)	(126,964)	(74,309)	(60,395)
435,499	1,423,216	1,125,951	125,125	501,654	104,521
(10,123,918)	(23,195,322)	(24,308,037)	(26,706,846)	(22,374,616)	(26,302,906)
17,276,890	18,229,078	18,590,117	19,271,260	20,062,610	21,387,601
71,784	83,634	86,027	113,292	92,347	110,789
5,937,573	5,789,968	6,254,703	6,671,559	7,070,415	7,527,964
358,825	85,946	67,390	68,575	139,553	69,369
463,068	327,018	402,927	415,408	516,424	766,922
2,205,470	-	-	-	-	-
-	1,423	10,765	-	1,460	7,166
26,313,610	24,517,067	25,411,929	26,540,094	27,882,809	29,869,811
201,099	174,934	152,522	132,409	82,968	65,167
117,379	26,999	56,346	4,949	33,723	89,078
-	(1,423)	(10,765)	-	(1,460)	(7,166)
318,478	200,510	198,103	137,358	115,231	147,079
26,632,088	24,717,577	25,610,032	26,677,452	27,998,040	30,016,890
15,949,818	69,379	125,361	(164,913)	5,080,848	3,522,779
558,352	1,452,876	1,176,634	135,519	542,576	191,205
\$ 16,508,170	\$ 1,522,255	\$ 1,301,995	\$ (29,394)	\$ 5,623,424	\$ 3,713,984

**TOWN OF WAKE FOREST, NORTH CAROLINA
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

JUNE 30, 2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Reserved for:				
Encumbrances	\$ 242,697	\$ 340,579	\$ 165,290	\$ 461,515
State statute	1,529,667	4,025,734	2,251,538	2,385,676
Inventories and prepaid items	54,921	10,812	5,919	3,256
Streets	-	54,515	174,529	261,802
Unreserved:				
Designated for subsequent year's expenditures	671,050	643,835	1,009,730	1,259,375
Undesignated	6,490,869	4,300,747	6,337,710	7,865,860
Non Spendable				
Inventories	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted:				
Stabilization by State Statute	-	-	-	-
Downtown District	-	-	-	-
Public Safety	-	-	-	-
Assigned:				
Subsequent years expenditures	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u><u>\$8,989,204</u></u>	<u><u>\$9,376,222</u></u>	<u><u>\$9,944,716</u></u>	<u><u>\$12,237,484</u></u>
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	25,524	35,264	64,286	85,609
Capital projects funds	1,780,588	1,880,442	1,405,156	9,947,674
Committed:				
Economic Development	-	-	-	-
Street improvements	-	-	-	-
Recreation improvements	-	-	-	-
Restricted:				
Street improvements	-	-	-	-
Holding park pool renovations	-	-	-	-
Assigned:				
Subsequent years expenditures	-	-	-	-
Recreation improvements	-	-	-	-
Cemetery improvements	-	-	-	-
Unassigned	-	-	-	-
Total all other Governmental Funds	<u><u>\$1,806,112</u></u>	<u><u>\$1,915,706</u></u>	<u><u>\$1,469,442</u></u>	<u><u>\$10,033,283</u></u>

Table 3

2009	2010	2011	2012	2013	2014
\$ 42,046	\$ 254,500	\$ -	\$ -	\$ -	\$ -
6,872,108	2,669,931	-	-	-	-
39,694	62,904	-	-	-	-
185,777	-	-	-	-	-
2,090,000	2,108,755	-	-	-	-
4,683,978	7,383,752	-	-	-	-
-	-	16,327	16,327	17,169	15,099
-	-	535	-	-	-
-	-	5,424,734	3,753,434	2,757,473	4,111,501
-	-	-	222,608	224,269	236,256
-	-	-	208,258	267,904	267,986
-	-	1,660,745	921,000	935,130	1,383,860
-	-	4,838,882	6,349,345	7,726,822	5,634,102
<u>\$ 13,913,603</u>	<u>\$ 12,479,842</u>	<u>\$ 11,941,223</u>	<u>\$ 11,470,972</u>	<u>\$ 11,928,767</u>	<u>\$ 11,648,804</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
168,677	314,410	-	-	-	-
7,304,335	4,217,030	-	-	-	-
-	-	-	-	900,053	923,451
-	-	2,068,159	2,513,318	897,352	-
-	-	113,239	-	-	-
-	-	-	-	-	478,867
-	-	-	-	-	26,373
-	-	611,431	2,455,268	1,830,896	2,353,473
-	-	1,320,649	1,081,765	726,880	833,558
-	-	104,092	104,193	104,330	104,408
-	-	(799,734)	(1,067,899)	-	(293,207)
<u>\$ 7,473,012</u>	<u>\$ 4,531,440</u>	<u>\$ 3,417,836</u>	<u>\$ 5,086,645</u>	<u>\$ 4,459,511</u>	<u>\$ 4,426,923</u>

