FISCAL YEAR ENDING JUNE 30, 2019

2019

Comprehensive Annual Financial Report

TOWN OF WAKE FOREST ~ NORTH CAROLINA

TOWN *of* WAKE FOREST

About the front cover:

Situated in E. Carroll Joyner Park, 701 Harris Road, the Joyner Park Community Center is designed to blend in with current Joyner Park structures and the natural habitat. The 32,000 square foot facility features a walking track, gymnasium for basketball, volleyball and pickleball, multi-purpose rooms, dance studio and kitchen. It also houses the staff offices for Wake Forest Park, Recreation and Cultural Resources.

The Joyner Park Community Center was a 2014 Wake Forest Bond Referendum initiative, which accounted for $11.1M of the $14.2M of the parks and recreation facility projects approved by the town voters. The other Joyner Park initiatives include the Joyner Park playground and the amphitheater cover.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2019

TOWN *of*
WAKE FOREST

Town of Wake Forest, North Carolina

Prepared by the Finance Department

TOWN OF WAKE FOREST
BOARD OF COMMISSIONERS

Mayor
Vivian A. Jones

Commissioner
Greg Harrington

Commissioner
Brian Pate

Commissioner
Anne M. Reeve

Commissioner
Liz Simpers

Commissioner
Bridget Wall-Lennon

TOWN OF WAKE FOREST STAFF

Kipling D. Padgett
Town Manager

Candace Davis
Assistant to the Town Manager

Eric Vernon
Town Attorney

Virginia Jones
Human Resources Director

Deeda Harris
Town Clerk

Aileen J. Staples
Chief Financial Officer

Jeff Leonard
Police Chief

Roger A. Russell
Community Development Director

Ruben Wall
Parks Recreation Director

Cathy Gouge
Renaissance Centre Director

Magda Holloway
Public Works Director

Tom LaBarge
Chief Information Officer

Bill Crabtree
Communications and Public Affairs Director

J J Carr
Inspections Director

Mickey Rochelle
Public Facilities Director

Lisa Hayes
Downtown Development Director

Jason Cannon
Economic Development Director

ADVISORY BOARDS AND COMMISSIONS

Planning and Zoning Board
Ed Gary, Chairperson

Board of Adjustment
Will Hedrick, Chairperson

Cemetery Advisory Board
Alan O'Shaughnessy, Chairperson

Public Art Commission
John Pelosi, Chairperson

Cultural Resources Advisory Board
Diana Hoffmaster, Chairperson

Recreation Advisory Board
Shinica Thomas, Chairperson

Design Review Board
Paul Eitel, Chairperson

Senior Center Advisory Board
Jetske Insinger, Chairperson

Greenway Advisory Board
Deanna Welker, Chairperson

Technical Advisory Board
Michael Faas, Chairperson

Historic Preservation Commission
Ellen Turco, Chairperson

Urban Forestry Advisory Board
Mindy Hidenfelter, Chairperson

Human Relations Council
Robin Smith, Chairperson

Youth In Government
Yara Mahmoud, Chairperson

TOWN OF WAKE FOREST, NORTH CAROLINA

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TOWN *of*
WAKE FOREST

October 31, 2019

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 (CAFR) of the Town of Wake Forest (the "Town") for your review and use. This report was prepared by the Town's Finance Department, and it is the comprehensive publication of the Town's financial position and results of operations as of and for the fiscal year ended June 30, 2019. The Town, like all other local governments in the State, is required by state law to publish a complete set of financial statements within four months of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement and to provide further accountability to citizens and other interested parties by providing a more all-inclusive report in lieu of the minimum basic financial statement requirements.

This document provides financial detail and historical trends beyond the basic financial statements in the **Financial Section.** Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is written to complement the MD&A.

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

Town management is responsible for both the accuracy of the data along with the completeness and fairness of the report. To ensure reliability of the information Town management has established a comprehensive framework of internal control. 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 under the Federal Single Audit Act of 1984 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 continues to be 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 18.50 square miles and the extraterritorial or planning jurisdiction of the Town ("ETJ") covers an additional 4.53 square miles in Wake and Franklin counties located in the Piedmont region of the state. 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 972 acres of open space, greenways and trails, excellent schools and access to higher education, all in close proximity to Research Triangle Park ("RTP") and Raleigh-Durham International Airport ("RDU").

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

The Town provides its citizens with a full range of services, including police, 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. Currently, fire protection is provided through a contract with the Wake Forest Fire Department, a private non-profit entity. This report includes all the Town's activities in delivering and administering these services.

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

Local Economy

Wake Forest is the 9th fastest growing among North Carolina's 552 municipalities. Like the national and state economy, the local economy continued to improve in fiscal year 2019 with an aggressive number of new construction permits issued. The total number of building permits for new construction, additions and alterations was 937. Retail sales increased and resulted in an 8.4% increase in sales tax revenues over fiscal year 2018. The state government, healthcare and university employers in the area continued to provide stable employment. Due to sustained positive growth in the region, Wake Forest continues to benefit from above average economic indicators as compared to the rest of the state and nation.

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. An analysis conducted in January 2017 reports that the Seminary has a direct annual economic impact of over $37 million in Wake Forest. Over the last several years, 1,540 full-time jobs, an average of over 308 per year have been created and sustained by the Seminary's direct and indirect expenditures.

Wake Forest is home to The Wireless Research Center (WRC), a non-profit 501(c)(3) world-class testing and research facility that provides services for engineering, antenna testing and commercialization. As the only facility of its kind in the state, the WRC is an international destination for customers and partners who require specialized facilities coupled with applied and theoretical expertise, such as telecommunications, government/defense and medical industries. Current customers include mobile device companies, antenna design companies, defense contractors and universities/researchers.

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 more 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.

The number of small firms in town has more than tripled over the last 15 years. This includes a variety of employers as follows: AccuTech USA, AMS Software, Inc., Cornerstone Technical Solutions, Ultra Electronics Ocean Systems 3 Phoenix, BTC Electronics, ReVibe Technologies, Superior Tooling, Synthonix, RxMedic, Trident Technologies, Moffat Pipe/Properties, Inc. and PowerSecure just to name a few.

As of June 30, 2019, the Town's estimated population was 45,264 - an increase of 4.6% from fiscal year ended June 30, 2018. Total growth has been 58.6% since 2010. Wake Forest's tax base has grown from $3.5 billion in 2010 to over $5.3 billion in 2019. The Town's tax base is approximately 25% commercial/industrial and 75% residential for fiscal year 2018-19.

During the fiscal year, the Town issued the following number of permits: 831 for residential construction and 106 for commercial construction. Permits issued for residential and commercial new construction and alteration cost values of over $175 million, a decrease of approximately 27% from fiscal year 2018. Construction continued in the following developments during 2019:

- Heritage, the single largest subdivision in Wake Forest, consists of 1,350 acres that includes a golf course, shopping centers, three (3) public schools, commercial opportunities and over 2,250 residential homes.
- Traditions, single and multi-family development that runs along the Wake Forest reservoir.
- Holding Village, a traditional neighborhood located on the Dr. Calvin Jones Highway/NC 98 Bypass and Franklin Street. With over 1,350 residential homes planned, this neighborhood will connect Heritage to downtown Wake Forest.
- Legacy Wake Forest, multi-family apartments located at Debarmore and Durham Road. Includes 298 units.
- Retreats at Renaissance Townhomes located on Brooks Street in downtown Wake Forest.
- Kitchin Farms located at Burlington Mills Road and Ligon Mill Road.
- Oak Hills located on West Oak Avenue.
- Townhomes on Main located at North Main Street.
- Several other active residential developments include: Austin Creek, Bishops Grant, Tryon, Bridgeport, Stonemill and Reynolds Mill.

There are a wide variety of projects completed or under construction, including residential subdivisions, apartments, townhomes, senior living opportunities, auto repair and supply, several new restaurants and other initiatives.

PowerHouse Row is a project that consists of two multi-use buildings that will face South White Street and will extend downtown Wake Forest's main street activity. The estimated investment of $13 million, which is part of many public and private investments in the Renaissance Area in the heart of Wake Forest. Phase I includes approximately 9,800 square foot building with retail and restaurant spaces on the first floor with 18 to 20 apartments on the two upper floors. Construction started in August 2018 and is expected to be completed in late 2019 or early 2020.

Wegmans Food Markets, a regional supermarket chain with 100 stores and one of the largest private companies in the United States announced plans during the fiscal year to build a store in Wake Forest. The store will be situated 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. Construction is expected to start in 2020 with estimated completion and opening in 2021.

The Board adopted a fiscal year 2020 budget based on growth patterns similar to 2019 with slightly increasing sales tax revenues and tax base. In planning for the future and keeping with the fourth goal of the strategic plan, focusing on fiscal strength, the Town continues to maintain a high priority on the delivery of quality services, infrastructure maintenance and financial stability.

Long Term Financial Planning and Major Initiatives

Our regional location, quality of life and small town atmosphere 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. In addition, the Town's conservative philosophy and approach to budgeting has been key in maintaining its fiscal position as evidenced by its AAA and Aa1 ratings from three major credit rating agencies.

To be fiscally prudent going forward and manage the OPEB liability, the Town changed its policy for all employees hired on or after July 1, 2018. It will not provide medical and life insurance benefits upon retirement from the Town.

Some highlights of fiscal year 2018-2019 are as follows:

- Sixteen (16) additional positions added to meet the demands of our growing community.
- Transitioned to North Carolina Health Insurance Pool (NCHIP) – includes other counties, cities and towns that have joined together to share the risk of high-cost heath claims with a financial model that will enable the Town to be more predictable and sustainable in controlling costs.
- Wake Forest hosted The Wall That Heals, a replica of the Vietnam Veterans Memorial at Joyner Park in October. It was the only town in North Carolina scheduled to host in 2018.
- Fourth season of Friday Night on White which continues bring an average of over 10,000 people to downtown Wake Forest and provides economic vitality to the community.
- Updated strategic plan outlining strategies for the next three to five years.

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:

- Holding Park Pool was formally renamed Holding Park Aquatic Center. Renovations totaling $3.2 million and includes three (3) bodies of water, including a six-lane, 25-yard lap pool; two water slides; and a children's pool with a sprayground. Pool officially opened in May 2019 and enjoyed a record-breaking season with attendance and revenues.
- Joyner Park Community Center construction completed during the fiscal year. Includes 32,000 square foot facility with walking track, gymnasium for basketball, volleyball and pickleball; multi-purpose rooms; dance studio; and kitchen. Grand opening was held October 19, 2019.
- Northern Wake Senior Center is nearing completion and is expected to open in December 2019. The $3.1 million construction project consists of adding almost 9,000 square feet, interior renovations to approximately 80% of the existing center and a complete redecoration.
- Stadium Drive Complete Street project construction is expected to be complete by November 2019.
- Priority Pedestrian Corridor project which includes Wait Avenue and Oak Avenue. Construction started during the fiscal year and expected completion date is late 2019.
- Acquisition of 5031 Unicon Drive located in South Forest Business Park for $2.9 million was finalized in October 2018.Wake Forest Power relocated from 234 Friendship Chapel Road to this site in June 2019.
- Downtown Improvements – Phase 3 consists of street and landscape improvements along South White Street: East Holding Avenue to Elm Avenue and East Owen Avenue: South White Street to Brooks Street. Total cost of the project is approximately $5.7 million, and construction is expected to be completed by November 2019.

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. Included in the recent debt model update are planned issuances through 2021.

