

Annual Comprehensive Financial Report

FISCAL YEAR ENDED
JUNE 30, 2025



WAKE
FOREST

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2025**



WAKE FOREST

Town of Wake Forest, North Carolina
Prepared by the Finance Department

Town of Wake Forest Board of Commissioners



**Mayor
Vivian Jones**



**Commissioner
Ben Clapsaddle**



**Commissioner
Faith Cross**



**Commissioner
R. Keith Shackelford**



**Commissioner
Nick Sliwinski**



**Commissioner
Adam Wright**

Town of Wake Forest Staff

Kipling D. Padgett
Town Manager

Candace Davis
Assistant Town Manager

Allison Snyder
Assistant Town Manager

Aileen J. Staples
Assistant Town Manager/CFO

Nathan McKinney
Town Attorney

Angela McCray
Human Resources Director

Evelyn Wright
Town Clerk

Jennifer Currin
Planning Director

Samantha Sanchez
Finance Director

Ron Early
Fire Chief

Julius Jefferson
Police Chief

Jason Cannon
Economic Development Director

Tim Bailey
Public Works Director

Adam Oates
Chief Information Officer

Bill Crabtree
Communications and Public Affairs Director

J J Carr
Inspections Director

Mickey Rochelle
Public Facilities Director

Lisa Hayes
Organizational Performance Director

Chris Terrell
Electric Utility Director

Deborah Dunn
Renaissance Centre Director

Jennifer Herbert
Downtown Development Director

Tim Watson
Engineering Director

Ruben Wall
Parks and Recreation Director

Advisory Boards and Commissions

Planning and Zoning Board
Matt Davis, Chairperson

Public Art Commission
Lizabeth McGinniss, Chairperson

Historic Preservation Commission
Elizabeth V. Miller, Chairperson

Technical Advisory Board
Coleman Keane, Chairperson

Human Relations Council
Robin Smith, Chairperson

Urban Forestry Advisory Board
Shawn P. Hagen, Chairperson

Board of Adjustment
Will Hedrick, Chairperson

Parks, Recreation and Cultural Resources
Advisory Board Daniel Hupp, Chairperson

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Introductory Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT / TOWN OF WAKE FOREST, NORTH CAROLINA

A photograph of a historic brick building in Wake Forest, North Carolina. The building is a two-story structure made of red brick with several windows. A red awning covers the entrance area. There is outdoor seating with tables and chairs in front of the building. The sky is blue with white clouds. The foreground shows a paved area and a concrete curb.

This section, which is unaudited, introduces the reader to the report and to the Town. It includes the letter of transmittal, history of the Town, responsibilities of Town government and an organizational chart.



TOWN *of* WAKE FOREST

December 2, 2025

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

We are pleased to present the Annual Comprehensive Financial Report of the Town of Wake Forest (the “Town”) for your review and use. This report was prepared by the Town’s Finance Department, and it is the comprehensive publication of the Town’s financial position and results of operations as of and for the fiscal year ended June 30, 2025. The Town, like all other local governments in the State, is required by state law to publish a complete set of financial statements within four months of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement and to provide further accountability to citizens and other interested parties by providing a more all-inclusive report in lieu of the minimum basic financial statement requirements.

This document provides financial detail and historical trends beyond the basic financial statements in the **Financial Section**. 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.

Beyond the basic financial statements, the report includes **Supplementary Information** which provides details on retirement health care, law enforcement special separation allowance and pension liability information. The **Statistical Section** provides trend information on financial performance, revenue capacity, debt capacity, demographic and economic indicators as well as operating information. A **Compliance Section** includes documentation on federal and state grants and award compliance along with reports from auditors and schedule of findings.

Town management is responsible for both the accuracy of the data along with the completeness and fairness of the report. To ensure reliability of the information Town management has established a comprehensive framework of internal controls. Internal controls protect the Town’s assets from loss, theft and misuse and ensure that information is reliable for the preparation of this report. Because the cost of internal controls should not outweigh their benefits, the Town’s controls have been designed to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. We believe to the best of our knowledge, this financial report is complete, accurate and reliable in all material aspects.

As noted earlier, the Town is required by state law to have an annual independent financial audit. Cherry Bekaert LLP, Certified Public Accountants, has examined the financial records of the Town and their opinion can be found in the Report of the Independent Auditor included with the basic financial statements located at the beginning of the financial section of this document.

Profile of the Town

Wake Forest, incorporated in 1909, is a vibrant community of 62,000 located in northern Wake County that is part of the Triangle metropolitan area, which includes Raleigh, Durham and Chapel Hill. The Triangle area is repeatedly ranked among the top places in the nation to raise a family, get an education, do business or retire. While Wake Forest is in a growing region, we strive to maintain our small-town charm and unique identity.

The Town covers an area of 20.57 square miles and the extraterritorial or planning jurisdiction of the Town ("ETJ") covers an additional 2.22 square miles in Wake and Franklin counties located in the Piedmont region of the state. With urban services area defined and annexation agreements in place, future town limits could expand up to 28.19 square miles. The Town adjoins the City of Raleigh, which is the state capital and the county seat, at the Town's southern boundary, just across US 1/Capital Boulevard. Residents enjoy over 1,000 acres of open space, natural land and trails, excellent schools and access to higher education, all in close proximity to Research Triangle Park ("RTP") and Raleigh-Durham International Airport ("RDU").

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 is responsible for implementing the Board's policies and Town Ordinances, managing daily operations and appointing department directors.

The Town provides its citizens with a full range of services, including police, fire, cultural and recreational opportunities, land use development administration and management, solid waste collection and disposal, construction and maintenance of streets, curbs, gutters, sidewalks, other infrastructure and stormwater management. In addition, as a Public Power community, the Town operates Wake Forest Power, an electric utility providing residential and commercial service. 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.

Local Economy

The Town's tax base has grown to \$11.9 billion in 2025 an increase of \$3.9 billion (49.96%) from the fiscal year ended June 30, 2024. Revaluation of all property was conducted by Wake County, attributing to the significant increase in adjusting the tax base to reflect current market values. Currently, the tax base is approximately 24% commercial/industrial and 76% residential. Last fiscal year the Town issued 534 permits for residential construction and 70 permits for commercial construction with a total value of over \$189 million. Due to continued growth in the region, the Town continues to benefit from above average economic indicators as compared to the rest of the state and nation. The Town was named 25th out of 2,000 cities across the country as "Best Places to Live for Families" by *Fortune Well* in July 2024. Recently, *Travel & Leisure* just named Wake Forest as the best suburb to move to in the United States in October 2025. In addition, Wake Forest ranks as the second safest city to live in North Carolina according to reAlpha, an AI-powered real estate technology company.

Development activity remained steady over the last year. The Town uses development agreements with private developers to enhance transportation and complete streetscape improvements which help promote growth and private development. Any new and active developments in town can be found on the website at <https://www.wakeforestnc.gov/planning/development>.

Some key developments underway are as follows:

- **Grove 98 and Wegmans:** This 100-acre area continues to thrive along Highway 98 Bypass, in the heart of Wake Forest. Anchored by one of the Southeast's flagship Wegmans Food Markets, this mixed-use destination brings exciting new residential and retail opportunities while integrating into the larger community through greenways and the extended Ligon Mill Road.
- **Wake Forest Exchange:** 27-acre project along the US 1 Corridor off Star Road, bringing a diverse mix of commercial, medical, office, and flex space to the area. Once completed, the development will include over 120,000 square feet of flex and R&D space, nearly 28,000 square feet of medical and office space, and more than 30,000 square feet of retail space. The first phase will feature a retail and flex building on the northern portion of the site. With a \$38 million private investment and \$3.1 million in public improvements, Wake Forest Exchange is expected to generate more than \$350,000 in annual tax revenue. More importantly, at full capacity, it is projected to create 532 jobs, contributing to the region's economic growth.
- **Merritt Properties' Capital Business Park:** Includes seven (7) buildings, totaling 452,500 square feet of flex use & light industrial space. Phase 1, totaling 115,000 square feet, opened in May 2022 and is now home to approximately 20 companies. Phase 2 includes two additional buildings totaling 135,000 square feet and was completed in late 2023. Situated adjacent to the existing South Forest Industrial Park, the business park is aimed at enhancing local connectivity and navigability while providing a significant boost to existing office, flex, and industrial space in Wake Forest. The site has connected Unicon Drive Extension in South Forest Park to Ligon Mill Road, a major local thoroughfare, significantly reducing local traffic congestion. Additionally, the expansion will feature a new trailhead and access to Wake Forest's rapidly expanding greenway system.
- **Downtown Food Hall and Park:** Along Roosevelt Avenue and North White Street, there is a restoration of a food hall space and completion is expected by Spring 2026. Surrounding this space includes 40 town-home style condominiums recently completed and a downtown park/open space to be developed.

In 1950, Southeastern Baptist Theological Seminary (the "Seminary") was established as an institution of higher learning with the support of the Southern Baptist Convention's Cooperative Program. The Seminary is located on the former campus of Wake Forest College in the Town's downtown area. The student body has grown to 5,400 students and recently celebrated its 75th anniversary in October. The Town and Seminary are partnering on future economic development initiatives.

The Wireless Research Center ("WRC") is an independent, private nonprofit research center dedicated to applied research and engineering located in the Town. The WRC helps clients from around the world develop products and services that advance wireless technology innovation. The WRC provides research, development, engineering, and testing of antenna, RF and wireless technologies, with products in a variety of industries like in-body sensors, implanted medical devices, satellites and space exploration tools. Clients range from consumers and business enterprises, industrial, medical and public safety to agriculture, aviation and the U.S. Department of Defense.

The Board adopted a fiscal year 2025 budget based on maintaining level of service and a cautious approach to revenues. In planning for the future and keeping with the strategic plan, focusing on fiscal strength, the Town continues to maintain a high priority on the delivery of quality services, infrastructure maintenance and financial stability.

Long Term Financial Planning and Major Initiatives

Our regional location, quality of life and small-town atmosphere continue to make Wake Forest a destination for people and businesses moving into our region. Careful planning for growth is based on values for an attractive community, environmental stewardship and protection, adequate public facilities and a variety of cultural and recreational opportunities while maintaining a strong financial position.

The Town's strong fiscal management remains its hallmark. We continue to maintain sufficient unassigned (unreserved) fund balance to ensure consistent cash flow and provide flexibility for unanticipated opportunities and needs during emergencies or disasters. For the fifth consecutive fiscal year, fund balance increased significantly. In addition, the Town's continued conservative philosophy and approach to budgeting is key in maintaining its fiscal position as evidenced by its AAA ratings from three major credit rating agencies.

The strategic plan is used as a roadmap to guide the allocation of money, personnel and resources resulting in a shared vision of the future. The five (5) goals identified are as follows: 1) Sustaining excellent town services; 2) Creating accessible housing opportunities; 3) Fostering a safe, diverse, and welcoming community; 4) Investing in transportation and infrastructure; and 5) Advancing community and economic prosperity.

Highlights of fiscal year 2024-2025 include:

- Thirteen (13) additional positions added to meet the demands of our growing community.
- Established Stormwater Utility Fund with fee structure effective July 1, 2024.
- South Main Street Corridor Study completed in July 2024 – offers conceptual design and framework and future of this vital roadway – study focused on segment stretching from US 1-Capital Blvd to NC-98.
- Downtown Plan update will be a blueprint for the future with a focus on the Downtown commercial center adopted in November 2024.
- The Unified Development Ordinance (UDO) and Manual of Specifications, Standards and Design (MSSD) were first adopted in 2013. The UDO and MSSD were updated to implement the policies and recommendations of the recently updated Northeast Community Plan and Community Plan.
- Parks, Recreation & Cultural Resources Comprehensive Master Plan adopted in September 2024 which will guide the growth and operations over the next five years.
- South Franklin Street widening from Rogers Road to Artisan Park Drive is a joint development agreement that includes expanding from 2 to 4 lanes with median, sidewalk, multi-use path and landscaping. Portion of tax rate allocated for transportation initiatives is being used to fund this \$3.5 million project. Construction is underway with expected completion by Spring 2026.
- Continuation of three-year street resurfacing project which commenced in 2024 with approximately 24 miles of aging streets completed with \$5.5 million funding from an eight-year installment purchase agreement and \$8 million from bond proceeds received in October 2024.
- Retained consultant/architect to begin design build process of Fire Station 6 in August 2024. Design, planning and engineering are ongoing with bids and construction to commence by March 2026.
- H.L. Miller Park, a 2-acre wooded park located in the heart of downtown Wake Forest. Funded by the American Rescue Plan Act (ARPA), Phase 1 improvements include restoring an unstable stream that flows through the park and renovate the park's amenities and greenway system to enhance connectivity. Completion is expected by late 2026.
- Construction started on Phase 3 and 4 of Dunn Creek greenway which will add over 2 miles to our network and is being funded by \$5.6 million in bond proceeds received in October 2024 along with recreation impact fees. Starting at the current end of the Dunn Creek Greenway north of Dr. Calvin Jones Highway/NC 98 Bypass, Phase 3 will connect with the existing greenway alignment to Ailey Young Park and the existing greenway network constructed in the Traditions neighborhood. Phase 4 will connect Flaherty Park, Orchards at Traditions, Flaherty Farms, and the Del Webb community.
- New Athletic Fields Lighting systems have been completely installed at our facilities this past year. Project costs totaled \$2.2 million using proceeds from October 2024 bond sale.

The Town maintains a five-year capital improvement plan which serves as its planning document to ensure that its facilities, equipment, and infrastructure are well maintained. This process provides the ability to plan for capital needs and allocate short and long-term resources appropriately. The plan also serves as the basis for determining future debt issuance.

In November 2022, voters approved a \$75 million bond referendum. Tax rate increase of one cent yielded \$750,000 for fiscal year ended June 30, 2025. In accordance with our debt model, which was updated in May 2022, this will fund the debt service for planned issuances planned through 2028 - 2029.

The Town actively monitors and manages its debt capacity and affordability. The Town has a formal policy which provides guidance and direction when considering the impact of future debt. The Town issued \$22,050,000 on October 1, 2024, from the November 2022 authorization as follows:

- **Parks and Recreation** - \$3,650,000 – Athletic Fields Lighting
- **Roadway/Transportation** - \$12,750,000 – Traffic Pedestrian Signals, street resurfacing (phase 2), general transportation improvements
- **Greenways** - \$5,650,000 – Dunn Creek greenway – phase 3 and 4

In conjunction with the above, the Town used its two-third authority to issue an additional \$1,460,000 for the purpose of Parks and Recreation. These additional monies will go towards Miller Park improvements or Reservoir Improvements. There is \$52,950,000 authorized, but unissued remaining from the 2022 referendum and the next issuance is tentatively scheduled for late 2026.

In the coming fiscal year, plans are underway to issue an installment financing agreement up to \$18 million for the construction of Fire Station 6 which will be on Wait Avenue.

The Board continues to conduct planning retreats to discuss current issues and long-range goals for the Town. These planning sessions provide staff with the guidance needed to carry out the board's policies and goals. The next retreat is scheduled for January 2026. Each year during the annual budget process, the goals, objectives and strategies are incorporated into an official spending plan. The Town's annual budget document can be found on the website at <https://www.wakeforestnc.gov/budget-management/budget>.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Wake Forest for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the 35th consecutive year in which the Town has received this prestigious award. To receive this Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The GFOA award is valid for a period of one year. We believe our current report continues to meet the program requirements and we are submitting to GFOA to determine its eligibility for another certificate.

In addition, the Town received the GFOA's Distinguished Budget Presentation Award for its annual budget document for 12 consecutive years. The Town has also received the Award for Outstanding Achievement in Popular Annual Financial Reporting for its Citizens' Financial Report for eight consecutive years.

The preparation of this report would not have been possible without the skill, effort and dedicated service of the Finance Department. We appreciate the support and cooperation of Cherry Bekaert LLP. We sincerely appreciate the contributions of everyone who assisted with this report as well as the entire Town staff for their cooperation and assistance in prudent financial management throughout the year. 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, ICMA-CM, CPM
Town Manager



Aileen J. Staples
Assistant Town Manager/Chief Financial Officer



Government Finance Officers Association

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

Presented to

**Town of Wake Forest
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

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.

Legal Services

Provides statutory guidance and legal advice on various matters to the Board of Commissioners, management, and staff.

Town Manager's Office

The Town Manager and Assistant Town Managers provide direction to all staff in day-to-day municipal functions and implementing policies set by the Board of Commissioners.

Budget Management - Assists the Town Manager in the development and execution of the Town's annual budget and Capital Improvements Plan.

Organizational Performance - Responsible for measuring results of strategic initiatives to continuously improve Town policies and procedures.

Risk Management - Responsible for the risk management functions and safety programs of the Town.

Town Clerk - Preserves the official records of the Town, assists the public in accessing public documents and information, and supports the needs of the Board of Commissioners.

Economic Development (Wake Forest Business and Industry Partnership – WFBIP)

Responsible for business recruitment, job opportunities and expansion for the Town.

Renaissance Centre for the Arts

Offers a variety of cultural arts programming including theatre, concerts, film screenings, classes, workshops, and related events.

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 achieve its economic and cultural potential.

Communications

Responsible for the communications, marketing, and public relations functions of the Town.

Human Resources

Responsible for directing and overseeing the personnel functions of the Town.

Financial Services

Responsible for financial management through the areas of payroll, purchasing and inventory control, accounts payable, and financial reporting.

Information Technology

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

Planning

Responsible for the development and maintenance of all land management documents including Unified Development Ordinance and Community Plan; review of construction and land development; code enforcement and support of the Planning Board; Board of Adjustment; Historic Preservation Commissions and Design Review Board.

Inspections

Responsible for building inspections, code enforcement, minimum housing, and fire inspections.

Public Facilities

Provides proactive and reactive maintenance along with housekeeping of all municipal buildings and facilities.

Police

Responsible for the protection of life and property, traffic control and enforcement, criminal investigation, and enforcement of local and state law.

Fire

Responsible for fire prevention and protection of life and property. Committed to creating a safer community through preparedness and effective emergency response.

Engineering

Responsible for plan review, design work and construction inspection.

Public Works

Administration - The Director and Administrative Specialist are responsible for the day- to-day operations of Public Works.

Fleet Maintenance – Responsible for the maintenance, repair, and basic servicing of all Town vehicles and equipment.

Streets - 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.

Solid Waste – Coordinates distribution of rollout carts for the collection and disposal of residential refuse and recyclables. The Town contracts with a private firm for garbage collection and recycling service. The Town provides yard waste service.

Urban Forestry – Responsible for day-to-day operations of urban forestry by maintaining a healthy tree infrastructure.

Parks Recreation and Cultural Resources

Provides for the system of Town parks and open space areas along with the development of a variety of recreation activities and special events for all ages and interest levels. Facilities include an aquatics center, four community buildings/centers, various school facilities, twelve parks, numerous greenways, and trails. Staff support is also provided to the advisory board.

Stormwater Management

Responsible for management of the Town's stormwater drainage system including plan review, design work, and construction inspection.

Electric (Wake Forest Power)

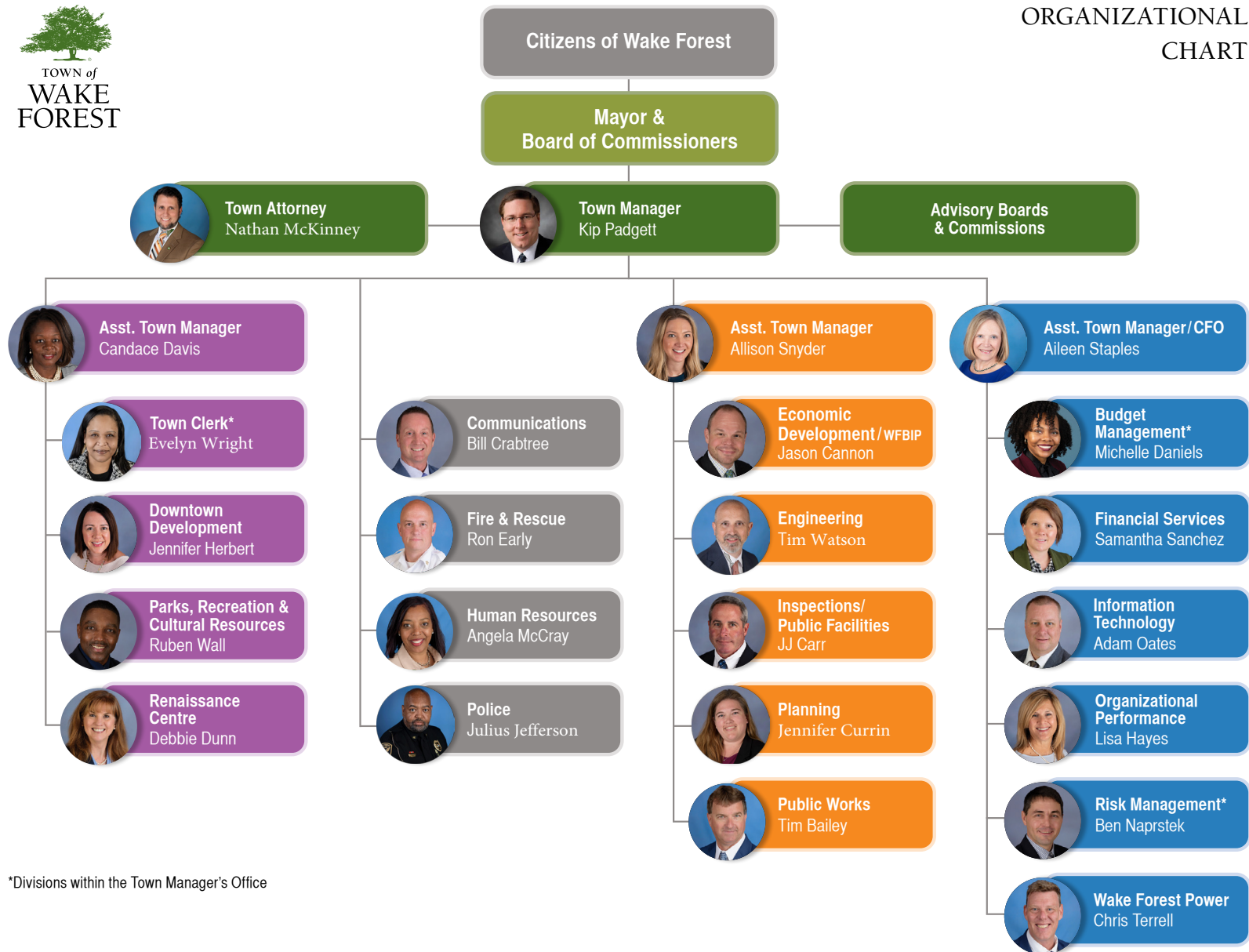
Billing and Collections – Responsible for maintaining and posting monthly meter reading and utility billing statements for all customer accounts.

Operations - Provides construction, operation and maintenance to the Town's electrical distribution system, substations, and other equipment.

Tree Trimming – Provides tree trimming line clearance and maintenance for the Town's power lines. Trimming is also performed for Urban Forestry, Planning, Streets and Parks Recreation and Cultural Resources.

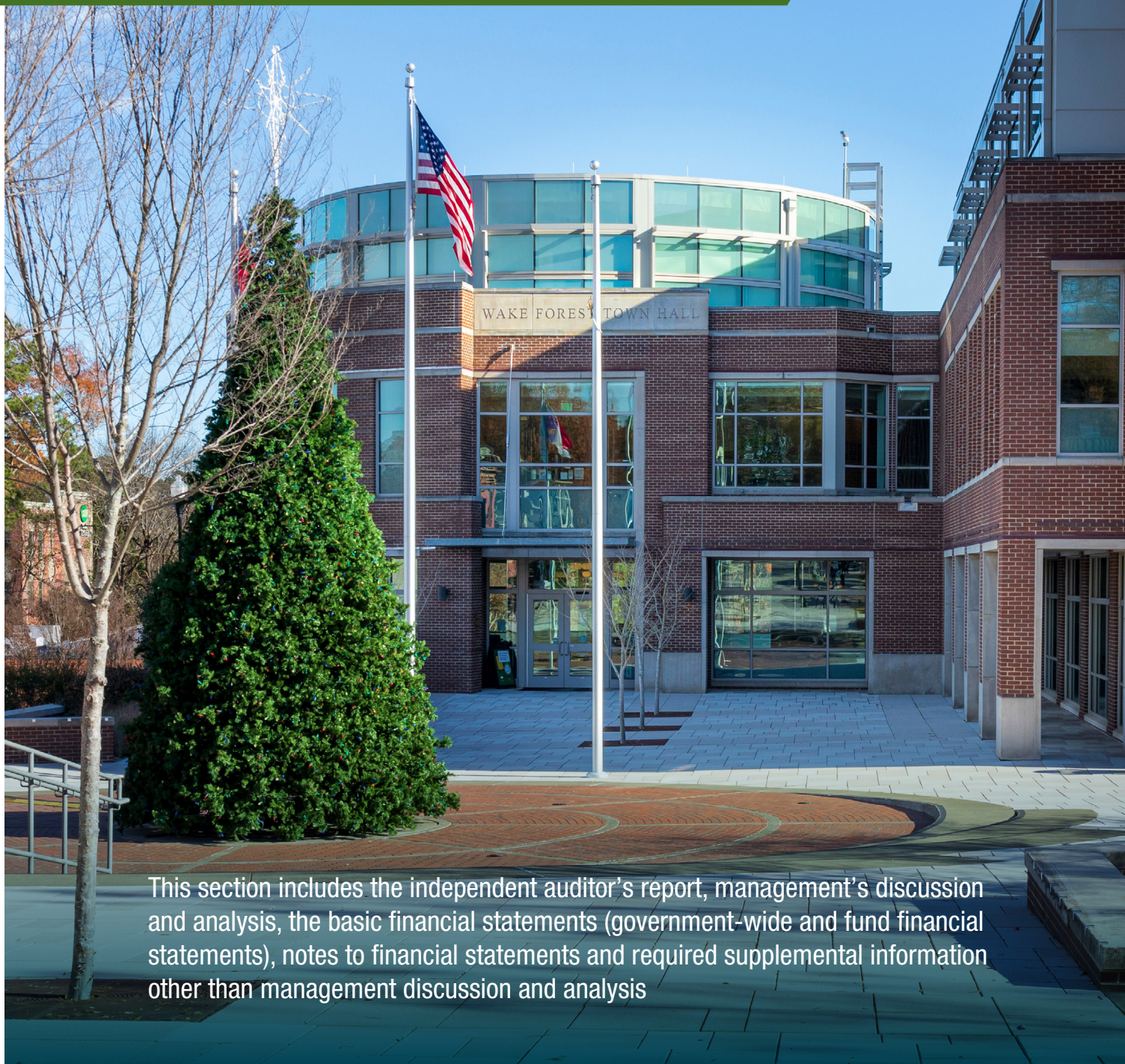


ORGANIZATIONAL CHART



*Divisions within the Town Manager's Office

Financial Section



This section includes the independent auditor's report, management's discussion and analysis, the basic financial statements (government-wide and fund financial statements), notes to financial statements and required supplemental information other than management discussion and analysis

Report of Independent Auditor

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wake Forest, North Carolina (the "Town"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the Town adopted Governmental Accounting Standards Board Statement 101, *Compensated Absences*, which resulted in a restatement of beginning net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying individual fund statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Raleigh, North Carolina
December 2, 2025

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, 2025. 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 FY 2024-25, the Town strengthened its financial position. Key indicators of this were overall positive budget variances, increases in fund balance amounts as well as significant growth in key general revenues. The Town's current bond ratings are AAA (Standard and Poor's and Fitch Ratings) and Aaa (Moody's.)

- The assets and deferred outflows of the Town exceeded the liabilities and deferred inflows of resources at the close of the fiscal year by \$456,242,166 (net position) or a 8.78% increase from prior year
- The Town's total net position increased by \$38,480,716. Governmental type activities net position increased \$32,650,405 and business-type activities position increased \$5,830,311 for the fiscal year
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balance of \$80,723,408.
 - \$22,582,661 or 27.98% is unassigned and available for spending at the Town's discretion
 - \$29,424,526 or 36.45% is restricted by external agencies and unspent debt proceeds
 - \$2,801,354 or 3.46% is committed for economic development and cultural/recreation purposes
 - \$62,754 or 0.08% is considered non-spendable
 - \$25,852,113 or 32.03% is assigned for specific purposes as identified by the Town
- The Town's total debt increased by \$20,024,056 (46.07%) during the current fiscal year. Along with retiring debt during the year, one installment purchase agreement and general obligation bonds were issued:

Installment Purchase Agreement:

 - \$1,405,950 – Vehicles and Equipment – February 2025 – 4-year term – 3.39%

General Obligation Bonds:

 - \$22,050,000 – Parks and Recreation, Roadway and Transportation, Greenways – October 2024 – 20-year term – 3.19%
 - \$1,460,000 – Parks and Recreation – October 2024 – 2-year term – 2.53%

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 different views of the Town using 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.

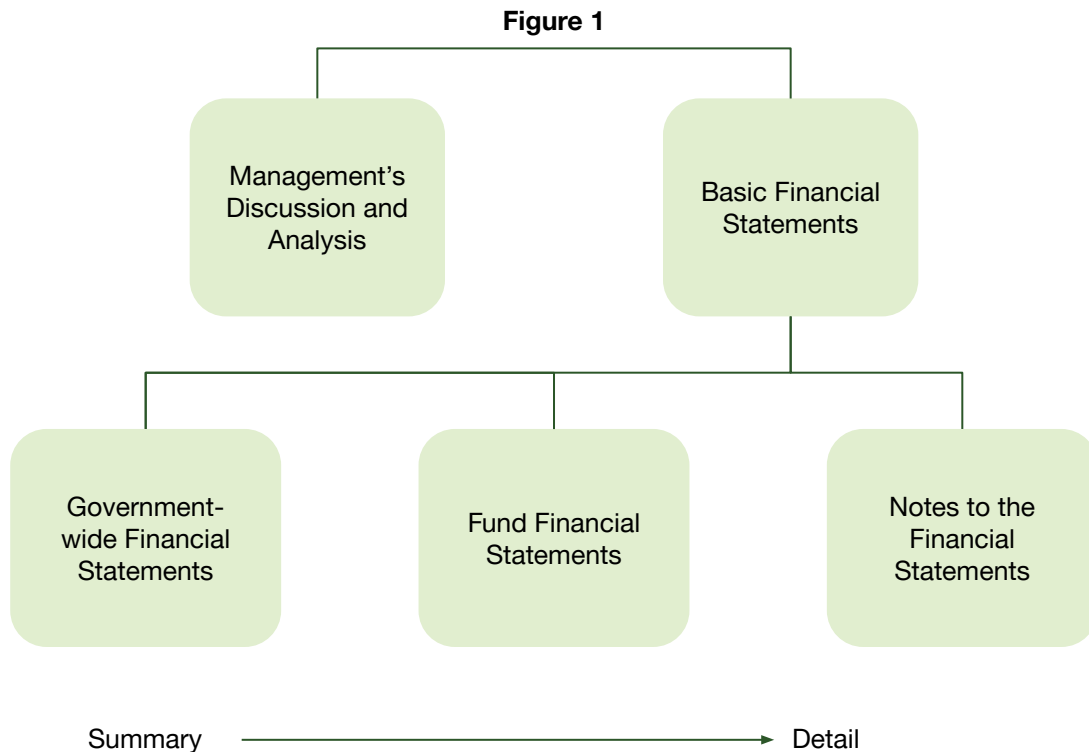
Basic Financial Statements

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 like a private-sector business.

