

FISCAL YEAR ENDED
June 30, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Town of Wake Forest, North Carolina

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2015



TOWN *of*
WAKE FOREST

Town of Wake Forest, North Carolina

Prepared by the Finance Department

TOWN OF WAKE FOREST – BOARD OF COMMISSIONERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015



Mayor
Vivian A. Jones



Mayor Pro-Tem
Anne Hines



Margaret Stinnett



Jim Thompson



Greg Harrington



Zachary Donahue

TOWN OF WAKE FOREST STAFF

Kipling D. Padgett
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

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
Communications Director

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

Cultural Resources Advisory Board
Ed Herrelko, Chairperson

Recreation Advisory Board
Jeff Sank, Chairperson

Design Review Board
Paul Eitel, Chairperson

Senior Center Advisory Board
Donna Freeman, Chairperson

Greenway Advisory Board
Deanna Welker, Chairperson

Technical Advisory Board
Haleigh Tucker, Chairperson

Historic Preservation Commission
Ann Welton, Chairperson

Urban Forestry Advisory Board
Anna Faatiliga, Interim Chairperson

Human Relations Council
Dennis Brennan, Chairperson

Youth In Government
Mary Daley, Chairperson

*Mark Williams retired as Town Manager on April 30, 2015. Roe O'Donnell served as Interim Town Manager from May 1 – July 5, 2015. Kip Padgett assumed Town Manager responsibilities on July 6, 2015.

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TOWN *of* WAKE FOREST

November 2, 2015

**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, 2015, 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, 2015, 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 946 acres of open space, natural land and trails, excellent schools and access to higher education, all in close proximity to Research Triangle Park and Raleigh-Durham International Airport (“RDU”).

The Town holds various community events and activities designed to draw citizens together and to local businesses. Wake Forest is 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. Located in the heart of downtown is the Wake Forest Renaissance Centre. The Centre, which formally opened in 2013 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 the downtown area. Over 3,400 students study in 40 different undergraduate, graduate and post-graduate degree programs. Enrollment has increased over 30% in the past ten years.

Wake Forest is home to The Wireless Research Center of NC (WRCNC), a non-profit 501©(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, 2015, the Town's estimated population was 37,046 - an increase of 4% over the previous fiscal year. Total growth has been 63% since 2006. Wake Forest's tax base has grown from \$1.7 billion in 2006 to \$4.3 billion in 2015. The Town's tax base is approximately 20% commercial/industrial and 80% residential for fiscal year 2014 -15.

The Town recognized a 14.6% *increase* in commercial permits and 33.9% *increase* in residential permits issued from the previous fiscal year. Total value of permits issued *increased* over 29%.

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 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. It is anticipated that the build out will be complete by 2017.

Construction continues in Traditions which is a single and multi-family development that runs along the Wake Forest Reservoir and located one (1) mile from down town Wake Forest. The residents of this neighborhood

have access to a pristine lake that is simply perfect for an afternoon canoe ride or a stroll along the paved walking paths. Traditions consist of over 100 acres of natural preservation areas, community resort-style pool, clubhouse, pavilion with grilling and picnic areas, and amphitheater and fire pit among many other amenities.

Development for Phase I of Holding Village commenced during 2014. Located on NC 98 Bypass and Franklin street, this traditional neighborhood will connect Heritage to downtown Wake Forest. Holding Village is on the site of a former dairy farm owned by the Holding family, who were instrumental in the establishment of the town of Wake Forest between 1880-1920. The master plan calls 1,350 residential units to be completed.

Wake Forest Crossing II introduces Ross, TJ Maxx, Michael's, Kirkland's and Petco and was completed in mid 2015. Wake Forest Crossing is located on the regional highway, US 1, and is the first retail offering for all traffic approaching the Raleigh MSA from the north.

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. The land purchase was recently completed and construction is expected to begin in late 2015 or early 2016.

In addition to the above there are a wide variety of projects completed or under construction, including residential subdivisions, apartments, townhomes, senior living facilities, auto repair and supply, several new restaurants, and other initiatives.

Major Initiatives

The following events and projects are highlights of fiscal year 2014-15. These projects reflect the Town's continued commitment to quality of life while maintaining its unique personality.

Five (5) new positions were added as follows: Communications specialist; two Park Maintenance specialists; Public Facilities specialist and a Transportation planner. Due to the tremendous amount of growth we have experienced over the years, we recognize that we have to maintain what we have. With that said, these positions were critical in maintaining and enhancing the level of service our citizens expect.

The tax rate was increased from \$.51 to \$.52. This additional \$.01 was allocated to the Wake Forest Fire Department. Station 4 is currently under construction on Jenkins Road and will be paid for using fire impact fees. The additional tax monies will fund the operating costs of Station 4. It is anticipated that station 4 will be completed by early 2016.

In November 2014, voters approved a \$25.1 million bond referendum. The three ballot questions were for the following improvements:

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

The above mentioned is slated to fund projects totaling \$55 million with the difference being leveraged with matching grants. The property tax impact could be up to \$.02 (per \$100 of assessed property value), however the increase may not be necessary if revenues continue to increase at the current pace. The projects and respective debt issuance have been strategically planned and spread out over the next seven years which will also mitigate any possible tax rate increases.

In December 2014, nine years after the merger of the water and sewer system with the City of Raleigh, the costs related to the July 2005 merger were paid off and Wake Forest customers were switched to City of Raleigh's rates. Residential water and sewer customers recognized a reduction in their monthly bills from \$8 to \$15.

The biennial Christmas Historic Home tour presented by Historic Preservation Commission and the Wake Forest Woman's club was held on December 6, 2014. It was the most successful tour to date and over 1,800 tickets were sold.

The Town is committed to the rehabilitation of the Ailey Young House. The Historic Preservation Commission has proceeded with patching of the roof, shoring up the first floor and removal of debris. The Town has received a grant from Preservation North Carolina towards stabilizing the structure over the next year. Additional grant monies are being pursued to continue the preservation efforts.

The Police Department was awarded a N.C. Governor's Highway Safety Program grant in the amount of \$85,000 to establish a new motorcycle unit. Two (2) 2015 BMW motorcycles, mobile data terminals and uniforms for motorcycle patrol officers were purchased. The Wake Forest Police Department Motor Unit focuses its traffic enforcement efforts in local subdivisions and on secondary roads. In addition, the unit will work to raise public awareness by participating in community events that help promote highway safety and motorcycle safety.

During the past year, the Parks, Recreation and Cultural Resources Master Plan was updated and completed. It is intended to help meet the needs of current and future residents by positioning ourselves to build on the community's unique parks and recreation assets and identify new opportunities. The citizen-driven plan establishes a clear direction to staff, advisory boards and the Board of Commissioners in their efforts to enhance our Parks and Recreation services and facilities.

The Electric System Improvements project continues which includes rebuilding the existing substation (JB Cole) located on Cedar Street, along with replacing the transformer currently leased from Duke Energy Progress. The North Main Street sidewalk replacement and streetlight installation project commenced in January 2015 and is nearing completion. Existing high pressure sodium (HPS) fixtures were replaced with light emitting diode (LED) fixtures. Implementation of new lighting system will cost less than \$325,000 and provide a superior quality of street lighting.

After over 30 years of service to the Town of Wake Forest, Mark Williams retired on May 1, 2015. He served as Town Manager since January 1993. With this event, the Board of Commissioners was charged with selecting a new manager for the first time in over 20 years. An outside firm was retained to lead a nationwide search, public input was gathered and a thorough recruitment process was conducted. Kipling D. Padgett was unanimously appointed as town manager in May 2015 and assumed duties in July 2015.

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. As part of the Town's updated strategic plan, this policy is scheduled to be updated in January 2016.

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, 2014. This was the 25th 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,

Kipling D. Padgett
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, 2014

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

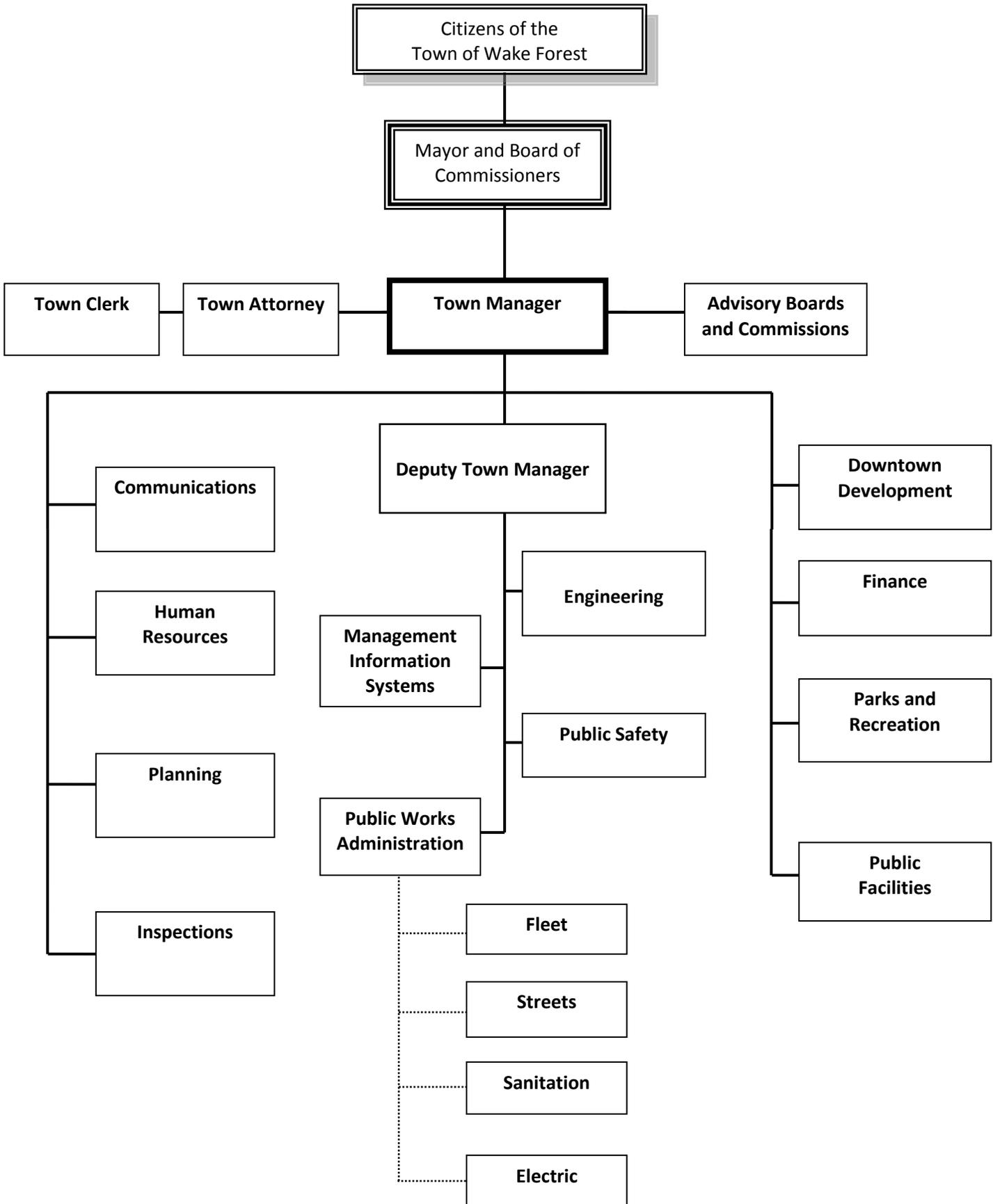
Administration The Director, Assistant Director and Office Assistant are responsible for the day to day operations of all divisions in Public Works and Electric.

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, 2015, 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 basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these basic 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 basic 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, 2015, 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.

Emphasis of Matter

As discussed in Note 18 to the basic financial statements, the Town adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. As a result, net position as of June 30, 2015 has been restated. Our opinion is not modified with respect to these matters.

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, 2015 and 2014 and the schedule of expenditures of federal and state awards for the year ended June 30, 2015 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 November 2, 2015 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.



Raleigh, North Carolina
November 2, 2015

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, 2015. 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.

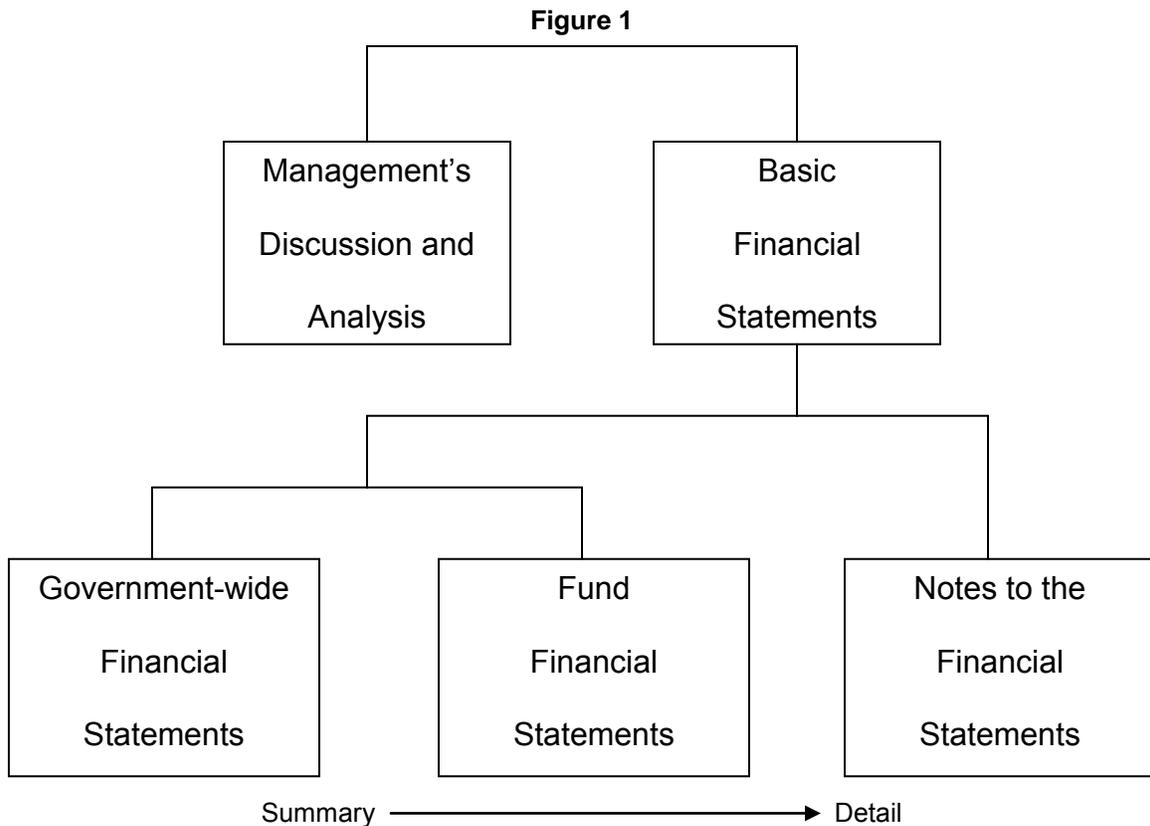
Financial Highlights

- In November 2014, voters approved a \$25,100,000 bond referendum for the following improvements:
 - Streets and Sidewalks \$ 6,300,000
 - Parks and Recreation Facilities 14,200,000
 - Greenways 4,600,000
- The assets of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$164,403,787 (*net position*).
- The Town's total net position increased by \$17,408,888, primarily due to approximately eight (8) miles of streets through developer contributions being added to Town's system as a result of an uptick in residential growth over the last few years.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$22,285,071. Approximately 34.3% percent of this total amount, or \$7,633,804, is unassigned.
- In September 2014, the Town reached a settlement in an ongoing lawsuit relative to the design and construction of the new town hall in 2009. The Town recognized a special item in other financing sources totaling \$507,768.
- The Town's total debt *increased* by \$289,330 (.09%) during the current fiscal year. New debt included the issuance of \$4,330,000 in public improvement General Obligation Bonds in March 2015 for greenways, streets and sidewalks. Patrol vehicles along with other rolling stock and equipment were acquired through an installment purchase agreement for \$792,750 in February 2015. The Town retired \$4,833,420 in debt during the fiscal year.
- In conjunction with the above mentioned bonds, two of the three major credit rating agencies affirmed the Town's bond ratings in February 2015 as follows:
 - Standard & Poor's - AAA
 - Moody's – Aa1

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



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	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 26,432,448	\$ 19,740,849	\$ 7,400,247	\$ 9,327,378	\$ 33,832,695	\$ 29,068,227
Capital assets	160,051,313	147,426,837	18,107,665	16,675,228	178,158,978	164,102,065
Deferred outflows of resources	837,363	-	87,638	-	925,001	-
Total assets and deferred outflows of resources	187,321,124	167,167,686	25,595,550	26,002,606	212,916,674	193,170,292
Long-term liabilities outstanding	31,049,024	28,848,652	4,192,478	5,106,342	35,241,502	33,954,994
Other liabilities	6,693,543	7,247,502	3,246,439	3,110,527	9,939,982	10,358,029
Deferred inflows of resources	2,873,832	25,573	457,571	-	3,331,403	25,573
Total liabilities and deferred inflows of resources	40,616,399	36,121,727	7,896,488	8,216,869	48,512,887	44,338,596
Net position:						
Net investment in capital assets	131,248,516	120,837,511	13,789,268	12,716,267	145,037,784	133,553,778
Restricted	8,298,891	4,574,256	-	-	8,298,891	4,574,256
Unrestricted	7,157,318	5,634,192	3,909,794	5,069,470	11,067,112	10,703,662
Total net position	\$ 146,704,725	\$ 131,045,959	\$ 17,699,062	\$ 17,785,737	\$ 164,403,787	\$ 148,831,696

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 \$164,403,787 as of June 30, 2015. However, the largest portion (88.9%) 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 (\$11,067,112) may be used to meet the Town’s ongoing obligations to citizens and creditors.

