

FISCAL YEAR ENDING JUNE 30, 2021

2021

# Comprehensive Annual Financial Report

TOWN OF WAKE FOREST ~ NORTH CAROLINA



TOWN of  
WAKE FOREST



**ABOUT THE FRONT COVER:**

On March 2, 2021, the Wake Forest Fire Department placed into service Ladder #1. This is the first apparatus purchased by the Town of Wake Forest since the fire department became a Town department. The 2020 Spartan Tractor Drawn Aerial has a 105-foot ladder, 200-gallon water tank and a 1500 GPM pump.

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Fiscal Year Ended*  
**June 30, 2021**



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TOWN *of*  
WAKE FOREST

Town of Wake Forest, North Carolina

*Prepared by the Finance Department*

# TOWN OF WAKE FOREST BOARD OF COMMISSIONERS



Mayor  
Vivian Jones



Commissioner  
Jim Dyer



Commissioner  
Chad Sary



Commissioner  
Liz Simpers



Commissioner  
Bridget Wall-Lennon



Commissioner  
Adam Wright



## **TOWN OF WAKE FOREST STAFF**

Kipling D. Padgett  
Town Manager

Candace Davis  
Assistant Town Manager

Allison Snyder  
Assistant Town Manager

Virginia Jones  
Human Resources Director

Town Attorney  
Eric Vernon

Aileen J. Staples  
Chief Financial Officer

Deeda Harris  
Town Clerk

Courtney Tanner  
Planning Director

Jeff Leonard  
Police Chief

Ron Early  
Fire Chief

Ruben Wall  
Parks Recreation Director

Jason Cannon  
Economic Development Director

Magda Holloway  
Public Works Director\*

Adam Oates  
Chief Information Officer

Bill Crabtree  
Communications and Public Affairs Director

J J Carr  
Inspections Director

Mickey Rochelle  
Public Facilities Manager

Lisa Hayes  
Strategic Performance Manager

Chris Terrell  
Electric Systems Manager

Deborah Dunn  
Renaissance Centre Manager

Jennifer Herbert  
Downtown Development Manager

## **ADVISORY BOARDS AND COMMISSIONS**

Planning and Zoning Board  
Joe Kimray, Chairperson

Public Art Commission  
Elizabeth Hayes, Vice-Chairperson

Design Review Board  
Jim Sherrer, Chairperson

Technical Advisory Board  
Zee Khan, Chairperson

Historic Preservation Commission  
Andrea Radford, Chairperson

Urban Forestry Advisory Board  
Mindy Hidenfelter, Chairperson

Human Relations Council  
Robin Smith, Chairperson

Parks, Recreation and Cultural Resources  
Advisory Board  
Gary Hartong, Chairperson

Board of Adjustment  
Will Hedrick, Chairperson

\*Tim Bailey is Acting Public Works Director as of November 30, 2021.

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# TOWN of WAKE FOREST

December 13, 2021

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

We are pleased to present the Comprehensive Annual 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 is the comprehensive publication of the Town’s financial position and results of operations as of and for the fiscal year ended June 30, 2021. 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 and 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. A compliance audit on federal and state financial assistance is also required in accordance with OMB Uniform Guidance and the State Single Audit Implementation Act. 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 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, its small-town charm and unique identity has been carefully maintained.

The Town covers an area of 19.99 square miles and the extraterritorial or planning jurisdiction of the Town ("ETJ") covers an additional 2.66 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 27.12 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 13 miles of developed and 50 miles of natural greenways and trails, excellent schools, and access to higher education, all near 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, leisure and recreational opportunities, land use development administration and management, solid waste collection and disposal, construction and maintenance of streets, curbs, gutters, sidewalks, and other infrastructure. In addition, as a Public Power community, the Town operates Wake Forest Power, an electric utility providing residential and commercial service. Effective July 1, 2020, fire protection services transitioned to the town's organizational structure. Previously this service was provided through a contract with the Wake Forest Fire Department, a private non-profit entity. This report includes all the Town's activities in delivering and administering these services.

The Wake Forest Board of Commissioners is required to adopt an annual operating budget by July 1 each year. The Town is empowered to levy a property tax on both real and personal property located within its boundaries. The Town's budget ordinance creates a legal limit on spending authorizations and serves as the foundation for financial planning and control. The Town Manager is authorized by the budget ordinance to make transfers within funds to facilitate budget execution consistent with the Board of Commissioner's intent.

## **Local Economy**

Wake Forest entered fiscal year 2021 with a blanket of uncertainty, however the local economy soared as it adapted to the new normal that resulted from the pandemic. Wake Forest experienced a record year with 1,003 new building permits for new construction, additions and alterations which is over a 55% increase from the prior fiscal year. In keeping with our conservative approach, a decrease in sales tax was budgeted, however local sales tax revenues increased over 16% when compared to fiscal year 2020. The state government, healthcare and university employers in the area continued to provide stable employment. Due to sustained growth in the region, Wake Forest continues to benefit from above average economic indicators as compared to the rest of the state and nation. Wake Forest is the 10<sup>th</sup> fastest growing among North Carolina's 552 municipalities.

Southeastern Baptist Theological Seminary opened its doors in 1950 and is located on the former campus of Wake Forest College in downtown. The student body has grown to more than 4,700 students. The Seminary offers study in over 40 different undergraduate and post-graduate degree programs.

The Wireless Research Center (WRC) is an independent, private nonprofit research center dedicated to applied research and engineering. Located in Wake Forest, the WRC helps clients from around the world develop products and services that advance wireless technology innovation. The WRC fosters global collaboration among companies, industry groups, academic institutions, and other research organizations.

The WRC has the staff, tools, facilities, and experience to provide research, development, engineering, and testing of antenna, RF, and wireless technologies for clients. They work on a broad of range products from in-body sensors and implanted medical devices to satellites and space exploration. Clients range from consumers



and business enterprises, industrial, medical, and public safety to agriculture, aviation, and the U.S. Department of Defense.

As a strategic economic development tool for the town, the WRC has helped launch 20 new local businesses and further facilitated the launch of more than 80 others across the region through its partnership with RIoT. RIoT is a community of technologists, business leaders, policy makers and entrepreneurs who are promoting the Internet of Things industry. In addition, the number of small technology firms in town has more than tripled over the last 15 years.

As of June 30, 2021, the Town's estimated population was 50,244 - an increase of 6.4% from fiscal year ended June 30, 2020. Total growth has been over 58% since 2012. Wake Forest's tax base has grown from \$3.8 billion in 2012 to over \$6.8 billion in 2021. The Town's tax base is approximately 25% commercial/industrial and 75% residential for fiscal year 2020 - 2021.

During the fiscal year, the Town issued the following number of permits: 915 for residential construction and 88 for commercial construction. Permits issued for residential and commercial new construction and alteration cost values over \$268 million, an increase of approximately 35% from fiscal year 2020.

In May 2021, Wegmans Food Markets, a regional supermarket chain with 100 stores and one of the largest private companies in the United States opened a store in Wake Forest. The store is located on the south side of Dr. Calvin Jones Highway/NC 98 Bypass between US 1/Capital Boulevard and Siena Drive, just west of Ligon Mill Road. Wegman's employs over 400 people and has contributed significantly to the local economy.

Loading Dock is a coworking and collaborative workspace incubator with existing Raleigh locations. This \$2 million building revitalization project will introduce 24,000 square feet of entrepreneurial coworking and incubator space to the community in addition to the continuation of expanding and enhancing downtown Wake Forest. Private offices, coworking space, conference rooms, dining space, indoor and outdoor event space and mezzanine spaces are all included in this innovative space. Construction started in late 2020 with a projected opening date of December 2021.

The Town continues to make strategic public investments that will spur private development. Several developments in progress are a direct result of that investment strategy and include:

- The former SunTrust building, (353 South White Street), located at the corner of White Street and Elm Avenue spans one acre in the heart of downtown. Slated for redevelopment into a mixed-use, pedestrian-oriented property located at a key corner, the town plans to use the site to serve as the major gateway into downtown. While a developer has not yet been selected for the redevelopment project (an RFP process is slated for early 2021), conceptual plans and in-depth studies on the marketability of the site have been completed, priming the property for the next stages of development.
- Plans for Phase 2 of PowerHouse Row are now underway. This structure will be larger than Phase 1, with some 12,000 square feet of commercial and retail space at street level. In total, Phase 2 of PowerHouse Row will include 47 apartment units with early investment projections hovering around \$14 million.
- 535 South White Street warehouse is a project that will convert/update the 16,000 square foot building into a mix of uses including food and beverage along with private offices. Located adjacent and sharing open space with Loading Dock Wake Forest, the former warehouse was acquired earlier this year and plans are in the review phase.

The Board adopted a fiscal year 2021 budget based on maintaining level of service and a cautious approach to revenues. In planning for the future and keeping with the fourth goal of the strategic plan, focusing on fiscal strength, the Town continues to make the delivery of quality services, infrastructure maintenance and financial stability a high priority.

## Long Term Financial Planning and Major Initiatives

Our regional location, quality of life and small-town atmosphere continues to make Wake Forest a destination for people and businesses moving into our region. Careful planning for growth 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. The Town achieved its goal of increasing fund balance this past fiscal year to strengthen its financial position. In addition, the Town's conservative philosophy and approach to budgeting has been key in maintaining its fiscal position as evidenced by its AAA ratings from three major credit rating agencies.

Several highlights of fiscal year 2020-2021 include:

- Seventeen (17) additional positions added to meet the demands of our growing community
- Addition of two (2) Assistant Town Managers along with re-organization and streamlining of departments
- Fire department transitioned to the Town effective July 1, 2020, resulting in onboarding of approximately 100 employees
- Conservative fund balance appropriation with intent of rebuilding/increasing fund balance
- Completed electric (Wake Forest Power) cost of service and rate study update – results presented in December. Rate increase delayed until September 1, 2020.
- Major plan updates that will significantly determine the future of our community and overlap fiscal years continued in 2021. The Northeast Community Plan along with the Community Plan update will define and create a blueprint for our future.
- Affordable Housing Plan kicked off in 2021. Will examine existing local housing conditions, determine housing needs, establish a vision and associated goals for housing in the community and recommend policies to help achieve this vision.

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. The following projects have been completed over the past year or are in progress:

- Underground fiber infrastructure construction started in February 2020. Project includes installing 25 route miles of fiber interconnecting 14 town facilities. Cost is approximately \$2.5 million and is expected to be complete by January 2022.
- Ligon Mill Operational Improvements – consists of widening the existing narrow corridor from two-lanes to a four-lane median divided highway with left-turn lanes, bike lanes, curb and gutter and extra wide sidewalks. Construction started in May 2020 and is expected to be completed by the end of 2021.
- Several smaller sidewalk and street repair/enhancements were completed during the year.

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.

With the general obligation bonds authorized by voter referendum passed in November 2014, the Town planned to issue these bonds in phases. The first and second phases were issued in March 2015 and June 2018 respectively and the final phase was issued in May 2021. At this time, in conjunction with the capital improvements plan update, another bond referendum is planned for November 2022. The amount along



with proposed projects will be finalized in the coming months. The debt model will be updated in Spring 2022.

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 2022. 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/finance/financial-management-fiscal-operations/financial-reports/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 comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the 31st consecutive year in which the Town has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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 seven consecutive years. The Town has also received the Award for Outstanding Achievement in Popular Annual Financial Reporting for its Citizens' Financial Report for four 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*

Kipling D. Padgett, ICMA-CM, CPM  
Town Manager

*Aileen J. Staples*

Aileen J. Staples  
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 Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*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.

### ***Administration***

The Town Manager and his management team provide direction of all day-to-day municipal functions and implement policies set by the Board of Commissioners.

### ***Economic Development***

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

### ***Renaissance Centre for the Arts***

Offer 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 system, risk management and safety programs for the Town.

### ***Finance***

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

### ***Information Technology***

Responsible for maintaining and administering the Town's centralized computer system. Staff is 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 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 advisory board.

**Electric (Wake Forest Power)**

**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.





## Report of Independent Auditor

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wake Forest, North Carolina (the "Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, individual fund statements and schedules, other schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act and is also not a required part of the basic financial statements.

The individual fund statements and schedules, other schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund statements and schedules, other schedules, and the schedule of expenditures of federal and state awards are fairly stated in all material respect in relation to the basic financial statements as a whole.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2021 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.

Cheryl Bekaert LLP

Raleigh, North Carolina  
December 13, 2021

## 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, 2021. 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 2020-21, the Town enhanced its strong 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. In preparation for issuance of the General Obligation (GO) Bonds the Town obtained an upgrade from Moody's to Aaa. The town's current bond ratings are AAA (Standard & Poor's & Fitch Ratings) and were affirmed in April 2021.

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$273,323,815 (*net position*) or a 7.8% increase from prior year.
- The Town's total net position increased by \$19,734,907, primarily due to an increase in the governmental-type activities net position of \$19,789,746. Business-type activities position decreased \$54,839 for the fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balance of \$30,675,803.
  - \$12,127,532 or 39.53% is unassigned and available for spending at the Town's discretion
  - \$6,915,943 or 22.55% is restricted by external agencies
  - \$1,508,812 or 4.92% is committed for economic development purposes
  - \$126,545 or 0.41% is considered non-spendable
  - \$9,996,971 or 32.59% is assigned for specific purposes as identified by the Town
- The Town's total debt *increased* by \$5,742,587 (13.6%) during the current fiscal year. Along with retiring debt during the year, four (4) installment purchase agreements and two (2) general obligation bonds were issued:

#### Installment Purchase Agreements:

- \$2,500,000 – Fiber Construction – July 2020 – 7-year term – 2.17%
- \$738,170 – Vehicles and Equipment – September 2020 – 4-year term – 1.04%
- \$1,309,512 – Aerial Ladder Fire Truck – February 2021 – 5-year term – 0.99%
- \$642,435 – Vehicles and Equipment – June 2021 – 4-year term – 0.97%

#### General Obligation Bonds:

- \$1,290,000 – Street, Sidewalk and Greenway Improvements (various projects) – June 2021 – five-year term – .54%
- \$4,920,000 – Street, Sidewalk and Greenway Improvements (various projects) – June 2021 – twenty-year term – 1.62%

In addition, the Town had a rate modification of the 2018 Street Improvements installment note which had an outstanding balance of \$1,800,000. The new interest rate for the refinanced debt is 2.13%, which resulted in savings of \$65,000 over remaining life of loan. Also, as result of the Fire Department's merger with the Town, two outstanding Fire Department installment notes were assumed by the Town. During the year the Town retired one of the notes totaling \$106,231. The remaining Fire Department note had an outstanding principal balance of \$350,411 and a 2.99% interest rate.

**Overview of the Financial Statements**

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

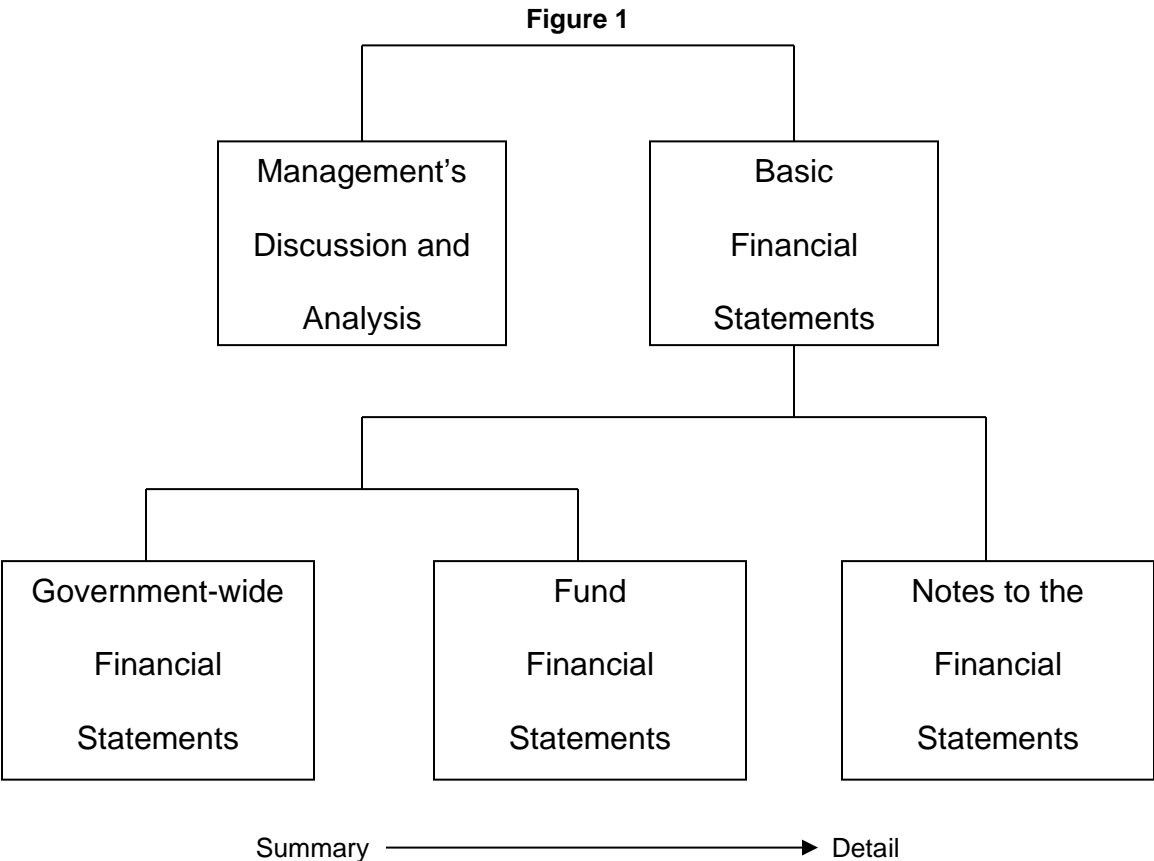
**Basic Financial Statements**

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

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

**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.

In accordance with the Governmental Accounting Standards Board criteria for inclusion in the reporting entity, the Town has one component unit, Wake Forest Business and Industry Partnership, Inc. (BIP).

The government-wide financial statements are on Exhibits 1 and 2 of this report.

## Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All 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 them 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. The Electric Fund is classified as a major fund.

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

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are included in the financial section of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found behind the notes to the financial statements and just before the individual fund statements in this report.

## Government-Wide Financial Analysis

Net position over time may serve as one useful indicator of the Town's financial condition. At the end of the current fiscal year, the Town 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.

The other post-employment liability ending balance on June 30, 2021, was \$11,844,909, or an increase of 22.62% compared to prior year. Effective July 1, 2018, this benefit will not be extended to employees hired after this date. The Town currently has no accumulated assets set aside for this allowance. We are, however, in the process of working with the North Carolina Department of State Treasurer to enter into the Ancillary Governmental Participant Investment Program (AGPIP), which is an investment pool established for participants to make related contributions.

**Net Position**  
**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 38,616,994	\$ 24,146,078	\$ 8,666,987	\$ 8,750,516	\$ 47,283,981	\$ 32,896,594
Capital assets	286,335,533	273,502,835	21,406,969	21,562,134	307,742,502	295,064,969
Total asset	324,952,527	297,648,913	30,073,956	30,312,650	355,026,483	327,961,563
Deferred outflows of resources	8,451,718	4,137,076	869,637	549,095	9,321,355	4,686,171
<b>Total assets and deferred outflows of resources</b>	<b>333,404,245</b>	<b>301,785,989</b>	<b>30,943,593</b>	<b>30,861,745</b>	<b>364,347,838</b>	<b>332,647,734</b>
Long-term liabilities outstanding	64,400,357	51,533,452	6,369,494	6,339,080	70,769,851	57,872,532
Other liabilities	13,867,063	14,389,223	2,998,198	2,733,019	16,865,261	17,122,242
Total liabilities	78,267,420	65,922,675	9,367,692	9,072,099	87,635,112	74,994,774
Deferred inflows of resources	2,956,821	3,473,056	432,090	590,996	3,388,911	4,064,052
<b>Total liabilities and deferred inflows of resources</b>	<b>81,224,241</b>	<b>69,395,731</b>	<b>9,799,782</b>	<b>9,663,095</b>	<b>91,024,018</b>	<b>79,058,826</b>
Net investment in capital assets	242,074,620	236,048,865	17,621,551	17,396,780	259,696,171	253,445,645
Restricted	6,794,284	4,189,143	-	-	6,794,284	4,189,143
Unrestricted	3,311,100	(7,847,750)	3,522,260	3,801,870	6,833,360	(4,045,880)
<b>Total net position</b>	<b>\$ 252,180,004</b>	<b>\$ 232,390,258</b>	<b>\$ 21,143,811</b>	<b>\$ 21,198,650</b>	<b>\$ 273,323,815</b>	<b>\$ 253,588,908</b>

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 \$273,323,815 as of June 30, 2021. 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	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 8,214,671	\$ 5,676,057	\$ 20,964,168	\$ 20,461,307	\$ 29,178,839	\$ 26,137,364
Operating grants and contributions	2,948,918	1,594,375	-	-	2,948,918	1,594,375
Capital grants and contributions	18,075,129	8,418,127	-	-	18,075,129	8,418,127
General revenues						
Property taxes	33,785,203	29,419,885	-	-	33,785,203	29,419,885
Other taxes	44,468	46,985	-	-	44,468	46,985
Investment earnings	79,215	360,928	1,617	54,302	80,832	415,230
Other	15,597,128	12,819,193	384,818	98,584	15,981,946	12,917,777
<b>Total revenues</b>	<b>78,744,732</b>	<b>58,335,550</b>	<b>21,350,603</b>	<b>20,614,193</b>	<b>100,095,335</b>	<b>78,949,743</b>
<b>Expenses:</b>						
General government	18,422,121	12,344,370	-	-	18,422,121	12,344,370
Public safety	21,459,650	16,087,550	-	-	21,459,650	16,087,550
Transportation	9,931,088	6,012,293	-	-	9,931,088	6,012,293
Environmental protection	4,308,854	3,743,415	-	-	4,308,854	3,743,415
Cultural and recreation	3,674,315	5,271,217	-	-	3,674,315	5,271,217
Interest on long-term debt	1,158,958	1,217,268	-	-	1,158,958	1,217,268
Electric	-	-	21,405,442	20,317,296	21,405,442	20,317,296
<b>Total expenses</b>	<b>58,954,986</b>	<b>44,676,113</b>	<b>21,405,442</b>	<b>20,317,296</b>	<b>80,360,428</b>	<b>64,993,409</b>
Change in net position	19,789,746	13,659,437	(54,839)	296,897	19,734,907	13,956,334
<b>Net position - July 1</b>	<b>232,390,258</b>	<b>218,730,821</b>	<b>21,198,650</b>	<b>20,901,753</b>	<b>253,588,908</b>	<b>239,632,574</b>
<b>Net position - June 30</b>	<b>\$ 252,180,004</b>	<b>\$ 232,390,258</b>	<b>\$ 21,143,811</b>	<b>\$ 21,198,650</b>	<b>\$ 273,323,815</b>	<b>\$ 253,588,908</b>

**Governmental activities.** Management acknowledges that 2021 was a successful year. After experiencing the challenges presented by the widespread Coronavirus (COVID-19), our strong financial position, management practices, the willingness of all staff to operate as a united team along with growth in Wake County, the town has been able to successfully navigate these unprecedented times.

Governmental activities increased the Town's net position by \$19,789,746 thereby accounting for 100.28% of the total growth in the net position of the Town. Key elements of this increase are as follows:

- Ad valorem taxes made up 42.9% of governmental activity revenue and continue to be a significant revenue source for funding local government operations. Current year ad valorem taxes increased 14.84% over the previous fiscal year due to revaluation of assessed property and strong continued growth.
- Charges for services increased 44.7% from prior fiscal year. Significant change during the fiscal year was the addition of a solid waste fee – \$21 per month effective January 1, 2021.
- Local option sales tax increased \$1,378,482 (16.04%) over prior fiscal year – this was the Town's highest annual sales tax growth to date.
- Capital grants and contribution accounted for 22.95% of governmental activity revenues.
- Total governmental activity revenue *increased* 34.99% while expenses *increased* 31.96% from the previous fiscal year.

**Business-type activities.** Business-type activities decreased the Town of Wake Forest's net position by \$54,839. Key elements of this decrease are as follows:

- Charges for services from the Sale of Power *increased* slightly \$474,022 (2.49%) compared to previous fiscal year ended June 30, 2020. These same charges had decreased 2.5% in the previous year largely due to COVID-19.
- Total business-type expenses *increased* \$1,088,142 (5.08%) when compared to the previous fiscal year.