The next statements (Exhibits 3 through 10) 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 four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

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

Required Components of Annual Financial Report



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 includes the municipally owned electric system known as Wake Forest Power, and the stormwater utility system.

The Wake Forest Business and Industry Partnership (BIP), a North Carolina 501(c)(3) non-profit, was formed to promote economic development in the Town of Wake Forest. An agreement for the services between the Town and the BIP was entered into on January 26, 2017. The BIP has the potential to become a component unit of the Town. The BIP will serve as a mechanism for the Town to issue future debt for economic development as needed.

The government-wide financial statements are in 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 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 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 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 and stormwater utility services. The Electric Fund is classified as a major fund and the Stormwater Fund is classified as a nonmajor fund.

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

Fiduciary Funds – Fiduciary fund statements provide information about the financial relationships in which the Town acts solely as a trustee or agent for the benefit of others to whom the resources in question belong. The Town of Wake Forest has one fiduciary fund to account for contributions to pension trusts for other post-employment benefits and law enforcement separation benefits.

The basic fiduciary fund financial statements can be found in Exhibits 9 through 10 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 can 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.

Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 94,474,951	\$ 73,493,517	\$ 11,507,337	\$ 9,138,228	\$ 105,982,288	\$ 82,631,745
Capital assets	440,705,072	406,978,342	25,871,780	22,420,150	466,576,852	429,398,492
Total asset	535,180,023	480,471,859	37,379,117	31,558,378	572,559,140	512,030,237
Deferred outflows of resources	15,270,983	17,196,264	1,366,301	1,558,121	16,637,284	18,754,385
Total assets and deferred outflows of resources	550,451,006	497,668,123	38,745,418	33,116,499	589,196,424	530,784,622
Long-term liabilities outstanding	96,870,388	76,053,123	4,926,999	5,740,889	101,797,387	81,794,012
Other liabilities	23,604,384	22,671,073	3,354,599	2,721,643	26,958,983	25,392,716
Total liabilities	120,474,772	98,724,196	8,281,598	8,462,532	128,756,370	107,186,728
Deferred inflows of resources	3,875,848	3,871,798	322,040	313,703	4,197,888	4,185,501
Total liabilities and deferred inflows of resources	124,350,620	102,595,994	8,603,638	8,776,235	132,954,258	111,372,229
Net investments in capital assets	384,316,542	-	24,443,157	-	408,759,699	-
Restricted	23,412,391	12,615,823	-	-	23,412,391	12,615,823
Unrestricted	18,371,453	382,456,306	5,698,623	24,340,261	24,070,076	406,796,567
Total net position	\$ 426,100,386	\$ 395,072,129	\$ 30,141,780	\$ 24,340,261	\$ 456,242,166	\$ 419,412,390

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The Town's assets and deferred outflows exceeded liabilities and deferred inflows by \$456,242,166 as of June 30, 2025. However, the largest portion 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.

Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 11,776,950	\$ 12,267,555	\$ 32,016,171	\$ 26,488,971	\$ 43,793,121	\$ 38,756,526.00
Operating grants and contributions	5,586,875	4,817,933	-	-	5,586,875	4,817,933.00
Capital grants and contributions	32,170,530	12,654,271	-	-	32,170,530	12,654,271.00
General revenues:						
Property taxes	50,090,440	40,198,931	-	-	50,090,440	40,198,931.00
Other taxes	74,570	63,546	-	-	74,570	63,546.00
Unrestricted investment earnings	2,551,366	2,650,977	103,186	85,755	2,654,552	2,736,732.00
Miscellaneous	1,723,383	2,858,883	62,459	102,766	1,785,842	2,961,649.00
Unrestricted intergovernmental	21,478,256	19,411,697	-	-	21,478,256	19,411,697.00
Total revenues	125,452,370	94,923,793	32,181,816	26,677,492	157,634,186	121,601,285
Expenses:						
General government	27,851,545	27,972,699	-	-	27,851,545	27,972,699
Public safety	33,307,636	28,303,748	-	-	33,307,636	28,303,748
Transportation	15,308,873	9,787,505	-	-	15,308,873	9,787,505
Environmental protection	7,200,105	6,365,773	-	-	7,200,105	6,365,773
Cultural and recreation	7,494,801	7,777,737	-	-	7,494,801	7,777,737
Economic development	-	907,519	-	-	-	907,519
Interest on long-term debt	1,639,005	1,156,476	-	-	1,639,005	1,156,476
Electric	-	-	25,712,085	23,990,665	25,712,085	23,990,665
Stormwater	-	-	639,420	-	639,420	-
Total expenses	92,801,965	82,271,457	26,351,505	23,990,665	119,153,470	106,262,122
Change in net position	32,650,405	12,652,336	5,830,311	2,686,827	38,480,716	15,339,163
Net position - July 1, as previously reported	395,072,129	382,622,829	24,340,261	21,687,834	419,412,390	404,310,663
Restatement (Note 15)	(1,622,148)	-	(28,792)	-	(1,650,940)	-
Net position - July 1, restated	393,449,981	382,622,829	24,311,469	21,687,834	417,761,450	404,310,663
Net position - June 30	\$ 426,100,386	\$ 395,072,129	\$ 30,141,780	\$ 24,340,262	\$ 456,242,166	\$ 419,412,391

Governmental activities. Wake Forest continues to experience unprecedented growth and 2025 is reflective of another successful year. Governmental activities increased the Town's net position by \$32,650,405 thereby accounting for 84.25% of the total growth in the net position of the Town. Key elements of this increase are as follows:

- Ad valorem taxes made up 39.93% of governmental activity revenue and continue to be a significant revenue source for funding local government operations. Current year ad valorem taxes increased 24.61% over the previous fiscal year due to a revaluation of the tax base.
- Charges for services decreased 4% from prior fiscal year, largely due to a decrease in permitting and inspection revenues.
- Local option sales tax increased 9.03% (\$1,447,498) over prior fiscal year.
- Capital grants and contributions accounted for 25.64% of governmental activity revenues.
- Total governmental activity revenue increased 32.16% while expenses increased 12.8% from the previous fiscal year.

Business-type activities. Business-type activities increased the Town of Wake Forest's net position by \$5,830,311. Key elements of this increase are as follows:

- Total revenue increased 20.63%.
- Charges for services from the Sale of Power increased \$1,276,415 (5.3%) compared to the previous fiscal year ended June 30, 2024. This is attributed to two rate increases in April and September.

- The inception of the Stormwater Utility Fund accounts for \$3.9 million in increased service charges.
- Total business-type expenses increased \$2,360,840 (9.84%) when compared to the previous fiscal year. A portion of the increase, \$597 thousand, is due to the addition of the Stormwater Utility Fund.

Financial Analysis of the Town's Funds

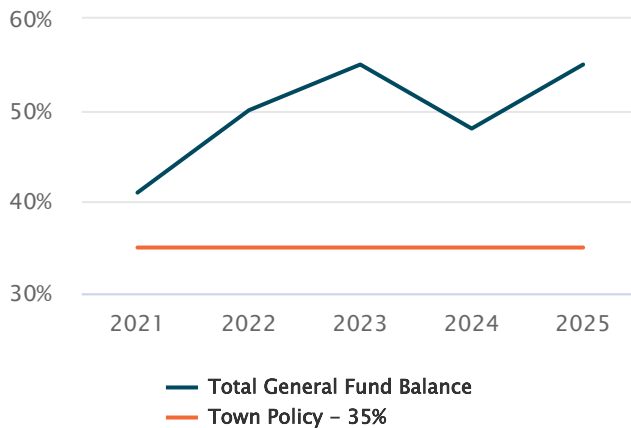
As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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.

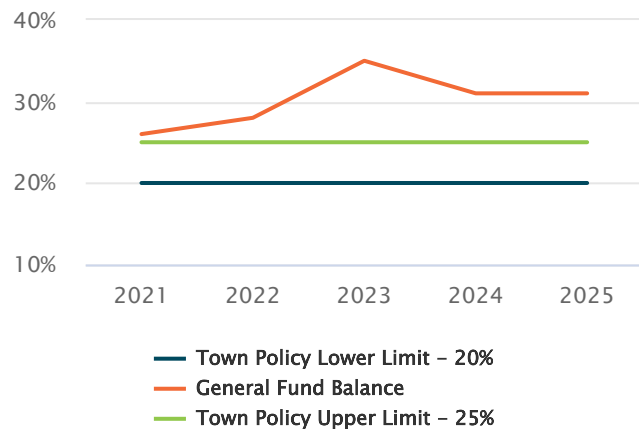
The general fund is the chief operating fund of the Town. At the end of the current fiscal year, fund balance available in the General Fund was \$22,983,599 while total fund balance was \$40,225,321. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned (available) fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 31.46% of the total General Fund expenditures, while total fund balance represents 55.07% of that same amount.

Per the policy, unassigned fund balances at the close of each fiscal year should be between 20% - 25% of general fund expenditures and total fund balance should be at least 35% of general fund expenditures. If funds are available over and beyond the targeted amount as defined above, those funds may be transferred to capital reserve funds or capital project funds, at the Board of Commissioners discretion. The Board of Commissioners may, from time-to-time, appropriate fund balances that will reduce unassigned fund balances below the 20% - 25% policy for the purposes of a declared fiscal emergency or other such global purpose as to protect the long-term fiscal stability and security of the Town of Wake Forest. In such circumstances, the Town will work towards replenishing the unassigned fund balances to the policy level within 36 months of the date of the appropriation.

Total General Fund – Fund Balance vs. Policy Level



Unassigned General Fund – Fund Balance vs. Policy Level



As of June 30, 2025, the governmental funds of the Town reported a combined fund balance of \$80,723,408 with a net increase in fund balance of \$22,863,076. The General Fund, Debt Service Fund, special revenue funds, capital project funds and capital reserve funds are included in this combined amount. This increase is largely attributed to increased ad valorem tax revenue, sales tax revenues, and impact fees. During the current year debt was issued for vehicle and equipment purchases, parks and recreation improvements, roadway and transportation improvements, and greenway improvements.

General Fund (Unconsolidated) 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 tax revenue exceeded original budget estimates by \$1,261,455 (2.58% increase) due to a revaluation of the tax base.
- Unrestricted intergovernmental revenues exceeded original budget estimates by \$2,638,766 (14.01% increase), which is attributed to conservative budgeting of local option sales tax revenues.

- Operating expenditures for the fiscal year were approximately \$4.3 million (5.95%) under the amended budget.

Revenues were 4.38% above the original budgeted amounts due to the town's continued conservative philosophy. Expenditures followed budgetary requirements.

The original budget planned to use \$2,120,665 of appropriated fund balance and was amended during the year to \$3,750,913 to fund one-time capital items. However, unconsolidated General Fund balance increased \$3,049,653 for fiscal year 2024- 2025 which exceeded budgeted expectations. These results are attributed to revenues exceeding original projections, timing of expenditures and continued conservative management practices.

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 totaled to \$2,403,596 and the total ending net position was \$26,836,104. Unrestricted net position of the Stormwater Utility Fund at the end of the fiscal year totaled to \$3,295,027 and the total ending net position was \$3,305,676.

The Electric Fund's net position increased \$2,524,636 during the fiscal year. Operating expenses increased 7.2% while sales of power revenues increased 5.3%.

In fiscal year 2025 the Town implemented a Stormwater Utility Enterprise Fund. The Stormwater Utility Fund's ending net position was \$3,305,676. Operating expenses were \$639,296 while service revenues were \$3,894,346.

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, 2025, totaled \$466,576,852 (net of accumulated depreciation). This represents an 8.66% increase from June 30, 2024. These assets include buildings, streets and sidewalks, land, machinery, and equipment including vehicles, park facilities and electric systems. Some of the major capital asset transactions during the year include the following:

- Land purchases - \$2,507,656
- Electric system improvements - \$898,566
- Generator replacements - \$4,595,726
- Streets, sidewalks, and right of way additions - \$27,434,070

Town of Wake Forest Capital Assets
(Net of depreciation and amortization)
Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land, rights and easements	\$ 99,471,236	\$ 90,308,799	\$ 1,451,949	\$ 1,451,949	\$ 100,923,185	\$ 91,760,748
Buildings and system	21,225,457	22,289,051	1,676,226	1,746,040	22,901,683	24,035,091
Other improvements	283,703,242	267,507,974	18,034,883	18,254,590	301,738,125	285,762,564
Equipment and furniture	3,263,950	2,157,642	3,883,645	149,274	7,147,595	2,306,916
Vehicles and motorized equipment	8,042,025	8,021,701	809,550	818,297	8,851,575	8,839,998
Right to use leases	4,109,716	4,641,590	15,527	-	4,125,243	4,641,590
Construction in progress	20,889,446	12,051,585	-	-	20,889,446	12,051,585
Total	\$ 440,705,072	\$ 406,978,342	\$ 25,871,780	\$ 22,420,150	\$ 466,576,852	\$ 429,398,492

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

Long-term Debt. As of June 30, 2025, the Town had total bonded debt outstanding of \$44,103,000, premiums outstanding of \$3,417,920, and governmental activities installment purchase related debt of \$10,234,194. The Town's debt includes lease and subscription intangible asset contracts totaling \$4,308,489. The Electric Fund had installment purchase agreement debt of \$1,417,052, which includes rolling stock and equipment from prior fiscal years along with the building purchased in October 2018.

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 \$842,853,728. These statutory limits exceed the Town's realistic debt capacity.

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds and premiums	\$ 47,520,920	\$ 24,012,479	\$ -	\$ (2)	\$ 47,520,920	\$ 24,012,477
Installment Purchase	10,234,194	12,861,388	1,417,052	1,877,727	11,651,246	14,739,115
Lease and subscription liabilities	4,308,489	4,716,852	11,571	-	4,320,060	4,716,852
Total	\$ 62,063,603	\$ 41,590,719	\$ 1,428,623	\$ 1,877,725	\$ 63,492,226	\$ 43,468,444

Additional information regarding the Town of Wake Forest's long-term debt can be found in Note 9 of this report.

Budget Highlights for the Fiscal Year Ending June 30, 2026

Governmental Activities: The Town's adopted General Fund Budget for 2025-2026 totals \$93,975,500, representing a 2.79% increase from the fiscal year 2024-2025 amended General Fund budget and 8.11% over the fiscal year 2024-2025 adopted General Fund budget. The budget endeavors to achieve the strategic plan's key goals 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 in the approved budget along with thirteen (13) new full-time positions.

The Town's tax rate remained at \$0.42 for the fiscal year ending June 30, 2026 due to steady growth in the property tax base. There was a projected increase of expenditures of \$1.13 million to fund new positions and \$7.89 million for capital expenditures. The Town also assumed operation of the Wake Forest Center for Active Aging, formerly operated by Resources for Seniors, with budgeted expenditures of \$652,755. The tax rate is inclusive of \$0.015 for transportation initiatives and \$0.01 for affordable and workforce housing.

In addition, the Downtown Municipal Service District tax rate remained unchanged at \$0.14, the vehicle fee remained unchanged at \$30, and the solid waste fee increased one dollar to \$24.

Business-type Activities: Slight increase in residential utility rates were included in the Electric Fund for the upcoming fiscal year. The total Electric Fund budget for the fiscal year ending June 30, 2026 is \$28.0 million, which is an increase of 7.3% over the fiscal year 2024-2025 adopted Electric Fund budget and 7.9% less than the fiscal year 2024-2025 amended Electric Fund budget.

The Stormwater Utility Fund was approved by the Board of Commissioners in December 2023, and the Stormwater Utility Enterprise fund was established effective in fiscal year 2024-2025. The stormwater utility fee is based on the total square footage of impervious surface on a property. Three different tiers of rates were adopted based on square footage of impervious surface. The total budget for the Stormwater Utility Fund for fiscal year 2025-2026 is \$3.64 million, and the fees will be billed annually in conjunction with the property tax bill.

The Town continues to focus on financial sustainability. The budget represents the fundamental philosophy of being conservative with revenue projections and maintaining fiscal constraint on the expenditure side.

Decision making will still require much care and prudence as we continue to focus on providing the core services our residents and property owners expect. Prioritizing how our resources are utilized is critical as we make long-term plans for capital investments, as well as addressing future debt service and potential legislative mandates.

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 Chief Financial Officer, 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, 2025

Exhibit 1

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 51,785,299	\$ 6,013,038	\$ 57,798,337
Taxes receivables (net)	647,432	-	647,432
Accounts receivable (net)	764,130	3,880,683	4,644,813
Note receivable	531,557	-	531,557
Due from other governments	6,990,441	-	6,990,441
Inventories	22,185	4,798,918	4,821,103
Prepayments	40,569	-	40,569
Restricted cash and cash equivalents	29,624,112	664,698	30,288,810
Due within one year			
Lease receivable-current portion	11,481	-	11,481
Due in more than one year			
Lease receivable, noncurrent portion	207,745	-	207,745
Internal balances	3,850,000	(3,850,000)	-
Total non capital assets	94,474,951	11,507,337	105,982,288
Capital assets			
Land, improvements, and construction in progress	120,360,682	1,451,949	121,812,631
Other capital assets, net of depreciation	320,344,390	24,419,831	344,764,221
Total capital assets	440,705,072	25,871,780	466,576,852
Total assets	535,180,023	37,379,117	572,559,140
Deferred outflows of resources			
Pension deferrals - LGERS	12,162,604	1,218,738	13,381,342
Pension deferrals - LEOSSA	1,792,027	-	1,792,027
Other postemployment benefits deferrals	1,316,352	147,563	1,463,915
Total deferred outflows of resources	15,270,983	1,366,301	16,637,284
Liabilities			
Unearned revenues	51,066	-	51,066
Prepaid taxes and other	40,961	-	40,961
Accounts payable	7,404,492	2,159,188	9,563,680
Accrued interest payable	402,218	8,774	410,992
Customer deposits	1,125	664,698	665,823
Unearned revenue-grant proceeds	5,242,563	-	5,242,563
Due within one year			
Compensated absences	2,333,520	104,870	2,438,390
Lease liability	632,192	5,705	637,897
Bonds and notes payable	7,496,247	411,364	7,907,611
Due in more than one year			
Compensated absences	2,220,849	107,713	2,328,562
Lease liability	3,676,297	5,866	3,682,163
Net pension liability - LEOSSA	6,744,844	-	6,744,844
Net Pension liability - LGERS	23,508,869	2,635,095	26,143,964
Net other postemployment benefits liability	10,460,662	1,172,637	11,633,299
Bonds and notes payable	50,258,867	1,005,688	51,264,555
Total liabilities	120,474,772	8,281,598	128,756,370

	Governmental Activities	Business-type Activities	Total
Deferred inflows of resources			
Leases	\$ 238,883	\$ -	\$ 238,883
Pension deferrals - LGERS	220,297	24,693	244,990
Other postemployment benefit deferrals	2,652,530	297,347	2,949,877
Pension deferrals - LEOSSA	764,138	-	764,138
Total deferred inflows of resources	3,875,848	322,040	4,197,888
Net Position			
Net investments in capital assets	384,316,542	24,443,157	408,759,699
Restricted for			
Stabilization by state statute	12,627,514	-	12,627,514
Downtown district	575,262	-	575,262
Public safety	593,726	-	593,726
Transportation	8,038,559	-	8,038,559
General grant activities	213,699	-	213,699
Culture and recreation	1,363,631	-	1,363,631
Unrestricted	18,371,453	5,698,623	24,070,076
Total net position	\$ 426,100,386	\$ 30,141,780	\$ 456,242,166

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, 2025**

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General	\$ 27,851,545	\$ 1,565,857	\$ 335,584	\$ 3,218,724	\$ (22,731,380)	\$ -	\$ (22,731,380)
Public safety	33,307,636	737,727	3,123,530	-	(29,446,379)	-	(29,446,379)
Transportation	15,308,873	1,792,086	1,957,093	28,295,668	16,735,974	-	16,735,974
Environmental	7,200,105	4,498,933	46,619	-	(2,654,553)	-	(2,654,553)
Cultural and recreation	7,494,801	3,182,347	124,049	656,138	(3,532,267)	-	(3,532,267)
Interest on long-term debt	1,639,005	-	-	-	(1,639,005)	-	(1,639,005)
Total governmental activities	92,801,965	11,776,950	5,586,875	32,170,530	(43,267,610)	-	(43,267,610)
Business-type activities:							
Total Electric Fund Activities	25,712,085	28,121,825	-	-	-	2,409,740	2,409,740
Total Stormwater Fund Activities	639,420	3,894,346	-	-	-	3,254,926	3,254,926
Total Business-type activities	26,351,505	32,016,171	-	-	-	5,664,666	5,664,666
Total	\$ 119,153,470	\$ 43,793,121	\$ 5,586,875	\$ 32,170,530	\$ (43,267,610)	\$ 5,664,666	\$ (37,602,944)
Taxes:							
Property taxes, levied for general purpose					50,090,440	-	50,090,440
Other taxes and licenses					74,570	-	74,570
Unrestricted intergovernmental					21,478,256	-	21,478,256
Unrestricted investment earnings					2,551,366	103,186	2,654,552
Miscellaneous					1,723,383	62,459	1,785,842
Total general revenues					75,918,015	165,645	76,083,660
Change in net position					32,650,405	5,830,311	38,480,716
Net position - beginning, as previously reported					395,072,129	24,340,261	419,412,390
Restatements (Note 15)					(1,622,148)	(28,792)	(1,650,940)
Net position - beginning, restated					393,449,981	24,311,469	417,761,450
Net position - ending					\$ 426,100,386	\$ 30,141,780	\$ 456,242,166

The accompanying notes are an integral part of these financial statements



WAKE
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Town of Wake Forest, North Carolina
Balance Sheet
Governmental Funds
June 30, 2025

Exhibit 3

	General	Debt Service Fund	Recreation Capital Reserve Fund	American Rescue Plan Act Fund	Roadway and Transportation	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 30,549,388	\$ 4,985,536	\$ 10,575,061	\$ -	\$ -	\$ 5,675,314	\$ 51,785,299
Receivables, net							
Taxes	592,037	55,395	-	-	-	-	647,432
Accounts	455,956	-	-	-	-	308,174	764,130
Due from other governments	6,990,441	-	-	-	-	-	6,990,441
Due from other funds	-	-	2,250,000	-	-	-	2,250,000
Interfund loan receivable	3,850,000	-	-	-	-	-	3,850,000
Lease receivable	219,226	-	-	-	-	-	219,226
Inventories	22,185	-	-	-	-	-	22,185
Prepayments	40,569	-	-	-	-	-	40,569
Restricted cash and cash equivalents	1,929,782	-	-	6,112,959	12,995,825	8,585,546	29,624,112
Total assets	\$ 44,649,584	\$ 5,040,931	\$ 12,825,061	\$ 6,112,959	\$ 12,995,825	\$ 14,569,034	\$ 96,193,394
Liabilities							
Prepaid taxes and other	\$ 40,961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,961
Accounts payable and accrued liabilities	3,851,332	-	-	656,697	1,160,181	1,736,282	7,404,492
Due to other funds	-	-	-	-	-	2,250,000	2,250,000
Unearned revenue-grant proceeds	-	-	-	5,242,563	-	-	5,242,563
Customer deposits	1,125	-	-	-	-	-	1,125
Total liabilities	3,893,418	-	-	5,899,260	1,160,181	3,986,282	14,939,141
Deferred inflow of resources							
Unavailable property taxes	291,962	-	-	-	-	-	291,962
Leases	238,883	-	-	-	-	-	238,883
Total deferred inflows of resources	530,845	-	-	-	-	-	530,845
Fund balances							
Non Spendable	62,754	-	-	-	-	-	62,754
Restricted	13,796,502	-	-	213,699	11,835,644	3,578,681	29,424,526
Committed	859,966	-	-	-	-	1,941,388	2,801,354
Assigned	2,522,500	5,040,931	12,825,061	-	-	5,463,621	25,852,113
Unassigned	22,983,599	-	-	-	-	(400,938)	22,582,661
Total fund balances	40,225,321	5,040,931	12,825,061	213,699	11,835,644	10,582,752	80,723,408
Total liabilities, deferred inflows of resources and fund balances	\$ 44,649,584	\$ 5,040,931	\$ 12,825,061	\$ 6,112,959	\$ 12,995,825	\$ 14,569,034	\$ 96,193,394

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, 2025

Exhibit 3

Fund balances-total governmental funds		\$ 80,723,408
Amounts reported for governmental activities in the statement of net position are different because:		
Long-term assets are not available in the current period and therefore are not reported in the governmental funds.		531,557
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	568,991,970	
Less accumulated depreciation and amortization	(128,286,898)	440,705,072
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds and notes payable	(54,337,194)	
Premiums received on bond issuance	(3,417,920)	
Lease liability	(4,308,489)	
Compensated absences	(4,554,369)	
Other postemployment benefits liability	(10,460,662)	
Net pension liability - LEOSSA	(6,744,844)	
Pension liability - LGERS	(23,508,869)	(107,332,347)
Unavailable revenues are considered deferred inflows of resources in fund statements.		291,962
Deferred inflows/outflows of resources related to pensions are not reported in the funds - LEOSSA and LGERS		12,970,196
Deferred inflows/outflows of resources related to other postemployment benefits are not reported in the funds		(1,336,178)
Accrued interest expense payable		(453,284)
Net position of governmental activities		<u>\$ 426,100,386</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, 2025

Exhibit 4

	General	Debt Service Fund	Recreation Capital Reserve Fund	American Rescue Plan Act Fund	Roadway and Transportation	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Ad valorem taxes	\$ 50,090,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,090,440
Other taxes	74,570	-	-	-	-	-	74,570
Unrestricted intergovernmental	21,478,256	-	-	-	-	-	21,478,256
Restricted intergovernmental	3,077,456	1,719,784	-	2,936,361	-	310,580	8,044,181
Permits and fees	2,511,030	650,220	2,042,142	-	-	942,415	6,145,807
Sales and services	5,631,143	-	-	-	-	-	5,631,143
Miscellaneous	2,077,245	-	-	-	-	65,434	2,142,679
Investment earnings	1,481,183	139,552	377,352	280,209	648,463	640,916	3,567,675
Donations	52,901	-	-	-	-	5,000	57,901
Total revenues	86,474,224	2,509,556	2,419,494	3,216,570	648,463	1,964,345	97,232,652
Expenditures:							
Current:							
General government	21,577,751	-	-	804,718	-	3,500	22,385,969
Public safety	30,993,991	-	-	-	-	17,603	31,011,594
Transportation	3,181,157	-	-	-	179,734	72,777	3,433,668
Environmental protection	6,706,168	-	-	247,715	-	21,966	6,975,849
Cultural and recreation	6,403,168	-	-	-	-	486,630	6,889,798
Capital outlay	4,185,566	-	-	2,784,496	7,439,768	8,834,991	23,244,821
Debt service:							
Principal	-	6,864,882	-	-	-	-	6,864,882
Interest and other charges	-	1,645,992	-	-	-	-	1,645,992
Total expenditures	73,047,801	8,510,874	-	3,836,929	7,619,502	9,437,467	102,452,573
Revenues over (under) expenditures	13,426,423	(6,001,318)	2,419,494	(620,359)	(6,971,039)	(7,473,122)	(5,219,921)
Other financing sources (uses):							
Transfers in	1,915,667	9,015,815	-	-	2,055,470	2,701,812	15,688,764
Transfers out	(13,918,475)	-	(1,026,794)	-	(127,500)	(615,995)	(15,688,764)
Issuance of lease	242,651	-	-	-	-	-	242,651
Issuance of debt	1,405,950	-	-	-	14,172,280	11,847,116	27,425,346
Transfer from NCHIP reserves	415,000	-	-	-	-	-	415,000
Total other financing sources (uses)	(9,939,207)	9,015,815	(1,026,794)	-	16,100,250	13,932,933	28,082,997
Net change in fund balances	3,487,216	3,014,497	1,392,700	(620,359)	9,129,211	6,459,811	22,863,076
Fund balances - beginning of year, as previously reported	36,738,105	2,026,434	11,432,361	834,058	-	6,829,374	57,860,332
Restatements	-	-	-	-	2,706,433	(2,706,433)	-
Fund balances - beginning of year, as restated	36,738,105	2,026,434	11,432,361	834,058	2,706,433	4,122,941	57,860,332
Fund balances - end of year	\$ 40,225,321	\$ 5,040,931	\$ 12,825,061	\$ 213,699	\$ 11,835,644	\$ 10,582,752	\$ 80,723,408

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 - Reconciliation
for the Year Ended June 30, 2025

Exhibit 4

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

Net change in fund balances - total governmental funds	\$ 22,863,076
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.