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 is planned for 2021. Additional planned future debt issuance includes an approximately $2.5 million installment finance agreement currently scheduled for 2020 for fiber optic infrastructure and annual installment financing agreements to fund vehicle and equipment needs.

Another major initiative that will have long term financial impacts is the transition of fire services into the Town's municipal structure. In November 2018, the Town received an official letter from the Wake Forest Fire Department, Inc. Board of Directors requesting the Town initiate a feasibility study. In February 2019, the Town retained the services of a consulting firm specializing in fire services planning to conduct a comprehensive analysis on potential consolidation. The results and recommendations were presented to the Board of Commissioners and the Wake Forest Fire Board of Directors. Both Boards formally approved moving forward with consolidation in October 2019 with the merger to be effective July 1, 2020.

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 or February 2020. Each year during the annual budget process, the goals, objectives and strategies are incorporated into an official spending plan. The Town's annual budget document can be found on the website at https://www.wakeforestnc.gov/budget.aspx.

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, 2018. This was the 29th consecutive year in which the Town has received this prestigious award. In order 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 the fiscal years ended June 30, 2014 through 2018. The Town has also received the Award for Outstanding Achievement in Popular Annual Financial Reporting for its Citizens' Financial Report for the fiscal years ended June 30, 2017 and 2018.

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, 2018

Christopher P. Morrill

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 implementing 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
Offers 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 in achieving 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, debt management and of 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 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, Design Review Board and the Greenways Advisory Board.

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

Engineering
Responsible for plan review, design work and construction inspection.

Parks and Recreation
Responsible for the maintenance of all Town parks and open space and for the provision and supervision of programs and activities designed to serve the population of the Wake Forest community. Town's parks include Holding Park, Forrest Park, H. L. Miller Park, Ailey M. Young Park, Alston-Massenburg Center Park, Flaherty Park, Joyner Park, Taylor Street Park, assorted school facilities, and the operation of a swimming pool. Staff support is also provided to the Recreation Advisory Board and Youth Advisory Board.

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

Public Safety
Responsible for the protection of life and property, traffic control and enforcement, criminal investigation, and enforcement of local and state law. Fire services are provided through a contract with the Wake Forest Fire Department.

Public Works and Utilities Department

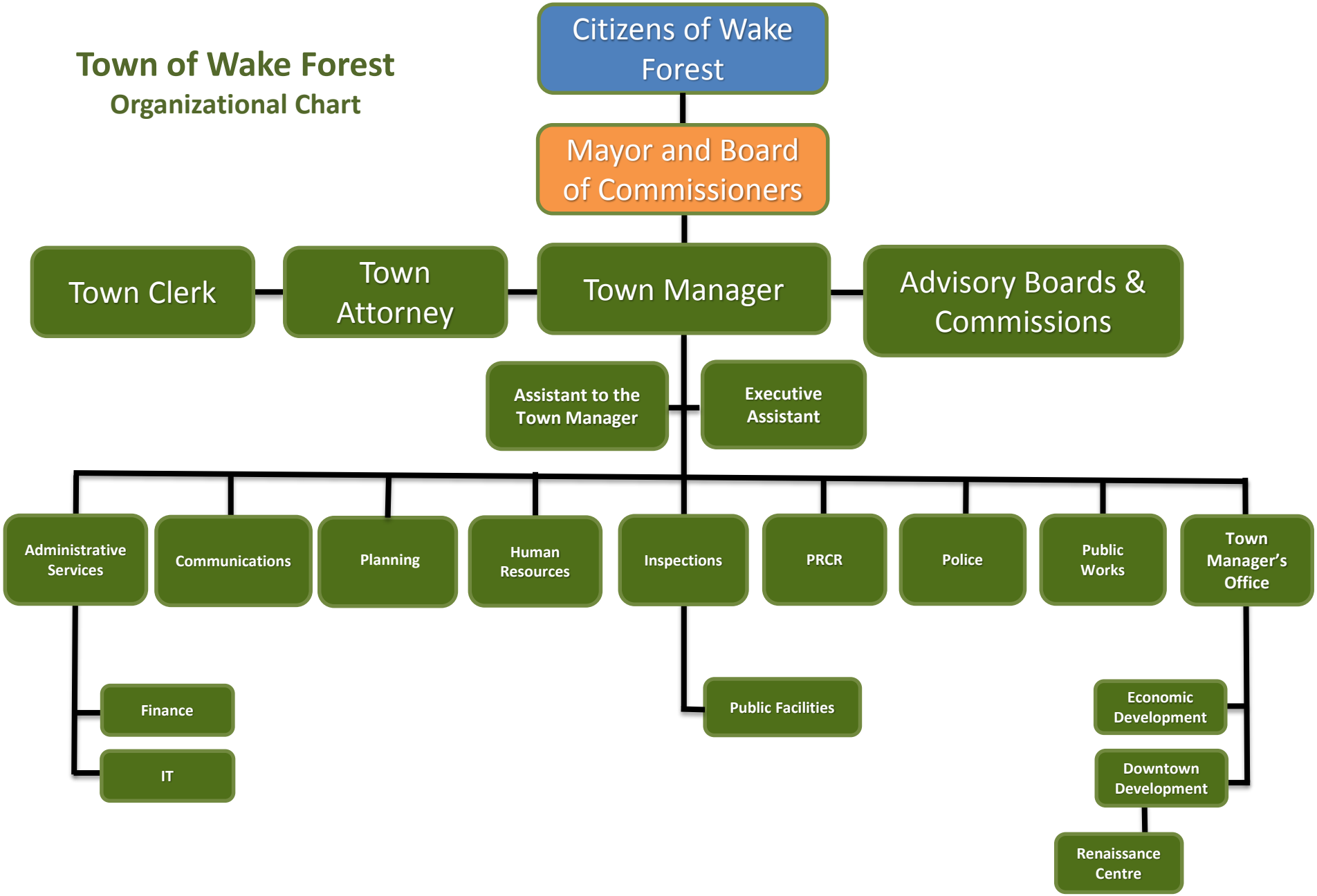
Administration - The Director and Administrative Specialist are responsible for the day to day operations of all divisions in Public Works and Wake Forest Power.

Sanitation Division – Provides assistance with the 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.

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

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

Town of Wake Forest
Organizational Chart



Cherry Bekaert LLP
CPAs & Advisors

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, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2019, and the respective changes in financial position, and where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The individual fund statements and schedules and other schedules for the years ended June 30, 2019 and 2018 and the schedule of expenditures of federal and state awards for the year ended June 30, 2019 is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2019 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina
October 31, 2019

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, 2019. 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 2018-19, the Town maintained its strong financial position. Key indicators of this were overall positive budget variances, increases in fund balance amounts, as well as growth of key general revenues. The town's current bond ratings are AAA (Standard & Poor' & Fitch Ratings) and Aa1 (Moody's).

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $239,632,574 (*net position*) or a 27.9 % increase from prior year.

- The Town's total net position increased by $52,301,221, primarily due to an increase in the governmental-type activities net position of $50,829,375. Business-type activities position increased $1,471,846 for the fiscal year.

- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balance of $23,474,661.

    - $5,105,799 or 21.8% is unassigned and available for spending at the Town's discretion
    - $8,847,399 or 37.7% is restricted by external agencies
    - $1,510,489 or 6.4% is committed for economic development purposes
    - $139,947 or 0.6% is considered non-spendable
    - $7,871,027 or 33.5% is assigned for specific purposes as identified by the Town

- The Town's total debt *increased* by $3,306,064 (7.4%) during the current fiscal year. Along with retiring debt during the year, three (3) installment purchase agreements were issued:

  Installment Purchase Agreements:

    - $5,500,000 – Downtown Streetscape Improvements – April 2019 – 7 year term – 2.74%
    - $683,650 – Rolling Stock – May 2019 – 3 year term – 2.57%
    - $3,500,000 – Electric Fund Building (5031 Unicon Drive) – October 2018 – 10 year term – 2.94%

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two (2) different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town.

Basic Financial Statements

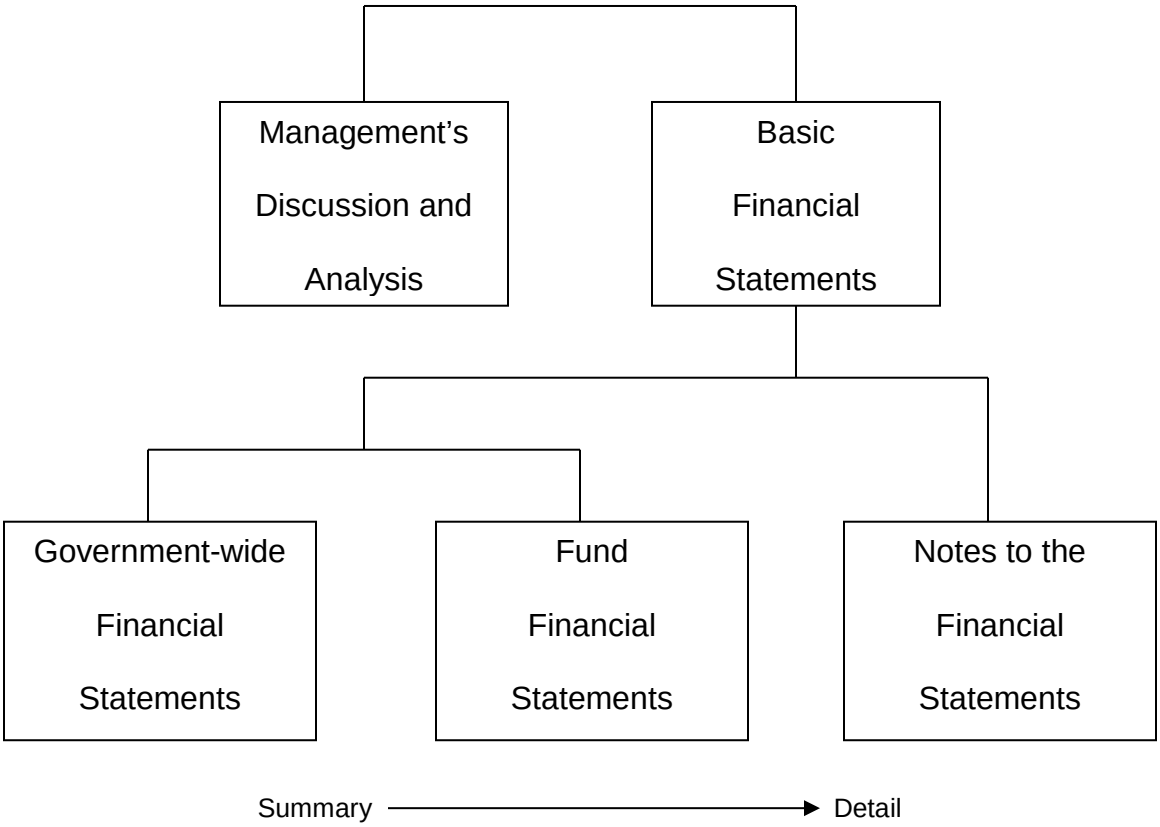
The first two statements (Exhibits 1 and 2) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the Town's financial status, using the full accrual basis of accounting, in a manner similar to a private-sector business.