**TOWN OF WAKE FOREST, NORTH CAROLINA
 CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

JUNE 30, 2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues					
Ad Valorem Taxes	\$ 7,859,275	\$ 9,445,404	\$ 10,855,959	\$ 12,673,146	\$ 17,150,242
Other Taxes	36,766	54,076	61,853	70,206	69,073
Unrestricted Intergovernmental	3,681,220	4,078,480	5,028,295	5,834,891	5,937,573
Restricted Intergovernmental	679,860	1,842,336	1,723,523	1,049,167	1,575,448
Permits and Fees	1,537,172	1,911,058	2,385,764	2,066,232	1,440,169
Sales and Services	1,502,272	1,765,177	1,812,357	2,126,403	870,538
Miscellaneous	912,625	2,185,890	330,105	599,293	398,427
Investment Earnings	211,950	395,979	1,129,731	825,169	358,825
Total revenues	<u>16,421,140</u>	<u>21,678,400</u>	<u>23,327,587</u>	<u>25,244,507</u>	<u>27,800,295</u>
Expenditures					
General Government	3,446,786	4,922,324	5,960,379	7,375,668	8,010,553
Public Safety	4,656,043	5,347,091	6,019,806	7,082,614	8,715,513
Transportation	916,970	907,520	1,165,719	1,236,454	1,552,320
Environmental Protection	1,335,465	2,081,078	1,749,208	1,908,344	2,174,599
Cultural and Recreational	922,605	1,021,001	1,162,726	1,332,289	1,537,097
Capital outlay	2,045,196	6,783,198	5,670,476	4,976,321	19,836,119
Debt service:					
Bond Principal	195,000	193,875	193,875	652,750	651,625
Bond Interest	140,480	130,994	305,559	480,254	452,364
Installment note principal	1,199,828	1,113,169	1,116,743	447,854	573,026
Installment note interest	84,385	65,271	50,761	19,462	187,930
Total expenditures	<u>14,942,758</u>	<u>22,565,521</u>	<u>23,395,252</u>	<u>25,512,010</u>	<u>43,691,146</u>
Excess of revenues over (under) expenditures	<u>1,478,382</u>	<u>(887,121)</u>	<u>(67,665)</u>	<u>(267,503)</u>	<u>(15,890,851)</u>
Other Financing Sources (Uses)					
Transfers in	1,015,094	989,822	1,408,765	310,607	1,172,719
Transfers (out)	(1,215,329)	(764,822)	(1,408,765)	(310,607)	(1,172,719)
Contribution from Industrial Development Corp	-	-	-	-	2,205,470
Installment note proceeds	314,485	602,875	-	-	10,048,795
Bond issuance costs	-	-	-	-	-
Bond issuance	-	-	9,200,000	-	-
Total other financing sources (uses)	<u>114,250</u>	<u>827,875</u>	<u>9,200,000</u>	<u>-</u>	<u>12,254,265</u>
Net changes in fund balances	<u>1,592,632</u>	<u>(59,246)</u>	<u>9,132,335</u>	<u>(267,503)</u>	<u>(3,636,586)</u>
Fund balance - beginning of year (as previously reported)	9,312,278	10,904,910	10,845,664	19,977,999	19,710,496
Adjustments to beginning fund balance	-	-	-	-	-
Fund balance - beginning of year (as restated)	<u>9,312,278</u>	<u>10,904,910</u>	<u>10,845,664</u>	<u>19,977,999</u>	<u>19,710,496</u>
Fund balance - end of year	<u>\$ 10,904,910</u>	<u>\$ 10,845,664</u>	<u>\$ 19,977,999</u>	<u>\$ 19,710,496</u>	<u>\$ 16,073,910</u>
Debt service as as percentage of noncapital expenditures	<u>12.56%</u>	<u>9.53%</u>	<u>9.40%</u>	<u>7.79%</u>	<u>7.82%</u>

Table 4

2010	2011	2012	2013	2014
\$ 18,218,142	\$ 18,655,904	\$ 19,314,239	\$ 20,062,793	\$ 21,364,309
81,990	84,844	87,495	92,347	110,789
5,789,968	6,254,703	6,671,559	7,070,415	7,527,964
1,110,921	1,339,445	1,442,501	1,121,653	2,233,503
1,547,973	1,679,309	1,625,891	3,151,923	2,530,344
760,666	796,759	758,893	710,031	746,997
327,018	465,688	440,520	527,072	757,487
340,767	67,390	68,575	122,770	52,589
<u>28,177,445</u>	<u>29,344,042</u>	<u>30,409,673</u>	<u>32,859,004</u>	<u>35,323,982</u>
8,145,908	8,821,715	9,255,647	8,705,491	9,245,621
9,449,953	9,679,055	9,899,361	10,418,124	11,896,289
2,071,754	2,162,019	1,811,031	1,734,057	1,836,957
2,289,181	2,420,516	2,461,981	2,577,759	2,700,114
1,558,458	1,605,629	1,742,995	2,003,892	2,369,564
9,456,702	3,782,821	7,697,205	5,371,207	6,180,462
2,365,250	1,015,000	1,010,000	1,005,000	1,005,000
452,588	628,763	572,513	542,188	511,988
753,022	877,659	1,238,404	1,957,402	2,465,139
352,835	334,913	372,133	361,021	321,270
<u>36,895,651</u>	<u>31,328,090</u>	<u>36,061,270</u>	<u>34,676,141</u>	<u>38,532,404</u>
(8,718,206)	(1,984,048)	(5,651,597)	(1,817,137)	(3,208,422)
3,525,538	913,836	5,597,826	1,453,347	356,367
(3,524,115)	(903,071)	(5,597,826)	(1,451,887)	(349,201)
-	-	-	-	-
407,504	321,060	6,850,155	1,603,825	2,888,705
(151,247)	-	-	-	-
9,005,000	-	-	-	-
<u>9,262,680</u>	<u>331,825</u>	<u>6,850,155</u>	<u>1,605,285</u>	<u>2,895,871</u>
544,474	(1,652,223)	1,198,558	(211,852)	(312,551)
16,392,452	17,011,282	15,359,059	16,557,617	16,388,278
74,356	-	-	42,513	-
16,466,808	17,011,282	15,359,059	16,600,130	16,388,278
<u>\$ 17,011,282</u>	<u>\$ 15,359,059</u>	<u>\$ 16,557,617</u>	<u>\$ 16,388,278</u>	<u>\$ 16,075,727</u>
<u>14.30%</u>	<u>10.37%</u>	<u>11.26%</u>	<u>13.19%</u>	<u>13.30%</u>