Expenditures for capital assets	23,244,821	
Less current year depreciation and amortization	(13,979,568)	
Less disposition of assets	<u>(2,972,593)</u>	6,292,660

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	27,434,070
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The issuance of debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of bond premiums	329,955	
Issuance of debt	(27,425,346)	
Principal payments	6,213,867	
Issuance of lease	(242,651)	
Lease principal payments	<u>651,015</u>	(20,473,160)

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	(213,684)
Pension Expense - LGERS	(3,007,373)
Pension Expense - LEOSA	(456,005)
Other postemployment benefits expense	431,890
Change in accrued interest payable	<u>(221,069)</u>

Total changes in net position of governmental activities	<u>\$ 32,650,405</u>
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The accompanying notes are an integral part of these financial statements

Town of Wake Forest, North Carolina

Exhibit 5

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
for the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 48,625,135	\$ 49,877,825	\$ 49,886,477	\$ 8,652
Other taxes and licenses	62,500	67,260	74,570	7,310
Unrestricted intergovernmental	18,839,490	20,610,240	21,478,256	868,016
Restricted intergovernmental	2,720,475	2,865,475	3,013,715	148,240
Permits and fees	2,761,985	2,692,635	2,511,031	(181,604)
Sales and services	5,538,100	5,636,090	5,446,549	(189,541)
Miscellaneous	2,271,900	2,310,360	1,933,225	(377,135)
Investment earnings	1,365,500	1,365,500	1,421,730	56,230
Donations	5,000	6,800	6,935	135
Total revenues	82,190,085	85,432,185	85,772,488	340,303
Expenditures:				
Current				
General government	23,532,090	24,795,046	21,833,737	2,961,309
Public safety	31,668,945	33,302,120	32,815,368	486,752
Transportation	4,374,905	4,374,905	3,693,306	681,599
Environmental protection	7,187,325	7,187,325	6,722,166	465,159
Cultural and recreational	6,421,405	7,110,117	5,338,759	1,771,358
Economic development	545,610	603,065	572,341	30,724
Total expenditures	73,730,280	77,372,578	70,975,677	6,396,901
Revenues over (under) expenditures	8,459,805	8,059,607	14,796,811	6,737,204
Other financing sources (uses):				
Transfers in (out)				
Debt Service Fund	(8,950,815)	(8,950,815)	(8,950,815)	-
Downtown District Special Tax	418,750	418,750	99,037	(319,713)
Capital Reserve Fund	-	(589,500)	(442,209)	147,291
Housing Initiative	(1,154,945)	(1,154,945)	(1,154,945)	-
Roadway and Transportation	(1,732,415)	(1,732,415)	(1,732,415)	-
Pension Trust	-	(250,000)	(250,000)	-
Wake Forest Business and Industry Partnership	(1,357,045)	(1,372,545)	(1,379,412)	(6,867)
Transfer from NCHIP reserve	415,000	415,000	415,000	-
Issuance of lease	-	-	242,651	242,651
Installment Purchase Proceeds	1,781,000	1,405,950	1,405,950	-
Appropriated fund balance	2,120,665	3,750,913	-	(3,750,913)
Total other financing sources (uses)	(8,459,805)	(8,059,607)	(11,747,158)	(3,687,551)
Net change in fund balances	\$ -	\$ -	\$ 3,049,653	\$ 3,049,653

The accompanying notes are an integral part of these financial statements

Town of Wake Forest, North Carolina

Exhibit 5

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
for the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Fund balances - beginning of year			\$ 35,142,715	
Fund balances - end of year			38,192,368	
A legally budgeted Wake Forest Business & Industry Partnership (BIP) Fund is consolidated into the General Fund for reporting purposes:				
Miscellaneous			500	
Investment earnings			11,443	
Operating expenditures			(507,301)	
Transfers in (out)				
General Fund			498,000	
Fund balances - beginning of year			431,201	
A legally budgeted Downtown District Special Tax Fund is consolidated into the General Fund for reporting purposes:				
Ad valorem taxes			203,963	
Investment earnings			20,382	
Transfers in (out)				
General Fund			(46,388)	
Debt Service Fund			(65,000)	
Fund balances - beginning of year			462,304	
A legally budgeted Police Department Special Revenue Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			20,375	
Forfeited currency			63,741	
Donations			25,698	
Operating expenditures			(16,865)	
Transfers in (out)				
Fund balances - beginning of year			500,777	
A legally budgeted Wake Forest Renaissance Centre Fund is consolidated into the General Fund for reporting purposes:				
Sales and services			184,593	
Miscellaneous			143,520	
Investment earnings			252	
Donations			20,268	
Operating expenditures			(1,284,273)	
Transfers in (out)				
General Fund			859,045	
Special Revenue Fund			91,794	
Fund balances - beginning of year			112,124	
A legally budgeted Public Arts Special Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			6,998	
Operating expenditures			(13,682)	
Transfers in (out)				
Capital Project Funds			220,500	
Fund balances - beginning of year			88,984	
Fund balance - end of year (Exhibit 4)			<u>\$ 40,225,321</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, 2025

Exhibit 6

	Electric Fund	Stormwater Fund	Total Proprietary Funds
Assets			
Current assets:			
Cash and cash equivalents-unrestricted	\$ 2,668,477	\$ 3,344,561	\$ 6,013,038
Accounts receivable, net	3,706,739	173,944	3,880,683
Inventories	4,798,918	-	4,798,918
Total current assets	11,174,134	3,518,505	14,692,639
Noncurrent assets:			
Cash and cash equivalents-restricted	664,698	-	664,698
Capital assets:			
Land and other non-depreciable assets	1,451,949	-	1,451,949
Other capital assets, net of depreciation	24,397,611	22,220	24,419,831
Capital assets, net	25,849,560	22,220	25,871,780
Total noncurrent assets	26,514,258	22,220	26,536,478
Total assets	37,688,392	3,540,725	41,229,117
Deferred Outflows of Resources:			
Pension deferrals	1,160,884	57,854	1,218,738
Other post employment benefit deferrals	141,415	6,148	147,563
Total deferred outflows of resources	1,302,299	64,002	1,366,301
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	2,100,857	58,331	2,159,188
Customer deposits	664,698	-	664,698
Interfund loan payable-current portion	385,000	-	385,000
Accrued interest payable	8,676	98	8,774
Compensated absences	101,380	3,490	104,870
Lease liability	-	5,705	5,705
Bonds and notes payable	411,364	-	411,364
Total current liabilities	3,671,975	67,624	3,739,599
Noncurrent liabilities:			
Total other postemployment benefits liability	1,123,777	48,860	1,172,637
Net pension liability	2,526,078	109,017	2,635,095
Compensated absences	53,440	54,273	107,713
Lease liability	-	5,866	5,866
Interfund loan payable	3,465,000	-	3,465,000
Bonds and notes payable	1,005,688	-	1,005,688
Total noncurrent liabilities	8,173,983	218,016	8,391,999
Total liabilities	11,845,958	285,640	12,131,598
Deferred Inflows of Resources			
Pension deferrals	23,671	1,022	24,693
Other post employment benefit deferrals	284,958	12,389	297,347
Total deferred inflows of resources	308,629	13,411	322,040

The accompanying notes are an integral part of these financial statements

Net Position

Net investment in capital assets

Unrestricted

Total net position

	Electric Fund	Stormwater Fund	Total Proprietary Funds
\$	24,432,508	\$ 10,649	\$ 24,443,157
	2,403,596	3,295,027	5,698,623
\$	26,836,104	\$ 3,305,676	\$ 30,141,780

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, 2025

Exhibit 7

	Electric Fund	Stormwater Fund	Total Proprietary Funds
Operating revenues:			
Charges for services	\$ 25,495,974	\$ 3,894,346	\$ 29,390,320
Other operating revenues	2,625,851	-	2,625,851
Total operating revenues	28,121,825	3,894,346	32,016,171
Operating expenses:			
Electric operations	9,426,088	-	9,426,088
Stormwater operations	-	637,245	637,245
Electric power purchases	14,823,893	-	14,823,893
Depreciation and amortization	1,410,664	2,051	1,412,715
Total operating expenses	25,660,645	639,296	26,299,941
Operating income (loss)	2,461,180	3,255,050	5,716,230
Nonoperating revenues (expenses):			
Investment earnings	52,436	50,750	103,186
Interest expense	(51,440)	(124)	(51,564)
Gain on capital asset disposals	62,459	-	62,459
Total nonoperating revenues (expenses)	63,455	50,626	114,081
Change in net position	2,524,635	3,305,676	5,830,311
Net position, beginning of year, as previously reported	24,340,261	-	24,340,261
Restatement (Note 15)	(28,792)	-	(28,792)
Net position, beginning of year, restated	24,311,469	-	24,311,469
Net position, ending	\$ 26,836,104	\$ 3,305,676	\$ 30,141,780

The accompanying notes are an integral part of these financial statements

Town of Wake Forest, North Carolina
Proprietary Funds
Statement of Cash Flows
for the Year Ended June 30, 2025

Exhibit 8

	Electric Fund	Stormwater Fund	Total Proprietary Funds
Cash flows from operating activities:			
Cash received from customers	\$ 27,864,138	\$ 3,720,982	\$ 31,585,120
Cash paid for goods and services	(20,030,501)	(297,914)	(20,328,415)
Cash paid to employees for services	(5,286,959)	(116,532)	(5,403,491)
Customer deposits received	92,618	-	92,618
Net cash provided (used) by operating activities	2,639,296	3,306,536	5,945,832
Cash flows from noncapital financing activities:			
Payable to other fund	3,850,000	-	3,850,000
Net cash provided (used) by noncapital financing activities	3,850,000	-	3,850,000
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(4,840,074)	(10,648)	(4,850,722)
Proceeds of sale of capital assets	62,459	-	62,459
Principal paid lease and subscription liabilities	-	(2,051)	(2,051)
Interest paid on bonds and notes	(53,976)	(26)	(54,002)
Principal paid on bonds and notes	(460,674)	-	(460,674)
Net cash provided (used) by capital and related financing activities	(5,292,265)	(12,725)	(5,304,990)
Cash flows from investing activities:			
Interest on investments	52,436	50,750	103,186
Net cash provided (used) by investing activities	52,436	50,750	103,186
Net increase (decrease) in cash and cash equivalents	1,249,467	3,344,561	4,594,028
Cash and cash equivalents:			
Beginning of year	2,083,708	-	2,083,708
End of year	\$ 3,333,175	\$ 3,344,561	\$ 6,677,736
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 2,461,180	\$ 3,255,050	\$ 5,716,230
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation and amortization	1,410,664	2,051	1,412,715
Changes in assets, deferred outflows, liabilities, and deferred inflows:			
Increase (decrease) in accounts receivable	(220,744)	(173,944)	(394,688)
Increase (decrease) in inventory	(1,230,394)	-	(1,230,394)
Increase (decrease) in deferred outflows of resources for pension contributions	(56,568)	(22,653)	(79,221)
Increase (decrease) in deferred outflows for pensions	266,167	(35,201)	230,966
Decrease (increase) in pension liability	126,226	109,017	235,243
Decrease (increase) in accounts payable and accrued liabilities	(37,497)	58,331	20,834
Decrease (increase) in customer deposits	92,618	-	92,618
Increase (decrease) in accrued compensated absences	(56,785)	57,762	977
Increase (decrease) in deferred inflows of resources - pensions	(14,990)	1,022	(13,968)
Increase (decrease) in deferred outflows of resources - OPEB	46,223	(6,148)	40,075
Decrease (increase) in deferred inflows resources - OPEB	9,916	12,389	22,305
(Decrease) increase in other postemployment liability	(156,721)	48,860	(107,861)
Total adjustments	178,115	51,486	229,601
Net cash provided (used) by operating activities	\$ 2,639,296	\$ 3,306,536	\$ 5,945,832
Noncash investing, capital, and financing activities:			
Acquisition of right to use subscriptions	\$ -	\$ 17,578	\$ 17,578

The accompanying notes are an integral part of these financial statements

**Town of Wake Forest, North Carolina
Fiduciary Fund
Pension Trust Fund
Statement of Fiduciary Net Position
June 30, 2025**

Exhibit 9

	<u>Fiduciary Fund</u>
Assets	
Current assets:	
Cash and cash equivalents-restricted	\$ 326,650
Subtotal current assets	<u>326,650</u>
Total assets	<u>326,650</u>
Net Position	
Restricted for Other Post Employment Benefits Trust:	
General employees	239,755
Electric employees	34,921
Restricted for Law Enforcement Special Separation Allowance Trust	<u>51,974</u>
 Total net position	 <u><u>\$ 326,650</u></u>

The accompanying notes are an integral part of these financial statements

Town of Wake Forest, North Carolina
Fiduciary Fund
Pension Trust Fund
Statement of Revenues, Expenses, and Changes in Fiduciary Net Position
for the Year Ended June 30, 2025

Exhibit 10

	<u>Fiduciary Fund</u>
Additions:	
Investment earnings	\$ 10,449
Employer contributions	<u>951,652</u>
Total additions	<u>962,101</u>
Deductions:	
Benefit payments	<u>821,652</u>
Total deductions	<u>821,652</u>
Net increase (decrease) in fiduciary net position	140,449
Net position - beginning of year	<u>186,201</u>
Net position - end of year	<u><u>\$ 326,650</u></u>

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

June 30, 2025

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 commission. The Town's basic financial statements include all funds over which the Town has accountability.

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 as a whole or in part by fees charged to external parties to recover costs.

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, proprietary, and fiduciary-are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions occur when 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 Town reports on the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The primary sources of revenue 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 Fund, Police Department Special Fund, Public Arts Special Fund, and Wake Forest Business and Industry Partnership Special Fund, which are consolidated in the General Fund.

Debt Service Fund - The Debt Service Fund is used to account for payments of general obligation bonds, interest and related costs, installment note principal and interest payments and right to use intangible liability principal and interest payments.

Recreation Capital Reserve Fund - The Recreation Capital Reserve Fund is used to account for recreation impact fees collected for future park facilities, greenways, and other recreational capital improvements.

American Rescue Plan Act Special Revenue Fund - The ARPA fund is used to account for revenues and expenditures of the American Rescue Plan Act grant funds received under the State and Local Fiscal Control Act.

Roadway and Transportation Capital Project Fund - The Roadway and Transportation Capital Project fund is used to account for expenditures for street, sidewalk, and transportation capital projects funded primarily by general obligation bonds approved during the 2022 bond referendum.

The Town reports on the following major proprietary fund:

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,

Note 1 - Summary of Significant Accounting Policies (Continued)

public policy, management control, accountability, or other purposes. The Electric Fund is composed of two sub-funds: Electric Operations and Electric Capital Reserve, which are consolidated for financial reporting purposes.

The Town reports the following non-major proprietary fund:

Stormwater Fund - The Stormwater fund is used to account for stormwater utility 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 Stormwater Fund is composed of two sub-funds: Stormwater Operations and Stormwater Capital Reserve, which are consolidated for financial reporting purposes.

The Town reports on the following non-major governmental funds:

Special Revenue Funds - Special Revenue funds are used to account for revenue sources that are restricted for specific purposes. The Town has three (3) special revenue funds: the Futures Fund which is used to account for resources set aside for economic development, the Grants and Special Revenue Fund which is used to account for federal, state, and private grants, and the Housing Initiatives Fund which is used to account for resources set aside for affordable housing initiatives.

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 six (6) non-major capital project funds: Public Facilities, Asset Maintenance, Parking Facilities, Greenway Improvements, Parks and Recreation, and General Capital Reserve.

Fiduciary Fund - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These funds include the Town's contributions to a supplemental money purchase pension plan and other post-employment benefits such as health care coverage for qualified retirees.

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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise fund are charges to customers for sales and services. 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 non-operating 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, leases and subscriptions, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions and leases are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under 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. As of 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. The State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received.

Note 1 - Summary of Significant Accounting Policies (Continued)

Sales taxes and certain intergovernmental revenues, such as the utilities distribution, are collected and held by the State at year end on behalf of the Town and 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.

Generally, 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.

c) Budgetary Data

Budgets are adopted as required by North Carolina General Statutes. Annual budget ordinances are adopted for the general, debt service, 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 \$50,000 between functional areas within a fund. 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.

d) Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

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 Super NOW 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 nonguaranteed 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 NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolios have weighted average maturity of less than 90 days, they are presented as an investment with maturity of less than 6 months.

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 – Money in the Downtown District Special Tax Fund, the Wake Forest Business and Industry Partnership Fund, and the Police Department Special Fund is classified as restricted because its use is restricted to the Downtown District Special Tax Fund, the Wake Forest Business and Industry Partnership Fund, and the Police Department Special Fund per N.C. G.S. Chapter 159, Article 3. Money in the Roadway and Transportation Fund and the ARPA Fund is restricted by the external and/or awarding agency for the specific purpose of the award. Customer deposits held by the Town before electric services are supplied are restricted to electric services.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental Activities	Deposits	Unspent Debt Proceeds
Major Governmental Funds:		
General Governmental	\$ 7,146,090	\$ -
Public Safety	593,851	-
Culture and Recreation	302,800	-
Transportation	10,462,925	2,532,900
Nonmajor Governmental Funds	5,106,311	3,479,235
Total Governmental Activities	23,611,977	6,012,135
Business-type activities		
Electric Fund-customer deposits	664,698	-
Total Restricted Cash	\$ 24,276,675	\$ 6,012,135

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 1, the beginning of the fiscal year. The taxes are due September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of the previous January 1.

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, 2025, the Town had advanced funding in the amount of \$531,557. This loan agreement was modified in March 2016. Under the original terms of the loan, interest only payments began January 1, 2012 and continued on the first day of each calendar month thereafter until December 31, 2016 at such time the entire outstanding principal balance was due. The terms of the loan modification, interest at the rate of 2.5% per annum with the balance of the loan in December 2016 converts to a 10-year balloon payment with a 20-year amortization.

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 were 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 on 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 the 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, right to use intangible assets, 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. Right to use intangible assets are initially measured at an amount equal to the measurement of the related liability plus any payments made prior to the contract term, less incentives, and plus ancillary charges necessary to place the asset into service. The right to use intangible assets are amortized on a straight-line basis over the life of the related contract term. Donated assets are recorded at their estimated acquisition value at the date of donation rather than fair value. 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:

Asset Class	Estimated Useful Lives
Equipment, furniture, and vehicles	3-10 years
Infrastructure	40 years
Buildings and improvements	10-30 years
Land improvements	10 to 40 years

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 assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has three items that meet the criterion for this category – LGERS pension deferrals, LEOSA deferrals, and OPEB deferrals.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 assets that applies to a future period and so will not be recognized as revenue until then. The Town has four items that meet the criterion for this category - lease deferrals, deferrals of LGERS pension expense, LEOSSA deferrals, and OPEB deferrals.

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 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. Payables for right to use intangible assets are recorded at the present value of the future minimum contract payments as of the date of their inception and are amortized over the contract term.

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 Town recognizes a liability for compensated absences for leave time that (1) has been earned for services rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences-*vacation and sick leave*. The liability for compensated absences is reported as incurred in the government-wide and proprietary financial statements. The liability includes salary-related benefits, where applicable.

Vacation

The Town's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The Town's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the Town's employ and, upon separation from service, no monetary obligation exists. However, a liability for an estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Net Position/Fund Balances

Net Position - Net position in government-wide and proprietary fund financial statements is 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:

Non-spendable Fund Balance

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories - portion of fund balance that is not an available resource because it represents the yearend balance of ending inventories, which are not spendable resources.

Prepayments - portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenses, 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)].

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted for unspent debt proceeds – portion of fund balance that is restricted for debt proceeds that are unspent.

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 transportation - portion of fund balance that is restricted by revenue source for certain transportation expenditures.

Restricted for general grant activities – portion of fund balance that is restricted by revenue source for general grant approved activities.

Restricted for culture and recreation – portion of fund balance that is restricted by revenue source for culture and recreation activities.

Committed Fund Balance

This classification includes amounts of fund balance that can be used only 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 a specific purpose requires majority action by the Board through an ordinance. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$50,000.

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.

Committed for cultural and recreation – portion of fund balance committed by the Board for culture and recreation 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 by the budget ordinance.

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 debt service – portion of fund balance that will be used to make future debt payments.

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

Assigned for public safety – portion of fund balance that has been budgeted by the Board for public safety expenditures.

Assigned for housing initiatives – A portion of fund balance that has been budgeted by the Board for affordable housing expenditures.

Unassigned Fund Balance

The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance amount.

In governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Chief Financial Officer 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 Chief Financial Officer has the authority to deviate from this policy if it is in the best interest of the Town. The Town's policy requires that the Town maintain an unassigned General Fund balance between 20 and 25 percent of General Fund expenditures and a total fund balance of at least 35 percent 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. Furthermore, should the Town go below these thresholds, then they have three years to restore to policy levels.

Note 1 - Summary of Significant Accounting Policies (Continued)
e) Defined Benefit Pension Plans and OPEB Plans

The Town participates in a cost-sharing, multiple-employer, defined benefit pension plan that is administered by the State, the Local Governmental Employees' Retirement System (LGERS). The Town also administers a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers, the Law Enforcement Officers' Special Separation Allowance (LEOSSA) and one other post-employment benefit plan (OPEB), a single-employer defined benefit Health Care Plan (the HC Plan). For purposes of measuring the net pension asset/liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. For measurement purposes, the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as the fiduciary net position of the HC Plan and additions to/deductions from the HC Plan's fiduciary net position. For this purpose, the HC Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all plans are reported at fair value.

Note 2 - Stewardship, compliance, and accountability

Deficit in Fund Balance of Individual Funds – The Public Facilities Capital Projects, Parking Facilities, and Grants and Special Revenue funds had deficit fund balances as of June 30, 2025, in the amount of \$1,047,661, \$834,919, and \$5,757 respectively. The deficit in the Public Facilities Capital Projects Fund will be funded with installment proceeds projected to be issued in March 2026. The deficit in the Parking Facilities Capital Projects Fund will be funded with bond proceeds which were approved in the 2022 bond referendum and are scheduled to be issued in late 2026. The deficit in the Grants and Special Revenue Fund will be funded with proceeds from the General Fund.

Note 3 - Deposits and investments

Deposits - All 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.

As of June 30, 2025, the carrying amount of the Town's deposits was \$10,458,876 and the bank balance was \$10,807,066. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$3,043,385 was covered under the Pooling Method. As of June 30, 2025, the Town had \$2,190 of petty cash and change funds on hand.

Investments - 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.

Investment Type	Valuation Measurement Method	Book Value at 06/30/2025	Maturities Less Than 1 Year	Maturities 1 to 2 Years	Maturities 2 to 3 Years	Maturities 3+ Years	Rating
Commercial Paper	Fair Value - Level 1	\$ 970,631	\$ 970,631	\$ -	\$ -	\$ -	A1P1
US Government Bonds	Fair value - Level 2	3,467,725	-	499,305	1,995,040	973,380	AAA
Commingled Investment Pools	Fair Value - Level 1	14,315,378	14,315,378	-	-	-	
Certificates of Deposit	Amortized Cost	5,056,733	5,056,733	-	-	-	
NCCMT - Government Portfolio	Amortized Cost	53,815,614	53,815,614	-	-	-	AAA
Totals		\$ 77,626,081	\$ 74,158,356	\$ 499,305	\$ 1,995,040	\$ 973,380	

Level of fair value hierarchy: Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk - The Town's policy states that all investments shall have maturities not to exceed three (3) years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Rate Risk – The Town has no formal policy regarding credit risk but has internal management procedures that limits the Town's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated.

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 or other investment earnings account as allowed by North Carolina General Statute. The Town's investment in the N.C. Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard and Poor's as of June 30, 2025.

All investments will be purchased "payment-versus-delivery" and if certificated will be held by the Chief Financial Officer in the name of the Town. All non-certificated investments will be held in book-entry form in the name of the Town with the Town's third-party custodian (safekeeping agent). The Town may deposit Town funds into any Board approved official depository if such funds are secured in accordance with NCGS-159 (31).

Note 3 - Deposits and investments (Continued)

Note 3 - Deposits and investments (Continued)

OPEB and LEOSSA Trust Funds

At June 30, 2025, the Town had \$274,676 invested in the State Treasurer's Local Government Other Post- Employment Benefits (OPEB) Trust and \$51,974 invested in the State Treasurer's Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Trust pursuant to G.S. 159-30.1. The Town may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the Town's OPEB and LEOSSA trust funds were 100% invested in the State Treasurer's Short-Term Investment Fund (STIF).

Level of the Fair Value Hierarchy - Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involve input, other than quoted prices, included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2024 of .62 years.

Valuation Technique - North Carolina Department of State Treasurer OPEB and LEOSSA Trust investments are measured using the market approach using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Interest Rate Risk – The Town does not have a formal investment interest rate policy for the OPEB and LEOSSA trust funds that manages its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The Town does not have a formal investment policy regarding credit risk for the OPEB and LEOSSA trust funds. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments.

Note 4 - Receivables**Allowance for doubtful accounts**

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

General Fund	Allowance for uncollectible property taxes receivable	\$	93,836
Electric Fund	Allowance for uncollectible customer receivables		131,216

a) Lease receivable

On November 1, 2023, Town of Wake Forest entered into a 160-month lease as lessor with Crown and Castle for use of a cell tower. An initial lease receivable was recorded in the amount of \$228,783. As of June 30, 2025, the value of the lease receivable was \$219,226 and the value of the current portion of the receivable was \$11,481. The lease has an interest rate of 3.29%. The value of the deferred inflow of resources as of June 30, 2025 was \$238,883 and the Town of Wake Forest recognized lease revenue of \$16,302 during the fiscal year. The lessee has 2 extension options, each for 60 months.

Note 5 - Capital assets

Capital asset activity for the year ended June 30, 2025, was as follows:

GOVERNMENTAL ACTIVITIES	Balance July 1, 2024	Additions	Transfers	Deletions	Balance June 30, 2025
Capital assets not being depreciated:					
Land	\$ 25,658,037	\$ 965,000	\$ 1,541,151	\$ -	\$ 28,164,188
Land rights and easements	64,650,762	6,656,286	-	-	71,307,048
Construction in progress	12,051,585	17,996,669	(6,198,197)	(2,960,611)	20,889,446
Total capital assets not being depreciated	102,360,384	25,617,955	(4,657,046)	(2,960,611)	120,360,682
Capital assets being depreciated/amortized:					
Buildings	31,985,459	-	-	-	31,985,459
Improvements	65,386,304	300,228	2,851,834	-	68,538,366
Infrastructure	293,601,520	20,853,955	1,805,212	-	316,260,687
Equipment and furniture	7,297,676	1,726,078	-	(358,870)	8,664,884
Intangible right-to-use assets					
Buildings	4,240,798	85,853	-	-	4,326,651
Equipment	135,758	-	-	-	135,758
Subscriptions	998,758	160,233	-	(53,557)	1,105,434
Vehicles and motorized equipment	16,402,380	1,934,589	-	(722,920)	17,614,049
Total capital assets being depreciated	420,048,653	25,060,936	4,657,046	(1,135,347)	448,631,288
Less Accumulated Depreciation/amortization for:					
Buildings	9,696,408	1,063,594	-	-	10,760,002
Improvements	25,079,487	2,340,594	81,552	-	27,501,633
Infrastructure	66,400,363	7,193,815	-	-	73,594,178
Equipment and furniture	5,140,034	701,324	(81,552)	(358,872)	5,400,934
Intangible right-to-use assets					
Buildings	437,100	448,910	-	-	886,010
Equipment	49,637	43,863	-	-	93,500
Subscriptions	246,987	285,187	-	(53,557)	478,617
Vehicles and motorized equipment	8,380,679	1,902,281	-	(710,936)	9,572,024
Total accumulated depreciation	115,430,695	\$ 13,979,568	\$ -	\$ (1,123,365)	128,286,898
Total capital assets being depreciated, net	304,617,958				320,344,390
Governmental activity capital assets, net	\$ 406,978,342				\$ 440,705,072
Depreciation and amortization expense were charged to:					
Functions/programs as follows:					
General government	\$ 3,130,542				
Public safety	1,784,089				
Public works	7,127,859				
Environmental protection	201,263				
Cultural and recreational	1,735,815				
Total	<u>\$ 13,979,568</u>				

\$27,434,070 of capital asset additions resulted from developer-donated streets and sidewalks.

Note 5 - Capital assets (Continued)

A summary of changes in the Town's capital assets used in business-type activities follows:

Business-type Activities	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets not being depreciated				
Land	\$ 1,451,949	\$ -	\$ -	\$ 1,451,949
Total capital assets not being depreciated	1,451,949	-	-	1,451,949
Capital assets being depreciated/amortized				
Utility improvements	37,873,764	898,566	-	38,772,330
Buildings	2,095,249	-	-	2,095,249
Equipment and furniture	2,231,473	3,798,329	-	6,029,802
Vehicles and motorized equipment	2,682,347	149,872	101,787	2,730,432
Subscriptions	-	17,578	-	17,578
Total capital assets being depreciated	44,882,833	4,864,345	101,787	49,645,391
Less accumulated depreciation/amortization for				
Utility improvements	19,619,174	1,118,273	-	20,737,447
Buildings	349,209	69,814	-	419,023
Equipment and furniture	2,082,199	63,958	-	2,146,157
Vehicles and motorized Equipment	1,864,050	158,619	101,787	1,920,882
Subscriptions	-	2,051	-	2,051
Total accumulated depreciation	23,914,632	\$ 1,412,715	\$ 101,787	25,225,560
Total capital assets being depreciated, net	20,968,201			24,419,831
Business-type activity capital assets, net	<u>\$ 22,420,150</u>			<u>\$ 25,871,780</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.

Open Construction Commitments

Project	Contract Amount	Expensed	Remaining
Generator Replacement General Fund	\$1,081,224	\$(805,090)	\$276,134
Fire Ladder 5212	1,654,000	-	1,654,000
Juniper Avenue Culvert Replacement	270,100	(235,874)	34,226
H.L. Miller Park Construction	2,894,498	(99,333)	2,795,165
Bowling Green Detention Basin Repair	145,000	-	145,000
Dunn Creek Culvert Replacement	1,561,832	(1,163,811)	398,021
Fire Station #6	1,456,305	(1,097,456)	358,849
South Franklin Street U-turn Improvements	250,000	(132,950)	117,050
Public Safety Warehouse	2,705,941	-	2,705,941
Wait Avenue Streetscape	2,763,230	(196,975)	2,566,255
Wayfinding Signage Upgrades	413,413	(17,139)	396,274
Town Hall 3 rd Floor Renovation	803,500	-	803,500
South Franklin Street Wideneing	3,068,136	(996,462)	2,071,674
Athletic Field Lighting	2,140,220	(1,359,308)	780,912
Smith Creek Greenway Phase 2 and 3	554,010	(444,397)	109,613
Street Resurfacing	5,987,297	(3,929,905)	2,057,392
Dunn Creek Greenway Phase 3 and 4	8,086,194	(3,628,356)	4,457,838
North Main Street Stormwater Improvements	1,350,000	-	1,350,000
	<u>\$ 37,184,900</u>	<u>\$ (14,107,056)</u>	<u>\$ 23,077,844</u>

Note 6 - Pension plan liability

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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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 (6%) 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 (including fire fighters) and for law enforcement officers is 13.67% and 15.04%, 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 year ended June 30, 2025 were \$4,939,728. The contributions made by the Town equaled the required contributions.