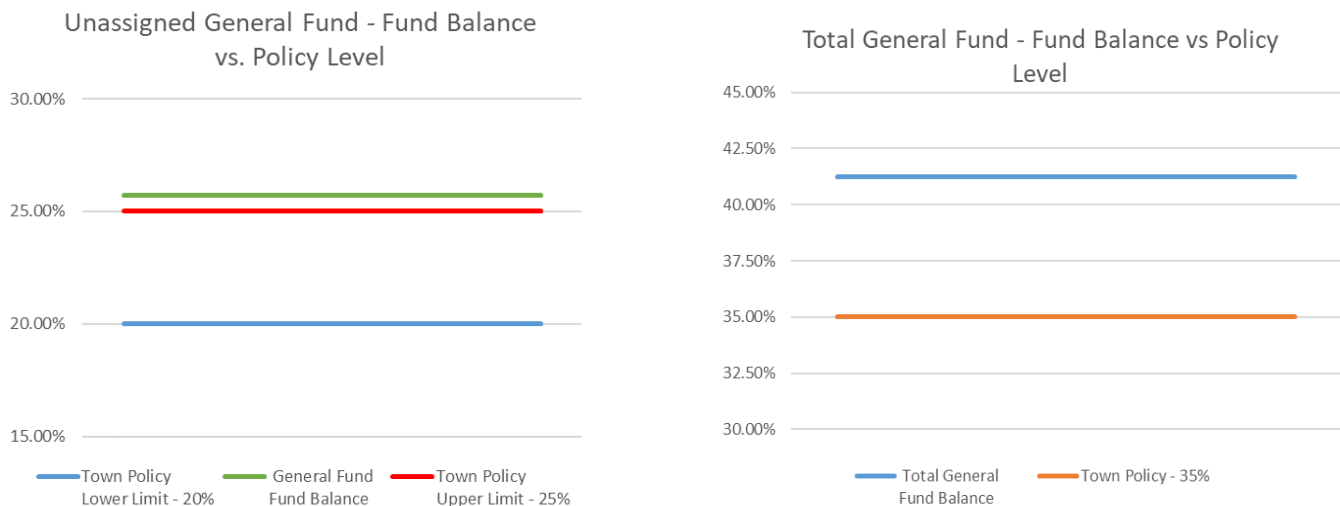
## Financial Analysis of the Town's Funds

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 \$13,628,106 while total fund balance was \$21,851,861. 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 25.72% of the total General Fund expenditures, while total fund balance represents 41.24% 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 from the date of the appropriation.



As of June 30, 2021, the governmental funds of the Town reported a combined fund balance of \$30,675,803 with a net *increase* in fund balance of \$16,201,318. The General Fund, Debt Service Fund, special revenue funds, capital project funds and future capital reserve funds are included in this combined amount. This increase is largely attributed to increased ad valorem tax revenue resulting from revaluation, issuance of the outstanding general bond authorization, addition of solid waste fee, increased sales tax revenues and receipt of CARES Act funding. During the current year debt was issued for Ligon Mill Road operational improvements, Stadium Drive complete streets, underground fiber construction and various greenway, street, and sidewalk 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 taxes received exceeded original budget estimates by \$697,781 (2.12% increase) due to conservative budgeting regarding the collection rate along with growth in the tax base from revaluation.
- Unrestricted intergovernmental revenues exceeded the original estimates by \$1,726,348 (15.65% increase). This is largely attributed to conservative budgeting of local option sales tax revenues due to COVID-19 uncertainties.
- Due to the town's conservative management practices the operating expenditures for the fiscal year was approximately \$4.7 million or 8.19%, under amended budget expectations. In addition, several operating expenditures were curtailed at the onset of the pandemic which attributed to decreased spending.

Revenues were 3.9% above the original budgeted amounts due to the town's continued conservative projections. Expenditures were in compliance with budgetary requirements. Given the uncertainty of how the pandemic would affect our economy, the town's leadership took a proactive approach in managing expenditures. Management suspended all travel and other operating/capital purchases were delayed.

The original budget planned to use \$812,400 of appropriated fund balance and was amended during the year to \$542,012 for one-time capital items. However, unconsolidated General Fund fund balance *increased* \$5,726,343 for fiscal year 2020-2021 which is significantly more than projected. This attributed to revenues exceeding original budgeted expectations, conservative spending, and other financing sources.

**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 \$3,522,265 and the total ending net position was \$21,143,816.

The Electric Fund's net position decreased \$54,839 during the fiscal year. Operating expenses increased 6.01% while sale of power revenues increased 2.49%.

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, 2021, totaled \$307,742,502 (net of accumulated depreciation). This represents a 4.3% increase from June 30, 2020. These assets include buildings, streets and sidewalks, land, machinery, and equipment including vehicles, park facilities and electric system. Some of the major capital asset transactions during the year include the following:

- Aerial Ladder Fire Truck - \$1,311,518
- Electric System Improvements - \$838,643
- Streets, sidewalks and right of way additions - \$5,068,241

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land, rights and easements	\$ 62,384,945	\$ 60,695,419	\$ 1,451,949	\$ 1,451,949	\$ 63,836,894	\$ 62,147,368
Buildings and system	25,479,833	22,783,226	1,955,566	2,025,407	27,435,399	24,808,633
Other improvements	160,415,998	160,831,172	16,560,337	16,607,478	176,976,335	177,438,650
Equipment and furniture	2,118,272	2,119,013	538,288	756,130	2,656,560	2,875,143
Vehicles and motorized equipment	6,297,226	4,110,417	900,829	721,170	7,198,055	4,831,587
Construction in progress	29,639,259	22,963,588	-	-	29,639,259	22,963,588
Total	\$ 286,335,533	\$ 273,502,835	\$ 21,406,969	\$ 21,562,134	\$ 307,742,502	\$ 295,064,969

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



**Long-term Debt.** As of June 30, 2021, the Town had total bonded debt outstanding of \$29,400,000 and governmental activities installment purchase related debt of \$14,756,859. The outstanding revenue bond debt totals \$803,264 which represents the balance owed on the electric substation constructed in 2014 for the John B. Cole substation improvements. The Electric Fund also has installment purchase agreement debt of \$2,982,154, 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 \$499,825,747. 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	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 29,400,000	\$ 25,110,000	\$ -	\$ -	\$ 29,400,000	\$ 25,110,000
Revenue bonds	-	-	803,264	1,059,309	803,264	1,059,309
Installment Purchase	14,756,859	12,924,277	2,982,154	3,106,103	17,739,013	16,030,380
Total	\$ 44,156,859	\$ 38,034,277	\$ 3,785,418	\$ 4,165,412	\$ 47,942,277	\$ 42,199,689

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

**Budget Highlights for the Fiscal Year Ending June 30, 2022**

**Governmental Activities:** The 2021-2022 Adopted Budget increased 4% from the 2020-2021 Amended Budget, this also increased 6.5% over the 2020-2021 Adopted Budget. The foundation of this budget is the strategic plan which sets the roadmap for all decisions over the next few years. The budget endeavors to achieve the four key goals in the strategic plan by maintaining current service levels, enhancing infrastructure, and providing for employees. Performance pay (merit), market adjustments and career ladder funds for eligible departments were included. Ten (10) new full-time positions were included in the approved budget. Of these positions, one is attributed to the creation of a new Legal Services department.

The Town's tax rate remained unchanged at \$.495 for the coming fiscal year. The rate is inclusive of \$.015 for transportation initiatives and \$.005 for affordable and workforce housing. The final budget for the General Fund totaled \$59.9 million and the final budget for debt service totaled \$7.1 million. In addition, the Downtown Municipal Service District tax rate remains unchanged at \$.14. Despite the appearance of renewed fiscal growth and other positive changes in economic conditions, the Town will continue 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 citizens 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 additional upcoming legislative mandates.

**Business-type Activities:** Utility rates were increased in the Electric Fund with the Adopted 2021-2022 Budget per an electric rate study that was presented in December 2020. The study began during the FY 2019-2020, however, due to the pandemic the study, as well as any potential changes to the rates were delayed. The total budget is \$23.3 million for the Electric Fund.

**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](mailto:astaples@wakeforestnc.gov).

## TOWN OF WAKE FOREST, NORTH CAROLINA

## Exhibit 1

## STATEMENT OF NET POSITION

JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 26,521,076	\$ 4,212,913	\$ 30,733,989
Taxes receivables (net)	211,092	-	211,092
Accounts receivable (net)	6,330,839	2,517,478	8,848,317
Due from other governments	748,386	-	748,386
Due from other funds	1,953,290	-	1,953,290
Inventories	17,911	1,914,509	1,932,420
Prepaid expenses	108,634	22,087	130,721
Restricted cash and cash equivalents	1,976,406	-	1,976,406
Due within one year			
Note receivable-current portion	57,000	-	57,000
Due in more than one year			
Note receivable-noncurrent portion	692,360	-	692,360
<b>Total Non Capital Assets</b>	<b>38,616,994</b>	<b>8,666,987</b>	<b>47,283,981</b>
Capital assets			
Land, improvements, and construction in progress	92,024,205	1,451,949	93,476,154
Other capital assets, net of depreciation	194,311,328	19,955,020	214,266,348
<b>Total Capital Assets</b>	<b>286,335,533</b>	<b>21,406,969</b>	<b>307,742,502</b>
<b>Total Assets</b>	<b>324,952,527</b>	<b>30,073,956</b>	<b>355,026,483</b>
<b>Deferred Outflows of Resources</b>			
Contributions to LGERS pension plan in current fiscal year	2,136,234	183,300	2,319,534
Pension deferrals - LGERS	2,816,283	457,447	3,273,730
Law enforcement separation allowance deferrals	2,010,986	-	2,010,986
Other postemployment benefits deferrals	1,488,215	228,890	1,717,105
<b>Total Deferred Outflows of Resources</b>	<b>8,451,718</b>	<b>869,637</b>	<b>9,321,355</b>
<b>Liabilities</b>			
Accounts payable	4,563,587	1,766,234	6,329,821
Due to other governments	401,686	-	401,686
Accrued interest payable	190,893	15,369	206,262
Due to other funds	1,953,290	-	1,953,290
Customer deposits	-	405,074	405,074
Due within one year			
Compensated absences	902,311	98,984	1,001,295
Bonds and notes payable	5,855,296	712,537	6,567,833
Due in more than one year			
Compensated absences	1,105,240	51,053	1,156,293
Total pension liability - LEO	5,592,381	-	5,592,381
Pension liability - LGERS	7,632,657	1,666,113	9,298,770
Total other postemployment liability	10,265,462	1,579,447	11,844,909
Bonds and notes payable	39,804,617	3,072,881	42,877,498
<b>Total Liabilities</b>	<b>78,267,420</b>	<b>9,367,692</b>	<b>87,635,112</b>
<b>Deferred Inflows of Resources</b>			
Prepaid taxes	62,177	-	62,177
Pension deferrals - LGERS	9,162	2,761	11,923
Other postemployment benefits deferrals	2,791,447	429,329	3,220,776
Law enforcement separation allowance deferrals	94,035	-	94,035
<b>Total Deferred Inflows of Resources</b>	<b>2,956,821</b>	<b>432,090</b>	<b>3,388,911</b>
<b>Net Position</b>			
Net investment in capital assets	242,074,620	17,621,551	259,696,171
Restricted for			
Stabilization by state statute	6,075,840	-	6,075,840
Downtown district	341,865	-	341,865
Public safety	376,579	-	376,579
Unrestricted	3,311,100	3,522,260	6,833,360
<b>Total Net Position</b>	<b>\$ 252,180,004</b>	<b>\$ 21,143,811</b>	<b>\$ 273,323,815</b>

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

**TOWN OF WAKE FOREST, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**

**Exhibit 2**

*FOR THE YEAR ENDED JUNE 30, 2021*

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 18,422,121	\$ 1,009,675	\$ 2,931,282	\$ 69,947	\$ (14,411,217)	\$ -	\$ (14,411,217)
Public safety	21,459,650	-	-	-	(21,459,650)	-	(21,459,650)
Transportation	9,931,088	375,000	-	15,691,743	6,135,655	-	6,135,655
Environmental protection	4,308,854	-	-	-	(4,308,854)	-	(4,308,854)
Cultural and recreation	3,674,315	6,829,996	17,636	2,313,439	5,486,756	-	5,486,756
Interest on long-term debt	1,158,958	-	-	-	(1,158,958)	-	(1,158,958)
Total governmental activities	58,954,986	8,214,671	2,948,918	18,075,129	(29,716,268)	-	(29,716,268)
Business-type activities:							
Electric	21,405,442	20,964,168	-	-	-	(441,274)	(441,274)
Total business-type activities	21,405,442	20,964,168	-	-	-	(441,274)	(441,274)
Total	\$ 80,360,428	\$ 29,178,839	\$ 2,948,918	\$ 18,075,129	(29,716,268)	(441,274)	(30,157,542)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					33,785,203	-	33,785,203
Other taxes and licenses					44,468	-	44,468
Unrestricted intergovernmental					12,754,023	-	12,754,023
Unrestricted investment earnings					79,215	1,617	80,832
Miscellaneous					2,843,105	384,818	3,227,923
Total general revenues and transfers					49,506,014	386,435	49,892,449
Change in net position					19,789,746	(54,839)	19,734,907
Net position-beginning					232,390,258	21,198,650	253,588,908
Net position-ending					\$ 252,180,004	\$ 21,143,811	\$ 273,323,815

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

## TOWN OF WAKE FOREST, NORTH CAROLINA

Exhibit 3

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2021

	General	Debt Service Fund	Greenway Transportation Projects	Recreation Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 19,128,283	\$ 298,140	\$ 5,933	\$ 4,322,447	\$ 2,766,273	\$ 26,521,076
Receivables, net						
Taxes	211,092	-	-	-	-	211,092
Accounts	4,520,198	-	1,697,283	-	113,358	6,330,839
Due from other governments	676,467	71,010	909	-	-	748,386
Due from other funds	324,695	-	-	1,378,594	250,001	1,953,290
Inventories	17,911	-	-	-	-	17,911
Prepaid expenditures	108,635	-	-	-	-	108,635
Restricted cash and cash equivalents	717,595	-	-	-	1,258,811	1,976,406
<b>Total Assets</b>	<b>\$ 25,704,876</b>	<b>\$ 369,150</b>	<b>\$ 1,704,125</b>	<b>\$ 5,701,041</b>	<b>\$ 4,388,443</b>	<b>\$ 37,867,635</b>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ 3,329,745	\$ -	\$ 982,471	\$ -	\$ 251,370	\$ 4,563,586
Due to other governments	-	-	401,686	-	-	401,686
Due to other funds	250,001	-	1,378,594	-	324,696	1,953,291
<b>Total Liabilities</b>	<b>3,579,746</b>	<b>-</b>	<b>2,762,751</b>	<b>-</b>	<b>576,066</b>	<b>6,918,563</b>
<b>Deferred Inflow of Resources</b>						
Property taxes receivable	211,092	-	-	-	-	211,092
Prepaid taxes and other	62,177	-	-	-	-	62,177
Total deferred inflows of resources	273,269	-	-	-	-	273,269
<b>Fund Balances</b>						
Non Spendable						
Inventories	17,911	-	-	-	-	17,911
Prepayments	108,634	-	-	-	-	108,634
Restricted						
Stabilization by state statute	6,075,840	-	-	-	-	6,075,840
Downtown district	341,865	-	-	-	-	341,865
Public safety	376,579	-	-	-	8,829	385,408
Culture and Recreation	-	-	-	-	10,504	10,504
Economic development	102,326	-	-	-	-	102,326
Committed						
Economic Development	-	-	-	-	1,508,812	1,508,812
Assigned						
Subsequent years expenditures	1,200,600	-	-	-	213,802	1,414,402
Debt service	-	369,150	-	-	-	369,150
Recreation improvements	-	-	-	5,701,041	-	5,701,041
Fire services	-	-	-	-	927,904	927,904
Roadway Projects	-	-	-	-	1,584,474	1,584,474
Asset Maintenance	-	-	-	-	-	-
Unassigned	13,628,106	-	(1,058,626)	-	(441,948)	12,127,532
Total fund balances	21,851,861	369,150	(1,058,626)	5,701,041	3,812,377	30,675,803
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 25,704,876</b>	<b>\$ 369,150</b>	<b>\$ 1,704,125</b>	<b>\$ 5,701,041</b>	<b>\$ 4,388,443</b>	<b>\$ 37,867,635</b>

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, 2021*


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Fund balances-total governmental funds	\$	30,675,803
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Amounts reported for governmental activities in the statement  
of net position are different because;

Long-term assets, including notes receivable are not due and receivable in the current period and therefore are not reported in the governmental funds.	749,360
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Capital assets used in governmental activities are not  
financial resources and therefore are not reported in  
the governmental funds.

Governmental capital assets	\$ 372,563,510	
Less accumulated depreciation	<u>(86,227,977)</u>	286,335,533

Contributions to the LGERS pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	2,136,234
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Long-term liabilities, including bonds payable are not due  
and payable in the current period and therefore are  
not reported in the governmental funds.

Government bonds and notes payable	(44,161,648)	
Premiums received on bond issuance	(1,498,265)	
Compensated absences	(2,007,551)	
Other postemployment benefits & liability	(10,265,462)	
Total pension liability - LEOSSA	(5,592,381)	
Pension liability - LGERS	<u>(7,632,657)</u>	(71,157,964)

Liabilities for earned revenues considered deferred inflows of resources in fund statements.	211,092
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Deferred inflows/outflows of resources related to pensions are not reported in the funds - LEOSSA & LGERS	4,724,071
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Deferred inflows/outflows of resources related to other postemployment benefits are not reported in the funds	(1,303,232)
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Other liabilities are not due and payable in the current period  
and therefore are not reported in the governmental funds.

Accrued interest expense payable	<u>(190,893)</u>
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Net position of governmental activities	<u>\$ 252,180,004</u>
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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**

**Exhibit 4**

FOR THE YEAR ENDED JUNE 30, 2021

	General	Debt Service Fund	Greenway Transportation Projects	Recreation Capital Reserve Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Ad valorem taxes	\$ 33,785,203	\$ -	\$ -	\$ -	\$ -	\$ 33,785,203
Other taxes	44,468	-	-	-	-	44,468
Unrestricted intergovernmental	12,754,023	-	-	-	-	12,754,023
Restricted intergovernmental	2,619,990	909,620	600,890	-	48,951	4,179,451
Permits and fees	3,320,291	779,304	-	3,756,409	1,360,185	9,216,189
Sales and services	2,105,209	-	-	-	-	2,105,209
Miscellaneous	1,515,752	-	60,230	-	762,756	2,338,738
Investment earnings	13,248	196	-	959	14,698	29,101
Total revenues	56,158,184	1,689,120	661,120	3,757,368	2,186,590	64,452,382
<b>Expenditures:</b>						
Current:						
General government	13,768,929	-	-	-	18,495	13,787,424
Public safety	19,990,107	-	-	-	35,731	20,025,838
Transportation	2,273,802	-	119,826	-	-	2,393,628
Environmental protection	4,171,087	-	3,936	-	-	4,175,023
Cultural and recreation	3,572,648	-	68,585	-	17,200	3,658,433
Capital outlay	2,587,111	-	4,100,294	-	2,673,125	9,360,530
Debt service:						
Bond principal	-	1,920,000	-	-	-	1,920,000
Bond interest	-	743,736	-	-	-	743,736
Installment note principal	-	3,576,443	-	-	-	3,576,443
Installment note interest	-	379,030	-	-	-	379,030
Total expenditures	46,363,684	6,619,209	4,292,641	-	2,744,551	60,020,085
Revenues under expenditures	9,794,500	(4,930,089)	(3,631,521)	3,757,368	(557,961)	4,432,297
<b>Other financing sources (uses):</b>						
Transfers in	688,089	5,191,185	996,135	20,656	-	6,896,065
Transfers out	(6,875,409)	-	-	-	(20,656)	(6,896,065)
Proceeds from Wake Forest Fire Dept.	64,481	-	-	-	-	64,481
Issuance of debt	2,282,992	-	6,546,548	-	2,875,000	11,704,540
Total other financing sources (uses)	(3,839,847)	5,191,185	7,542,683	20,656	2,854,344	11,769,021
Net change in fund balances	5,954,653	261,096	3,911,162	3,778,024	2,296,383	16,201,318
Fund balance - beginning of year	15,897,208	108,054	(4,969,788)	1,923,017	1,515,994	14,474,485
Fund balance - end of year	\$ 21,851,861	\$ 369,150	\$ (1,058,626)	\$ 5,701,041	\$ 3,812,377	\$ 30,675,803

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

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

FOR THE YEAR ENDED JUNE 30, 2021

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

Net change in fund balances - total governmental funds	\$ 16,201,318
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	\$ 9,360,530	
Less current year depreciation	(9,261,127)	
The net effect of various miscellaneous transactions involving capital assets is to decrease net position	<u>(326,150)</u>	(226,747)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	2,136,234
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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	7,818,816
Change in unavailable revenue for tax and sanitation revenues	62,177

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	50,111	
Issuance of debt	(8,829,540)	
Principal payments	<u>5,496,443</u>	(3,282,986)

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	(616,606)
Pension Expense - LGERS	(2,930,990)
Pension Expense - LEOSSA	(572,136)
Other postemployment benefits expense	(392,070)
LEOSSA benefit payments and administration cost made in current fiscal year are not included in Statement of Activities	65,134

Other postemployment benefit payments and administration cost made in current fiscal year are not included in Statement of Activities	1,491,236
Change in accrued interest payable	<u>36,366</u>

Total changes in net position of governmental activities	<u><u>\$ 19,789,746</u></u>
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The accompanying notes are an integral part of these financial statements.

**TOWN OF WAKE FOREST, NORTH CAROLINA****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL***FOR THE YEAR ENDED JUNE 30, 2021*

	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 32,957,500	\$ 33,423,425	\$ 33,655,281	\$ 231,856
Other taxes and licenses	56,000	56,000	44,468	(11,532)
Unrestricted intergovernmental	11,027,675	11,029,050	12,754,023	1,724,973
Restricted intergovernmental	1,695,695	2,902,370	2,618,362	(284,008)
Permits and fees	2,151,825	3,096,625	3,320,291	223,666
Sales and services	2,528,200	2,399,200	2,068,143	(331,057)
Miscellaneous	1,250,530	1,307,680	1,423,290	115,610
Investment earnings	165,000	29,200	13,034	(16,166)
Total revenues	51,832,425	54,243,550	55,896,892	1,653,342
<b>Expenditures:</b>				
Current				
General government	15,023,780	15,836,102	13,844,684	1,991,418
Public safety	22,758,705	22,526,960	21,463,379	1,063,581
Transportation	2,878,230	2,988,510	2,625,522	362,988
Environmental protection	4,390,980	4,759,205	4,379,114	380,091
Cultural and recreational	4,188,395	4,282,585	3,397,524	885,061
Total expenditures	49,240,090	50,393,362	45,710,223	4,683,139
Revenues over (under) expenditures	2,592,335	3,850,188	10,186,669	6,336,481
<b>Other financing sources (uses):</b>				
Transfers in (out)				
Debt Service Fund	(5,126,185)	(5,126,185)	(5,126,185)	-
Downtown District Special Tax	74,000	74,000	2,610	(71,390)
Wake Forest Business Industry Partnership	(296,776)	(296,776)	(293,450)	3,326
Wake Forest Renaissance Centre SRF	(394,639)	(394,639)	(394,639)	-
Greenways, Trails & Pedestrian Access	(996,135)	(996,135)	(996,135)	-
Proceeds from Wake Forest Fire Department	700,000	64,500	64,481	(19)
Installment note issuance	2,635,000	2,283,035	2,282,992	(43)
Appropriated fund balance	812,400	542,012	-	(542,012)
Total other financing sources (uses)	(2,592,335)	(3,850,188)	(4,460,326)	(610,138)
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>5,726,343</b>	<b>\$ 5,726,343</b>

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

**TOWN OF WAKE FOREST, NORTH CAROLINA****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL***FOR THE YEAR ENDED JUNE 30, 2021*

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Fund balance - Beginning of year			15,220,520	
Fund balance - End of year			20,946,863	
A legally budgeted Downtown District Special Tax Fund is consolidated into the General Fund for reporting purposes:				
Ad valorem taxes			129,922	
Investment earnings			103	
Miscellaneous			2,671	
Transfer to Debt Service Fund			(65,000)	
Transfer to General Fund			(2,610)	
Fund balance - beginning of year			276,779	
A legally budgeted Business & Industry Partnership (BIP) Fund is consolidated into the General Fund for reporting purposes:				
Operating expenditures			(191,124)	
Transfer from General Fund			293,450	
Fund balance - beginning of year			-	
A legally budgeted Police Department Special Fund is consolidated into the General Fund for reporting purposes:				
Donations			76,529	
Forfeited currency			1,628	
Investment earnings			111	
Miscellaneous			200	
Operating expenditures			(15,781)	
Fund balance - beginning of year			313,892	

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

**TOWN OF WAKE FOREST, NORTH CAROLINA****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL***FOR THE YEAR ENDED JUNE 30, 2021*

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
A legally budgeted Wake Forest Renaissance Centre Fund is consolidated into the General Fund for reporting purposes:				
Sales and services			37,066	
Donations			440	
Events revenue			4,406	
Operating expenditures			(438,294)	
Transfer from General Fund			394,639	
Fund balance - beginning of year			10,313	
A legally budgeted Public Arts Fund is consolidated into the General Fund for reporting purposes:				
Donations			8,216	
Operating expenditures			(8,262)	
Fund balance - beginning of year			75,704	
Fund balance - end of year (Exhibit 4)			<u>\$ 21,851,861</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, 2021

	<b>Electric Fund</b>
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 4,212,913
Accounts receivable, net	2,517,478
Inventories	1,914,509
Prepaid expenditures	22,087
Subtotal	<u>8,666,987</u>
<b>Noncurrent assets:</b>	
Capital assets:	
Land and other non-depreciable assets	1,451,949
Other capital assets, net of depreciation	19,955,020
Capital assets (net)	<u>21,406,969</u>
Subtotal-noncurrent assets	<u>21,406,969</u>
Total assets	<u>30,073,956</u>
<b>Deferred Outflows of Resources:</b>	
Contributions to pension plan - LGERS	183,300
Pension deferrals - LGERS	457,447
Other post employment benefit deferrals	228,890
Total deferred outflows of resources	<u>869,637</u>
<b>Liabilities</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued liabilities	1,766,234
Customer deposits	405,074
Accrued interest payable	15,369
Compensated absences	98,984
Bonds and notes payable	712,537
Total current liabilities	<u>2,998,198</u>
<b>Noncurrent liabilities:</b>	
Pension liability - LGERS	1,666,113
Total other postemployment benefits liability	1,579,447
Compensated absences	51,053
Bonds and notes payable	3,072,881
Total noncurrent liabilities	<u>6,369,494</u>
Total liabilities	<u>9,367,687</u>
<b>Deferred Inflows of Resources</b>	
Pension deferrals - LGERS	2,761
Other post employment benefit deferrals	429,329
Total deferred inflows of resources	<u>432,090</u>
<b>Net Position</b>	
Net investment in capital assets	17,621,551
Unrestricted	3,522,260
Total net position	<u>\$ 21,143,811</u>

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

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

*FOR THE YEAR ENDED JUNE 30, 2021*

	<b>Electric Fund</b>
<b>Operating revenues:</b>	
Charges for services	\$ 19,493,692
Other operating revenues	1,756,535
Total operating revenues	<u>21,250,227</u>
<b>Operating expenses:</b>	
Electric operations	7,713,293
Electric power purchases	12,112,081
Depreciation	1,472,956
Total operating expenses	<u>21,298,330</u>
Operating income	<u>(48,103)</u>
<b>Nonoperating revenues (expenses):</b>	
Investment earnings	1,617
Interest expense	(107,112)
Gain on capital asset disposals	98,759
Total nonoperating revenues (expenses)	<u>(6,736)</u>
Income before transfers	(54,839)
Transfers from other funds	43,389
Transfers to other funds	(43,389)
Total transfers	<u>-</u>
Change in net position	(54,839)
Net position, beginning of year	21,198,650
Net position, end of year	<u>\$ 21,143,811</u>

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

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

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Totals</u>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 21,131,699
Cash paid for goods and services	(15,453,243)
Cash paid to employees for services	(4,480,544)
Customer deposits received	110,310
Customer deposits returned	(72,697)
Net cash provided by operating activities	<u>1,235,525</u>
<b>Cash flows from noncapital financing activities:</b>	
Advance from other funds	3,800,669
Net cash Provided by noncapital financing activities	<u>3,800,669</u>
<b>Cash flows from capital and related financing activities:</b>	
Acquisition and construction of capital assets	(1,317,792)
Proceeds of sale of capital assets	98,759
Principal paid on bond maturities and equipment notes	(787,120)
Interest paid on bond maturities and equipment notes	(110,474)
Proceeds from issuance of debt	407,125
Net cash used by capital and related financing activities	<u>(1,709,501)</u>
<b>Cash flows from investing activities:</b>	
Interest on investments	<u>1,617</u>
Net increase in cash and cash equivalents	3,328,309
<b>Cash and cash equivalents:</b>	
Beginning of year	884,604
End of year	<u>\$ 4,212,913</u>

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



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

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Totals</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating loss	\$ (48,103)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	1,472,956
Changes in assets and liabilities:	
Decrease in accounts receivable	(118,527)
Decrease in prepaid expenses	5,354
Increase in inventory	(275,657)
Increase in deferred outflows of resources for pensions (contributions)	(32,961)
Increase in deferred outflows for pensions	(116,287)
Increase in pension liability	357,340
Increase in accounts payable and accrued liabilities	249,807
Increase in customer deposits	37,613
Increase in accrued vacation pay	9,987
Increase in deferred inflows of resources - pensions	14,244
Increase in deferred outflows of resources - OPEB	(182,773)
Increase in deferred inflows resources - OPEB	(161,666)
Increase in other postemployment liability	24,199
Total adjustments	<u>1,283,628</u>
Net cash provided by operating activities	<u>\$ 1,235,525</u>

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

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### 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. The Wake Forest Business and Industry Partnership, Inc. (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 is the only component unit for the Town as of June 30, 2021. The BIP will serve as a mechanism for the Town to issue future debt for economic development as needed.