Also, the Town implemented GASB 68 this year. With this new reporting change, the Town is allocated its proportionate share of the Local Government Employees’ Retirement System’s net pension asset, deferred outflows of resources, deferred inflows of resources and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net position by \$1,836,797. Decisions regarding the allocations are made by the administrators of the pension plan, not by town management.

Town of Wake Forest Changes in Net Position
Figure 3

	Governmental Activities		Business Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 4,174,970	\$ 3,205,088	\$ 19,501,560	\$ 18,068,548	\$ 23,676,530	\$ 21,273,636
Operating grants and cont	890,994	919,021	-	-	890,994	919,021
Capital grants and cont	15,445,098	4,088,825	-	-	15,445,098	4,088,825
General revenues:						
Property taxes	22,496,254	21,387,601	-	-	22,496,254	21,387,601
Other taxes	47,957	110,789	-	-	47,957	110,789
Investment Earnings	67,633	69,369	49,047	65,167	116,680	134,536
Other	9,380,273	8,294,886	163,736	89,078	9,544,009	8,383,964
Total revenues	52,503,179	38,075,579	19,714,343	18,222,793	72,217,522	56,298,372
Expenses:						
General government	10,288,616	10,466,637	-	-	10,288,616	10,466,637
Public Safety	13,193,519	12,809,633	-	-	13,193,519	12,809,633
Transportation	5,090,607	4,436,052	-	-	5,090,607	4,436,052
Environmental protection	2,661,631	2,787,905	-	-	2,661,631	2,787,905
Cultural and recreation	3,759,071	3,250,469	-	-	3,759,071	3,250,469
Interest on long-term debt	775,312	809,270	-	-	775,312	809,270
Water and sewer	-	-	44,045	60,395	44,045	60,395
Electric	-	-	19,503,601	17,964,027	19,503,601	17,964,027
Total expenses	35,768,756	34,559,966	19,547,646	18,024,422	55,316,402	52,584,388
Special item	507,768	-	-	-	507,768	-
Change in net position	17,242,191	3,515,613	166,697	198,371	17,408,888	3,713,984
Transfers	-	7,166	-	(7,166)	-	-
Net position-July 1	131,045,959	127,523,180	17,785,737	17,594,532	148,831,696	145,117,712
Restatement	(1,583,425)	-	(253,372)	-	(1,836,797)	-
Net position - June 30	\$ 146,704,725	\$ 131,045,959	\$ 17,699,062	\$ 17,785,737	\$ 164,403,787	\$ 148,831,696

Governmental activities. Management acknowledges that 2015 was a successful year and plans to continue to enhance fiscal strength which is a goal identified in the strategic plan. Governmental activities increased the Town's net position by \$17,242,191 thereby accounting for 99.0% of the total growth in the net position of the Town. Key elements of this increase are as follows:

- Capital grants and contributions increased 277.7% from previous fiscal year due to infrastructure contributions from development activity. This includes adding almost eight (8) miles of streets to town's system.
- Ad valorem taxes made up 42.8% of governmental activity revenue and continue to be a significant revenue source for funding local government operations. Current year ad valorem taxes increased 5.2% over the previous fiscal year.
- Utility franchise tax increased \$704,781(42.4%) from previous year
- Local option sales tax increased \$518,700 (9.1%) over prior fiscal year.
- Total governmental activity revenue *increased* 37.9% while expenses *increased* 3.5% from the previous fiscal year.

Business-type activities. Business-type activities increased the Town of Wake Forest's net position by \$166,697. Key elements of this increase are as follows:

- Charges for services from the Sale of Power *increased* \$1,433,012 (7.9%) in fiscal year ended June 30, 2015 from fiscal year ended June 30, 2014.

- Total business-type expenses *increased* \$1,523,224 (8.5%). This was primarily due to change in sales tax charged on electricity that increased to 7% from 3% effective July 1, 2014.

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 \$7,633,804 while total fund balance was \$13,028,596. 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 21.3% of the total General Fund expenditures, while total fund balance represents 36.4% 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 *increased* from 15.8% in 2013-2014 to 20.7% in 2014-2015.

At June 30, 2015, the governmental funds of the Town reported a combined fund balance of \$22,285,071 with a net increase in fund balance of \$6,209,344. 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 \$647,648 (3.0% increase) due to conservative budgeting regarding the collection rate along with growth in the tax base.
- Unrestricted intergovernmental revenues exceeded original estimates by \$972,775 (12.5% increase). This is attributed to growth in sales tax revenues and utility franchise tax revenues.

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 \$1,383,860 of appropriated fund balance and was amended during the year to \$1,330,935 for one time capital items. However, fund balance actually *increased* \$1,327,551 for fiscal year 2014-2015. This is attributed to revenues exceeding original budgeted expectations, litigation settlement from the town hall construction, and other financing sources along with conservative spending.

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 \$3,973,151 and the total ending net position were \$17,699,062.

The Electric Fund's net position increased \$164,307 while the total proprietary fund's net position increased \$166,697 during this past fiscal year. Operating expenses *increased* 11.8% while sale of power revenues *increased* 6.3%.

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, 2015 totaled \$178,158,978 (net of accumulated depreciation). This represents an 8.6% increase from June 30, 2014. 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:

- Police vehicle additions and replacements, motorcycles and ATVs - \$539,450
- Equipment and vehicles for Streets, Environmental services and Parks & Recreation - \$443,872
- Streets, sidewalks and right of way additions - \$15,293,797
- Construction in progress includes the following projects: 2014 Electric system improvements including N. Main Street lighting and John B. Cole substation rebuild; several greenway and pedestrian access projects relative to the issuance of the 2015 bonds.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land, rights and easements	\$ 37,654,295	\$ 35,348,234	\$ 510,605	\$ 510,605	\$ 38,164,900	\$ 35,858,839
Buildings and system	14,112,770	14,666,803	-	-	14,112,770	14,666,803
Other improvements	101,878,709	91,360,008	13,918,099	13,970,287	115,796,808	105,330,295
Equipment and furniture	1,691,410	1,814,249	401,148	470,841	2,092,558	2,285,090
Vehicles and motorized equipment	2,684,991	2,121,781	601,585	611,023	3,286,576	2,732,804
Construction in progress	2,029,138	2,115,762	2,676,228	1,112,472	4,705,366	3,228,234
Total	\$ 160,051,313	\$ 147,426,837	\$ 18,107,665	\$ 16,675,228	\$ 178,158,978	\$ 164,102,065

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

Long-term Debt. As of June 30, 2015, the Town had total bonded debt outstanding of \$16,085,000 and installment purchase related debt of \$12,912,741. The Town issued \$4,330,000 of general obligation bonds in March 2015 for greenways, streets and sidewalks. The outstanding revenue bond debt totals \$3,140,053 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 \$413,333 installment note along with the \$765,011 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 \$293,586,917. Practically, these statutory limits exceed the Town's realistic debt capacity.

As of June 30, 2015, the Town has \$20,770,000 in authorized and unissued bonds remaining from the November 2015 bond referendum.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 16,085,000	\$ 12,755,000	\$ -	\$ -	\$ 16,085,000	\$ 12,755,000
Revenue bonds	-	-	3,140,053	3,583,652	3,140,053	3,583,652
N.C Water Pollution Control Revolving Loan and Bond Fund	-	-	765,011	1,153,072	765,011	1,153,072
Installment Purchase	12,499,408	14,501,751	413,333	620,000	12,912,741	15,121,751
Total	\$ 28,584,408	\$ 27,256,751	\$ 4,318,397	\$ 5,356,724	\$ 32,902,805	\$ 32,613,475

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, 2016

Governmental Activities: The 2015-2016 Adopted Budget increased 4.2% over the 2014-2015 Amended Budget. The Board adopted an updated strategic plan which sets the roadmap for all decisions over the next few years. The budget endeavors to achieve the four key goals in the strategic plan by maintaining current service levels, enhancing infrastructure and providing for employees. Performance pay (merit), market adjustments and career ladder funds for eligible departments were included. Efforts were focused on taking care of and maintaining what we have therefore, no new positions were added for the upcoming fiscal year.

The Town's tax rate remained unchanged at \$.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 \$38.1 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 \$20.9 million for the Electric Fund. The NC Eastern Municipal Power Agency and its participants, including the Town, sold their generation assets to Duke Energy Progress, Inc. which will be effective July 1, 2015. This transaction is expected to result in a net reduction in power costs to all participants, including the Town, and make the Town more competitive on the retail side with regard to its electric rates. Included in the budget are funds to complete an electric utility rate design and cost allocation study. Upon completion of the study, any proposed rate amendments will be considered in 2016.

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, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 16,004,598	\$ 3,027,763	\$ 19,032,361
Taxes receivables (net)	233,040	-	233,040
Accounts receivable (net)	2,741,225	2,234,154	4,975,379
Internal balances	374,000	(374,000)	-
Due from other governments	248,479	-	248,479
Inventories	13,281	1,115,264	1,128,545
Prepaid expenditures	66,895	11,000	77,895
Restricted cash and cash equivalents	4,628,704	19,986	4,648,690
Due within one year			
Note receivable-current portion	-	594,728	594,728
Due in more than one year			
Note receivable-noncurrent portion	948,950	583,611	1,532,561
Capital assets			
Land, improvements, and construction in progress	39,683,433	3,186,833	42,870,266
Other capital assets, net of depreciation	120,367,880	14,920,832	135,288,712
Net pension asset	1,173,276	187,741	1,361,017
Total Assets	186,483,761	25,507,912	211,991,673
Deferred Outflows of Resources			
Contributions to pension plan in current fiscal year	813,934	83,890	897,824
Pension deferrals	23,429	3,748	27,177
Total Deferred Outflows of Resources	837,363	87,638	925,001
Liabilities			
Accounts payable	1,767,474	1,873,303	3,640,777
Accrued interest payable	261,710	29,611	291,321
Customer deposits	-	221,504	221,504
Due within one year			
Compensated absences	613,174	91,004	704,178
Bonds and notes payable	4,041,185	1,031,017	5,072,202
Due in more than one year			
Compensated absences	292,835	-	292,835
Net pension obligation	875,688	-	875,688
Other postemployment benefits	5,128,888	905,098	6,033,986
Bonds and notes payable	24,761,613	3,287,380	28,048,993
Total Liabilities	37,742,567	7,438,917	45,181,484
Deferred Inflows of Resources			
Prepaid taxes	14,273	-	14,273
Pension deferrals	2,859,559	457,571	3,317,130
Total Deferred Inflows of Resources	2,873,832	457,571	3,331,403
Net Position			
Net investment in capital assets	131,248,516	13,789,268	145,037,784
Restricted for			
Stabilization by state statute	3,721,637	-	3,721,637
Downtown district	243,525	-	243,525
Public safety	297,346	-	297,346
Equipment and vehicles	224,833	-	224,833
Street improvements	1,481,070	-	1,481,070
Greenways	2,330,480	-	2,330,480
Unrestricted	7,157,318	3,909,794	11,067,112
Total Net Position	\$ 146,704,725	\$ 17,699,062	\$ 164,403,787

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, 2015

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	\$ 10,288,616	\$ 2,183,403	\$ -	\$ -	\$ (8,105,213)	\$ -	\$ (8,105,213)
Public safety	13,193,519	608,598	75,676	99,564	(12,409,681)	-	(12,409,681)
Transportation	5,090,607	28,655	810,220	15,342,778	11,091,046	-	11,091,046
Environmental protection	2,661,631	172,421	2,264	-	(2,486,946)	-	(2,486,946)
Cultural and recreation	3,759,071	1,181,893	2,834	2,756	(2,571,588)	-	(2,571,588)
Interest on long-term debt	775,312	-	-	-	(775,312)	-	(775,312)
Total governmental activities	<u>35,768,756</u>	<u>4,174,970</u>	<u>890,994</u>	<u>15,445,098</u>	<u>(15,257,694)</u>	<u>-</u>	<u>(15,257,694)</u>
Business-type activities:							
Water and sewer	44,045	-	-	-	-	(44,045)	(44,045)
Electric	19,503,601	19,501,560	-	-	-	(2,041)	(2,041)
Total business-type activities	<u>19,547,646</u>	<u>19,501,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,086)</u>	<u>(46,086)</u>
Total	<u>\$ 55,316,402</u>	<u>\$ 23,676,530</u>	<u>\$ 890,994</u>	<u>\$ 15,445,098</u>	<u>(15,257,694)</u>	<u>(46,086)</u>	<u>(15,303,780)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					22,496,254	-	22,496,254
Other taxes and licenses					47,957	-	47,957
Unrestricted intergovernmental					8,773,026	1,177	8,774,203
Unrestricted investment earnings					67,633	49,047	116,680
Miscellaneous					607,247	162,559	769,806
Total general revenues not including transfers					<u>31,992,117</u>	<u>212,783</u>	<u>32,204,900</u>
Special Item					507,768	-	507,768
Change in net position					<u>17,242,191</u>	<u>166,697</u>	<u>17,408,888</u>
Net position-beginning, previously reported					131,045,959	17,785,737	148,831,696
Restatement (note 18)					<u>(1,583,425)</u>	<u>(253,372)</u>	<u>(1,836,797)</u>
Net position-beginning, restated					<u>129,462,534</u>	<u>17,532,365</u>	<u>146,994,899</u>
Net position-ending					<u>\$ 146,704,725</u>	<u>\$ 17,699,062</u>	<u>\$ 164,403,787</u>

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

TOWN OF WAKE FOREST, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2015

	General	General Capital Reserve	Greenway Transportation Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 10,589,274	\$ 3,028,491	\$ -	\$ 2,386,833	\$ 16,004,598
Receivables, net					
Taxes	233,040	-	-	-	233,040
Accounts	2,504,135	30,320	19,484	6,878	2,560,817
Due from other governments	428,887	-	-	-	428,887
Advance to other funds	374,000	-	-	-	374,000
Inventories	13,281	-	-	-	13,281
Prepaid expenditures	66,895	-	-	-	66,895
Restricted cash and cash equivalents	765,704	-	3,668,977	194,023	4,628,704
Total Assets	\$ 14,975,216	\$ 3,058,811	\$ 3,688,461	\$ 2,587,734	\$ 24,310,222
Liabilities					
Accounts payable and accrued liabilities	\$ 1,688,944	\$ -	\$ -	\$ -	\$ 1,688,944
Accounts payable from restricted assets	-	-	70,934	7,597	78,531
Total Liabilities	1,688,944	-	70,934	7,597	1,767,475
Deferred Inflow of Resources					
Property taxes receivable	233,040	-	-	-	233,040
Sanitation receivables	10,363	-	-	-	10,363
Prepaid taxes	14,273	-	-	-	14,273
Total deferred inflows of resources	257,676	-	-	-	257,676
Fund Balances					
Non Spendable					
Inventories	13,281	-	-	-	13,281
Restricted					
Stabilization by state statute	3,721,637	-	-	-	3,721,637
Downtown district	243,525	-	-	-	243,525
Public safety	297,346	-	-	-	297,346
Equipment and vehicles	224,833	-	-	-	224,833
Street improvements	-	-	1,287,047	194,023	1,481,070
Greenways	-	-	2,330,480	-	2,330,480
Committed					
Economic development	-	-	-	946,850	946,850
Assigned					
Subsequent years expenditures	894,170	3,058,811	-	-	3,952,981
Recreation improvements	-	-	-	1,365,216	1,365,216
Cemetery improvements	-	-	-	74,048	74,048
Unassigned	7,633,804	-	-	-	7,633,804
Total fund balances	13,028,596	3,058,811	3,617,527	2,580,137	22,285,071
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,975,216	\$ 3,058,811	\$ 3,688,461	\$ 2,587,734	\$ 24,310,222

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, 2015

Fund balances-total governmental funds		\$ 22,285,071
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	\$ 208,043,096	
Less accumulated depreciation	<u>(47,991,782)</u>	160,051,314
Net pension asset		1,173,332
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		813,934
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	(28,584,409)	
Premiums received on bond issuance	(218,389)	
Compensated absences	(906,009)	
Other postemployment benefits	(5,128,888)	
Net pension obligation	<u>(875,688)</u>	(35,713,383)
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		243,403
Pension related deferrals		(2,836,186)
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>(261,710)</u>
Net position of governmental activities		<u>\$ 146,704,725</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, 2015

	General	General Capital Reserve	Greenway Transportation Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Ad valorem taxes	\$ 22,496,254	\$ -	\$ -	\$ -	\$ 22,496,254
Other taxes	47,957	-	-	-	47,957
Unrestricted intergovernmental	8,739,471	-	-	1,403	8,740,874
Restricted intergovernmental	984,848	-	44,723	-	1,029,571
Permits and fees	2,292,774	703,701	12,725	582,920	3,592,120
Sales and services	847,584	-	-	-	847,584
Miscellaneous	489,816	-	-	-	489,816
Investment earnings	24,310	1,637	503	24,399	50,849
Total revenues	<u>35,923,014</u>	<u>705,338</u>	<u>57,951</u>	<u>608,722</u>	<u>37,295,025</u>
Expenditures:					
Current:					
General government	9,387,662	-	-	-	9,387,662
Public safety	12,586,385	-	-	-	12,586,385
Transportation	1,986,906	-	-	-	1,986,906
Environmental protection	2,863,636	-	-	-	2,863,636
Cultural and recreation	2,733,052	-	107,514	-	2,840,566
Capital outlay	1,709,610	-	467,185	355,822	2,532,617
Debt service:					
Bond principal	1,000,000	-	-	-	1,000,000
Bond interest	475,375	-	-	-	475,375
Installment note principal	2,795,093	-	-	-	2,795,093
Installment note interest	295,441	-	-	-	295,441
Total expenditures	<u>35,833,160</u>	<u>-</u>	<u>574,699</u>	<u>355,822</u>	<u>36,763,681</u>
Revenues under expenditures	<u>89,854</u>	<u>705,338</u>	<u>(516,748)</u>	<u>252,900</u>	<u>531,344</u>
Other financing sources (uses):					
Transfers in	184,946	-	50,000	42,932	277,878
Transfers out	(195,526)	-	-	(82,352)	(277,878)
Issuance of debt	792,750	-	4,330,000	-	5,122,750
Bond issuance premium received	-	-	47,482	-	47,482
Total other financing sources (uses)	<u>782,170</u>	<u>-</u>	<u>4,427,482</u>	<u>(39,420)</u>	<u>5,170,232</u>
Special Item					
Town Hall Litigation Settlement	<u>507,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>507,768</u>
Net change in fund balances	<u>1,379,792</u>	<u>705,338</u>	<u>3,910,734</u>	<u>213,480</u>	<u>6,209,344</u>
Fund balance - beginning 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>
Fund balance - end of year	<u>\$ 13,028,596</u>	<u>\$ 3,058,811</u>	<u>\$ 3,617,527</u>	<u>\$ 2,580,137</u>	<u>\$ 22,285,071</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, 2015