**TOWN OF WAKE FOREST, NORTH CAROLINA
GOVERNMENT-WIDE REVENUES
LAST TEN FISCAL YEARS**

JUNE 30, 2014

Program Revenues			
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
2005	\$ 24,775,599	\$ 529,860	\$ 6,264,169
2006	17,512,026	1,765,739	4,795,316
2007	18,614,188	432,934	8,584,468
2008	18,991,165	786,667	20,879,263
2009	18,674,071	825,448	13,145,415
2010	19,829,069	713,890	1,091,058
2011	20,924,208	951,329	1,888,124
2012	19,397,177	1,157,671	284,861
2013	21,861,183	907,675	3,771,791
2014	21,273,636	919,021	4,088,825

* Miscellaneous for June 30, 2009 includes an extraordinary item of \$2,205,470 which is a one time contribution from the Industrial Development Corporation.

Table 5

General Revenue					
Taxes	Unrestricted Intergovernmental	Unrestricted Investment Earnings	Miscellaneous	Total	
\$ 7,905,554	\$ 3,681,220	\$ 420,566	\$ 911,615	\$	44,488,583
9,469,105	4,078,480	765,899	2,159,125		40,545,690
10,982,680	5,028,295	1,219,462	335,664		45,197,691
12,785,429	5,834,891	869,330	596,418		60,743,163
17,348,674	5,937,573	559,924	2,785,917 *		59,277,022
18,312,712	5,789,968	260,880	354,017		46,351,594
18,676,144	6,254,703	219,912	459,273		49,373,693
19,384,552	6,671,559	200,984	420,357		47,517,161
20,154,957	7,070,415	222,521	550,147		54,538,689
21,498,390	7,527,964	134,536	856,000		56,298,372

**TOWN OF WAKE FOREST, NORTH CAROLINA
GENERAL GOVERNMENTAL REVENUES BY SOURCES (1)
LAST TEN FISCAL YEARS**

JUNE 30, 2014

Fiscal Year	Taxes	Intergovernmental	Permits and Fees	Sales and Services	Investment Earnings	Miscellaneous Revenues	Total
2005	\$ 11,577,261	\$ 679,860	\$ 1,537,172	\$ 1,502,272	\$ 173,509	\$ 306,688	\$ 15,776,762
2006	13,577,960	1,842,336	1,911,058	1,765,177	300,716	439,353	19,836,600
2007	15,934,125	799,046	2,037,784	1,812,357	471,535	324,265	21,379,112
2008	18,578,243	800,648	1,687,009	2,126,403	382,854	534,301	24,109,458
2009	23,156,889	838,658	1,046,138	870,538	167,293	385,190	26,464,706
2010	24,000,426	952,442	1,057,807	760,666	140,826	274,260	27,186,427
2011	24,995,451	1,117,009	1,114,255	796,759	58,183	307,744	28,389,401
2012	26,073,293	1,339,589	1,204,262	758,893	54,424	422,909	29,853,370
2013	27,225,555	907,675	1,853,691	710,031	34,831	422,787	31,154,570
2014	29,071,809	888,290	1,803,280	695,300	25,870	460,782	32,945,331

Notes:

(1) Includes general and special revenue funds.

**TOWN OF WAKE FOREST, NORTH CAROLINA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS**

JUNE 30, 2014

Fiscal Year	General Government	Public Safety	Transportation	Environmental Protection	Cultural and Recreational	Debt Service	Fiscal Year Total
2005	\$ 3,619,907	\$ 4,916,934	\$ 1,473,403	\$ 1,335,465	\$ 1,096,895	\$ 1,619,693	\$ 14,062,297
2006	5,413,924	5,789,425	1,286,788	2,190,290	3,525,721	1,503,309	19,709,457
2007	6,772,894	6,338,522	1,388,137	2,027,196	1,198,163	1,666,938	19,391,850
2008	7,696,482	7,411,281	1,298,470	1,933,999	1,491,413	1,600,320	21,431,965
2009	9,672,294	9,432,078	1,784,221	2,313,596	1,506,851	1,864,945	26,573,985
2010	9,064,236	9,682,515	2,668,418	2,389,591	1,523,354	3,923,695	29,251,809
2011	10,130,934	10,147,037	2,377,888	2,420,516	1,871,215	2,856,335	29,803,925
2012	10,421,497	10,321,288	2,301,523	2,468,976	1,836,625	3,193,050	30,542,959
2013	9,081,076	10,836,218	2,343,492	2,940,893	2,190,341	3,865,611	31,257,631
2014	11,428,809	12,420,494	2,155,007	2,700,114	2,570,464	4,303,397	35,578,285

Notes:

(1) Includes general and special revenue funds.

**TOWN OF WAKE FOREST, NORTH CAROLINA
GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS**

JUNE 30, 2014

Fiscal Year	General Government	Public Safety	Transportation	Environmental Protection
2005	\$ 3,579,532	\$ 4,919,342	\$ 2,074,901	\$ 1,364,786
2006	5,078,512	5,656,444	2,220,905	2,110,057
2007	6,122,587	6,366,631	2,605,715	1,797,390
2008	7,613,303	7,445,480	2,795,746	1,976,526
2009	8,618,506	9,447,725	3,604,053	2,272,165
2010	8,682,965	10,253,680	4,299,079	2,397,576
2011	9,814,820	10,478,094	4,370,908	2,520,645
2012	9,629,543	10,697,935	4,052,075	2,554,192
2013	9,524,312	11,228,188	4,119,839	2,666,922
2014	10,466,637	12,809,633	4,436,052	2,787,905