#### **(b) Basis of Presentation**

*Government-wide Statements* - The statement of net position and the statement of activities include the financial activities of the Town. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements* - The fund financial statements provide information about the Town’s funds. Separate statements for each fund category-governmental and proprietary-are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

#### **The government reports the following major governmental fund:**

*General Fund* - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and state-shared revenues. The primary expenditures are for public safety, streets, sanitation, parks and recreation, and general governmental services. Additionally, the Town has legally adopted a Downtown District Special Tax Fund, Wake Forest Renaissance Centre, Police Department and Public Arts Special Fund. Effective July 1, 2020, a budget was legally adopted for the Wake Forest Business & Industry Partnership Fund (BIP) and the economic development expenditures were moved from the General Fund to the BIP Fund. Under GASB 54 guidance these five funds are consolidated in the General Fund. The

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### **Note 1—Summary of significant accounting policies (continued)**

budgetary comparisons for the Downtown District Special Tax Fund, Police Department Special Fund, Wake Forest Renaissance Centre Fund, Wake Forest BIP Fund and Public Arts Fund have been included in the supplemental information.

*Debt Service Fund* – The Debt Service Fund is used to account for all governmental related debt extinguishment, which includes both principal and interest payments.

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

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

#### **The government reports the following major proprietary funds:**

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

#### **The Town reports the following nonmajor governmental funds:**

*Special Revenue Funds* - Special Revenue funds are used to account for resources set aside for specific purposes. The Town has two special revenue funds: the Futures Fund which is used to account for resources set aside for economic development and the Grants and Special Revenue Fund which is used to account for federal, state and private grants, as well as other miscellaneous resources received.

*Capital Project Funds* - Capital project funds are used to account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by proprietary funds). The Town has four (4) non-major capital project funds: Public Facilities, Asset Maintenance, Street Improvements and General Capital Reserve.

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

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

*Government-wide and Proprietary Fund Financial Statements* - The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### **Note 1—Summary of significant accounting policies (continued)**

taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

Sales taxes and certain intergovernmental revenues, such as the utilities distribution, collected and held by the State at year end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Wake Forest because the tax is levied by Wake County and then remitted by the State. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is charges between the Town's Electric Fund and various other

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### **Note 1—Summary of significant accounting policies (continued)**

functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

#### **(d) Budgetary Data**

Budgets are adopted as required by North Carolina General Statutes. Annual budget ordinances are adopted for the general, special revenue and enterprise funds. All annual appropriations lapse at fiscal year-end. Project ordinances, which may cover more than one year, are adopted for the capital project and capital reserve funds. All budgets are prepared using the modified accrual basis of accounting, which is consistent with the accounting system used to record transactions. Supplemental appropriations that amend the total expenditures of any fund require an ordinance of the Board of Commissioners. The Town Manager is authorized by the budget ordinance to transfer appropriations between objects of expenditure within a functional area without limitation and without a report being required and may transfer appropriations up to \$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.

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

*Deposits and Investments* - All deposits of the Town are made in board-designated official depositories and are secured as required by State law (G.S. 159-31). The Town may designate as an official depository any bank or savings and loan whose principal office is located in North Carolina. The Town may also establish time deposits in the form of NOW and 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 non-guaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances; and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value as determined by quoted market prices. The 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.

*Cash and Cash Equivalents* - The Town pools moneys from several funds to facilitate disbursement and investment and maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

*Restricted Assets* - Money in the Downtown District Special Tax Fund and the Police Department Special Fund is classified as restricted assets because its use is restricted to the Downtown District Special Tax Fund and the Police Department Special Fund per N.C. G.S. Chapter 159, Article 3. Funds in the Grants and Special Revenue Fund are restricted by the external and/or awarding agency for the specific purpose of the award.

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 1—Summary of significant accounting policies (continued)

#### Governmental Activities

General Fund:

Downtown District	\$341,016
Public Safety	376,579

Other Nonmajor Governmental Funds:

Economic Development	1,258,811
Total Governmental Activities	1,976,406

#### Total Restricted Cash

\$1,976,406

*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.

*Allowances for Doubtful Accounts* - An allowance for doubtful accounts is maintained on the ad valorem taxes receivable and customer accounts receivable for electric operations. The allowance for ad valorem taxes receivable is estimated by analyzing the percentage of receivables that are written off in prior years. The allowance for customer accounts receivable for electric operations is estimated at the amount of accounts receivable that have not been written off that exceeds 120 days. The direct write-off method is used by the Town on all other types of receivables. Under this method, all accounts considered uncollectible on June 30<sup>th</sup> have been charged against operations.

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

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

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### Note 1—Summary of significant accounting policies (continued)

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

<b>Asset Class</b>	<b>Estimated Useful Lives</b>
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 position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has four items that meet the criterion for this category – contributions made to the LGERS pension plan in the current fiscal year, LGERS pension deferrals, LEOSSA deferrals and OPEB deferrals.

*Deferred Inflows of Resources* - In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has only five items that meet the criterion for this category - prepaid taxes, property tax receivable, advance grant funding, deferrals of LGERS pension expense, LEOSSA deferrals and other post-employment benefits 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 deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amounts of debt issuances are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures.

*Compensated Absences* - The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned.

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

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### **Note 1—Summary of significant accounting policies (continued)**

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

*Use of Estimates* - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### ***Net Position/Fund Balances***

*Net Position* - Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

*Fund Balances* - In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

#### **Nonspendable Fund Balance**

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

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

*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)].

*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.



# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### Note 1—Summary of significant accounting policies (continued)

*Restricted for Economic Development* – portion of fund balance that is restricted revenue source for various economic development initiatives.

*Restricted for Cultural and Recreation* - portion of fund balance that is restricted by revenue source for certain cultural and recreation expenditures.

#### **Committed Fund Balance**

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

#### **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, Chief Financial Officer or another member of the management team.

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

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

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

*Assigned for fire services* – portion of fund balance that will be used for fire service-related construction and equipment purchases.

*Assigned for roadway projects* – portion of fund balance that is to be used for transportation related construction and improvements.

#### **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.

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### **Note 1—Summary of significant accounting policies (continued)**

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 original fund balance policy adopted in September 2004. The policy as amended in February 2016 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.

#### **(f) Pensions**

The Town participates in a cost-sharing, multi-employer, a defined benefit pension plan that is administered by the State; the Local Government Employees' Retirement System (LGERS). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the LGERS and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Wake Forest's employer contributions are recognized when due and the Town of Wake Forest has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

### **Note 2—Stewardship, compliance, and accountability**

*Deficit in Fund Balance of Individual Fund* – The Greenways, Transportation and Pedestrian Access (GTP) Fund, Street Improvements, Public Facilities Capital Project Fund, Asset Maintenance Fund and Grants and Special Revenue Funds had a deficit fund balance as of June 30, 2021, in the amount of \$1,058,626, \$287,087, \$52,819, \$44,298 and \$38,411, respectively. The deficits will be funded with general revenues and reserve funds in the subsequent year.

### **Note 3—Deposits and investments**

*Deposits* - All of the Town's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage are collateralized with securities held by the Town's agent in the Town's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 3—Deposits and investments (continued)

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, 2021, the carrying amount of the Town's deposits was \$7,785,100 and the bank balance was \$8,266,729. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$7,016,729 was covered under the Pooling Method. As of June 30, 2021, the Town had \$2,850 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.

As of June 30, 2021, the Town's investment balances were as follows:

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

Investment Type	Valuation Measurement Method	Book Value at 06/30/2021	Maturities					Rating
			Less Than 1 Year	Maturities 1 to 2 Years	Maturities 2 to 3 Years	Maturities 3+ Years	Maturities 3+ Years	
Commercial Paper	Fair Value - Level 1	\$ 2,596,454	\$ 2,596,454	\$ -	\$ -	\$ -	\$ -	A1P1
NCCMT - Government Portfolio	Amortized Cost	22,325,991	22,325,991	-	-	-	-	AAAm
<b>Totals</b>		<b>\$ 24,922,445</b>	<b>\$ 24,922,445</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

*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 & Poor's as of June 30, 2021.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2021*

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### **Note 3—Deposits and investments (continued)**

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 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	\$ 96,306
Electric Fund	Allowance for uncollectible customer receivables	56,113

\*The remainder of the page was left blank intentionally

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 5—Capital assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Transfers	Deletions	Balance June 30, 2021
<b>Governmental Activities:</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 19,981,476	\$ 994,071	\$ -	\$ -	\$ 20,975,546
Land rights and easements	40,713,943	750,001	-	54,545	41,409,399
Construction in progress	22,963,590	6,681,154	(5,485)	-	29,639,259
Total capital assets not being depreciated	83,659,009	8,425,226	(5,485)	54,545	92,024,205
<b>Capital Assets Being Depreciated:</b>					
Buildings	28,235,659	3,749,798	-	-	31,985,457
Improvements	52,954,051	1,586,027	-	-	54,540,078
Infrastructure	169,542,175	4,318,240	-	-	173,860,415
Equipment and furniture	7,284,198	554,260	-	52,540	7,785,918
Vehicles and motorized equipment	9,211,679	3,619,521	-	463,761	12,367,439
Total capital assets being depreciated	267,227,762	13,827,846	-	516,301	280,539,307
<b>Less Accumulated Depreciation For:</b>					
Buildings	5,452,433	1,053,190	-	-	6,505,623
Improvements	16,506,349	2,086,154	-	-	18,592,503
Infrastructure	45,158,705	4,233,287	-	-	49,391,992
Equipment and furniture	5,165,186	551,291	-	48,831	5,667,646
Vehicles and motorized equipment	5,101,261	1,337,205	-	368,252	6,070,214
Total accumulated depreciation	77,383,934	9,261,127	-	417,083	86,227,978
Total capital assets being depreciated, net	\$ 189,843,829				\$ 194,311,329
<b>Governmental activity capital assets, net</b>	<b>\$ 273,502,837</b>				<b>\$ 286,335,533</b>

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government	\$ 1,132,575
Public Safety	1,351,935
Public works	4,523,951
Environmental Protection	163,069
Cultural and Recreational	2,089,597
Total	<u>\$ 9,261,127</u>

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 5—Capital assets (continued):

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

	Balance June 30, 2020	Additions	Transfers	Deletions	Balance June 30, 2021
<b>Business-type Activities</b>					
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 1,451,949	\$ -	\$ -	\$ -	\$ 1,451,949
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	1,451,949	-	-	-	1,451,949
<b>Capital Assets Being Depreciated:</b>					
Utility improvements	32,215,937	903,636	-	-	33,119,573
Buildings	2,095,249	-	-	-	2,095,249
Equipment and furniture	2,547,888	-	-	208,247	2,339,641
Vehicles and motorized equipment	2,252,486	414,156	-	168,135	2,498,507
Total capital assets being depreciated	39,111,561	1,317,792	-	376,382	40,052,971
<b>Less Accumulated Depreciation For:</b>					
Utility improvements	15,608,459	950,777	-	-	16,559,236
Buildings	69,842	69,842	-	-	139,683
Equipment and furniture	1,791,759	217,841	-	208,247	1,801,353
Vehicles and motorized equipment	1,531,316	234,497	-	168,135	1,597,678
Total accumulated depreciation	19,001,376	1,472,956	-	376,382	20,097,951
Total capital assets being depreciated, net	\$ 20,110,185				\$ 19,955,020
<b>Business-type activity capital assets, net</b>	<b>\$ 21,562,133</b>				<b>\$ 21,406,969</b>

*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
Ligon Mill Operational Improvements	\$3,088,793	\$(2,194,355)	\$894,438
Fiber Project	2,743,970	(2,624,089)	119,881
	<u>\$5,832,763</u>	<u>\$(4,818,444)</u>	<u>\$1,014,319</u>

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### Note 6—Pension plan obligations

#### (a) Local Government Employees' Retirement System

*Plan Description* - The Town is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested by the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employee's Retirement System is included in the Comprehensive Annual Financial Report for the State of North Carolina. The State's Comprehensive Annual 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](http://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 10.25% and 10.84%, 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, 2021 were \$2,319,524. The contributions made by the Town equaled the required contributions.

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 6—Pension plan obligations (continued)

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

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

At June 30<sup>th</sup> the Town reported a liability of \$9,298,770 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020 the Town's proportion was .26022%, which was an increase of .01785% from its proportion measured as of June 30, 2019 at 0.24237%.

For the year ended June 30, 2021, the Town recognized pension expense of \$3,336,626. At June 30, 2021, 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	\$ 1,174,271	\$ -
Changes of assumptions	692,011	-
Net difference between projected and actual earnings on pension plan investments	1,308,552	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	98,896	11,923
Town contributions subsequent to the measurement date	2,319,534	-
Total	<u>\$ 5,593,264</u>	<u>\$ 11,923</u>

\$2,319,534 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, 2022.



# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### Note 6—Pension plan obligations (continued)

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

Year ended June 30:	
2022	\$ 918,341
2023	1,226,495
2024	729,706
2025	387,265
	<u>\$ 3,261,807</u>

Actuarial Assumptions – The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Investment rate of return	7.0 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, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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.

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 6—Pension plan obligations (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed Income	29.00%	1.40%
Global Equity	42.00%	5.30%
Real Estate	8.00%	4.30%
Alternatives	8.00%	8.90%
Credit	7.00%	6.00%
Inflation Protection	6.00%	4.00%
Total	100.00%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualize figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate – The discount rate used to measure the total pension liability was 7%. 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 7.00%, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current rate:

	<b>1 % Decrease (6.0%)</b>	<b>Discount Rate (7.0%)</b>	<b>1 % Increase (8.0%)</b>
Town's proportionate share of the net pension liability	18,866,186	9,298,770	1,347,570

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

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 6—Pension plan obligations (continued)

#### (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, 2020 the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	82
Total	<u>84</u>

##### *Summary of Significant Accounting Policies*

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

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

*Actuarial Assumptions* - The entry age actuarial cost method was used in the December 31, 2020 valuation. The total pension liability in the December 31, 2020 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	1.93 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 RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 6—Pension plan obligations (continued)

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

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

At June 30, 2021, the Town reported a total pension liability of \$5,592,381. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the Town recognized pension expense of \$640,843.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 506,693	\$ -
Changes of assumptions	1,439,159	94,035
Benefit payments and administrative expenses subsequent to the measurement date	65,134	
Total	<u>\$ 2,010,986</u>	<u>\$ 94,035</u>

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
<b>Year ended June 30:</b>		
2022	\$ 444,845	\$ 30,146
2023	379,711	30,051
2024	369,358	20,385
2025	328,737	13,453
2026	302,990	-
Thereafter	185,345	-
	<u>\$ 2,010,986</u>	<u>\$ 94,035</u>

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 6—Pension plan obligations (continued)

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 1.93 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 (0.93 percent) or 1 percentage point higher (2.93 percent) than the current rate:

	1 % Decrease (0.93%)	Discount Rate (1.93%)	1 % Increase (2.93%)
Total pension liability	\$ 6,093,234	\$ 5,592,381	\$ 5,135,390

#### Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance

<b>Total Pension Liability as of December 31, 2019</b>	<b>\$ 3,461,581</b>
<b>Changes for the year:</b>	
Service Cost	179,210
Interest on the total pension liability	111,497
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	409,831
Changes of assumptions or other inputs	1,513,138
Benefit payments	(82,876)
Other changes	-
Net changes	<u>2,130,800</u>
<b>Total Pension Liability as of December 31, 2020</b>	<b><u>\$ 5,592,381</u></b>

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

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 6—Pension plan obligations (continued)

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 3,336,626	\$ 640,843	\$ 3,977,469
Pension Liability	9,298,770	5,592,381	14,891,151
Proportionate share of the net pension liability	2.602%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	1,174,271	506,693	1,680,964
Changes of assumptions	692,011	1,439,159	2,131,170
Net difference between projected and actual earnings on plan investments	1,308,552	-	1,308,552
Changes in proportion and differences between contributions and proportionate share of contributions	98,896	-	98,896
Benefit payments and administrative costs paid subsequent to the measurement date	2,319,534	65,134	2,384,668
Deferred Inflows of Resources			
Changes of assumptions	-	94,035	94,035
Changes in proportion and differences between contributions and proportionate share of contributions	11,923	-	11,923

### (c) Supplemental Retirement Income Plan for Law Enforcement Officers

*Plan Description* - The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G. S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report for the State of North Carolina. The State's Comprehensive Annual 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, 2021 were \$421,763 which consisted of \$283,416 from the Town and \$138,347 from the law enforcement officers.

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 6—Pension plan obligations (continued)

#### (d) Supplemental Retirement Income Plan for all Other Employees

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

*Funding Policy* - The Town contributes each month an amount equal to 5% of eligible employee's salary, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$1,158,951 which consisted of \$790,975 from the Town and \$367,976 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.

Retired employees' years of creditable service - continuous	Date Hired		
	Pre-April 15, 2003	After-April 15, 2003 but before July 1, 2018	After July 1, 2018
20+ years	Full Benefits	Full Benefits	No Benefits
15 - 19 years	Full Benefits	Half Benefits	No Benefits
5 - 14 years	Half Benefits	No Benefits	No Benefits
up to 5 years	No Benefits	No Benefits	No Benefits

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 6—Pension plan obligations (continued)

Membership of the HCB Plan consisted of the following as of June 30, 2020, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	35	2
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	223	82
Total	258	84

*Funding Policy* - The Board of Commissioners established the contribution requirements of plan members and this may be amended by the Board. The town operates two plans (1) base plan and (2) buy-up plan. For the base plan employees can choose to cover only their spouse or only their child(ren). Employees pay \$466 and \$311 per month for dependent coverage, respectively, and \$933 per month for family coverage. Under the buy-up plan employees pay \$512 and \$342, respectively, and \$1,025 per month for family coverage. The Town has chosen to fund the healthcare benefits on a pay as you go basis.

### Total OPEB Liability

The Town's total OPEB liability of \$11,844,909 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2019 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
Salary increases	3.50 to 7.75 percent, including inflation for General Employees 3.50 to 7.35 percent, including inflation for Law Enforcement Officers
Discount rate	2.21 percent
Healthcare cost trend rates	Pre-medicare: 7.00 percent for 2019 decreasing to an ultimate rate of 4.50 percent by 2026 Medicare: 5.00 percent for 2019 decreasing to an ultimate rate of 4.50 percent by 2021

The discount rate is based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.



# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 6—Pension plan obligations (continued)

#### Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2019	\$ 9,659,533
Changes for the year	
Service cost	481,254
Interest	349,782
Differences between expected and actual experience	131,328
Changes in assumptions or other inputs	1,519,595
Net benefit payment and implicit subsidy credit	(296,583)
Net changes	2,185,376
Balance at June 30, 2020	<u>\$ 11,844,909</u>

Mortality rates were based on the RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2015 to December 31, 2019, adopted by LGERS.

*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 calculate using a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 13,194,127	\$ 11,844,909	\$ 10,646,770

*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	Current Discount Rate	1% Increase
Total OPEB liability	\$ 10,257,646	\$ 11,844,909	\$ 13,757,139

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 6—Pension plan obligations (continued)

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

For the year ended June 30, 2021, the Town recognized OPEB expense/(revenue) of \$598,984. As of June 30, 2021, 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	\$ 115,986	\$ 969,472
Changes of assumptions	1,342,072	2,251,304
Benefit payments and administrative expenses subsequent to the measurement date	259,047	-
Total	<u>\$ 1,717,105</u>	<u>\$ 3,220,776</u>

\$259,047 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, 2022. 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:

2022	\$ (653,871)
2023	(653,871)
2024	(378,871)
2025	(378,871)
2026	(343,599)
Thereafter	96,365
	<u>\$ (2,312,718)</u>

#### (f) Other Employment Benefit

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. Employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's twelve (12) highest months' salary in a row during the twenty-four (24) months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Town has no liability beyond the payment of monthly contributions.

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### Note 6—Pension plan obligations (continued)

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 0.10% and 0.14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

### Note 7—Deferred outflows and inflows of resources

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

	<u>Total</u>
Contributions to pension plan in current fiscal year	
General Fund	\$ 2,136,234
Electric Fund	183,300
Subtotal	<u>2,319,534</u>
 OPEB Deferrals	
General Fund	1,488,215
Electric Fund	228,890
Subtotal	<u>1,717,105</u>
 Pension Deferrals	
General Fund	2,816,283
Electric Fund	457,447
Subtotal	<u>3,273,730</u>
 LEOSSA Deferrals	2,010,986
 Total	<u>\$ 9,321,355</u>

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 7—Deferred outflows and inflows of resources (continued)

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

	<u>Total</u>
Prepaid taxes not yet earned	\$ 50,419
Law enforcement separation allowance deferrals	94,035
Prepaid other	11,758
Grant deferral	-
Pension deferrals	11,923
OPEB deferrals	3,220,776
Total	<u>\$ 3,388,911</u>

General Fund – Property Taxes Receivable \$ 211,092

### Note 8—Risk management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in two (2) self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability of \$3 million and auto liability coverage of \$2 million combined single limit, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each 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.

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

### Note 9—Claims, judgments and contingent liabilities

As of June 30, 2021, 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.

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### Note 10—Long-term debt

#### (a) General Obligation Bonds

The Town's general obligation bonds serviced by the governmental funds were issued for the acquisition of parks and recreation facilities, 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, 2021 include the following individual issues:

#### *Serviced by the General Fund:*

\$4,330,000 Series 2015 Public Improvement Bonds with annual installments of \$220,000 to \$215,000 due annually on April 1 through October 1, 2035 plus interest from 2.0 to 2.25 percent	\$ 3,010,000
\$5,125,000 Series 2016 Refunding Bonds with annual installments of \$428,000 to \$503,000 due annually on April 1 through April 1, 2027 plus interest of 2.05 percent	2,687,000
\$15,850,000 Series 2018B Public Improvement Bonds with annual installments of \$420,000 to \$835,000 due annually on June 1, through June 1, 2038 plus interest of 2.98 percent	14,175,000
\$3,710,000 Series 2019 Refunding Bonds with annual payments of \$338,000 to \$392,000 due annually on February 1 through February 1, 2030 plus interest of 1.79 percent	3,318,000
\$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 2021B Public Improvement Bonds with annual payments of \$310,000 due annually on March 1 through March 1, 2026 plus interest of .54 percent	<u>1,290,000</u>
Total	<u>\$ 29,400,000</u>

As of June 30, 2021, the Town of Wake Forest had a legal debt margin of \$499,825,747.