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

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

At June 30, 2025, the Town reported a liability of \$26,143,964 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024, utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employees, actuarially determined. At June 30, 2024 the Town's proportion was 0.3878%, which was an increase of .019% from its proportion measured as of June 30, 2023 at 0.3693%.

Note 6 - Pension plan liability (Continued)

For the year ended June 30, 2025, the Town recognized pension expense of \$8,320,119. At June 30, 2025, 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	\$ 4,581,412	\$ 30,804
Net difference between projected and actual earnings on pension plan investments	3,554,256	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	305,946	214,186
Town contributions subsequent to the measurement date	4,939,728	-
Total	\$ 13,381,342	\$ 244,990

\$4,939,728 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2026.

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

Year ended June 30:

2026	\$ 2,564,132
2027	5,145,667
2028	888,713
2029	(401,888)
Total	\$ 8,196,624

Actuarial Assumptions – The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.5 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, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

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

Note 6 - Pension plan liability (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	29.00%	2.40%
Global Equity	42.00%	6.90%
Real Estate	8.00%	6.00%
Alternatives	8.00%	8.60%
Opportunistic Fixed Income	7.00%	5.30%
Inflation Sensitive	6.00%	4.30%
	<u>100.00%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2024 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized.

Discount rate – The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate – The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.5 percent) or one percentage point higher (7.5 percent) than the current rate:

1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
\$ 46,327,870	\$ 26,143,964	\$ 9,539,926

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report 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, 2024, the Separation Allowance's membership consisted of:

Retirees receiving benefits	10
Active plan members	95
	<u>105</u>

Note 6 - Pension plan liability (Continued)**Summary of Significant Accounting Policies**

Basis of Accounting - The Town has chosen to fund the Separation Allowance on a pay-as-you-go basis with additional amounts to prefund benefits through the Town's LEOSSA Trust Fund as determined annually by the Board of Town Commissioners. Pension expenditures and contributions to the LEOSSA Trust 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.

Investment Policy - In July 2023 the Town established an irrevocable trust solely for the purpose of investing Town LEOSSA contributions. The LEOSSA trust is managed by the North Carolina Department of State Treasurer Ancillary Governmental Participant Investment Program (AGPIP). Town contributions to the AGPIP LEOSSA trust are at the discretion of the Town Board of Commissioners.

Method Used to Value Investments - Investments are reported at fair value.

Contributions - The Town is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and the Town's liability to contribute to this plan is established and may be amended by the North Carolina General Assembly. For the current year, the Town paid \$390,320 as benefits came due for the reporting period. There were no contributions made by employees. Contributions equaled the required contributions for each year. Contributions for fiscal year 2025 did not include additional amounts to prefund benefits deposited in the Town's LEOSSA Trust.

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

As of the December 31, 2023 valuation date, the Town had a net pension liability of \$6,744,844. The components of the Town's net pension liability at the December 31, 2023 valuation date were as follows:

Total LEOSSA liability	\$	6,796,818
Plan fiduciary net position		51,974
Net LEOSSA liability	\$	<u>6,744,844</u>
Plan fiduciary net position as a percentage of the total LEOSSA liability		0.8%

The net pension liability was measured as of December 31, 2024, based on a December 31, 2023, actuarial valuation. The net pension liability was then rolled forward to the measurement date of December 31, 2024, utilizing update procedures incorporating the actuarial assumptions.

For the year ended June 30, 2025, the Town recognized pension expense of \$846,325. The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 1,093,432	\$ 24,970
Changes of assumptions	477,690	738,953
Contributions made subsequent to the measurement date	220,905	-
Difference between projected and actual investment earnings	-	215
Total	<u>\$ 1,792,027</u>	<u>\$ 764,138</u>

The \$220,905 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2026	\$	347,651
2027		230,006
2028		20,187
2029		69,213
2030		108,196
Thereafter		31,731
	<u>\$</u>	<u>806,984</u>

Note 6 - Pension plan liability (Continued)*Sensitivity of the Town's Net Pension Liability to Changes in the Discount Rate*

The following presents the Town's total pension liability calculated using the discount rate of 4.28 percent, as well as what the Town's pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.28 percent) or 1 percentage point higher (5.28 percent) than the current rate:

	1% Decrease 3.28%	Current Discount Rate 4.28%	1% Increase 5.28%
Net pension liability	\$ 7,299,453	\$ 6,744,844	\$ 6,245,233

**Schedule of Changes in Net Pension Liability
Law Enforcement Officers' Special Separation Allowance**

Changes in the Net LEOSSA Pension Liability	Total LEOSSA Liability	Plan Net Position	Net LEOSSA Liability
Balance at December 31, 2023	\$ 6,137,073	\$ 49,716	\$ 6,087,357
Changes for the year			
Service cost	249,380	-	249,380
Interest	238,989	-	238,989
Differences between expected and actual experience	645,637	-	645,637
Changes in assumptions or other inputs	(149,548)	-	(149,548)
Contributions - employer	-	324,713	(324,713)
Net investment income	-	2,258	(2,258)
Net benefit payment and implicit subsidy cost	(324,713)	(324,713)	-
Net changes	659,745	2,258	657,487
Balance at December 31, 2024	\$ 6,796,818	\$ 51,974	\$ 6,744,844

Actuarial Assumptions - The entry age actuarial cost method was used in the December 31, 2023 valuation. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.28 percent
Cost of Living Adjustment	N/A

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates are based on the Pub-2010 Mortality tables with adjustments for mortality improvements based on Scale MP-2019. The plan currently uses mortality tables that vary by age and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2024, valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

Note 6 - Pension plan liability (Continued)

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension Expense	\$ 8,320,119	\$ 456,005	\$ 8,776,124
Pension Liability	26,143,964	6,744,844	32,888,808
Proportionate share of the net pension liability	0.3878%	n/a	-
Deferred Outflows of Resources			
Differences between expected and actual experience	4,581,412	1,093,432	5,674,844
Changes of assumptions	-	477,690	477,690
Net difference between projected and actual earnings on plan investments	3,554,253	-	3,554,253
Changes in proportion and differences between contributions and proportionate share of contributions	305,946	-	305,946
Employer contributions subsequent to measurement date	4,939,728	220,905	5,160,633
Deferred Inflows of Resources			
Difference between expected and actual experience	30,804	24,970	55,774
Changes of assumptions	-	738,953	738,953
Net difference between projected and actual earnings on plan investments	-	215	215
Changes in proportion and differences between contributions and proportionate share of contributions	214,186	-	214,186
Benefit payments and administrative costs paid subsequent to the measurement date	-	-	-

The following are financial statements for the Law Enforcement Special Separation Allowance Trust Fund included in the Fiduciary Funds in Exhibits 9 and 10 at June 30, 2025:

**Statement of LEOSSA Plan Net Position
June 30, 2025**

	Law Enforcement Special Separation Allowance
Assets	
Current Assets:	
Law Enforcement Special Separation Trust	\$ 51,974
Cash and cash equivalents	<u>51,974</u>

**Statement of Changes in Plan Net Position
June 30, 2025**

	Law Enforcement Special Separation Allowance
Additions:	
Investment earnings	\$ 2,258
Employer contributions	324,713
Total Additions	326,971
Deductions	
Benefit payments	324,713
Total Deductions	324,713
Net position - beginning of year	<u>49,716</u>
Net position - end of year	<u>\$ 51,974</u>

Note 6 - Pension plan liability (Continued)

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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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. The Law Enforcement Officers may also make voluntary contributions to the plan. Contributions for the year ended June 30, 2025 were \$613,371 which consisted of \$404,911 from the Town and \$208,460 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 employees' salaries, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2025 were \$2,098,483 which consisted of \$1,342,156 from the Town and \$756,327 from employees.

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. This resolution was amended on May 15, 2018 by the Town Board. Employees hired on or after July 1, 2018 will no longer be eligible to receive this benefit. 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 as of June 30, 2024, the date of the latest actuarial valuation:

Membership Group	Number
Retirees receiving benefits	50
Terminated plan members entitled to but not yet receiving benefits	146
Active plan members	196

Summary of Significant Accounting Policies

Funding Policy – As noted above, the Town pays its share of the cost of coverage (premiums) for the healthcare benefits provided to qualified retirees under a Town resolution that can be amended by the Board of Town Commissioners. The Town's members pay their share of the premiums as noted above. The Town has chosen to fund the healthcare benefits on a pay-as-you-go basis with an additional amount to prefund benefits through the Town's OPEB Trust Fund as determined annually by the Board of Town Commissioners. For the current year, the Town contributed \$626,939 (retiree claims paid, insurance, and other costs less premiums received) or 4.95% of annual covered payroll. The contribution for fiscal year 2025 included the additional amount of \$130,000 to prefund benefits deposited in the Town's OPEB Trust.

Investments - In July 2023 the Town established an irrevocable trust solely for the purpose of investing Town OPEB contributions. The OPEB trust is managed by the North Carolina Department of State Treasurer Ancillary Governmental Participant Investment Program (AGPIP). Town contributions to the AGPIP OPEB trust are at the discretion of the Town Board of Commissioners. The target allocations are based on the initial allocations made during the Town's enrollment in the fund.

Note 6 - Pension plan liability (Continued)

Asset Class	Target Allocation	10 Year Expected Real Rate of Return
Short Term Investment	100.00%	1.16%
Total	100.00%	1.16%

Method Used to Value Investments – Investments are reported at fair value.

Rate of Return - For the year ended June 30, 2025 the annual money-weighted rate of return on investments, net of investment expense was 4.57%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The Town's net OPEB liability of \$11,633,299 was measured as of June 30, 2025 and was determined by an actuarial valuation as of June 30, 2024. The components of the Town's net OPEB liability at June 30, 2025 were as follows:

Total OPEB liability	\$ 11,907,975
Plan fiduciary net position	274,676
Net OPEB liability	<u>\$ 11,633,299</u>
Plan fiduciary net position as a percentage of the total OPEB liability	2.36%

Actuarial assumptions and other inputs - The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	0.75 percent
Wage inflation	3.25 percent
Salary increases, including Wage inflation	3.25 to 8.41 percent, including inflation for General Employees 3.25 to 7.90 percent, including inflation for Law Enforcement Officers
Discount rate	5.20 percent
Long-term investment rate	
Of return, net of OPEB plan Investment expense, Including Price inflation	1.16 percent
Municipal bond index rate	Prior measurement date: 3.93 percent Measurement date: 5.20 percent
Year FNP is projected to be Depleted	Prior measurement date: 2024 Measurement date: 2025
Single equivalent investment Rate net of OPEB plan Investment expense, Including Price inflation	Prior measurement date: 3.93 percent Measurement date: 5.20 percent
Healthcare cost trends	Pre Medicare medical and prescription drug: 7.00 percent for 2023 decreasing to an ultimate rate of 4.50 percent by 2033 Medicare medical and prescription drug: 5.125 percent for 2023 decreasing to an ultimate rate of 4.50 percent by 2026

The discount rate is based on the single equivalent interest rate.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

Note 6 - Pension plan liability (Continued)

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2019, adopted by the LGERS Board.

Several factors were considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense, and inflation) are developed by the investment consultant for each major asset class. These ranges should be 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 then adding expected inflation.

Discount Rate (Single Equivalent Interest Rate) - The discount rate used to measure the total OPEB liability as of the Measurement Date was 5.20%. The projection of cash flows used to determine the discount rate was based on an actuarial valuation performed as of June 30, 2023. The projection of cash flows used to determine the discount rate was performed in accordance with GAAP. The actuarial methods and assumptions used in the projection of cash flows were (1) those of the June 30, 2023 actuarial valuation, (2) total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date, in subsequent projection years, total payroll was assumed to increase annually using payroll growth assumptions, (3) active employees do not explicitly contribute to the Plan, (4) benefit payments are assumed to be paid out of the trust until the trust is depleted, (5) projected assets do not include employer contributions that fund the estimated service cost of future employees, and (6) cash flows occur mid-year.

Based on these assumptions, the Plan's fiduciary net position was projected to be depleted in 2025 and, as a result, the Municipal Bond Index Rate was used in the determination of the Single Equivalent Interest Rate. Here, the long-term expected rate of return of 1.16% on Plan investments was applied to periods through 2025 and the Municipal Bond Index Rate at the Measurement Date (5.20%) was applied to periods on and after 2025, resulting in a Single Equivalent Interest Rate at the Measurement Date (5.20%). As a result of the change to the Municipal Bond Index Rate, there was a change in the discount rate from 3.93% at the Prior Measurement Date to 5.20% at the Measurement Date.

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20 percent) or 1-percentage-point higher (6.20 percent) than the current discount rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Net OPEB liability	\$ 12,752,316	\$ 11,633,299	\$ 10,640,412

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Trend Rate	1% Increase
Net OPEB liability	\$ 10,334,392	\$ 11,633,299	\$ 13,154,469

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the Town reported a net OPEB liability of \$11,633,299. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. Actuarial gains and losses arising from the change in the SEIR from 3.93% on the Prior Measurement Date to 5.20% on the Measurement Date are accounted for as changes of assumptions or other inputs.

Note 6 - Pension plan liability (Continued)

At June 30, 2025, the components of the net OPEB liability of the Town, measured as of June 30, 2024 were as follows:

Changes in the Net OPEB Liability	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2024	\$ 12,864,342	\$ 136,485	\$ 12,727,857
Changes for the year			
Service cost	367,659	-	367,659
Interest	495,899	-	495,899
Differences between expected and actual experience	(25,974)	-	(25,974)
Changes in assumptions or other inputs	(1,297,012)	-	(1,297,012)
Contributions - employer	-	626,939	(626,939)
Net investment income	-	8,191	(8,191)
Net benefit payment and implicit subsidy cost	(496,939)	(496,939)	-
Net changes	(956,367)	138,191	(1,094,558)
Balance at June 30, 2025	\$ 11,907,975	\$ 274,676	\$ 11,633,299

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025 the Town recognized OPEB expense of \$173,997. As of the June 30, 2024 measurement date, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 156,419	\$ 800,426
Changes of assumptions	950,357	2,143,922
Difference between projected and actual earnings	-	5,529
Town contributions subsequent to the measurement date	357,139	-
Total	\$ 1,463,915	\$ 2,949,877

The \$357,139 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	\$ (450,304)
2027	(248,708)
2028	(338,527)
2029	(446,676)
2030	(257,117)
Thereafter	(101,769)
	\$ (1,843,101)

Note 6 - Pension plan liability (Continued)

The following are financial statements for the Other Post Employment Benefits Pension Trust Fund included in the Fiduciary Funds in Exhibits 9 and 10 at June 30, 2025:

Statement of OPEB Plan Net Position June 30, 2025

	<u>Other Post Employment Benefits</u>	
Assets		
Current assets:		
Other Post Employment Benefits Trust	\$	274,676
Total assets		<u>274,676</u>
Net position		
General Employees		239,755
Electric Fund Employees		34,921
Total net position	\$	<u><u>274,676</u></u>

Statement of Changes in Plan Net Position June 30, 2025

	<u>Other Post Employment Benefits</u>	
Additions:		
Investment earnings	\$	8,191
Employer contributions		626,939
Total Additions		<u>635,130</u>
Deductions		
Benefit payments		496,939
Total Deductions		<u>496,939</u>
Net position - beginning of year		136,485
Net position - end of year	\$	<u><u>274,676</u></u>

f) Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State administered, cost-sharing plan funded on a one-year term cost basis. Employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 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. The Town's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.07% and 0.14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount.

Note 7 - 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. Through these pools, the Town obtains commercial general liability of \$5 million and auto liability coverage of \$5 million combined single limit, property coverage up to the total insured values of the property policy, and workers' compensation coverage up to statutory limits. The Town's commercial general liability policy also provides a \$250,000 sublimit for cyber liability. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each

Note 7 - Risk management (Continued)

year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request. In addition, the Wake Forest Fire Department's property and liability exposures are insured through VFIS, a division of Glatfelter Insurance Group, with a combined commercial general liability limit of \$1 million.

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 four (4) 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 employees with access to \$100 or more of the Town's funds at any given time are performance bonded through a commercial fidelity bond with limits of \$100,000. The Chief Financial Officer is individually bonded for \$1,000,000. Government crime coverage provides \$5,000 per occurrence for theft of money and securities inside or outside the premises.

Note 8 - Claims, judgments, and contingent liabilities

As of June 30, 2025, the Town was a defendant to various lawsuits. In the opinion of the Town's management and the Town's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.

Note 9 - 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, greenways, street, and sidewalk improvements. 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 as of June 30, 2025 include the following individual issues:

Serviced by the General Fund:

\$4,330,000 Series 2015 Public Improvement Bonds with annual payments of \$220,000 to \$215,000 due annually on April 1 through October 1, 2035 plus interest from 2.0 to 2.25 percent	\$	2,150,000
\$5,125,000 Series 2016 Refunding Bonds with annual payments of \$428,000 to \$503,000 due annually on April 1 through April 1, 2027 plus interest of 2.05 percent		864,000
\$15,850,000 Series 2018B Public Improvement Bonds with annual payments of \$420,000 to \$835,000 due annually on June 1 through June 1, 2038 plus interest of 2.98 percent		10,835,000
\$3,6710,000 Series 2019 Refunding Bonds with annual payments of \$338,000 to \$392,000 due annually on February 1 through February 1, 2030 plus interest at 1.79 percent		1,774,000
\$4,920,000 Series 2021B Public Improvement Bonds with annual payments of 260,000 to \$310,000 due annually on March 1 through March 1, 2041 plus interest of 1.62 percent		4,920,000
\$1,290,000 Series 2021A Public Improvement Bonds with annual payments of \$310,000 due annually on March 1 through March 1, 2026 plus interest of .54 percent		50,000
\$1,460,000 Series 2024A Public Improvement Bonds with annual payments of \$730,000 due annually on September 1 through September 1, 2026 plus interest of 5.0 percent		1,460,000
\$22,050,000 Series 2024B Public Improvement Bonds with annual payments from \$450,000 to \$1,180,000 due annually on September 1 through September 1, 2044 plus interest from 3.0 to 5.0 percent		22,050,000
Total	\$	44,103,000

As of June 30, 2025, the Town of Wake Forest had a legal debt margin of \$842,853,728. As of June 30, 2025, the Town had \$52,950,000 in authorized and unissued bonds from the November 2022 referendum.

Note 9 - Long-term debt (Continued)

Annual debt service requirements to maturity for general obligation bonds as of June 30, 2025 are as follows:

Year Ending June 30:	Governmental Activities	
	Principal	Interest
2026	\$ 3,347,000	\$ 1,696,979
2027	3,336,000	1,560,635
2028	2,900,000	1,432,376
2029	2,887,000	1,322,377
2030	2,878,000	1,203,105
2031-2035	12,695,000	4,453,685
2036-2040	9,900,000	2,133,913
2041-2045	6,160,000	591,200
	\$ 44,103,000	\$ 14,394,270

b) Installment Notes

The Town has several direct placement installment obligations outstanding on June 30, 2025. For each loan, the respective building, property, equipment, improvements (streets) and/or vehicles are pledged as collateral while the debt is outstanding. Annual debt service requirements to maturity for installment notes as of June 30, 2025 are as follows:

Governmental Activities

\$2,900,000 direct placement installment obligation with BB&T for Holding Park Pool-Phase II renovations issued on September 20, 2017; semi-annual payments of 147,066 to \$186,325 which include interest at 2.85%	\$ 692,804
\$5,500,000 direct placement installment obligation with PNC Bank for downtown street improvements issued on April 25, 2019; semi-annual payments of \$392,857 which include interest at 2.74%	785,714
\$1,800,000 direct placement installment obligation with BB&T for street improvements issued on May 3, 2018; semi-annual payments of \$152,543 to \$190,680 which include interest at 3.39% (Rate reduced to 2.17% - July 2017)	300,000
\$2,500,000 direct placement installment obligation with Truist (BB&T) for underground fiber construction issued on July 15, 2020; semi-annual payments of \$178,572 plus interest at 2.17%	892,856
\$1,309,512 direct placement installment obligation with Truist Bank for aerial ladder fire truck issued on February 18, 2021; semi-annual payments of \$256,755 plus interest at .99%	267,085
\$779,715 direct placement obligations with First Citizens Bank for vehicles issued on May 31, 2023; semi-annual payments of \$139,622 which include interest at 4.18%	266,855
\$363,725 direct placement installment obligations with Pinnacle Bank for vehicles issued on January 31, 2023; semi-annual payments of \$64,264 which include interest at 3.46%	113,499
\$1,610,500 direct placement installment obligations with J.P.Morgan Chase Bank for vehicles and equipment issued on April 30, 2024; semi-annual payments of \$220,893 which include interest at 4.22%	1,040,681
\$5,500,000 direct placement installment obligations with J.P. Morgan Chase Bank for street resurfacing issued on December 31, 2023; semi-annual installment payments of \$351,000 to \$452,000 which include interest at 4.41%.	4,468,750
\$1,405,950 direct placement installment obligation with Benchmark Community Bank issued on February 28, 2025; semi-annual payments of \$189,411 which include interest at 3.39%	1,405,950
	\$ 10,234,194

Business Type Activities

\$3,500,000 direct placement installment obligation with Regions Capital Advantage Bank for 5031 Unicon Drive issued October 18, 2018; Semi-annual payments of \$350,000, plus interest at 2.94%	1,225,000
\$1,610,500 direct placement installment obligations with J.P.Morgan Chase Bank for vehicles and equipment issued on April 30, 2024; semi-annual payments of \$220,893 which include interest at 4.22%.	192,052
	\$ 1,417,052

Note 9 - Long-term debt (Continued)

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Year Ending June 30:				
2026	\$ 3,734,276	\$ 344,609	\$ 411,364	\$ 40,907
2027	2,026,720	237,978	413,981	28,000
2028	1,697,545	165,511	416,707	14,981
2029	1,056,904	107,954	175,000	2,572
2030	687,500	68,217	-	-
2031-2035	1,031,249	45,478	-	-
Total	\$ 10,234,194	\$ 969,747	\$ 1,417,052	\$ 86,460

c) Lease and subscription liabilities

The Town has entered into lease and subscription agreements for certain buildings, equipment, and software-based information technology arrangements. The agreements have been recorded at the present value of the future minimum lease payments as of the date of their inception. The subscription software-based information technology arrangements have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

The future minimum contract payments as of June 30, 2025, were as follows:

Governmental Activities

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 632,192	\$ 117,481	\$ 749,673
2027	500,870	103,018	603,888
2028	457,637	88,786	546,423
2029	466,249	75,307	541,556
2030	498,217	61,392	559,609
2031-2035	1,753,324	96,700	1,850,024
Total	\$ 4,308,489	\$ 542,684	\$ 4,851,173

Business-type Activities

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 5,705	\$ 328	\$ 6,033
2027	5,866	166	6,032
Total	\$ 11,571	\$ 494	\$ 12,065

Note 9 - Long-term debt (Continued)**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General obligation bonds	\$ 22,774,000	\$ 23,510,000	\$ 2,181,000	\$ 44,103,000	\$ 3,347,000
Premiums on issuance	1,238,479	2,509,396	329,955	3,417,920	414,971
Total bonds payable	24,012,479	26,019,396	2,510,955	47,520,920	3,761,971
Installment Notes	12,861,111	1,405,950	4,032,867	10,234,194	3,734,276
Lease and subscription liabilities	4,716,853	242,651	651,015	4,308,489	632,192
Compensated absences	4,340,685	4,383,082	4,169,398	4,554,369	2,333,520
Net pension liability - LEO	6,087,357	657,487	-	6,744,844	-
Pension obligation - LGERS	22,055,963	1,452,906	-	23,508,869	-
Other post-employment benefits	11,447,359	-	986,697	10,460,662	-
Governmental activity long-term liabilities	85,521,807	34,161,472	12,350,932	107,332,347	10,461,959
Business-Type Activities:					
Installment notes	1,877,727	-	460,675	1,417,052	411,364
Lease and subscription liabilities	-	17,578	6,007	11,571	5,705
Compensated absences	211,606	381,002	380,025	212,583	104,870
Pension obligation - LGERS	2,399,852	235,243	-	2,635,095	-
Other post-employment benefits	1,280,498	48,860	156,721	1,172,637	-
Business-type activity long-term liabilities	5,769,683	\$ 682,683	\$ 1,003,428	5,448,938	521,939
Total long-term liabilities	\$ 89,640,826			\$ 112,781,285	\$ 10,983,898

d) Other Long-term Debt

Other post employment benefits, and pension liabilities for governmental activities typically have been liquidated in the General Fund.

Note 10 - Fund balance

The following schedule provides management and citizens with information on the portion of Governmental Fund balance that is available for appropriation:

	General Fund	Debt Service Fund	Recreation Capital Reserve Fund	American Rescue Plan Act	Roadway and	Nonmajor	Total
Total fund balance - Governmental Funds	\$ 40,225,321	\$ 5,040,931	\$ 12,825,061	\$ 213,699	\$ 11,835,644	\$ 10,582,752	\$ 80,723,408
Less:							
Non Spendable							
Inventories	22,185	-	-	-	-	-	22,185
Prepayments	40,569	-	-	-	-	-	40,569
Restricted							
Stabilization by State Statute	12,627,514	-	-	-	-	-	12,627,514
Downtown District	575,262	-	-	-	-	-	575,262
Public Safety	593,726	-	-	-	-	-	593,726
Transportation	-	-	-	-	11,835,644	-	11,835,644
General grant activities	-	-	-	213,699	-	-	213,699
Cultural and recreation	-	-	-	-	-	3,578,681	3,578,681
Committed							
Economic Development	433,843	-	-	-	-	1,941,388	2,375,231
Cultural and Recreation	426,123	-	-	-	-	-	426,123
Assigned							
Subsequent years expenditures	2,522,500	-	-	-	-	-	2,522,500
Debt service	-	5,040,931	-	-	-	-	5,040,931
Cultural and recreation	-	-	12,825,061	-	-	-	12,825,061
Public safety	-	-	-	-	-	4,082,647	4,082,647
Housing initiatives	-	-	-	-	-	1,380,974	1,380,974
Unassigned fund balance	\$ 22,983,599	\$ -	\$ -	\$ -	\$ -	\$ (400,938)	\$ 22,582,661

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

Encumbrances – General Fund \$ 1,050,698

Note 11 - Interfund balances and transfers

A summary of interfund transfers follows:

	Transfers Out					Total Transfers In
	General Fund	Recreation Capital Reserve	General Capital Reserve	Roadway and Transportation Capital Projects	Nonmajor Governmental Funds	
Transfers In:						
General Fund	\$ 1,403,433	\$ 91,794	\$ -	\$ 127,500	\$ 292,940	\$ 1,915,667
Debt Service Fund	9,015,815	-	-	-	-	9,015,815
Nonmajor Governmental Funds	1,766,812	935,000	-	-	-	2,701,812
Roadway and Transportation	1,732,415	-	-	-	323,055	2,055,470
Total Transfers Out	\$ 13,918,475	\$ 1,026,794	\$ -	\$ 127,500	\$ 615,995	\$ 15,688,764

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided for matching funds for various grant programs. The General Fund transferred funds to the Debt Service Fund for current year debt service payments, to the Public Facilities Capital Project Fund, a nonmajor fund, for renovations to the town hall building, and to the Roadway and Transportation Fund for various transportation initiatives. The Roadway and Transportation Fund and two non-major funds transferred funds to the Public Arts special revenue fund, part of the General fund, for public art projects. The Recreation and General Capital Reserve Fund transferred funds to the General Fund to finance capital purchases and to a nonmajor capital project fund to purchase land for a new fire station.

Balances advanced to/from other funds at June 30, 2025 consist of the following:

	Due from:			Total Transfers
	Electric Fund	Public Facilities Capital Projects Fund	Parking Facilities	
Due to:				
General Fund	\$ 3,850,000	\$ -	\$ -	\$ 3,850,000
Recreation Capital Reserve Fund	-	1,000,000	1,000,000	2,000,000
Total Interfund Balances	\$ 3,850,000	\$ 1,000,000	\$ 1,000,000	\$ 5,850,000

The General Fund made a \$3,850,000 loan to the Electric Utility Fund in FY25 to help fund the cost of new generators. The loan is repayable over 10 years beginning in FY26 and carries an interest rate of 3.5%.

For year-end reporting, the General Fund transferred cash to the Grants and Special Revenue, Public Facilities Capital Projects and Parking Facilities Funds at year-end to cover negative cash balances in these funds. The cash is transferred back to the General Fund at the beginning of the next fiscal year.

Note 12 - 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. On July 31, 2015, the NCEMPA completed the sale of most of its electricity generating assets to Duke Energy. These proceeds were used to defease the NCEMPA's outstanding revenue bonds. The NCEMPA entered into contractual agreements with its member cities and Duke Energy. Under these arrangements, the NCEMPA will supply wholesale power to its members and will purchase this power from Duke Energy. In addition to payments made for electric power, NCEMPA members will make payments for their share of the debt service on the NCEMPA's new revenue bonds. The Town's gross purchases of power for the fiscal year ended June 30, 2025, were \$14,823,893.

Note 13 - 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 14 - Subsequent events

Subsequent to June 30, 2025, the Town issued installment debt in the amount of \$4,675,000 for property acquisition. The financing was entered on August 29, 2025 with Pinnacle Bank with an 4.5 year term and interest in the amount of 3.45%. On the Town assumed operations of the Wake Forest Center for Active Aging (formerly known as Northern Wake Senior Center), formerly operated by a third-party non-profit organization.

Note 15 - Restatement of beginning balances

During the fiscal year, the Town of Wake Forest implemented GASB Statement No. 101, Compensated Absences. In addition to the value of unused vacation time owed to employees upon separation of employment, the Town now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the "Restatement-GASB 101 implementation" column in the table below.