Table 8

Cultural and Recreation	Interest on Long-term Debt	Water and Sewer	Electric	Total
\$ 1,100,051	\$ 221,154	\$ 7,754,258	\$ 11,567,024	\$ 32,581,048
1,216,086	190,793	280,588	14,278,166	31,031,551
1,354,940	443,086	(3,877)	14,565,448	33,251,920
1,519,941	489,404	34,441	14,228,087	36,102,928
1,798,042	784,454	195,625	16,048,282	42,768,852
2,024,989	902,986	170,850	16,097,214	44,829,339
2,502,178	909,477	147,731	17,327,845	48,071,698
2,644,989	932,318	126,995	16,908,508	47,546,555
2,819,826	995,852	74,309	17,486,017	48,915,265
3,250,469	809,270	60,395	17,964,027	52,584,388

**TOWN OF WAKE FOREST, NORTH CAROLINA
 ASSESSED VALUES OF TAXABLE PROPERTY (1)
 LAST TEN FISCAL YEARS**

JUNE 30, 2014

Fiscal Year	Tax Year Ended December 31	Real Property	Personal Property	Public Service Company	Total Assessed Value	Total Direct Tax Rate	Ratio of Assessed Value to Estimated Actual Value
2005	2004	\$ 1,233,395,263	\$ 203,855,525	\$ 19,324,889	\$ 1,456,575,677	0.540	100%
2006	2005	1,441,248,082	274,455,628	22,472,114	1,738,175,824	0.540	100%
2007	2006	1,698,886,624	287,999,416	24,473,936	2,011,359,976	0.540	100%
2008	2007	1,943,616,102	327,762,406	22,349,063	2,293,727,571	0.550	100%
2009	2008 (2)	2,991,210,274	325,185,573	29,041,493	3,345,437,340	0.510	100%
2010	2009	3,205,505,756	266,540,456	31,382,089	3,503,428,301	0.510	100%
2011	2010	3,221,774,225	345,392,571	30,995,165	3,598,161,961	0.510	100%
2012	2011	3,373,651,564	348,998,438	30,021,371	3,752,671,373	0.510	100%
2013	2012	3,454,767,428	413,935,518	33,118,426	3,901,821,372	0.510	100%
2014	2013	3,578,577,402	531,310,563	32,184,022	4,142,071,987	0.510	100%

Notes:

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

(2) A revaluation of all property is required every eight (8) years by State Statute. The last revaluation occurred as of December 31, 2008.

**TOWN OF WAKE FOREST, NORTH CAROLINA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

JUNE 30, 2014

<u>Fiscal Year</u>	<u>Town of Wake Forest</u>	<u>Wake County</u>	<u>Combined Tax Rate Per \$100 of Assessed Value</u>
2005	\$ 0.540	\$ 0.604	\$ 1.144
2006	0.540	0.604	1.144
2007	0.540	0.634	1.174
2008	0.550	0.678	1.228
2009	0.510	0.534	1.044
2010	0.510	0.534	1.044
2011	0.510	0.534	1.044
2012	0.510	0.534	1.044
2013	0.510	0.534	1.044
2014	0.510	0.534	1.044

Notes:

*A revaluation of real property is required by N. C. General Statutes at least every eight years. Revaluation was completed for tax years 2000 (fiscal year 2001) and 2008 (fiscal year 2009).

Table 11

**TOWN OF WAKE FOREST, NORTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

JUNE 30, 2014

Taxpayer	2014			2005		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Crossroads Holdings LLC	\$ 26,043,442	1	0.63%	\$ -	-	-
WMCI Raleigh IV LLC	22,765,335	2	0.55%	-	-	-
Caveness Partners LLC	21,105,703	3	0.51%	-	-	-
Gateway Forest LLC	19,962,985	4	0.48%	-	-	-
Factory LLC	19,677,441	5	0.48%	-	-	-
Walmart	17,714,745	6	0.43%	-	-	-
Lowes Home Center Inc	17,459,574	7	0.42%	10,306,984	5	0.71%
Wake Electric Membership CORP	15,290,932	8	0.37%	-	-	-
MLC Automotive LLC	14,682,581	9	0.35%	7,619,089	7	0.52%
Target Corporation	12,982,617	10	0.31%	12,920,791	2	0.89%
Heritage Club Properties	5,716,093	37	0.14%	7,273,227	8	0.50%
KF US-1, LLC	-	-	-	16,433,365	1	1.13%
Weavexx	-	-	-	12,069,320	3	0.83%
Granite Properties & Management	-	-	-	11,637,296	4	0.80%
Wake Forest Partners	10,252,112	14	0.25%	7,018,711	9	0.48%
Carolina Telephone	5,955,120	33	0.14%	6,964,922	10	0.48%
Franklin Village LLC	8,478,679	22	0.20%	9,199,024	6	0.63%
Total	\$ 218,087,359		5.27%	\$ 101,442,729		6.96%
Total Assessed Value	<u>\$ 4,142,071,987</u>			<u>\$ 1,456,575,677</u>		

Source: Wake County Revenue Department

Table 12

TOWN OF WAKE FOREST, NORTH CAROLINA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATIONS
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

JUNE 30, 2014

Fiscal Year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2005	\$ 195,000	\$ 140,480	\$ 335,480	\$ 14,062,297	2.4%
2006	193,875	130,994	324,869	19,709,457	1.6%
2007	193,875	305,559	499,434	19,391,850	2.6%
2008	652,750	480,254	1,133,004	21,427,516	5.3%
2009	651,625	452,364	1,103,989	26,573,985	4.2%
2010	2,365,250	452,588	2,817,838	29,251,809	9.6%
2011	1,015,000	628,763	1,643,763	29,477,326	5.6%
2012	1,010,000	572,513	1,582,513	29,919,509	5.3%
2013	1,005,000	542,188	1,547,188	31,257,631	4.9%
2014	1,005,000	511,988	1,516,988	35,578,285	4.3%

(1) Excludes bond issuance and other costs.