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 10—Long-term debt (continued)

Annual debt service requirements to maturity for general obligation bonds as of June 30, 2021 are as follows:

	Governmental Activities	
	Principal	Interest
Year Ending June 30:		
2022	\$2,222,000	\$848,657
2023	2,209,000	856,919
2024	2,195,000	778,976
2025	2,181,000	722,279
2026	2,167,000	644,779
2027-2031	8,641,000	2,226,166
2032-2036	6,575,000	1,155,187
2037-2041	<u>3,210,000</u>	<u>226,838</u>
Total	<u>\$29,400,000</u>	<u>\$7,459,801</u>

### (b) Revenue Bonds

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

\$ 803,264

The Town is in compliance with the covenants as to rates, fees, rentals and charges in Section 5.02 of the Bond Order, authorizing the issuance of the Electric System Revenue Bond, Series 2014. Section 5.02 (a) requires the debt service coverage ratio to be no less than 120%. The debt service coverage ratio calculation for the year ended June 30, 2021, is as follows:

Operating revenues	\$21,250,227
Operating expenses (less depreciation)	<u>19,825,374</u>
Net revenues available for debt service	<u>\$ 1,424,853</u>
Debt service, principal and interest paid (revenue bond only)	<u>\$ 278,348</u>
Debt service coverage ratio	<u>512%</u>

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 10—Long-term debt (continued)

The Town has pledged future electric revenues, net of specified operating expenses, to repay \$2,500,000 in electric revenue bonds issued in June 2014. Proceeds from the bonds provided financing for an electric substation, substation improvements, and installation of streetlights. The bonds are payable solely from electric customer net revenues and are payable through 2024 for the Series 2014 bonds. The total principal and interest remaining to be paid on the bonds is \$835,044. Principal and interest paid for the current year and total customer net revenues were \$274,988 and \$1,424,903.

Annual debt service requirements to maturity for revenue bonds as of June 30, 2021 are as follows:

	Business-Type Activities	
	Principal	Interest
Year Ending June 30:		
2022	\$ 261,813	\$ 16,535
2023	267,710	10,638
2024	273,741	4,607
Total	<u>\$ 803,264</u>	<u>\$ 31,780</u>

### c) Installment Notes

The Town has several direct placement installment obligations outstanding on June 30, 2021. For each loan, the respective building, property, equipment, improvements (streets) and/or vehicles are pledged as collateral while the debt is outstanding:

	Governmental Activities
\$9,800,000 direct placement installment obligation with BB&T for the New Town Hall issued July 23, 2008; semi-annual payments of \$326,667, plus interest at 3.72%, the building and property are pledged as collateral for a 15-year period. <i>(Rate reduced to 2.70% - April 2012)</i>	\$ 1,633,325
\$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%.	2,321,429
\$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 includes interest at 2.85%.	1,852,804
\$2,400,000 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 includes interest at 3.39%. <i>(Rate reduced to 2.17% - July 2020)</i>	1,500,000
\$1,000,000 direct placement installment obligation with BB&T for 353 South White Street issued on May 3, 2018; semi-annual payments of \$112,833 to \$126,611 which includes interest at 3.10%.	333,333

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

	<b>Governmental Activities</b>
\$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 includes interest at 2.74%.	3,928,571
\$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 of .99%	1,309,512
\$536,925 direct placement installment obligation with BB&T (Truist) for police vehicles issued on April 8, 2020; semi-annual payments of \$92,105 which includes interest at 1.66%.	360,900
\$683,650 direct placement installment obligation with BB&T for vehicles and equipment issued on May 30, 2019; semi-annual payments of \$110,336 to \$117,609 which includes interest at 2.57%.	233,727
\$524,590 direct placement installment obligation with First Horizon. Loan assumed with fire department merger effective July 1, 2020. Monthly payments of \$10,744 which includes interest at 2.99%.	350,411
\$331,045 direct placement installment obligation with Truist (BB&T) for vehicles and equipment issued on September 3, 2020; semi-annual payments of \$42,355 which includes interest at 1.04%.	290,412
\$642,435 direct placement installment obligation with Truist (BB&T) for vehicles and equipment issued on June 11, 2021; semi-annual payments of \$82,067 which includes interest at .97%.	<u>642,435</u>
Total	<u>\$ 14,756,859</u>
	<b>Business-Type Activities</b>
\$407,125 direct placement installment obligation with Truist (BB&T) for the vehicles and equipment issued September 3, 2020; semi-annual payments of \$52,098, plus interest at 1.04%.	\$ 357,154
\$3,500,000 direct placement installment obligation with Regions Capital Advantage for 5031 Unicon Drive issued October 18, 2018; semi-annual payments of \$350,000, plus interest at 2.94%.	<u>2,625,000</u>
	<u>\$ 2,982,154</u>



# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 10—Long-term debt (continued)

Annual debt service requirements to maturity for installment notes as of June 30, 2021 are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Year Ending June 30:				
2022	\$ 3,636,225	\$ 340,462	\$ 450,724	\$ 78,056
2023	3,302,945	252,148	451,775	66,715
2024	2,676,797	173,076	452,836	55,364
2025	2,202,416	112,536	401,819	44,002
2026	1,999,958	61,793	350,000	33,443
2027-2031	938,518	24,023	875,000	38,588
Total	<u>\$ 14,756,859</u>	<u>\$ 964,038</u>	<u>\$ 2,982,154</u>	<u>\$ 316,168</u>

*Changes in Long-Term Liabilities* - Long-term liability activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Bonds and Notes Payable:					
General obligation bonds	\$ 25,110,000	\$ 6,210,000	\$ 1,920,000	\$ 29,400,000	\$ 2,222,000
Premiums on issuance	818,693	734,472	50,111	1,503,054	86,596
Total bonds payable	25,928,693	6,944,472	1,970,111	30,903,054	2,308,596
Installment Notes	12,924,277	5,413,813	3,581,231	14,756,859	3,636,225
Compensated absences	1,390,945	1,518,917	902,311	2,007,551	902,311
Total pension liability - LEO*	3,461,581	5,592,381	3,461,581	5,592,381	-
Pension obligation - LGERS	5,310,164	2,322,493	-	7,632,657	-
Other post employment benefits	8,104,283	10,265,462	8,104,283	10,265,462	-
Governmental activity long-term liabilities	57,119,943	32,057,538	18,019,517	71,157,964	6,847,132
<b>Business-Type Activities:</b>					
Revenue bonds	\$ 1,059,309	\$ -	\$ 256,045	\$ 803,264	\$ 261,813
Installment notes	3,106,103	407,125	531,074	2,982,154	450,724
Compensated absences	140,050	108,971	98,984	150,037	98,984
Pension obligation - LGERS	1,308,773	357,340	-	1,666,113	-
Other post employment benefits	1,555,250	1,579,447	1,555,250	1,579,447	-
Business-type activity long-term liabilities	7,169,485	2,452,883	2,441,353	7,181,015	811,521
Total long-term liabilities	<u>\$ 64,289,428</u>			<u>\$ 78,338,979</u>	<u>\$ 7,658,653</u>

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

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

### Note 11—Fund balance

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

Total fund balance - General Fund	\$21,851,861
Less:	
Inventories	17,911
Prepayments	108,634
Stabilization by State Statute	6,075,840
Downtown District	341,865
Public Safety	376,579
Economic Development	102,326
Assigned for subsequent year's expenditures	1,200,600
Remaining fund balance	<u>\$13,628,106</u>

### Note 11—Fund balance (continued)

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

Encumbrances – General Fund	\$ 804,800
Capital Projects	2,127,445

### Note 12—Interfund balances and transfers

A summary of interfund transfers follows:

	Transfers Out			
	Downtown			Total
	General Fund	District Special Tax	Parks & Rec Imp.	
Transfers In:				Transfers In
General Fund	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	5,126,185	65,000	-	5,191,185
Wake Forest Renaissance Centre	394,639	-	-	394,639
Parks Improvement	-	-	-	-
Wake Forest Business & Industry Partnership	293,450	-	20,656	314,106
GTP	996,135	-	-	996,135
Total Transfers Out	<u>6,810,409</u>	<u>65,000</u>	<u>20,656</u>	<u>6,896,065</u>

# TOWN OF WAKE FOREST, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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.

Balances advanced to/from other funds as of June 30, 2021, consist of the following:

<i>Receivable Fund</i>	<i>Payable Fund</i>	<i>Amount</i>
Futures Fund	General Fund	\$250,001

The amounts payable to the Futures Fund relate to a loan made to the General Fund for the purchase of the SunTrust Building located at 353 South White Street for economic development purposes. The General Fund will re-pay this loan by fiscal year 2025 plus interest at 3.10%.

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. As of June 30, 2021, to cover cash deficits in capital projects funds, \$1,703,289 was transferred from the General Fund and Capital Reserve Fund's cash balance to respective funds. This will be reversed subsequent to June 30 and is not considered a payable or permanent transfer.

### Note 13—Jointly governed organization

The Town is a member of the North Carolina Eastern Municipal Power Agency (the "Agency"). The Agency was formed to enable municipalities that own electric distribution systems to finance, construct, own, operate, and maintain generation and transmission facilities through the Agency. The Town receives power from the Agency and is contractually allocated a .7262% interest in the Agency, with the balance being shared by the thirty-two (32) other local governments. Each participating government appoints one commissioner to the Agency's governing board. The Town is obligated to purchase all of its power supply requirements from the Agency. Except for the power supply purchase requirements, no local government participant has any obligation, entitlement, or residual interest. 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, 2021 were \$12,112,081, which is slightly lower in comparison to the previous year.

### Note 14—Summary disclosure of significant contingencies

*Federal and State Assisted Programs* - The Town has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures of grant monies by the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2021*

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### **Note 15—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, 2021, the Town had advanced funding in the amount of \$710,652. 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 to convert to a 10-year balloon payment with a 20-year amortization. Accordingly, the amounts advanced as of June 30, 2021 have been recorded in the government-wide financial statements.

### **Note 16 – Transfer of Operations**

Prior to July 1, 2020, the Town contracted with the Wake Forest Fire Department, Inc. (WFFD, Inc) a private not for profit corporation) to provide fire protection services. Under a consolidation agreement between the Town and Wake Forest Fire Department, Inc., the Town will assume the fire protection operations to provide services to the citizens of Wake Forest. On July 1, 2020, WFFD, Inc. transferred all assets and liabilities comprising its fire service operations to the Town of Wake Forest. WFFD, Inc. transferred five stations, engines, trucks and various other equipment valued at \$7.6 million. The Town assumed \$630,821 in debt related to fire service operations. During the fiscal year, \$280,410 was retired leaving a balance of \$350,411 as of June 30, 2021.

### **Note 17—Subsequent events**

Vehicles and equipment ordered during FY 2020-2021 were delayed. As a result, the delivery of these did not occur until after July 1, 2021 and respective financing was deferred to coincide with the delivery. Subsequent to June 30, 2021, the Town entered into an agreement with Truist Bank (formerly BB&T Governmental Finance) for an amount not to exceed \$798,510 to fund vehicles and equipment included in the FY 2020-2021 budget. This is a four-year installment note with an interest rate of .89%. The Town closed on the installment purchase contract on September 15, 2021.

The Town of Wake Forest was awarded a grant estimated to be \$14,541,856 as part of the American Rescue Plan Act (ARPA) to assist with the financial hardships created by the pandemic. In July 2021, the Town received half in the amount of \$7,270,923. These funds will be spent in accordance with the guidance provided by the U. S. Department of the Treasury.

**TOWN OF WAKE FOREST, NORTH CAROLINA****SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY****LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE****REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2021

	2021	2020	2019	2018	2017
Beginning balance	\$ 3,461,581	\$ 3,063,359	\$ 2,807,287	\$ 2,307,794	\$ 2,173,245
Service cost	179,210	147,393	154,143	123,548	129,868
Interest on the total pension liability	111,497	111,193	88,638	88,992	77,503
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	409,831	44,798	153,644	105,342	-
Changes of assumptions or other inputs	1,513,138	112,042	(135,763)	186,201	(68,232)
Benefit payments	(82,876)	(17,204)	(4,590)	(4,590)	(4,590)
Other changes	-	-	-	-	-
Ending balances of the total pension liability	<u>\$ 5,592,381</u>	<u>\$ 3,461,581</u>	<u>\$ 3,063,359</u>	<u>\$ 2,807,287</u>	<u>\$ 2,307,794</u>

\*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****SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL****REQUIRED SUPPLEMENTARY INFORMATION****LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**

June 30, 2021

	2021	2020	2019	2018	2017
Total pension liability	\$ 5,592,381	\$ 3,461,581	\$ 3,063,359	\$ 2,807,287	\$ 2,307,794
Covered payroll	5,815,589	5,209,710	4,840,560	4,513,029	4,591,100
Total pension liability as a percentage of covered payroll	96.16%	66.44%	63.29%	62.20%	50.27%

Notes to the schedules:

\*The Town of Wake Forest has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

\*This report will eventually report ten years of information.

**TOWN OF WAKE FOREST, NORTH CAROLINA****SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS****REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2021

	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service cost	\$ 481,254	\$ 1,079,017	\$ 1,146,420	\$ 1,301,212
Interest on TOL and Cash Flows	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	131,328	(1,254,861)	(9,287)	(3,024)
Changes of assumptions or other inputs	1,519,595	(241,361)	(1,275,315)	(2,229,299)
Benefit payments	(296,583)	(260,005)	(235,691)	(226,089)
Other changes	-	-	-	-
Net change in total OPEB Liability	2,185,376	(10,253,404)	319,495	(554,135)
Total OPEB Liability - beginning	9,659,533	19,912,937	19,593,442	20,147,577
Total OPEB Liability - ending	\$ 11,844,909	\$ 9,659,533	\$ 19,912,937	\$ 19,593,442
Covered payroll	\$ 15,697,734	\$ 15,697,734	\$ 12,845,162	\$ 12,845,162
Total OPEB liability as a percentage of covered payroll	75.46%	61.53%	155.02%	152.54%

## Notes to Schedule:

\*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:

Fiscal Year	Rate
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

**TOWN OF WAKE FOREST, NORTH CAROLINA**  
TOWN OF WAKE FOREST PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
REQUIRED SUPPLEMENTARY INFORMATION

LAST EIGHT FISCAL YEARS

Local Government Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014
Wake Forest's proportion of the net pension liability (asset) (%)	0.2602%	0.2424%	0.2377%	0.2292%	0.2282%	0.2321%	0.2308%	0.2236%
Wake Forest's proportion of the net pension liability (asset) (\$)	\$ 9,298,770	\$ 6,618,936	\$ 5,639,058	\$ 3,501,388	\$ 4,844,017	\$ 1,041,516	\$ (1,361,016)	\$ 2,695,239
Wake Forest's covered payroll	\$ 16,180,204	\$ 14,677,142	\$ 13,681,997	\$ 12,545,629	\$ 12,125,728	\$11,768,783	\$11,932,156	\$ 11,159,640
Wake Forest's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	57.47%	45.10%	41.22%	27.91%	39.95%	8.85%	-11.41%	24.15%
Plan fiduciary net position as a percentage of the total pension liability (2)	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

(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.



TOWN OF WAKE FOREST, NORTH CAROLINA  
TOWN OF WAKE FOREST CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION

LAST EIGHT FISCAL YEARS

Local Government Employees' Retirement System

	2021		2020		2019		2018		2017		2016		2015		2014	
Contractually required contribution	\$	2,319,534	\$	1,573,124	\$	1,249,325	\$	1,129,234	\$	1,004,600	\$	878,135	\$	897,824	\$	869,753
Contributions in relation to the contractually required contribution		2,319,534		1,573,124		1,249,325		1,129,234		1,004,600		878,135		897,824		869,753
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Wake Forest's covered payroll	\$	21,450,990	\$	16,180,204	\$	14,677,142	\$	13,681,997	\$	12,545,629	\$	12,125,728	\$	11,768,783	\$	11,932,156
Contributions as a percentage of covered payroll		10.81%		9.72%		8.51%		8.25%		8.01%		7.24%		7.63%		7.29%



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TOWN *of*  
WAKE FOREST

## TOWN OF WAKE FOREST, NORTH CAROLINA

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Ad valorem taxes:</b>				
Current year taxes	\$ 33,338,425	\$ 33,569,380	\$ 230,955	\$ 29,328,999
Prior years taxes	35,000	38,967	3,967	(34,257)
Penalties and interest	50,000	46,934	(3,066)	45,276
Total	33,423,425	33,655,281	231,856	29,340,018
<b>Other taxes and licenses:</b>				
Gross receipts tax on short-term rental property	56,000	44,468	(11,532)	46,985
Total	56,000	44,468	(11,532)	46,985
<b>Unrestricted intergovernmental:</b>				
Local option sales taxes	8,026,075	9,972,882	1,946,807	8,594,400
Beer and wine tax	161,375	161,375	-	160,326
Utility franchise tax				
Piped natural gas	88,200	103,472	15,272	77,686
Electricity	2,214,800	2,026,323	(188,477)	2,047,072
Telecommunications	98,000	72,359	(25,641)	72,922
Video Programming	411,600	388,690	(22,910)	384,476
Other unrestricted intergovernmental	29,000	28,922	(78)	28,211
Total	11,029,050	12,754,023	1,724,973	11,365,093
<b>Restricted intergovernmental:</b>				
State grants	-	10,000	10,000	-
Wake County	2,902,370	2,608,362	(294,008)	-
Total	2,902,370	2,618,362	(284,008)	135,994
<b>Permits and fees:</b>				
Building permits	1,726,600	1,959,774	233,174	1,461,555
Fire inspection and prevention	23,375	27,463	4,088	21,812
Utility and street inspection fees	480,000	491,035	11,035	92,099
Vehicle licenses	193,125	154,564	(38,561)	187,594
Business registration fee	2,500	2,565	65	2,048
Other permits and fees	671,025	684,890	13,865	554,403
Total	3,096,625	3,320,291	223,666	2,319,511
<b>Sales and services:</b>				
Solid waste fees	1,669,000	1,435,921	(233,079)	(133)
Recreation fees	528,300	434,440	(93,860)	451,028
Cemetery	43,900	43,900	-	35,200
Other sales and services	158,000	153,882	(4,118)	139,007
Total	2,399,200	2,068,143	(331,057)	625,102
<b>Miscellaneous:</b>				
ABC revenue	235,500	271,255	35,755	232,073
Miscellaneous revenue	1,072,180	1,152,035	79,855	919,458
Total	1,307,680	1,423,290	115,610	1,151,531
<b>Investment earnings</b>	29,200	13,034	(16,166)	193,032
<b>Total revenues</b>	54,243,550	55,896,892	1,653,342	45,177,266

**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, 2021

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance	2020
	Budget	Actual	Positive (Negative)	Actual
<b>Expenditures:</b>				
<b>General government:</b>				
<b>Governing body:</b>				
Salaries and employee benefits	\$ 314,070	\$ 313,005	\$ 1,065	282,489
Professional services	522,450	503,144	19,306	397,998
Contributions	29,500	29,500	-	29,750
Operating expenditures	92,000	54,741	37,259	129,654
Total	958,020	900,390	57,630	839,891
<b>Town Manager's Office</b>				
<b>Administration:</b>				
Salaries and employee benefits	602,055	596,097	5,958	339,919
Professional services	136,800	109,819	26,981	1,000
Operating expenditures	79,765	68,416	11,349	42,217
Total	818,620	774,332	44,288	383,136
<b>Economic Development:</b>				
Salaries and employee benefits	-	-	-	194,748
Professional services	-	-	-	25,050
Operating expenditures	-	-	-	86,963
Total	-	-	-	306,761
<b>Downtown Development</b>				
Salaries and employee benefits	239,570	186,343	53,227	185,910
Professional services	30,000	20,000	10,000	52,287
Operating expenditures	137,130	49,543	87,587	198,188
Total	406,700	255,886	150,814	436,385
<b>Communications:</b>				
Salaries and employee benefits	534,890	533,349	1,541	488,694
Operating expenditures	425,565	306,125	119,440	368,017
Capital Outlay	7,000	6,908	92	18,704
Total	967,455	846,382	121,073	875,415
<b>Human Resources:</b>				
Salaries and employee benefits	533,540	462,580	70,960	448,359
Professional services	12,950	5,971	6,979	3,610
Operating expenditures	202,270	146,696	55,574	130,819
Total	748,760	615,247	133,513	582,788
<b>Administrative Services</b>				
<b>Finance:</b>				
Salaries and employee benefits	711,330	657,946	53,384	754,449
Professional services	51,500	45,704	5,796	51,985
Operating expenditures	520,195	504,052	16,143	393,702
Capital outlay	6,400	6,317	83	-
Total	1,289,425	1,214,019	75,406	1,200,136

**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, 2021

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Information Technology</b>				
Salaries and employee benefits	\$ 647,760	\$ 542,873	\$ 104,887	519,551
Professional services	31,400	9,800	21,600	-
Operating expenditures	633,985	593,374	40,611	475,265
Capital outlay	33,395	33,395	-	346,249
Total	1,346,540	1,179,442	167,098	1,341,065
<b>Inspections</b>				
<b>Inspections:</b>				
Salaries and employee benefits	1,641,065	1,577,418	63,647	1,549,886
Operating expenditures	127,280	99,626	27,654	109,923
Capital outlay	28,500	28,408	92	-
Total	1,796,845	1,705,452	91,393	1,659,809
<b>Public Facilities:</b>				
Salaries and employee benefits	484,130	478,159	5,971	361,572
Operating expenditures	2,016,545	1,758,753	257,792	1,466,107
Capital outlay	140,670	88,881	51,789	61,088
Total	2,641,345	2,325,793	315,552	1,888,767
<b>Planning</b>				
Salaries and employee benefits	1,111,105	1,025,479	85,626	1,078,956
Professional services	415,000	174,003	240,997	69,116
Operating expenditures	977,735	899,917	77,818	540,760
Contributions	10,000	10,000	-	10,000
Total	2,513,840	2,109,399	404,441	1,698,832
<b>Public Works</b>				
<b>Public Works Administration:</b>				
Salaries and employee benefits	239,540	172,805	66,735	242,821
Operating expenditures	78,140	67,243	10,897	41,888
Capital Outlay	-	-	-	9,775
Total	317,680	240,048	77,632	294,484
<b>Urban Forestry</b>				
Salaries and employee benefits	152,230	151,605	625	145,945
Operating expenditures	52,275	42,013	10,262	31,760
Capital Outlay	34,420	34,402	18	-
Total	238,925	228,020	10,905	177,705
<b>Engineering:</b>				
Salaries and employee benefits	882,325	790,407	91,918	809,519
Professional services	267,177	111,930	155,247	208,056
Operating expenditures	92,810	72,112	20,698	70,215
Capital outlay	28,480	28,408	72	58,213
Total	1,270,792	1,002,857	267,935	1,146,003

## 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, 2021

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		Actual
<b>Fleet Maintenance:</b>				
Salaries and employee benefits	369,285	326,201	43,084	275,990
Operating expenditures	111,470	81,055	30,415	90,912
Capital outlay	40,400	40,161	239	11,900
Total	521,155	447,417	73,738	378,802
<b>Total general government</b>	15,836,102	13,844,684	1,991,418	13,209,979
<b>Public safety:</b>				
<b>Police:</b>				
Salaries and employee benefits	\$ 10,049,380	\$ 9,921,107	\$ 128,273	\$ 9,443,153
Professional services	12,000	12,250	(250)	-
Operating expenditures	1,940,705	1,453,206	487,499	1,581,211
Capital outlay	203,200	123,085	80,115	976,193
Total	12,205,285	11,509,648	695,637	12,000,557
<b>Fire:</b>				
Salaries and employee benefits	7,338,795	7,294,857	43,938	109,710
Professional services	47,400	47,234	166	103,842
Operating expenditures	1,436,025	1,245,673	190,352	-
Capital outlay	1,499,455	1,365,967	133,488	-
Fire Services Contract	-	-	-	7,586,280
HazMat Services Contract	-	-	-	18,375
Total	10,321,675	9,953,731	367,944	7,818,207
<b>Total public safety</b>	22,526,960	21,463,379	1,063,581	19,818,764
<b>Transportation:</b>				
<b>Streets:</b>				
Salaries and employee benefits	1,343,485	1,233,217	110,268	1,128,334
Operating expenditures	1,205,395	1,040,585	164,810	1,183,144
Capital outlay	439,630	351,720	87,910	60,175
<b>Total transportation</b>	2,988,510	2,625,522	362,988	2,371,653
<b>Environmental protection:</b>				
<b>Solid Waste:</b>				
Salaries and employee benefits	771,670	699,870	71,800	667,845
Contracted services	-	-	-	2,739,304
Operating expenditures	3,565,510	3,471,217	94,293	446,285
Capital outlay	422,025	208,027	213,998	-
<b>Total environmental protection</b>	4,759,205	4,379,114	380,091	3,853,434
<b>Cultural and recreational:</b>				
<b>Parks and recreation:</b>				
Salaries and employee benefits	2,260,040	2,021,879	238,161	1,907,043
Professional services	3,295	647	2,648	-
Operating expenditures	1,747,760	1,103,566	644,194	1,304,257
Capital outlay	271,490	271,432	58	469,893
<b>Total cultural and recreational</b>	4,282,585	3,397,524	885,061	3,681,193
<b>Total expenditures</b>	50,393,362	45,710,223	4,683,139	42,935,023
<b>Revenues over expenditures</b>	3,850,188	10,186,669	6,336,481	2,242,243