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

Net change in fund balances - total governmental funds \$ 6,209,344

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	\$ 2,532,617	
Less current year depreciation	(5,174,589)	
Asset disposition gain/loss	<u>(27,348)</u>	(2,669,320)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities 813,934

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	15,293,797
Change in unavailable revenue for tax and sanitation revenues	(102,427)

The issuance of debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of bond premiums	16,783	
Premium received on debt issuance	(47,482)	
Issuance of debt	(5,122,750)	
Principal payments	<u>3,795,093</u>	(1,358,356)

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	(2,208)
Pension Expense	(79,430)
Net pension obligation - LEO	(138,114)
Other postemployment benefits	(720,533)
Change in accrued interest payable	<u>(4,496)</u>

Total changes in net position of governmental activities \$ 17,242,191

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, 2015

	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 21,774,900	\$ 22,176,940	\$ 22,422,548	\$ 245,608
Other taxes and licenses	38,960	43,460	47,957	4,497
Unrestricted intergovernmental	7,766,695	7,856,640	8,739,470	882,830
Restricted intergovernmental	988,740	994,350	984,848	(9,502)
Permits and fees	1,520,950	2,109,550	2,292,774	183,224
Sales and services	794,800	792,800	779,360	(13,440)
Miscellaneous	351,750	356,510	352,433	(4,077)
Investment earnings	40,000	40,000	23,969	(16,031)
Total revenues	<u>33,276,795</u>	<u>34,370,250</u>	<u>35,643,359</u>	<u>1,273,109</u>
Expenditures:				
Current				
General government	10,126,250	10,788,465	9,788,541	999,924
Public safety	13,238,900	13,448,055	13,286,150	161,905
Transportation	2,186,975	2,374,985	2,255,542	119,443
Environmental protection	2,967,060	3,003,880	2,977,093	26,787
Cultural and recreational	3,045,185	3,140,840	2,835,107	305,733
Debt service				
Bond principal	1,000,000	1,000,000	1,000,000	-
Bond interest	476,880	475,430	475,375	55
Installment note principal	2,458,485	2,795,095	2,795,093	2
Installment note interest	282,420	295,535	295,441	94
Total expenditures	<u>35,782,155</u>	<u>37,322,285</u>	<u>35,708,342</u>	<u>1,613,943</u>
Revenues over (under) expenditures	<u>(2,505,360)</u>	<u>(2,952,035)</u>	<u>(64,983)</u>	<u>2,887,052</u>
Other financing sources (uses):				
Transfers in (out)				
Downtown District Special Tax	90,000	117,525	66,595	(50,930)
Police Department Special Revenue Fund	30,000	30,000	36,000	6,000
General Fund	-	12,825	(92,931)	(105,756)
Cemetery Capital Reserve	104,000	104,000	30,419	(73,581)
Recreation Capital Reserve	57,000	57,000	51,933	(5,067)
Installment note issuance	840,500	792,750	792,750	-
Appropriated fund balance	1,383,860	1,330,935	-	(1,330,935)
Total other financing sources (uses)	<u>2,505,360</u>	<u>2,445,035</u>	<u>884,766</u>	<u>(1,560,269)</u>
Special Item				
Town Hall Litigation Settlement	-	507,000	507,768	768
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,327,551</u>	<u>\$ 1,327,551</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, 2015

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
(continued)				
Fund balance - Beginning of year			11,144,390	
Fund balance - End of year			12,471,941	
A legally budgeted Downtown District Special Tax Fund is consolidated into the General Fund for reporting purposes:				
Ad valorem taxes			73,705	
Investment earnings			159	
Transfer to General Fund			(66,595)	
Fund balance - beginning of year			236,256	
A legally budgeted Police Department Special Fund is consolidated into the General Fund for reporting purposes:				
Donations			9,265	
Forfeited currency			35,702	
Investment earnings			182	
Miscellaneous			20,211	
Transfer to General Fund			(36,000)	
Fund balance - beginning of year			267,986	
A legally budgeted Wake Forest Renaissance Centre Fund is consolidated into the General Fund for reporting purposes:				
Sales and services			68,224	
Events revenue			72,206	
Operating expenditures			(124,818)	
Fund balance - beginning of year			172	
Fund balance - end of year (Exhibit 4)			<u>\$ 13,028,596</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, 2015

	Electric Fund	Water and Sewer Fund	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,840,879	\$ 186,883	\$ 3,027,762
Accounts receivable, net	2,234,153	-	2,234,153
Note receivable - current portion	-	594,728	594,728
Inventories	1,115,264	-	1,115,264
Prepaid expenditures	11,000	-	11,000
Restricted cash and cash equivalents	19,986	-	19,986
Subtotal	<u>6,221,282</u>	<u>781,611</u>	<u>7,002,893</u>
Noncurrent assets:			
Note receivable - noncurrent portion	-	583,611	583,611
Net pension asset	<u>187,741</u>	<u>-</u>	<u>187,741</u>
Capital assets:			
Land and other non-depreciable assets	3,186,833	-	3,186,833
Other capital assets, net of depreciation	<u>14,920,832</u>	<u>-</u>	<u>14,920,832</u>
Capital assets (net)	<u>18,107,665</u>	<u>-</u>	<u>18,107,665</u>
Subtotal-noncurrent assets	<u>18,295,406</u>	<u>583,611</u>	<u>18,879,017</u>
Total assets	<u>24,516,688</u>	<u>1,365,222</u>	<u>25,881,910</u>
Deferred Outflows of Resources:			
Contributions to pension plan	<u>83,892</u>	<u>-</u>	<u>83,892</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	1,607,672	245,645	1,853,317
Due to other funds	374,000	-	374,000
Customer deposits	221,504	-	221,504
Accrued interest payable	25,021	4,590	29,611
Compensated absences	91,004	-	91,004
Restricted accounts payable and accrued liabilities	19,986	-	19,986
Bonds and notes payable	436,289	594,728	1,031,017
Total current liabilities	<u>2,775,476</u>	<u>844,963</u>	<u>3,620,439</u>
Noncurrent liabilities:			
Other postemployment benefits	905,098	-	905,098
Bonds and notes payable	2,703,764	583,616	3,287,380
Total noncurrent liabilities	<u>3,608,862</u>	<u>583,616</u>	<u>4,192,478</u>
Total liabilities	<u>6,384,338</u>	<u>1,428,579</u>	<u>7,812,917</u>
Deferred Inflows of Resources			
Pension deferrals	<u>453,823</u>	<u>-</u>	<u>453,823</u>
Net Position			
Net investment in capital assets	13,789,268	-	13,789,268
Unrestricted	<u>3,973,151</u>	<u>(63,357)</u>	<u>3,909,794</u>
Total net position	<u>\$ 17,762,419</u>	<u>\$ (63,357)</u>	<u>\$ 17,699,062</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, 2015

	Electric Fund	Water and Sewer Fund	Totals
Operating revenues:			
Charges for services	\$ 18,071,564	\$ -	\$ 18,071,564
Other operating revenues	1,485,701	-	1,485,701
Total operating revenues	<u>19,557,265</u>	<u>-</u>	<u>19,557,265</u>
Operating expenses:			
Electric operations	5,229,672	-	5,229,672
Electric power purchases	13,188,179	-	13,188,179
Depreciation	993,237	-	993,237
Total operating expenses	<u>19,411,088</u>	<u>-</u>	<u>19,411,088</u>
Operating income	<u>146,177</u>	<u>-</u>	<u>146,177</u>
Nonoperating revenues (expenses):			
Investment earnings	2,611	46,435	49,046
Interest expense	(90,708)	(44,045)	(134,753)
Gain on capital asset disposals	106,227	-	106,227
Total nonoperating revenues (expenses)	<u>18,130</u>	<u>2,390</u>	<u>20,520</u>
Income before transfers	164,307	2,390	166,697
Transfers from other funds	1,539,022	-	1,539,022
Transfers to other funds	(1,539,022)	-	(1,539,022)
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	164,307	2,390	166,697
Net position, beginning of year previously reported	17,851,484	(65,747)	17,785,737
Restatement (note 18)	(253,372)	-	(253,372)
Net position, beginning of year restated	<u>17,598,112</u>	<u>(65,747)</u>	<u>17,532,365</u>
Net position, end of year	<u>\$ 17,762,419</u>	<u>\$ (63,357)</u>	<u>\$ 17,699,062</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, 2015

	Electric Fund	Water and Sewer Fund	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 19,358,733	\$ -	\$ 19,358,733
Cash paid for goods and services	(15,773,580)	-	(15,773,580)
Cash paid to employees for services	(2,426,268)	-	(2,426,268)
Customer deposits received	91,530	-	91,530
Customer deposits returned	(71,630)	-	(71,630)
Net cash provided by operating activities	<u>1,178,785</u>	<u>-</u>	<u>1,178,785</u>
Cash flows from noncapital financing activities:			
Repayment of interfund loan	(69,429)	-	(69,429)
Increase in advances from other funds	-	-	-
Interfund transfer	-	-	-
Net cash used by noncapital financing activities	<u>(69,429)</u>	<u>-</u>	<u>(69,429)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(2,427,478)	-	(2,427,478)
Proceeds of sale of capital assets	108,031	-	108,031
Principal paid on bond maturities and equipment notes	(443,599)	(594,727)	(1,038,326)
Interest paid on bond maturities and equipment notes	(85,475)	(46,435)	(131,910)
Proceeds from issuance of bond	-	-	-
Collections for the City of Raleigh, pursuant to merger agreement	-	2,348,172	2,348,172
Transfer of funds to City of Raleigh, pursuant to merger agreement	-	(2,407,427)	(2,407,427)
Transfer of funds from City of Raleigh, pursuant to merger agreement	-	594,727	594,727
Net cash provided by (used by) capital and related financing activities	<u>(2,848,521)</u>	<u>(105,690)</u>	<u>(2,954,211)</u>
Cash flows from investing activities:			
Interest on investments	2,611	46,435	49,046
Net increase (decrease) in cash and cash equivalents	<u>(1,736,554)</u>	<u>(59,255)</u>	<u>(1,795,809)</u>
Cash and cash equivalents:			
Beginning of year	4,597,419	246,138	4,843,557
End of year	<u>\$ 2,860,865</u>	<u>\$ 186,883</u>	<u>\$ 3,047,748</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, 2015

	Electric Fund	Water and Sewer Fund	Totals
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 146,177	\$ -	\$ 146,177
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	993,237	-	993,237
Pension expense	12,710	-	12,710
Changes in assets and liabilities:			
Increase in accounts receivable	(198,532)	-	(198,532)
Increase in prepaid expenses	(11,000)	-	(11,000)
Decrease in inventory	3,299	-	3,299
Increase in accounts payable and accrued liabilities	178,789	-	178,789
Increase in customer deposits	19,900	-	19,900
Decrease in accrued vacation pay	(9,056)	-	(9,056)
Increase in deferred outflows of resources for pensions	(83,892)	-	(83,892)
Increase in other postemployment benefits	127,153	-	127,153
Total adjustments	1,032,608	-	1,032,608
Net cash provided by operating activities	<u>\$ 1,178,785</u>	<u>\$ -</u>	<u>\$ 1,178,785</u>

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

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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.

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.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1—Summary of significant accounting policies (continued)

Greenways Transportation & Pedestrian Access Project Fund - The Greenway Transportation & Pedestrian Access 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 this fund remains 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, 2015

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. Sales taxes are considered a shared revenue for the Town of Wake Forest because the tax is levied by Wake County and then remitted by the State. 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, 2015

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, Greenways, Trails and Pedestrian Access and the Electric Fund Capital Project Fund issued by the Town are classified as restricted assets 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, 2015

Note 1—Summary of significant accounting policies (continued)

Governmental Activities	
General Fund	
Rolling Stock	\$ 224,833
Downtown District	243,525
Public Safety	297,346
	<u>765,704</u>
Other Governmental Funds	
Street improvements	194,023
Greenway, Transportation and Pedestrian Access	3,668,977
	<u>3,863,000</u>
Business-Type Activities	
Electric Fund	19,986
Total Restricted Cash	<u>\$ 4,648,690</u>

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 30th 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.

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

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1—Summary of significant accounting policies (continued)

Deferred Outflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet the criterion for this category – portion of pension deferrals and contributions made to the pension plan in the current fiscal year.

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 four items that meet the criterion for this category - prepaid taxes, property tax receivable, sanitation receivable and deferrals of pension expense.

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, 2015

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 Equipment and Vehicles - portion of fund balance that is restricted by revenue source for certain rolling stock expenditures.

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

Restricted for Greenway Improvements - portion of fund balance that is restricted by revenue source for improvements to greenways.

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 either through board resolution or ordinance. 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.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1—Summary of significant accounting policies (continued)

The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

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 the Town Manager or another member of the management team.

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.

(f) Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local

Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Wake Forest's employer contributions are recognized when due and the Town of Wake Forest has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 2—Stewardship, compliance, and accountability

Excess of Expenditures over Appropriations – The Schedule of Revenues, Expenditures and Changes in Fund Balances for the Greenway Transportation and Pedestrian Access fund displays multiple projects within the fund for which no project authorization has been assigned. The original budgets were approved at the account classification level. At the account classification level the appropriations exceed the expenditures incurred. The individual project budgets will be amendment in the subsequent fiscal year.

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, 2015, the carrying amount of the Town's deposits was \$5,449,139 and the bank balance was \$5,762,761. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$4,512,761 was covered under the Pooling Method. At June 30, 2015, the Town had \$1,280 of petty cash on hand.

Investments - At June 30, 2015, the Town had \$18,230,632 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, 2015.

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

JUNE 30, 2015

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	\$	57,328
Electric	Allowance for uncollectible customer receivables		34,397

Note 5—Capital assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance				Balance
GOVERNMENTAL ACTIVITIES	June 30, 2014	Additions	Transfers	Deletions	June 30, 2015
Capital assets not being depreciated:					
Land	\$ 10,794,095	\$ -	\$ -	\$ -	\$ 10,794,095
Land rights and easements	24,554,139	2,306,061	-	-	26,860,200
Construction in progress	2,115,762	713,351	(799,975)	-	2,029,138
Total capital assets not being depreciated	37,463,996	3,019,412	(799,975)	-	39,683,433
Capital assets being depreciated:					
Buildings	16,694,732	-	-	-	16,694,732
Improvements	27,748,268	445,227	8,546	-	28,202,041
Infrastructure	98,536,980	13,039,407	791,429	-	112,367,816
Equipment and furniture	4,782,274	252,501	-	67,029	4,967,746
Vehicles and motorized equipment	5,429,414	1,069,867	-	371,953	6,127,328
Total capital assets being depreciated	153,191,668	14,807,002	799,975	438,982	168,359,663
Less Accumulated Depreciation for:					
Buildings	2,027,929	554,033	-	-	2,581,962
Improvements	8,605,808	1,199,866	-	-	9,805,674
Infrastructure	26,319,432	2,566,042	-	-	28,885,474
Equipment and furniture	2,968,025	363,507	-	55,196	3,276,336
Vehicles and motorized equipment	3,307,633	491,141	-	356,437	3,442,337
Total accumulated depreciation	43,228,827	5,174,589	-	411,633	47,991,783
Total capital assets being depreciated, net	109,962,841				120,367,880
Governmental activity capital assets, net					
	\$ 147,426,837				\$ 160,051,313

Depreciation expense was charged to

Functions/programs as follows:

General government	\$	904,072
Public safety		474,950
Public works		2,808,577
Environmental protection		81,066
Cultural and recreational		905,924
Total	\$	5,174,589

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

JUNE 30, 2015

Note 5—Capital assets (continued):

Business-type Activities	Balance			Balance
	June 30, 2014	Additions	Deletions	June 30, 2015
Capital assets not being depreciated				
Land	\$ 510,605	\$ -	\$ -	\$ 510,605
Construction in progress	1,112,472	1,563,756	-	2,676,228
Total capital assets not being depreciated	<u>1,623,077</u>	<u>1,563,756</u>	<u>-</u>	<u>3,186,833</u>
Capital assets being depreciated				
Utility improvements	24,242,573	726,575	-	24,969,148
Equipment and furniture	1,609,379	67,418	90,569	1,586,228
Vehicles and motorized equipment	1,556,324	69,729	34,776	1,591,277
Total capital assets being depreciated	<u>27,408,276</u>	<u>863,722</u>	<u>125,345</u>	<u>28,146,653</u>
Less accumulated depreciation for				
Utility improvements	10,272,286	778,763	-	11,051,049
Equipment and furniture	1,138,538	135,307	88,765	1,185,080
Vehicles and motorized Equipment	945,301	79,167	34,776	989,692
Total accumulated depreciation	<u>12,356,125</u>	<u>993,237</u>	<u>123,541</u>	<u>13,225,821</u>
Total capital assets being depreciated, net	<u>15,052,151</u>			<u>14,920,832</u>
Business-type activity capital assets, net	<u>\$ 16,675,228</u>			<u>\$ 18,107,665</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, 2015

Note 6—Pension plan obligations

(a) Local Government Employees' Retirement System

Plan Description - The Town is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested by the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members.. The Local Governmental 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 or at www.osc.nc.gov.

Benefits Provided – LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Funding Policy – Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Wake Forest employees 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 7.21% and 7.41%, respectively, of annual covered payroll. The contribution requirements of employees 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, 2015, 2014 and 2013 and were \$897,824, \$869,753, and \$770,777, respectively. The contributions made by the Town equaled the required contributions for each year.