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

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

Required Components of Annual Financial Report

Figure 1



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 of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town adopts an annual appropriated budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

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

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

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

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

Government-Wide Financial Analysis

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

The other post-employment liability ending balance at June 30, 2019 was $19,912,937, or an increase of 1.6% compared to prior year. 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 their 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	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 30,593,489	$ 42,196,012	$ 9,961,565	$ 8,120,677	$ 40,555,054	$ 50,316,689
Capital assets	262,390,632	196,405,961	22,151,524	19,457,541	284,542,156	215,863,502
Total asset	292,984,121	238,601,973	32,113,089	27,578,218	325,097,210	266,180,191
Deferred outflows of resources	4,386,502	2,764,475	618,317	354,172	5,004,819	3,118,647
Total assets and deferred outflows of resources	**297,370,623**	**241,366,448**	**32,731,406**	**27,932,390**	**330,102,029**	**269,298,838**
Long-term liabilities outstanding	63,466,442	60,549,373	8,378,982	5,473,725	71,845,424	66,023,098
Other liabilities	12,393,572	10,793,452	3,008,524	2,706,998	15,402,096	13,500,450
Total liabilities	75,860,014	71,342,825	11,387,506	8,180,723	87,247,520	79,523,548
Deferred inflows of resources	2,779,788	2,122,177	442,147	321,760	3,221,935	2,443,937
Total liabilities and deferred inflows of resources	**78,639,802**	**73,465,002**	**11,829,653**	**8,502,483**	**90,469,455**	**81,967,485**
Net investment in capital assets	240,687,066	172,179,914	17,105,343	16,982,592	257,792,409	189,162,506
Restricted	8,847,399	23,537,583	-	-	8,847,399	23,537,583
Unrestricted	(30,803,644)	(27,816,051)	3,796,410	2,447,315	(27,007,234)	(25,368,736)
Total net position	**$ 218,730,821**	**$ 167,901,446**	**$ 20,901,753**	**$ 19,429,907**	**$ 239,632,574**	**$ 187,331,353**

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 $239,632,574 as of June 30, 2019. 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	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	$ 5,311,088	$ 4,984,727	$ 20,988,155	$ 20,670,944	$ 26,299,243	$ 25,655,671
Operating grants and contributions	1,231,411	1,704,026	-	-	1,231,411	1,704,026
Capital grants and contributions	50,014,475	8,369,287	-	-	50,014,475	8,369,287
General revenues						
Property taxes	27,789,480	25,966,222	-	-	27,789,480	25,966,222
Other taxes	55,488	75,096	-	-	55,488	75,096
Investment earnings	750,509	293,076	86,707	35,208	837,216	328,284
Other	12,748,991	11,356,593	77,422	423,602	12,826,413	11,780,195
Total revenues	97,901,442	52,749,027	21,152,284	21,129,754	119,053,726	73,878,781
Expenses:						
General government	14,299,862	13,074,362	-	-	14,299,862	13,074,362
Public safety	16,907,529	15,553,468	-	-	16,907,529	15,553,468
Transportation	8,234,442	5,606,567	-	-	8,234,442	5,606,567
Environmental protection	3,798,036	3,594,622	-	-	3,798,036	3,594,622
Cultural and recreation	2,574,238	4,432,829	-	-	2,574,238	4,432,829
Interest on long-term debt	1,257,960	625,012	-	-	1,257,960	625,012
Electric	-	-	19,680,438	20,200,887	19,680,438	20,200,887
Total expenses	47,072,067	42,886,860	19,680,438	20,200,887	66,752,505	63,087,747
Change in net position	50,829,375	9,862,167	1,471,846	928,867	52,301,221	10,791,034
Net position - July 1	167,901,446	167,936,036	19,429,907	20,247,656	187,331,353	188,183,692
Restatement	-	(9,896,757)	-	(1,746,616)	-	(11,643,373)
Net position - June 30	$ 218,730,821	$ 167,901,446	$ 20,901,753	$ 19,429,907	$ 239,632,574	$ 187,331,353

Governmental activities. Management acknowledges that 2019 was another successful year. We acknowledge that there are some challenges which lie ahead, however, we are engaged and committed to continue enhancing the organizations fiscal strength, which is a goal identified in the strategic plan. Governmental activities increased the Town's net position by $50,829,375 thereby accounting for 97.2% of the total growth in the net position of the Town. Key elements of this increase are as follows:

- Ad valorem taxes made up 28.4% of governmental activity revenue and continue to be a significant revenue source for funding local government operations. Current year ad valorem taxes increased 7.1% over the previous fiscal year due to continued growth.
- Utility franchise tax increased $129,610 (5.1%) from previous year – this was primarily due the fact there were only minor fluctuations in the seasons.
- Local option sales tax increased $644,498 (8.5%) over prior fiscal year – due to increased retail sales; along with growth in business coming online during the year.
- Capital grants and contribution accounted for 51.1% of governmental activity revenues. This increase in representation is the result of an increase in street and sidewalk accepted into the town's system
- Total governmental activity revenue *increased* 85.6% while expenses *increased* 9.9% from the previous fiscal year.
- The vehicle fees were increased from $15 to $25, which was effective July 1, 2018.

Business-type activities. Business-type activities increased the Town of Wake Forest's net position by $1,471,846. Key elements of this increase are as follows:

- Charges for services from the Sale of Power increased slightly, 1.6%, compared to previous fiscal year ended June 30, 2018.
- Total business-type expenses *decreased* $520,442 (2.6%). This decrease is primarily related to a credit received within the September 2018 wholesale power bill, which was the result of the change in delivery leased facilities.

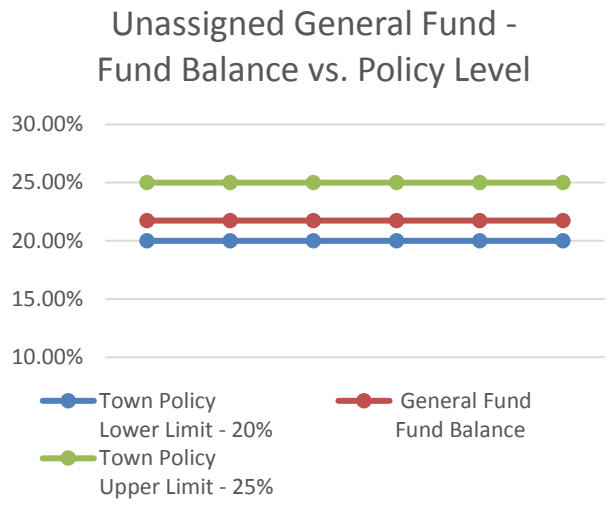
Financial Analysis of the Town's Funds

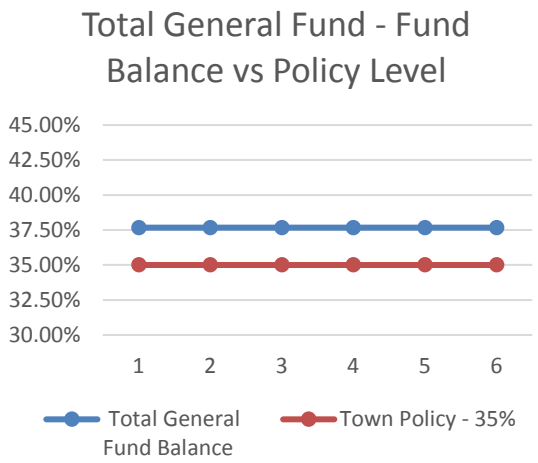
As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 $9,955,217 while total fund balance was $17,253,102. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned (available) fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 21.8% of the total General Fund expenditures, while total fund balance represents 37.7% 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. In the event that 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 strive to replenish the unassigned fund balances to the policy level within 36 months from the date of the appropriation.





At June 30, 2019, the governmental funds of the Town reported a combined fund balance of $23,474,661 with a net *decrease* in fund balance of $12,932,657. The General Fund, Debt Service Fund, special revenue funds, capital project funds and future capital reserve funds are included in this combined amount. This decrease is attributed to

construction on several projects related to the 2014 General Obligation bond referendum, namely the Joyner Park Community Center and Northern Wake Senior Center projects, as well as various other greenway improvements and 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 $847,338 (3.0% increase) due to conservative budgeting regarding the collection rate along with growth in the tax base.
- Unrestricted intergovernmental revenues were more than the original estimates by $124,171 (1.0% increase). This is attributed to increased realized in utility distribution sales tax revenues.
- Due to the town's conservative management practices the operating expenditures for the fiscal year was approximately $2.3 million or 6.0%, under amended budget expectations.

Revenues were slightly more than the original budgeted amounts due to the Town's conservative management practices. Expenditures were in compliance with budgetary requirements.

The original budget planned to use $1,597,145 of appropriated fund balance and was amended during the year to $1,665,035 for one time capital items. However, fund balance actually *increased* $822,282 for fiscal year 2018-2019. This is 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 $3,796,410 and the total ending net position was $20,901,753.

The Electric Fund's net position increased $1,035,036, while the total proprietary fund's net position increased $1,471,846 during the fiscal year. Operating expenses de*creased 2.7*% while sale of power revenues *increased 1.6%*.

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, 2019 totaled $284,542,155 (net of accumulated depreciation). This represents a 31.8% increase from June 30, 2018. 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:

- Streets, sidewalks and right of way additions - $45,083,277
- Wake Forest Renaissance Centre renovations - $976,443
- Holding Park Pool Renovations - $3,206,352
- Street Connections and Resurfacing project - $2,258,290
- Dunn Creek Downtown Connector - $952,359
- Smith and Sanford Creek Greenway - $5,713,142
- Greenway Wayfinding Signage - $528,786
- Electric Fund Building - $3,238,212

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land, rights and easements	$ 55,090,454	$ 45,717,726	$ 1,451,949	$ 510,605	$ 56,542,403	$ 46,228,331
Buildings and system	13,351,045	13,955,231	2,095,249	-	15,446,294	13,955,231
Other improvements	156,276,712	111,187,932	16,824,942	16,977,522	173,101,654	128,165,454
Equipment and furniture	1,752,411	1,656,741	824,468	808,075	2,576,879	2,464,816
Vehicles and motorized equipment	4,346,050	4,320,209	954,916	1,161,339	5,300,966	5,481,548
Construction in progress	31,573,959	19,568,122	-	-	31,573,959	19,568,122
Total	$ 262,390,631	$ 196,405,961	$ 22,151,524	$ 19,457,541	$ 284,542,155	$ 215,863,502

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

Long-term Debt. As of June 30, 2019, the Town had total bonded debt outstanding of $27,050,000 and governmental activities installment purchase related debt of $15,854,036. The outstanding revenue bond debt totals $1,309,714 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 $3,736,467, which was issued for rolling stock and equipment in prior fiscal years, as well as the building facility purchased in current fiscal year.

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 $378,021,219. These statutory limits exceed the Town's realistic debt capacity.

As of June 30, 2019, the Town has $4,920,000 in authorized and unissued bonds remaining from the November 2014 bond referendum.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	$ 27,050,000	$ 29,117,000	$ -	$ -	$ 27,050,000	$ 29,117,000
Revenue bonds	-	-	1,309,714	1,788,017	1,309,714	1,788,017
Installment Purchase	15,854,036	13,052,203	3,736,467	686,933	19,590,503	13,739,136
Total	$ 42,904,036	$ 42,169,203	$ 5,046,181	$ 2,474,950	$ 47,950,217	$ 44,644,153

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, 2020

Governmental Activities: The 2019-2020 Adopted Budget *increased* (4.7%) from the 2018-2019 Amended Budget, this also increased 7.9% over the 2018-2019 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. Three (3) new positions were included in the approved budget. In addition, there was one position reclassification and one part-time to full-time employee conversion.