**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, 2021

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance Positive (Negative)	2020
	Budget	Actual		Actual
<b>Other financing sources (uses):</b>				
Transfers in (out):				
Debt Service Fund	\$ (5,126,185)	\$ (5,126,185)	\$ -	\$ (4,840,020)
Downtown District Special Tax	74,000	2,610	(71,390)	17,000
Futures Fund	-	-	-	-
Wake Forest Business & Industry Partnership (BIP)	(296,776)	(293,450)	3,326	(23,095)
Wake Forest Renaissance Centre SRF	(394,639)	(394,639)	-	(341,530)
Grant & Special Revenue Fund	-	-	-	(56,980)
Public Arts Fund	-	-	-	(47,685)
Asset Maintenance Fund	-	-	-	(170,000)
Public Facilities Capital Project	-	-	-	18,412
Police Special Revenue Fund	-	-	-	7,378
Greenways, Trails & Pedestrian Access Recreation	(996,135)	(996,135)	-	(188,748)
Capital Reserve	-	-	-	41,844
Cemetery Fund Capital Reserve	-	-	-	57,315
General Capital Reserve	-	-	-	1,484,417
Proceeds from Wake Forest Fire Department	64,500	64,481	(19)	-
Installment note issuance	2,283,035	2,282,992	(43)	536,925
Appropriated fund balance	542,012	-	(542,012)	-
<b>Total other financing sources (uses)</b>	<b>(3,850,188)</b>	<b>(4,460,326)</b>	<b>(610,138)</b>	<b>(3,504,767)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>5,726,343</b>	<b>\$ 5,726,343</b>	<b>(1,262,524)</b>
<b>Fund balance - Beginning of year</b>		<b>15,220,520</b>		<b>16,483,044</b>
<b>Fund balance - End of year</b>		<b>\$ 20,946,863</b>		<b>15,220,520</b>

## 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, 2021

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021		Variance	2020
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Restricted intergovernmental:</b>				
Powell Bill allocation	\$ 909,620	\$ 909,620	\$ -	\$ 923,774
Total	909,620	909,620	-	923,774
<b>Permits and fees:</b>				
Vehicle licenses	682,500	779,304	96,804	707,677
Total	682,500	779,304	96,804	707,677
<b>Miscellaneous:</b>				
Miscellaneous revenue	-	-	-	17,400
Total	-	-	-	17,400
<b>Investment earnings</b>	3,500	196	(3,304)	6,546
<b>Total revenues</b>	1,595,620	1,689,120	93,500	1,655,397
<b>Expenditures:</b>				
<b>Debt service:</b>				
Bond principal	1,920,000	1,920,000	-	1,635,000
Bond interest	743,750	743,736	14	804,220
Installment note principal	3,717,300	3,576,443	140,857	3,466,684
Installment note interest	405,755	379,030	26,725	413,396
<b>Total debt service</b>	6,786,805	6,619,209	167,596	6,319,300
<b>Total expenditures</b>	6,786,805	6,619,209	167,596	6,319,300
<b>Revenues under expenditures</b>	(5,191,185)	(4,930,089)	261,096	(4,663,903)
<b>Other financing sources (uses):</b>				
Transfers in:				
Downtown District Special Tax	65,000	65,000	-	65,000
General Fund	5,126,185	5,126,185	-	4,840,020
<b>Total other financing sources (uses)</b>	5,191,185	5,191,185	-	4,905,020
<b>Debt refunding:</b>				
Principal payments	-	-	-	(3,710,000)
Refunding bonds issued	-	-	-	4,145,109
	-	-	-	435,109
<b>Net change in fund balance</b>	\$ -	261,096	\$ 261,096	(193,992)
<b>Fund balance - Beginning of year</b>		108,054		302,046
<b>Fund balance - End of year</b>		\$ 369,150		\$ 108,054



**TOWN OF WAKE FOREST, NORTH CAROLINA**  
**SPECIAL REVENUE FUND**  
**WAKE FOREST BUSINESS & INDUSTRY PARTNERSHIP (BIP)**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

*FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021*

	Budget Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Donations	\$ -	\$ 4,826	\$ -	\$ 4,826
Total revenues	-	4,826	-	4,826
<b>Expenditures:</b>				
Personnel	137,010	-	111,813	111,813
Professional services	51,750	162,921	3,120	166,041
Contributions	750	-	750	750
Operating	103,740	65,000	75,441	140,441
Total expenditures	293,250	227,921	191,124	419,045
Revenues under expenditures	(293,250)	(223,095)	(191,124)	(414,219)
<b>Other financing sources</b>				
Transfer In - Futures Fund	-	200,000	-	200,000
Transfer In - General Fund	293,250	23,095	293,450	316,545
Total other financing sources	293,250	223,095	293,450	516,545
Net change in fund balance	\$ -	\$ -	102,326	\$ 102,326
<b>Fund balances:</b>				
Beginning of Year			-	
End of Year			\$ 102,326	

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

*FOR THE YEAR ENDED JUNE 30, 2021*

*(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)*

	<b>2021</b>			<b>2020</b>
			<b>Variance</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Positive</b>	<b>Actual</b>
			<b>(Negative)</b>	
<b>Revenues:</b>				
Ad valorem taxes	\$ 128,500	\$ 129,922	\$ 1,422	\$ 79,867
Investment earnings	2,700	103	(2,597)	2,590
Miscellaneous	2,675	2,671	(4)	-
Total revenues	133,875	132,696	(1,179)	82,457
<b>Other financings sources (uses):</b>				
Transfers in (out):				
General Fund	(74,000)	(2,610)	(71,390)	(17,000)
Debt Service fund	(65,000)	(65,000)	-	(65,000)
Appropriated Fund Balance	5,125	-	5,125	-
Total other financing sources (uses):	(133,875)	(67,610)	(66,265)	(82,000)
Net change in fund balance	\$ -	65,086	\$ 65,086	457
<b>Fund Balances:</b>				
Beginning of year		276,779		276,322
End of year		\$ 341,865		\$ 276,779

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

*FOR THE YEAR ENDED JUNE 30, 2021*

*(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)*

	<b>2021</b>			<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Actual</b>
<b>Revenues:</b>				
Donations	\$ 16,860	\$ 76,529	\$ 59,669	\$ 14,470
Forfeited currency				
State Controlled Substances Tax	1,560	1,628	68	1,518
Investment earnings	100	111	11	2,738
Miscellaneous	-	200	200	-
Total revenues	<u>18,520</u>	<u>78,468</u>	<u>59,948</u>	<u>18,726</u>
<b>Expenditures:</b>				
Miscellaneous	16,860	15,781	1,079	15,372
Donations	1,660	-	1,660	7,378
Total expenditures	<u>18,520</u>	<u>15,781</u>	<u>2,739</u>	<u>22,750</u>
Net change in fund balance	<u>\$ -</u>	<u>62,687</u>	<u>\$ 62,687</u>	<u>(4,024)</u>
<b>Fund Balances:</b>				
Beginning of year		313,892		317,916
End of year		<u>\$ 376,579</u>		<u>\$ 313,892</u>
<b>Project Reconciliation:</b>				
State Controlled Substances Tax		\$ 73,638		\$ 72,010
Miscellaneous Projects		86,208		101,678
Donations		216,733		140,204
		<u>\$ 376,579</u>		<u>\$ 313,892</u>

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

*FOR THE YEAR ENDED JUNE 30, 2021*

*(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)*

	<b>2021</b>			<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Actual</b>
<b>Revenues:</b>				
Sales and services	\$ 89,400	\$ 37,066	\$ (52,334)	\$ 86,816
Donations	-	440	440	175
Miscellaneous	1,000	-	(1,000)	-
Events revenue	51,000	4,406	(46,594)	82,168
Total revenues	141,400	41,912	(99,488)	169,159
<b>Expenditures:</b>				
Personnel	362,610	343,066	19,544	341,529
Operating expenses	173,600	95,228	78,372	181,381
Total expenditures	536,210	438,294	97,916	522,910
Revenues over (under) expenditures	(394,810)	(396,382)	(1,572)	(353,751)
<b>Other Financing Sources:</b>				
Transfer in (out):				
General Fund	394,810	394,639	(171)	341,529
Total other financing sources	394,810	394,639	(171)	341,529
Net change in fund balance	\$ -	(1,743)	\$ (1,743)	(12,222)
<b>Fund balances:</b>				
Beginning of year		10,313		22,535
End of year		\$ 8,570		\$ 10,313

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

*FOR THE YEAR ENDED JUNE 30, 2021*

*(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)*

	Budget	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Donations	\$ -	\$ -	\$ 8,216	\$ 8,216
State Grant	25,000	25,000	-	25,000
Total revenues	25,000	25,000	8,216	33,216
<b>Expenditures:</b>				
Operating expenses:				
Joyner Park	225,000	125,000	-	125,000
Wake County Murals	37,510	21,510	-	21,510
Other:				
Temporary Art	6,000	45,556	8,262	53,818
Miscellaneous Public Art Projects	35,000	1,915	-	1,915
Total expenditures	303,510	193,981	8,262	202,243
Revenues over (under) expenditures	(278,510)	(168,981)	(46)	(169,027)
<b>Other Financing Sources:</b>				
Transfer in:				
Capital Project Funds	278,510	244,685	-	\$ 244,685
Total other financing sources	278,510	244,685	-	244,685
Net change in fund balance	\$ -	\$ 75,704	(46)	\$ 75,658
<b>Fund balances:</b>				
Beginning of year			75,704	
End of year			\$ 75,658	

## TOWN OF WAKE FOREST, NORTH CAROLINA

## CAPITAL PROJECTS FUND

## GREENWAY TRANSPORTATION PEDESTRIAN ACCESS

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

			Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date	
Revenues:						
Federal grants						
Smith and Sanford Creek Greenway	\$ 3,757,920	\$ 3,685,415	\$ -	\$ (3,685,415)	-	
Priority Pedestrian Corridors	2,496,000	2,572,834	55,707	-	2,628,541	
Dunn Creek Greenway-Downtown Connector	665,440	572,296	-	(572,296)	-	
Ligon Mill Road - Operational Improvements	2,028,000	432,212	103,069	-	535,281	
Stadium Drive - Complete Streets	6,601,150	5,551,879	-	-	5,551,879	
Smith Creek Greenway - Phase 2	343,580	54,582	289,822	-	344,404	
Smith Creek Greenway - Phase 3	170,000	42,955	134,656	-	177,611	
Richland Creek Stream Repair	12,699	12,699	-	(12,699)	-	
Dunn & Richland Creek Greenway Stream Repair	2,468	2,468	-	-	2,468	
Sub-total federal grants	16,077,257	12,927,340	583,254	(4,270,410)	9,240,184	
State grants						
Stadium Drive - Complete Streets	100,000	100,000	-	-	100,000	
Richland Creek Stream Repair	4,233	4,233	-	(4,233)	-	
Dunn & Richland Creek Greenway Stream Repair	823	823	-	-	823	
Sub-total state grants	105,056	105,056	-	(4,233)	100,823	
Wake County grants						
Smith Creek Greenway - Phase 2	941,000	210,683	17,636	-	228,319	
Sub-total Wake County grants	941,000	210,683	17,636	-	228,319	
Investment earnings						
Smith and Sanford Creek Greenway	-	20,209	-	(20,209)	-	
Priority Pedestrian Corridors	-	18,188	-	-	18,188	
Dunn Creek Greenway - Downtown Connector	-	7,388	-	(7,388)	-	
Greenway and Park Signage	-	7,373	-	(7,373)	-	
Ligon Mill Road Operation Improvements	-	34,394	-	-	34,394	
Stadium Drive - Complete Streets	-	530	-	-	530	
Dunn Creek Greenway - Boardwalk Rehab	-	3,757	-	(3,757)	-	
Richland Creek Stream Repair	-	10,736	-	(10,736)	-	
Traffic Signals - Friendship Chapel	-	1,283	-	(1,283)	-	
Traffic Signals - Heritage Lake	-	-	-	-	-	
Road/Heritage Club	-	-	-	-	-	
Wake Forest Reservoir - Phase 1 & 2	-	-	-	-	-	
Wake Forest Reservoir - Decommission	-	6,481	-	-	6,481	
Smith Creek Stream Bank Repair	-	1,054	-	(1,054)	-	
Sub-total investment earnings	-	111,393	-	(51,800)	59,593	
Payment in Lieu of Taxes (PILOT)						
Ligon Mill Road Operation Improvements	272,000	271,127	-	-	271,127	
Priority Pedestrian Corridors	48,500	48,379	-	-	48,379	
Rogers Branch Road Extension	115,000	156,466	-	-	156,466	
Rogers Road Grade Separation	128,000	127,804	-	-	127,804	
Smith Creek Greenway - Phase 2	-	11,891	-	-	11,891	
Ligon Mill Road Pedestrian Underpass	73,000	73,000	-	-	73,000	
Sub-total payment in lieu of taxes	636,500	688,667	-	-	688,667	

## TOWN OF WAKE FOREST, NORTH CAROLINA

## CAPITAL PROJECTS FUND

## GREENWAY TRANSPORTATION PEDESTRIAN ACCESS

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

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Miscellaneous Revenues					
Ligon Mill Additional Services	-	551	-	-	551
Priority Pedestrian Corridors	20,500	20,450	-	-	20,450
Smith and Sanford Creek Greenway	-	800	-	(800)	-
Dunn Creek Greenway - Downtown Connector	-	43,393	-	(43,393)	-
Traffic Signals - Friendship Chapel	-	13,500	-	(13,500)	-
Stadium Drive - Complete Streets	400,000	375,700	-	-	375,700
Ailey Young Park Improvements	-	-	-	-	-
Brewer Circle	41,500	41,407	60,230	-	101,637
Sub-total miscellaneous revenues	462,000	495,801	60,230	(57,693)	498,338
Sales Tax Refund					
Smith and Sanford Creek Greenway	4,150	-	-	-	-
Sub-total sales tax refund	4,150	-	-	-	-
Total revenues	18,225,963	14,538,940	661,120	(4,384,136)	10,815,924
<b>Expenditures:</b>					
Capital outlay:					
Smith Creek/Sanford Creek Greenway	7,471,070	5,753,464	-	(5,753,464)	-
Other improvements:					
Priority Pedestrian Corridors	3,800,000	3,532,570	403,176	-	3,935,746
Dunn Creek Greenway - Downtown Connector	1,286,500	963,162	-	(963,162)	-
Stadium Drive Complete Streets	10,608,765	9,047,001	115,764	-	9,162,765
Greenway and Park Signage	514,625	537,725	1,302	(539,027)	-
Ligon Mill Road Operational Improvement	4,992,000	1,226,040	2,324,181	-	3,550,221
Dunn Creek Greenway - Boardwalk Rehab	73,500	77,176	-	(77,176)	-
Richland Creek Stream Repair	116,932	116,143	-	(116,143)	-
Traffic Signals - Friendship Chapel	14,590	-	40,150	(40,150)	-
Wake Forest Reservoir - Phase 1 & 2	358,500	296,722	-	(296,722)	-
Wake Forest Reservoir - Decommission	-	111,660	44,593	-	156,253
Smith Creek Stream Bank Repair	200,000	163,221	-	(163,221)	-
Ailey Young Park Improvements	175,000	164,796	-	(164,796)	-
Dunn Creek Greenway - Phase 3	653,000	682,692	5,404	-	688,096
Smith Creek Greenway - Phase 2	1,602,825	490,428	122,870	-	613,298
Smith Creek Greenway - Phase 3	413,755	330,761	598,696	-	929,457
Harris Road Roundabout	-	283,918	-	-	283,918
Ligon Mill Road Underpass	323,000	15,000	13,160	-	28,160
Durham Road Operational Improvements	395,000	345,523	13,231	-	358,754
Brick Street	-	3,460	-	-	3,460
Brewer Circle	341,500	220,816	354,892	-	575,708
Rogers Branch Road Extension	115,000	8,003	255,222	-	263,225
Rogers Road Grade Separation	128,000	-	-	-	-
Dunn & Richland Creek Greenway Stream Repair	3,291	-	-	-	-
Sub-total other improvements	26,115,783	18,616,817	4,292,641	(2,360,397)	20,549,061
Total expenditures	33,586,853	24,370,281	4,292,641	(8,113,861)	20,549,061
Revenues under expenditures	\$ (15,360,890)	\$ (9,831,341)	\$ (3,631,521)	\$ 3,729,725	\$ (9,733,137)

## TOWN OF WAKE FOREST, NORTH CAROLINA

## CAPITAL PROJECTS FUND

## GREENWAY TRANSPORTATION PEDESTRIAN ACCESS

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

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Other financing sources (uses):					
Transfers in:					
General Capital Reserve Fund					
Smith and Sanford Creek Greenway	\$ 700,000	\$ 10,169	\$ -	\$ (10,169)	\$ -
Dunn Creek Greenway - Downtown Connector	300,000	15,950	-	(15,950)	-
Richland Creek Stream Repair	-	18,520	-	(18,520)	-
Stadium Drive Complete Streets	51,915	9,092	-	-	9,092
Sub-total General Capital Reserve Fund	1,051,915	53,731	-	(44,639)	9,092
General Fund					
Smith and Sanford Creek Greenway	1,028,000	72,607	-	(72,607)	-
Priority Pedestrian Corridors	200,000	-	-	-	-
Dunn Creek Greenway - Downtown Connector	5,560	-	-	-	-
Greenway and Park Signage	50,000	66,500	-	(66,500)	-
Ligon Mill Road Operational Improvements	1,513,000	-	-	-	-
Stadium Drive Complete Streets	2,059,700	-	-	-	-
Brick Street	-	3,460	-	-	3,460
Richland Creek Stream Repair	100,000	69,955	-	(69,955)	-
Wake Forest Reservoir - Decommission	-	114,650	-	-	114,650
Other Miscellaneous	-	-	996,135	-	996,135
Sub-total General Fund	4,956,260	327,172	996,135	(209,062)	1,114,245
Transfers out:					
Special Revenue Fund					
Smith and Sanford Creek Greenway	-	(34,000)	-	34,000	-
Sub-total Special Revenue Fund	-	(34,000)	-	34,000	-
Bond Proceeds					
Smith and Sanford Creek Greenway	1,981,000	1,981,000	-	(1,981,000)	-
Priority Pedestrian Corridors	1,035,000	555,000	480,000	-	1,035,000
Dunn Creek Greenway - Downtown Connector	315,500	315,500	-	(315,500)	-
Greenway and Park Signage	464,625	430,625	34,000	(464,625)	-
Ligon Mill Road - Operational Improvements	1,179,000	844,000	1,465,000	-	2,309,000
Dunn Creek Greenway - Boardwalk Rehab	73,500	-	73,500	(73,500)	-
Traffic Signals - Franklin Street	-	987	-	-	987
Traffic Signals - Heritage Lake Road/Heritage Club	-	-	-	-	-
Traffic Signals - Friendship Chapel	14,590	14,588	-	(14,588)	-
Wake Forest Reservoir Ph1 & 2	292,000	292,000	-	(292,000)	-
Wake Forest Reservoir - Decommission	66,500	-	-	-	-
Stadium Drive Complete Streets	1,396,000	-	1,437,800	-	1,437,800
Smith Creek Stream Bank Repair	200,000	-	162,200	(162,200)	-
Dunn Creek Greenway - Phase 3	653,000	-	653,000	-	653,000
Smith Creek Greenway - Phase 2	318,245	-	319,745	-	319,745
Smith Creek Greenway - Phase 3	243,755	-	346,555	-	346,555
Ligon Mill Road Underpass	250,000	-	250,000	-	250,000
Durham Road Operational Improvements	395,000	-	345,600	-	345,600
Ailey Young Park Improvements	175,000	-	175,000	(175,000)	-
Brewer Circle	300,000	-	467,600	-	467,600
Sub-total Bonds Proceeds	9,352,715	4,433,700	6,210,000	(3,478,413)	7,165,287



## TOWN OF WAKE FOREST, NORTH CAROLINA

## CAPITAL PROJECTS FUND

## GREENWAY TRANSPORTATION PEDESTRIAN ACCESS

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

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Bond Proceeds - Premium					
Smith and Sanford Creek Greenway	\$ -	\$ 17,268	\$ -	\$ (17,268)	-
Priority Pedestrian Corridors	-	50,114	134,230	-	184,344
Dunn Creek Greenway - Downtown Connector	-	8,634	-	(8,634)	-
Ligon Mill Road - Operational Improvements	-	-	139,055	-	139,055
Traffic Signals - Franklin Street	-	(987)	-	-	(987)
Traffic Signals - Friendship Chapel	-	987	-	(987)	-
Wake Forest Reservoir - Phase 1 & 2	-	4,722	-	(4,722)	-
Wake Forest Reservoir - Decommission	-	212	-	-	212
Stadium Drive - Complete Streets	-	-	63,263	-	63,263
Sub-total Bonds Proceeds Premium	-	80,950	336,548	(31,611)	385,887
Total other financing sources	15,360,890	4,861,553	7,542,683	(3,729,725)	8,674,511
Net change in fund balance	\$ -	\$ (4,969,788)	\$ 3,911,162	\$ -	\$ (1,058,626)
<b>Fund balances:</b>					
Beginning of year			(4,969,788)		
End of year			(1,058,626)		

**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, 2021*

		Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Impact fees	\$ 3,489,600	\$ 4,001,871	\$ 3,756,409	\$ (2,078,854)	\$ 5,679,426
Investment earnings	150,000	28,267	959	(28,266)	960
Miscellaneous	1,000	-	-	-	-
Total revenues	3,640,600	4,030,138	3,757,368	(2,107,120)	5,680,386
Other financing sources (uses):					
Transfers in (out):					
General Fund	250,000	-	-		-
General Fund	(252,600)	(41,844)	-	41,844	-
Capital Project Fund	(3,638,000)	(2,065,277)	20,656	2,065,276	20,655
Total financing sources (uses)	(3,640,600)	(2,107,121)	20,656	2,107,120	20,655
Net change in fund balance	\$ -	\$ 1,923,017	3,778,024	\$ -	\$ 5,701,041
Fund balances:					
Beginning of year			1,923,017		
End of year			\$ 5,701,041		

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

JUNE 30, 2021

	Capital Project Funds			Total			Total	Total	
	Public	General		Capital	Grants	Special	Nonmajor		
Asset	Facilities	Capital	Street	Projects	Futures	Revenue	Governmental		
Maintenance	Projects	Reserve	Improvements	Funds	Fund	and Special Revenue Funds	Funds	Funds	
<b>Assets</b>									
Cash and cash equivalents	\$ -	\$ 40,093	\$ -	\$ 2,726,180	\$ 2,766,273	\$ -	\$ -	\$ -	\$ 2,766,273
Restricted cash and cash equivalents	-	-	-	-	-	1,258,811	-	1,258,811	1,258,811
Due from other funds	-	-	-	-	-	250,001	-	250,001	250,001
Accounts receivable	41,182	67,347	-	-	108,529	-	4,829	4,829	113,358
<b>Total assets</b>	<b>\$ 41,182</b>	<b>\$ 107,440</b>	<b>\$ -</b>	<b>\$ 2,726,180</b>	<b>\$ 2,874,802</b>	<b>\$ 1,508,812</b>	<b>\$ 4,829</b>	<b>\$ 1,513,641</b>	<b>\$ 4,388,443</b>
<b>Liabilities</b>									
Accounts payable	\$ 20,343	\$ 160,259	\$ 60,507	\$ -	241,109	\$ -	\$ 10,261	\$ 10,261	\$ 251,370
Due to other funds	65,137	-	226,580	-	291,717	-	32,979	32,979	324,696
Total liabilities	85,480	160,259	287,087	-	532,826	-	43,240	43,240	576,066
<b>Fund balances:</b>									
Restricted:									
Public Safety	-	-	-	-	-	-	8,829	8,829	8,829
Cultural & Recreation	-	-	-	-	-	-	10,504	10,504	10,504
Committed:									
Economic development	-	-	-	-	-	1,508,812	-	1,508,812	1,508,812
Assigned:									
Subsequent years expenditures	-	-	-	213,802	213,802	-	-	-	213,802
Recreation improvements	-	-	-	-	-	-	-	-	-
Fire Department	-	-	-	927,904	927,904	-	-	-	927,904
Roadway Projects	-	-	-	1,584,474	1,584,474	-	-	-	1,584,474
Asset Maintenance	-	-	-	-	-	-	-	-	-
Unassigned:	(44,298)	(52,819)	(287,087)	-	(384,204)	-	(57,744)	(57,744)	(441,948)
<b>Total fund balances</b>	<b>(44,298)</b>	<b>(52,819)</b>	<b>(287,087)</b>	<b>2,726,180</b>	<b>2,341,976</b>	<b>1,508,812</b>	<b>(38,411)</b>	<b>1,470,401</b>	<b>3,812,377</b>
<b>Total liabilities, deferred inflows and fund balances</b>									
	<b>\$ 41,182</b>	<b>\$ 107,440</b>	<b>\$ -</b>	<b>\$ 2,726,180</b>	<b>\$ 2,874,802</b>	<b>\$ 1,508,812</b>	<b>\$ 4,829</b>	<b>\$ 1,513,641</b>	<b>\$ 4,388,443</b>