	July 1, 2024 Net Position, as Previously Reported	Restatement due to GASB 101 Implementation	July 1, 2024 Net Position, as Restated
Government-wide			
Governmental activities	\$ 395,072,129	\$ (1,622,148)	\$ 393,449,981
Business-type activities	24,340,261	(28,792)	24,311,469
Total government-wide	\$ 419,412,390	\$ (1,650,940)	\$ 417,762,450
Proprietary funds			
Electric fund	\$ 24,340,262	\$ (28,792)	\$ 24,311,470
Total enterprise funds	\$ 24,340,839	\$ (28,792)	\$ 24,312,047

Town of Wake Forest, North Carolina
Law Enforcement Officers' Special Separation Allowance (LEOSSA)
Required Supplementary Information
Last Nine Fiscal Years

Exhibit A-1

Schedule of Changes in Net Pension Liability and Related Ratios*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability - beginning	\$ 6,137,073	\$ 5,469,790	\$ 6,246,457	\$ 5,592,381	\$ 3,461,581	\$ 3,063,359	\$ 2,807,287	\$ 2,307,794	\$ 2,173,245
Service cost	249,380	202,132	296,241	308,163	179,21	147,393	154,143	123,548	129,868
Interest on the total pension liability	238,989	230,655	138,828	106,633	111,497	111,193	88,638	88,992	77,503
Differences between expected and actual experience in the measurement of the total pension liability	645,637	333,729	(46,372)	546,334	409,831	44,798	153,644	105,342	
Changes of assumptions or other inputs	(149,548)	137,114	(1,012,711)	(172,382)	1,513,138	112,042	(135,763)	186,201	(68,232)
Benefit payments	(324,713)	(236,347)	(152,653)	(134,672)	(82,876)	(17,204)	-4,59	-4,59	-4,59
Total pension liability - ending	\$ 6,796,818	\$ 6,137,073	\$ 5,469,790	\$ 6,246,457	\$ 5,592,381	\$ 3,461,581	\$ 3,063,359	\$ 2,807,287	\$ 2,307,794
Plan net position:									
Contributions - employer	\$ 324,713	\$ 286,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment income	2,258	-	-	-	-	-	-	-	-
Benefit payments	(324,713)	(236,347)	-	-	-	-	-	-	-
Net change in plan net position	2,258	49,716	-	-	-	-	-	-	-
Plan net position - beginning	49,716	-	-	-	-	-	-	-	-
Plan net position - ending	51,974	49,716	-	-	-	-	-	-	-
Net pension liability - beginning	6,087,357	-	-	-	-	-	-	-	-
Net pension liability - ending	\$ 6,744,844	\$ 6,087,357	\$ 5,469,790	\$ 6,246,457	\$ 5,592,381	\$ 3,461,581	\$ 3,063,359	\$ 2,807,287	\$ 2,307,794
Ratio of plan net position to total pension liability	0.7706%	0.82%	-%	-%	-%	-%	-%	-%	-%
Covered employee payroll	\$ 8,317,117	\$ 7,656,672	\$ 7,041,482	\$ 6,139,080	\$ 5,815,589	\$ 5,209,710	\$ 4,840,560	\$ 4,513,029	\$ 4,591,100
Net pension liability as a percent of covered payroll	81.10%	79.50%	77.68%	101.75%	96.16%	66.44%	63.29%	62.20%	50.27%

Schedule of Town Contributions

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined employer contribution	\$ 1,074,655	\$ 1,071,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual employer contributions	120,000	50,000	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ 954,655	\$ 1,021,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wake Forest's covered payroll	\$ 8,317,117	\$ 7,656,672	\$ 7,041,482	\$ 6,139,080	\$ 5,815,589	\$ 5,209,710	\$ 4,840,560	\$ 4,513,029	\$ 4,591,100
Contributions as a percentage of covered-employee payroll	1.44%	0.65%	-%	-%	-%	-%	-%	-%	-%

*The amounts presented for each fiscal year were determined as of the prior year ending December 31st.

*This report will eventually report ten years of information.

**Town of Wake Forest, North Carolina
Other Post Employment Benefits (OPEB)
Required Supplementary Information
Last Eight Fiscal Years**

Exhibit A-2

Schedule of Changes in the Net OPEB Liability and Related Ratios*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 367,659	\$ 474,604	\$ 577,753	\$ 649,594	\$ 481,254	\$ 1,079,017	\$ 1,146,420	\$ 1,301,212
Interest on TOL and Cash Flows	495,899	456,615	311,422	272,273	349,782	769,604	693,368	603,065
Changes of benefit terms	-	-	-	-	-	(10,345,798)	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(25,974)	(793,880)	22,754	316,907	131,328	(1,254,861)	(9,287)	(3,024)
Changes of assumptions or other inputs*	(1,297,012)	70,525	(1,874,338)	1,330,816	1,519,595	(241,361)	(1,275,315)	(2,229,299)
Benefit payments	(496,939)	(480,310)	(448,029)	(350,807)	(296,583)	(260,005)	(235,691)	(226,089)
Net change in total OPEB Liability	(956,367)	(272,446)	(1,410,438)	2,218,783	2,185,376	(10,253,404)	319,495	(554,135)
Total OPEB Liability - beginning	12,864,342	13,136,788	14,063,692	11,844,909	9,659,533	19,912,937	19,593,442	20,147,577
Total OPEB Liability - ending	\$ 11,907,975	\$ 12,864,342	\$ 12,653,254	\$ 14,063,692	\$ 11,844,909	\$ 9,659,533	\$ 19,912,937	\$ 19,593,442
Plan Fiduciary Net Position								
Contributions - employer	\$ 626,939	614,71	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment income	8,191	2,085	-	-	-	-	-	-
Benefit payments	(496,939)	(480,310)	-	-	-	-	-	-
Net change in total OPEB Liability	138,191	136,485	-	-	-	-	-	-
Plan fiduciary net position - beginning	136,485	-	-	-	-	-	-	-
Plan fiduciary net position - ending	\$ 274,676	\$ 136,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability - ending	\$ 11,633,299	\$ 12,727,857	\$ 12,653,254	\$ 14,063,692	\$ 11,844,909	\$ 9,659,533	\$ 19,912,937	\$ 19,593,442
Ratio of plan net position to total pension liability	1.19%	1.06%	-%	-%	-%	-%	-%	-%
Covered-employee payroll	\$ 12,666,523	\$ 12,666,523	\$ 12,819,072	\$ 12,920,204	\$ 15,697,734	\$ 14,683,362	\$ 14,677,142	\$ 13,681,997
Net OPEB liability as a percentage of covered-employee payroll	91.84%	100.48%	98.71%	108.85%	75.46%	65.79%	135.67%	143.21%
Annual money weighted rate of return net of investment expenses	4.58%	4.39%	-%	-%	-%	-%	-%	-%

Schedule of Town Contributions

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined employer contribution	\$ 1,265,996	\$ 1,265,996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	626,939	614,710	-	-	-	-	-	-
Contribution deficiency (excess)	\$ 639,057	\$ 651,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wake Forest's covered payroll	\$ 12,666,523	\$ 12,666,523	\$ 12,819,072	\$ 12,920,204	\$ 15,697,734	\$ 14,683,362	\$ 14,677,142	\$ 13,681,997
Contributions as a percentage of covered-employee payroll	4.95%	4.85%	-%	-%	-%	-%	-%	-%

Notes to Schedule:

⁽¹⁾ The difference of \$483,514 between the 2023 ending TOL and the 2024 beginning TOL occurred because the Town established an OPEB Trust in FY24.

*Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Town of Wake Forest, North Carolina
Local Government Employees' Retirement System (LGERS)
Required Supplementary Information
Last Ten Fiscal Years

Exhibit A-3

Schedule of Town of Wake Forest Proportionate Share of Net Pension Liability (Asset)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Wake Forest's proportion of the net pension liability (asset) (%)	0.3878%	0.3693%	0.3677%	0.3417%	0.2602%	0.2424%	0.2377%	0.2292%	0.2282%	0.2321%
Wake Forest's proportion of the net pension liability (asset) (\$)	\$ 26,143,964	\$ 24,455,815	\$ 20,742,967	\$ 5,240,605	\$ 9,298,770	\$ 6,618,936	\$ 5,639,058	\$ 3,501,388	\$ 4,844,017	\$ 1,041,516
Wake Forest's covered payroll	29,849,799	27,642,442	23,382,764	21,450,990	16,180,204	14,677,142	13,681,997	12,545,629	12,125,728	11,768,783
Wake Forest's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	87.59%	88.47%	88.71%	24.43%	57.47%	45.10%	41.22%	27.91%	39.95%	8.85%
Plan fiduciary net position as a percentage of the total pension liability ⁽²⁾	83.30%	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%

Schedule of Town Contributions

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 4,939,728	\$ 4,198,317	\$ 3,673,675	\$ 2,114,360	\$ 2,319,534	\$ 1,573,124	\$ 1,249,325	\$ 1,129,234	\$ 1,004,600	\$ 878,135
Contributions in relation to the contractually required contribution	4,939,728	4,198,317	3,673,675	2,114,360	2,319,534	1,573,124	1,249,325	1,129,234	1,004,600	878,135
Wake Forest's covered payroll	\$ 33,027,397	\$ 29,849,799	\$ 27,642,442	\$ 23,382,764	\$ 21,450,990	\$ 16,180,204	\$ 14,677,142	\$ 13,681,997	\$ 12,545,629	\$ 12,125,728
Contributions as a percentage of covered-employee payroll	14.96%	14.06%	13.29%	9.04%	10.81%	9.72%	8.51%	8.25%	8.01%	7.24%

⁽¹⁾ The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30th.

⁽²⁾ This will be the same percentage for all participant employers in the LGERS plan. Based on components of Net Pension liability Calculation in LGERS most recent financial audit.

Individual Fund Statements & Schedules



This section contains additional information on the Governmental and Proprietary Funds (budget to actual comparison) and other schedules (ad valorem taxes receivable and current tax levy).

Town of Wake Forest, North Carolina

Schedule 1

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual

for The Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		2024	
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Ad valorem taxes				
Current year taxes	\$ 49,767,825	\$ 49,773,923	\$ 6,098	\$ 39,927,275
Prior years taxes	35,000	27,323	(7,677)	32,188
Penalties and interest	75,000	85,231	10,231	77,909
Total	49,877,825	49,886,477	8,652	40,037,372
Other taxes and licenses				
Gross receipts tax on short-term rental property	67,260	74,570	7,310	63,546
Total	67,260	74,570	7,310	63,546
Unrestricted intergovernmental				
Local option sales taxes	16,863,400	17,469,935	606,535	16,022,437
Beer and wine tax	222,750	216,299	(6,451)	244,450
Utility franchise tax				
Piped natural gas	139,075	150,337	11,262	98,652
Electricity	2,925,500	3,165,043	239,543	2,530,210
Telecommunications	46,500	50,431	3,931	53,165
Video programming	370,500	384,454	13,954	423,625
Other unrestricted intergovernmental	42,515	41,757	(758)	39,158
Total	20,610,240	21,478,256	868,016	19,411,697
Restricted intergovernmental				
State grants	145,000	151,292	6,292	500,000
Wake County cost sharing	2,720,475	2,862,423	141,948	2,611,598
Total	2,865,475	3,013,715	148,240	3,111,598
Permits and fees				
Building permits	1,323,285	1,273,187	(50,098)	1,546,756
Fire inspection and prevention	32,320	36,295	3,975	41,245
Utility and street inspection fees	148,500	74,719	(73,781)	333,672
Vehicle licenses	596,085	650,220	54,135	424,832
Business registration fee	3,150	2,718	(432)	5,328
Other permits and fees	589,295	473,892	(115,403)	782,749
Total	2,692,635	2,511,031	(181,604)	3,134,582
Sales and services				
Solid waste fees	4,554,000	4,384,263	(169,737)	4,017,262
Recreation fees	956,675	955,612	(1,063)	941,560
Cemetery	5,200	5,200	-	11,000
Other sales and services	120,215	101,474	(18,741)	101,322
Total	5,636,090	5,446,549	(189,541)	5,071,144

Town of Wake Forest, North Carolina

Schedule 1

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual

for The Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		2024	
	Budget	Actual	Variance Positive (Negative)	Actual
Miscellaneous				
ABC revenue	\$ 285,500	\$ 198,805	\$ (86,695)	\$ 238,196
Events revenue	87,500	89,400	1,900	-
Police department	-	-	-	-
Miscellaneous revenue	1,337,360	1,198,603	(138,757)	1,963,188
Sale of capital assets	600,000	446,417	(153,583)	-
Total	2,310,360	1,933,225	(377,135)	2,201,384
Investment earnings	1,365,500	1,421,730	56,230	1,691,575
Donations	6,800	6,935	135	-
Total revenues	85,432,185	85,772,488	340,303	74,722,898
Expenditures:				
General government				
Governing body				
Salaries and employee benefits	94,200	94,052	148	86,659
Contributions	206,500	201,500	5,000	60,500
Operating expenditures	162,500	159,389	3,111	247,988
Total	463,200	454,941	8,259	395,147
Legal Services				
Salaries and employee benefits	213,525	207,790	5,735	242,952
Professional services	290,000	254,228	35,772	176,034
Operating expenditures	20,700	15,114	5,586	14,598
Total	524,225	477,132	47,093	433,584
Town Manager's Office				
Salaries and employee benefits	856,480	852,577	3,903	800,084
Professional services	166,324	152,587	13,737	104,815
Operating expenditures	68,375	56,978	11,397	59,401
Total	1,091,179	1,062,142	29,037	964,300
Town Clerk				
Salaries and employee benefits	240,250	235,298	4,952	230,946
Professional services	25,700	25,200	500	-
Operating expenditures	40,250	19,221	21,029	20,221
Total	306,200	279,719	26,481	251,167
Organizational Performance				
Salaries and employee benefits	466,010	464,874	1,136	431,503
Professional services	20,600	20,600	-	21,630
Operating expenditures	93,835	89,900	3,935	42,115
Total	580,445	575,374	5,071	495,248

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, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

Schedule 1

	2025		2024	
	Budget	Actual	Variance Positive (Negative)	Actual
Budget Management				
Salaries and employee benefits	\$ 304,755	\$ 303,312	\$ 1,443	\$ 160,855
Professional services	10,000	10,000	-	-
Operating expenditures	24,675	17,253	7,422	12,418
Total	339,430	330,565	8,865	173,273
Communications				
Salaries and employee benefits	893,755	890,500	3,255	840,595
Professional services	-	-	-	26,126
Operating expenditures	417,560	362,349	55,211	384,125
Total	1,311,315	1,252,849	58,466	1,250,846
Human Resources				
Salaries and employee benefits	979,675	951,887	27,788	846,244
Professional services	57,500	54,161	3,339	51,012
Operating expenditures	289,465	247,398	42,067	239,614
Capital outlay	-	-	-	105,464
Total	1,326,640	1,253,446	73,194	1,242,334
Risk Management				
Salaries and employee benefits	213,920	212,645	1,275	222,188
Professional services	5,250	3,195	2,055	35
Operating expenditures	353,760	345,169	8,591	260,156
Capital outlay	7,500	7,455	45	-
Total	580,430	568,464	11,966	482,379
Finance				
Salaries and employee benefits	749,385	735,544	13,841	685,968
Professional services	147,700	147,456	244	71,919
Operating expenditures	738,885	727,070	11,815	623,105
Capital outlay	119,550	119,543	7	-
Total	1,755,520	1,729,613	25,907	1,380,992
Information Technology				
Salaries and employee benefits	1,075,065	1,061,657	13,408	886,451
Professional services	147,000	154,574	(7,574)	182,478
Operating expenditures	1,114,875	1,077,998	36,877	788,441
Capital outlay	292,125	181,459	110,666	601,699
Total	2,629,065	2,475,688	153,377	2,459,069
Inspections				
Salaries and employee benefits	2,178,945	1,959,586	219,359	2,050,334
Operating expenditures	193,585	124,984	68,601	123,514
Capital outlay	53,000	50,413	2,587	64,307
Total	2,425,530	2,134,983	290,547	2,238,155

Town of Wake Forest, North Carolina

Schedule 1

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual

for The Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		2024	
	Budget	Actual	Variance Positive (Negative)	Actual
Public Facilities				
Salaries and employee benefits	\$ 829,155	\$ 822,869	\$ 6,286	\$ 616,605
Professional services	208,000	129,061	78,939	209,398
Operating expenditures	1,883,830	1,514,036	369,794	1,596,532
Capital outlay	1,460,009	965,783	494,226	4,406,748
Total	4,380,994	3,431,749	949,245	6,829,283
Planning				
Salaries and employee benefits	1,819,890	1,580,154	239,736	1,477,403
Professional services	806,570	405,406	401,164	703,656
Operating expenditures	1,604,400	1,145,522	458,878	1,260,849
Capital outlay	-	-	-	144,985
Total	4,230,860	3,131,082	1,099,778	3,586,893
Public Works Administration				
Salaries and employee benefits	283,180	279,721	3,459	260,715
Operating expenditures	22,450	15,824	6,626	36,121
Capital outlay	-	-	-	42,689
Total	305,630	295,545	10,085	339,525
Engineering				
Salaries and employee benefits	1,383,275	1,368,933	14,342	1,032,198
Professional services	188,553	182,668	5,885	132,608
Operating expenditures	147,530	116,078	31,452	152,034
Capital outlay	123,400	74,667	48,733	236,122
Total	1,842,758	1,742,346	100,412	1,552,962
Stormwater Management				
Salaries and employee benefits	-	-	-	317,368
Professional services	-	-	-	40,937
Operating expenditures	-	-	-	52,755
Total	-	-	-	411,060
Fleet Maintenance				
Salaries and employee benefits	540,485	516,543	23,942	490,282
Operating expenditures	152,140	112,702	39,438	115,775
Capital outlay	9,000	8,854	146	-
Total	701,625	638,099	63,526	606,057
Total general government	24,795,046	21,833,737	2,961,309	25,092,274

Town of Wake Forest, North Carolina

Schedule 1

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual

for The Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		2024	
	Budget	Actual	Variance Positive (Negative)	Actual
Public safety				
Police				
Salaries and employee benefits	\$ 15,116,245	\$ 15,038,655	\$ 77,590	\$ 13,585,762
Operating expenditures	2,202,955	2,222,291	(19,336)	1,996,759
Capital outlay	1,894,800	1,727,865	166,935	1,113,392
Total	19,214,000	18,988,811	225,189	16,695,913
Fire				
Salaries and employee benefits	11,542,125	11,491,576	50,549	10,041,391
Operating expenditures	2,263,895	2,104,603	159,292	2,177,346
Capital outlay	282,100	230,378	51,722	116,843
Total	14,088,120	13,826,557	261,563	12,335,580
Total public safety	33,302,120	32,815,368	486,752	29,031,493
Transportation				
Streets				
Salaries and employee benefits	1,929,775	1,901,326	28,449	1,746,622
Operating expenditures	1,362,215	1,279,831	82,384	1,258,057
Capital outlay	1,082,915	512,149	570,766	843,849
Total transportation	4,374,905	3,693,306	681,599	3,848,528
Environmental protection				
Solid Waste				
Salaries and employee benefits	1,216,770	1,157,087	59,683	1,013,051
Operating expenditures	5,267,595	5,062,986	204,609	4,783,917
Capital outlay	70,000	16,000	54,000	477,800
Total	6,554,365	6,236,073	318,292	6,274,768
Urban Forestry				
Salaries and employee benefits	414,270	403,166	11,104	372,439
Operating expenditures	218,690	82,927	135,763	87,606
Capital outlay	-	-	-	31,562
Total	632,960	486,093	146,867	491,607
Total environmental protection	7,187,325	6,722,166	465,159	6,766,375
Cultural and recreational				
Parks and recreation				
Salaries and employee benefits	3,390,515	3,016,482	374,033	2,714,461
Professional services	104,780	84,460	20,320	215,962
Contributions	40,000	40,000	-	40,000
Operating expenditures	2,670,656	1,964,271	706,385	1,880,314
Capital outlay	904,166	233,546	670,620	4,505,069
Total cultural and recreational	7,110,117	5,338,759	1,771,358	9,355,806

Town of Wake Forest, North Carolina

Schedule 1

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual

for The Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		2024	
	Budget	Actual	Variance Positive (Negative)	Actual
Economic development				
Downtown Development				
Salaries and employee benefits	\$ 309,060	\$ 306,919	\$ 2,141	\$ 284,613
Operating expenditures	236,550	207,969	28,581	189,481
Capital outlay	57,455	57,453	2	12,785
Total economic development	603,065	572,341	30,724	486,879
Total expenditures	77,372,578	70,975,677	6,396,901	74,581,355
Revenues over (under) expenditures	8,059,607	14,796,811	6,737,204	141,543
Other financing sources (uses):				
Transfers in (out)				
American Rescue Plan Fund	-	-	-	127,376
Debt Service Fund	(8,950,815)	(8,950,815)	-	(6,330,775)
Downtown District Special Tax	418,750	99,037	(319,713)	83,800
Capital Reserve Fund	(589,500)	(442,209)	147,291	(157,649)
Housing Initiative	(1,154,945)	(1,154,945)	-	(200,000)
Grant and Special Revenue Fund	-	-	-	1,635
Recreation Capital Reserve Fund	-	-	-	3,398,949
Roadway and Transportation	(1,732,415)	(1,732,415)	-	(788,888)
Pension Trust	(250,000)	(250,000)	-	(150,000)
Wake Forest Business and Industry Partnership	(1,372,545)	(1,379,412)	(6,867)	(475,200)
Wake Forest Renaissance Centre SRF	-	-	-	(723,785)
Transfer from NCHIP reserve	415,000	415,000	-	525,675
Issuance of lease	-	242,651	242,651	4,651,834
Installment Purchase Proceeds	1,405,950	1,405,950	-	1,359,595
Appropriated fund balance	3,750,913	-	(3,750,913)	-
Total other financing sources (uses)	(8,059,607)	(11,747,158)	(3,687,551)	1,322,567
Net change in fund balances	\$ -	3,049,653	\$ 3,049,653	1,464,110
Fund balances - beginning of year		35,142,715		33,678,605
Fund balances - end of year		\$ 38,192,368		\$ 35,142,715

Town of Wake Forest, North Carolina
Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
for the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

Schedule 2

	2025			2024
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Restricted intergovernmental				
Powell Bill allocation	\$ 1,719,785	\$ 1,719,784	\$ (1)	\$ 1,480,263
Investment Earnings Powell Bill	-	11,013	11,013	63,487
Permits and fees				
Vehicle licenses	596,085	650,220	54,135	814,362
Investment earnings	115,380	128,539	13,159	33,797
Total revenues	2,431,250	2,509,556	78,306	2,391,909
Expenditures:				
Debt service:				
Bond principal	5,035,765	2,181,000	2,854,765	2,195,000
Bond interest	1,104,055	1,103,982	73	778,984
Installment note principal	4,054,630	4,032,867	21,763	3,880,190
Installment note interest	427,740	409,759	17,981	316,338
Lease and subscription principal	688,000	651,015	36,985	497,202
Lease and subscription interest	136,875	132,251	4,624	73,577
Total expenditures	11,447,065	8,510,874	2,936,191	7,741,291
Revenues over (under) expenditures	(9,015,815)	(6,001,318)	3,014,497	(5,349,382)
Other financing sources (uses):				
Transfers in (out)				
General Fund	8,950,815	8,950,815	-	6,330,775
Downtown District Special Tax	65,000	65,000	-	65,000
Total other financing sources (uses)	9,015,815	9,015,815	-	6,395,775
Net change in fund balances	\$ -	3,014,497	\$ 3,014,497	1,046,393
Fund balances - beginning of year		2,026,434		980,041
Fund balances - end of year		\$ 5,040,931		\$ 2,026,434

Schedule 3

Town of Wake Forest, North Carolina
Wake Forest Business and Industry Partnership (BIP)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
for the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		2024	
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Miscellaneous	\$ -	\$ 500	\$ 500	\$ -
Investment earnings	15,000	11,443	(3,557)	16,816
Total revenues	15,000	11,943	(3,057)	16,816
Expenditures:				
Economic development	588,500	507,301	81,199	433,425
Total expenditures	588,500	507,301	81,199	433,425
Revenues over (under) expenditures	(573,500)	(495,358)	78,142	(416,609)
Other financing sources (uses):				
Transfers in (out)				
General Fund	498,000	498,000	-	475,200
Appropriated fund balance	75,500	-	(75,500)	-
Total other financing sources (uses)	573,500	498,000	(75,500)	475,200
Net change in fund balances	\$ -	2,642	\$ 2,642	58,591
Fund balances - beginning of year		431,201		372,610
Fund balances - end of year		\$ 433,843		\$ 431,201

Town of Wake Forest, North Carolina
Downtown District Special Tax
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
for the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

Schedule 4

	2025			2024	
	Budget	Actual	Variance Positive (Negative)	Actual	
Revenues:					
Ad valorem taxes	\$ 203,850	\$ 203,963	\$ 113	\$ 161,559	
Investment earnings	21,500	20,382	(1,118)	20,771	
Total revenues	225,350	224,345	(1,005)	182,330	
Other financings sources (uses):					
Transfers in (out)					
General Fund	(160,350)	(46,388)	113,962	(83,800)	
Debt Service Fund	(65,000)	(65,000)	-	(65,000)	
Total other financing sources (uses)	(225,350)	(111,388)	113,962	(148,800)	
Net change in fund balances	\$ -	112,957	\$ 112,957	33,530	
Fund balances - beginning of year		462,304		428,774	
Fund balances - end of year		\$ 575,261		\$ 462,304	

Town of Wake Forest, North Carolina
Police Department
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and for the Year Ended June 30, 2025

Schedule 5

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Miscellaneous				
Miscellaneous revenue	\$ 86,500	\$ 93,079	\$ -	\$ 93,079
Sale of capital assets	7,500	3,500	-	3,500
Investment earnings	33,290	49,071	20,375	69,446
Forfeited currency				
Federal asset forfeiture	378,550	228,051	63,354	291,405
State controlled substances tax	87,210	99,874	387	100,261
Donations	310,315	424,950	25,698	450,648
Total revenues	903,365	898,525	109,814	1,008,339
Expenditures:				
Public safety				
Police				
Operating expenditures	243,520	169,940	16,865	186,805
Capital outlay	76,800	64,944	-	64,944
Total expenditures	320,320	234,884	16,865	251,749
Revenues over (under) expenditures	583,045	663,641	92,949	756,590
Other financing sources (uses):				
Transfers in (out)				
General Fund	(619,145)	(150,703)	-	(150,703)
Special Revenue Fund	(15,600)	(12,161)	-	(12,161)
Appropriated fund balance	51,700	-	-	-
Total other financing sources (uses)	(583,045)	(162,864)	-	(162,864)
Net change in fund balances	\$ -	\$ 500,777	92,949	\$ 593,726
Fund balances:				
Fund balances - beginning of year			500,777	
Fund balances - end of year			\$ 593,726	
Project Reconciliation:				
Federal Asset Forfeiture			\$ 88,195	
State Controlled Substances Tax			87,652	
Miscellaneous Projects			95,238	
Donations			322,641	
			\$ 593,726	

Town of Wake Forest, North Carolina
Wake Forest Renaissance Centre
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
for the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

Schedule 6

	2025		2024	
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Sales and services	\$ 233,100	\$ 184,593	\$ (48,507)	\$ 187,368
Miscellaneous	150,500	143,520	(6,980)	104,640
Investment earnings	5,105	252	(4,853)	4,587
Donations	30,000	20,268	(9,732)	28,589
Total revenues	418,705	348,633	(70,072)	325,184
Expenditures:				
Cultural and recreational				
Parks and recreation				
Salaries and employee benefits	801,050	792,558	8,492	741,315
Professional services	125,000	91,794	33,206	-
Operating expenditures	476,700	399,921	76,779	325,059
Capital outlay	-	-	-	-
Total expenditures	1,402,750	1,284,273	118,477	1,066,374
Revenues over (under) expenditures	(984,045)	(935,640)	48,405	(741,190)
Other financing sources (uses):				
Transfers in (out)				
General Fund	859,045	859,045	-	723,785
Special Revenue Fund	125,000	91,794	(33,206)	8,162
Total other financing sources (uses)	984,045	950,839	(33,206)	731,947
Net change in fund balances	\$ -	15,199	\$ 15,199	(9,243)
Fund balances - beginning of year		112,124		121,367
Fund balances - end of year		\$ 127,323		\$ 112,124

Town of Wake Forest, North Carolina

Schedule 7

Public Arts

Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and for the Year Ended June 30, 2025

	Actual				
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Restricted intergovernmental					
State grants	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)	\$ -
Investment earnings	-	4,027	6,998	-	11,025
Donations	-	15,216	-	-	15,216
Total revenues	25,000	44,243	6,998	(25,000)	26,241
Expenditures:					
Operating expenses					
Miscellaneous Public Art Projects	303,510	240,982	13,682	(146,510)	108,154
Total expenditures	303,510	240,982	13,682	(146,510)	108,154
Revenues over (under) expenditures	(278,510)	(196,739)	(6,684)	121,510	(81,913)
Other financing sources (uses):					
Transfers in (out)					
General Fund	-	47,685	-	-	47,685
Special Revenue Fund	-	(8,162)	-	-	(8,162)
Capital Project Funds	278,510	246,200	220,500	(121,510)	345,190
Total other financing sources (uses)	278,510	285,723	220,500	(121,510)	384,713
Net change in fund balances	\$ -	\$ 88,984	213,816	\$ -	\$ 302,800
Fund balances:					
Fund balances - beginning of year			88,984		
Fund balances - end of year			\$ 302,800		

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, 2025

Schedule 8

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ 1,086,055	\$ 840,213	\$ 377,352	\$ 1,217,565
Development proceeds	-	22,800	(22,800)	-
Impact fees	16,243,135	14,440,205	2,064,942	16,505,147
Donations	58,565	58,595	-	58,595
Total revenues	17,387,755	15,361,813	2,419,494	17,781,307
Other financing sources (uses):				
Transfers in (out)				
General Fund	(3,022,930)	(3,448,326)	-	(3,448,326)
Special Revenue Fund	-	-	(91,794)	(91,794)
Capital Project Funds	(14,364,825)	(481,096)	(935,000)	(1,416,096)
Total financing sources (uses)	(17,387,755)	(3,929,422)	(1,026,794)	(4,956,216)
Net change in fund balances	\$ -	\$ 11,432,391	1,392,700	\$ 12,825,091
Fund balances - beginning of year			11,432,361	
Fund balances - end of year			\$ 12,825,061	