The Town's tax rate remained unchanged at $ .52 for the coming fiscal year. This equates to a breakdown of $.41 for town operations and debt service and $ .11 for fire services. The final budget for the General Fund totaled $48.03 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.

As part of the town's commitment to focus on economic development a 501(c)(3) was formed in 2017, known as the Wake Forest Business and Industry Partnership (BIP). The town will continue its recurring revenue stream established for this endeavor, which includes a $120,000 transfer to the Futures Fund.

Further, there is an allocation in the 2019-2020 budget to begin funding this liability. The budgets are set as follows: OPEB $100,000 and LEOSSA $50,000.

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.

This budget document incorporates a performance management system, which better defines departmental goal and objectives, as well as measures of workload effectiveness. In addition, a five-year financial forecast has been included, which will assist in the evaluation of current and future fiscal conditions that will enable the Board of Commissioners to make policy and programmatic decisions that will have a long-term effect on the town.

Subsequent to the approval of the 2019-2020 budget the Wake Forest Board of Commissioners and the Wake Forest Fire Department Board unanimously voted to merge the Wake Forest Fire Department with the Town of Wake Forest. This merger will be effective on July 1, 2020. The Town engaged in a comprehensive feasibility study for this endeavor. The department currently operates five fire stations, with 63 paid personnel and 55 volunteers. Management will be exploring all the financial implications related to this merger and determine the best method for addressal.

Business–type Activities: Utility rates were unchanged in the Electric Fund with the Adopted 2019-2020 Budget. The total budget was $22.7 million for the Electric Fund. Included in the Electric Fund budget is an allocation for the electric rate study, which is conducted on a three-year cycle. Three (3) new positions were included in the approved budget.

Effective July 1, 2005 the City of Raleigh operates the water and wastewater systems.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Financial Officer, Town of Wake Forest, 301 S. Brooks Street Wake Forest, North Carolina 27587; (919) 435-9461 or astaples@wakeforestnc.gov.

TOWN *of* WAKE FOREST

TOWN OF WAKE FOREST, NORTH CAROLINA **Exhibit 1**

STATEMENT OF NET POSITION

JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 15,750,859	$ 5,483,359	$ 21,234,218
Taxes receivables (net)	122,963	-	122,963
Accounts receivable (net)	6,246,699	2,571,768	8,818,467
Due from other governments	848,769	-	848,769
Inventories	15,069	1,626,650	1,641,719
Prepaid expenses	124,878	-	124,878
Restricted cash and cash equivalents	6,697,139	279,788	6,976,927
Due within one year			
Note receivable-current portion	57,000	-	57,000
Due in more than one year			
Note receivable-noncurrent portion	730,113	-	730,113
Capital assets			
Land, improvements, and construction in progress	86,664,413	1,451,949	88,116,362
Other capital assets, net of depreciation	175,726,219	20,699,575	196,425,794
Total Assets	292,984,121	32,113,089	325,097,210
Deferred Outflows of Resources			
Contributions to LGERS pension plan in current fiscal year	1,136,238	113,088	1,249,326
Pension deferrals - LGERS	2,695,919	465,401	3,161,320
Law enforcement separation allowance deferrals	335,861	-	335,861
Other postemployment benefits deferrals	218,484	39,828	258,312
Total Deferred Outflows of Resources	4,386,502	618,317	5,004,819
Liabilities			
Accounts payable	6,127,494	1,711,160	7,838,654
Accrued interest payable	213,184	22,817	236,001
Customer deposits	-	338,242	338,242
Due within one year			
Compensated absences	576,677	68,213	644,890
Bonds and notes payable	5,476,217	868,092	6,344,309
Due in more than one year			
Compensated absences	689,744	60,234	749,978
Total pension liability - LEO	3,063,359	-	3,063,359
Pension liability - LGERS	4,576,114	1,062,944	5,639,058
Total other postemployment liability	16,835,222	3,077,715	19,912,937
Bonds and notes payable	38,302,003	4,178,089	42,480,092
Total Liabilities	75,860,014	11,387,506	87,247,520
Deferred Inflows of Resources			
Prepaid taxes	50,823	-	50,823
Pension deferrals - LGERS	115,525	-	115,525
Other postemployment benefits deferrals	2,425,879	442,147	2,868,026
Law enforcement separation allowance deferrals	157,153	-	157,153
Grants	30,408	-	30,408
Total Deferred Inflows of Resources	2,779,788	442,147	3,221,935
Net Position			
Net investment in capital assets	240,687,066	17,105,343	257,792,409
Restricted for			
Stabilization by state statute	3,697,546	-	3,697,546
Downtown district	276,322	-	276,322
Public safety	317,916	-	317,916
Equipment and vehicles	683,654	-	683,654
Street and sidewalk improvements	3,224,084	-	3,224,084
Greenways	637,496	-	637,496
Public Works	2,879	-	2,879
Community Development	1,149	-	1,149
Cultural and Recreation	6,353	-	6,353
Unrestricted	(30,803,644)	3,796,410	(27,007,234)
Total Net Position	$ 218,730,821	$ 20,901,753	$ 239,632,574

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

TOWN OF WAKE FOREST, NORTH CAROLINA **Exhibit 2**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Governmental activities:							
General government	$ 14,299,862	$ 2,641,893	$ 17,589	$ 28,731	$ (11,611,649)	$ -	$ (11,611,649)
Public safety	16,907,529	406,705	122,239	-	(16,378,585)	-	(16,378,585)
Transportation	8,234,442	174,785	879,928	49,687,277	42,507,548	-	42,507,548
Environmental protection	3,798,036	143,845	-	-	(3,654,191)	-	(3,654,191)
Cultural and recreation	2,574,238	1,943,860	211,655	298,467	(120,256)	-	(120,256)
Interest on long-term debt	1,257,960	-	-	-	(1,257,960)	-	(1,257,960)
Total governmental activities	47,072,067	5,311,088	1,231,411	50,014,475	9,484,907	-	9,484,907
Business-type activities:							
Electric	19,680,438	20,988,155	-	-	-	1,307,717	1,307,717
Total business-type activities	19,680,438	20,988,155	-	-	-	1,307,717	1,307,717
Total	$ 66,752,505	$ 26,299,243	$ 1,231,411	$ 50,014,475	9,484,907	1,307,717	10,792,624
	General revenues:						
	Taxes:						
	Property taxes, levied for general purpose				27,789,480	-	27,789,480
	Other taxes and licenses				55,488	-	55,488
	Unrestricted intergovernmental				11,090,320	-	11,090,320
	Unrestricted investment earnings				750,509	86,707	837,216
	Miscellaneous				1,658,671	77,422	1,736,093
	Total general revenues not including transfers				41,344,468	164,129	41,508,597
	Total general revenues and transfers				41,344,468	164,129	41,508,597
	Change in net position				50,829,375	1,471,846	52,301,221
	Net position-beginning				167,901,446	19,429,907	187,331,353
	Net position-ending				$ 218,730,821	$ 20,901,753	$ 239,632,574

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, 2019

	General	Debt Service Fund	Parks and Recreation Improvements	Greenway Transportation Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 15,000,322	$ -	$ 566,897	$ 701	$ 182,937	$ 15,750,857
Receivables, net						
Taxes	122,963	-	-	-	-	122,963
Accounts	3,119,768	-	-	2,743,419	383,511	6,246,698
Due from other governments	788,959	58,820	-	990	-	848,769
Due from other funds	570	-	-	-	5,698,252	5,698,822
Inventories	15,069	-	-	-	-	15,069
Prepaid expenditures	124,878	-	-	-	-	124,878
Restricted cash and cash equivalents	1,277,892	243,226	1,327,217	-	3,848,804	6,697,139
Total Assets	$ 20,450,421	$ 302,046	$ 1,894,114	$ 2,745,110	$ 10,113,504	$ 35,505,195
Liabilities						
Accounts payable and accrued liabilities	$ 2,523,513	$ -	$ 566,897	$ 1,222,405	$ 487,466	$ 4,800,281
Due to other funds	500,000	-	-	4,750,570	448,252	5,698,822
Accounts payable from restricted assets	-	-	1,327,217	-	-	1,327,217
Total Liabilities	3,023,513	-	1,894,114	5,972,975	935,718	11,826,320
Deferred Inflow of Resources						
Property taxes receivable	122,963	-	-	-	-	122,963
Prepaid taxes and other	50,843	-	-	-	-	50,843
Grants	-	-	-	-	30,408	30,408
Total deferred inflows of resources	173,806	-	-	-	30,408	204,214
Fund Balances						
Non Spendable						
Inventories	15,069	-	-	-	-	15,069
Prepayments	124,878	-	-	-	-	124,878
Restricted						
Stabilization by state statute	3,697,546	-	-	-	-	3,697,546
Downtown district	276,322	-	-	-	-	276,322
Public safety	317,916	-	-	-	-	317,916
Equipment and vehicles	683,654		-	-	-	683,654
Street and sidewalk improvements	-	-	-	824,122	2,399,962	3,224,084
Greenways	-	-	-	637,496	-	637,496
Grants:						
Urban Forestry	-	-	-	-	2,879	2,879
Planning	-	-	-	-	1,149	1,149
Renaissance Centre	-	-	-	-	6,353	6,353
Committed						
Economic development	-	-	-	-	1,510,489	1,510,489
Assigned						
Subsequent years expenditures	2,182,500	-	-	-	-	2,182,500
Debt service	-	302,046	-	-	-	302,046
Recreation improvements	-	-	-	-	2,901,051	2,901,051
Cemetery improvements	-	-	-	-	56,847	56,847
Fire Department	-	-	-	-	1,434,819	1,434,819
Roadway Projects	-	-	-	-	948,462	948,462
Asset Maintenance	-	-	-	-	45,302	45,302
Unassigned	9,955,217	-	-	(4,689,483)	(159,935)	5,105,799
Total fund balances	17,253,102	302,046	-	(3,227,865)	9,147,378	23,474,661
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 20,450,421	$ 302,046	$ 1,894,114	$ 2,745,110	$ 10,113,504	$ 35,505,195

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

Exhibit 3

TOWN OF WAKE FOREST, NORTH CAROLINA

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

JUNE 30, 2019

Fund balances-total governmental funds		$ 23,474,661
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.		787,113
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	$ 332,183,094	
Less accumulated depreciation	(69,792,462)	262,390,632
Contributions to the LGERS pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		1,136,238
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	(42,904,037)	
Premiums received on bond issuance	(874,183)	
Compensated absences	(1,266,421)	
Other postemployment benefits & liability	(16,835,222)	
Total pension liability - LEOSSA	(3,063,359)	
Pension liability - LGERS	(4,576,114)	(69,519,336)
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		122,963
Deferred inflows/outflows of resources related to pensions are not reported in the funds - LEOSSA & LGERS		2,759,129
Deferred inflows/outflows of resources related to pensions are not reported in the funds - Other postemployment benefits		(2,207,395)
Other liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest expense payable		(213,184)
Net position of governmental activities		$ 218,730,821