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

FOR THE YEAR ENDED JUNE 30, 2021

	Capital Project Funds					Total Capital Projects Funds		Grants and Special Revenue Funds	Total Grants and Special Revenue Funds	Total Nonmajor Governmental Funds
	Asset Maintenance	Public Facilities Projects	Parks and Recreation Improvements	Street Improvements	General Capital Reserve		Futures Fund			
<b>Revenues:</b>										
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ 529	\$ 529	\$ 14,169	\$ -	\$ 14,169	\$ 14,698
Federal grant	-	-	-	-	-	-	-	14,829	14,829	14,829
State grant	5,377	21,915	-	-	-	27,292	-	6,830	6,830	34,122
Impact fees	-	-	-	-	590,485	590,485	-	-	-	590,485
Payment in lieu	-	-	-	-	769,700	769,700	-	-	-	769,700
Miscellaneous	-	667,601	20,656	-	-	688,257	56,999	17,500	74,499	762,756
Total revenues	5,377	689,516	20,656	-	1,360,714	2,076,263	71,168	39,159	110,327	2,186,590
<b>Expenditures:</b>										
Personnel	-	-	-	-	-	-	-	25,059	25,059	25,059
Professional services	2,555	-	-	-	-	2,555	-	-	-	2,555
Operating	-	-	-	-	-	-	-	43,812	43,812	43,812
Capital outlay	64,774	2,479,930	-	117,421	-	2,662,125	-	11,000	11,000	2,673,125
Total expenditures	67,329	2,479,930	-	117,421	-	2,664,680	-	79,871	79,871	2,744,551
Revenues over (under) expenditures	(61,952)	(1,790,414)	20,656	(117,421)	1,360,714	(588,417)	71,168	(40,712)	30,456	(557,961)
<b>Other financing sources (uses):</b>										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(20,656)	-	-	(20,656)	-	-	-	(20,656)
Issuance of debt	-	2,500,000	-	375,000	-	2,875,000	-	-	-	2,875,000
Total other financing sources (uses)	-	2,500,000	(20,656)	375,000	-	2,854,344	-	-	-	2,854,344
Net change in fund balances	(61,952)	709,586	-	257,579	1,360,714	2,265,927	71,168	(40,712)	30,456	2,296,383
<b>Fund balances:</b>										
Beginning of year	17,654	(762,405)	-	(544,666)	1,365,466	76,049	1,437,644	2,301	1,439,945	1,515,994
End of year	\$ (44,298)	\$ (52,819)	\$ -	\$ (287,087)	\$ 2,726,180	\$ 2,341,976	\$ 1,508,812	\$ (38,411)	\$ 1,470,401	\$ 3,812,377

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

**Schedule 12**

*FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021*

		Actual		
	Project	Prior	Current	Total to
	Authorization	Years	Year	Date
Revenues:				
Miscellaneous revenue - Senior Center	\$ 17,900	\$ 18,067	\$ 20,656	\$ 38,723
Investment earnings				
Northern Wake Senior Center Expansion	108,885	47,548	-	47,548
Joyner Park Development	141,115	166,621	-	166,621
Total revenues	267,900	232,236	20,656	252,892
Expenditures:				
Operating:				
Northern Wake Senior Center Expansion	10,000	7,431	-	7,431
Joyner Park Development	10,000	5,855	-	5,855
	20,000	13,286.00	-	13,286
Capital outlay:				
Professional services				
Northern Wake Senior Center Expansion	474,100	465,520	-	465,520
Joyner Park Development	1,222,930	1,124,283	-	1,124,283
Subtotal	1,697,030	1,589,803	-	1,589,803
Capital outlay-improvements				
Northern Wake Senior Center Expansion	4,608,200	4,501,062	-	4,501,062
Joyner Park Development	11,525,000	11,487,268	-	11,487,268
Subtotal	16,133,200	15,988,330	-	15,988,330
Total expenditures	17,850,230	17,591,419	-	17,591,419
Revenues under expenditures	(17,582,330)	(17,359,183)	20,656	(17,338,527)
Other financing sources (uses):				
Bond Proceeds				
Northern Wake Senior Center Expansion	3,100,000	3,100,000	-	3,100,000
Joyner Park Development	11,100,000	11,100,000	-	11,100,000
Total Bond Proceeds	14,200,000	14,200,000	-	14,200,000
Bond Premium				
Northern Wake Senior Center Expansion	143,785	143,781	-	143,781
Joyner Park Development	514,815	514,829	-	514,829
Total Bond Proceeds	658,600	658,610	-	658,610

**TOWN OF WAKE FOREST, NORTH CAROLINA**
**Schedule 12**
**CAPITAL PROJECTS FUND**
**PARKS AND RECREATION IMPROVEMENTS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND**
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
*FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021*

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Transfer in - General Fund				
Northern Wake Senior Center Expansion	\$ -	\$ 10,400	\$ -	\$ 10,400
Joyner Park Development	125,000	-	-	-
Total Transfer In - General Fund	125,000	10,400	-	10,400
Transfer in (out) - Capital Reserve				
Northern Wake Senior Center Expansion	1,752,730	1,357,214	(20,656)	1,336,558
Joyner Park Development	988,000	1,274,959	-	1,274,959
Total Transfer In (out) - Capital Reserve	2,740,730	2,632,173	(20,656)	2,611,517
Transfer out - Special Revenue Fund (Public Arts)				
Northern Wake Senior Center Expansion	(31,000)	(31,000)	-	(31,000)
Joyner Park Development	(111,000)	(111,000)	-	(111,000)
Total Transfer In - Capital Reserve	(142,000)	(142,000)	-	(142,000)
Total other financing sources (uses)	17,582,330	17,359,183	(20,656)	17,338,527
Net change in fund balance	\$ -	\$ -	-	\$ -
<b>Fund balances:</b>				
Beginning of Year			-	-
End of Year			\$ -	-

**TOWN OF WAKE FOREST, NORTH CAROLINA**
**Schedule 13**
**CAPITAL PROJECTS FUND**
**STREET IMPROVEMENTS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND**
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

			<b>Actual</b>	
	<b>Project</b>	<b>Prior</b>	<b>Current</b>	<b>Total to</b>
	<b>Authorization</b>	<b>Years</b>	<b>Year</b>	<b>Date</b>
<b>Revenues:</b>				
Investment earnings	\$ 30,610	\$ 30,609	\$ -	\$ 30,609
State grant	100,000	100,000	-	100,000
Miscellaneous revenues	44,085	44,085	-	44,085
Total revenues	174,695	174,694	-	174,694
<b>Expenditures:</b>				
Capital outlay:				
Professional services				
Road Connections - 2018	150,000	9,180	-	9,180
Street Rehabilitation - 2018	225,000	31,461	-	31,461
Downtown Streetscape - 2018	1,130,000	1,135,650	13,163	1,148,813
Subtotal Professional Services	1,505,000	1,176,291	13,163	1,189,454
Capital outlay-property acquisition				
Road Connections - 2018	-	-	-	-
Street Rehabilitation - 2018	-	-	-	-
Downtown Streetscape - 2018	-	-	5,944	5,944
Subtotal Capital Outlay Acquisition	-	-	5,944	5,944
Capital outlay-improvements				
Road Connections - 2018	1,050,000	938,945	-	938,945
Street Rehabilitation - 2018	1,399,595	1,278,705	-	1,278,705
Downtown Streetscape - 2018	5,195,100	5,220,919	98,314	5,319,233
Subtotal Capital Outlay Improvements	7,644,695	7,438,569	98,314	7,536,883
Total expenditures	9,149,695	8,614,860	117,421	8,732,281
Revenues under expenditures	(8,975,000)	(8,440,166)	(117,421)	(8,557,587)
<b>Other financing sources (uses):</b>				
Bond Proceeds-Premium				
Downtown Streetscape - 2018	375,000	-	375,000	375,000
Subtotal Bond Proceeds - Premium	375,000	-	375,000	375,000
Installment Purchase				
Road Connections - 2018	850,000	850,000	-	850,000
Street Rehabilitation - 2018	1,403,000	1,410,000	-	1,410,000
Downtown Streetscape - 2018	5,647,000	5,640,000	-	5,640,000
Total Installment Purchase	7,900,000	7,900,000	-	7,900,000

**TOWN OF WAKE FOREST, NORTH CAROLINA**
**Schedule 13**
**CAPITAL PROJECTS FUND**
**STREET IMPROVEMENTS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND**
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
*FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021*

	<b>Actual</b>			
	<b>Project</b>	<b>Prior</b>	<b>Current</b>	<b>Total to</b>
	<b>Authorization</b>	<b>Years</b>	<b>Year</b>	<b>Date</b>
Transfer in - General Fund				
Road Connections - 2018	\$ 250,000	-	-	-
Street Rehabilitation - 2018	250,000	-	-	-
Total Transfer In - General Fund	500,000	-	-	-
Transfer in - Capital Reserve				
Road Connections - 2018	100,000	-	-	-
Street Rehabilitation - 2018	100,000	-	-	-
Total Transfer In - Capital Reserve	200,000	-	-	-
Transfer out - Special Revenue Fund				
Downtown Streetscape - 2018	-	(4,500)	-	(4,500)
Total Transfer Out - Special Revenue Fund	-	(4,500)	-	(4,500)
Total other financing sources	8,975,000	7,904,500	375,000	8,279,500
Net change in fund balance	\$ -	\$ (544,666)	257,579	\$ (278,087)
<b>Fund balances:</b>				
Beginning of Year			(544,666)	
End of Year			\$ (287,087)	



**TOWN OF WAKE FOREST, NORTH CAROLINA****Schedule 14****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, 2021*

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Restricted Intergovernmental:				
Ailey Young Dam Renovation	\$ 582,105	\$ 513,705	\$ 5,377	\$ 519,082
Other Revenue:				
Ailey Young Dam Renovation	61,000	6,017	-	6,017
Total revenues	643,105	519,722	5,377	525,099
Expenditures:				
Operating:				
Ailey Young Dam Renovation	61,000	6,017	-	6,017
Capital outlay:				
Professional services				
Ailey Young Dam Renovation	252,050	194,206	34,564	228,770
Subtotal	252,050	194,206	34,564	228,770
Capital outlay-improvements				
Town Hall Renovations	119,000	114,369	-	114,369
Police Station - Taylor Street	90,000	45,934	32,765	78,699
Ailey Young Dam Renovation	623,655	470,542	-	470,542
Subtotal	832,655	630,845	32,765	663,610
Total expenditures	1,145,705	831,068	67,329	898,397
Revenues under expenditures	(502,600)	(311,346)	(61,952)	(373,298)
Other financing sources:				
Transfer in - General Fund				
Town Hall Renovations	119,000	119,000	-	119,000
Police Station - Taylor Street	90,000	40,000	-	40,000
Ailey Young Dam Renovation	293,600	170,000	-	170,000
Total Transfer In - General Fund	502,600	329,000	-	329,000
Total other financing sources	502,600	329,000	-	329,000
Net change in fund balance	\$ -	\$ 17,654	(61,952)	\$ (44,298)
Fund balances:				
Beginning of Year			17,654	
End of Year			\$ (44,298)	

**TOWN OF WAKE FOREST, NORTH CAROLINA****Schedule 15****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, 2021*

			Actual		
	Project Authorization	Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Restricted Intergovernmental:					
Renaissance Centre Renovations	\$ 348,530	\$ 344,935	\$ -	\$ 344,935	
Ailey Young Home Improvements	100,000	79,200	21,915	101,115	
Other Revenue:					
Ailey Young Home Improvements	10,000	10,500	50	10,550	
Fiber Infrastructure Project	815,000	206,015	667,551	873,566	
Total revenues	1,273,530	640,650	689,516	1,330,166	
<b>Expenditures:</b>					
Operating:					
Renaissance Centre Renovations	-	2,605	-	2,605	
Subtotal	-	2,605	-	2,605	
Capital outlay:					
Professional services					
Operations Center Expansion	200,000	49,700	-	49,700	
Renaissance Centre Renovations	-	11,323	-	11,323	
Ailey Young Home Improvements	-	-	55,060	55,060	
Fiber Infrastructure Project	675,000	294,638	93,556	388,194	
Subtotal	875,000	355,661	148,616	504,277	
Capital outlay-improvements					
Ailey Young Home Improvements	244,000	97,675	22,070	119,745	
Renaissance Centre Renovations	995,800	965,895	-	965,895	
Fiber Infrastructure Project	2,890,000	625,697	2,309,244	2,934,941	
Subtotal	4,129,800	1,689,267	2,331,314	4,020,581	
Total expenditures	5,004,800	2,047,533	2,479,930	4,527,463	
Revenues under expenditures	(3,731,270)	(1,406,883)	(1,790,414)	(3,197,297)	
<b>Other financing sources:</b>					
Transfer in - General Fund					
Renaissance Centre Renovations	647,270	634,888	-	634,888	
Ailey Young Home Improvements	134,000	9,590	-	9,590	
Fiber Infrastructure Project	250,000	-	-	-	
Total Transfer In - General Fund	1,031,270	644,478	-	644,478	

**TOWN OF WAKE FOREST, NORTH CAROLINA****Schedule 15****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, 2021*

		<b>Actual</b>		
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
Transfer in - Capital Reserve				
Operations Center Expansion	\$ 200,000	-	-	-
Total Transfer In - Capital Reserve	200,000	-	-	-
Installment Purchase				
Fiber Infrastructure Project	2,500,000	-	2,500,000	2,500,000
Total Installment Purchase	2,500,000	-	2,500,000	2,500,000
Total other financing sources	3,731,270	644,478	2,500,000	3,144,478
Net change in fund balance	\$ -	\$ (762,405)	709,586	\$ (52,819)
<b>Fund balances:</b>				
Beginning of Year			(762,405)	
End of Year			\$ (52,819)	

**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, 2021*

		Actual				
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date	
Revenues:						
Payments in lieu	\$ 838,220	\$ 814,774	\$ 769,700	\$ -	\$ 1,584,474	
Greenway fees	20,690	18,520	-	-	18,520	
Fire Impact Fees	1,435,000	1,821,836	590,485	(1,484,417)	927,904	
Investment earnings	160,000	130,600	529	-	131,129	
Donations	205,000	22,232	-	-	22,232	
Development proceeds	86,560	86,560	-	(44,639)	41,921	
Total revenues	2,745,470	2,894,522	1,360,714	(1,529,056)	2,726,180	
Other financing sources (uses):						
Transfers in (out):						
General Fund						
Fire Department	(1,435,000)	(1,484,417)	-	1,484,417	-	
Other	(306,595)	-	-	-	-	
Capital Projects Fund	(1,003,875)	(44,639)	-	44,639	-	
Total other financing sources (uses)	(2,745,470)	(1,529,056)	-	1,529,056	-	
Net change in fund balance	\$ -	\$ 1,365,466	1,360,714	\$ -	\$ 2,726,180	
Fund balances:						
Beginning of year			1,365,466			
End of year			\$ 2,726,180			

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Restricted Intergovernmental:					
Federal Grants					
Police Department	\$ 11,505	\$ 7,955	\$ 4,829	\$ -	\$ 12,784
Park, Recreation and Cultural Resources	72,500	10,000	10,000	-	20,000
Urban Forestry	-	2,500	-	-	2,500
State Grants					
Downtown Development	144,340	144,339	-	-	144,339
Planning	12,600	5,100	-	-	5,100
Police Department	79,395	61,685	7,983	-	69,668
Solid Waste	8,650	6,920	(1,153)	-	5,767
Total Restricted Intergovernmental	328,990	238,499	21,659	-	260,158
Donations:					
Planning Department	2,500	2,500	7,500	-	10,000
Police Department	10,000	-	10,000	-	10,000
Solid Waste	1,000	-	-	-	-
Renaissance Centre	35,650	22,700	-	-	22,700
Total donations	49,150	25,200	17,500	-	42,700
Other Revenues:					
Park, Recreation and Cultural Resources	9,098	4,104	-	-	4,104
Urban Forestry	-	7,590	-	-	7,590
Renaissance Centre	850	7,685	-	-	7,685
Total other revenues	9,948	19,379	-	-	19,379
Total revenues	388,088	283,078	39,159	-	322,237
Expenditures:					
Personnel:					
Police Department	121,915	127,712	25,059	-	152,771
Renaissance Centre	3,730	-	-	-	-
Subtotal - Personnel	125,645	127,712	25,059	-	152,771
Operations:					
Police Department	27,010	16,825	10,672	-	27,497
Downtown Development	20,000	-	8,540	-	8,540
Planning Department	21,000	13,600	7,400	-	21,000
Park, Recreation and Cultural Resources	25,963	19,819	-	-	19,819
Solid Waste	11,580	6,920	-	-	6,920
Renaissance Centre	102,905	40,566	17,200	-	57,766
Urban Forestry	-	7,589	-	-	7,589
Subtotal - Operations	208,458	105,319	43,812	-	149,131

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

*FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021*

	Project Authorization	Actual			
		Prior Years	Current Year	Closed Projects	Total to Date
Capital Outlay:					
Downtown Development	\$ 144,340	\$ 144,340	\$ -	\$ -	\$ 144,340
Police Department	18,000	-	11,000	-	11,000
Subtotal - Capital Outlay	162,340	144,340	11,000	-	155,340
Total expenditures	496,443	377,371	79,871	-	457,242
Revenues under expenditures	(108,355)	(94,293)	(40,712)	-	(135,005)
<b>Other financing sources:</b>					
Transfer in - General Fund					
Police Department	54,520	66,025	-	-	66,025
Planning Department	5,900	5,900	-	-	5,900
Park, Recreation and Cultural Resources	4,365	3,216	-	-	3,216
Public Works	1,930	-	-	-	-
Renaissance Centre	-	10,000	-	-	10,000
Urban Forestry	-	-	-	-	-
Total Transfer In - General Fund	66,715	85,141	-	-	85,141
Transfer in - Special Revenue Fund					
Police Department	11,505	2,068	-	-	2,068
Renaissance Centre	30,135	9,385	-	-	9,385
Total Transfer In - Special Revenue Fund	41,640	11,453	-	-	11,453
Capital Contributions	-	-	-	-	-
Total other financing sources	108,355	96,594	-	-	96,594
Net change in fund balance	\$ -	\$ 2,301	(40,712)	\$ -	\$ (38,411)
<b>Fund balances:</b>					
Beginning of Year			2,301		
End of Year			\$ (38,411)		

**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, 2021*

	Budget Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 452,279	\$ 14,169	\$ 466,448
Miscellaneous revenues	-	114,000	56,999	170,999
Total revenues	-	566,279	71,168	637,447
<b>Expenditures:</b>				
Professional services	-	119,452	-	119,452
Operating	-	1,214,653	-	1,214,653
Total expenditures	-	1,334,105	-	1,334,105
Revenues over expenditures	-	(767,826)	71,168	(696,658)
<b>Other financing sources (uses)</b>				
Transfer In - General Fund	-	2,405,470	-	2,405,470
Transfer out				
Special Revenue Fund (Business & Industry Partnership)	-	(200,000)	-	(200,000)
Total other financing sources	-	2,205,470	-	2,205,470
Net change in fund balance	\$ -	\$ 1,437,644	71,168	\$ 1,508,812
<b>Fund balances:</b>				
Beginning of Year			1,437,644	
End of Year			\$ 1,508,812	

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

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Operating revenues:</b>				
Charges for services	\$ 20,436,310	\$ 19,493,692	\$ (942,618)	\$ 19,019,592
Other operating revenues				
Sales tax	1,447,225	1,360,773	(86,452)	1,345,952
Reconnect charges	110,000	109,703	(297)	95,763
Miscellaneous	259,750	286,059	26,309	60,952
Total operating revenues	22,253,285	21,250,227	(1,003,058)	20,522,259
<b>Nonoperating revenues:</b>				
Investment earnings	1,500	1,321	(179)	46,364
Sale of assets	98,800	98,759	(41)	37,632
Total nonoperating revenues	100,300	100,080	(220)	83,996
Total revenues	22,353,585	21,350,307	(1,003,278)	20,606,255
<b>Expenditures:</b>				
Electric operations:				
Salaries and employee benefits	4,667,465	4,183,809	483,656	4,059,116
Power purchases for resale	12,191,200	12,112,081	79,119	12,506,266
Utility sales tax	2,135,000	2,121,628	13,372	2,113,972
Repairs and maintenance	281,200	225,934	55,266	219,199
Other operating expenditures	1,256,845	1,456,262	(199,417)	896,774
Total electric operations	20,531,710	20,099,714	431,996	19,795,327
Debt service:				
Principal retirement	738,315	787,120	(48,805)	880,769
Interest and fees	108,865	110,473	(1,608)	130,173
Total debt service	847,180	897,593	(50,413)	1,010,942
Capital outlay	1,427,210	1,317,792	109,418	868,495
Total expenditures	22,806,100	22,315,099	491,001	21,674,764
Revenues over expenditures	(452,515)	(964,792)	512,277	(1,068,509)



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

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Other financing sources:</b>				
Transfer in (out):				
Electric capital reserve fund	\$ 45,390	\$ 43,389	\$ (2,001)	\$ 61,414
Installment purchase	407,125	-	(407,125)	-
Total other financing sources (uses)	<u>452,515</u>	<u>43,389</u>	<u>(409,126)</u>	<u>61,414</u>
Revenues over expenditures and other financing sources	<u>\$ -</u>	<u>(921,403)</u>	<u>\$ (921,403)</u>	<u>(1,007,095)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>				
Reconciling items:				
Depreciation		(1,472,956)		(1,456,050)
Capital outlay		1,317,792		868,495
Interfund transfers		43,389		61,414
Debt issuance		(407,125)		-
Principal retirement		787,120		880,769
Increase/(Decrease) in inventory		275,657		12,202
Increase/(Decrease) in accrued interest		3,361		4,087
Increase/(Decrease) in accrued vacation pay		(9,987)		(11,602)
Increase/(Decrease) in pension expense		(405,636)		(471,674)
Deferred outflows of resources for contributions made to pension plan in current fiscal year		183,300		150,339
Increase in accrued other postemployment benefits		206,914		1,400,633
Increase in deferred inflows of resources - OPEB		161,666		(148,848)
Increase in deferred outflows of resources - OPEB		182,773		6,289
Capital project funds:				
Investment earnings		296		7,938
Total reconciling items		<u>866,564</u>		<u>1,303,992</u>
Change in net position		<u>\$ (54,839)</u>		<u>\$ 296,897</u>

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

*FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021*

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
Investment earnings	\$ 170,000	\$ 19,738	\$ 296	\$ 20,034
<b>Other financing sources (uses):</b>				
Transfers in (out)				
Electric Fund	830,000	926,280	-	926,280
Electric Fund	(1,000,000)	(61,414)	(43,389)	(104,803.00)
Total other financing sources (uses)	(170,000)	864,866	(43,389)	821,477
Revenues and other financing sources over other financing uses				
	\$ -	\$ 884,604	\$ (43,093)	\$ 841,511

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

**JUNE 30, 2021**

<b>Fiscal Year</b>	<b>Uncollected Balance June 30, 2020</b>	<b>Additions</b>	<b>Collections And Credits</b>	<b>Uncollected Balance June 30, 2021</b>
2020-2021	\$ -	\$ 33,810,785	\$ 33,720,179	\$ 90,606
2019-2020	87,820		32,930	54,890
2018-2019	27,780	-	3,262	24,518
2017-2018	14,672	-	1,038	13,634
2016-2017	11,481	-	248	11,233
2015-2016	9,690	-	326	9,364
2014-2015	4,080	-	366	3,714
2013-2014	10,164	-	483	9,681
2012-2013	11,680	-	358	11,322
2011-2012	17,512	-	865	16,647
2010-2011	14,115	-	14,115	-
	<u>\$ 208,994</u>	<u>\$ 33,810,785</u>	<u>\$ 33,774,170</u>	245,610
Less allowance for uncollectible ad valorem tax receivable				<u>(96,306)</u>
Ad valorem taxes receivable - net				<u>\$ 149,304</u>
General Fund Taxes Receivable per the fund financial statements (Exhibit 3)				\$ 211,092
Less: Downtown Municipal Service District Taxes Receivable				(5,547)
Less: Vehicle License Fee Receivable				<u>(56,242)</u>
<b>General Fund Ad Valorem Taxes Receivable</b>				<u><u>\$ 149,304</u></u>
Revenue reconciliation:				
Ad valorem taxes - General Fund			\$ 33,655,281	
Add (deduct):				
Releases allowed			151,708	
Taxes written off			14,115	
Penalties and interest			<u>(46,934)</u>	
Total collections and credits			<u><u>\$ 33,774,170</u></u>	

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	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	\$ 6,830,461,638	0.495	\$ 33,810,785	\$ 30,968,896	\$ 2,841,888
Penalties	-		13,896	13,896	-
Total	6,830,461,638		33,824,681	30,982,792	2,841,888
Discoveries:					
Prior year taxes	-		80,532	80,532	-
Less: abatements	(30,679,058)	0.495	(151,708)	(151,708)	-
Total property valuation	<u>\$ 6,799,782,580</u>				
Net levy			33,753,505	30,911,616	2,841,888
Less: uncollected taxes at June 30, 2021			90,606	74,252	16,354
Current year's taxes collected			<u>\$ 33,662,899</u>	<u>\$ 30,837,364</u>	<u>\$ 2,825,534</u>
Current levy collection percentage			<u>99.73%</u>	<u>99.76%</u>	<u>99.42%</u>

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

*JUNE 30, 2021*

Fiscal Year	Governmental Funds	
	Principal	Principal and Interest
2021-2022	2,222,000	848,657
2022-2023	2,209,000	856,919
2023-2024	2,195,000	778,976
2024-2025	2,181,000	722,279
2025-2026	2,167,000	644,779
2026-2027	2,156,000	567,435
2027-2028	1,720,000	498,176
2028-2029	1,707,000	447,177
2029-2030	1,698,000	386,905
2030-2031	1,360,000	326,473
2031-2032	1,360,000	320,273
2032-2033	1,360,000	268,775
2033-2034	1,360,000	228,513
2034-2035	1,360,000	187,613
2035-2036	1,135,000	150,013
2036-2037	1,140,000	110,888
2037-2038	1,140,000	78,750
2038-2039	310,000	18,600
2039-2040	310,000	12,400
2040-2041	310,000	6,200
Total	<u>\$ 29,400,000</u>	<u>\$ 7,459,801</u>