TOWN OF WAKE FOREST, NORTH CAROLINA
Property Tax Levies and Collections
LAST TEN FISCAL YEARS

JUNE 30, 2014

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)		Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy	
					Amount	Percentage of Original Levy
2005	\$	7,892,505	\$ (14,298)	\$ 7,878,207	\$ 7,769,111	98.62%
2006		9,445,391	(8,992)	9,436,399	9,302,649	98.58%
2007		10,896,415	(10,621)	10,885,794	10,706,862	98.36%
2008		12,678,816	(11,001)	12,667,815	12,469,062	98.43%
2009		17,243,590	(23,407)	17,220,183	16,928,984	98.31%
2010		18,185,036	(26,445)	18,158,591	17,886,169	98.50%
2011		18,576,563	-	18,576,563	18,353,347	98.80%
2012		19,204,045	-	19,204,045	19,007,310	98.98%
2013		19,955,115	-	19,955,115	19,760,773	99.03%
2014		21,184,179	-	21,184,179	21,076,021	99.49%

Table 13

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Adjusted Levy
\$ 100,517	\$ 7,869,628	99.89%
120,805	9,423,454	99.86%
163,572	10,870,434	99.86%
177,462	12,646,524	99.83%
268,216	17,197,200	99.87%
250,872	18,137,041	99.88%
190,738	18,544,085	99.83%
155,998	19,163,308	99.79%
192,650	19,953,423	99.99%
178,348	21,254,369	100.00%

**TOWN OF WAKE FOREST, NORTH CAROLINA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

JUNE 30, 2014

Fiscal Year	(1) Population	(2) Per Capita Personal Income	(3) Median Age	(4) Wake County School Enrollment	(5) Wake County Unemployment Rate	(6) Wake Forest Unemployment Rate
2004	17,607	\$ 34,615	34.4	108,970	4.8%	3.5%
2005	20,300	35,624	34.3	114,068	4.5%	5.8%
2006	22,784	37,221	34.7	120,504	3.9%	4.3%
2007	24,970	39,373	34.9	134,002	3.8%	2.9%
2008	26,634	37,602	34.9	138,000	4.9%	3.7%
2009	27,217	37,849	34.9	137,706	8.6%	6.3%
2010	28,542	**	34.5	139,599	8.8%	6.2%
2011	30,329	29,723	32.9	143,289	8.7%	6.6%
2012	31,774	41,440	34.2	146,687	7.9%	5.9%
2013	33,703	32,060	35.0	149,528	7.3%	5.4%
2014	35,609	33,711	35.0	154,381	5.1%	3.9%

Sources:

- (1) Town of Wake Forest - Planning Department
- (2) North Carolina Department of Commerce - Information is calculated on the county level. Information is not maintained at the Town level. Information is estimated.
- (3) North Carolina Department of Commerce - Information is calculated on the county level. Information is not maintained at the City level. Information is estimated.
- (4) Wake County Public School System
- (5) North Carolina State Employment Security Commission for Wake County.
- (6) North Carolina State Employment Security Commission for Town of Wake Forest.
- ** Information not available.

**TOWN OF WAKE FOREST, NORTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

JUNE 30, 2014

<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>
2005	\$ 116,526,054	\$ 4,202,902	\$ 112,323,152	3.61%
2006	139,054,066	4,110,956	134,943,110	2.96%
2007	160,908,798	12,148,838	148,759,960	7.55%
2008	183,498,206	10,900,984	172,597,222	5.94%
2009	267,634,987	19,852,128	247,782,859	7.42%
2010	280,274,264	24,531,725	255,742,539	8.75%
2011	287,852,957	24,595,011	263,257,946	8.54%
2012	300,213,710	29,196,762	271,016,948	9.73%
2013	312,145,710	27,802,641	284,343,069	8.91%
2014	331,365,759	27,256,751	304,109,008	8.23%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	<u><u>\$ 4,142,071,987</u></u>
Debt Limit (8% of total assessed value)	331,365,759
Debt applicable to limit	<u>27,256,751</u>
Legal debt margin	<u><u>\$ 304,109,008</u></u>
Percentage of debt to debt limit	<u><u>8.23%</u></u>

**TOWN OF WAKE FOREST, NORTH CAROLINA
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITAL
LAST TEN FISCAL YEARS**

JUNE 30, 2014

Fiscal Year	(1) Population	Assessed Value	Gross Bonded Debt	Debt Payable From Enterprise Revenues
2005	20,300	\$ 1,456,575,677	\$ 3,305,000	\$ 662,625
2006	22,784	1,738,175,824	2,960,000	511,500
2007	24,970	2,011,359,976	11,815,000	360,375
2008	26,634	2,293,727,571	11,015,000	213,125
2009	27,217	3,345,437,340	10,220,000	69,750
2010	28,542	3,503,428,301	16,790,000	-
2011	30,329	3,598,161,961	15,775,000	-
2012	31,774	3,752,671,373	14,765,000	-
2013	33,703	3,901,821,373	13,760,000	-
2014	35,609	4,142,071,987	12,942,690	-

(1) Compiled by the Town of Wake Forest Planning Department

Table 16

Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita	Gross Bonded Debt per Capita
\$ 2,642,375	0.18%	130	163
2,448,500	0.14%	107	130
11,454,625	0.57%	459	473
10,801,875	0.47%	406	414
10,150,250	0.30%	373	376
16,790,000	0.48%	588	588
15,775,000	0.44%	520	520
14,765,000	0.39%	465	465
13,760,000	0.35%	408	408
12,942,690	0.31%	365	365

Table 17

**TOWN OF WAKE FOREST, NORTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

JUNE 30, 2014

<u>Jurisdiction</u>	<u>Bonded Debt</u>	<u>Percentage Applicable to Town (2)</u>	<u>Amount Applicable to Town</u>
Direct:			
Town of Wake Forest	\$ 27,444,441 (1)	100.00%	\$ 27,444,441
Overlapping: (3)			
Wake County	\$ 1,664,875,000 (4)	3.19%	<u>53,109,513</u>
		Total	<u><u>\$ 80,553,954</u></u>

(1) Includes all governmental activities debt.