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

TOWN OF WAKE FOREST, NORTH CAROLINA **Exhibit 4**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	General	Debt Service Fund	Parks and Recreation Improvement	Greenway Transportation Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Ad valorem taxes	$ 27,789,480	$ -	$ -	$ -	$ -	$ 27,789,480
Other taxes	55,488	-	-	-	-	55,488
Unrestricted intergovernmental	11,090,320	-	-	-	-	11,090,320
Restricted intergovernmental	102,592	879,928	-	4,833,747	273,447	6,089,714
Permits and fees	2,131,820	619,531	-	-	1,508,904	4,260,255
Sales and services	1,050,656	-	-	-	-	1,050,656
Miscellaneous	1,068,017	-	167	398,907	192,625	1,659,716
Investment earnings	323,716	14,937	210,520	47,655	95,976	692,804
Total revenues	43,612,089	1,514,396	210,687	5,280,309	2,070,952	52,688,433
Expenditures:						
Current:						
General government	12,036,115	-	-	-	91,766	12,127,881
Public safety	15,881,411	-	-	-	81,888	15,963,299
Transportation	2,166,297	-	-	-	-	2,166,297
Environmental protection	3,626,355	-	-	-	-	3,626,355
Cultural and recreation	3,579,256	-	-	-	56,128	3,635,384
Capital outlay	1,808,597	-	13,808,537	7,440,722	4,523,990	27,581,846
Debt service:						
Bond principal	-	2,067,000	-	-	-	2,067,000
Bond interest	-	909,555	-	-	-	909,555
Installment note principal	-	3,380,080	-	-	-	3,380,080
Installment note interest	-	347,043	-	-	-	347,043
Total expenditures	39,098,031	6,703,678	13,808,537	7,440,722	4,753,772	71,804,740
Revenues under expenditures	4,514,058	(5,189,282)	(13,597,850)	(2,160,413)	(2,682,820)	(19,116,307)
Other financing sources (uses):						
Transfers in	554,050	4,436,185	566,898	16,500	386,392	5,960,025
Transfers out	(4,978,420)	-	-	-	(981,605)	(5,960,025)
Issuance of debt	683,650	-	-	-	5,500,000	6,183,650
Total other financing sources (uses)	(3,740,720)	4,436,185	566,898	16,500	4,904,787	6,183,650
Net change in fund balances	773,338	(753,097)	(13,030,952)	(2,143,913)	2,221,967	(12,932,657)
Fund balance - beginning of year	16,479,764	1,055,143	13,030,952	(1,083,952)	6,925,411	36,407,318
Fund balance - end of year	$ 17,253,102	$ 302,046	$ -	$ (3,227,865)	$ 9,147,378	$ 23,474,661

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

Exhibit 4

TOWN OF WAKE FOREST, NORTH CAROLINA

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS - RECONCILIATION

FOR THE YEAR ENDED JUNE 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ (12,932,657)
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	$ 27,581,846	
Less current year depreciation	(6,579,262)	
The net effect of various miscellaneous transactions involving capital assets is to decrease net position	(101,189)	20,901,395
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		1,136,238
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		45,083,277
Change in notes receivable		(36,822)
Change in unavailable revenue for tax and sanitation revenues		(8,474)
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	57,706	
Issuance of debt	(6,183,650)	
Principal payments	5,448,817	
		(677,127)
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		(89,648)
Pension Expense - LGERS		(1,314,221)
Pension Expense - LEOSSA		(279,364)
Other postemployment benefits expense		(1,221,748)
LEOSSA benefit payments and administration cost made in current fiscal year are not included in Statement of Activities		7,728
Other postemployment benefit payments and administration cost made in current fiscal year are not included in Statement of Activities		263,896
Change in accrued interest payable		(3,098)
Total changes in net position of governmental activities		$ 50,829,375

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

Exhibit 5

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, 2019

	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Ad valorem taxes	$ 26,865,960	$ 27,685,470	$ 27,713,298	$ 27,828
Other taxes and licenses	77,500	57,500	55,488	(2,012)
Unrestricted intergovernmental	10,966,150	10,966,150	11,090,321	124,171
Restricted intergovernmental	75,680	75,680	75,676	(4)
Permits and fees	2,142,690	2,442,075	2,131,821	(310,254)
Sales and services	807,955	895,085	930,868	35,783
Miscellaneous	894,200	904,950	949,359	44,409
Investment earnings	162,500	267,800	315,010	47,210
Total revenues	41,992,635	43,294,710	43,261,841	(32,869)
Expenditures:				
Current				
General government	12,676,575	13,452,549	12,362,906	1,089,643
Public safety	17,035,755	17,271,527	16,674,495	597,032
Transportation	2,503,485	2,740,684	2,487,546	253,138
Environmental protection	3,555,885	3,750,285	3,674,634	75,651
Cultural and recreational	3,372,845	3,511,145	3,276,171	234,974
Total expenditures	39,144,545	40,726,190	38,475,752	2,250,438
Revenues over (under) expenditures	2,848,090	2,568,520	4,786,089	2,217,569
Other financing sources (uses):				
Transfers in (out)				
Debt Service Fund	(4,376,185)	(4,376,185)	(4,376,185)	-
Downtown District Special Tax	55,500	57,200	22,401	(34,799)
Futures Fund	(75,000)	(75,000)	(75,000)	-
Wake Forest Renaissance Centre SRF	(350,050)	(350,050)	(316,942)	33,108
Grant and Special Revenue Fund	-	-	(38,577)	(38,577)
Asset Maintenance Fund	(165,000)	(165,000)	(40,000)	125,000
Public Facilities Capital Project	-	-	(9,590)	(9,590)
Holding Park Pool Renovations	-	-	(11,771)	(11,771)
Greenways, Trails & Pedestrian Access	(245,000)	(45,000)	(16,500)	28,500
Recreation Capital Reserve	72,000	142,830	170,707	27,877
General Capital Reserve	-	44,000	44,000	-
Pension Trust Fund	(150,000)	(150,000)	-	150,000
Installment note issuance	788,500	683,650	683,650	-
Appropriated fund balance	1,597,145	1,665,035	-	(1,665,035)
Total other financing sources (uses)	(2,848,090)	(2,568,520)	(3,963,807)	(1,395,287)

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

Exhibit 5

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, 2019

	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Net change in fund balance	$ -	$ -	822,282	$ 822,282
Fund balance - Beginning of year			15,660,762	
Fund balance - End of year			16,483,044	
A legally budgeted Downtown District Special Tax Fund is consolidated into the General Fund for reporting purposes:				
Ad valorem taxes			76,181	
Investment earnings			4,228	
Transfer to Debt Service Fund			(22,401)	
Transfer to General Fund			(60,000)	
Fund balance - beginning of year			278,314	
A legally budgeted Police Department Special Fund is consolidated into the General Fund for reporting purposes:				
Donations			14,819	
Forfeited currency			1,916	
Investment earnings			4,477	
Miscellaneous			4,100	
Operating expenditures			(61,917)	
Fund balance - beginning of year			354,521	
A legally budgeted Wake Forest Renaissance Centre Fund is consolidated into the General Fund for reporting purposes:				
Sales and services			119,789	
Events revenue			99,740	
Operating expenditures			(510,874)	
Transfer from General Fund			316,942	
Transfer to Special Revenue Fund			(9,385)	
Fund balance - beginning of year			6,323	
A legally budgeted Public Arts Fund is consolidated into the General Fund for reporting purposes:				
Restricted revenue			25,000	
Operating expenditures			(51,559)	
Fund balance - beginning of year			179,844	
Fund balance - end of year (Exhibit 4)			$ 17,253,102	

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

Exhibit 6

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

JUNE 30, 2019

		Electric Fund
Assets		
Current assets:		
Cash and cash equivalents	$	5,483,359
Accounts receivable, net		2,571,768
Inventories		1,626,650
Restricted cash and cash equivalents		279,788
Subtotal		9,961,565
Noncurrent assets:		
Capital assets:		
Land and other non-depreciable assets		1,451,949
Other capital assets, net of depreciation		20,699,575
Capital assets (net)		22,151,524
Subtotal-noncurrent assets		22,151,524
Total assets		32,113,089
Deferred Outflows of Resources:		
Contributions to pension plan - LGERS		113,088
Pension deferrals - LGERS		465,401
Other post employment benefit deferrals		39,828
Total deferred outflows of resources		618,317
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities		1,711,160
Customer deposits		338,242
Accrued interest payable		22,817
Compensated absences		128,447
Bonds and notes payable		868,092
Total current liabilties		3,068,758
Noncurrent liabilities:		
Pension liability - LGERS		1,062,944
Total other postemployment benefits liability		3,077,715
Bonds and notes payable		4,178,089
Total noncurrent liabilties		8,318,748
Total liabilities		11,387,506
Deferred Inflows of Resources		
Other post employment benefit deferrals		442,147
Total deferred inflows of resources		442,147
Net Position		
Net investment in capital assets		17,105,343
Unrestricted		3,796,410
Total net position	$	20,901,753

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

Exhibit 7

TOWN OF WAKE FOREST, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2019

		Electric Fund
Operating revenues:		
Charges for services	$	19,510,794
Other operating revenues		1,527,338
Total operating revenues		21,038,132
Operating expenses:		
Electric operations		6,610,192
Electric power purchases		11,590,898
Depreciation		1,364,634
Total operating expenses		19,565,724
Operating income		1,472,408
Nonoperating revenues (expenses):		
Investment earnings		86,707
Interest expense		(114,714)
Gain on capital asset disposals		27,445
Total nonoperating revenues (expenses)		(562)
Income before transfers		1,471,846
Transfers from other funds		429,788
Transfers to other funds		(429,788)
Total transfers		-
Change in net position		1,471,846
Net position, beginning of year		19,429,907
Net position, end of year	$	20,901,753

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

Exhibit 8

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

FOR THE YEAR ENDED JUNE 30, 2019

		Totals
Cash flows from operating activities:		
Cash received from customers	$	21,414,338
Cash paid for goods and services		(14,659,205)
Cash paid to employees for services		(3,513,108)
Customer deposits received		119,128
Customer deposits returned		(70,255)
Net cash provided by operating activities		3,290,898
Cash flows from noncapital financing activities:		
Net cash used by noncapital financing activities		-
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets		(4,031,293)
Proceeds of sale of capital assets		27,445
Principal paid on bond maturities and equipment notes		(928,778)
Interest paid on bond maturities and equipment notes		(103,862)
Proceeds from issuance of debt		3,500,000
Net cash provided by (used by) capital and related financing activities		(1,536,488)
Cash flows from investing activities:		
Interest on investments		86,707
Net increase in cash and cash equivalents		1,841,117
Cash and cash equivalents:		
Beginning of year		3,922,030
End of year	$	5,763,147

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

Exhibit 8

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

FOR THE YEAR ENDED JUNE 30, 2019

		Totals
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	1,472,408
Adjustments to reconcile operating income to to net cash provided by operating activities		
Depreciation		1,364,634
Changes in assets and liabilities:		
Increase in accounts receivable		51,760
Decrease in prepaid expenses		25,000
Increase in inventory		(76,538)
Increase in deferred outflows of resources for pensions (contributions)		(5,360)
Decrease in deferred outflows for pensions		(245,308)
Decrease in pension liability		392,882
Increase in accounts payable and accrued liabilities		115,401
Increase in customer deposits		48,873
Increase in accrued vacation pay		18,600
Decrease in deferred inflows of resources - pensions		(17,470)
Increase in deferred outflows of resources - OPEB		(11,639)
Increase in deferred inflows resources - OPEB		136,022
Decrease in other postemployment liability		48,958
Disposition write-off		(27,325)
Total adjustments		1,818,490
Net cash provided by operating activities	$	3,290,898

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

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, 2019. The BIP will serve as a mechanism for the Town to issue future debt for economic development.

(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. Under GASB 54 guidance these four funds are consolidated in the General Fund. The budgetary comparisons for the Downtown District Special Tax Fund, Police Department Special Fund, Wake Forest Renaissance Centre Fund and Public Arts Fund have been included in the supplemental information.