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

JUNE 30, 2015

Note 6—Pension plan obligations (continued)

Refunds of Contributions - Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30th the Town reported an asset of \$1,361,017 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employees, actuarially determined. At June 30, 2014 the Town's proportion was 0.0023%.

For the year ended June 30, 2015, the Town recognized pension expense of \$92,140. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 148,715
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	3,168,415
Changes in proportion and differences between Town contributions and proportionate share of contributions	27,177	-
Town contributions subsequent to the measurement date	897,824	-
Total	<u>\$ 925,001</u>	<u>\$ 3,317,130</u>

\$897,824 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	\$ (822,565)
2016	(822,565)
2017	(822,565)
2018	(822,258)
2019	-
2020	-
Thereafter	-
	<u>\$ (3,289,953)</u>

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

JUNE 30, 2015

Note 6—Pension plan obligations (continued)

Actuarial Assumptions – The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	36.00%	2.50%
Global Equity	40.50%	6.10%
Real Estate	8.00%	5.70%
Alternatives	6.50%	10.50%
Credit	4.50%	6.80%
Inflation Protection	4.50%	3.70%
Total	<u>100.00%</u>	

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

JUNE 30, 2015

Note 6—Pension plan obligations (continued)

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualize figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates or return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

Discount rate – The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town’s proportionate share of the net pension asset to changes in the discount rate – The following presents the Town’s proportionate share of the net pension asset calculated using the discount rate of 7.25%, as well as what the Town’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1 % Decrease (6.25%)	Discount Rate (7.25%)	1 % Increase (8.25%)
Town’s proportionate share of the net pension liability (asset)	\$ 4,619,878	\$ (1,361,016)	\$ (6,396,736)

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

(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, 2014 the Separation Allowance’s membership consisted of:

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

JUNE 30, 2015

Note 6—Pension plan obligations (continued)

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>66</u>
Total	<u><u>67</u></u>

A separate report was not issued for the plan.

Summary of Significant Accounting Policies - Basis of Accounting: The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 67 and 68:

- contributions to the pension plan and earnings on those contributions are irrevocable
- pension plan assets are dedicated to providing benefits to plan members
- pension plan assets are legally protected from the creditors or employers, nonemployer contributing entities, the plan administrator, and plan members.

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	\$ 168,132
Interest on net pension obligation	36,879
Adjustment to annual required contribution	<u>(62,307)</u>
annual pension cost	142,704
Contributions made	<u>4,590</u>
Increased (decrease) in net pension obligation	138,114
Net pension obligation - beginning of year	<u>737,574</u>
Net pension obligation - end of year	<u><u>\$ 875,688</u></u>

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

JUNE 30, 2015

Note 6—Pension plan obligations (continued)

Trend Information

Year Ended	Annual Pension Costs (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/15	\$ 142,704	3.22%	\$ 875,688
6/30/14	113,611	0.00%	737,574
6/30/13	108,648	0.00%	623,963

Funded Status and Funding Progress - As of December 31, 2014, 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 \$1,203,060. The covered payroll (annual payroll of active employees covered by the plan) was \$4,157,477, and the ratio of the UAAL to the covered payroll was 28.94%.

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, 2015 were \$264,576, which consisted of \$202,085 from the Town and \$62,491 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, 2015 were \$600,247, which consisted of \$416,470 from the Town and \$183,776 from employees.

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

JUNE 30, 2015

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, 2014, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	25	4
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	135	61
Total	160	65

Funding Policy - The Board of Commissioners established the contribution requirements of plan members and this may be amended by the Board. Employees pay \$452 per month for dependent coverage and \$1,022 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 9.52% of annual covered payroll. For the current year, the Town contributed \$211,555 or 1.80% 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 10.67% and 5.84% of covered payroll, respectively. There were no contributions made by employees, except for dependent coverage in the amount of \$195,419. 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.

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

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

JUNE 30, 2015

Note 6—Pension plan obligations (continued)

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	\$ 1,049,970
Interest on OPEB obligation	207,452
Adjustment to annual required contribution	<u>(198,181)</u>
Annual OPEB cost	1,059,241
Contributions made	<u>(211,555)</u>
Increase in net OPEB obligation	847,686
Net OPEB obligation - beginning of year	<u>5,186,300</u>
Net OPEB obligation - end of year	<u><u>\$ 6,033,986</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, 2015 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>
6/30/15	\$ 1,059,241	20.00%	\$ 6,033,986
6/30/14	988,679	15.00%	5,186,300
6/30/13	997,277	15.90%	4,346,317

Funded Status and Funding Progress - As of December 31, 2014, 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 \$11,855,181. The covered payroll (annual payroll of active employees covered by the plan) was \$11,768,783 and the ratio of the UAAL to the covered payroll was 100.7%. 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.

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.

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

JUNE 30, 2015

Note 6—Pension plan obligations (continued)

In the December 31, 2014 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% for pre-Medicare and 5.5 to 5.0% for post-Medicare, 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, 2014 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.

Note 7—Deferred outflows and inflows of resources

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

	<u>Total</u>
Contributions to pension plan in current fiscal year	
General Fund	\$ 813,934
Electric Fund	83,890
	<u>897,824</u>
 Pension Deferrals	 27,177
 Total	 <u><u>\$ 925,001</u></u>

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

JUNE 30, 2015

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

	<u>Unavailable Revenue</u>	<u>Unearned Revenue</u>	<u>Total</u>
General Fund			
Prepaid taxes not yet earned	\$ -	\$ 10,775	\$ 10,775
Taxes receivable (net)	170,425	-	170,425
Vehicle licenses receivable	62,614	-	62,614
Sanitation receivable	10,364	-	10,364
Prepaid other	-	3,498	3,498
Pension Deferrals	-	3,317,130	3,317,130
Total	<u>\$ 243,403</u>	<u>\$ 3,331,403</u>	<u>\$ 3,574,806</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.

There are exclusions to the town's policy which bar coverage for all 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.

Note 9—Claims, judgments and contingent liabilities

At June 30, 2015, 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

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

JUNE 30, 2015

Note 9—Claims, judgments and contingent liabilities (continued)

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, 2015 are comprised of the following individual issues:

Serviced by the General Fund:

\$4,330,000 Series 2015 Public Improvement Bonds with annual installments of \$220,000 due annually on April 1 through April 1, 2021 plus interest and \$215,000 due annually on October 1 through October 1, 2035 plus interest from 2.0 to 3.25 percent	\$4,330,000
\$7,300,000 Series 2009 A 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	5,475,000
\$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	760,000
\$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>5,520,000</u>
Total	<u>\$ 16,085,000</u>

At June 30, 2015, the Town of Wake Forest had bonds authorized but unissued of \$20,770,000 and a legal debt margin of \$293,586,917.

Annual debt service requirements to maturity for general obligation bonds at June 30, 2015 are as follows:

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

JUNE 30, 2015

Note 10—Long-term debt (continued)

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year Ending June 30:		
2016	\$ 1,215,000	\$ 538,038
2017	1,210,000	494,163
2018	1,210,000	454,638
2019	1,205,000	411,463
2020	1,145,000	369,503
2020 - 2024	5,205,000	1,329,380
2025 - 2029	3,820,000	505,315
2030 - 2035	1,075,000	97,608
Total	<u>\$ 16,085,000</u>	<u>\$ 4,200,108</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%. \$ 882,679

\$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% 2,257,374
\$ 3,140,053

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, 2015, is as follows:

Operating revenues	\$ 19,552,542
Operating expenses (less depreciation)	<u>18,629,904</u>
Net revenues available for debt service	<u>\$ 922,638</u>
Debt service, principal and interest paid (revenue bond only)	<u>\$ 517,988</u>
Debt service coverage ratio	<u>178%</u>

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 \$3,463,694. Principal and interest paid for the current year and total customer net revenues were \$517,988 and \$922,638, respectively.

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

JUNE 30, 2015

Note 10—Long-term debt (continued)

Annual debt service requirements to maturity for revenue bonds at June 30, 2015 are as follows:

	Business-Type Activities	
	Principal	Interest
Year Ending June 30:		
2016	\$ 436,289	\$ 80,370
2017	451,981	67,337
2018	464,097	53,891
2019	477,971	40,018
2020	250,405	27,943
2021 - 2024	1,059,310	54,082
Total	<u>\$ 3,140,053</u>	<u>\$ 323,641</u>

c) Installment Notes

The Town's installment notes outstanding at June 30, 2015 are as follows:

	Governmental Activities
\$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>	\$ 5,553,329
\$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.	425,000
\$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%.	2,250,000
\$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.	254,065
\$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%.	1,314,286
\$792,750 installment obligation to BB&T for vehicles and equipment issued February 25, 2015; semi-annual payments of \$102,059 which includes interest at 1.32%, secured by vehicles and equipment.	792,750
\$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%.	233,137
\$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%.	721,722

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

JUNE 30, 2015

	Governmental Activities
\$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%.	616,667
\$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%.	338,452
Total	\$ 12,499,408

The Town's installment notes outstanding at June 30, 2015 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)	\$ 413,333

Annual debt service requirements to maturity for installment notes at June 30, 2015 are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Year Ending June 30:				
2016	\$ 2,809,402	\$ 254,711	\$ 206,667	\$ 6,582
2017	2,482,770	204,333	206,666	2,533
2018	2,086,546	157,565	-	-
2019	1,807,354	116,334	-	-
2020	1,026,667	79,221	-	-
2021 - 2025	2,286,669	123,480	-	-
Total	\$ 12,499,408	\$ 935,644	\$ 413,333	\$ 9,115

(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.

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

JUNE 30, 2015

Note 10—Long-term debt (continued)

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, 2015 the outstanding balance on this note totaled \$645,000. 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, 2015 the remaining balance on these notes totaled \$11,111 and \$108,900, respectively.

Annual debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
Year Ending June 30:		
2016	\$ 388,061	\$ 23,961
2017	376,950	11,656
Total	<u>\$ 765,011</u>	<u>\$ 35,617</u>

Changes in Long-Term Liabilities - Long-term liability activity for the year ended June 30, 2015, was as follows:

	Balance			Balance	Amounts Due
	July 1, 2014	Increases	Decreases	June 30, 2015	Within One
					Year
Governmental Activities:					
Bonds and Notes Payable:					
General obligation bonds	\$ 12,755,000	\$ 4,330,000	\$ 1,000,000	\$ 16,085,000	\$ 1,215,000
Premiums on issuance	187,690	47,482	16,782	218,390	16,783
Total bonds payable	<u>12,942,690</u>	<u>4,377,482</u>	<u>1,016,782</u>	<u>16,303,390</u>	<u>1,231,783</u>
Installment Notes	14,501,751	792,750	2,795,093	12,499,408	2,809,402
Compensated absences	903,801	2,208	-	906,009	613,174
Net pension obligation	737,574	138,114	-	875,688	-
Other post employment benefits	4,408,355	720,533	-	5,128,888	-
Governmental activity long-term liabilities	<u>33,494,171</u>	<u>6,031,087</u>	<u>3,811,875</u>	<u>35,713,383</u>	<u>4,654,359</u>
Business-Type Activities:					
Revenue bonds	\$ 3,583,652	\$ -	\$ 443,599	\$ 3,140,053	\$ 436,289
Installment notes	1,773,072	-	594,728	1,178,344	594,728
Compensated absences	100,060	-	9,056	91,004	91,004
Other post employment benefits	777,945	127,153	-	905,098	-
Business-type activity long-term liabilities	<u>6,234,729</u>	<u>127,153</u>	<u>1,047,383</u>	<u>5,314,499</u>	<u>1,122,021</u>
Total long-term liabilities	<u>\$ 39,728,900</u>			<u>\$ 41,027,882</u>	<u>\$ 5,776,380</u>

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

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

JUNE 30, 2015

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	\$13,028,596
Less:	
Inventories	(13,281)
Stabilization by State Statute	(3,721,637)
Downtown District	(243,525)
Public Safety	(297,346)
Rolling Stock	(224,833)
Assigned for subsequent year's expenditures	(894,170)
Remaining fund balance	<u>\$ 7,633,804</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 \$ 424,980

Note 12—Interfund balances and transfers

A summary of interfund transfers follows:

	Transfers Out							Total Transfers In
	General Fund	Police			Electric Fund	Cemetery Capital Reserve	Recreation Capital Reserve	
		Downtown District Special Tax	Department Special Revenue Fund	Electric Capital Reserve				
Transfers In:								
General Fund	\$ -	\$ 66,595	\$ 36,000	\$ -	\$ -	\$ 30,419	\$ 51,933	\$ 184,947
Holding Park Pool	42,931	-	-	-	-	-	-	42,931
GTP	50,000	-	-	-	-	-	-	50,000
Electric Fund Capital Project	-	-	-	31,695	1,507,327	-	-	1,539,022
Total Transfers Out	<u>\$ 92,931</u>	<u>\$ 66,595</u>	<u>\$ 36,000</u>	<u>\$ 31,695</u>	<u>\$ 1,507,327</u>	<u>\$ 30,419</u>	<u>\$ 51,933</u>	<u>\$ 1,816,900</u>

Balances due to/from other funds at June 30, 2015, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Electric Fund	\$ 374,000

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 four (4) years plus interest at 2.5% or it may prepay the loan in full within the five-year period.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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, 2015 were \$13,188,179.

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.

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 \$1,178,339 due from the City of Raleigh related to this merger. The amount due from the City of Raleigh is shown as \$594,728 due within one year and \$583,611 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 \$245,645 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, 2015, 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, 2015 have been recorded as noncurrent assets in the government-wide financial statements.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 17—Special item

The Town reached a settlement in an ongoing lawsuit relative to the design and construction of the Town Hall in 2009. The terms and amounts were determined during mediation. The Town received a cash settlement amount of \$300,000. In addition, the Town was not required to remit the retainage payable funds that were being held in the amount of \$205,000 plus interest totaling \$2,768. Therefore, the total settlement for this litigation is equal to \$507,768.

Note 18—Change in accounting principles/restatement

The Town implemented Governmental Accounting Standards Board (GASB) statement 68 and 71, Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27), in the fiscal year ending June 30, 2015. The implementation of the statement required the Town to record beginning net pension liability and the effects on net position of contributions made by the Town during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$1,583,425 and \$253,372, respectively.

Note 19—Subsequent events

Management has evaluated subsequent events in connection with the preparation of the financial statements through the date the financial statements were available to be issued and determined that there was nothing to be reported.

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

TEN YEARS ENDED DECEMBER 31, 2014

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)
12/31/2005	\$ -	\$ 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%
12/31/2014	-	1,203,060	1,203,060	0.00%	4,157,477	28.94%

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

TEN YEARS ENDED JUNE 30, 2015

<u>Year Ended</u> <u>June 30</u>	<u>Annual Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contribution</u>
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%
2015	168,132	2.73%

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 dollar 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, 2014

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)
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%
2014	-	11,855,181	11,855,181	0.00%	11,768,783	100.73%

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

FIVE YEARS ENDED JUNE 30, 2015

<u>Year Ended</u> <u>June 30</u>	<u>Annual Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2011	\$ 893,708	10.49%
2012	961,132	11.75%
2013	991,006	16.03%
2014	980,909	15.16%
2015	1,049,970	20.15%

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

TOWN OF WAKE FOREST PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
 REQUIRED SUPPLEMENTARY INFORMATION

LAST TWO FISCAL YEARS

Local Government Employees' Retirement System

	2015	2014
Wake Forest's proportion of the net pension liability (asset) (%)	0.2308%	0.2236%
Wake Forest's proportion of the net pension liability (asset) (\$)	\$ (1,361,016)	\$ 2,695,239
Wake Forest's covered-employee payroll	\$ 11,768,783	\$ 11,932,156
Wake Forest's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-11.56%	22.59%
Plan fiduciary net position as a percentage of the total pension liability**	102.47%	94.16%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30th.