(2) Based on total assessed values.

(3) 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.

(4) Wake County Revenue Department

Table 18

**TOWN OF WAKE FOREST, NORTH CAROLINA
COMMERCIAL ACTIVITY
LAST TEN FISCAL YEARS**

JUNE 30, 2014

Fiscal Year	Commercial		Residential		Total	
	Number	Value	Number	Value	Number	Value
2005	20	\$ 15,378,373	711	\$ 118,683,258	731	\$ 134,061,631
2006	18	13,649,705	1,107	222,378,036	1,125	236,027,741
2007	20	23,243,271	728	156,284,719	748	179,527,990
2008	27	38,034,721	509	120,685,563	536	158,720,284
2009	31	36,982,166	153	28,544,355	184	65,526,521
2010	59	26,595,248	316	57,137,983	375	83,733,231
2011	47	6,122,922	415	68,864,397	462	74,987,319
2012	67	10,282,212	585	70,591,023	652	80,873,235
2013	94	27,164,939	501	100,873,993	595	128,038,932
2014	89	29,873,213	419	74,795,239	508	104,668,452

(1) Compiled by the Town of Wake Forest Planning and Inspections Department

**TOWN OF WAKE FOREST, NORTH CAROLINA
 EMPLOYEE POSITION AUTHORIZATION BY DEPARTMENT (1)
 LAST TEN FISCAL YEARS**

JUNE 30, 2014

Fiscal Year	Admin	Comm	Downtown	Finance	Human Resources	MIS	Planning		Public Safety	Engineering
							and Inspections	(3) Inspections		
2005	6.0	0.0	0.0	17.0	0.0	1.0	17.0	0.0	49.0	8.0
2006	4.0	0.0	0.0	17.0	3.0	1.0	18.0	0.0	50.5	7.0
2007	4.0	0.0	0.0	17.0	3.0	2.0	20.5	0.0	58.0	7.0
2008	3.0	1.0	0.0	17.0	4.0	2.0	24.0	0.0	63.0	7.0
2009	3.0	1.0	0.0	17.0	4.0	3.0	23.0	0.0	65.0	7.0
2010	3.0	2.0	0.0	17.0	4.0	3.0	23.0	0.0	65.0	7.0
2011	3.0	2.0	0.0	17.0	4.0	4.0	22.0	0.0	67.0	7.0
2012	3.0	2.0	0.0	18.0	4.0	4.0	21.0	0.0	70.0	7.0
2013	4.0	2.0	0.0	18.0	4.0	5.0	21.0	0.0	75.0	7.0
2014	3.0	2.0	1.0	18.0	4.0	5.0	7.0	14.0	83.0	7.0

(1) Permanent full time and part time positions employees only as of June 30th. Excludes temporary, part-time and seasonal employees.

(2) All Water and Sewer employees transferred to the City of Raleigh effective July 1, 2005.

(3) Planning and Inspections employee reporting was separated in FY 2014.

Table 19

(2)

Pub Works				Parks &	Public	Water &		Tree	Year
Admin	Fleet	Streets	Sanitation	Recreation	Facilities	Wastewater	Electric	Trimming	Total
0.0	4.0	13.0	4.0	10.0	0.0	29.0	22.0	0.0	180.0
0.0	4.0	14.0	7.0	10.0	0.0	0.0	22.0	0.0	157.5
0.0	4.0	14.0	7.0	11.0	0.0	0.0	25.0	0.0	172.5
3.0	4.0	15.0	7.0	11.0	0.0	0.0	22.0	0.0	183.0
3.0	5.0	18.0	9.0	15.0	0.0	0.0	22.0	0.0	195.0
3.0	5.0	18.0	9.0	15.0	0.0	0.0	22.0	0.0	196.0
3.0	5.0	17.0	9.0	15.0	1.0	0.0	22.0	0.0	198.0
3.0	5.0	17.0	9.0	15.0	1.0	0.0	22.0	0.0	201.0
3.0	5.0	17.0	9.0	15.0	2.0	0.0	19.0	3.0	209.0
3.0	5.0	20.0	9.0	17.0	2.0	0.0	19.0	3.0	222.0

**TOWN OF WAKE FOREST, NORTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

JUNE 30, 2014

Fiscal	Property	Sales	Franchise
Year	Tax	Tax	Tax
2005	\$ 7,829,955	\$ 2,936,686	\$ 636,362
2006	9,403,482	3,256,103	711,491
2007	10,826,918	3,926,315	955,747
2008	12,614,652	4,480,256	1,208,734
2009	17,150,242	4,328,578	1,445,212
2010	18,128,468	4,257,327	1,468,603
2011	18,579,520	4,559,143	1,550,178
2012	19,240,193	4,991,298	1,528,114
2013	19,988,279	5,285,774	1,581,534
2014	21,290,422	5,700,274	1,661,397