Note 1—Summary of significant accounting policies (continued)

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

Parks and Recreation Improvement Fund - The Parks and Recreation Improvement Fund is used to account design and construction of parks, recreation and cultural resource improvements.

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.

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, 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 seven (7) non-major capital project funds: Recreation Capital Reserve, Cemetery Capital Reserve, Public Facilities, Holding Park Pool Renovation, 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 taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Note 1—Summary of significant accounting policies (continued)

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

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

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

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

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

Sales taxes and certain intergovernmental revenues, such as the utilities 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 functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Note 1—Summary of significant accounting policies (continued)

(d) Budgetary Data

Budgets are adopted as required by North Carolina General Statutes. Annual budget ordinances are adopted for the general, special revenue and enterprise funds. All annual appropriations lapse at fiscal year-end. Project ordinances, which may cover more than one year, are adopted for the capital project and capital reserve funds. All budgets are prepared using the modified accrual basis of accounting, which is consistent with the accounting system used to record transactions. Supplemental appropriations that amend the total expenditures of any fund require an ordinance of the Board of Commissioners. The Town Manager is authorized by the budget ordinance to transfer appropriations between objects of expenditure within a functional area without limitation and without a report being required and may transfer appropriations up to $50,000 between functional areas within a fund with an official reporting of such transfers to the Board. Any interfund transfer not included in the original budget or any appropriation from a contingency account must be approved by the Board of Commissioners. During the year several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

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

State law (G.S. 159-30(c)) authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances; and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT government portfolio, a SEC-registered (2a-7) money market fund, are valued at fair value, which is the NCCMT's share price.

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

Restricted Assets - The unexpended debt proceeds of the General Fund, Parks & Recreation Improvements Fund, as well as Greenways, Trails and Pedestrian Access issued by the Town are classified as restricted assets because their use is completely restricted to the purpose for which the debt was originally issued. Money in the Downtown District Special Tax Fund and the Police Department Special Fund is classified as restricted assets because its use is restricted to the Downtown District Special Tax Fund and the Police Department Special Fund per N.C. G.S. Chapter 159, Article 3. Funds in the Grants and Special Revenue Fund are restricted by the external and/or awarding agency for the specific purpose of the award. The fund restricted for Inspections are pursuant of NC General Assembly 2015 House Bill 255 which states all fees collected under the authority set forth shall be used for support of the administration and activities of the inspection department and no other purpose.

Note 1—Summary of significant accounting policies (continued)

Govermental Activities		
General Fund:		
Equipments and vehicles	$	683,654
Other Major Governmental Funds:		
Debt Service		243,226
Downtown Disctrict		276,322
Public Safety		317,916
Parks and Recreation Improvements		1,327,217
Other Nonmajor Govermental Funds:		
Economic Development		1,010,489
Grants		18,903
Street Resurfacing and Connections		2,819,412
Total Governmental Activities		6,697,139
Proprietary Activities		
Electric Fund:		
Unicon Drive		279,788
Total Restricted Cash	$	6,976,927

Ad Valorem Taxes Receivable - In accordance with North Carolina General Statutes (G.S 105-347 and G.S. 159-13(a), the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due September 1st (lien date); however interest does not accrue until the following January 6th. These taxes are based on the assessed values as of the previous January 1.

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

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

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $5,000 or more. Such assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at their estimated fair value at the date of donation. 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.

Note 1—Summary of significant accounting policies (continued)

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

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

Deferred 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 six items that meet the criterion for this category - prepaid taxes, property tax receivable, sanitation receivable, advance grant funding, deferrals of LGERS pension expense, LEOSSA deferrals and other post-employment benefits and 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.

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.

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.

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

Note 1—Summary of significant accounting policies (continued)

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

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

Restricted for Grants – portion of fund balance that is restricted revenue source for various grant award received which are restricted by external agency.

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

Assigned for asset maintenance – portion of fund balance that will be used for improvements to town assets.

Note 1—Summary of significant accounting policies (continued)

Unassigned Fund Balance
The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance amount. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

The Town's original fund balance policy adopted in September 2004 was amended in February 2016 and 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.

(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, Trails and Pedestrian Access (GTP) Fund and Public Facilities Capital Project Fund had a deficit fund balance at June 30, 2019, in the amount of $3,227,865 and $158,165, respectively. These deficits are both for expenditures paid which are related to authorized but unissued debt. The Town's anticipated plan for eliminating this deficit will be through future debt issuance.

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

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.

At June 30, 2019, the carrying amount of the Town's deposits was $4,420,214 and the bank balance was $6,625,304. Of the bank balance, $1,250,000 was covered by federal depository insurance and $5,375,304 was covered under the Pooling Method. At June 30, 2019, the Town had $2,650 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.

At June 30, 2019, the Town's investment balances were as follows:

Investment Type	Valuation Measurement Method	Book Value at 06/30/2019	Maturities Less Than 1 Year	Maturities 1 to 2 Years	Maturities 2 to 3 Years	Maturities 3+ Years	Rating
US Government Agenices	Fair Value - Level 1	$ 2,520,625	$ 2,520,625	$ -	$ -	$ -	AAA
NCCMT - Government Portfolio	Amortized Cost	8,862,262	8,862,262	-	-	-	AAAm
NCCMT - Term Portfolio	Fair Value - Level 1	12,405,394	12,405,394	-	-	-	Unrated
Totals		$ 23,788,281	$ 23,788,281	$ -	$ -	$ -	

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, 2019.

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).

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

Note 4—Receivables – allowance for doubtful accounts

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

General Fund	Allowance for uncollectible property taxes receivable	$	95,247
Electric Fund	Allowance for uncollectible customer receivables		26,480

*The remainder of the page was left blank intentionally

Note 5—Capital assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Additions	Transfers	Deletions	Balance June 30, 2019
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	$ 14,512,875	$ -	$ -	$ -	$ 14,512,875
Land rights and easements	31,204,851	9,372,728	-	-	40,577,579
Construction in progress	19,568,121	24,261,116	(12,252,802)	2,476	31,573,959
Total capital assets not being depreciated	65,285,847	33,633,844	(12,252,802)	2,476	86,664,413
Capital Assets Being Depreciated:					
Buildings	18,199,293	-	-	-	18,199,293
Improvements	32,422,868	895,578	10,765,334	-	44,083,780
Infrastructure	130,017,584	36,481,370	1,487,469	-	167,986,423
Equipment and furniture	6,109,520	587,825	-	247,620	6,449,725
Vehicles and motorized equipment	8,112,253	1,066,504	(19,480)	359,818	8,799,459
Total capital assets being depreciated	194,861,518	39,031,279	12,233,322	607,438	245,518,681
Less Accumulated Depreciation For:					
Buildings	4,244,062	604,186	-	-	4,848,248
Improvements	13,533,310	1,296,007	-	-	14,829,317
Infrastructure	37,719,210	3,244,964	-	-	40,964,174
Equipment and furniture	4,452,779	447,699	-	203,164	4,697,314
Vehicles and motorized equipment	3,792,044	986,406	7,843	332,884	4,453,409
Total accumulated depreciation	63,741,405	6,579,262	7,843	536,048	69,792,462
Total capital assets being depreciated, net	131,120,113				175,726,219
Governmental activity capital assets, net	$ 196,405,960				$ 262,390,631

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

General Government	$ 1,067,605
Public Safety	573,311
Public works	3,611,501
Environmental Protection	168,346
Cultural and Recreational	1,158,499
Total	$ 6,579,262

Note 5—Capital assets (continued):

Business-type Activities	Balance June 30, 2018	Additions	Transfers	Deletions	Balance June 30, 2019
Capital assets not being depreciated					
Land	$ 510,605	$ 941,344	$ -	$ -	$ 1,451,949
Total capital assets not being depreciated	510,605	941,344	-	-	1,451,949
Capital assets being depreciated					
Utility improvements	30,690,983	798,694	-	-	31,489,677
Buildings	-	2,095,249	-	-	2,095,249
Equipment and furniture	2,334,725	196,006	-	49,550	2,481,181
Vehicles and motorized equipment	2,233,006	-	19,480	-	2,252,486
Total capital assets being depreciated	35,258,714	3,089,949	19,480	49,550	38,318,593
Less accumulated depreciation for					
Utility improvements	13,713,461	951,274	-	-	14,664,735
Equipment and furniture	1,526,650	179,613	-	49,550	1,656,713
Vehicles and motorized Equipment	1,071,667	233,746	(7,843)	-	1,297,570
Total accumulated depreciation	16,311,778	1,364,633	(7,843)	49,550	17,619,018
Total capital assets being depreciated, net	18,946,936				20,699,575
Business-type activity capital assets, net	$ 19,457,541				$ 22,151,524

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.

Project	Contract Amount	Expensed	Remaining
Joyner Park Community Center	$ 11,867,665	$ (9,737,057)	$ 2,130,608
Northern Wake Senior Center	4,081,686	(3,304,168)	777,518
Stadium Drive Complete Streets	7,119,017	(4,547,978)	2,571,039
Priority Pedestrian Corridors	2,525,114	(2,095,701)	429,413
Ligon Mill Operational Improvements	299,500	-	299,500
Downtown Streetscape	5,442,887	(2,887,557)	2,555,330
Road Connections	931,126	(825,506)	105,620
Street Resurfacing & Rehabilitation	1,354,405	(1,284,404)	70,001
Ailey Young Park Dam/Stream Restoration	475,275	-	475,275
Ailey Young Home Rehabilitation	65,937	-	65,937
Fiber Project	150,000	(137,400)	12,600
	$ 34,312,612	$ (24,819,771)	$ 9,492,841

Note 6—Pension plan obligations

(a) Local Government Employees' Retirement System

Plan Description - The Town is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested by the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employee's Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454 or at www.osc.nc.gov.

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

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

Funding Policy **–** Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Wake Forest employees are required to contribute six (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 and for law enforcement officers is 7.85% and 8.50%, respectively, of annual covered payroll. The contribution requirements of employees and of the Town are established and may be amended by the North Carolina General Assembly. The Town's contributions to LGERS for the years ended June 30, 2019, 2018 and 2017 and were $1,249,326, $1,129,234 and $1,004,600, respectively. The contributions made by the Town equaled the required contributions for each year.

Note 6—Pension plan obligations (continued)

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

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

At June 30th the Town reported a liability of $5,639,058 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018 the Town's proportion was .23770%, which was an increase of .00851% from its proportion measured as of June 30, 2017 at 0.22919%.

For the year ended June 30, 2019, the Town recognized pension expense of $1,533,794. At June 30, 2019, 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	$ 869,971	$ 29,192
Changes of assumptions	1,496,388	-
Net difference between projected and actual earnings on pension plan investments	774,075	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	19,048	84,495
Town contributions subsequent to the measurement date	1,249,325	
Total	$ 4,408,807	$ 113,687

$1,249,325 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	$ 1,465,457
2021	954,466
2022	171,679
2023	454,193
2024	-
Thereafter	-
	$ 3,045,795

Note 6—Pension plan obligations (continued)

Actuarial Assumptions – The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 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, 2017 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%	

Note 6—Pension plan obligations (continued)

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 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 3.00%. All rates of return and inflation are annualized.