**This will be the same percentage for all participant employers in the LGERS plan.

TOWN OF WAKE FOREST, NORTH CAROLINA

TOWN OF WAKE FOREST CONTRIBUTIONS
 REQUIRED SUPPLEMENTARY INFORMATION

LAST TWO FISCAL YEARS

Local Government Employees' Retirement System

	2015	2014
Contractually required contribution	\$ 897,824	\$ 869,753
Contributions in relation to the contractually required contribution	897,824	869,753
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Wake Forest's covered-employee payroll	\$11,768,783	\$11,932,156
Contributions as a percentage of covered-employee payroll	7.63%	7.29%



TOWN *of*
WAKE FOREST

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
Revenues:				
Ad valorem taxes:				
Current year taxes	\$ 21,906,940	\$ 22,181,768	\$ 274,828	\$ 21,076,021
Prior years taxes	210,000	182,191	(27,809)	146,599
Penalties and interest	60,000	58,589	(1,411)	67,802
Total	22,176,940	22,422,548	245,608	21,290,422
Other taxes and licenses:				
Gross receipts tax on short-term rental property	43,460	47,957	4,497	39,867
Privilege licenses	-	-	-	70,922
Total	43,460	47,957	4,497	110,789
Unrestricted intergovernmental:				
Local option sales taxes	6,000,665	6,218,974	218,309	5,700,274
Beer and wine tax	154,315	154,318	3	139,022
Utility franchise tax	1,679,300		656,149	1,661,397
Piped natural gas		39,560		
Electricity		1,756,228		
Telecommunications		129,774		
Video Programming		409,887		
Other unrestricted intergovernmental	22,360	30,729	8,369	27,271
Total	7,856,640	8,739,470	882,830	7,527,964
Restricted intergovernmental:				
Powell Bill allocation	810,215	810,220	5	796,640
County grants	75,680	75,676	(4)	76,124
State grants	108,455	93,855	(14,600)	-
Federal grants	-	5,097	5,097	15,526
Total	994,350	984,848	(9,502)	888,290
Permits and fees:				
Building permits	1,375,800	1,428,805	53,005	1,030,818
Fire inspection and prevention	20,000	21,242	1,242	20,184
Utility and street inspection fees	25,000	28,655	3,655	19,403
Vehicle licenses	392,500	456,573	64,073	485,076
Business registration fee	31,250	32,152	902	0
Other permits and fees	265,000	325,347	60,347	247,799
Total	2,109,550	2,292,774	183,224	1,803,280
Sales and services:				
Solid waste fees	172,500	158,371	(14,129)	149,074
Recreation fees	502,285	531,834	29,549	434,122
Cemetery	15,000	14,050	(950)	19,450
Other sales and services	103,015	75,105	(27,910)	92,654
Total	792,800	779,360	(13,440)	695,300

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
Miscellaneous:				
ABC revenue	\$ 122,750	\$ 148,533	\$ 25,783	\$ 125,543
Miscellaneous revenue	233,760	203,900	(29,860)	260,410
Total	356,510	352,433	(4,077)	385,953
Investment earnings	40,000	23,969	(16,031)	25,436
Total revenues	34,370,250	35,643,359	1,273,109	32,727,434
Expenditures:				
General government:				
Governing body:				
Salaries and employee benefits	219,755	202,474	17,281	170,798
Professional services	353,400	343,665	9,735	486,119
Contributions	121,000	121,000	-	123,500
Operating expenditures	101,370	85,004	16,366	97,221
Total	795,525	752,143	43,382	877,638
Administration:				
Salaries and employee benefits	365,735	356,773	8,962	368,166
Professional services	28,500	28,419	81	-
Operating expenditures	44,605	34,756	9,849	32,619
Total	438,840	419,948	18,892	400,785
Communications:				
Salaries and employee benefits	238,720	232,660	6,060	200,213
Operating expenditures	228,725	225,008	3,717	170,627
Total	467,445	457,668	9,777	370,840
Human Resources:				
Salaries and employee benefits	368,865	367,841	1,024	342,402
Professional services	15,000	1,526	13,474	46,207
Operating expenditures	125,975	117,176	8,799	64,046
Capital Outlay	-	-	-	20,085
Total	509,840	486,543	23,297	472,740
Downtown Development				
Salaries and employee benefits	78,405	77,612	793	74,063
Professional services	-	-	-	37
Operating expenditures	92,710	61,726	30,984	72,061
Capital Outlay	-	-	-	-
Total	171,115	139,338	31,777	146,161

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
Finance:				
Salaries and employee benefits	\$ 915,070	\$ 903,584	\$ 11,486	\$ 846,471
Professional services	47,500	47,471	29	52,527
Operating expenditures	406,755	339,755	67,000	414,175
Capital outlay	27,400	27,327	73	35,538
Total	1,396,725	1,318,137	78,588	1,348,711
Management Information Systems:				
Salaries and employee benefits	483,120	469,090	14,030	450,201
Operating expenditures	285,450	237,292	48,158	269,252
Capital outlay	64,200	23,091	41,109	58,220
Total	832,770	729,473	103,297	777,673
Inspections:				
Salaries and employee benefits	1,201,300	1,198,954	2,346	1,156,181
Operating expenditures	106,200	77,617	28,583	84,550
Capital outlay	21,325	21,321	4	22,020
Total	1,328,825	1,297,892	30,933	1,262,751
Planning:				
Salaries and employee benefits	729,630	699,625	30,005	645,453
Professional services	62,530	26,745	35,785	43,688
Operating expenditures	117,935	97,983	19,952	86,264
Capital outlay	-	-	-	(27,494)
Total	910,095	824,353	85,742	747,911
Public buildings:				
Salaries and employee benefits	178,495	172,085	6,410	134,768
Professional services	27,800	22,248	5,552	21,822
Operating expenditures	1,272,770	1,177,328	95,442	976,408
Capital outlay	507,605	259,653	247,952	2,074,819
Total	1,986,670	1,631,314	355,356	3,207,817
Engineering:				
Salaries and employee benefits	733,625	681,326	52,299	747,476
Professional services	129,605	117,999	11,606	137,284
Operating expenditures	339,665	317,343	22,322	320,789
Contributions	10,000	10,000	-	-
Total	1,212,895	1,126,668	86,227	1,205,549

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
Public Works Administration:				
Salaries and employee benefits	\$ 131,305	\$ 129,698	\$ 1,607	\$ 153,310
Operating expenditures	32,585	28,960	3,625	31,001
Total	163,890	158,658	5,232	184,311
Fleet Maintenance:				
Salaries and employee benefits	338,705	288,447	50,258	335,389
Operating expenditures	112,825	88,471	24,354	90,533
Capital outlay	122,300	69,488	52,812	-
Total	573,830	446,406	127,424	425,922
Total general government	10,788,465	9,788,541	999,924	11,428,809
Public safety:				
Police:				
Salaries and employee benefits	6,547,525	6,541,176	6,349	6,069,908
Operating expenditures	1,454,070	1,357,033	97,037	1,570,642
Capital outlay	757,740	699,765	57,975	524,205
Total	8,759,335	8,597,974	161,361	8,164,755
Fire:				
Contributions to:				
Fire Department	4,674,220	4,674,218	2	4,242,320
Hazmat	14,500	13,958	542	13,419
Total	4,688,720	4,688,176	544	4,255,739
Total public safety	13,448,055	13,286,150	161,905	12,420,494
Transportation:				
Streets:				
Salaries and employee benefits	1,024,850	968,216	56,634	933,005
Professional services	7,500	391	7,109	24,578
Operating expenditures	1,056,790	1,018,299	38,491	879,374
Capital outlay	285,845	268,636	17,209	318,050
Total transportation	2,374,985	2,255,542	119,443	2,155,007
Environmental protection:				
Sanitation:				
Salaries and employee benefits	426,570	421,911	4,659	378,184
Contracted services	2,160,010	2,159,922	88	2,037,357
Operating expenditures	303,800	281,803	21,997	284,573
Capital outlay	113,500	113,457	43	-
Total environmental protection	3,003,880	2,977,093	26,787	2,700,114

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
Cultural and recreational:				
Parks and recreation:				
Salaries and employee benefits	\$ 1,643,225	\$ 1,546,592	\$ 96,633	\$ 1,356,791
Professional services	80,000	79,999	1	646
Operating expenditures	1,184,300	981,643	202,657	928,552
Capital outlay	233,315	226,873	6,442	200,900
Total cultural and recreational	3,140,840	2,835,107	305,733	2,486,889
Debt service:				
Bond principal	1,000,000	1,000,000	-	1,005,000
Bond interest	475,430	475,375	55	511,988
Installment note principal	2,795,095	2,795,093	2	2,465,139
Installment note interest	295,535	295,441	94	321,270
Total debt service	4,566,060	4,565,909	151	4,303,397
Total expenditures	37,322,285	35,708,342	1,613,943	35,494,710
Revenues under expenditures	(2,952,035)	(64,983)	(340,834)	(2,767,276)
Other financing sources (uses):				
Transfers in (out):				
Downtown District Special Tax	117,525	66,595	(50,930)	62,081
General Fund	12,825	(92,931)	(105,756)	-
Police Department Special Revenue Fund	30,000	36,000	6,000	75,000
Wake Forest Renaissance Centre	-	-	-	(15,000)
General Capital Reserve	-	-	-	197,120
Cemetery Fund Capital Reserve	104,000	30,419	(73,581)	-
Water and Sewer Fund	-	-	-	7,166
Recreation Capital Reserve	57,000	51,933	(5,067)	-
Installment note issuance	792,750	792,750	-	2,148,705
Proceeds from settlement	507,000	507,768	768	-
Appropriated fund balance	1,330,935	-	(1,330,935)	-
Total other financing sources (uses)	2,952,035	1,392,534	(1,559,501)	2,475,072
Net change in fund balance	\$ -	1,327,551	\$ (1,900,335)	(292,204)
Fund balance - Beginning of year		11,144,390		11,436,594
Fund balance - End of year		\$ 12,471,941		\$ 11,144,390

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
Revenues:				
Ad valorem taxes	\$ 75,000	\$ 73,705	\$ (1,295)	\$ 73,887
Miscellaneous	-	-	-	-
Investment earnings	250	159	(91)	181
Total revenues	75,250	73,864	(1,386)	74,068
Other financings sources (uses):				
Transfers out:				
General Fund	(90,000)	(66,595)	23,405	(62,081)
Appropriated Fund Balance	14,750	-	(14,750)	-
Total other financing sources (uses):	(75,250)	(66,595)	8,655	(62,081)
Net change in fund balance	\$ -	7,269	\$ 7,269	11,987
Fund Balances:				
Beginning of year		236,256		224,269
End of year		\$ 243,525		\$ 236,256

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
Revenues:				
Donations	\$ 8,995	\$ 9,265	\$ 270	\$ 24,877
Forfeited currency	22,000	35,702	13,702	44,042
Investment earnings	165	182	17	253
Miscellaneous	8,500	20,211	11,711	5,910
Total revenues	39,660	65,360	25,700	75,082
Other financing uses:				
Transfers out:				
General Fund	(39,660)	(36,000)	(3,660)	(75,000)
Net change in fund balance	\$ -	29,360	\$ 29,360	82
Fund Balances:				
Beginning of year		267,986		267,904
End of year		\$ 297,346		\$ 267,986

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
Revenues:				
Sales and services	\$ 108,500	\$ 68,224	\$ (40,276)	\$ 51,697
Events revenue	61,500	72,206	10,706	17,050
Total revenues	170,000	140,430	(29,570)	68,747
Expenditures:				
Operating expenses	170,000	124,818	(45,182)	83,575
Revenues over (under) expenditures	-	15,612	15,612	(14,828)
Other Financing Uses:				
Transfer in:				
General Fund	-	-	-	15,000
Total other financing sources	-	-	-	15,000
Net change in fund balance	\$ -	15,612	\$ 15,612	172
Fund balances:				
Beginning of year		172		-
End of year		\$ 15,784		\$ 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, 2015

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Payments in lieu	\$ 488,220	\$ 486,640	\$ 117,431	\$ 604,071
Greenway fees	20,690	20,692	(1,086)	19,606
Fire Impact Fees	2,435,000	2,414,613	587,356	3,001,969
Investment earnings	160,000	154,731	1,637	156,368
Donations	205,000	204,930	-	204,930
Development proceeds	86,560	86,560	-	86,560
Total revenues	<u>3,395,470</u>	<u>3,368,166</u>	<u>705,338</u>	<u>4,073,504</u>
Other financing sources (uses):				
Transfers in (out):				
General Fund	49,309	11,715	-	11,715
General Fund	(2,475,904)	(1,026,408)	-	(1,026,408)
Capital Projects Fund	(968,875)	-	-	-
Total other financing sources (uses)	<u>(3,395,470)</u>	<u>(1,014,693)</u>	<u>-</u>	<u>(1,014,693)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,353,473</u>	705,338	<u>\$ 3,058,811</u>
Fund balances:				
Beginning of year			2,353,473	
End of year			<u>\$ 3,058,811</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, 2015

	Project Authorization	Prior Years	Actual		Total to Date
			Current Year	Closed Projects	
Revenues:					
Federal grants					
Smith and Sanford Creek Greenway	\$ 2,737,785	\$ 465,153	\$ 31,741	\$ -	\$ 496,894
Forestville Road/Crenshaw Multi-Use*	271,765	268,834	-	(268,834)	-
Priority Pedestrian Corridors	1,300,000	156,845	42,526	-	199,371
Dunn Creek Greenway-Downtown Connector	365,440	105,083	(29,544)	-	75,539
Safe Routes to Schools*	299,990	299,987	-	(299,987)	-
Ligon Mill Road - Operational Improvements	1,920,000	104,678	-	-	104,678
Stadium Drive - Complete Streets	234,400	234,400	-	-	234,400
Sub-total federal grants	<u>7,129,380</u>	<u>1,634,980</u>	<u>44,723</u>	<u>(568,821)</u>	<u>1,110,882</u>
Investment earnings					
Smith and Sanford Creek Greenway	-	-	80	-	80
Priority Pedestrian Corridors	-	-	38	-	38
Dunn Creek Greenway - Downtown Connector	-	-	9	-	9
Forestville Road Pedestrian Underpass	-	-	8	-	8
Greenway and Park Signage	-	-	42	-	42
Ligon Mill Road Operation Improvements	-	-	98	-	98
W. Oake Avenue Pedestrian Underpass	-	-	20	-	20
Smith Creek Trailhead	-	-	58	-	58
Dunn Creek Greenway - Boardwalk Rehab	-	-	47	-	47
Traffic Signals	-	-	10	-	10
Wake Forest Reservoir	-	-	93	-	93
Sub-total investment earnings	<u>-</u>	<u>-</u>	<u>503</u>	<u>-</u>	<u>503</u>
Miscellaneous Revenues					
Forestville Road/Crenshaw Multi-Use*	-	-	6,455	(6,455)	-
Safe Routes to Schools*	-	-	5,709	(5,709)	-
Other Miscellaneous	-	-	561	-	561
Sub-total miscellaneous revenues	<u>-</u>	<u>-</u>	<u>12,725</u>	<u>(12,164)</u>	<u>561</u>
Sales Tax Refund					
Smith and Sanford Creek Greenway	4,150	-	-	-	-
Forestville Road/Crenshaw Multi-Use*	3,150	3,147	-	(3,147)	-
Safe Routes to Schools*	2,700	2,656	-	(2,656)	-
Sub-total sales tax refund	<u>10,000</u>	<u>5,803</u>	<u>-</u>	<u>(5,803)</u>	<u>-</u>
Sub-total revenues	<u>7,139,380</u>	<u>1,640,783</u>	<u>57,951</u>	<u>(586,788)</u>	<u>1,111,946</u>
Less closed project budget	<u>577,605</u>				
Total revenues	<u>6,561,775</u>	<u>1,640,783</u>	<u>57,951</u>	<u>(586,788)</u>	<u>1,111,946</u>
Expenditures:					
Capital outlay:					
Neuse River Greenway*	1,210,035	1,210,015	-	(1,210,015)	-
Smith Creek/Sanford Creek Greenway	3,422,235	581,439	59,066	-	640,505
Other improvements					
Forestville Road & Crenshaw Multi-Use*	339,705	452,995	15,834	(468,829)	-
Priority Pedestrian Corridors	1,300,000	196,056	61,228	-	257,284
Dunn Creek Greenway - Downtown Connector	365,800	131,354	(34,697)	-	96,657
Safe Routes to Schools*	402,620	420,294	23,379	(443,673)	-
Stadium Drive Complete Streets	293,000	323,347	64,022	-	387,369
Forestville Road Pedestrian Underpass	-	-	1,664	-	1,664
Greenway and Park Signage	-	-	58,939	-	58,939
Ligon Mill Road Operational Improvement	1,964,935	154,801	39,770	-	194,571
W. Oak Avenue Pedestrian Underpass	-	-	4,171	-	4,171
Smith Creek Trailhead	-	-	63,761	-	63,761
Dunn Creek Greenway - Boardwalk Rehab	-	-	9,932	-	9,932
Richland Creek Greenway	-	-	24,067	-	24,067
Traffic Signals	-	-	52,235	-	52,235
Wake Forest Reservoir	-	-	86,074	-	86,074
Other Miscellaneous	535,000	7,639	45,254	1	52,894
Sub-total other improvements	<u>5,201,060</u>	<u>1,686,486</u>	<u>515,633</u>	<u>(912,501)</u>	<u>1,289,618</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, 2015

	Project Authorization	Prior Years	Actual		Total to Date
			Current Year	Closed Projects	
Sub-total expenditures	9,833,330	3,477,940	574,699	(2,122,516)	1,930,123
Less closed project budget	1,952,360				-
Total expenditures	7,880,970	3,477,940	574,699	(2,122,516)	1,930,123
Revenues under expenditures	(1,319,195)	(1,837,157)	(516,748)	1,535,728	(818,177)
Other financing sources:					
Transfers in:					
General Capital Reserve Fund					
Forestville Road/Crenshaw Multi-Use*	-	-	181,015	(181,015)	-
Ligon Mill Road Operational Improvements	-	-	33,869	-	33,869
Neuse River Greenway*	1,210,035	1,210,014	-	(1,210,014)	-
Safe Routes to Schools*	-	-	119,052	(119,052)	-
Other Miscellaneous	333,915	333,936	(333,936)	-	-
Sub-total General Capital Reserve Fund	1,543,950	1,543,950	-	(1,510,081)	33,869
General Fund					
Smith and Sanford Creek Greenway	685,000	-	-	-	-
Forestville Road/Crenshaw Multi-Use	67,945	-	-	-	-
Dunn Creek Greenway - Downtown Connector Greenway and Park Signage	360	-	50,000	-	50,000
Ligon Mill Road Operational Improvements	125,555	-	-	-	-
Safe Routes to Schools	102,635	-	-	-	-
Stadium Drive Complete Streets	140,205	-	-	-	-
Other Miscellaneous	28,300	-	-	-	-
Sub-total General Fund	1,150,000	-	50,000	-	50,000
Bond Proceeds					
Smith and Sanford Creek Greenway	-	-	692,512	-	692,512
Forestville Road/Crenshaw Multi-Use*	-	-	9,378	(9,378)	-
Safe Routes to Schools*	-	-	16,269	(16,269)	-
Priority Pedestrian Corridors	-	-	328,564	-	328,564
Dunn Creek Greenway - Downtown Connector	-	-	90,987	-	90,987
Forestville Road - Pedestrian Underpass	-	-	67,735	-	67,735
Greenway and Park Signage	-	-	363,948	-	363,948
Ligon Mill Road - Operational Improvements	-	-	854,266	-	854,266
W. Oak Avenue - Pedestrian Underpass	-	-	169,842	-	169,842
Dunn Creek Greenway - Boardwalk Rehab	-	-	404,386	-	404,386
Traffic Signals	-	-	90,987	-	90,987
Wake Forest Reservoir	-	-	808,773	-	808,773
Other Miscellaneous	-	-	479,835	-	479,835
Sub-total Bonds Proceeds	-	-	4,377,482	(25,647)	4,351,835
Sub-total other financing sources	2,693,950	1,543,950	4,427,482	(1,535,728)	4,435,704
Less closed project budget	1,374,755				-
Total other financing sources	1,319,195	1,543,950	4,427,482	(1,535,728)	4,435,704
Net change in fund balance	\$ -	\$ (293,207)	3,910,734	\$ -	\$ 3,617,527
Fund balances:					
Beginning of year			(293,207)		
End of year			\$ 3,617,527		