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TOWN *of*  
WAKE FOREST



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TOWN *of*  
WAKE FOREST

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

June 30, 2021

	2012	2013	2014	2015
<b>Governmental activities</b>				
Net investment in capital assets	\$ 112,059,645	\$ 115,919,685	\$ 120,837,511	\$ 131,248,516
Restricted for:				
Stabilization by State Statute	3,753,434	2,757,473	4,111,501	3,721,637
Inspections (HB 255)	-	-	-	-
Downtown District	222,608	224,269	236,256	243,525
Public Safety	208,258	267,904	267,986	297,346
Street and sidewalk improvements	-	-	478,867	1,481,070
Equipment and vehicles	-	-	-	224,833
Holding park pool renovations	-	-	26,373	-
Greenways	-	-	-	2,330,480
Public Works				
Community Development				
Cultural and Recreation	-	-	-	-
Unrestricted	6,352,719	8,353,849	5,087,465	7,157,318
Subtotal governmental activities net position	122,596,664	127,523,180	131,045,959	146,704,725
<b>Business-type activities</b>				
Net investment in capital assets	13,998,797	14,129,141	12,716,267	13,789,268
Unrestricted	3,053,159	3,465,391	5,069,470	3,909,794
Subtotal business-type activities net position	17,051,956	17,594,532	17,785,737	17,699,062
<b>Primary Government</b>				
Net investment in capital assets	126,058,442	130,048,826	133,553,778	145,037,784
Restricted for:				
Stabilization by State Statute	3,753,434	2,757,473	4,111,501	3,721,637
Inspections (HB 225)	-	-	-	-
Downtown District	222,608	224,269	236,256	243,525
Public Safety	208,258	267,904	267,986	297,346
Street improvements	-	-	478,867	1,481,070
Holding Park Pool Renovations	-	-	26,373	-
Equipment and vehicles	-	-	-	224,833
Greenways	-	-	-	2,330,480
Public Works	-	-	-	-
Community Development	-	-	-	-
Cultural and Recreation	-	-	-	-
Unrestricted	9,405,878	11,819,240	10,156,935	11,067,112
Total primary government net position	\$ 139,648,620	\$ 145,117,712	\$ 148,831,696	\$ 164,403,787



Table 1

2016	2017	2018	2019	2020	2021
\$ 144,053,526	\$ 161,330,230	\$ 172,179,914	\$ 240,687,066	\$ 236,048,865	\$ 242,074,620
3,617,882	4,208,575	5,201,309	3,697,546	3,559,260	6,075,840
-	163,450	351,107	-	-	-
255,346	266,635	278,314	276,322	276,779	341,865
343,673	334,069	355,564	317,916	317,892	376,579
954,214	1,983,593	2,745,290	3,224,084	16,283	-
969,307	-	219,155	683,654	-	-
-	-	-	-	-	-
2,221,896	469,387	1,030,449	637,496	-	-
			2,879	-	-
			1,149	-	-
11,742	173,755	13,356,391	6,353	9,204	-
1,568,337	(993,658)	(27,816,047)	(30,803,644)	(7,838,025)	3,311,100
153,995,923	167,936,036	167,901,446	218,730,821	232,390,258	252,180,004
15,786,945	16,911,360	16,982,591	17,105,343	17,396,780	17,621,551
3,798,069	3,336,296	2,447,316	3,796,410	3,801,870	3,522,260
19,585,014	20,247,656	19,429,907	20,901,753	21,198,650	21,143,816
159,840,471	178,241,590	189,162,505	257,792,409	253,445,645	259,696,171
3,617,882	4,208,575	5,201,309	3,697,546	3,559,260	6,075,840
-	163,450	351,107	-	-	-
255,346	266,635	278,314	276,322	276,779	341,865
343,673	334,069	355,564	317,916	317,892	376,579
954,214	1,983,593	2,745,290	3,224,084	16,283	-
-	-	-	-	-	-
969,307	-	219,155	683,654	-	-
2,221,896	469,387	1,030,449	637,496	-	-
-	-	-	2,879	-	-
-	-	-	1,149	-	-
11,742	173,755	13,356,391	6,353	9,204	-
5,366,406	2,342,638	(25,368,731)	(27,007,234)	(4,036,155)	6,833,360
\$ 173,580,937	\$ 188,183,692	\$ 187,331,353	\$ 239,632,574	\$ 253,588,908	\$ 273,323,825

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

June 30, 2021

	2012	2013	2014	2015
<b>Expenses</b>				
Governmental activities:				
General Government	\$ 9,629,543	\$ 9,524,312	\$ 10,466,637	\$ 10,288,616
Public Safety	10,697,935	11,228,188	12,809,633	13,193,519
Transportation	4,052,075	4,119,839	4,436,052	5,090,607
Environmental Protection	2,554,192	2,666,922	2,787,905	2,661,631
Cultural and Recreational	2,644,989	2,819,826	3,250,469	3,759,071
Interest on long-term debt	932,318	995,852	809,270	775,312
Subtotal governmental activities expense	30,511,052	31,354,939	34,559,966	35,768,756
Business-type activities:				
Water and sewer	126,995	74,309	60,395	44,045
Electric	16,908,508	17,486,017	17,964,027	19,503,601
Subtotal business-type activities expenses	17,035,503	17,560,326	18,024,422	19,547,646
Total primary government expenses	47,546,555	48,915,265	52,584,388	55,316,402
<b>Program Revenues</b>				
Governmental activities:				
Charges for Services				
General Governmental	1,240,682	1,901,453	1,767,013	2,183,403
Public Safety	272,903	624,000	444,838	608,598
Transportation	73,334	36,873	19,403	28,655
Environmental Protection	210,471	191,383	168,524	172,421
Cultural and Recreational	566,154	1,119,803	805,310	1,181,893
Operating Grants and Contributions				
General Governmental	342,982	-	-	-
Public Safety	75,676	82,944	85,197	75,676
Transportation	738,982	770,703	796,640	810,220
Environmental Protection	-	54,028	37,184	2,264
Cultural and Recreational	-	-	-	2,834
Capital Grants and Contributions				
General Governmental	-	-	-	-
Public Safety	-	16,960	264,256	99,564
Transportation	-	3,612,138	3,397,026	15,342,778
Environmental Protection	-	-	-	-
Cultural and Recreational	284,861	142,693	427,543	2,756
Subtotal governmental activities program revenues	3,806,045	8,552,978	8,212,934	20,511,062

Continued on next page

Table 2

2016	2017	2018	2019	2020	2021
\$ 11,422,995	\$ 12,869,405	\$ 13,074,362	\$ 14,299,862	\$ 12,354,370	\$ 18,422,121
15,997,273	14,515,834	15,553,468	16,907,529	16,087,550	21,459,650
1,785,023	2,276,688	5,606,567	8,234,442	6,012,293	9,931,088
3,081,207	3,312,425	3,594,622	3,798,036	3,743,415	4,308,854
1,951,732	6,865,664	4,432,829	2,574,238	5,294,637	3,674,315
748,481	604,099	625,012	1,257,960	1,217,267	1,158,958
34,986,711	40,444,115	42,886,860	47,072,067	44,709,532	58,954,986
27,761	11,907	-	-	-	-
18,172,784	19,562,897	20,200,887	19,680,438	20,317,296	21,405,442
18,200,545	19,574,804	20,200,887	19,680,438	20,317,296	21,405,442
53,187,256	60,018,919	63,087,747	66,752,505	65,026,828	80,360,428
(2,985,095)	2,456,723	2,874,041	2,641,893	4,232,238	1,009,675
641,804	544,319	685,319	406,705	44,000	-
18,663	91,773	126,506	174,785	-	375,000
174,647	185,245	174,764	143,845	-	-
987,346	1,601,675	1,124,097	1,943,860	1,423,238	6,829,996
-	7,994	5,070	17,589	1,460,656	2,931,282
78,823	75,676	75,676	122,239	79,275	-
946,028	852,302	868,086	879,928	-	-
-	-	-	-	-	-
20,975	80,330	755,194	211,655	153,225	17,636
-	-	-	28,731	4,568	69,947
65,450	5,680	20,865	-	3,386	-
7,870,624	10,193,724	8,328,200	49,687,277	5,838,274	15,691,743
11,000	-	-	-	-	-
13,541	3,347,745	20,222	298,467	2,483,118	2,313,439
7,843,806	19,443,186	15,058,040	56,556,974	15,721,978	29,238,718

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

June 30, 2021

	2012	2013	2014	2015
Business-type activities:				
Charges for Services -				
Electric	17,033,633	17,987,671	18,068,548	19,501,560
Operating Grants and Contributions -				
Water and sewer	31	-	-	-
Subtotal business-type activities program	17,033,664	17,987,671	18,068,548	19,501,560
Total primary government program revenues	20,839,709	26,540,649	26,281,482	40,012,622
<b>Net (Expense) Revenue</b>				
Governmental activities	(26,705,007)	(22,801,961)	(26,347,032)	(15,257,694)
Business-type activities:				
Water and sewer	(126,964)	(74,309)	(60,395)	(44,045)
Electric	125,125	501,654	104,521	(2,041)
Total primary government net expense	(26,706,846)	(22,374,616)	(26,302,906)	(15,303,780)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Property taxes, levied for				
general purpose	19,271,260	20,062,610	21,387,601	22,496,254
Other taxes and licenses	113,292	92,347	110,789	47,957
Unrestricted intergovernmental	6,671,559	7,070,415	7,527,964	8,773,026
Unrestricted investment earnings	68,575	139,553	69,369	67,633
Miscellaneous	415,408	516,424	766,922	607,247
Special items	-	-	-	507,768
Transfers	-	1,460	7,166	-
Subtotal governmental activities	26,540,094	27,882,809	29,869,811	32,499,885
Business type activities:				
Unrestricted investment earnings	132,409	82,968	65,167	49,047
Unrestricted intergovernmental	-	-	-	1,177
Miscellaneous	4,949	33,723	89,078	162,559
Transfers and Special items	-	(1,460)	(7,166)	-
Subtotal business-type activities	137,358	115,231	147,079	212,783
Total primary government	26,677,452	27,998,040	30,016,890	32,712,668
<b>Change in Net Position</b>				
Governmental activities	(164,913)	5,080,848	3,522,779	17,242,191
Business-type activities	135,519	542,576	191,205	166,697
Total primary Government	\$ (29,394)	\$ 5,623,424	\$ 3,713,984	\$ 17,408,888

Table 2

2016	2017	2018	2019	2020	2021
19,946,073	19,948,850	20,670,944	20,988,155	20,461,307	20,964,168
-	-	-	-	-	-
19,946,073	19,948,850	20,670,944	20,988,155	20,461,307	20,964,168
27,789,879	39,392,036	35,728,984	77,545,129	36,183,285	50,202,886
(27,142,905)	(21,000,929)	(27,828,820)	9,484,907	(28,987,554)	(29,716,268)
(27,761)	(11,907)	-	-	-	-
1,773,289	385,953	470,057	1,307,717	144,011	(441,274)
(25,397,377)	(20,626,883)	(27,358,763)	10,792,624	(28,843,543)	(30,157,542)
23,681,908	24,545,443	25,966,222	27,789,480	29,419,885	33,785,203
64,894	70,711	75,096	55,488	46,985	44,468
9,464,778	9,845,432	10,308,211	11,090,320	11,365,093	12,754,023
110,600	177,663	293,076	750,509	360,928	79,215
1,111,923	1,447,361	1,048,382	1,658,671	1,454,100	2,843,105
-	-	-	-	-	-
-	-	-	-	-	-
34,434,103	36,086,610	37,690,987	41,344,468	42,646,991	49,506,014
38,254	33,004	35,208	86,707	54,302	1,617
-	-	-	-	-	-
102,170	255,592	423,602	77,422	98,584	384,818
-	-	-	-	-	-
140,424	288,596	458,810	164,129	152,886	386,435
34,574,527	36,375,206	38,149,797	41,508,597	42,799,877	49,892,449
7,291,198	15,085,681	9,862,167	50,829,375	13,659,437	19,789,746
1,885,952	662,642	928,867	1,471,846	296,897	(54,839)
\$ 9,177,150	\$ 15,748,323	\$ 10,791,034	\$ 52,301,221	\$ 13,956,334	\$ 19,734,907

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

June 30, 2021

	2012	2013	2014	2015
<b>General Fund</b>				
Non Spendable				
Inventories	\$ 16,327	\$ 17,169	\$ 15,099	\$ 13,281
Prepayments	-	-	-	-
Restricted:				
Stabilization by State Statute	3,753,434	2,757,473	4,111,501	3,721,637
Inspections (HB 255)	-	-	-	-
Downtown District	222,608	224,269	236,256	243,525
Public Safety	208,258	267,904	267,986	297,346
Street and sidewalk improvements	-	-	-	-
Cultural and recreational	-	-	-	-
Economic Development	-	-	-	-
Equipment and vehicles	-	-	-	224,833
Assigned:				
Subsequent years expenditures	921,000	935,130	1,383,860	894,170
Unassigned	6,349,345	7,726,822	5,634,102	7,633,804
Total General Fund	<u>\$ 11,470,972</u>	<u>\$ 11,928,767</u>	<u>\$ 11,648,804</u>	<u>\$ 13,028,596</u>
<b>All Other Governmental Funds</b>				
Committed:				
Economic Development	\$ -	\$ 900,053	\$ 923,451	\$ 946,850
Street improvements	2,513,318	897,352	-	-
Recreation improvements	-	-	-	-
Restricted:				
Street improvements	-	-	478,867	1,287,047
Holding park pool renovations	-	-	26,373	-
Culture and recreation	-	-	-	-
Equipment and vehicles	-	-	-	194,023
Street and sidewalk improvements	-	-	-	-
Public Safety	-	-	-	-
Greenways	-	-	-	2,330,480
Grants	-	-	-	-
Assigned:				
Subsequent years expenditures	2,455,268	1,830,896	2,353,473	3,058,811
Debt service	-	-	-	-
Recreation improvements	1,081,765	726,880	833,558	1,365,216
Cemetery improvements	104,193	104,330	104,408	74,048
Fire Department	-	-	-	-
Roadway projects	-	-	-	-
Asset maintenance	-	-	-	-
Unassigned	(1,067,899)	-	(293,207)	-
Total all other Governmental Funds	<u>\$ 5,086,645</u>	<u>\$ 4,459,511</u>	<u>\$ 4,426,923</u>	<u>\$ 9,256,475</u>

Note (1): Changes from 2016 to 2017 were primarily due to expenditures for the 2014 bond related projects. In addition, there was significant activity for projects

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

Table 3

2016	2017	2018	2019	2020	2021
\$ 15,942 74,031	\$ 12,958 69,775	\$ 16,710 100,850	\$ 15,069 124,878	\$ 17,141 136,802	\$ 17,911 108,634
3,617,882	4,208,575	5,201,309	3,697,546	3,568,985	6,075,840
-	163,450	351,107	-	-	-
255,346	266,635	278,314	276,322	276,779	341,865
343,673	334,069	354,521	317,916	313,892	376,579
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	102,326
969,307	-	219,155	683,654	-	-
1,161,500	1,481,115	1,597,145	2,182,500	812,400	1,200,600
8,013,074	9,521,082	8,360,653	9,955,217	10,771,209	13,628,106
<u>\$ 14,450,755</u>	<u>\$ 16,057,659</u>	<u>\$ 16,479,764</u>	<u>\$ 17,253,102</u>	<u>\$ 15,897,208</u>	<u>\$ 21,851,861</u>
\$ 1,030,500	\$ 1,082,750	\$ 1,418,720	\$ 1,510,489	\$ 1,437,644	\$ 1,508,812
-	-	-	-	-	-
-	-	-	-	-	-
954,214	1,983,593	2,745,290	-	-	-
-	-	-	-	-	-
-	-	13,341,012	-	-	10,504
-	-	-	-	-	-
-	-	-	3,224,084	16,283	-
-	-	-	-	-	8,829
2,221,896	469,387	1,030,449	637,496	-	-
11,742	173,755	16,422	10,381	9,204	-
1,242,997	1,728,468	-	-	1,383,122	213,802
-	-	1,055,143	302,046	108,054	369,150
1,665,395	1,630,042	2,431,103	2,901,051	2,180,928	5,701,041
69,372	69,699	56,046	56,847	-	-
-	-	1,218,444	1,434,819	337,419	927,904
-	-	835,124	948,462	814,774	1,584,474
-	-	49,948	45,302	17,653	(44,298)
-	(3,979,125)	(4,270,147)	(4,849,418)	(7,727,805)	(1,456,276)
<u>\$ 7,196,116</u>	<u>\$ 3,158,569</u>	<u>\$ 19,927,554</u>	<u>\$ 6,221,559</u>	<u>\$ (1,422,724)</u>	<u>\$ 8,823,942</u>

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

June 30, 2021

	2012	2013	2014	2015	2016
<b>Revenues</b>					
Ad Valorem Taxes	\$ 19,314,239	\$ 20,062,793	\$ 21,364,309	\$ 22,496,254	\$ 23,681,908
Other Taxes	87,495	92,347	110,789	47,957	64,894
Unrestricted Intergovernmental	6,671,559	7,070,415	7,527,964	8,740,874	9,464,778
Restricted Intergovernmental	1,442,501	1,121,653	2,233,503	1,029,571	1,162,325
Permits and Fees	1,625,891	3,151,923	2,530,344	3,592,120	3,200,322
Sales and Services	758,893	710,031	746,997	847,584	967,433
Miscellaneous	440,520	527,072	757,487	489,816	892,367
Investment Earnings	68,575	122,770	52,589	50,849	151,696
Total revenues	<u>30,409,673</u>	<u>32,859,004</u>	<u>35,323,982</u>	<u>37,295,025</u>	<u>39,585,723</u>
<b>Expenditures</b>					
General Government	9,255,647	8,705,491	9,245,621	9,387,662	9,987,406
Public Safety	9,899,361	10,418,124	11,896,289	12,586,385	15,344,482
Transportation	1,811,031	1,734,057	1,836,957	1,986,906	1,982,830
Environmental Protection	2,461,981	2,577,759	2,700,114	2,863,636	2,982,465
Cultural and Recreational	1,742,995	2,003,892	2,369,564	2,840,566	2,866,153
Capital outlay	7,697,205	5,371,207	6,180,462	2,532,617	3,102,334
Debt service:					
Bond Principal	1,010,000	1,005,000	1,005,000	1,000,000	1,215,000
Bond Interest	572,513	542,188	511,988	475,375	538,038
Installment note principal	1,238,404	1,957,402	2,465,139	2,795,093	2,884,020
Installment note interest	372,133	361,021	321,270	295,441	257,952
Total expenditures	<u>36,061,270</u>	<u>34,676,141</u>	<u>38,532,404</u>	<u>36,763,681</u>	<u>41,160,680</u>
Excess of revenues over (under) expenditures	<u>(5,651,597)</u>	<u>(1,817,137)</u>	<u>(3,208,422)</u>	<u>531,344</u>	<u>(1,574,957)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	5,597,826	1,453,347	356,367	277,878	2,916,749
Transfers (out)	(5,597,826)	(1,451,887)	(349,201)	(277,878)	(2,916,749)
Special Item	-	-	-	507,768	-
Proceeds from Wake Forest Fire Dept	-	-	-	-	-
Installment note proceeds	6,850,155	1,603,825	2,888,705	792,750	871,700
Bond premium/(issuance costs)	-	-	-	47,482	-
Bond issuance	-	-	-	4,330,000	65,057
Insurance recovery - Shop Fire 2016*	-	-	-	-	-
Total other financing sources (uses)	<u>6,850,155</u>	<u>1,605,285</u>	<u>2,895,871</u>	<u>5,678,000</u>	<u>936,757</u>
Net changes in fund balances	<u>1,198,558</u>	<u>(211,852)</u>	<u>(312,551)</u>	<u>6,209,344</u>	<u>(638,200)</u>
Fund balance - beginning of year (as previously reported)	15,359,059	16,557,617	16,388,278	16,075,727	22,285,071
Adjustments to beginning fund balance	-	42,513	-	-	-
Fund balance - beginning of year (as restated)	15,359,059	16,600,130	16,388,278	16,075,727	22,285,071
Fund balance - end of year	<u>\$ 16,557,617</u>	<u>\$ 16,388,278</u>	<u>\$ 16,075,727</u>	<u>\$ 22,285,071</u>	<u>\$ 21,646,871</u>
Debt service as a percentage of noncapital expenditures	<u>11.26%</u>	<u>13.19%</u>	<u>13.30%</u>	<u>13.34%</u>	<u>12.86%</u>

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



Table 4

2017	2018	2019	2020	2021
\$ 24,545,443	\$ 25,966,222	\$ 27,789,480	\$ 29,419,885	\$ 33,785,203
70,711	75,096	55,488	46,985	44,468
9,845,432	10,308,211	11,090,320	11,365,093	12,754,023
4,674,540	2,679,743	6,089,714	4,182,070	4,179,451
3,867,619	4,333,204	4,260,255	4,913,100	9,216,189
800,167	776,303	1,050,656	721,424	2,105,209
1,045,895	941,708	1,659,716	1,524,594	2,338,738
187,357	316,625	692,804	307,017	29,101
45,037,164	45,397,112	52,688,433	52,480,168	64,452,382
10,114,354	10,915,763	12,127,881	13,092,963	13,981,212
13,730,482	14,386,094	15,963,299	18,858,089	20,025,838
2,009,350	2,109,389	2,166,297	2,311,478	2,393,628
3,158,944	3,426,135	3,626,355	3,853,434	4,175,023
3,097,344	3,281,932	3,635,384	3,810,464	3,658,433
12,251,028	14,105,263	27,581,846	13,408,233	9,166,742
1,253,000	1,245,000	2,067,000	5,650,000	1,920,000
410,917	379,189	909,555	862,529	743,736
2,881,069	2,945,536	3,380,080	3,466,684	3,576,443
212,440	230,681	347,043	413,396	379,030
49,118,928	53,024,982	71,804,740	65,727,269	60,020,085
(4,081,764)	(7,627,870)	(19,116,307)	(13,247,101)	4,432,297
1,693,359	5,928,103	5,960,025	9,458,307	9,396,065
(1,693,360)	(5,928,103)	(5,960,025)	(9,458,307)	(6,896,065)
-	-	-	-	-
-	-	-	-	64,481
1,023,170	-	-	-	-
-	770,970	-	-	-
-	24,048,550	6,183,650	4,246,925	9,204,540
627,952	-	-	-	-
1,651,121	24,819,520	6,183,650	4,246,925	11,769,021
(2,430,643)	17,191,650	(12,932,657)	(9,000,176)	16,201,318
21,646,871	19,216,228	36,407,318	23,474,661	14,474,485
-	(560)	-	-	-
21,646,871	19,215,668	36,407,318	23,474,661	14,474,485
\$ 19,216,228	\$ 36,407,318	\$ 23,474,661	\$ 14,474,485	\$ 30,675,803
12.90%	12.33%	15.16%	19.86%	13.02%

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

*June 30, 2021*

<b>Program Revenues</b>				
<b>Fiscal Year</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Taxes</b>
2012	19,397,177	1,157,671	284,861	19,384,552
2013	21,861,183	907,675	3,771,791	20,154,957
2014	21,273,636	919,021	4,088,825	21,498,390
2015	23,676,530	890,994	15,445,098	22,544,211
2016	18,783,438	1,045,826	7,960,615	23,746,802
2017	24,828,585	1,016,302	13,547,149	24,616,154
2018	25,655,671	1,704,026	8,369,287	26,041,318
2019	26,299,243	1,231,411	50,014,475	27,844,968
2020	26,160,783	1,693,156	8,329,346	29,466,870
2021	29,178,839	2,948,918	18,075,129	33,829,671

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

\* Charges for Services for June 30, 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 June 30, 2019 includes a significant addition of streets acceptances.

\* Charges for Services for June 30, 2020 includes a bond refunding amount of \$4,015,000 for the 2009A Public Improvements Bond \$7,300,000 issuance.

**Table 5**

<b>General Revenue</b>			
<b>Unrestricted Intergovernmental</b>	<b>Unrestricted Investment Earnings</b>	<b>Miscellaneous</b>	<b>Total</b>
6,671,559	200,984	420,357	47,517,161
7,070,415	222,521	550,147	54,538,689
7,527,964	134,536	856,000	56,298,372
8,774,203	116,680	1,277,574	72,725,290
9,464,778	148,854	1,214,093	62,364,406
9,845,432	210,667	1,702,953	75,767,242
10,308,211	328,284	1,471,984	73,878,781
11,090,320	837,216	1,736,093	119,053,726
11,365,093	415,230	1,552,684	78,983,162
12,754,023	80,832	3,227,924	100,095,336

Table 6

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

June 30, 2021

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Intergovernmental</b>	<b>Permits and Fees</b>	<b>Sales and Services</b>	<b>Investment Earnings</b>	<b>Miscellaneous Revenues</b>	<b>Total</b>
2012	26,073,293	1,339,589	1,204,262	758,893	54,424	422,909	29,853,370
2013	27,225,555	907,675	1,853,691	710,031	34,831	422,787	31,154,570
2014	29,071,809	888,290	1,803,280	695,300	25,870	460,782	32,945,331
2015	31,283,682	984,848	2,292,774	847,584	24,310	489,816	35,923,014
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

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 Distribution.