Table 20

Motor Vehicle	Rental Vehicle	Beer & Wine	
Licenses	Tax	Tax	Total
\$ 63,504	\$ 22,554	\$ 73,265	\$ 11,562,326
72,181	24,448	76,123	13,543,828
82,650	27,074	89,435	15,908,139
90,310	33,636	104,240	18,531,828
95,221	31,388	115,568	23,166,209
96,886	32,994	39,216	24,023,494
99,371	36,920	125,782	24,950,914
219,629	31,791	131,394	26,142,419
324,888	38,731	125,512	27,344,718
485,076	39,867	139,022	29,316,058

TOWN OF WAKE FOREST, NORTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

JUNE 30, 2014

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	(1)
	General		General		Revenue		Debt
	Obligation Bonds	Installment Financings	Obligation Bonds	Installment Financings	Bonds		Per Capita
2005	\$ 2,642,375	\$ 2,321,030	\$ 662,625	\$ 8,125,676	\$ -	\$ 13,751,706	\$ 677
2006	2,448,500	1,810,956	511,500	7,290,948	-	12,061,904	529
2007	11,454,625	694,213	360,375	6,606,700	2,300,000	21,415,913	858
2008	10,801,875	246,359	213,125	5,762,177	2,144,943	19,168,479	720
2009	10,150,250	9,722,128	69,750	4,881,023	1,984,034	26,807,185	985
2010	16,790,000	9,376,610	-	4,315,594	1,817,049	32,299,253	1,132
2011	15,775,000	8,820,011	-	3,650,588	1,643,761	29,889,360	986
2012	14,765,000	14,431,762	-	3,022,730	1,463,932	33,683,424	1,060
2013	13,760,000	14,078,185	-	2,367,799	1,277,315	31,483,299	934
2014	12,942,690	14,501,751	-	1,773,071	3,583,652	32,801,164	921

Notes:

(1) See Table 14 for population data.

(2) Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Table 22

**TOWN OF WAKE FOREST, NORTH CAROLINA
MISCELLANEOUS STATISTICS**

JUNE 30, 2014

Date of Incorporation	20-Feb-09	
Form of Government	Council-Manager	
Miles of City-owned Streets	88.29	
Fire Protection (Combination: Paid/Volunteer)		
Number of Stations	4	
Number of Uniformed Officers	127	
Police Protection		
Number of Stations	3	
Number of Full-time Sworn Officers	68	
Utility System: Electric		
Number of Customers	6,702	
Residential Rates:	Basic Customer	\$9.89
	Energy Charge	\$0.120802 per kwh
Community Facilities:		
Parks		10 Public
Pools	6 Private	1 Public
Tennis Courts	7 Private	4 Public
Golf Courses	1 Semi-private	1 Public
Cultural Activities:		
Wake Forest Renaissance Centre		
Wake Forest Birthplace Museum		
Wake Forest Historic District		
Wake Forest Arts		
Wake Forest Biennial Historical Homes Tour		
Wake Forest Historical Association bi-monthly programs		
"Six Sundays in Spring" concert series		
Concerts in the Park (in addition to the Six Sundays Series)		
Movies in the Park		
"Meet in the Street" - Spring arts and music festival		
Arbor Day Celebration		
Fourth of July Fireworks Spectacular		
Art-in-the-Park & Games-in-the-Park		
Public Power Week		
"Good Neighbor Day" community music, art, and food festival		
Annual Lighting of Wake Forest and Christmas Parade		
"Art After Hours" monthly events in Downtown Wake Forest		
"Neck of the Woods" - regular theater and music performances downtown		
Art Galleries in Downtown Wake Forest		

	<u>2014</u>		<u>2005</u>	
	Approximate Number of Employees	Rank	Approximate Number of Employees	Rank
Principal Employers*:				
Wake County Schools	803	1	761	1
Southeastern Baptist Theological Seminary	660	2	245	6
Wal-mart Super Center	350	3	450	2
CenturyLink (formerly named EmBarq and Sprir)	350	3	-	-
Super Target	250	4	250	5
The Body Shop	225	5	280	4
Town of Wake Forest	208	6	180	7
Lowe's Foods	186	7	-	-
Hillside Nursing Center	215	8	-	-
Lowe's Home Improvement	170	9	130	9
Rex Healthcare (Wakefield)	160	10	-	-
Chris Leith	-	-	140	8
The Home Depot	-	-	125	10

* Source - Wake Forest Economic Development



TOWN *of*
WAKE FOREST

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

To the Honorable Mayor and
Members of the Town Board of Commissioners
Town of Wake Forest, 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 Wake Forest, North Carolina (the "Town"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated October 20, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting ("internal control") to determine the 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's 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 determination of financial statement amounts. 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.

Chasmy Ruchant LLP

Raleigh, North Carolina
October 20, 2014

Report of Independent Auditor on Compliance with Requirements Applicable for Each Major Federal Program and on Internal Control over Compliance In Accordance with OMB Circular A-133 and the State Single Audit Implementation Act

To the Honorable Mayor and
Members of the Town Board of Commissioners
Town of Wake Forest, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Town of Wake Forest, North Carolina (the "Town"), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and *the Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2014. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-001 that we consider to be a significant deficiency.