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

JUNE 30, 2015

	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	\$ 1,365,216	\$ 74,048	\$ 6,194	\$ -	\$ 1,445,458	\$ 941,375	\$ 2,386,833
Restricted cash and cash equivalents	-	-	194,023	-	194,023	-	194,023
Accounts receivable	-	-	1,403	-	1,403	5,475	6,878
Total assets	\$ 1,365,216	\$ 74,048	\$ 201,620	\$ -	\$ 1,640,884	\$ 946,850	\$ 2,587,734
Liabilities and fund balances							
Accounts payable	\$ -	\$ -	\$ 7,597	\$ -	\$ 7,597	\$ -	\$ 7,597
Fund balances:							
Restricted:							
Street improvements	-	-	194,023	-	194,023	-	194,023
Holding park pool renovations	-	-	-	-	-	-	-
Committed:							
Economic development	-	-	-	-	-	946,850	946,850
Assigned:							
Recreation improvements	1,365,216	-	-	-	1,365,216	-	1,365,216
Cemetery improvements	-	74,048	-	-	74,048	-	74,048
Total fund balances	1,365,216	74,048	194,023	-	1,633,287	946,850	2,580,137
Total liabilities and fund balances	\$ 1,365,216	\$ 74,048	\$ 201,620	\$ -	\$ 1,640,884	\$ 946,850	\$ 2,587,734

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, 2015

	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	\$ 671	\$ 59	\$ 267	\$ 3	\$ 1,000	\$ 23,399	\$ 24,399
Impact fees	582,920	-	-	-	582,920	-	582,920
Miscellaneous	-	-	1,403	-	1,403	-	1,403
Total revenues	<u>583,591</u>	<u>59</u>	<u>1,670</u>	<u>3</u>	<u>585,323</u>	<u>23,399</u>	<u>608,722</u>
Expenditures:							
Capital outlay	-	-	286,514	69,308	355,822	-	355,822
Revenues over (under) expenditures	<u>583,591</u>	<u>59</u>	<u>(284,844)</u>	<u>(69,305)</u>	<u>229,501</u>	<u>23,399</u>	<u>252,900</u>
Other financing sources (uses):							
Transfers in	-	-	-	42,932	42,932	-	42,932
Transfers out	(51,933)	(30,419)	-	-	(82,352)	-	(82,352)
Installment note issuance	-	-	-	-	-	-	-
Net change in fund balances	<u>531,658</u>	<u>(30,360)</u>	<u>(284,844)</u>	<u>(26,373)</u>	<u>190,081</u>	<u>23,399</u>	<u>213,480</u>
Fund balances:							
Beginning of year	833,558	104,408	478,867	26,373	1,443,206	923,451	2,366,657
End of year	<u>\$ 1,365,216</u>	<u>\$ 74,048</u>	<u>\$ 194,023</u>	<u>\$ -</u>	<u>\$ 1,633,287</u>	<u>\$ 946,850</u>	<u>\$ 2,580,137</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, 2015

	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	3,493,995	582,920	4,076,915
Investment earnings	330,000	324,538	671	325,209
Miscellaneous	1,000	932	-	932
Donations	31,100	30,973	-	30,973
Total revenues	<u>4,169,912</u>	<u>4,168,649</u>	<u>583,591</u>	<u>4,752,240</u>
Other financing sources (uses):				
Transfers in (out):				
General Fund	551,632	525,578	-	525,578
General Fund	(1,083,544)	(589,857)	(51,933)	(641,790)
Capital Project Fund	<u>(3,638,000)</u>	<u>(3,270,812)</u>	<u>-</u>	<u>(3,270,812)</u>
Total financing sources (uses)	<u>(4,169,912)</u>	<u>(3,335,091)</u>	<u>(51,933)</u>	<u>(3,387,024)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 833,558</u>	531,658	<u>\$ 1,365,216</u>
Fund balances:				
Beginning of year			<u>833,558</u>	
End of year			<u>\$ 1,365,216</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, 2015

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Donations	\$ 150,000	\$ 143,490	\$ -	\$ 143,490
Investment earnings	115,000	112,001	59	112,060
Miscellaneous	-	9	-	9
Total revenues	<u>265,000</u>	<u>255,500</u>	<u>59</u>	<u>255,559</u>
Other financing uses				
Transfer out:				
General Fund	<u>(265,000)</u>	<u>(151,092)</u>	<u>(30,419)</u>	<u>(181,511)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 104,408</u>	<u>(30,360)</u>	<u>\$ 74,048</u>
Fund balances:				
Beginning of year			<u>104,408</u>	
End of year			<u>\$ 74,048</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, 2015

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Sales tax refund	\$ 44,000	\$ 43,264	\$ 1,403	\$ 44,667
Investment earnings	4,550	4,586	267	4,853
Miscellaneous revenue	93,835	93,831	-	93,831
Sub-total revenues	142,385	141,681	1,670	143,351
Less closed projects	-	31,170	-	31,170
Total revenues	142,385	110,511	1,670	112,181
Expenditures:				
Capital outlay:				
Professional services	146,545	107,343	71,581	178,924
Capital outlay-land	55,070	55,070	-	55,070
Capital outlay-improvements	6,240,770	5,800,401	214,933	6,015,334
Sub-total expenditures	6,442,385	5,962,814	286,514	6,249,328
Less closed projects	-	2,199,922	3,602,714	5,802,636
Total expenditures	6,442,385	3,762,892	(3,316,200)	446,692
Revenues under expenditures	(6,300,000)	(3,652,381)	3,317,870	(334,511)
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	3,602,714	5,771,466
Total other financing sources	6,300,000	4,131,248	(3,602,714)	528,534
Net change in fund balance	\$ -	\$ 478,867	(284,844)	\$ 194,023
Fund balances:				
Beginning of year			478,867	
End of year			\$ 194,023	

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, 2015

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Sales tax refund	\$ 16,875	\$ 16,874	\$ -	\$ 16,874
Investment earnings	100	15	4	19
Total revenues	<u>16,975</u>	<u>16,889</u>	<u>4</u>	<u>16,893</u>
Expenditures:				
Capital outlay:				
Professional services	3,830	3,831	-	3,831
Capital outlay-improvements	803,045	726,685	69,308	795,993
Total expenditures	<u>806,875</u>	<u>730,516</u>	<u>69,308</u>	<u>799,824</u>
Revenues under expenditures	<u>(789,900)</u>	<u>(713,627)</u>	<u>(69,304)</u>	<u>(782,931)</u>
Other financing sources:				
Installment note issuance	740,000	740,000	-	740,000
Transfer in - General Fund	49,900	-	42,931	42,931
Total other financing sources	<u>789,900</u>	<u>740,000</u>	<u>42,931</u>	<u>782,931</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 26,373</u>	<u>(26,373)</u>	<u>\$ -</u>
Fund balances:				
Beginning of Year			<u>26,373</u>	
End of Year			<u>\$ -</u>	

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
Revenues:				
Investment earnings	\$ 27,000	\$ 23,399	\$ (3,601)	\$ 23,398
Expenditures:				
Professional services	27,000	-	27,000	-
Contracted services	-	-	-	-
Total expenditures	27,000	-	27,000	-
Revenues over (under) expenditures	\$ -	23,399	\$ 23,399	23,398
Fund balances:				
Beginning of year		923,451		900,053
End of year		\$ 946,850		\$ 923,451

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

FOR THE YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
Revenues:				
Operating revenues:				
Charges for services	\$ 19,899,165	\$ 18,071,564	\$ (1,827,601)	\$ 17,335,753
Other operating revenues				
Sales tax	1,296,495	1,305,577	9,082	527,268
Reconnect charges	125,000	124,414	(586)	123,250
Miscellaneous	75,000	54,533	(20,467)	82,277
Total operating revenues	21,395,660	19,556,088	(1,839,572)	18,068,548
Nonoperating revenues:				
Investment earnings	2,500	2,298	(202)	2,085
Sale of assets	106,500	108,031	1,531	89,078
Total nonoperating revenues	109,000	110,329	1,329	91,163
Total revenues	21,504,660	19,666,417	(1,838,243)	18,159,711
Expenditures:				
Electric operations:				
Salaries and employee benefits	2,468,755	2,450,571	18,184	2,366,287
Power purchases for resale	13,188,180	13,188,179	1	13,229,609
Utility sales tax	1,955,140	1,955,133	7	391,268
Repairs and maintenance	168,050	151,431	16,619	152,418
Other operating expenditures	805,545	657,626	147,919	426,267
Total electric operations	18,585,670	18,402,940	182,730	16,565,849
Debt service:				
Principal retirement	443,600	443,599	1	193,663
Interest and fees	85,665	85,475	190	58,756
Total debt service	529,265	529,074	191	252,419
Capital outlay	1,082,895	863,722	219,173	1,082,327
Total expenditures	20,197,830	19,795,736	402,094	17,900,595
Revenues over expenditures	1,306,830	(129,319)	1,436,149	259,116

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

FOR THE YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance Positive (Negative)	Actual
Other financing sources (uses):				
Transfer in (out):				
Electric capital reserve fund	\$ -	\$ -	\$ -	\$ (25,000)
Substation and street lighting capital reserve fund	(1,507,330)	(1,507,327)	(3)	(1,091,230)
Installment purchase	200,500	-	200,500	-
Revenue bond issuance	-	-	-	2,500,000
Total other financing sources (uses)	(1,306,830)	(1,507,327)	200,497	1,383,770
Revenues over expenditures and other financing uses	\$ -	(1,636,646)	\$ 1,636,646	1,642,886
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Depreciation		(993,237)		(926,029)
Capital outlay		863,722		1,082,327
Interfund transfers		1,539,022		1,116,230
Debt issuance		-		(2,500,000)
Principal retirement		443,599		193,663
Book value of disposed asset		1,804		-
Decrease in inventory		(3,299)		(165,585)
Increase in accrued interest		(5,234)		(1,873)
Decrease in accrued vacation pay		9,056		5,086
Increase in pension expense		(12,710)		-
Deferred outflows of resources for contributions made to pension plan in current fiscal year		83,893		-
Increase in accrued other postemployment benefits		(127,153)		(251,021)
Capital project funds:				
Miscellaneous Revenue		1,177		-
Investment earnings		313		300
Total reconciling items		1,800,953		(1,446,902)
Change in net position	\$	164,307	\$	195,984

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, 2015

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance Positive (Negative)	2014
	Budget	Actual		Actual
Revenues:	\$ 2,856,675	\$ -	\$ (2,856,675)	\$ -
Expenditures:				
Debt service:				
Principal retirement	594,745	594,727	(18)	594,728
Interest and fees	46,440	46,435	(5)	62,776
Total debt service	641,185	641,162	(23)	657,504
Revenues over (under) expenditures	2,215,490	(641,162)	(2,856,652)	(657,504)
Other financing sources (uses):				
Transfers in (out):				
General Fund	-	-	-	(7,166)
To City of Raleigh	(2,215,490)	-	2,215,490	-
From City of Raleigh	-	641,162	641,162	657,504
Total other financing sources (uses)	(2,215,490)	641,162	2,856,652	650,338
Revenues and other financing sources under expenditures and other financing uses	\$ -	-	\$ -	(7,166)
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Principal retirement		594,727		594,728
Decrease in accrued interest		2,390		2,387
Principal payments of note receivable from City of Raleigh		(594,727)		(594,728)
Total reconciling items		2,390		2,387
Change in net position		\$ 2,390		\$ (4,779)

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, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Investment earnings	\$ 170,000	170,008	241	170,249
Other financing sources (uses):				
Transfers in (out)				
Electric Fund	830,000	727,144	-	727,144
Capital Project Fund	-	-	(31,695)	(31,695)
Electric Fund	(1,000,000)	(496,500)	-	(496,500)
Total other financing sources (uses)	(170,000)	230,644	(31,695)	198,949
Revenues and other financing sources over other financing uses	\$ -	\$ 400,652	\$ (31,454)	\$ 369,198

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, 2015

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Sales Tax Refund	\$ -	\$ -	\$ 1,177	\$ 1,177
Investment earnings	500	20	72	92
Total revenues	<u>500</u>	<u>20</u>	<u>1,249</u>	<u>1,269</u>
Expenditures:				
Professional service	205,000	112,003	82,180	194,183
Capital outlay - improvements	325,000	-	114,810	114,810
Capital outlay - system improvements	2,525,000	990,234	1,331,116	2,321,350
Total expenditures	<u>3,055,000</u>	<u>1,102,237</u>	<u>1,528,106</u>	<u>2,630,343</u>
Revenues over expenditures	(3,054,500)	(1,102,217)	(1,526,857)	(2,629,074)
Other financing sources (uses):				
Transfers in (out)				
Capital Reserve Fund	100,000	-	-	-
Electric Fund	454,500	1,091,230	1,539,022	2,630,252
Revenue bond issuance	2,500,000	-	-	-
Total other financing sources (uses)	<u>3,054,500</u>	<u>1,091,230</u>	<u>1,539,022</u>	<u>2,630,252</u>
Revenues and other financing sources over other financing uses	<u>\$ -</u>	<u>\$ (10,987)</u>	<u>\$ 12,165</u>	<u>\$ 1,178</u>

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

JUNE 30, 2015

Fiscal Year	Uncollected Balance June 30, 2014	Additions	Collections And Credits	Uncollected Balance June 30, 2015
2014-2015	\$ -	\$ 22,357,927	\$ 22,314,249	\$ 43,678
2013-2014	108,158	-	74,436	33,722
2012-2013	40,977	-	17,456	23,521
2011-2012	31,652	-	8,578	23,074
2010-2011	24,887	-	6,500	18,387
2009-2010	1,304	-	2,634	(1,330)
2008-2009	21,022	-	1,589	19,433
2007-2008	17,334	-	760	16,574
2006-2007	13,378	-	596	12,782
2005-2006	12,317	-	4,036	8,281
2004-2005	6,957	-	6,957	-
	<u>\$ 277,986</u>	<u>\$ 22,357,927</u>	<u>\$ 22,437,790</u>	198,123
				Less allowance for uncollectible ad valorem tax receivable
				(57,328)
				Ad valorem taxes receivable - net
				\$ 140,795
				General Fund Taxes Receivable per the fund financial statements (Exhibit 3)
				\$ 233,040
				Less: Downtown Municipal Service District Taxes Receivable
				(29,631)
				Less: Vehicle License Fee Receivable
				(62,614)
				General Fund Ad Valorem Taxes Receivable \$ 140,795
				Revenue reconciliation:
				Ad valorem taxes - General Fund
			\$ 22,422,548	
				Add (deduct):
			Releases allowed	66,874
			Taxes written off	6,957
			Penalties and interest	(58,589)
			Total collections and credits	\$ 22,437,790

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	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	\$ 4,292,853,610	0.52	\$ 22,322,839	\$ 19,129,466	\$ 3,193,373
Penalties	-		10,638	10,638	-
Total	4,292,853,610		22,333,477	19,140,104	3,193,373
Discoveries:					
Prior year taxes	-		56,102	54,649	1,453
Less: abatements	(6,086,923)	0.52	(31,652)	(22,473)	(9,179)
Total property valuation	<u>\$ 4,286,766,687</u>				
Net levy			22,357,927	19,172,280	3,185,647
Less: uncollected taxes at June 30, 2015			43,678	37,257	6,421
Current year's taxes collected			<u>\$ 22,314,249</u>	<u>\$ 19,135,023</u>	<u>\$ 3,179,226</u>
Current levy collection percentage			<u>99.80%</u>	<u>99.81%</u>	<u>99.80%</u>

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

JUNE 30, 2015

Fiscal Year	Governmental Funds	
	Principal	Principal and Interest
2015-2016	\$ 1,215,000	\$ 1,753,038
2016-2017	1,210,000	1,704,163
2017-2018	1,210,000	1,664,638
2018-2019	1,205,000	1,616,463
2019-2020	1,145,000	1,514,503
2020-2021	1,045,000	1,377,680
2021-2022	1,040,000	1,339,858
2022-2023	1,040,000	1,306,223
2023-2024	1,040,000	1,272,358
2024-2025	1,040,000	1,238,263
2025-2026	1,040,000	1,203,938
2026-2027	1,040,000	1,167,573
2027-2028	580,000	670,885
2028-2029	580,000	651,340
2029-2030	580,000	631,580
2031-2032	215,000	246,498
2032-2033	215,000	240,800
2033-2034	215,000	234,888
2034-2035	215,000	228,438
2035-2036	215,000	221,988
Total	<u>\$ 16,085,000</u>	<u>\$ 20,285,115</u>



TOWN *of*
WAKE FOREST

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

June 30, 2015

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities				
Net investment in capital assets	\$59,573,601	\$62,558,549	\$ 87,439,825	\$ 109,374,788
Restricted for:				
Stabilization by State Statute	-	-	-	-
Downtown District	-	-	-	-
Public Safety	-	-	-	-
Street improvements	-	-	261,802	185,777
Equipment and vehicles	-	-	-	-
Holding park pool renovations	-	-	-	-
Greenways	-	-	-	-
Unrestricted	<u>10,580,086</u>	<u>19,654,914</u>	<u>18,522,494</u>	<u>12,613,374</u>
Subtotal governmental activities net position	<u>70,153,687</u>	<u>82,213,463</u>	<u>106,224,121</u>	<u>122,173,939</u>
Business-type activities				
Net investment in capital assets	11,072,201	12,189,177	12,711,174	13,606,123
Unrestricted	<u>2,140,802</u>	<u>909,821</u>	<u>1,017,401</u>	<u>680,804</u>
Subtotal business-type activities net position	<u>13,213,003</u>	<u>13,098,998</u>	<u>13,728,575</u>	<u>14,286,927</u>
Primary Government				
Net investment in capital assets	70,645,802	74,747,726	100,150,999	122,980,911
Restricted for:				
Stabilization by State Statute	-	-	-	-
Downtown District	-	-	-	-
Public Safety	-	-	-	-
Street improvements	-	-	261,802	185,777
Holding Park Pool Renovations	-	-	-	-
Equipment and vehicles	-	-	-	-
Greenways	-	-	-	-
Unrestricted	<u>12,720,888</u>	<u>20,564,735</u>	<u>19,539,895</u>	<u>13,294,178</u>
Total primary government net position	<u><u>\$83,366,690</u></u>	<u><u>\$95,312,461</u></u>	<u><u>\$ 119,952,696</u></u>	<u><u>\$ 136,460,866</u></u>