Discount rate – The discount rate used to measure the total pension liability was 7.0%. 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:

	1 % Decrease (6.0%)	Discount Rate (7.0%)	1 % Increase (8.0%)
Town's proportionate share of the net pension liability (asset)	$ 13,545,503	$ 5,639,058	$ (967,693)

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

(b) Law Enforcement Officers Special Separation Allowance

Plan Description

The Town of Wake Forest administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G. S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2018 the Separation Allowance's membership consisted of:

Note 6—Pension plan obligations (continued)

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	69
Total	70

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, 2017 valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 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.

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, 2019, the Town reported a total pension liability of $3,063,359. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the Town recognized pension expense of $279,364.

Note 6—Pension plan obligations (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 204,750	$ -
Changes of assumptions	131,111	154,327
Benefit payments and administrative expenses subsequent to the measurement date	-	2,826
Total	$ 335,861	$ 157,153

$2,826 reported as deferred inflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Year ended June 30:		
2020	$ 66,198	$ 32,972
2021	66,198	30,146
2022	66,198	30,146
2023	66,198	30,051
2024	55,845	20,385
Thereafter	15,224	13,453
	$ 335,861	$ 157,153

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 3.64 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 (2.64 percent) or 1 percentage point higher (4.64 percent) than the current rate:

	1 % Decrease (2.64%)	Discount Rate (3.64%)	1 % Increase (4.64%)
Total pension liability	$ 3,353,143	$ 3,063,359	$ 2,799,461

Note 6—Pension plan obligations (continued)

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

Total Pension Liability as of December 31, 2017	$ 2,807,287
Changes for the year:	
Service Cost	154,143
Interest on the total pension liability	88,638
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	153,644
Changes of assumptions or other inputs	(135,763)
Benefit payments	(4,590)
Other changes	-
Net changes	256,072
Total Pension Liability as of December 31, 2018	$ 3,063,359

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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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	$ 1,533,794	$ 279,364	$ 1,813,158
Pension Liability	5,639,058	3,063,359	8,702,417
Proportionate share of the net pension liability	0.23770%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	869,972	204,750	1,074,722
Changes of assumptions	1,496,388	131,111	1,627,499
Net difference between projected and actual earnings on plan investments	774,075	-	774,075
Changes in proportion and differences between contributions and proportionate share of contributions	19,048	-	19,048
Benefit payments and administrative costs paid subsequent to the measurement date	1,249,325	-	1,249,325
Deferred Outflows of Resources			
Differences between expected and actual experience	29,192	-	29,192
Changes of assumptions	-	154,327	154,327
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	84,495	-	84,495
Benefit payments and administrative costs paid subsequent to the measurement date	-	2,826	2,826

Note 6—Pension plan obligations (continued)

(c) Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description - The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G. S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401 (k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy - Article 12E of G. S. Chapter 143 requires the Town to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. The Law Enforcement Officers may also make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were $364,705, which consisted of $245,997 from the Town and $118,708 from the law enforcement officers.

(d) Supplemental Retirement Income Plan for all Other Employees

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

Funding Policy - The Town contributes each month an amount equal to 5% of eligible employee's salary, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were $795,369, which consisted of $512,276 from the Town and $283,093 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.

Note 6—Pension plan obligations (continued)

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

Membership of the HCB Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	33	4
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	110	65
Total	143	69

Funding Policy - The Board of Commissioners established the contribution requirements of plan members and this may be amended by the Board. Employees pay $458 per month for dependent coverage and $1,058 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 $19,912,937 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018 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	3.56 percent
Healthcare cost trend rates	Pre-medicare: 7.50 percent for 2017 decreasing to an ultimate rate of 5.00 percent by 2023 Medicare: 5.50 percent for 2017 decreasing to an ultimate rate of 5.00 percent by 2020

Note 6—Pension plan obligations (continued)

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.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2017	**$19,593,442**
Changes for the year	
Service cost	1,146,420
Interest	693,368
Changes of benefit terms	-
Differences between expected and actual experience	(9,287)
Changes in assumptions or other inputs	(1,275,315)
Benefit payments	(235,691)
Net changes	**319,495**
Balance at June 30, 2018	**$19,912,937**

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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to December 31, 2014, 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 (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89%)	Current Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	$ 24,148,117	$ 19,912,937	$ 16,644,541

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	$ 16,074,682	$ 19,912,937	$ 25,079,166

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, 2019, the Town recognized OPEB expense of $1,442,844. At June 30, 2019, 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	$ -	$ 10,581
Changes of assumptions	-	2,857,445
Benefit payments and administrative expenses subsequent to the measurement date	258,312	
Total	$ 258,312	$ 2,868,026

$258,312 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	$ (396,944)
2021	(396,944)
2022	(396,944)
2023	(396,944)
2024	(396,944)
Thereafter	(883,306)
	$ (2,868,026)

(f) Other Employment Benefit

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. Employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's twelve (12) highest months' salary in a row during the twenty-four (24) months prior to the employee's death, but the benefit may not exceed $50,000 or be less than $25,000. All death benefit payments are made from the Death Benefit Plan. The Town has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for Law Enforcement Officers. Because the benefit payments are made by the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. 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:

	Total
Contributions to pension plan in current fiscal year	
General Fund	$ 1,136,238
Electric Fund	113,088
Subtotal	1,249,326
OPEB Deferrals	
General Fund	218,484
Electric Fund	39,828
Subtotal	258,312
Pension Deferrals	
General Fund	2,695,919
Electric Fund	465,401
Subtotal	3,161,320
LEOSSA made subsequent to measurement date	335,861
Total	$ 5,004,819

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

	Unavailable Revenue	Unearned Revenue	Total
General Fund			
Prepaid taxes not yet earned	$ -	$ 5,223	$ 5,223
Taxes receivable (net)	74,403	-	74,403
Vehicle licenses receivable	48,560	-	48,560
Prepaid other	-	45,600	45,600
Grant deferral	-	30,408	30,408
Pension deferrals	-	115,525	115,525
OPEB deferrals	-	2,868,026	2,868,026
Total	$ 122,963	$ 3,064,782	$ 3,187,745

Note 8—Risk management

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

Note 8—Risk management (continued)

property in excess of $500,000 and statutory limits for workers' compensation in excess of $1,000,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

There are exclusions to the town's policy which bar coverage for all risks of loss. There have been no significant reductions in insurance coverage in the prior year,and settled claims have not exceeded coverage in any of the past 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

At June 30, 2019, the Town was a defendant to various lawsuits. In the opinion of the Town's management and the Town's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.

Note 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 at June 30, 2019 are comprised of the following individual issues:

Serviced by the General Fund:

$4,330,000 Series 2015 Public Improvement Bonds with annual installments of $220,000 due annually on April 1 through April 1, 2021 plus interest and $215,000 due annually on October 1 through October 1, 2035 plus interest from 2.0 to 3.25 percent	$ 3,450,000
$7,300,000 Series 2009 A Public Improvement Bonds with annual installments of $365,000 due annually on February 1 through February 1, 2030 plus interest from 2.0 to 4.0 percent	4,015,000
$1,705,000 Series 2009B Refunding Bonds with annual installments of $100,000 to $190,000 due annually on February 1 through February 1, 2020 plus interest from 2.5 to 4.0 percent	100,000

$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	3,640,000
$830,000 Series 2018A Two-Thirds Bonds with annual installments of $415,000 due annually on June 1 through June 1, 2020 plus interest of 2.98 percent	415,000
$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 2.98 percent	15,430,000
Total	$ 27,050,000

At June 30, 2019, the Town of Wake Forest had bonds authorized but unissued of $4,920,000 and a legal debt margin of $378,021,219.

Unissued Bond Authorization:	Purpose	Amount
	Streets and Sidewalks	$ 3,155,000
	Greenway Improvements	1,765,000
		$ 4,920,000

Annual debt service requirements to maturity for general obligation bonds at June 30, 2019 are as follows:

	Governmental Activities	
	Principal	**Interest**
Year Ending June 30:		
2020	$ 2,000,000	$ 878,133
2021	1,893,000	806,280
2022	1,882,000	763,621
2023	1,875,000	720,273
2024	1,867,000	652,018
2025-2029	8,383,000	2,366,724
2030-2034	5,615,000	1,072,129
2035-2039	3,535,000	273,621
Total	$ 27,050,000	$ 7,532,799

Note 10—Long-term debt (continued)

(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%	$ 1,309,714

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, 2019, is as follows:

Operating revenues	$ 20,993,697
Operating expenses (less depreciation)	18,428,898
Net revenues available for debt service	$ 2,564,799
Debt service, principal and interest paid (revenue bond only)	$ 519,779
Debt service coverage ratio	493%

During the current year the Series 2007 electric revenue bond obligation was satisfied. 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 street lights. The bonds are payable solely from electric customer net revenues and are payable through 2024 for the Series 2014 bonds. Annual principal and interest payments on the bonds are expected to require less than 376 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $1,391,740. Principal and interest paid for the current year and total customer net revenues were $519,779 and $1,651,600.

Annual debt service requirements to maturity for revenue bonds at June 30, 2019 are as follows:

	Business-Type Activities	
	Principal	Interest
Year Ending June 30:		
2020	$ 250,405	$ 27,943
2021	256,045	22,303
2022	261,813	16,535
2023	267,710	10,638
2024	273,741	4,607
2025-2029	-	-
Total	$ 1,309,714	$ 82,026

Note 10—Long-term debt (continued)

c) Installment Notes

The Town has several direct placement installment obligations outstanding at June 30, 2019. 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. *(Rate reduced to 2.70% - April 2012)*	$ 2,939,993
$4,000,000 direct placement installment obligation with PNC Bank (formerly RBC Bank) for street improvements issued September 20, 2011; equipment, all pavement and material used with paving of all roads listed in documents are pledged as collateral for an eight (8) year period; semi-annual payments of varying amounts from $252,725 to $293,600 which includes interest at 2.18%.	250,000
$740,000 direct placement installment obligation with BB&T for Holding Park Pool renovations issued February 27, 2014; building and property are pledged as collateral for a six (6) year period; semi-annual payments of $61,667 which includes interest at 1.65%.	123,333
$1,023,170 direct placement installment obligation to BB&T for vehicles and equipment which are pledged as collateral issued on March 7, 2017; semi-annual payments of $132,895 which includes interest at 1.72%.	503,243
$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%.	2,432,804
$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%.	2,100,000
$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%.	777,778
$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%.	5,500,000
$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%.	683,650
Total	$15,854,036

	Business-Type Activities
$833,235 direct placement installment obligation with BB&T for the vehicles and equipment issued December 15, 2017; semi-annual payments of between $131,103 and $140,799, plus interest at 1.77%.	$ 411,467
$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%.	3,325,000
	$ 3,736,467

Annual debt service requirements to maturity for installment notes at June 30, 2019 are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Year Ending June 30:				
2020	$ 3,420,725	$ 419,188	$ 625,467	$ 101,231
2021	2,919,354	330,613	486,000	86,053
2022	2,484,997	255,040	350,000	74,603
2023	2,140,159	186,033	350,000	64,313
2024	1,702,372	126,707	350,000	54,023
2025-2029	3,186,429	137,101	1,575,000	115,763
Total	$ 15,854,036	$ 1,454,682	$ 3,736,467	$ 495,986

Note 10—Long-term debt (continued)