Town of Wake Forest, North Carolina
Special Revenue Fund
American Rescue Plan Act Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and for the Year Ended June 30, 2025

Schedule 9

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental				
Federal Grants				
Broadband	\$ 2,529,195	\$ 1,495,593	\$ 1,144,116	\$ 2,639,709
Economic impact	2,323,455	1,604,149	498,568	2,102,717
Public safety	2,148,170	-	578,101	578,101
Stormwater	7,285,080	790,193	3,188,561	3,978,754
Miscellaneous	255,100	2,472,986	(2,472,986)	-
Investment earnings	1,169,850	834,058	280,210	1,114,268
Total revenues	15,710,850	7,196,979	3,216,570	10,413,549
Expenditures:				
Operating expenses				
Broadband	1,000,000	1,000,000	-	1,000,000
Economic Impact	1,256,205	209,385	804,718	1,014,103
Stormwater	31,085	-	247,715	247,715
Total operations	2,287,290	1,209,385	1,052,433	2,261,818
Capital outlay professional services:				
Economic Impact	-	7,365	(7,365)	-
Stormwater	2,573,930	986,438	545,926	1,532,364
Total capital outlay professional services:	2,573,930	993,803	538,561	1,532,364
Capital outlay improvements:				
Broadband	1,529,195	1,376,140	131,785	1,507,925
Economic Impact	1,630,235	1,617,246	12,985	1,630,231
Public Safety	2,516,645	579,855	282,784	862,639
Stormwater	4,737,805	150,746	1,818,381	1,969,127
Total capital outlay improvements	10,413,880	3,723,987	2,245,935	5,969,922
Total expenditures	15,275,100	5,927,175	3,836,929	9,764,104
Revenues over (under) expenditures	435,750	1,269,804	(620,359)	649,445
Other financing sources (uses):				
Transfers in (out)				
General Fund	(424,250)	(424,246)	-	(424,246)
Special Revenue Fund	(5,000)	(5,000)	-	(5,000)
Enterprise Fund	(6,500)	(6,500)	-	(6,500)
Total other financing sources (uses)	(435,750)	(435,746)	-	(435,746)
Net change in fund balances	\$ -	\$ 834,058	(620,359)	\$ 213,699
Fund balances - beginning of year			834,058	
Fund balances - end of year			\$ 213,699	

Town of Wake Forest, North Carolina
Capital Projects Fund
Roadway and Transportation
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and for the Year Ended June 30, 2025

Schedule 10

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ 408,850	\$ 72,047	\$ 648,463	\$ 720,510
Payments in lieu	450,095	110,073	-	110,073
Total revenues	858,945	182,120	648,463	830,583
Expenditures:				
Operating expenses	179,425	15,183	179,735	194,918
Capital Outlay Professional Services:	1,543,600	323,156	685,331	1,008,487
Capital Outlay Improvements:	25,645,265	3,554,040	6,754,436	10,308,476
Total expenditures	27,368,290	3,892,379	7,619,502	11,511,881
Revenues over (under) expenditures	(26,509,345)	(3,710,259)	(6,971,039)	(10,681,298)
Other financing sources (uses):				
Transfers in (out)	4,094,680	788,888	1,927,970	2,716,858
Installment Purchase Proceeds	5,500,000	5,500,000	-	5,500,000
Bond Premiums	1,422,285	-	1,422,280	1,422,280
Bond Proceeds	15,492,380	-	12,750,000	12,750,000
Total other financing sources (uses)	26,509,345	6,288,888	16,100,250	22,389,138
Net change in fund balances	\$ -	\$ 2,578,629	9,129,211	\$ 11,707,840
Fund balances:				
Fund balances - beginning of year			2,706,433	
Fund balances - end of year			\$ 11,835,644	

**Town of Wake Forest, North Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025**

Schedule 11

	Capital Projects Funds							Special Revenue Funds				
	Asset Maintenance	Public Facilities Projects	Parking Facilities	Parks and Recreation	Greenway Improvements	General Capital Reserve	Total Capital Projects Funds	Futures Fund	Grants and Special Revenue Funds	Housing Initiatives	Total Special Revenue Funds	Total Nonmajor Governmental Funds
Assets												
Cash and cash equivalents	\$ -	\$ 211,693	\$ -	\$ -	\$ -	\$ 4,082,647	\$ 4,294,340	\$ -	\$ -	\$ 1,380,974	\$ 1,380,974	\$ 5,675,314
Receivables, net												
Accounts	-	-	-	180,375	-	-	180,375	-	127,799	-	127,799	308,174
Restricted cash and cash equivalents	-	-	165,081	3,398,306	2,964,327	-	6,527,714	1,941,388	116,444	-	2,057,832	8,585,546
Total assets	\$ -	\$ 211,693	\$ 165,081	\$ 3,578,681	\$ 2,964,327	\$ 4,082,647	\$ 11,002,429	\$ 1,941,388	\$ 244,243	\$ 1,380,974	\$ 3,566,605	\$ 14,569,034
Liabilities												
Accounts payable and accrued liabilities	\$ -	\$ 259,354	\$ -	\$ -	\$ 1,476,928	\$ -	\$ 1,736,282	\$ -	\$ -	\$ -	\$ -	\$ 1,736,282
Due to other funds	-	1,000,000	1,000,000	-	-	-	2,000,000	-	250,000	-	250,000	2,250,000
Total liabilities	-	1,259,354	1,000,000	-	1,476,928	-	3,736,282	-	250,000	-	250,000	3,986,282
Deferred inflow of resources												
Fund balances:												
Restricted												
Cultural and recreation	-	-	-	3,578,681	-	-	3,578,681	-	-	-	-	3,578,681
Committed												
Economic development	-	-	-	-	-	-	-	1,941,388	-	-	1,941,388	1,941,388
Assigned												
Public safety	-	-	-	-	-	4,082,647	4,082,647	-	-	-	-	4,082,647
Housing initiatives	-	-	-	-	-	-	-	-	-	1,380,974	1,380,974	1,380,974
Unassigned	-	(1,047,661)	(834,919)	-	1,487,399	-	(395,181)	-	(5,757)	-	(5,757)	(400,938)
Total fund balances	-	(1,047,661)	(834,919)	3,578,681	1,487,399	4,082,647	7,266,147	1,941,388	(5,757)	1,380,974	3,316,605	10,582,752
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 211,693	\$ 165,081	\$ 3,578,681	\$ 2,964,327	\$ 4,082,647	\$ 11,002,429	\$ 1,941,388	\$ 244,243	\$ 1,380,974	\$ 3,566,605	\$ 14,569,034

Town of Wake Forest, North Carolina
Nonmajor Governmental Funds
Combining Statement of Expenditures and
Changes in Fund Balances
for the Year Ended June 30, 2025

Schedule 12

	Capital Projects Funds							Special Revenue Funds					Total Nonmajor Governmental Funds
	Asset Maintenance	Public Facilities Projects	Parking Facilities	Parks and Recreation	Greenway Improvements	General Capital Reserve	Roadway and Transportation	Total Capital Projects Funds	Futures Fund	Grants and Special Revenue Funds	Housing Initiatives	Total Special Revenue Funds	
Revenues:													
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 180,375	\$ -	\$ -	\$ -	\$ 180,375	\$ -	\$ 130,205	\$ -	\$ 130,205	\$ 310,580
Permits and fees	-	-	-	-	-	942,415	-	942,415	-	-	-	-	942,415
Miscellaneous	-	-	-	-	8,434	-	-	8,434	57,000	-	-	57,000	65,434
Investment earnings	(2,495)	3,589	-	181,504	204,701	132,101	-	519,400	97,733	-	23,783	121,516	640,916
Donations	-	-	-	-	-	-	-	-	-	5,000	-	5,000	5,000
Total revenues	(2,495)	3,589	-	361,879	213,135	1,074,516	-	1,650,624	154,733	135,205	23,783	313,721	1,964,345
Expenditures:													
Current:													
General government													
Operating	-	-	-	-	-	-	-	-	-	3,500	-	3,500	3,500
Public safety													
Operating	-	-	-	-	-	-	-	-	-	17,603	-	17,603	17,603
Transportation													
Professional services	-	-	-	-	72,777	-	-	72,777	-	-	-	-	72,777
Environmental protection													
Professional services	-	-	-	-	-	-	-	-	-	21,966	-	21,966	21,966
Cultural and recreation													
Operating	-	-	-	438,482	-	-	-	438,482	-	1,133	-	1,133	439,615
Professional services	-	-	-	47,015	-	-	-	47,015	-	-	-	-	47,015
Capital outlay	-	2,550,843	30,000	1,610,748	4,511,917	-	-	8,703,508	-	131,483	-	131,483	8,834,991
Total expenditures	-	2,550,843	30,000	2,096,245	4,584,694	-	-	9,261,782	-	175,685	-	175,685	9,437,467
Revenues over (under) expenditures	(2,495)	(2,547,254)	(30,000)	(1,734,366)	(4,371,559)	1,074,516	-	(7,611,158)	154,733	(40,480)	23,783	138,036	(7,473,122)
Other financing sources (uses):													
Transfers in	(60,627)	1,585,127	-	-	-	-	-	1,524,500	-	22,367	1,154,945	1,177,312	2,701,812
Transfers out	-	-	-	(36,500)	(56,500)	(522,995)	-	(615,995)	-	-	-	-	(615,995)
Issuance of debt	-	-	-	5,566,850	6,280,266	-	-	11,847,116	-	-	-	-	11,847,116
Total other financing sources (uses)	(60,627)	1,585,127	-	5,530,350	6,223,766	(522,995)	-	12,755,621	-	22,367	1,154,945	1,177,312	13,932,933
Net change in fund balances	(63,122)	(962,127)	(30,000)	3,795,984	1,852,207	551,521	-	5,144,463	154,733	(18,113)	1,178,728	1,315,348	6,459,811
Fund balances:													
Beginning of year, as previously reported	63,122	(85,534)	(804,919)	(217,303)	(364,808)	3,531,126	2,706,433	4,828,117	1,786,655	12,356	202,246	2,001,257	6,829,374
Restatements	-	-	-	-	-	-	(2,706,433)	(2,706,433)	-	-	-	-	(2,706,433)
Beginning of year, as restated	63,122	(85,534)	(804,919)	(217,303)	(364,808)	3,531,126	-	2,121,684	1,786,655	12,356	202,246	2,001,257	4,122,941
End of year	\$ -	\$ (1,047,661)	\$ (834,919)	\$ 3,578,681	\$ 1,487,399	\$ 4,082,647	\$ -	\$ 7,266,147	\$ 1,941,388	\$ (5,757)	\$ 1,380,974	\$ 3,316,605	\$ 10,582,752

Town of Wake Forest, North Carolina

Schedule 13

Capital Projects Fund

Asset Maintenance

**Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual**

From Inception and for the Year Ended June 30, 2025

	Actual				
	Project Authorization	Prior Years	Current Year	Project Close	Total to Date
Revenues:					
Investment earnings	\$ -	\$ 2,495	\$ (2,495)	\$ -	\$ -
Total revenues	-	2,495	(2,495)	-	-
Other financing sources:					
Transfers in (out)					
Special Revenue Fund	-	60,627	(60,627)	-	-
Total other financing sources	-	60,627	(60,627)	-	-
Net change in fund balances	\$ -	\$ 63,122	(63,122)	\$ -	\$ -
Fund balances - beginning of year			63,122		
Fund balances - end of year			\$ -		

Town of Wake Forest, North Carolina
Capital Projects Fund
Public Facilities Capital Projects
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and for the Year Ended June 30, 2025

Schedule 14

	Actual				
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Restricted intergovernmental					
State grants	\$ -	\$ 100,000	\$ -	\$ (100,000)	\$ -
Miscellaneous	873,575	-	-	-	-
Investment earnings	5,500	1,887	3,589	-	5,476
Donations	1,660	12,214	-	(12,214)	-
Total revenues	880,735	114,101	3,589	(112,214)	5,476
Expenditures:					
Capital Outlay Professional Services:					
Fire Station 6	2,159,505	37,400	1,103,461	-	1,140,861
Public Works Warehouse	-	30,200	(30,200)	-	-
Public Safety Warehouse	604,630	190,700	114,030	-	304,730
Town Hall Third Floor Renovations	-	-	221,414	-	221,414
Town Hall Annex Renovations	-	-	202,405	-	202,405
Capital Outlay Improvements:					
Ailey Young Home Improvements	-	361,492	-	(361,492)	-
Land purchases	4,896,620	1,503,751	935,000	-	2,438,751
Public Safety Warehouse	2,805,000	-	4,733	-	4,733
Total expenditures	10,465,755	2,123,543	2,550,843	(361,492)	4,312,894
Revenues over (under) expenditures	(9,585,020)	(2,009,442)	(2,547,254)	249,278	(4,307,418)
Other financing sources:					
Transfers in (out)					
General Fund					
General Fund	896,140	420,157	650,127	(249,278)	821,006
Capital Reserve Fund					
Land purchases	2,779,250	1,503,751	935,000	-	2,438,751
Public Safety Warehouse	3,409,630	-	-	-	-
Installment Purchase Proceeds	2,500,000	-	-	-	-
Total other financing sources (uses)	9,585,020	1,923,908	1,585,127	(249,278)	3,259,757
Net change in fund balances	\$ -	\$ (85,534)	(962,127)	\$ -	\$ (1,047,661)
Fund balances - beginning of year			(85,534)		
Fund balances - end of year			<u>\$ (1,047,661)</u>		

Town of Wake Forest, North Carolina

Schedule 15

Capital Projects Fund

Parking Facilities

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual**

From Inception and for the Year Ended June 30, 2025

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Expenditures:				
Operating expenses	\$ 750,000	\$ -	\$ -	\$ -
Capital Outlay Professional Services:				
Downtown Parking Deck	2,250,000	25,499	-	25,499
Capital Outlay Improvements:	9,500,000	779,420	30,000	809,420
Total expenditures	12,500,000	804,919	30,000	834,919
Other financing sources:				
Bond Proceeds	12,500,000	-	-	-
Total other financing sources (uses)	12,500,000	-	-	-
Net change in fund balances	\$ -	\$ (804,919)	(30,000)	\$ (834,919)
Fund balances - beginning of year			(804,919)	
Fund balances - end of year			\$ (834,919)	

Town of Wake Forest, North Carolina
Capital Projects Fund
Parks and Recreation
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and for the Year Ended June 30, 2025

Schedule 16

	Actual				
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Restricted intergovernmental					
State grants	\$ -	\$ 656,138	\$ -	\$ (656,138)	\$ -
Federal Grants	2,175,000	-	180,375	-	180,375
Miscellaneous	500,000	500,000	-	-	500,000
Investment earnings	81,115	-	181,504	-	181,504
Total revenues	2,756,115	1,156,138	361,879	(656,138)	861,879
Expenditures:					
Operating expenses	47,015	3,936	485,497	(442,418)	47,015
Capital Outlay Professional Services:				-	
Athletic Fields Lighting System	315,000	-	3,676	-	3,676
Parks Restroom Installation	514,000	-	-	-	-
Ailey Young Park Improvements	385,000	-	-	-	-
Multipurpose Outdoor Sports Complex	395,000	38,700	-	-	38,700
Reservoir Improvements	3,267,000	592,283	215,498	-	807,781
Flaherty Dam Lower	85,000	-	-	-	-
Miller Park Greenway	17,870	213,720	-	(213,720)	-
Tennis Courts	120,350	-	-	-	-
Skate Park	28,500	28,500	3,937	-	32,437
Capital Outlay Improvements:				-	
Athletic Fields Lighting System	3,690,800	178,511	1,359,308	-	1,537,819
Parks Restroom Installation	6,686,000	-	-	-	-
Ailey Young Park Improvements	3,655,000	-	-	-	-
Multipurpose Outdoor Sports Complex	4,145,000	-	-	-	-
Reservoir Improvements	3,408,000	317,791	25,000	-	342,791
Flaherty Dam Lower	915,000	-	-	-	-
Skate Park	501,755	501,751	-	-	501,751
Miller Park Greenway Improvements	1,512,275	-	3,329	-	3,329
Tennis Courts	1,100,000	-	-	-	-
Total expenditures	30,788,565	1,875,192	2,096,245	(656,138)	3,315,299
Revenues over (under) expenditures	(28,032,450)	(719,054)	(1,734,366)	-	(2,453,420)
Other financing sources (uses):					
Transfers in (out)					
Capital Reserve Fund	1,722,105	501,751	-	-	501,751
Special Revenue Fund	(36,500)	-	(36,500)	-	(36,500)
Bond Premiums	456,845	-	456,850	-	456,850
Bond Proceeds	25,890,000	-	5,110,000	-	5,110,000
Total other financing sources (uses)	28,032,450	501,751	5,530,350	-	6,032,101
Net change in fund balances	\$ -	\$ (217,303)	3,795,984	\$ -	\$ 3,578,681
Fund balances:					
Fund balances - beginning of year			(217,303)		
Fund balances - end of year			\$ 3,578,681		

Town of Wake Forest, North Carolina

Schedule 17

Capital Projects Fund

Greenway Improvements

Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual

From Inception and for the Year Ended June 30, 2025

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Miscellaneous	\$ 10,085	\$ 10,079	\$ 8,434	\$ 18,513
Investment earnings	93,930	-	204,701	204,701
Total revenues	104,015	10,079	213,135	223,214
Expenditures:				
Operating expenses	72,780	-	72,777	72,777
Capital Outlay Professional Services:				
Dunn Creek Greenway - Phase 3 & 4	1,213,120	356,765	203,435	560,200
Smith Creek Greenway - Phase 2 & 3	1,880,500	17,822	474,965	492,787
Sanford Creek Boardwalk Replacement	390,000	-	-	-
Capital Outlay Improvements:				
Dunn Creek Greenway - Phase 3 & 4	8,833,935	300	3,833,517	3,833,817
Smith Creek Greenway - Phase 2 & 3	5,533,940	-	-	-
Sanford Creek Boardwalk Replacement	1,450,000	-	-	-
Total expenditures	19,374,275	374,887	4,584,694	4,959,581
Revenues over (under) expenditures	(19,270,260)	(364,808)	(4,371,559)	(4,736,367)
Other financing sources (uses):				
Transfers in (out)				
General Fund	150,000	-	-	-
Capital Reserve Fund	4,186,490	-	-	-
Special Revenue Fund	(56,500)	-	(56,500)	(56,500)
Bond Premiums	630,270	-	630,266	630,266
Bond Proceeds	14,360,000	-	5,650,000	5,650,000
Total other financing sources (uses)	19,270,260	-	6,223,766	6,223,766
Net change in fund balances	\$ -	\$ (364,808)	1,852,207	\$ 1,487,399
Fund balances:				
Fund balances - beginning of year			(364,808)	
Fund balances - end of year			\$ 1,487,399	

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, 2025

Schedule 18

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ 535,000	\$ 439,957	\$ 132,101	\$ 572,058
Payments in lieu	2,093,220	2,120,041	235,243	2,355,284
Greenway fees	20,690	18,520	-	18,520
Fire impact fees	3,050,875	2,435,934	684,372	3,120,306
Development proceeds	86,560	56,921	22,800	79,721
Donations	25,000	22,232	-	22,232
Total revenues	5,811,345	5,093,605	1,074,516	6,168,121
Other financing sources (uses):				
Transfers in (out)				
General Fund	(1,741,595)	(58,728)	(199,940)	(258,668)
Capital Project Funds	(4,069,750)	(1,503,751)	(323,055)	(1,826,806)
Total other financing sources (uses)	(5,811,345)	(1,562,479)	(522,995)	(2,085,474)
Net change in fund balances	\$ -	\$ 3,531,126	551,521	\$ 4,082,647
Fund balances:				
Fund balances - beginning of year			3,531,126	
Fund balances - end of year			\$ 4,082,647	

Town of Wake Forest, North Carolina
Special Revenue Fund
Futures Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and for the Year Ended June 30, 2025

Schedule 19

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Miscellaneous	\$ 117,000	\$ 342,000	\$ 57,000	\$ 399,000
Investment earnings	454,750	573,290	97,733	671,023
Total revenues	571,750	915,290	154,733	1,070,023
Expenditures:				
Economic development	1,590,750	1,334,105	-	1,334,105
Total expenditures	1,590,750	1,334,105	-	1,334,105
Revenues over (under) expenditures	(1,019,000)	(418,815)	154,733	(264,082)
Other financing sources (uses):				
Transfers in (out)				
General Fund	4,128,870	2,405,470	-	2,405,470
Special Revenue Fund	(200,000)	(200,000)	-	(200,000)
Appropriated fund balance	(2,909,870)	-	-	-
Total other financing sources (uses)	1,019,000	2,205,470	-	2,205,470
Net change in fund balances	\$ -	\$ 1,786,655	154,733	\$ 1,941,388
Fund balances:				
Fund balances - beginning of year			1,786,655	
Fund balances - end of year			\$ 1,941,388	

Town of Wake Forest, North Carolina
Special Revenue Fund
Grants and Special Revenue
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and for the Year Ended June 30, 2025

Schedule 20

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental				
State grants	\$ -	\$ -	\$ 15,000	\$ 15,000
Federal Grants	162,870	8,004	115,205	123,209
Miscellaneous				
Sale of capital assets	18,100	18,100	-	18,100
Donations	10,000	-	5,000	5,000
Total revenues	190,970	26,104	135,205	161,309
Expenditures:				
Operating expenses				
Police Department	70,340	18,280	17,603	35,883
Planning Department	7,000	3,500	3,500	7,000
Solid Waste	-	-	21,966	21,966
Renaissance Centre	10,000	-	1,133	1,133
Capital Outlay Improvements:				
Downtown Development	151,230	-	131,483	131,483
Total expenditures	238,570	21,780	175,685	197,465
Revenues over (under) expenditures	(47,600)	4,324	(40,480)	(36,156)
Other financing sources (uses):				
Transfers in (out)				
General Fund	32,030	8,032	20,167	28,199
Special Revenue Fund	15,570	-	2,200	2,200
Total other financing sources (uses)	47,600	8,032	22,367	30,399
Net change in fund balances	\$ -	\$ 12,356	(18,113)	\$ (5,757)
Fund balances:				
Fund balances - beginning of year			12,356	
Fund balances - end of year			<u>\$ (5,757)</u>	

**Town of Wake Forest, North Carolina
Special Revenue Fund
Housing Initiatives
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and for the Year Ended June 30, 2025**

Schedule 21

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ 12,500	\$ 2,246	\$ 23,783	\$ 26,029
Total revenues	12,500	2,246	23,783	26,029
Other financing sources (uses):				
Transfers in (out)				
General Fund	(12,500)	200,000	1,154,945	1,354,945
Total other financing sources (uses)	(12,500)	200,000	1,154,945	1,354,945
Net change in fund balances	\$ -	\$ 202,246	1,178,728	\$ 1,380,974
Fund balances:				
Fund balances - beginning of year			202,246	
Fund balances - end of year			\$ 1,380,974	

Town of Wake Forest, North Carolina
Electric Fund

Schedule 22

Schedule of Revenues and Expenses
Budget and Actual (Non - GAAP)

for the Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		2024	
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Charges for services	\$ 25,223,460	\$ 25,495,974	\$ 272,514	\$ 24,219,559
Other operating revenues				
Sales tax	1,752,720	1,773,192	20,472	1,680,150
Reconnect charges	145,000	150,383	5,383	133,783
Miscellaneous	667,700	702,276	34,576	458,591
Total operating revenues	27,788,880	28,121,825	332,945	26,492,083
Nonoperating revenues:				
Investment earnings	54,320	27,895	(26,425)	56,346
Sale of assets	65,000	62,459	(2,541)	102,136
Total nonoperating revenues	119,320	90,354	(28,966)	158,482
Total revenues	27,908,200	28,212,179	303,979	26,650,565
Expenditures:				
Electric operations:				
Salaries and employee benefits	5,116,235	5,040,340	75,895	4,616,033
Power purchases for resale	14,878,900	14,823,893	55,007	13,514,789
Utility sales tax	2,641,235	2,641,045	190	2,490,186
Repairs and maintenance	326,350	265,760	60,590	200,129
Other operating expenditures	1,540,765	2,290,649	(749,884)	1,237,493
Total electric operations	24,503,485	25,061,687	(558,202)	22,058,630
Debt service:				
Principal retirement	460,675	460,674	1	726,576
Interest and fees	53,980	53,976	4	52,460
Total debt service	514,655	514,650	5	779,036
Capital outlay	5,369,500	4,840,074	529,426	2,597,172
Total expenditures	30,387,640	30,416,411	(28,771)	25,434,838
Revenues over (under) expenditures	(2,479,440)	(2,204,232)	275,208	1,215,727
Other financing sources (uses):				
Transfer in from:				
General Fund	2,479,440	-	(2,479,440)	-
Pension Trust Fund	-	-	-	(34,400)
Total other financing sources (uses)	2,479,440	-	(2,479,440)	(34,400)
Revenues over (under) expenditures and other financing sources (uses)	\$ -	(2,204,232)	\$ (2,204,232)	1,181,327

**Town of Wake Forest, North Carolina
Electric Fund**

Schedule 22

**Schedule of Revenues and Expenses
Budget and Actual (Non - GAAP)**

for the Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		2024	
	Budget	Actual	Variance Positive (Negative)	Actual
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Depreciation		\$ (1,410,664)		\$ (1,392,804)
Capital outlay		4,840,074		2,597,172
Installment purchase proceeds		-		(250,905)
Principal retirement		460,674		726,576
(Increase)/Decrease in inventory		1,230,394		(1,475,094)
(Increase)/Decrease in accrued interest payable		2,536		7,511
(Increase)/Decrease in compensated absences		56,785		(9,596)
Pension expense		(803,905)		(736,414)
OPEB expense		(16,807)		-
Deferred outflows of resources for contributions made to pension plan in current fiscal year		345,240		288,672
Decrease in accrued other post employment benefits		-		174,831
Decrease in deferred inflows of resources-OPEB		-		150,831
Decrease in deferred outflows of resources-OPEB		-		(114,618)
Capital project funds:				
Investment earnings		24,541		29,409
Total reconciling items		<u>4,728,868</u>		<u>(4,429)</u>
Change in Net Position		<u>\$ 2,524,636</u>		<u>\$ 1,176,898</u>

Town of Wake Forest, North Carolina
Electric Capital Projects Fund Reserve
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
From Inception and for the Year Ended June 30, 2025

Schedule 23

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Nonoperating revenues:				
Investment earnings	\$ 170,000	\$ 51,240	\$ 24,541	\$ 75,781
Total nonoperating revenues	170,000	51,240	24,541	75,781
Total revenues	170,000	51,240	24,541	75,781
Other financing sources (uses):				
Transfer in from:				
Electric Fund	830,000	884,604	-	884,604
Electric Fund	(1,000,000)	(260,179)	-	(260,179)
Total other financing sources (uses)	(170,000)	624,425	-	624,425
Revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ 675,665	\$ 24,541	\$ 700,206

**Town of Wake Forest, North Carolina
Stormwater Fund**

Schedule 24

**Schedule of Revenues and Expenses
Budget and Actual (Non - GAAP)**

for the Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		2024	
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Charges for services	\$ 3,846,250	\$ 3,894,346	\$ 48,096	\$ -
Total operating revenues	3,846,250	3,894,346	48,096	-
Nonoperating revenues:				
Investment earnings	33,000	50,750	17,750	-
Total nonoperating revenues	33,000	50,750	17,750	-
Total revenues	3,879,250	3,945,096	65,846	-
Expenditures:				
Stormwater operations				
Salaries and employee benefits	230,835	217,526	13,309	-
Repairs and maintenance	48,355	22,706	25,649	-
Other operating expenditures	727,410	326,479	400,931	-
Total stormwater operations	1,006,600	566,711	439,889	-
Debt service:				
Principal retirement	-	6,007	(6,007)	-
Interest and fees	-	26	(26)	-
Total debt service	-	6,033	(6,033)	-
Capital outlay	22,650	24,270	(1,620)	-
Total expenditures	1,029,250	597,014	432,236	-
Revenues over (under) expenditures	2,850,000	3,348,082	498,082	-
Other financing sources (uses):				
Transfer out to:				
Stormwater Capital Reserve Fund	(2,850,000)	(2,850,000)	-	-
Issuance of debt	-	17,578	17,578	-
Total other financing sources (uses)	(2,850,000)	(2,832,422)	17,578	-
Revenues over (under) expenditures and other financing sources (uses)	\$ -	515,660	\$ 515,660	-

Town of Wake Forest, North Carolina
Stormwater Fund
Schedule of Revenues and Expenses
Budget and Actual (Non - GAAP)
for the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

Schedule 24

	2025		2024	
	Budget	Actual	Variance Positive (Negative)	Actual
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Amortization of subscription asset		\$ (2,051)		\$ -
Capital outlay		24,270		-
Lease financing		(17,578)		-
Lease principal payment		6,007		-
Increase in accrued interest payable		(98)		-
(Increase)/Decrease in compensated absences		(57,762)		-
Pension expense		(34,693)		-
OPEB expense		(731)		-
Deferred outflows of resources for contributions made to pension plan in current fiscal year		22,652		-
Transfer to Capital Reserve fund		2,850,000		-
Total reconciling items		2,790,016		-
Change in net position		\$ 3,305,676		\$ -

**Town of Wake Forest, North Carolina
Stormwater Capital Projects Fund Reserve
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
From Inception and for the Year Ended June 30, 2025**

Schedule 25

	Actual			
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Nonoperating revenues:				
Investment earnings	\$ 50,000	\$ -	\$ -	\$ -
Total nonoperating revenues	50,000	-	-	-
Total revenues	50,000	-	-	-
Other financing sources (uses):				
Transfer in from:				
Stormwater Fund	2,950,000	-	2,850,000	2,850,000
General Fund	(1,000,000)	-	-	-
Transfer out to:				
Capital Projects Fund	(2,000,000)	-	-	-
Total other financing sources (uses)	(50,000)	-	2,850,000	2,850,000
Revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ 2,850,000	\$ -

Town of Wake Forest, North Carolina
Fiduciary Fund
Pension Trust Fund
Combining Statement of Fiduciary Net Position
for the Fiscal Year Ended June 30, 2025