Table 7

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

June 30, 2021

<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Transportation</b>	<b>Environmental Protection</b>	<b>Cultural and Recreational</b>	<b>Debt Service</b>	<b>Fiscal Year Total</b>
2012	\$ 10,421,497	\$ 10,321,288	\$ 2,301,523	\$ 2,468,976	\$ 1,836,625	\$ 3,193,050	\$ 30,542,959
2013	9,081,076	10,836,218	2,343,492	2,940,893	2,190,341	3,865,611	31,257,631
2014	11,428,809	12,420,494	2,155,007	2,700,114	2,486,889	4,303,397	35,494,710
2015	9,788,541	13,286,150	2,255,542	2,977,093	2,835,107	4,565,909	35,708,342
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

(1) Does not include capital outlay expenditures

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

*June 30, 2021*

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<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Transportation</b>	<b>Environmental Protection</b>
2012	\$ 9,629,543	\$ 10,697,935	\$ 4,052,075	\$ 2,554,192
2013	9,524,312	11,228,188	4,119,839	2,666,922
2014	10,466,637	12,809,633	4,436,052	2,787,905
2015	10,288,616	13,193,519	5,090,607	2,661,631
2016	11,422,995	15,997,273	1,785,023	3,081,207
2017	12,869,405	14,515,834	2,276,688	3,312,425
2018	13,074,362	15,553,468	5,606,567	3,594,622
2019	14,299,862	16,907,529	8,234,442	3,798,036
2020	12,354,370	16,087,550	6,012,293	3,743,415
2021	18,422,121	21,459,650	9,931,088	4,308,854

**Table 8**

<b>Cultural and Recreation</b>	<b>Interest on Long-term Debt</b>	<b>Water and Sewer</b>	<b>Electric</b>	<b>Total</b>
\$ 2,644,989	\$ 932,318	\$ 126,995	\$ 16,908,508	\$ 47,546,555
2,819,826	995,852	74,309	17,486,017	48,915,265
3,250,469	809,270	60,395	17,964,027	52,584,388
3,759,071	775,312	44,045	19,503,601	55,316,402
1,951,732	748,481	27,761	18,172,784	53,187,256
6,865,664	604,099	11,907	19,562,897	60,018,919
4,432,829	625,012	-	20,200,887	63,087,747
2,574,238	1,257,960	-	19,680,438	66,752,505
5,294,637	1,217,268	-	20,317,296	65,026,829
3,674,315	1,158,958	-	21,405,438	80,360,424

Table 9

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

June 30, 2021

<b>Fiscal Year</b>	<b>Tax Year Ended December 31</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Service Company</b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Ratio of Assessed Value to Estimated Actual Value</b>
2012	2011	\$ 3,373,651,564	\$ 348,998,438	\$ 30,021,371	\$ 3,752,671,373	\$ 0.510	100%
2013	2012	3,454,767,428	413,935,518	33,118,426	3,901,821,372	0.510	100%
2014	2013	3,578,577,402	531,310,563	32,184,022	4,142,071,987	0.510	100%
2015	2014	3,772,983,301	478,751,321	35,032,002	4,286,766,624	0.520	100%
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	5,659,864,744	0.520	100%
2021	2020	6,005,443,538	743,366,531	50,972,511	6,799,782,580	0.495	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 elected in 2016 to conduct revaluations every four (4) years. The last revaluation occurred as of December 31, 2020.

\*Amount does not agree to that fiscal year's Comprehensive Annual Financial Report; amount was adjusted in subsequent fiscal year reporting



Table 10

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

*June 30, 2021*

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<b>Fiscal Year</b>	<b>Town of Wake Forest</b>	<b>Wake County</b>	<b>Combined Tax Rate Per \$100 of Assessed Value</b>
2012	\$ 0.510	\$ 0.534	\$ 1.044
2013	0.510	0.534	1.044
2014	0.510	0.578	1.088
2015	0.520	0.615	1.135
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

Table 11

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

June 30, 2021

Taxpayer	2021			2012		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Legacy Wake Forest LLC	\$ 54,216,034	1	0.80%	\$ -	-	0.00%
Wake Forest Apartments LLC	41,361,099	2	0.61%	-	-	0.00%
Heritage Gardens LLC	38,751,899	3	0.57%	-		0.00%
Caveness Partners LLC	36,903,241	4	0.54%	21,105,703	3	0.56%
Wake Forest Crossing Owner LLC	34,961,948	5	0.51%	-		0.00%
WMCI Raleigh IV LLC	33,949,300	6	0.50%	22,765,335	2	0.61%
Waypoint CapCreek MF Owner LLC	33,540,923	7	0.49%	-		0.00%
Crossroads Holdings LLC	30,573,582	8	0.45%	25,750,418	1	0.69%
Wake EMC	28,189,207	9	0.41%	-		0.00%
Walmart Real Estate Business Trust	23,649,363	10	0.35%	16,396,165	7	0.44%
Gateway Forest LLC	-		0.00%	20,204,005	4	0.54%
Heritage Wake Forest Inc	-		0.00%	14,988,194	9	0.40%
Lowes Home Center Inc	-		0.00%	17,427,989	6	0.46%
Factory LLC	-		0.00%	19,677,441	5	0.52%
MLC Automotive LLC	-		0.00%	14,682,581	10	0.39%
Crescent State Bank	-		0.00%	16,266,476	8	0.43%
<b>Total</b>	<b>\$ 356,096,596</b>		<b>5.24%</b>	<b>\$ 189,264,307</b>		<b>5.04%</b>
Total Assessed Value	<u><u>\$ 6,799,785,581</u></u>			<u><u>\$ 3,752,671,737</u></u>		

Source: Wake County Revenue Department

Table 12

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

June 30, 2021

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest (1)</b>	<b>Total Debt Service</b>	<b>Total General Governmental Expenditures (2)</b>	<b>Ratio of Debt Service to General Governmental Expenditures</b>
2012	\$ 1,010,000	\$ 572,513	\$ 1,582,513	\$ 29,919,509	5.3%
2013	1,005,000	542,188	1,547,188	31,257,631	4.9%
2014	1,005,000	511,988	1,516,988	35,578,285	4.3%
2015	1,000,000	475,375	1,475,375	35,833,160	4.1%
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%

(1) Excludes bond issuance and other costs.

(2) Includes both General Fund and Debt Service Fund

(3) Does not include principal and interest payment made to refund debt

**TOWN OF WAKE FOREST, NORTH CAROLINA**

## Property Tax Levies and Collections

## LAST TEN FISCAL YEARS

JUNE 30, 2021

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<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year (Original Levy)</b>	<b>Adjustments</b>	<b>Total Adjusted Levy</b>
2012	\$ 19,204,045	\$ -	\$ 19,204,045
2013	19,955,115	-	19,955,115
2014	21,184,179	-	21,184,179
2015	22,357,927	-	22,357,927
2016	23,561,063	-	23,561,063
2017	24,578,867	-	24,578,867
2018	25,954,547	-	25,954,547
2019	27,738,784	-	27,738,784
2020	29,491,642	-	29,491,642
2021	33,810,785	-	33,810,785

**Table 13**

Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
\$ 19,007,310	98.98%	\$ 155,998	\$ 19,163,308	99.79%
19,760,773	99.03%	192,650	19,953,423	99.99%
21,076,021	99.49%	178,348	21,254,369	100.00%
22,314,249	99.80%	123,541	22,437,790	100.00%
23,523,354	99.84%	64,105	23,587,459	100.00%
24,544,133	99.86%	53,285	24,597,418	100.00%
25,922,302	99.88%	52,628	25,974,930	100.00%
27,694,586	99.84%	32,795	27,727,381	99.96%
29,403,822	99.70%	23,018	29,426,840	99.78%
33,662,899	99.56%	111,271	33,774,170	100.00%

Table 14

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

June 30, 2019

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
2012	31,774	41,440	34.2	146,687	7.9%	5.9%
2013	33,703	32,060	35.0	149,528	7.3%	5.4%
2014	35,609	33,711	35.0	154,381	5.1%	3.9%
2015	37,046	32,474	34.2	159,984	4.8%	4.0%
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%

**Sources:**

- (1) Wake Forest Business & Industry Partnership - 2019 Community Profile ([discoverwakeforest.org](http://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.
- (3) Wake Forest Business & Industry Partnership - 2020 Community Profile ([discoverwakeforest.org](http://discoverwakeforest.org))
- (4) Wake Forest Business & Industry Partnership - 2020 Community Profile ([discoverwakeforest.org](http://discoverwakeforest.org))
- (5) North Carolina State Employment Security Commission for Wake County and/or US Bureau of Labor & Statistics
- (6) North Carolina State Employment Security Commission for Wake County and/or US Bureau of Labor & Statistics
- \*\* Information not available.

Table 15

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

June 30, 2021

<b>Fiscal Year</b>	<b>Debt Limit</b>	<b>Less: Total Net Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>	<b>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</b>
2012	\$ 300,213,710	\$ 29,196,762	\$ 271,016,948	9.73%
2013	312,145,710	27,802,641	284,343,069	8.91%
2014	331,365,759	27,256,751	304,109,008	8.23%
2015	342,941,335	49,354,418	293,586,917	14.39%
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 (1)	499,825,747	8.12%

**Legal Debt Margin Calculation for Fiscal Year 2021**

Assessed value	<u>\$ 6,799,782,580</u>
Debt Limit (8% of total assessed value)	543,982,606
Debt applicable to limit	<u>44,156,859</u>
Legal debt margin	<u>\$ 499,825,747</u>
Percentage of debt to debt limit	<u>8.12%</u>

(1) Debt Applicable to Limit includes \$29,400,000 outstanding bonded debt, and \$14,756,859 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 BONDED DEBT  
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

*JUNE 30, 2021*

<b>Fiscal</b>	<b>(1)</b>		<b>Gross</b>	<b>Debt Payable</b>
<b>Year</b>	<b>Population</b>	<b>Assessed Value</b>	<b>Bonded</b>	<b>From</b>
			<b>Debt</b>	<b>Enterprise</b>
				<b>Revenues</b>
2012	31,774	\$ 3,752,671,373	\$ 14,765,000	\$ -
2013	33,703	3,901,821,373	13,760,000	-
2014	35,609	4,142,071,987	12,942,690	-
2015	37,046	4,286,766,624	16,303,389	-
2016	39,012	4,517,389,476	15,134,232	-
2017*	41,157	4,703,251,902	13,862,075	-
2018	43,287	4,977,344,040	30,048,889	-
2019	45,264	5,323,065,702	27,924,183	-
2020	47,220	5,659,864,744	25,928,692	-
2021	50,244	6,799,782,580	30,898,265	-

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

\*2017 figure is different than reported in previous year; this number should have included the bond premium.



**Table 16**

		<b>Ratio of Net</b>		
		<b>Bonded</b>	<b>Net Bonded</b>	<b>Gross</b>
<b>Net Bonded</b>	<b>Debt to</b>		<b>Debt</b>	<b>Bonded</b>
<b>Debt</b>	<b>Assessed Value</b>		<b>per Capita</b>	<b>per Capita</b>
\$ 14,765,000	0.39%	\$	465	\$ 465
13,760,000	0.35%		408	408
12,942,690	0.31%		365	365
16,303,389	0.38%		440	440
15,134,232	0.34%		388	388
13,862,075	0.29%		337	337
30,048,889	0.60%		694	694
27,924,183	0.52%		617	617
25,928,692	0.46%		549	549
30,898,265	0.45%		615	615

Table 17

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

June 30, 2021

Jurisdiction	Bonded Debt	Percentage Applicable to Town (2)	Amount Applicable to Town
Direct:			
Town of Wake Forest	\$ 45,659,913 (1)	100.00%	\$ 45,659,913
Overlapping: (3)			
Wake County	\$ 1,525,740,000 (4)	3.59%	<u>54,722,264</u>
		Total	<u>\$ 100,382,177</u>

(1) Includes all governmental activities debt.

(2) Based on total assessed values.

(3) Overlapping debt does not include the debt of the Special Airport District of Durham and Wake Counties as these bonds are payable by the Airport Authority out of Airport revenues.

(4) Wake County Revenue Department

Table 18

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

*June 30, 2021*

<b>Fiscal Year</b>	<b>Commercial</b>		<b>Residential</b>		<b>Total</b>	
	<b>Number</b>	<b>Value</b>	<b>Number</b>	<b>Value</b>	<b>Number</b>	<b>Value</b>
2012	67	\$ 10,282,212	585	\$ 70,591,023	652	\$ 80,873,235
2013	94	27,164,939	501	100,873,993	595	128,038,932
2014	89	29,873,213	419	74,795,239	508	104,668,452
2015	102	33,338,472	561	102,480,602	663	135,819,074
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

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

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

JUNE 30, 2021

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Fiscal Year	(2)								(3)	
	Admin	Comm	Downtown Development	Economic Development	Finance	Human Resources	IT	Planning	Inspections	Police
2012	3.0	2.0	0.0	0.0	18.0	4.0	4.0	21.0	0.0	70.0
2013	4.0	2.0	0.0	0.0	18.0	4.0	5.0	21.0	0.0	75.0
2014	3.0	2.0	1.0	0.0	18.0	4.0	5.0	7.0	14.0	83.0
2015	3.0	3.0	1.0	0.0	18.0	4.0	5.0	8.0	14.0	84.0
2016	3.0	3.0	1.0	0.0	17.0	4.0	5.0	8.0	14.0	84.0
2017	4.0	3.0	1.0	1.0	18.0	4.0	6.0	8.0	15.0	91.0
2018	4.0	3.0	5.0	1.0	18.0	5.0	6.0	9.0	16.0	91.0
2019	4.0	4.0	5.0	1.0	18.0	5.0	6.0	11.0	16.0	105.0
2020	4.0	5.0	5.0	1.0	18.0	5.0	6.0	11.0	16.0	105.0
2021	7.0	5.0	6.0	1.0	20.0	6.0	8.0	14.0	16.0	117.0

- (1) Permanent full time and part time positions only as of June 30th. Excludes temporary, part-time and seasonal employees.
- (2) Renaissance Centre employees have been included in Downtown Development since FY 2018. They were part of Parks & Recreation in previous years.
- (3) Planning and Inspections employee reporting was separated in FY 2014.
- (4) Effective July 1, 2020, privately contracted fire services were consolidated and transitioned to the Town of Wake Forest.

**Table 19**

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(4)		Pub Works			Solid	Parks &	Public		Tree	Year
Fire	Engineering	Admin	Fleet	Streets	Waste	Recreation	Facilities	Electric	Trimming	Total
0.0	7.0	3.0	5.0	17.0	9.0	15.0	1.0	22.0	0.0	201.0
0.0	7.0	3.0	5.0	17.0	9.0	15.0	2.0	19.0	3.0	209.0
0.0	7.0	3.0	5.0	20.0	9.0	17.0	2.0	19.0	3.0	222.0
0.0	7.0	3.0	5.0	20.0	9.0	19.0	3.0	19.0	3.0	228.0
0.0	7.0	3.0	5.0	20.0	9.0	19.0	3.0	20.0	3.0	228.0
0.0	7.0	2.0	6.0	20.0	9.0	23.0	3.0	20.0	3.0	244.0
0.0	7.0	2.0	6.0	20.0	12.0	23.0	4.0	21.0	5.0	258.0
0.0	6.0	5.0	6.0	20.0	12.0	21.0	4.0	21.0	5.0	275.0
0.0	7.0	5.0	6.0	20.0	12.0	23.0	4.0	24.0	5.0	282.0
84.0	10.0	5.0	7.0	20.0	13.0	23.0	7.0	24.0	5.0	398.0

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

*June 30, 2021*

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<b>Fiscal</b>	<b>Property</b>	<b>Sales</b>	<b>Utility Sales</b>
<b>Year</b>	<b>Tax</b>	<b>Tax</b>	<b>Distribution (1)</b>
2012	\$ 19,240,193	\$ 4,991,298	\$ 1,528,114
2013	19,988,279	5,285,774	1,581,534
2014	21,290,422	5,700,274	1,661,397
2015	22,422,548	6,218,974	2,335,449
2016	23,610,065	6,755,795	2,540,817
2017	24,470,851	7,187,102	2,479,157
2018	25,882,092	7,601,465	2,530,451
2019	27,713,298	8,245,963	2,660,061
2020	29,340,018	8,594,400	2,582,156
2021	33,423,425	9,972,882	2,590,845

(1) Formerly Franchise Tax

**Table 20**

<b>Motor Vehicle</b>		<b>Rental Vehicle</b>		<b>Beer &amp; Wine</b>	
<b>Licenses</b>		<b>Tax</b>		<b>Tax</b>	
				<b>Total</b>	
\$	219,629	\$	31,791	\$	131,394
				\$	26,142,419
	324,888		38,731		125,512
					27,344,718
	485,076		39,867		139,022
					29,316,058
	456,574		47,957		154,318
					31,635,820
	423,335		64,894		146,483
					33,541,389
	452,948		70,711		156,017
					34,816,786
	518,424		75,096		152,848
					36,760,376
	735,378		55,488		157,255
					39,567,443
	895,271		46,985		160,326
					41,619,156
	933,869		44,468		161,375
					47,126,864

Table 21

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

June 30, 2021

Fiscal Year	Governmental Activities		Business-Type Activities			(1)		
	General		General		Revenue	Total	Debt	Percentage
	Obligation	Installment	Obligation	Installment		Primary	Per	of Personal
	Bonds	Financings	Bonds	Financings	Bonds	Government	Capita	Income
2012*	\$ 14,857,545	\$ 14,431,762	\$ -	\$ 3,022,730	\$ 1,463,932	\$ 33,683,424	\$ 1,060	2.56%
2013*	13,964,473	14,078,185	-	2,367,799	1,277,315	31,483,299	934	2.91%
2014	12,942,690	14,501,751	-	1,773,071	3,583,652	32,801,164	921	2.73%
2015*	16,303,390	12,499,409	-	1,178,344	3,140,053	33,121,196	894	2.75%
2016	15,134,232	10,487,088	-	583,616	2,702,403	28,907,339	741	2.24%
2017	13,682,000	8,629,189	-	-	2,251,773	24,562,963	597	1.71%
2018	29,117,000	13,052,203	-	686,933	1,788,017	44,644,153	1,031	2.88%
2019	27,924,183	15,854,036	-	3,736,466	1,309,715	48,824,401	1,079	2.89%
2020	25,928,692	12,924,277	-	3,106,103	1,059,309	43,018,381	911	2.33%
2021	30,898,265	14,761,648	-	2,982,153	803,264	49,445,331	984	2.40%

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.

\*Amount does not agree to that fiscal year's Comprehensive Annual Financial Report; amount was adjusted in subsequent fiscal year reporting.



# TOWN OF WAKE FOREST, NORTH CAROLINA

## MISCELLANEOUS STATISTICS

June 30, 2021

<b>Date of Incorporation</b>	February 20, 1909
<b>Form of Government</b>	Council-Manager
<b>Miles of City-owned Streets</b>	141.58
<b>Fire Protection (Combination: Paid/Volunteer)</b>	
Number of Stations	5
Number of Full-Time & Part-Time	108
Number of Volunteers	25
<b>Police Protection</b>	
Number of Stations	6
Number of Full-time Sworn Officers	78
<b>Utility System: Electric</b>	
Number of Customers	6,567
Residential Rates:	Basic Customer Charge      \$15.95
	Energy Charge      \$0.1131 per kwh
<b>Community Facilities:</b>	
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
<b>Cultural Activities:</b>	
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 Street	
Unity In the Community	
Wake Forest Dance Festival	
Arbor Day Celebration	
Wake Forest Christmas Parade	
Halloween Boo Bash	
Art Galleries in Downtown Wake Forest	
Wake Forest Mardi Gras - community festival	
Forest Moon Theatre events at WFRC	
Mid-day Concerts at Town Hall Plaza	

	2021		2012	
	* Number of Employees	Rank	Number of Employees	Rank
<b>Principal Employers:</b>				
Wake County Public School System	1300	1	800	1
CenturyLink	452	2	350+	4
Southeastern Baptist Theological Seminary, Inc.	448	3	380	3
Wal-mart	412	4	425	2
Wegman's	410	5		
Town of Wake Forest	391	6	192	7
Chik Fil A	318	7		
Lowes Foods	211	8		
Target Corporation	200	9	250	5
Sam's Club	185	10		
Lowe's Home Improvement	176	11	145	10
Rex Healthcare (Wake Forest & Wakefield)	171	12		
Pack-Rat	170	13		
Home Depot	164	14		
Hillside Nursing Center of Wake Forest, Inc.	160	15	167	8
Franklin Academy	152	16		
Texas Roadhouse	123	17		
Publix	120	18		
Kohl's	114	19		
Moffat Pipe	88	20		
Norse	70	21		
The Body Shop			223	6
Carolina Sunrock			150	9

\* Source - Wake Forest Economic Development projected employment estimates



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TOWN *of*  
WAKE FOREST

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

To the Honorable Mayor  
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 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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 13, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the basic financial statements, we considered the Town's internal control over financial reporting ("internal control") 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 Town's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chemy Bekaert LLP

Raleigh, North Carolina  
December 13, 2021

**Report of Independent Auditor on Compliance with Requirements Applicable for Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act**

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

**Report on Compliance for Each Major Federal Program**

We have audited the Town of Wake Forest, North Carolina's (the "Town") compliance with the types of compliance requirements described 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, 2021. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

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. Accordingly, this report is not suitable for any other purpose.

Cheryl Bekaert LLP

Raleigh, North Carolina  
December 13, 2021

**Report of Independent Auditor on Compliance with Requirements Applicable for Each Major State Program and on Internal Control over Compliance in Accordance with the Uniform Guidance and the State Single Audit Implementation Act**

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

**Report on Compliance for Each Major State Program**

We have audited the Town of Wake Forest, North Carolina's (the "Town") compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on the Town's major state program for the year ended June 30, 2021. The Town's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Town's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") as described in the audit manual for Governmental Audits in North Carolina, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major State Program**

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina  
December 13, 2021



# TOWN OF WAKE FOREST, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

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### 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

Identification of major federal programs:

#### Assistance Listing Numbers

21.019

#### Names of Federal Program or Cluster

Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

  X   yes    \_\_\_\_\_ no

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

*YEAR ENDED JUNE 30, 2021*

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**Section I—Summary of Auditor's Results (continued)**

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

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 and State Award Findings and Questioned Costs**

None reported.

**TOWN OF WAKE FOREST, NORTH CAROLINA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**

*YEAR ENDED JUNE 30, 2021*

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No findings in the prior year.

**TOWN OF WAKE FOREST, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b>FEDERAL GRANTS:</b>					
<b>U.S. Department of Transportation</b>					
Passed through N.C. Department of Transportation:					
<i>Priority Pedestrian Corridors - Sidewalk Projects</i>	20.205-1	WBS 41821.1.38			\$ 403,176
<i>Ligon Mill Road Operational Improvements</i>	20.205-1	WBS 42379.1.3	117,781		2,206,400
<i>Stadium Drive - Complete Streets</i>	20.205-1	WBS 55056.1.1	-		115,764
<i>Smith and Sanford Creek Greenway</i>	20.205-1	WBS 46229.1.1	12,429		20,714
<b>Total U.S. Department of Transportation</b>			130,210	-	2,746,054
<b>U.S. Department of Justice</b>					
Office of Justice Programs:					
<i>Bulletproof Vest Partnership - 2020</i>	16.607	N/A	4,829		4,829
<b>Total U.S. Department of Justice</b>			4,829	-	4,829
<b>U.S. Environmental Protection Agency</b>					
Passed through N.C. Department of Environmental Quality					
<i>319 Nonpoint Source Pollution Implementation Grant</i>	66.460	Contract 7082	-	2,173	29,836
<b>Total U.S. Environmental Protection Agency</b>			-	2,173	29,836
<b>National Endowment for the Arts (NEA)</b>					
45.024					
Downtown Mural Project			8,540	-	-
CARES ACT 20			10,912	-	-
<b>Total National Endowment for the Arts</b>			19,452	-	-
<b>US Treasury Department</b>					
CARE Act 2020	21.019				
Passed through NC OSBM and then passed through Wake County			1,075,387		8,405,578
<b>Total Federal Grants</b>			1,229,878	2,173	11,186,298
<b>STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE</b>					
<b>N.C. Department of Transportation</b>					
<i>Non-State System Street-Aid Allocation Fund (Powell Bill)</i>	N/A	WBS 32570	-	909,619	-
Passed through N.C. Governor's Highway Safety Program					
<i>Traffic Safety Unit (2020)</i>	20.600	PT-20-06-17	-	7,984	18,090
<b>Total NC Department of Transportation</b>			-	917,602	18,090
<b>N.C. Department of Justice</b>					
Passed through Attorney General of North Carolina					
<i>Ailey Young Dam Restoration</i>	N/A	TWF 015	-		2,554
<b>Total NC Department of Justice</b>			-	-	2,554
<b>N.C. Department of Natural and Cultural Resources</b>					
<i>Ailey Young House Rehabilitation</i>	N/A	N/A	-	21,915	55,215
Passed through N.C. Clean Water Management Trust Fund					
<i>Smith Creek Greenway - Phase 2</i>	N/A	2016-089	-	112,513	-
<i>Smith Creek Greenway - Phase 3</i>	N/A	2016-089	-	134,656	453,686
Passed through State Historic Preservation Office					
<i>Archaeological Investigation at Ailey Young House</i>	N/A	N/A	-	-	-
<i>Wake Forest Architectural Survey Update</i>	N/A	N/A	-	-	7,400
<b>Total NC Department of Natural and Cultural Resources</b>			-	269,083	516,301

**TOWN OF WAKE FOREST, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b>N.C. Urban Forest Council</b>					
2020 EAB NCFS grant - Ash borer treatment for 82 trees	N/A			10,000	2,720
<b>Total NC Urban Forest Council</b>			-	10,000	2,720
<b>Total State of North Carolina Financial Assistance</b>			-	1,186,686	536,945
<b>Total Federal &amp; State of North Carolina Financial Assistance</b>			\$ 1,229,878	\$ 1,188,859	\$ 11,723,242

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

**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 allowable or are limited as to reimbursement. The Town of Wake Forest has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3:** The town did not incur any any passed-through subrecipient expenditures during the fiscal year ended June 30, 2021.



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TOWN *of*  
WAKE FOREST