Table 1

2010	2011	2012	2013	2014	2015
\$ 110,101,600	\$ 112,448,969	\$ 112,059,645	\$ 115,919,685	\$ 120,837,511	\$ 131,248,516
-	5,424,734	3,753,434	2,757,473	4,111,501	3,721,637
-	-	222,608	224,269	236,256	243,525
-	-	208,258	267,904	267,986	297,346
-	-	-	-	478,867	1,481,070
-	-	-	-	-	224,833
-	-	-	-	26,373	-
-	-	-	-	-	2,330,480
12,534,616	4,887,874	6,352,719	8,353,849	5,087,465	7,157,318
122,636,216	122,761,577	122,596,664	127,523,180	131,045,959	146,704,725
13,938,763	14,324,918	13,998,797	14,129,141	12,716,267	13,789,268
1,801,040	2,591,519	3,053,159	3,465,391	5,069,470	3,909,794
15,739,803	16,916,437	17,051,956	17,594,532	17,785,737	17,699,062
124,040,363	126,773,887	\$ 126,058,442	\$ 130,048,826	\$ 133,553,778	145,037,784
-	5,424,734	3,753,434	2,757,473	4,111,501	3,721,637
-	-	222,608	224,269	236,256	243,525
-	-	208,258	267,904	267,986	297,346
-	-	-	-	478,867	1,481,070
-	-	-	-	26,373	-
-	-	-	-	-	224,833
-	-	-	-	-	2,330,480
14,335,656	7,479,393	9,405,878	11,819,240	10,156,935	11,067,112
\$ 138,376,019	\$ 139,678,014	\$ 139,648,620	\$ 145,117,712	\$ 148,831,696	\$ 164,403,787

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

June 30, 2015

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses				
Governmental activities:				
General Government	\$ 5,078,512	\$ 6,122,587	\$ 7,613,303	\$ 8,618,506
Public Safety	5,656,444	6,366,631	7,445,480	9,447,725
Transportation	2,220,905	2,605,715	2,795,746	3,604,053
Environmental Protection	2,110,057	1,797,390	1,976,526	2,272,165
Cultural and Recreational	1,216,086	1,354,940	1,519,941	1,798,042
Interest on long-term debt	190,793	443,086	489,404	784,454
Subtotal governmental activities expense	<u>16,472,797</u>	<u>18,690,349</u>	<u>21,840,400</u>	<u>26,524,945</u>
Business-type activities:				
Water and sewer	280,588	(3,877)	34,441	195,625
Electric	14,278,166	14,565,448	14,228,087	16,048,282
Subtotal business-type activities expenses	<u>14,558,754</u>	<u>14,561,571</u>	<u>14,262,528</u>	<u>16,243,907</u>
Total primary government expenses	<u>31,031,551</u>	<u>33,251,920</u>	<u>36,102,928</u>	<u>42,768,852</u>
Program Revenues				
Governmental activities:				
Charges for Services				
General Governmental	1,762,151	1,941,342	1,825,345	1,071,361
Public Safety	31,849	29,063	181,975	376,472
Transportation	321,999	515,279	28,311	70,698
Environmental Protection	1,338,077	1,455,622	1,566,112	256,014
Cultural and Recreational	237,976	323,983	561,482	415,745
Operating Grants and Contributions				
General Governmental	-	-	-	-
Public Safety	94,028	111,463	106,447	55,286
Transportation	490,467	321,471	680,220	708,220
Environmental Protection	-	-	-	5,460
Cultural and Recreational	1,181,244	-	-	56,482
Capital Grants and Contributions				
Public Safety	76,597	100,937	-	-
Transportation	4,610,306	7,578,376	20,637,263	12,395,415
Environmental Protection	-	-	-	-
Cultural and Recreational	18,881	905,155	242,000	750,000
Subtotal governmental activities program revenues	<u>10,163,575</u>	<u>13,282,691</u>	<u>25,829,155</u>	<u>16,161,153</u>

Table 2

2010	2011	2012	2013	2014	2015
\$ 8,682,965	\$ 9,814,820	\$ 9,629,543	\$ 9,524,312	\$ 10,466,637	\$ 10,288,616
10,253,680	10,478,094	10,697,935	11,228,188	12,809,633	13,193,519
4,299,079	4,370,908	4,052,075	4,119,839	4,436,052	5,090,607
2,397,576	2,520,645	2,554,192	2,666,922	2,787,905	2,661,631
2,024,989	2,502,178	2,644,989	2,819,826	3,250,469	3,759,071
902,986	909,477	932,318	995,852	809,270	775,312
28,561,275	30,596,122	30,511,052	31,354,939	34,559,966	35,768,756
170,850	147,731	126,995	74,309	60,395	44,045
16,097,214	17,327,845	16,908,508	17,486,017	17,964,027	19,503,601
16,268,064	17,475,576	17,035,503	17,560,326	18,024,422	19,547,646
44,829,339	48,071,698	47,546,555	48,915,265	52,584,388	55,316,402
1,101,020	1,206,061	1,240,682	1,901,453	1,767,013	2,183,403
417,136	298,319	272,903	624,000	444,838	608,598
52,628	73,665	73,334	36,873	19,403	28,655
266,524	267,115	210,471	191,383	168,524	172,421
471,331	625,252	566,154	1,119,803	805,310	1,181,893
-	144,937	342,982	-	-	-
56,655	116,649	75,676	82,944	85,197	75,676
656,839	686,375	738,982	770,703	796,640	810,220
396	3,057	-	54,028	37,184	2,264
-	-	-	-	-	2,834
21,454	62,117	-	16,960	264,256	99,564
700,731	1,487,487	-	3,612,138	3,397,026	15,342,778
210,394	46,999	-	-	-	-
158,479	291,521	284,861	142,693	427,543	2,756
4,113,587	5,309,554	3,806,045	8,552,978	8,212,934	20,511,062

Continued on next page

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

June 30, 2015

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Business-type activities:				
Charges for Services -				
Water and sewer	\$ -	\$ -	\$ -	\$ -
Electric	13,819,974	14,348,899	14,827,940	16,483,781
Operating Grants and Contributions -				
Water and sewer	-	-	-	-
Capital Grants and Contributions -				
Electric	89,532	-	-	-
Subtotal business-type activities program	<u>13,909,506</u>	<u>14,348,899</u>	<u>14,827,940</u>	<u>16,483,781</u>
Total primary government program revenues	<u>24,073,081</u>	<u>27,631,590</u>	<u>40,657,095</u>	<u>32,644,934</u>
Net (Expense) Revenue				
Governmental activities	(6,309,222)	(5,407,658)	3,988,755	(10,363,792)
Business-type activities:				
Water and sewer	(280,588)	3,877	(34,441)	(195,625)
Electric	(368,660)	(216,549)	599,853	435,499
Total primary government net expense	<u>(6,958,470)</u>	<u>(5,620,330)</u>	<u>4,554,167</u>	<u>(10,123,918)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes, levied for general purpose	9,469,105	10,918,755	12,712,109	17,276,890
Other taxes and licenses	59,050	63,925	73,320	71,784
Unrestricted intergovernmental	4,078,480	5,028,295	5,834,891	5,937,573
Unrestricted investment earnings	395,979	1,129,731	825,169	358,825
Miscellaneous	2,122,009	326,728	576,414	463,068
Special items	-	-	-	2,205,470
Transfers	225,000	-	-	-
Subtotal governmental activities	<u>16,349,623</u>	<u>17,467,434</u>	<u>20,021,903</u>	<u>26,313,610</u>
Business type activities:				
Unrestricted investment earnings	369,920	89,731	44,161	201,099
Unrestricted intergovernmental	-	-	-	-
Miscellaneous	37,116	-	20,004	117,379
Transfers and Special items	(42,301,866)	8,936	-	-
Subtotal business-type activities	<u>(41,894,830)</u>	<u>98,667</u>	<u>64,165</u>	<u>318,478</u>
Total primary government	<u>(25,545,207)</u>	<u>17,566,101</u>	<u>20,086,068</u>	<u>26,632,088</u>
Change in Net Position				
Governmental activities	10,040,401	12,059,776	24,010,658	15,949,818
Business-type activities	(42,544,078)	(114,005)	629,577	558,352
Total primary Government	<u>\$ (32,503,677)</u>	<u>\$ 11,945,771</u>	<u>\$ 24,640,235</u>	<u>\$ 16,508,170</u>

Table 2

2010	2011	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17,520,430	18,453,796	17,033,633	17,987,671	18,068,548	19,501,560
-	311	31	-	-	-
-	-	-	-	-	-
17,520,430	18,454,107	17,033,664	17,987,671	18,068,548	19,501,560
21,634,017	23,763,661	20,839,709	26,540,649	26,281,482	40,012,622
(24,447,688)	(25,286,568)	(26,705,007)	(22,801,961)	(26,347,032)	(15,257,694)
(170,850)	(147,420)	(126,964)	(74,309)	(60,395)	(44,045)
1,423,216	1,125,951	125,125	501,654	104,521	(2,041)
(23,195,322)	(24,308,037)	(26,706,846)	(22,374,616)	(26,302,906)	(15,303,780)
18,229,078	18,590,117	19,271,260	20,062,610	21,387,601	22,496,254
83,634	86,027	113,292	92,347	110,789	47,957
5,789,968	6,254,703	6,671,559	7,070,415	7,527,964	8,773,026
85,946	67,390	68,575	139,553	69,369	67,633
327,018	402,927	415,408	516,424	766,922	607,247
-	-	-	-	-	507,768
1,423	10,765	-	1,460	7,166	-
24,517,067	25,411,929	26,540,094	27,882,809	29,869,811	32,499,885
174,934	152,522	132,409	82,968	65,167	49,047
-	-	-	-	-	1,177
26,999	56,346	4,949	33,723	89,078	162,559
(1,423)	(10,765)	-	(1,460)	(7,166)	-
200,510	198,103	137,358	115,231	147,079	212,783
24,717,577	25,610,032	26,677,452	27,998,040	30,016,890	32,712,668
69,379	125,361	(164,913)	5,080,848	3,522,779	17,242,191
1,452,876	1,176,634	135,519	542,576	191,205	166,697
\$ 1,522,255	\$ 1,301,995	\$ (29,394)	\$ 5,623,424	\$ 3,713,984	17,408,888

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

June 30, 2015

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Reserved for:				
Encumbrances	\$ 340,579	\$ 165,290	\$ 461,515	\$ 42,046
State statute	4,025,734	2,251,538	2,385,676	6,872,108
Inventories and prepaid items	10,812	5,919	3,256	39,694
Streets	54,515	174,529	261,802	185,777
Unreserved:				
Designated for subsequent year's expenditures	643,835	1,009,730	1,259,375	2,090,000
Undesignated	4,300,747	6,337,710	7,865,860	4,683,978
Non Spendable				
Inventories	-	-	-	-
Prepaid Expenditures	-	-	-	-
Restricted:				
Stabilization by State Statute	-	-	-	-
Downtown District	-	-	-	-
Public Safety	-	-	-	-
Equipment and vehicles	-	-	-	-
Assigned:				
Subsequent years expenditures	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u><u>\$ 9,376,222</u></u>	<u><u>\$ 9,944,716</u></u>	<u><u>\$ 12,237,484</u></u>	<u><u>\$ 13,913,603</u></u>
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	35,264	64,286	85,609	168,677
Capital projects funds	1,880,442	1,405,156	9,947,674	7,304,335
Committed:				
Economic Development	-	-	-	-
Street improvements	-	-	-	-
Recreation improvements	-	-	-	-
Restricted:				
Street improvements	-	-	-	-
Holding park pool renovations	-	-	-	-
Equipment and vehicles	-	-	-	-
Greenways	-	-	-	-
Assigned:				
Subsequent years expenditures	-	-	-	-
Recreation improvements	-	-	-	-
Cemetery improvements	-	-	-	-
Unassigned	-	-	-	-
Total all other Governmental Funds	<u><u>\$ 1,915,706</u></u>	<u><u>\$ 1,469,442</u></u>	<u><u>\$ 10,033,283</u></u>	<u><u>\$ 7,473,012</u></u>

Table 3

2010	2011	2012	2013	2014	2015
\$ 254,500	\$ -	\$ -	\$ -	\$ -	\$ -
2,669,931	-	-	-	-	-
62,904	-	-	-	-	-
-	-	-	-	-	-
2,108,755	-	-	-	-	-
7,383,752	-	-	-	-	-
-	16,327	16,327	17,169	15,099	13,281
-	535	-	-	-	-
-	5,424,734	3,753,434	2,757,473	4,111,501	3,721,637
-	-	222,608	224,269	236,256	243,525
-	-	208,258	267,904	267,986	297,346
-	-	-	-	-	224,833
-	1,660,745	921,000	935,130	1,383,860	894,170
-	4,838,882	6,349,345	7,726,822	5,634,102	7,633,804
<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>	<u>\$ 13,028,596</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
314,410	-	-	-	-	-
4,217,030	-	-	-	-	-
-	-	-	900,053	923,451	946,850
-	2,068,159	2,513,318	897,352	-	-
-	113,239	-	-	-	-
-	-	-	-	478,867	1,287,047
-	-	-	-	26,373	-
-	-	-	-	-	194,023
-	-	-	-	-	2,330,480
-	611,431	2,455,268	1,830,896	2,353,473	3,058,811
-	1,320,649	1,081,765	726,880	833,558	1,365,216
-	104,092	104,193	104,330	104,408	74,048
-	(799,734)	(1,067,899)	-	(293,207)	-
<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>	<u>\$ 9,256,475</u>

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

June 30, 2015

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues					
Ad Valorem Taxes	\$ 9,445,404	\$ 10,855,959	\$ 12,673,146	\$ 17,150,242	\$ 18,218,142
Other Taxes	54,076	61,853	70,206	69,073	81,990
Unrestricted Intergovernmental	4,078,480	5,028,295	5,834,891	5,937,573	5,789,968
Restricted Intergovernmental	1,842,336	1,723,523	1,049,167	1,575,448	1,110,921
Permits and Fees	1,911,058	2,385,764	2,066,232	1,440,169	1,547,973
Sales and Services	1,765,177	1,812,357	2,126,403	870,538	760,666
Miscellaneous	2,185,890	330,105	599,293	398,427	327,018
Investment Earnings	395,979	1,129,731	825,169	358,825	340,767
Total revenues	<u>21,678,400</u>	<u>23,327,587</u>	<u>25,244,507</u>	<u>27,800,295</u>	<u>28,177,445</u>
Expenditures					
General Government	4,922,324	5,960,379	7,375,668	8,010,553	8,145,908
Public Safety	5,347,091	6,019,806	7,082,614	8,715,513	9,449,953
Transportation	907,520	1,165,719	1,236,454	1,552,320	2,071,754
Environmental Protection	2,081,078	1,749,208	1,908,344	2,174,599	2,289,181
Cultural and Recreational	1,021,001	1,162,726	1,332,289	1,537,097	1,558,458
Capital outlay	6,783,198	5,670,476	4,976,321	19,836,119	9,456,702
Debt service:					
Bond Principal	193,875	193,875	652,750	651,625	2,365,250
Bond Interest	130,994	305,559	480,254	452,364	452,588
Installment note principal	1,113,169	1,116,743	447,854	573,026	753,022
Installment note interest	65,271	50,761	19,462	187,930	352,835
Total expenditures	<u>22,565,521</u>	<u>23,395,252</u>	<u>25,512,010</u>	<u>43,691,146</u>	<u>36,895,651</u>
Excess of revenues over (under) expenditures	<u>(887,121)</u>	<u>(67,665)</u>	<u>(267,503)</u>	<u>(15,890,851)</u>	<u>(8,718,206)</u>
Other Financing Sources (Uses)					
Transfers in	989,822	1,408,765	310,607	1,172,719	3,525,538
Transfers (out)	(764,822)	(1,408,765)	(310,607)	(1,172,719)	(3,524,115)
Special Item	-	-	-	2,205,470	-
Installment note proceeds	602,875	-	-	10,048,795	407,504
Bond premium/(issuance costs)	-	-	-	-	(151,247)
Bond issuance	-	9,200,000	-	-	9,005,000
Total other financing sources (uses)	<u>827,875</u>	<u>9,200,000</u>	<u>-</u>	<u>12,254,265</u>	<u>9,262,680</u>
Net changes in fund balances	<u>(59,246)</u>	<u>9,132,335</u>	<u>(267,503)</u>	<u>(3,636,586)</u>	<u>544,474</u>
Fund balance - beginning of year (as previously reported)	10,904,910	10,845,664	19,977,999	19,710,496	16,392,452
Adjustments to beginning fund balance	-	-	-	-	74,356
Fund balance - beginning of year (as restated)	<u>10,904,910</u>	<u>10,845,664</u>	<u>19,977,999</u>	<u>19,710,496</u>	<u>16,466,808</u>
Fund balance - end of year	<u>\$ 10,845,664</u>	<u>\$ 19,977,999</u>	<u>\$ 19,710,496</u>	<u>\$ 16,073,910</u>	<u>\$ 17,011,282</u>
Debt service as a percentage of noncapital expenditures	<u>9.53%</u>	<u>9.40%</u>	<u>7.79%</u>	<u>7.82%</u>	<u>14.30%</u>

Table 4

2011	2012	2013	2014	2015
\$ 18,655,904	\$ 19,314,239	\$ 20,062,793	\$ 21,364,309	\$ 22,496,254
84,844	87,495	92,347	110,789	47,957
6,254,703	6,671,559	7,070,415	7,527,964	8,740,874
1,339,445	1,442,501	1,121,653	2,233,503	1,029,571
1,679,309	1,625,891	3,151,923	2,530,344	3,592,120
796,759	758,893	710,031	746,997	847,584
465,688	440,520	527,072	757,487	489,816
67,390	68,575	122,770	52,589	50,849
<u>29,344,042</u>	<u>30,409,673</u>	<u>32,859,004</u>	<u>35,323,982</u>	<u>37,295,025</u>
8,821,715	9,255,647	8,705,491	9,245,621	9,387,662
9,679,055	9,899,361	10,418,124	11,896,289	12,586,385
2,162,019	1,811,031	1,734,057	1,836,957	1,986,906
2,420,516	2,461,981	2,577,759	2,700,114	2,863,636
1,605,629	1,742,995	2,003,892	2,369,564	2,840,566
3,782,821	7,697,205	5,371,207	6,180,462	2,532,617
1,015,000	1,010,000	1,005,000	1,005,000	1,000,000
628,763	572,513	542,188	511,988	475,375
877,659	1,238,404	1,957,402	2,465,139	2,795,093
334,913	372,133	361,021	321,270	295,441
<u>31,328,090</u>	<u>36,061,270</u>	<u>34,676,141</u>	<u>38,532,404</u>	<u>36,763,681</u>
<u>(1,984,048)</u>	<u>(5,651,597)</u>	<u>(1,817,137)</u>	<u>(3,208,422)</u>	<u>531,344</u>
913,836	5,597,826	1,453,347	356,367	277,878
(903,071)	(5,597,826)	(1,451,887)	(349,201)	(277,878)
-	-	-	-	507,768
321,060	6,850,155	1,603,825	2,888,705	792,750
-	-	-	-	47,482
-	-	-	-	4,330,000
<u>331,825</u>	<u>6,850,155</u>	<u>1,605,285</u>	<u>2,895,871</u>	<u>5,678,000</u>
<u>(1,652,223)</u>	<u>1,198,558</u>	<u>(211,852)</u>	<u>(312,551)</u>	<u>6,209,344</u>
17,011,282	15,359,059	16,557,617	16,388,278	16,075,727
-	-	42,513	-	-
17,011,282	15,359,059	16,600,130	16,388,278	16,075,727
<u>\$ 15,359,059</u>	<u>\$ 16,557,617</u>	<u>\$ 16,388,278</u>	<u>\$ 16,075,727</u>	<u>\$ 22,285,071</u>
<u>10.37%</u>	<u>11.26%</u>	<u>13.19%</u>	<u>13.30%</u>	<u>13.34%</u>

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

June 30, 2015

Program Revenues			
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
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
2015	23,676,530	890,994	15,445,098

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

* Miscellaneous for June 30, 2015 includes an special item of \$507,768 which is a litigation settlement for the Town Hall building located at 301 S. Brooks Street.