Schedule 26

	Other Post Employment Benefits Trust	Law Enforcement Special Separation Allowance Trust	Total Fiduciary funds
Assets			
Current assets:			
Cash and cash equivalents-restricted			
Law Enforcement Special Separation Trust	\$ -	\$ 51,974	\$ 51,974
Other Post Employment Benefits Trust	274,676	-	274,676
Subtotal current assets	274,676	51,974	326,650
Total assets	274,676	51,974	326,650
Net Position			
Restricted for Other Post Employment Benefits Trust:			
General Employees	239,755	-	239,755
Electric Fund Employees	34,921	-	34,921
Restricted for Law Enforcement Special Separation Allowance Trust	-	51,974	51,974
Total net position	\$ 274,676	\$ 51,974	\$ 326,650

**Town of Wake Forest, North Carolina
Fiduciary Fund
Pension Trust Fund
Combining Statement of Changes in Fiduciary Net Position
for the Fiscal Year Ended June 30, 2025**

Schedule 27

	Other Post Employment Benefits Trust	Law Enforcement Special Separation Allowance Trust	Total Fiduciary funds
Additions:			
Investment earnings	\$ 8,191	\$ 2,258	\$ 10,449
Employer contributions	626,939	324,713	951,652
Total additions	635,130	326,971	962,101
Deductions:			
Benefit payments	496,939	324,713	821,652
Total deductions	496,939	324,713	821,652
Net increase (decrease) in fiduciary net position	138,191	2,258	140,449
Net position - beginning of year	136,485	49,716	186,201
Net position - end of year	<u>\$ 274,676</u>	<u>\$ 51,974</u>	<u>\$ 326,650</u>

Town of Wake Forest, North Carolina
Analysis of Current Tax Levy
Town-Wide Levy
for the Fiscal Year Ended June 30, 2025

Schedule 28

	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	\$ 11,977,968,800	0.420	\$ 50,307,469	\$ 46,648,309	\$ 3,659,160
Penalties	-		14,450	14,450	-
Total	11,977,968,800		50,321,919	46,662,759	3,659,160
Discoveries:					
Prior year taxes	-		410,621	410,621	-
Less: abatements	(101,207,281)	0.420	(425,071)	(425,071)	-
Total property valuation	<u>\$ 11,876,761,519</u>				
Net levy			50,307,469	46,648,309	3,659,160
Less: uncollected taxes at June 30, 2025			100,271	87,986	12,285
Current year's taxes collected			<u>\$ 50,207,198</u>	<u>\$ 46,560,323</u>	<u>\$ 3,646,875</u>
Current levy collection percentage			<u>99.80%</u>	<u>99.81%</u>	<u>99.66%</u>

**Town of Wake Forest, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2025**

Schedule 29

Fiscal Year	Uncollected Balance June 30, 2024	Additions	Collections And Credits	Uncollected Balance June 30, 2025
2024-2025	\$ -	\$ 50,307,469	\$ 50,207,198	\$ 100,271
2023-2024	65,022	-	20,043	44,979
2022-2023	36,722	-	1,802	34,920
2021-2022	29,353	-	2,440	26,913
2020-2021	39,221	-	648	38,573
2019-2020	28,506	-	483	28,023
2018-2019	17,798	-	608	17,190
2017-2018	10,639	-	435	10,204
2016-2017	10,129	-	331	9,798
2015-2016	8,227	-	1,763	6,464
2014-2015	2,322	-	2,322	-
	<u>\$ 247,939</u>	<u>\$ 50,307,469</u>	<u>\$ 50,238,073</u>	<u>\$ 317,335</u>

Less allowance for uncollectible ad valorem tax receivable	(93,836)
Ad valorem taxes receivable - net	<u>\$ 223,499</u>
General Fund Taxes Receivable per the fund financial statements (Exhibit 3)	<u>\$ 592,037</u>
Less: Downtown Municipal Service District Taxes Receivable	(5,592)
Less: Vehicle Tax Receivable	(361,923)
General Fund Ad Valorem Taxes Receivable	<u><u>\$ 224,522</u></u>

Revenue reconciliation:

Ad valorem taxes - General Fund	\$ 50,090,440
Add (deduct):	
Releases allowed	230,071
Taxes written off	2,793
Penalties and interest	(85,231)
Total collections and credits	<u>\$ 50,238,073</u>

Town of Wake Forest, North Carolina
General Obligation Debt Service Requirements and Maturity Schedule
June 30, 2025

Schedule 30

Fiscal Year		Governmental Funds	
		Principal	Interest
2026	\$	3,347,000	\$ 1,696,979
2027		3,336,000	1,560,635
2028		2,900,000	1,432,376
2029		2,887,000	1,322,377
2030		2,878,000	1,203,105
2031-2035		12,695,000	4,453,685
2036-2040		9,900,000	2,133,913
2041-2045		6,160,000	591,200
Total	\$	44,103,000	\$ 14,394,270

Statistical Section

The statistical section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Town's overall financial health.

Financial Trends

These tables contain information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Trends

These tables contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

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

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Town of Wake Forest, North Carolina
Net Position by Category Last Ten Fiscal Years
(Accrual Basis of Accounting)
June 30, 2025

Table 1

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 144,053,526	\$ 161,330,230	\$ 172,179,914	\$ 240,687,066	\$ 236,048,865	\$ 242,074,620	\$ 268,941,397	\$ 353,509,786	\$ 368,064,179	\$ 384,316,542
Restricted for:										
Stabilization by State Statute	3,617,882	4,208,575	5,201,309	3,697,546	3,559,260	6,075,840	9,887,895	8,143,737	9,145,497	12,627,514
Inspections (HB 255)	-	163,45	351,107	-	-	-	-	-	-	-
Downtown District	255,346	266,635	278,314	276,322	276,779	341,865	340,789	428,774	462,304	575,262
Public Safety	343,673	334,069	355,564	317,916	317,892	376,579	418,868	465,799	514,84	593,726
Street and sidewalk improvements	954,214	1,983,593	2,745,290	3,224,084	16,283	-	-	-	-	-
Equipment and vehicles	969,307	-	219,155	683,654	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	2,706,433	8,038,559
General grant activities	-	-	-	-	-	-	-	-	-	213,699
Greenways	2,221,896	469,387	1,030,449	637,496	-	-	-	-	-	-
Public Works	-	-	-	2,879	-	-	-	-	-	-
Community Development	-	-	-	1,149	-	-	-	-	-	-
Cultural and Recreation	11,742	173,755	13,356,391	6,353	9,204	-	-	-	-	1,363,631
Unrestricted	1,568,337	(993,658)	(27,816,047)	(30,803,644)	(7,838,025)	3,311,100	10,762,974	20,074,733	14,178,876	18,371,453
Subtotal governmental activities net position	153,995,923	167,936,036	167,901,446	218,730,821	232,390,258	252,180,004	290,351,923	382,622,829	395,072,129	426,100,386
Business-type activities										
Net investment in capital assets	15,786,945	16,911,360	16,982,591	17,105,343	17,396,780	17,621,551	18,157,249	18,861,755	20,542,423	24,443,157
Unrestricted	3,798,069	3,336,296	2,447,316	3,796,410	3,801,870	3,522,260	3,015,741	2,826,079	3,797,839	5,698,623
Subtotal business-type activities net position	19,585,014	20,247,656	19,429,907	20,901,753	21,198,650	21,143,811	21,172,990	21,687,834	24,340,262	30,141,780
Primary Government										
Net investment in capital assets	159,840,471	178,241,590	189,162,505	257,792,409	253,445,645	259,696,171	287,098,646	372,371,541	388,606,602	408,759,699
Stabilization by State Statute	3,617,882	4,208,575	5,201,309	3,697,546	3,559,260	6,075,840	9,887,895	8,143,737	9,145,497	12,627,514
Inspections (HB 225)	-	163,45	351,107	-	-	-	-	-	-	-
Downtown District	255,346	266,635	278,314	276,322	276,779	341,865	340,789	428,774	462,304	575,262
Public Safety	343,673	334,069	355,564	317,916	317,892	376,579	418,868	465,799	514,84	593,726
Street improvements	954,214	1,983,593	2,745,290	3,224,084	16,283	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	2,706,433	8,038,559
Equipment and vehicles	969,307	-	219,155	683,654	-	-	-	-	-	-
General grant activities	-	-	-	-	-	-	-	-	-	213,699
Greenways	2,221,896	469,387	1,030,449	637,496	-	-	-	-	-	-
Public Works	-	-	-	2,879	-	-	-	-	-	-
Community Development	-	-	-	1,149	-	-	-	-	-	-
Cultural and Recreation	11,742	173,755	13,356,391	6,353	9,204	-	-	-	-	1,363,631
Unrestricted	5,366,406	2,342,638	(25,368,731)	(27,007,234)	(4,036,155)	6,833,360	13,778,715	22,900,812	17,976,715	24,070,076
Total primary government net position	\$ 173,580,937	\$ 188,183,692	\$ 187,331,353	\$ 239,632,574	\$ 253,588,908	\$ 273,323,815	\$ 311,524,913	\$ 404,310,663	\$ 419,412,391	\$ 456,242,166

Town of Wake Forest, North Carolina
Changes in Net Position Last Ten Fiscal Years
(Accrual Basis of Accounting)
June 30, 2025

Table 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General Government	\$ 11,422,995	\$ 12,869,405	\$ 13,074,362	\$ 14,299,862	\$ 12,354,370	\$ 18,422,121	\$ 25,372,409	\$ 24,445,426	\$ 30,203,908	\$ 27,851,545
Public Safety	15,997,273	14,515,834	15,553,468	16,907,529	16,087,550	21,459,650	21,789,190	24,166,133	27,808,539	33,307,636
Transportation	1,785,023	2,276,688	5,606,567	8,234,442	6,012,293	9,931,088	5,327,812	8,749,791	9,587,057	15,308,873
Environmental Protection	3,081,207	3,312,425	3,594,622	3,798,036	3,743,415	4,308,854	4,584,944	5,168,451	5,905,406	7,200,105
Cultural and Recreational	1,951,732	6,865,664	4,432,829	2,574,238	5,294,637	3,674,315	4,791,286	7,348,682	7,792,472	7,494,801
Interest on long-term debt	748,481	604,099	625,012	1,257,960	1,217,267	1,158,958	1,160,705	1,136,145	1,156,476	1,639,005
Subtotal governmental activities expense	34,986,711	40,444,115	42,886,860	47,072,067	44,709,532	58,954,986	63,026,346	71,014,628	82,453,858	92,801,965
Business-type activities:										
Water and sewer	27,761	11,907	-	-	-	-	-	-	-	-
Electric	18,172,784	19,562,897	20,200,887	19,680,438	20,317,296	21,405,442	22,454,743	22,279,568	24,025,064	25,712,085
Stormwater	-	-	-	-	-	-	-	-	-	639,420
Subtotal business-type activities expenses	18,200,545	19,574,804	20,200,887	19,680,438	20,317,296	21,405,442	22,454,743	22,279,568	24,025,064	26,351,505
Total primary government expenses	53,187,256	60,018,919	63,087,747	66,752,505	65,026,828	80,360,428	85,481,089	93,294,196	106,478,922	119,153,470
Program Revenues										
Governmental activities:										
Charges for Services										
General Governmental	(2,985,095)	2,456,723	2,874,041	2,641,893	4,232,238	1,009,675	4,344,408	3,368,369	3,573,843	1,565,857
Public Safety	641,804	544,319	685,319	406,705	44,000	-	666,761	426,057	41,245	737,727
Transportation	18,663	91,773	126,506	174,785	-	375,000	713,004	1,118,119	1,239,194	1,792,086
Environmental Protection	174,647	185,245	174,764	143,845	-	-	3,499,914	3,454,042	4,017,262	4,498,933
Cultural and Recreational	987,346	1,601,675	1,124,097	1,943,860	1,423,238	6,829,996	4,458,049	4,020,993	3,500,652	3,182,347
Operating Grants and Contributions										
General Governmental	-	7,994	5,070	17,589	1,460,656	2,931,282	245,334	2,147,623	392,002	335,584
Public Safety	78,823	75,676	75,676	122,239	79,275	-	1,860,517	2,157,545	2,630,133	3,123,530
Transportation	946,028	852,302	868,086	879,928	-	-	1,282,385	1,580,794	1,552,310	1,957,093
Environmental Protection	-	-	-	-	-	-	-	24,000	-	46,619
Cultural and Recreational	20,975	80,33	755,194	211,655	153,225	17,636	211,066	5,000	509,816	124,049
Capital Grants and Contributions										
General Governmental	-	-	-	28,731	4,568	69,947	938,213	-	604,547	3,218,724
Public Safety	65,450	5,68	20,865	-	3,386	-	-	579,855	-	-
Transportation	7,870,624	10,193,724	8,328,200	49,687,277	5,838,274	15,691,743	27,928,864	83,564,981	8,866,460	28,295,668
Environmental Protection	11,000	-	-	-	-	-	-	346,992	759,953	-
Cultural and Recreational	13,541	3,347,745	20,222	298,467	2,483,118	2,313,439	-	819,841	2,366,234	656,138
Subtotal governmental activities program revenues	7,843,806	19,443,186	15,058,040	56,556,974	15,721,978	29,238,718	46,148,515	103,614,211	30,053,651	49,534,355

Town of Wake Forest, North Carolina
Changes in Net Position Last Ten Fiscal Years
(Accrual Basis of Accounting)
June 30, 2025

Table 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-type activities:										
Charges for Services - Electric	19,946,073	19,948,850	20,670,944	20,988,155	20,461,307	20,964,168	22,477,422	22,794,412	26,677,492	28,121,825
Charges for Services-Stormwater	-	-	-	-	-	-	-	-	-	3,894,346
Subtotal business-type activities	19,946,073	19,948,850	20,670,944	20,988,155	20,461,307	20,964,168	22,477,422	22,794,412	26,677,492	32,016,171
Total primary government program revenues	27,789,879	39,392,036	35,728,984	77,545,129	36,183,285	50,202,886	68,625,937	126,408,623	56,731,143	81,550,526
Net (Expense) Revenue										
Governmental activities	(27,142,905)	(21,000,929)	(27,828,820)	9,484,907	(28,987,554)	(29,716,268)	(16,877,831)	32,599,583	(52,400,207)	(43,267,610)
Business-type activities:										
Water and sewer	(27,761)	(11,907)	-	-	-	-	-	-	-	-
Electric	1,773,289	385,953	470,057	1,307,717	144,011	(441,274)	22,679	514,844	2,652,428	2,409,740
Stormwater	-	-	-	-	-	-	-	-	-	3,254,926
Subtotal business-type activities	1,745,528	374,046	470,057	1,307,717	144,011	(441,274)	22,679	514,844	2,652,428	5,664,666
Total primary government net expense	(25,397,377)	(20,626,883)	(27,358,763)	10,792,624	(28,843,543)	(30,157,542)	(16,855,152)	33,114,427	(49,747,779)	(37,602,944)
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Property taxes, levied for general purpose	23,681,908	24,545,443	25,966,222	27,789,480	29,419,885	33,785,203	35,516,837	37,045,883	40,198,931	50,090,440
Other taxes and licenses	64,894	70,711	75,096	55,488	46,985	44,468	55,865	55,512	63,546	74,570
Unrestricted intergovernmental	9,464,778	9,845,432	10,308,211	11,090,320	11,365,093	12,754,023	17,034,220	18,676,830	19,411,697	21,478,256
Unrestricted investment earnings	110.6	177,663	293,076	750,509	360,928	79,215	150,419	1,340,353	2,411,850	2,551,366
Miscellaneous	1,111,923	1,447,361	1,048,382	1,658,671	1,454,100	2,843,105	1,595,433	2,552,745	2,763,483	1,723,383
Special items	-	-	-	-	-	-	703,476	-	-	-
Transfers	-	-	-	-	-	-	(6,500)	-	-	-
Subtotal governmental activities	34,434,103	36,086,610	37,690,987	41,344,468	42,646,991	49,506,014	55,049,750	59,671,323	64,849,507	75,918,015
Business type activities:										
Unrestricted investment earnings	38,254	33,004	35,208	86,707	54,302	1,617	-	-	-	103,186
Miscellaneous	102,170	255,592	423,602	77,422	98,584	384,818	-	-	-	62,459
Transfers	-	-	-	-	-	-	6,500	-	-	-
Subtotal business-type activities	140,424	288,596	458,810	164,129	152,886	386,435	6,500	-	-	165,645
Total primary government	34,574,527	36,375,206	38,149,797	41,508,597	42,799,877	49,892,449	55,056,250	59,671,323	64,849,507	76,083,660
Change in Net Position										
Governmental activities	7,291,198	15,085,681	9,862,167	50,829,375	13,659,437	19,789,746	38,171,919	92,270,906	12,449,300	32,650,405
Business-type activities	1,885,952	662,642	928,867	1,471,846	296,897	(54,839)	29,179	514,844	2,652,428	5,830,311
Total primary Government	\$ 9,177,150	\$ 15,748,323	\$ 10,791,034	\$ 52,301,221	\$ 13,956,334	\$ 19,734,907	\$ 38,201,098	\$ 92,785,750	\$ 15,101,728	\$ 38,480,716

**Town of Wake Forest, North Carolina
Fund Balances Governmental Funds Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
June 30, 2025**

Table 3

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Non Spendable										
Inventories	\$ 15,942	\$ 12,958	\$ 16,710	\$ 15,069	\$ 17,141	\$ 17,911	\$ 22,688	\$ 21,811	\$ 20,311	\$ 22,185
Prepayments	74,031	69,775	100,85	124,878	136,802	108,634	167,410	129,213	47,871	40,569
Restricted:										
Stabilization by State Statute	3,617,882	4,208,575	5,201,309	3,697,546	3,568,985	6,075,840	9,887,895	8,143,737	9,141,281	12,627,514
Inspections (HB 255)	-	163,450	351,107	-	-	-	-	-	-	-
Downtown District	255,346	266,635	278,314	276,322	276,779	341,865	340,789	428,774	462,304	575,262
Public Safety	343,673	334,069	354,521	317,916	313,892	376,579	418,868	471,489	500,777	593,726
Economic Development	-	-	-	-	-	102,326	-	-	-	-
Equipment and vehicles	969,307	-	219,155	683,654	-	-	-	-	-	-
Committed										
Economic Development	-	-	-	-	-	-	213,978	372,61	431,200	433,843
Cultural and recreational	-	-	-	-	-	-	61,429	218,931	201,108	426,123
Assigned:										
Subsequent years expenditures	1,161,500	1,481,115	1,597,145	2,182,500	812,4	1,200,600	1,777,205	2,287,000	2,120,665	2,522,500
Unassigned	8,013,074	9,521,082	8,360,653	9,955,217	10,771,209	13,628,106	16,854,068	23,106,645	23,812,588	22,983,599
Total General Fund	\$ 14,450,755	\$ 16,057,659	\$ 16,479,764	\$ 17,253,102	\$ 15,897,208	\$ 21,851,861	\$ 29,755,190	\$ 35,180,210	\$ 36,738,105	\$ 40,225,321
All Other Governmental Funds										
Committed:										
Economic Development	\$ 1,030,500	\$ 1,082,750	\$ 1,418,720	\$ 1,510,489	\$ 1,437,644	\$ 1,508,812	\$ 1,575,339	\$ 1,643,690	\$ 1,786,655	\$ 1,941,388
Restricted:										
Transportation	954,214	1,983,593	2,745,290	-	-	-	-	-	213,251	11,835,644
Unspent debt proceeds	-	-	-	-	-	-	-	-	2,493,182	-
General grant activities	-	-	-	-	-	-	348,107	494,571	843,251	213,699
Culture and recreation	-	-	13,341,012	-	-	10,504	19,677	-	-	3,578,681
Street and sidewalk improvements	-	-	-	3,224,084	16,283	-	-	-	-	-
Public Safety	-	-	-	-	-	8,829	(343,046)	-	14,063	-
Greenways	2,221,896	469,387	1,030,449	637,496	-	-	-	-	-	-
Grants	11,742	173,755	16,422	10,381	9,204	-	-	-	-	-
Assigned:										
Subsequent years expenditures	1,242,997	1,728,468	-	-	1,383,122	213,802	217,84	344,226	537,630	-
Debt service	-	-	1,055,143	302,046	108,054	369,15	591,377	980,041	2,026,434	5,040,931
Culture and recreation	1,665,395	1,630,042	2,431,103	2,901,051	2,180,928	5,701,041	9,388,363	12,205,759	11,421,461	12,825,061
Cemetery improvements	69,372	69,699	56,046	56,847	-	-	-	-	-	-
Public Safety	-	-	1,218,444	1,434,819	337,419	927,904	1,508,017	1,908,081	2,377,206	4,082,647
Housing Initiatives	-	-	-	-	-	-	-	-	202,246	1,380,974
Roadway projects	-	-	835,124	948,462	814,774	1,584,474	1,790,635	1,796,150	616,290	-
Asset maintenance	-	-	49,948	45,302	17,653	-	64,586	60,627	63,122	-
Unassigned	-	(3,979,125)	(4,270,147)	(4,849,418)	(7,727,805)	(1,500,574)	(1,964,285)	(1,352,460)	(1,472,564)	(400,938)
Total all other Governmental Funds	\$ 7,196,116	\$ 3,158,569	\$ 19,927,554	\$ 6,221,559	\$ (1,422,724)	\$ 8,823,942	\$ 13,196,610	\$ 18,080,685	\$ 21,122,227	\$ 40,498,087

Note (1): Changes from 2016 to 2017 were mainly due to expenditures for the 2014 bond related projects.

In addition, there was significant activity for projects funded by federal grant, as well as those to be funded by future debt issuance.

Note (2): Changes from 2017 to 2018 were due mainly to GO bond issuance in June 2018.

Town of Wake Forest, North Carolina
Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
June 30, 2025

Table 4

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Ad Valorem Taxes	\$ 23,681,908	\$ 24,545,443	\$ 25,966,222	\$ 27,789,480	\$ 29,419,885	\$ 33,785,203	\$ 35,516,837	\$ 37,045,883	\$ 40,198,931	\$ 50,090,440
Other Taxes	64,894	70,711	75,096	55,488	46,985	44,468	55,865	55,512	63,546	74,570
Unrestricted Intergovernmental	9,464,778	9,845,432	10,308,211	11,090,320	11,365,093	12,754,023	17,034,220	18,676,830	19,411,697	21,478,256
Restricted Intergovernmental	1,162,325	4,674,540	2,679,743	6,089,714	4,182,070	4,179,451	5,939,879	6,702,661	7,999,504	8,044,181
Permits and Fees	3,200,322	3,867,619	4,333,204	4,260,255	4,913,100	9,216,189	9,120,690	7,642,113	7,009,044	6,145,807
Sales and Services	967,433	800,167	776,303	1,050,656	721,424	2,105,209	4,597,047	4,745,467	5,363,152	5,631,143
Miscellaneous	892,367	1,045,895	941,708	1,659,716	1,524,594	2,338,738	1,670,210	3,510,211	2,802,659	2,142,679
Investment Earnings	151,696	187,357	316,625	692,804	307,017	29,101	71,701	2,054,151	3,193,114	3,567,675
Donations	-	-	-	-	-	-	-	-	-	57,901
Total revenues	39,585,723	45,037,164	45,397,112	52,688,433	52,480,168	64,452,382	74,006,449	80,432,828	86,041,647	97,232,652
Expenditures										
General Government	9,987,406	10,114,354	10,915,763	12,127,881	13,092,963	13,981,212	16,710,458	18,357,979	20,890,251	22,385,969
Public Safety	15,344,482	13,730,482	14,386,094	15,963,299	18,858,089	20,025,838	21,516,649	24,455,943	27,847,693	31,011,594
Transportation	1,982,830	2,009,350	2,109,389	2,166,297	2,311,478	2,393,628	2,528,773	3,585,193	3,006,879	3,433,668
Environmental Protection	2,982,465	3,158,944	3,426,135	3,626,355	3,853,434	4,175,023	4,569,800	5,048,879	5,796,968	6,975,849
Cultural and Recreational	2,866,153	3,097,344	3,281,932	3,635,384	3,810,464	3,658,433	4,223,880	5,443,245	5,972,089	6,889,798
Capital outlay	3,102,334	12,251,028	14,105,263	27,581,846	13,408,233	9,166,742	7,808,168	7,235,393	21,655,412	23,244,821
Debt service:										
Lease principal	-	-	-	-	-	-	210,791	234,752	497,202	-
Lease interest & other charges	-	-	-	-	-	-	4,615	6,906	73,577	-
Bond Principal	1,215,000	1,253,000	1,245,000	2,067,000	5,650,000	1,920,000	2,222,000	2,209,000	2,195,000	-
Bond Interest	538,038	410,917	379,189	909,555	862,529	743,736	848,657	856,919	778,984	-
Installment note principal	2,884,020	2,881,069	2,945,536	3,380,080	3,466,684	3,576,443	4,004,868	3,781,046	3,880,190	-
Installment note interest	257,952	212,44	230,681	347,043	413,396	379,03	330,762	246,592	316,338	-
(2) Debt principal	-	-	-	-	-	-	-	-	-	6,864,882
(2) Interest and other charges	-	-	-	-	-	-	-	-	-	1,645,992
Total expenditures	41,160,680	49,118,928	53,024,982	71,804,740	65,727,269	60,020,085	64,979,421	71,461,847	92,910,583	102,452,573
Revenues over (under) expenditures	(1,574,957)	(4,081,764)	(7,627,870)	(19,116,307)	(13,247,101)	4,432,297	9,027,028	8,970,981	(6,868,936)	(5,219,921)
Other Financing Sources (Uses)										
Transfers in	2,916,749	1,693,359	5,928,103	5,960,025	9,458,307	9,396,065	8,001,662	7,560,907	12,574,023	15,688,764
Transfers (out)	(2,916,749)	(1,693,360)	(5,928,103)	(5,960,025)	(9,458,307)	(6,896,065)	(8,008,162)	(7,560,907)	(12,574,023)	(15,688,764)
Donations	-	-	-	-	-	-	71,845	-	106,944	-
Contribution to Pension Trust	-	-	-	-	-	-	-	-	(150,000)	-
Transfer from NCHIP reserve	-	-	-	-	-	-	703,476	-	-	415,000
Proceeds from Wake Forest Fire Dept	-	-	-	-	-	64,481	-	-	-	-
Installment note proceeds	871,7	1,023,170	-	-	-	-	-	-	-	-
Lease liabilities issued	-	-	-	-	-	-	716,888	195,124	4,651,834	242,651
Issuance of debt	-	-	-	-	-	-	1,763,260	1,142,990	6,859,595	27,425,346
Bond premium/(issuance costs)	-	-	770,970	-	-	-	-	-	-	-
Bond issuance	65,057	-	24,048,550	6,183,650	4,246,925	9,204,540	-	-	-	-
Insurance recovery - Shop Fire 2016	-	627,952	-	-	-	-	-	-	-	-
Total other financing sources (uses)	936,757	1,651,121	24,819,520	6,183,650	4,246,925	11,769,021	3,248,969	1,338,114	11,468,373	28,082,997
Net changes in fund balances	(638,200)	(2,430,643)	17,191,650	(12,932,657)	(9,000,176)	16,201,318	12,275,997	10,309,095	4,599,437	22,863,076
Fund balance - beginning of year (as previously reported)	22,285,071	21,646,871	19,216,228	36,407,318	23,474,661	14,474,485	30,675,803	42,951,800	53,260,895	57,860,332
Adjustments to beginning fund balance	-	-	(560)	-	-	-	-	-	-	-
Fund balance - beginning of year (as restated)	22,285,071	21,646,871	19,215,668	36,407,318	23,474,661	14,474,485	30,675,803	42,951,800	53,260,895	57,860,332
Fund balance - end of year	\$ 21,646,871	\$ 19,216,228	\$ 36,407,318	\$ 23,474,661	\$ 14,474,485	\$ 30,675,803	\$ 42,951,800	\$ 53,260,895	\$ 57,860,332	\$ 80,723,408
Debt service as a percentage of noncapital expenditures	12.86%	12.90%	12.33%	15.16%	19.86%*	13.02%	12.95%	11.04%	10.06%	10.75%

⁽¹⁾ Debt service percentage for FY 2020 is skewed because it includes debt service expenditures related to refunded General Obligation bonds.

⁽²⁾ Bond, installment and lease principal and interest for FY25 were consolidated for presentation.

**Town of Wake Forest, North Carolina
Government-wide Revenues
Last Ten Fiscal Years
June 30, 2025**

Table 5

Program Revenues					General Revenue				
Fiscal Year	*Charges for Services	Operating Grants and Contributions	*Capital Grants and Contributions	Taxes	Unrestricted Intergovernmental	Unrestricted Investment Earnings	Miscellaneous	Total	
2016	\$ 18,783,438	\$ 1,045,826	\$ 7,960,615	\$ 23,746,802	\$ 9,464,778	\$ 148,854	\$ 1,214,093	\$ 62,364,406	
2017	24,828,585	1,016,302	13,547,149	24,616,154	9,845,432	210,667	1,702,953	75,767,242	
2018	25,655,671	1,704,026	8,369,287	26,041,318	10,308,211	328,284	1,471,984	73,878,781	
2019	26,299,243	1,231,411	50,014,475	27,844,968	11,090,320	837,216	1,736,093	119,053,726	
2020	26,160,783	1,693,156	8,329,346	29,466,870	11,365,093	415,230	1,552,684	78,983,162	
2021	29,178,839	2,948,918	18,075,129	33,829,671	12,754,023	80,832	3,227,924	100,095,336	
2022	36,159,558	3,599,302	28,867,077	35,572,702	17,034,220	150,419	2,298,909	123,682,187	
2023	35,181,992	5,914,962	85,311,669	37,101,395	18,676,830	1,340,353	2,552,745	186,079,946	
2024	39,049,688	5,084,261	12,597,194	40,262,477	19,411,697	2,411,850	2,763,483	121,580,650	
2025	43,793,121	5,586,875	32,170,530	50,165,010	21,478,256	2,654,552	1,785,842	157,634,186	

*Charges for Services for FY 2016 includes a bond refunding amount of \$5,125,000 for the 2006 Public Improvements Bond \$9,200,000 issuance.

*Capital Grants and Contributions for FY 2019 includes a significant addition of streets acceptances.

*Charges for Services for FY 2020 includes a bond refunding amount of \$4,015,000 for the 2009A Public Improvements Bond \$7,300,000 issuance.