The Town's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

 LLP

Raleigh, North Carolina
October 20, 2014

Report of Independent Auditor on Compliance with Requirements Applicable for Each Major State Program and on Internal Control over Compliance In Accordance with OMB Circular A-133 and the State Single Audit Implementation Act

To the Honorable Mayor and
Members of the Town Board of Commissioners
Town of Wake Forest, North Carolina

Report on Compliance for Each Major State Program

We have audited the Town of Wake Forest, North Carolina (the "Town"), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on the Town's major state program for the year ended June 30, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Town's major state program based on our audit of the types of compliance requirements referred to above. 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; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major State Program

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 its major state program for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's 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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 state 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 state 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Channing R. Schubert LLP

Raleigh, North Carolina
October 20, 2014

TOWN OF WAKE FOREST, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material Weaknesses identified? yes no
- Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? yes no
- Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to federal awards noted? yes no

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 yes no

Identification of major federal programs:

CFDA#
20.205

Program Name
Highway Planning and Construction

TOWN OF WAKE FOREST, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section I – Summary of Auditor’s Results (continued)

Dollar threshold used to distinguish
between Type A and Type B Programs \$300,000

Auditee qualified as low-risk auditee X yes no

State Awards

Internal control over major state programs:

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

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

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

Identification of major state programs:

Program Name

Powell Bill Fund

TOWN OF WAKE FOREST, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

II. – Findings Related to the Audit of the Basic Financial Statements of the Town

None reported.

III. – Findings and Questioned Costs Related to the Audit of Federal Awards

U.S. Department of Transportation
Program Name: Highway Planning and Construction
CFDA#: 20.205

Significant Deficiency – Davis Bacon Act Finding 2014-001

Criteria: In accordance with the Davis Bacon Act, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (40 USC 3141-3144, 3146 and 3147). In accordance with 29 CFR sections 5.5 and 5.6, contractors and subcontractors are to submit to the non-Federal entity weekly, for each week in which any contract work was performed, a copy of the payroll and a statement of compliance (certified payroll).

Condition: Although it was determined that all contractors and subcontractors had indeed completed weekly the required certified payroll, it was noted that the Town did not have a monitoring process in place to ensure that contractors and subcontractors were complying with this requirement. During the year the Town did not ask any of its contractors or subcontractors to provide evidence that this requirement was met.

Context: No certified payroll for work performed by contractors or subcontracts were requested or received during the year.

Effect: Contactor's and subcontractor's noncompliance with these requirements would not have been prevented or detected and corrected by the Town's system of internal controls.

Cause: There was no process in place for the contractors to submit the completed certified payrolls and no process for the collection of the certified payrolls.

Recommendation: We recommend that the Town review its current process of internal controls over compliance and adjust appropriately to ensure that certified payrolls are being prepared accurately and timely.

Views of responsible officials: The Town agrees with this finding.

IV. – Findings and Questioned Costs Related to the Audit of State Awards

None reported.

TOWN OF WAKE FOREST, NORTH CAROLINA
CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2014

Finding: 2014-001

Name of contact person: Aileen Staples, Director of Finance

Corrective action: The Town agrees with this finding and has subsequently received the certified payrolls of all contractors for which Davis Bacon applies. The finance department staff are working with the planning department staff to assure processes are in place to obtain certified payrolls in the future. Grant administration procedures and control sheets have been updated and implemented. Contractors will be required to submit this information with their invoices going forward.

Proposed completion date: Immediately

TOWN OF WAKE FOREST, NORTH CAROLINA
SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2014

Finding: 2013-01

Invoices and/or delivery dates of items received by the Town related to grant funded projects were dated prior to purchase orders, an improper account code was documented and purchase orders were prepared that did not indicate the correct amount of remaining encumbered funds subsequent to previous payments. Grant reimbursement requests had been submitted to granting agencies in arrears, up to nine months after grant expenditures were incurred.

Status: Corrected

TOWN OF WAKE FOREST, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/Program Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures
FEDERAL GRANTS:					
U.S. Department of Transportation					
Passed through N.C. Department of Transportation:					
<i>Safe Routes to Schools Infrastructure</i>	20.205-1	WBS 40924.1.14	\$ 294,987	\$ -	\$ 124,030
<i>Forestville Road Sidewalks & Crenshaw Multi-Use Path</i>	20.205-1	WBS 41821.1.13	242,122	-	129,402
<i>Priority Pedestrian Corridors - Sidewalk Projects</i>	20.205-1	WBS 41821.1.38	129,360	-	32,340
<i>Dunn Creek Greenway - Downtown Connector</i>	20.205-1	WBS 41821.1.41	92,607	-	23,152
<i>Ligon Mill Road - Operational Improvements</i>	20.205-1	WBS 42379.1.3	-	-	23,953
<i>Stadium Drive - Complete Streets</i>	20.205-1	WBS 55056.1.1	258,678	-	64,669
<i>Smith and Sanford Creek Greenway</i>	20.205-7	WBS 46229.1.1	334,935	-	83,734
Total U.S. Department of Transportation			<u>1,352,689</u>	<u>-</u>	<u>481,280</u>
U.S. Department of Justice					
Office of Justice Programs:					
<i>Bulletproof Vest Partnership - 2012</i>	16.607	N/A	7,065	-	7,065
<i>Bulletproof Vest Partnership - 2013</i>	16.608	N/A	2,456	-	2,456
Total U.S. Department of Justice			<u>9,521</u>	<u>-</u>	<u>9,521</u>
Environmental Protection Agency					
Passed through N.C. Department of Environment and Natural Resources:					
<i>Smith Creek Watershed Plan and Restoration</i>	66.460	-	36,736	-	23,372
Total assistance - federal programs			<u>1,398,946</u>	<u>-</u>	<u>514,173</u>
STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE					
N.C. Department of Transportation					
<i>Powell Bill Fund</i>	N/A	N/A	-	796,640	-
Total Federal & State of North Carolina Financial Assistance			<u>\$ 1,398,946</u>	<u>\$ 796,640</u>	<u>\$ 514,173</u>

Basis of Presentation - The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Town of Wake Forest and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.



TOWN *of*
WAKE FOREST