Table 5

General Revenue					
Taxes	Unrestricted Intergovernmental	Unrestricted Investment Earnings	Miscellaneous	Total	
\$ 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
22,544,211	8,774,203	116,680	1,277,574		72,725,290

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

June 30, 2015

Fiscal Year	Taxes	Intergovernmental	Permits and Fees	Sales and Services	Investment Earnings	Miscellaneous Revenues	Total
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
2015	31,283,682	984,848	2,292,774	847,584	24,310	489,816	35,923,014

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, 2015

Fiscal Year	General Government	Public Safety	Transportation	Environmental Protection	Cultural and Recreational	Debt Service	Fiscal Year Total
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
2015	9,788,541	13,286,150	2,255,542	2,977,093	2,959,925	4,565,909	35,833,160

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, 2015

Fiscal Year	General Government	Public Safety	Transportation	Environmental Protection
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
2015	10,288,616	13,193,519	5,090,607	2,661,631

Table 8

Cultural and Recreation	Interest on Long-term Debt	Water and Sewer	Electric	Total
\$ 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
3,759,071	775,312	44,045	19,503,601	55,316,402

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

June 30, 2015

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
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%
2015	2014	3,772,983,301	478,751,384	35,032,002	4,286,766,687	0.520	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, 2015

<u>Fiscal Year</u>	<u>Town of Wake Forest</u>	<u>Wake County</u>	<u>Combined Tax Rate Per \$100 of Assessed Value</u>
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	0.578	1.088
2015	0.520	0.615	1.135

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, 2015

Taxpayer	2015			2006		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Wake Forest Apartments LLC	\$ 30,297,931	1	0.71%	\$ -	-	0.00%
Crossroads Holdings LLC	28,710,113	2	0.67%	-	-	0.00%
WMCI Raleigh IV LLC	22,765,335	3	0.53%	-	-	0.00%
Caveness Partners LLC	21,105,703	4	0.49%	-	-	0.00%
Gateway Forest LLC	19,939,438	5	0.47%	-	-	0.00%
Factory LLC	19,677,441	6	0.46%	9,845,282	9	0.57%
Wake Electric Membership CORP.	17,677,106	7	0.41%	-	-	0.00%
Walmart	17,360,451	8	0.40%	-	-	0.00%
Lowes Home Center Inc	17,309,864	9	0.40%	13,499,050	5	0.78%
MLC Automotive LLC	14,936,618	10	0.35%	11,375,917	7	0.65%
Target Corporation	12,956,872	11	0.30%	12,525,581	6	0.72%
KF US-1, LLC	-	-	0.00%	16,488,405	3	0.95%
WR of Wake Forest	-	-	0.00%	20,830,421	1	1.20%
Time Warner Entertainment	-	-	0.00%	19,880,600	2	1.14%
Weavexx	-	-	0.00%	13,042,038	4	0.75%
Granite Properties & Management	-	-	0.00%	11,200,558	8	0.64%
Carolina Telephone	5,658,401	38	0.13%	8,268,415	10	0.48%
Total	\$ 228,395,273		5.33%	\$ 136,956,267		7.88%
Total Assessed Value	<u>\$ 4,286,766,687</u>			<u>\$ 1,738,175,824</u>		

Source: Wake County Revenue Department

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, 2015

Fiscal Year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
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%
2015	1,000,000	475,375	1,475,375	35,833,160	4.1%

(1) Excludes bond issuance and other costs.

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

Table 13

JUNE 30, 2015

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			
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%
2015		22,357,927		-		22,357,927		22,314,249	99.80%

TOWN OF WAKE FOREST, NORTH CAROLINA

Property Tax Levies and Collections

LAST TEN FISCAL YEARS

JUNE 30, 2015

Table 13

Fiscal Year	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Adjusted Levy
2006	\$ 120,805	\$ 9,423,454	99.86%
2007	163,572	10,870,434	99.86%
2008	177,462	12,646,524	99.83%
2009	268,216	17,197,200	99.87%
2010	250,872	18,137,041	99.88%
2011	190,738	18,544,085	99.83%
2012	155,998	19,163,308	99.79%
2013	192,650	19,953,423	99.99%
2014	178,348	21,254,369	100.00%
2015	123,541	22,437,790	100.00%

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

June 30, 2015

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
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%
2015	37,046	32,474	34.2	159,984	4.8%	4.0%

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, 2015

<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>
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%
2015	342,941,335	49,354,418	293,586,917	14.39%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	<u><u>\$ 4,286,766,687</u></u>
Debt Limit (8% of total assessed value)	342,941,335
Debt applicable to limit	<u><u>49,354,418</u></u>
Legal debt margin	<u><u>\$ 293,586,917</u></u>
Percentage of debt to debt limit	<u><u>14.39%</u></u>

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

JUNE 30, 2015

Fiscal Year	(1) Population	Assessed Value	Gross Bonded Debt	Debt Payable From Enterprise Revenues
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	-
2015	37,046	4,286,766,687	16,303,389	-

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

Table 16

Fiscal Year	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita	Gross Bonded Debt per Capita
2006	\$ 2,448,500	0.14%	107	130
2007	11,454,625	0.57%	459	473
2008	10,801,875	0.47%	406	414
2009	10,150,250	0.30%	373	376
2010	16,790,000	0.48%	588	588
2011	15,775,000	0.44%	520	520
2012	14,765,000	0.39%	465	465
2013	13,760,000	0.35%	408	408
2014	12,942,690	0.31%	365	365
2015	16,303,389	0.38%	440	440

Table 17

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

June 30, 2015

Jurisdiction	Bonded Debt	Percentage Applicable to Town (2)	Amount Applicable to Town
Direct:			
Town of Wake Forest	\$ 28,802,798 (1)	100.00%	\$ 28,802,798
Overlapping: (3)			
Wake County	\$ 1,967,590,000 (4)	3.33%	65,530,544
Total			\$ 94,333,342

(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, 2015

Fiscal Year	Commercial		Residential		Total	
	Number	Value	Number	Value	Number	Value
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
2015	102	33,338,472	561	102,480,602	663	135,819,074

(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, 2015

Fiscal Year	Admin	Comm	Downtown	Finance	Human Resources	MIS	Planning		Public Safety	Engineering
							and Inspections	(3) Inspections		
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
2015	3.0	3.0	1.0	18.0	4.0	5.0	8.0	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

Fiscal	Pub Works			Parks &		Public	Tree		Year
Year	Admin	Fleet	Streets	Sanitation	Recreation	Facilities	Electric	Trimming	Total
2006	0.0	4.0	14.0	7.0	10.0	0.0	22.0	0.0	157.5
2007	0.0	4.0	14.0	7.0	11.0	0.0	25.0	0.0	172.5
2008	3.0	4.0	15.0	7.0	11.0	0.0	22.0	0.0	183.0
2009	3.0	5.0	18.0	9.0	15.0	0.0	22.0	0.0	195.0
2010	3.0	5.0	18.0	9.0	15.0	0.0	22.0	0.0	196.0
2011	3.0	5.0	17.0	9.0	15.0	1.0	22.0	0.0	198.0
2012	3.0	5.0	17.0	9.0	15.0	1.0	22.0	0.0	201.0
2013	3.0	5.0	17.0	9.0	15.0	2.0	19.0	3.0	209.0
2014	3.0	5.0	20.0	9.0	17.0	2.0	19.0	3.0	222.0
2015	3.0	5.0	20.0	9.0	19.0	3.0	19.0	3.0	227.0

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

June 30, 2015

Fiscal	Property	Sales	Franchise
Year	Tax	Tax	Tax
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
2015	22,422,548	6,218,974	2,335,449

Table 20

Motor Vehicle	Rental Vehicle	Beer & Wine	
Licenses	Tax	Tax	Total
\$ 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
456,574	47,957	154,318	31,635,820

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

June 30, 2015

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	(1)	
	General		General		Revenue		Debt Per Capita	Percentage of Personal Income
	Obligation Bonds	Installment Financings	Obligation Bonds	Installment Financings				
2006	\$ 2,448,500	\$ 1,810,956	\$ 511,500	\$ 7,290,948	\$ -	\$ 12,061,904	\$ 529	1.42%
2007	11,454,625	694,213	360,375	6,606,700	2,300,000	21,415,913	858	2.18%
2008	10,801,875	246,359	213,125	5,762,177	2,144,943	19,168,479	720	1.91%
2009	10,150,250	9,722,128	69,750	4,881,023	1,984,034	26,807,185	985	2.60%
2010	16,790,000	9,376,610	-	4,315,594	1,817,049	32,299,253	1,132	N/A
2011	15,775,000	8,820,011	-	3,650,588	1,643,761	29,889,360	986	3.32%
2012	14,765,000	14,431,762	-	3,022,730	1,463,932	33,683,424	1,060	2.56%
2013	13,760,000	14,078,185	-	2,367,799	1,277,315	31,483,299	934	2.91%
2014	12,942,690	14,501,751	-	1,773,071	3,583,652	32,801,164	921	2.73%
2015	16,085,000	12,499,409	-	1,178,344	3,140,053	32,902,806	888	2.73%

Notes:

(1) See Table 14 for population data and per capita personal income.

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

TOWN OF WAKE FOREST, NORTH CAROLINA MISCELLANEOUS STATISTICS

June 30, 2015

Date of Incorporation	February 20, 1909	
Form of Government	Council-Manager	
Miles of City-owned Streets	95.90	
Fire Protection (Combination: Paid/Volunteer)		
Number of Stations	5	
Number of Full-Time & Part-Time	74	
Number of Volunteers	60	
Police Protection		
Number of Stations	4	
Number of Full-time Sworn Officers	68	
Utility System: Electric		
Number of Customers	6,852	
Residential Rates:	Basic Customer Charge	\$9.89
	Energy Charge	\$0.120802 per kwh
Community Facilities:		
Parks	0 Private	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 (WFRC)	*Concerts in the Park (in addition to the Six Sundays Series)	
*Wake Forest Birthplace Museum	*Neck of the Woods - regular theater and music performances at WFRC	
*Wake Forest Historic District	*Art Galleries in Downtown Wake Forest	
*Wake Forest Arts	*Good Neighbor Day community music, art, and food festival	
*Wake Forest Biennial Historical Homes Tour	*Annual Lighting of Wake Forest and Christmas Parade	
*Wake Forest Historical Association bi-monthly programs	*Art After Hours monthly events in Downtown Wake Forest	
*Six Sundays in Spring concert series	*Wake Forest Mardi Gras - community festival	
*Movies in the Park	*Dirt Day - showcasing healthy living, outdoor lifestyle	
*Meet in the Street - Spring arts and music festival	*Wake Forest Charity Car Show	
*Arbor Day Celebration	*Beach Night on White Street	
*Fourth of July Fireworks Spectacular	*Public Power Week	
*Art-in-the-Park & Games-in-the-Park		

	2015		2006	
	Approximate Number of Employees	Rank	Approximate Number of Employees	Rank
Principal Employers*:				
Wake County Public School System	803	1	794	1
Centurylink	350	2	-	-
Southeastern Baptist Theological Seminary, Inc.	380	3	320	4
Town of Wake Forest	227	4	158	7
Hillside Nursing Center of Wake Forest, Inc.	167	5	-	-
Rex Healthcare (Wakefield)	160	6	-	-
3 Phoenix	122	7	-	-
Franklin Academy	85	8	-	-
Southern Coastal Solutions Inc.	83	9	-	-
Growing Child Pediatricians	80	10	-	-
East Coast Drilling & Blasting Inc.	70	11	-	-
WakeMed Health & Hospitals	70	12	-	-
Powersecure, Inc.	60	13	-	-

* 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, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 2, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Town's internal control over financial reporting ("internal control") 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 basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Cherry Point LLP

Raleigh, North Carolina
November 2, 2015



TOWN *of*
WAKE FOREST



TOWN *of*
WAKE FOREST

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, 2015. 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, 2015.

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.

Handwritten signature in cursive script that reads "Cherry Rickett LLP".

Raleigh, North Carolina
November 2, 2015

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

FOR THE YEAR ENDED JUNE 30, 2015

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

None audited.

State Awards

Internal control over major state programs:

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

Identification of major state programs:

Program Name

Powell Bill Fund

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

FOR THE YEAR ENDED JUNE 30, 2015

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 State Awards

None reported.

TOWN OF WAKE FOREST, NORTH CAROLINA
CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2015

Not applicable.

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

FOR THE YEAR ENDED JUNE 30, 2015

Finding: 2014-001

It was determined that all contractors and subcontractors had indeed completed the weekly required certified payroll, but 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 prior year the Town did not ask any of its contractors or subcontractors to provide evidence that this requirement was met. In the current fiscal year there have been no certified payrolls which need to be reported, as the federal assistance/grants related to the previously reviewed projects have expired. This finding has been cleared in the current year.

Status: Corrected

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

Schedule 22

FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/Program Program Title	Federal CFDA Number	State/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>	20.205-7	WBS 40924.1.14	\$ -	\$ -	\$ 23,379
<i>Forestville Road Sidewalks & Crenshaw Multi-Use</i>	20.205-1	WBS 41821.1.13	-	-	15,834
<i>Priority Pedestrian Corridors - Sidewalk Projects</i>	20.205-1	WBS 41821.1.38	42,526	-	18,701
<i>Dunn Creek Greenway - Downtown Connector</i>	20.205-1	WBS 41821.1.41	828	-	2,442
<i>Ligon Mill Road Operational Improvements</i>	20.205-1	WBS 42379.1.3	-	-	20,981
<i>Stadium Drive - Complete Streets</i>	20.205-1	WBS 55056.1.1	25,224	-	100,675
<i>Smith and Sanford Creek Greenway</i>	20.205-1	WBS 46229.1.1	31,741	-	27,324
Total U.S. Department of Transportation			100,320	-	209,336
Environmental Protection Agency					
Passed through N.C. Department of Environment and Natural Resources:					
<i>Smith Creek Watershed Plan and Restoration</i>	66.460	N/A	2,264	-	65,755
Total Environmental Protection Agency			2,264	-	65,755
Total Federal Grants			102,584	-	275,091
STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE					
N.C. Department of Transportation					
<i>Powell Bill Fund</i>	N/A	N/A	-	810,220	-
<i>Grandmark Street</i>	N/A	WBS 43998	-	-	37,796
Passed through N.C. Governor's Highway Safety Program:					
<i>Wake Forest Bike Safe</i>	20.612	K6-15-12-02	-	79,496	-
Passed through N.C. Solar Center & Electricities:					
<i>2014 Clean Fuel Advanced Technology- Charging Stations</i>	N/A	N/A	-	12,626	3,156
Total NC Department of Transportation			-	902,341	40,953
N.C. Department of Agriculture and Consumer Services					
Passed through N.C. Forest Service:					
<i>Urban & Community Forestry Grant - WF Tree Line USA</i>	10.664	G40100301015FOR	-	2,833	5,097
Total NC Department of Agriculture and Consumer Services			-	2,833	5,097
N.C. Department of Public Safety					
Passed through Governor's Crime Commission					
<i>2014 - Wake Forest Police Department Patrol Bicycles & ATV</i>	16.738	2013-DJ-BX-0189	-	14,359	4,786
Total NC Department of Public Safety			-	14,359	4,786
Total State of North Carolina Financial Assistance			-	919,534	50,836
Total Federal & State of North Carolina Financial Assistance			\$ 102,584	\$ 919,534	\$ 325,927

Notes to the Schedule of Expenditures of Federal and State Financial Awards

Basis of Presentation - The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Town of 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.