Town of Wake Forest, North Carolina
General Governmental Revenues by Source⁽¹⁾
Last Ten Fiscal Years
June 30, 2025

Table 6

Fiscal Year	Taxes ⁽²⁾	Intergovernmental	Permits and Fees	Sales and Services	Investment Earnings	Miscellaneous Revenues	Donations	Total
2016	\$ 33,211,580	\$ 930,429	\$ 2,052,949	\$ 967,433	\$ 46,407	\$ 828,639	-	\$ 38,037,437
2017	34,461,586	947,925	2,513,613	800,167	90,837	923,876	-	39,738,004
2018	36,349,529	970,325	2,966,351	776,303	188,209	814,512	-	42,065,229
2019	38,935,288	982,520	2,751,351	1,050,656	338,653	1,068,017	-	45,126,485
2020	40,831,963	1,061,286	3,027,187	711,918	204,904	1,265,744	-	47,103,002
2021	46,583,694	3,529,610	4,099,596	2,105,209	13,444	1,515,751	-	57,847,304
2022	52,606,922	3,136,214	4,771,131	4,597,047	40,859	1,592,730	-	66,744,903
2023	55,778,225	3,405,109	3,809,719	4,745,467	1,253,757	2,637,136	-	71,629,413
2024	59,674,174	4,593,072	3,948,944	5,363,152	1,856,693	2,727,059	-	78,163,094
2025	71,643,266	4,797,240	3,161,250	5,631,143	1,620,735	2,077,245	52,901	88,983,780

Notes:

⁽¹⁾ Includes General Fund, Special Revenue Funds (Wake Forest Renaissance Centre, Downtown District Special Tax, Police Department Special Fund) and Debt Service Fund.

⁽²⁾ Taxes include Ad Valorem, Sales Tax, Beer & Wine and Utility Distributio.

**Town of Wake Forest, North Carolina
General Governmental Expenditures by Function⁽¹⁾
Last Ten Fiscal Years
June 30, 2025**

Table 7

Fiscal Year	General Government	Public Safety	Transportation	Environmental Protection	Cultural and Recreational	Debt Service	(1) Fiscal Year Total
2016	\$ 10,751,122	\$ 15,883,240	\$ 2,079,603	\$ 3,399,391	\$ 2,582,951	\$ 4,895,010	\$ 39,591,317
2017	10,113,394	13,719,419	2,009,350	3,158,944	3,073,887	4,757,426	36,832,420
2018	10,909,253	14,333,034	2,109,389	3,426,135	3,223,971	4,800,406	38,802,188
2019	12,036,115	15,881,411	2,166,297	3,626,355	3,579,256	6,703,678	43,993,112
2020	12,833,820	18,857,942	2,311,478	3,853,434	3,734,209	10,464,409	52,055,292
2021	13,768,929	19,990,107	2,273,802	4,171,087	3,572,648	6,619,209	50,395,782
2022	16,060,458	21,498,512	2,528,773	4,569,800	4,021,987	7,621,693	56,301,223
2023	18,007,979	24,412,773	2,782,192	5,010,098	5,075,438	7,335,215	62,623,695
2024	20,857,824	27,826,497	3,004,679	5,796,968	5,938,357	7,741,290	71,165,615
2025	21,577,751	30,993,991	3,181,157	6,706,168	6,403,168	8,510,874	77,373,109

⁽¹⁾ Unconsolidated General Fund and Debt Service Fund. Does not include capital outlay expenditures.

Town of Wake Forest, North Carolina
Government-wide Expenses by Function
Last Ten Fiscal Years
June 30, 2025

Table 8

Fiscal Year	General Government	Public Safety	Transportation	Environmental Protection	Cultural and Recreation	Interest on Long-term Debt	Stormwater	Electric	Total
2016	\$ 11,422,995	\$ 15,997,273	\$ 1,785,023	\$ 3,081,207	\$ 1,951,732	\$ 748,481	-	\$ 18,172,784	\$ 53,159,495
2017	12,869,405	14,515,834	2,276,688	3,312,425	6,865,664	604,099	-	19,562,897	60,007,012
2018	13,074,362	15,553,468	5,606,567	3,594,622	4,432,829	625,012	-	20,200,887	63,087,747
2019	14,299,862	16,907,529	8,234,442	3,798,036	2,574,238	1,257,960	-	19,680,438	66,752,505
2020	12,354,370	16,087,550	6,012,293	3,743,415	5,294,637	1,217,268	-	20,317,296	65,026,829
2021	18,422,121	21,459,650	9,931,088	4,308,854	3,674,315	1,158,958	-	21,405,438	80,360,424
2022	25,372,409	21,789,190	5,327,812	4,584,944	4,791,286	1,160,705	-	22,454,743	85,481,089
2023	24,445,426	24,166,133	8,749,791	5,168,451	7,348,682	1,136,145	-	22,279,568	93,294,196
2024	30,203,908	27,808,539	9,587,057	5,905,406	7,792,472	1,156,476	-	24,025,064	106,478,922
2025	27,851,545	33,307,636	15,308,873	7,200,105	7,494,801	1,639,005	639,420	25,712,085	119,153,470

Town of Wake Forest, North Carolina
Assessed Values of Taxable Property
Last Ten Fiscal Years
June 30, 2025

Table 9

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
2016	2015*	\$ 3,938,881,667	\$ 533,343,249	\$ 45,164,560	\$ 4,517,389,476	0.520	100%
2017	2016	4,062,038,937	587,751,713	53,461,252	4,703,251,902	0.520	100%
2018	2017	4,338,087,926	594,060,969	45,195,145	4,977,344,040	0.520	100%
2019	2018	4,639,886,284	636,546,681	46,632,737	5,323,065,702	0.520	100%
2020	2019	4,932,636,055	677,262,332	49,964,357	5,659,862,744	0.520	100%
2021	2020	6,005,443,538	743,366,531	50,972,511	6,799,782,580	0.495	100%
2022	2021	6,298,703,850	779,326,464	53,739,040	7,131,769,354	0.495	100%
2023	2022	6,525,239,377	864,714,178	55,991,697	7,445,945,252	0.495	100%
2024	2023	6,912,389,750	947,339,363	59,993,237	7,919,722,350	0.505	100%
2025	2024	10,797,846,746	1,013,262,063	65,652,710	11,876,761,519	0.420	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. Wake County elects to revalue property every four (4) years. The last revaluation occurred as of December 31, 2024.

*Amount does not agree to that fiscal year's ACFR; amount was adjusted in subsequent fiscal year reporting.

Town of Wake Forest, North Carolina
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
June 30, 2025

Table 10

Fiscal Year	Town of Wake Forest	Wake County	Combined Tax Rate Per \$100 of Assessed Value
2016	0.520	0.601	1.121
2017	0.520	0.615	1.135
2018	0.520	0.615	1.135
2019	0.520	0.654	1.174
2020	0.520	0.721	1.241
2021	0.495	0.600	1.095
2022	0.495	0.600	1.095
2023	0.495	0.600	1.095
2024	0.505	0.513	1.018
2025	0.420	0.513	0.933

**Town of Wake Forest, North Carolina
Principal Property Taxpayers
Current Year and Nine Years Ago
June 30, 2025**

Table 11

Taxpayer	2025			2016		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
WF-GCA Holding Village LLC	\$ 86,095,099	1	0.72%	\$ -	-	-
Meridian at Rogers Branch LLC	79,332,270	2	0.67%	-	-	-
Legacy Heritage Lake Road LLC	79,055,421	3	0.67%	-	-	-
Legacy Wake Forest LLC	72,812,300	4	0.61%	-	-	-
G98 MF LLC	68,991,651	5	0.58%	-	-	-
Hawthorne at Traditions Apartments	64,839,869	6	0.55%	-	-	-
Wake Forest Apartments LLC	57,945,087	7	0.49%	29,854,501	1	0.66%
Merritt-WF	51,125,886	8	0.43%	-	-	-
KE Capital Owner TIC LLC	48,390,362	9	0.41%	-	-	-
WMCI Raleigh IV LLC	47,192,477	10	0.40%	22,765,335	4	0.50%
Crossroads Holdings LLC	-	-	-	28,710,113	2	0.64%
Wake Electric Membership Corp.	-	-	-	24,790,195	3	0.55%
Caveness Partners LLC	-	-	-	21,105,703	5	0.47%
Weingarten Investments Inc.	-	-	-	20,737,553	6	0.46%
Gateway Forest LLC	-	-	-	20,120,713	7	0.45%
Heritage Gardens	-	-	-	19,917,547	8	0.44%
The Macsydney Company II LLC	-	-	-	19,829,851	9	0.44%
Walmart	-	-	-	17,041,268	10	0.38%
Total	<u>\$ 655,780,422</u>		5.52%	<u>\$ 224,872,779</u>		4.98%
Total Assessed Value	<u>\$11,876,761,519</u>			<u>\$ 4,517,389,476</u>		

Source: Wake County Revenue Department

Town of Wake Forest, North Carolina
Ratio of annual Debt Service Expenditures for General Obligation
Bonded Debt to Total General Governmental Expenditures
Last Ten Fiscal Years
June 30, 2025

Table 12

Fiscal Year	Principal	Interest ⁽¹⁾	Total Debt Service	Total General Governmental Expenditures ⁽²⁾	Ratio of Debt Service to General Governmental Expenditures
2016	\$ 1,215,000	\$ 538,038	\$ 1,753,038	\$ 39,889,279	4.4%
2017	1,253,000	410,917	1,663,917	39,602,453	4.2%
2018	1,245,000	379,189	1,624,189	42,113,437	3.9%
2019	2,067,000	909,556	2,976,556	45,801,709	6.5%
2020	1,635,000	862,529	2,497,529	50,052,482	5.0%
2021	1,920,000	743,736	2,663,736	52,982,893	5.0%
2022	2,222,000	848,657	3,070,657	59,999,642	5.1%
2023	2,209,000	856,919	3,065,919	66,111,024	4.6%
2024	2,195,000	778,984	2,973,984	83,868,930	3.5%
2025	6,864,882	1,645,992	8,510,874	81,558,675	10.4%

⁽¹⁾ Excludes bond issuance and other costs.

⁽²⁾ Includes both General Fund and Debt Service Fund.

**Town of Wake Forest, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years
June 30, 2025**

Table 13

Fiscal Year	Collected within the Fiscal Year of the Levy					Total Collections to Date				
	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy		
2016	\$ 23,561,063	\$ -	\$ 23,561,063	\$ 23,523,354	99.84%	\$ 37,709	\$ 23,561,063	100.00%		
2017	24,578,867	-	24,578,867	24,544,133	99.86%	34,734	24,578,867	100.00%		
2018	25,954,547	-	25,954,547	25,922,302	99.88%	32,245	25,954,547	100.00%		
2019	27,738,784	-	27,738,784	27,694,586	99.84%	39,110	27,733,696	99.98%		
2020	29,491,642	-	29,491,642	29,403,822	99.70%	45,066	29,448,888	99.86%		
2021	33,810,785	-	33,810,785	33,662,899	99.56%	147,886	33,810,785	100.00%		
2022	35,387,282	-	35,387,282	35,321,835	99.82%	35,728	35,357,563	99.92%		
2023	36,929,346	-	36,929,346	36,863,733	99.82%	26,934	36,890,667	99.90%		
2024	40,031,136	-	40,031,136	39,966,114	99.84%	20,043	39,986,157	99.89%		
2025	50,307,469	-	50,307,469	50,207,198	99.80%	-	50,207,198	99.80%		

Town of Wake Forest, North Carolina
Demographic Statistics
Last Ten Fiscal Years
June 30, 2025

Table 14

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
2016	39,012	\$ 33,124	34.7	157,180	4.3%	3.6%
2017	41,157	34,845	36.2	159,549	3.8%	3.6%
2018	43,287	35,752	35.5	160,429	3.9%	3.9%
2019	45,264	37,315	35.0	160,471	3.6%	3.6%
2020	47,220	39,102	35.0	160,471	6.6%	6.1%
2021	50,244	40,982	36.0	160,471	3.8%	3.9%
2022	54,274	42,721	35.0	159,802	3.4%	3.0%
2023	56,681	43,601	38.6	159,000	3.2%	3.0%
2024	60,146	47,191	39.0	159,799	3.6%	3.6%
2025	61,987	49,948	37.7	161,115	3.4%	3.3%

Sources:

⁽¹⁾ Wake Forest Business & Industry Partnership - 2024 Community Profile (discoverwakeforest.org).

⁽²⁾ North Carolina Department of Commerce and/or Census.gov - Information is calculated on the county level. Information is not maintained at the Town level. Information is estimated based on projections from censusreporter.org

⁽³⁾ Per censusreporter.org.

⁽⁴⁾ National Center for Education Statistics (nces.ed.gov).

(5 and 6) North Carolina State Employment Security Commission for Wake County and US Bureau of Labor & Statistics.

**Town of Wake Forest, North Carolina
Legal Debt Margin Information
Last Ten Fiscal Years
June 30, 2025**

Table 15

Fiscal Year	Debt Limit	Less: Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2016	\$ 361,391,158	\$ 46,192,088	\$ 315,199,070	12.78%
2017	376,260,152	43,081,189	333,178,963	11.45%
2018	398,187,525	47,119,203	351,068,320	11.83%
2019	425,845,256	47,824,037	378,021,219	11.23%
2020	452,789,180	42,954,278	409,834,902	9.49%
2021	543,982,606	44,156,859	499,825,747	8.12%
2022	570,541,548	39,698,054	530,843,509	6.96%
2023	580,461,355	109,850,983	470,610,372	18.92%
2024	633,577,788	110,635,388	522,942,400	17.46%
2025	950,140,922	107,287,194 ⁽¹⁾	842,853,728	11.29%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	11,876,761,519
Debt Limit (8% of total assessed value)	950,140,922
Debt applicable to limit	107,287,194
Legal debt margin	<u>\$ 842,853,728</u>
Percentage of debt to debt limit	<u>11.29%</u>

⁽¹⁾ Debt Applicable to Limit includes \$44,103,000 outstanding bonded debt, \$52,950,000 in authorized and unissued bonds, and \$10,234,194 general long-term installment notes.

*\$30,000 from 2016 refunding rescinded in July 2018. It was removed from Authorized and Unissued total. Therefore, it is not included in the Total Debt Applicable to Limit.

Town of Wake Forest, North Carolina
Ratio of Net General Obligation Bonded Debt
to Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years
June 30, 2025

Table 16

Fiscal Year	(1) Population	Assessed Value	General Bonded Debt Outstanding		Ratio of Net Bonded Debt to Assessed Value	Bonded Debt per Capita	Other Governmental Activities Debt		Total Primary Government	Total Debt per Capita
			General Obligation Bonds				Installment Financings	Leases and IT Subscriptions		
2016	39,012	\$ 4,517,389,476	\$ 15,134,232		0.34%	388	\$ 10,487,088	\$ -	\$ 25,621,320	657
2017	41,157	4,703,251,902	13,862,075		0.29%	337	8,629,189	-	22,491,264	546
2018	43,287	4,977,344,040	30,048,889		0.60%	694	13,052,203	-	43,101,092	996
2019	45,264	5,323,065,702	27,924,183		0.52%	617	15,854,036	-	43,778,219	967
2020	47,220	5,659,864,744	25,928,692		0.46%	549	12,924,277	-	38,852,969	823
2021	50,244	6,799,782,580	30,898,265		0.45%	615	1,756,859	-	32,655,124	650
2022	54,274	7,131,769,354	28,589,670		0.40%	527	12,520,039	582,451	41,692,160	768
2023	56,681	7,445,945,252	26,294,074		0.35%	464	9,881,983	559,504	36,735,561	648
2024	60,146	7,919,722,350	24,012,479		0.30%	399	12,861,388	4,716,852	41,590,719	691
2025	61,987	11,876,761,519	47,520,920		0.40%	767	10,234,194	4,308,489	62,063,603	1,001

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

**Town of Wake Forest, North Carolina
Direct and Overlapping Governmental Activities Debt
June 30, 2025**

Table 17

Jurisdiction	Bonded Debt	Percentage Applicable to Town ⁽²⁾	Amount Applicable to Town
Direct:			
Town of Wake Forest	\$ 57,755,114 ⁽¹⁾	100.00%	\$ 57,755,114
Overlapping: ⁽³⁾			
Wake County	2,923,115,604 ⁽⁴⁾	3.80%	111,078,393
		Total	\$ 168,833,507

⁽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.

Town of Wake Forest, North Carolina
Commercial Permitting Activity
Last Ten Fiscal Years
June 30, 2025

Table 18

Fiscal Year	Commercial		Residential		Total	
	Number	Value	Number	Value	Number	Value
2016	99	\$ 36,132,937	537	\$ 88,031,763	636	\$ 124,164,700
2017	105	32,799,902	835	128,088,592	940	160,888,494
2018	122	79,275,153	1,066	160,171,714	1,188	239,446,867
2019	106	29,452,682	831	145,850,175	937	175,302,857
2020	84	74,307,043	560	124,260,431	644	198,567,474
2021	88	40,437,213	915	227,180,180	1,003	267,617,393
2022	117	70,432,955	739	242,546,339	856	312,979,294
2023	85	51,966,571	665	191,204,325	750	243,170,896
2024	92	54,155,354	801	191,435,350	893	245,590,704
2025	70	41,037,596	534	148,265,945	604	189,303,541

Compiled by the Town of Wake Forest Planning and Inspections Department.

**Town of Wake Forest, North Carolina
Employee Position Authorization by Department
Last Ten Fiscal Years
June 30, 2025**

Table 19

(1) Fiscal Year	Admin	(4) Legal	Comm	Downtown Development	(WFBIP) Economic Development	Finance	Human Resources	IT	Planning	Inspections
2016	3.0	-	3.0	1.0	-	17.0	4.0	5.0	8.0	14.0
2017	4.0	-	3.0	1.0	1.0	18.0	4.0	6.0	8.0	15.0
2018	4.0	-	3.0	5.0	1.0	18.0	5.0	6.0	9.0	16.0
2019	4.0	-	4.0	5.0	1.0	18.0	5.0	6.0	11.0	16.0
2020	4.0	-	5.0	5.0	1.0	18.0	5.0	6.0	11.0	16.0
2021	7.0	-	5.0	2.0	2.0	20.0	6.0	9.0	12.0	16.0
2022	7.0	2.0	5.0	2.0	2.0	20.0	7.0	9.0	12.0	16.0
2023	7.0	2.0	5.0	2.0	2.0	21.0	7.0	9.0	13.0	17.0
2024	13.0	2.0	7.0	3.0	2.0	9.0	7.0	9.0	14.0	19.0
2025	13.0	2.0	7.0	3.0	2.0	12.0	5.0	10.0	16.0	19.0

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

⁽²⁾ Renaissance Centre became its own department in FY 2021. It had previously been included in Downtown Development.

⁽³⁾ Effective July 1, 2020, privately contracted fire services were consolidated and transitioned to the Town of Wake Forest.

⁽⁴⁾ Legal services was added during FY 2021.

⁽⁵⁾ Stormwater fund was established effective July 1, 2024 and had been included in the General fund in FY24.

Police	(3) Fire	Engineering	Pub Works Admin	Urban Forestry	Fleet	Streets	Solid Waste	Parks and Recreation	Public Facilities	(2) Renaissance Centre	(5) Storm water	Electric	Tree Trimming	Year Total
84.0	-	7.0	3.0	-	5.0	20.0	9.0	19.0	3.0	-	-	20.0	3.0	228.0
91.0	-	7.0	2.0	-	6.0	20.0	9.0	23.0	3.0	-	-	20.0	3.0	244.0
91.0	-	7.0	2.0	-	6.0	20.0	12.0	23.0	4.0	-	-	21.0	5.0	258.0
105.0	-	6.0	5.0	-	6.0	20.0	12.0	21.0	4.0	-	-	21.0	5.0	275.0
105.0	-	7.0	5.0	5.0	6.0	20.0	12.0	23.0	4.0	-	-	24.0	5.0	287.0
105.0	84.0	10.0	3.0	2.0	7.0	20.0	13.0	23.0	7.0	4.0	-	25.0	5.0	387.0
114.0	84.0	10.0	2.0	4.0	7.0	20.0	13.0	23.0	7.0	5.0	-	25.0	3.0	399.0
114.0	85.0	13.0	2.0	4.0	7.0	23.0	13.0	26.0	7.0	6.0	-	25.0	3.0	413.0
114.0	100.0	13.0	2.0	4.0	7.0	23.0	15.0	27.0	9.0	7.0	-	31.0	3.0	440.0
121.0	100.0	12.0	2.0	5.0	7.0	23.0	15.0	28.0	9.0	7.0	2.0	30.0	3.0	453.0

**Town of Wake Forest, North Carolina
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
June 30, 2025**

Table 20

Fiscal Year	Property Tax	Sales Tax	Utility Sales Distribution ⁽¹⁾	Motor Vehicle Licenses	Rental Vehicle Tax	Beer and Wine Tax	Total
2016	\$ 23,610,065	\$ 6,755,795	\$ 2,540,817	\$ 423,335	\$ 64,894	\$ 146,483	\$ 33,541,389
2017	24,470,851	7,187,102	2,479,157	452,948	70,711	156,017	34,816,786
2018	25,882,092	7,601,465	2,530,451	518,424	75,096	152,848	36,760,376
2019	27,713,298	8,245,963	2,660,061	735,378	55,488	157,255	39,567,443
2020	29,340,018	8,594,400	2,582,156	895,271	46,985	160,326	41,619,156
2021	33,655,281	9,972,882	2,590,845	933,869	44,468	161,375	47,358,720
2022	35,375,578	13,941,067	2,866,181	914,950	55,865	190,734	53,344,375
2023	36,894,134	15,261,608	3,154,909	1,118,119	55,512	221,000	56,705,282
2024	40,198,931	16,022,437	3,105,652	1,239,194	63,546	244,450	60,874,210
2025	50,090,440	17,469,935	3,750,265	1,300,440	74,570	216,299	72,901,949

⁽¹⁾ Formerly Franchise Tax.

Town of Wake Forest, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
June 30, 2025

Table 21

Fiscal Year	Governmental Activities			Business-Type Activities							(1) Debt Per Capita	Percentage of Personal Income
	General Obligation Bonds	Installment Financings	Lease Liabilities	General Obligation Bonds	Installment Financings	Lease Liabilities	Revenue Bonds	(2) Total Primary Government				
2016	\$ 15,134,232	\$ 10,487,088	\$ -	\$ -	\$ 583,616	\$ -	\$ 2,702,403	\$ 28,907,339	466	0.93%		
2017	13,682,000	8,629,189	-	-	-	-	2,251,773	24,562,962	396	0.79%		
2018	29,117,000	13,052,203	-	-	686,933	-	1,788,017	44,644,153	720	1.44%		
2019	27,924,183	15,854,036	-	-	3,736,466	-	1,309,715	48,824,400	788	1.58%		
2020	25,928,692	12,924,277	-	-	3,106,103	-	1,059,309	43,018,381	694	1.39%		
2021	30,898,265	14,761,648	-	-	2,982,153	-	803,264	49,445,330	798	1.60%		
2022	28,589,670	12,520,039	582,451	-	2,531,429	-	541,451	44,765,040	722	1.45%		
2023	26,294,074	9,881,983	456,483	-	2,079,655	-	273,741	38,985,936	629	1.26%		
2024	24,012,479	12,861,388	4,716,852	-	1,877,727	-	-	43,468,446	701	1.40%		
2025	47,520,920	10,234,194	4,308,489	-	1,417,052	11,571	-	63,492,226	1,024	2.05%		

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, 2025**

Table 22

Date of Incorporation	February 20, 1909	
Form of Government	Council-Manager	
Miles of City-owned Streets	175.93	
Fire Protection (Combination: Paid/Volunteer)		
Number of Stations	5	
Number of Full-Time and Part-Time	124	
Number of Volunteers	35	
Police Protection		
Number of Stations	2	
Number of Full-time Sworn Officers	92	
Utility System: Electric		
Number of Customers	8,832	
Residential Rates:		
	Basic Customer Charge	\$25.00
	Energy Charge	\$0.1358 per kwh
Community Facilities:		
Parks	0 Private	12 Public
Pools	0 Private	1 Public
Sprayground	0 Private	1 Public
Tennis Courts	0 Private	2 Public
Golf Courses	0 Semi-private	0 Public
Pickleball Court	0 Private	1 Public
Disc Golf Course	0 Private	1 Public
Cultural Activities:		
Wake Forest Renaissance Centre (WFRC)	Virtual Art Exhibit - RC	
Wake Forest Birthplace Museum	Good Neighbor Day community music, art, and food festival	
Wake Forest Historic District	Public Power Week	
Arts Wake Forest		
Wake Forest Biennial Historical Homes Tour		
Wake Forest Historical Association bi-monthly programs		
Friday Night on White		
Arbor Day Celebration		
Halloween Boo Bash		
Art Galleries in Downtown Wake Forest		

	2025		2016	
Principal Employers:	* Number of Employees	Rank	Number of Employees	Rank
Wake County Public School System	1,334	1	900	1
Southeastern Baptist Theological Seminary, Inc.	475	2	425	2
Town of Wake Forest	453	3	294	6
Wegman's	450	4		
Wal-Mart	395	5	396	4
Harris Teeter (Heritage Lake and Capital Blvd)	325	6		
Chik Fil A	315	7		
Lowes Foods	235	8	235	8
Target Corporation	230	9	248	9
Lowe's Home Improvement	188	10	165	10
Rex Healthcare (Wake Forest and Wakefield)	180	11	353	5
Home Depot	170	12		
Franklin Academy	166	13		
Sam's Club	160	14		
Hillside Nursing Center of Wake Forest, Inc.	150	15		
Publix	130	16		
Texas Roadhouse	120	17		
Kohl's	104	18		
Wake Preparatory Academy	100	19		
Centurylink			400	3
Pack Rat			275	7
Food Lion	85	20		

* Source - Wake Forest Economic Development projected employment estimates.



Compliance Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT / TOWN OF WAKE FOREST, NORTH CAROLINA

This section includes information relating to federal and state financial assistance, in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments." Included are a schedule of federal and state financial assistance, and the auditor's reports on the internal control structure and compliance with applicable state laws and regulations.

**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 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 the 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, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and we have issued our report thereon dated December 2, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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, significant deficiencies or material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
December 2, 2025

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by Uniform Guidance and the State Single Audit Implementation Act

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Wake Forest, North Carolina's (the "Town") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2025. The Town's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency *in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated December 2, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cherry Bekaert LLP".

Raleigh, North Carolina
December 16, 2025

Report of Independent Auditor on Compliance for Each Major State Programs and on Internal Control over Compliance Required by Uniform Guidance and the State Single Audit Implementation Act

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Town of Wake Forest, North Carolina's (the "Town") compliance with the types of compliance requirements identified as subject to audit in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2025. The Town's major state program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended June 30, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, and rules and provisions of contracts or grant agreements applicable to the Town's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency *in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated December 2, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
December 16, 2025

**Town of Wake Forest, North Carolina
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements are presented in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

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

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes	_____ X	no
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Identification of major federal programs:

Assistance Listing Numbers

21.027

Names of Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?	_____ X	yes	_____ no
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State Awards

Internal control over major state programs:

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act

_____ yes	_____ X	no
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Identification of major state programs:

Program Name

Non-State System Street-Aid Allocation Fund (Powell Bill)

Section II—Findings Related to the Audit of the Basic Financial Statements

None reported.

Section III - Federal Award Findings and Questioned Costs

**Town of Wake Forest, North Carolina
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

Section I - Summary of Auditor's Results (Continued)

None reported.

Section IV - State Awards Findings and Questioned Costs

None reported.

**Town of Wake Forest, North Carolina
Schedule of Prior Year Findings
Year Ended June 30, 2025**

Section V—Prior Year Findings

None reported.

Town of Wake Forest, North Carolina
Schedule of Expenditures of Federal and State Awards
for the Year Ended June 30, 2025

Grantor / Pass-Through Entity Grantor / Program Program Title	Federal Assistance Listing Number	State / Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
FEDERAL GRANTS:						
U.S. Department of Justice						
Bulletproof Vest Partnership - 2024	16.607	N/A	\$ 8,802	-	-	\$ 8,802
Federal Asset Forfeiture	16.922	N/A	22	-	-	-
Total U.S. Department of Justice			8,824	-	-	8,802
U.S. Department of Interior						
National Park Service Passed through State Historic Preservation Office- 2023	15.904	P23AF00989	2,700	-	-	800
National Park Service Passed through State Historic Preservation Office- 2024	15.904	P24AF00998	-	-	-	-
Total U.S. Department of Interior			2,700	-	-	800
U.S. Treasury Department						
Coronavirus State and Local Fiscal Recovery Funds	21.027	NC0485	2,925,275	-	11,086	900,568
Total U.S. Treasury Department			2,925,275	-	11,086	900,568
Department of Homeland Security						
Passed through Federal Emergency Management Assistance (FEMA) Reservoir	97.143	LPDM-PJ-04-NC-2022-001	180,375	-	-	60,125
Passed through Federal Emergency Management Assistance (FEMA) Cybersecurity	97.137	EMW-2023-CY-00066	103,154	-	-	-
Total Department of Homeland Security			283,529	-	-	60,125
Total Federal Grants			3,230,567	-	846	970,295
STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE:						
NC Department of Transportation						
Non-State System Street-Aid Allocation Fund (Powell Bill)	N/A	WBS 32570	-	1,719,784	-	-
Total NC Department of Transportation			-	1,719,784	-	-
NC Department of Environmental Quality						
Community Waste Reduction & Recycling	N/A	100372-000	-	15,000	-	6,966

Grantor / Pass-Through Entity Grantor / Program Program Title	Federal Assistance Listing Number	State / Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Total NC Department of Environmental Quality			-	\$ 15,000	-	\$ 6,966
NC Department of Public Safety						
Tropical System Helene Mutual Aid	N/A	309399	-	151,292	-	-
Total NC Department of Public Safety			-	151,292	-	-
Total State of North Carolina Financial Assistance			-	1,886,076	-	6,966
Total Federal & State of North Carolina Financial Assistance			\$ 3,220,327	\$ 1,886,076	\$ 11,086	\$ 977,261

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

Note 1: The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and state grant activity of the Town of Wake Forest the programs of the federal government and the State of North Carolina for the year

Note 2: Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not



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