Changes in Long-Term Liabilities - Long-term liability activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General obligation bonds	$ 29,117,000	$ -	$ 2,067,000	$ 27,050,000	$ 2,000,000
Premiums on issuance	931,889	-	57,706	874,183	55,491
Total bonds payable	30,048,889	-	2,124,706	27,924,183	2,055,491
Direct Placement Installment Notes	13,052,203	6,183,650	3,381,817	15,854,036	3,420,726
Compensated absences	1,176,774	759,289	669,642	1,266,421	576,677
Total pension liability - LEO*	2,807,287	3,063,359	2,807,287	3,063,359	-
Net pension liability - LGERS	2,831,327	1,744,787	-	4,576,114	-
Other post employment benefits	16,564,685	16,835,222	16,564,685	16,835,222	-
Governmental activity long-term liabilities	66,481,165	28,586,307	25,548,137	69,519,335	6,052,894
Business-Type Activities:					
Revenue bonds	$ 1,788,017	$ -	$ 478,303	$ 1,309,714	$ 242,626
Direct Placement Installment notes	686,933	3,500,000	450,466	3,736,467	625,466
Compensated absences	109,847	86,813	68,213	128,447	68,213
Net pension obligation - LGERS	670,062	392,882	-	1,062,944	-
Other post employment benefits	3,028,757	3,077,715	3,028,757	3,077,715	-
Business-type activity long-term liabilities	6,283,616	7,057,410	4,025,739	9,315,287	936,305
Total long-term liabilities	$ 72,764,781			$ 78,834,622	$ 6,989,199

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

Note 11—Fund balance

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

Total fund balance - General Fund	$ 17,253,102
Less:	
Inventories	15,069
Prepayments	124,878
Stabilization by State Statute	3,697,546
Downtown District	276,322
Public Safety	317,916
Equipment and vehicles	683,654
Assigned for subsequent year's expenditures	2,182,500
Remaining fund balance	$ 9,955,217

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	$ 229,429
	Electric Fund	59,245
	Special Revenue	25,608
	Capital Projects	4,446,214

Note 12—Interfund balances and transfers

A summary of interfund transfers follows:

	Transfers Out							
	General Fund	Downtown District Special Tax	Police Department Special Revenue Fund	Futures Fund	Wake Forest Renaissance Centre	Recreation Capital Reserve	General Capital Reserve	Total Transfers In
Transfers In:								
General Fund	$ -	$ 22,401	$ -	$ -	$ -	$ 170,707	$ 44,000	$ 237,108
Debt Service Fund	4,376,186	60,000	-	-	-	-	-	4,436,186
Wake Forest Renaissance Centre	316,942	-	-	-	-	-	-	316,942
Grants and Special Revenue	38,577	-	2,068	-	9,385	-	-	50,030
Parks Improvement		-	-	-	-	566,898	-	566,898
Asset Maintenance	40,000	-	-	-	-	-	-	40,000
Futures Fund	75,000	-	-	-	-	-	-	75,000
Wake Forest Business & Industry Partnership	-	-	-	200,000	-	-	-	200,000
Holding Park Pool	11,771	-	-	-	-	-	-	11,771
Public Facilities Projects	9,590	-	-	-	-	-	-	9,590
GTP	16,500	-	-	-	-	-	-	16,500
Total Transfers Out	$ 4,884,566	$ 82,401	$ 2,068	$ 200,000	$ 9,385	$ 737,605	$ 44,000	$ 5,960,025

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 at June 30, 2019, consist of the following:

Receivable Fund	Payable	Amount
Futures Fund	General Fund	$ 500,000

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 pay this loan within seven (7) year plus interest at 3.10% beginning in FY 2019-2020.

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.

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, 2019 were $11,590,898, which is lower in comparison to the previous year. In the current year the Town received a credit on the September 2018 wholesale power bill in the amount of $700,412 which is a result of the change in delivery leased facilities for Wake Forest in the newly FERC filed Network Integration Transmission Service Agreement (NITSA) between Duke Energy Progress (DEP) and North Carolina Eastern Municipal Power Agency (NCEMPA). NCEMPA requested a refund from DEP of charges for delivery leased facilities that were billed under the previous NITSA related to facilities that had been removed from service within the 2015-2018 timeframe.

Note 14—Summary disclosure of significant contingencies

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

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

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

Note 16—Note receivable

The Town entered into an agreement with the Wireless Research Center of North Carolina whereby the Town would advance loan funds to the Wireless Research Center up to $975,000 for the purpose of economic development. The loan funds are for the purpose of covering operating expenses during the startup period. As of June 30, 2019, the Town had advanced funding in the amount of $787,113. 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 at June 30, 2019 have been recorded in the government-wide financial statements.

Note 17—Subsequent events

The Town currently contracts with the Wake Forest Fire Department, Inc. (a private not for profit corporation) to provide fire protection services. During the fiscal year, a comprehensive feasibility analysis was conducted on the consolidation of fire services into the Town's municipal structure. Subsequent to June 30, 2019, the results and recommendations of the feasibility study were presented to the Board of Commissioners. At their respective September and October meetings, the Board of Commissioners approved resolutions authorizing the consolidation and transition of fire services to the Town of Wake Forest from the Wake Forest Fire Department, Inc. to be effective July 1, 2020.

Note 18—Change in Accounting Principles

Change in Accounting Principle

The Town implemented Governmental Accounting Standards Board (GASB) No. Statement 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, as well as GASB No. Statement 89, Accounting for Interest Cost Incurred before the End of a Construction Period, in the fiscal year ending June 30, 2019. As a result of GASB Statement 89, there was no capitalized interest calculation prepared or amount booked for the debt issuance related to the Town's Electric Fund.

Exhibit A-1

TOWN OF WAKE FOREST, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

	2019	2018	2017
Beginning balance	$ 2,807,287	$ 2,307,794	$ 2,173,245
Service cost	154,143	123,548	129,868
Interest on the total pension liability	88,638	88,992	77,503
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	153,644	105,342	-
Changes of assumptions or other inputs	(135,763)	186,201	(68,232)
Benefit payments	(4,590)	(4,590)	(4,590)
Other changes	-	-	-
Ending balances of the total pension liability	$ 3,063,359	$ 2,807,287	$ 2,307,794

*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.

Exhibit A-2

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, 2019

	2019	2018	2017
Total pension liability	$ 3,063,359	$ 2,807,287	$ 2,307,794
Covered payroll	4,840,560	4,513,029	4,591,100
Total pension liability as a percentage of covered payroll	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.

Exhibit A-3

TOWN OF WAKE FOREST, NORTH CAROLINA

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

	2019	2018
Total OPEB Liability		
Service cost	$ 1,146,420	$ 1,301,212
Interest on TOL and Cash Flows	693,368	603,065
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(9,287)	(3,024)
Changes of assumptions or other inputs	(1,275,315)	(2,229,299)
Benefit payments	(235,691)	(226,089)
Other changes	-	-
Net change in total OPEB Liability	319,495	(554,135)
Total OPEB Liabililty - beginning	19,593,442	20,147,577
Total OPEB Liaibility - ending	$ 19,912,937	$ 19,593,442
Covered payroll	$ 12,845,162	$ 12,845,162
Total OPEB liability as a percentage of covered payroll	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
2019	3.89%
2018	3.56%

Exhibit A-4

TOWN OF WAKE FOREST, NORTH CAROLINA

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

LAST SIX FISCAL YEARS

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Wake Forest's proportion of the net pension liability (asset) (%)	0.2377%	0.2292%	0.2282%	0.2321%	0.2308%	0.2236%
Wake Forest's proportion of the net pension liability (asset) ($)	$ 5,639,058	$ 3,501,388	$ 4,844,017	$ 1,041,516	$ (1,361,016)	$ 2,695,239
Wake Forest's covered payroll	$ 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	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)	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.

Exhibit A-5

TOWN OF WAKE FOREST, NORTH CAROLINA

TOWN OF WAKE FOREST CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION

LAST SIX FISCAL YEARS

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 1,249,325	$ 1,129,234	$ 1,004,600	$ 878,135	$ 897,824	$ 869,753
Contributions in relation to the contractually required contribution	1,249,325	1,129,234	1,004,600	878,135	897,824	869,753
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Wake Forest's covered payroll	$ 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	8.51%	8.25%	8.01%	7.24%	7.63%	7.29%

TOWN *of* WAKE FOREST

TOWN *of* WAKE FOREST

Schedule 1

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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Ad valorem taxes:				
Current year taxes	$ 27,556,470	$ 27,655,736	$ 99,266	$ 25,834,568
Prior years taxes	29,000	18,713	(10,287)	17,308
Penalties and interest	100,000	38,849	(61,151)	38,851
Total	27,685,470	27,713,298	27,828	25,890,727
Other taxes and licenses:				
Gross receipts tax on short-term rental property	57,500	55,488	(2,012)	75,096
Total	57,500	55,488	(2,012)	75,096
Unrestricted intergovernmental:				
Local option sales taxes	8,054,315	8,245,963	191,648	7,601,465
Beer and wine tax	156,000	157,255	1,255	152,848
Utility franchise tax				
Piped natural gas	77,535	95,982	18,447	102,985
Electricity	2,150,000	2,082,999	(67,001)	1,923,527
Telecommunications	93,000	90,824	(2,176)	99,426
Video Programming	410,000	390,256	(19,744)	404,513
Other unrestricted intergovernmental	25,300	27,042	1,742	23,447
Total	10,966,150	11,090,321	124,171	10,308,211
Restricted intergovernmental:				
County grants	75,680	75,676	(4)	75,676
Total	75,680	75,676	(4)	75,676
Permits and fees:				
Building permits	1,600,000	1,332,052	(267,948)	1,890,759
Fire inspection and prevention	23,650	24,527	877	24,154
Utility and street inspection fees	175,000	174,785	(215)	126,506
Vehicle licenses	156,690	115,847	(40,843)	208,101
Business registration fee	3,785	2,058	(1,727)	2,172
Other permits and fees	482,950	482,552	(398)	404,336
Total	2,442,075	2,131,821	(310,254)	2,656,028
Sales and services:				
Solid waste fees	100,000	112,045	12,045	139,314
Recreation fees	578,730	597,767	19,037	422,073
Cemetery	29,750	31,800	2,050	35,450
Other sales and services	186,605	189,256	2,651	99,513
Total	895,085	930,868	35,783	696,350
Miscellaneous:				
ABC revenue	182,500	205,947	23,447	182,300
Miscellaneous revenue	722,450	743,412	20,962	547,116
Total	904,950	949,359	44,409	729,416
Investment earnings	267,800	315,010	47,210	176,443
Total revenues	43,294,710	43,261,841	(32,869)	40,607,947

Schedule 1

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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Expenditures:				
General government:				
Governing body:				
Salaries and employee benefits	$ 243,025	$ 238,822	$ 4,203	$ 238,055
Professional services	325,000	324,856	144	322,204
Contributions	102,010	81,710	20,300	26,500
Operating expenditures	26,500	26,500	-	108,990
Total	696,535	671,888	24,647	695,749
Town Manager's Office				
Administration:				
Salaries and employee benefits	333,875	329,192	4,683	327,202
Professional services	51,200	48,350	2,850	-
Operating expenditures	96,615	71,213	25,402	56,433
Total	481,690	448,755	32,935	383,635
Economic Development:				
Salaries and employee benefits	213,065	185,933	27,132	202,488
Professional services	60,000	16,500	43,500	39,011
Operating expenditures	90,200	80,671	9,529	92,535
Total	363,265	283,104	80,161	334,034
Downtown Development				
Salaries and employee benefits	148,105	146,429	1,676	136,417
Professional services	28,750	28,750	-	4,700
Operating expenditures	151,640	140,603	11,037	127,560
Capital Outlay	7,600	6,970	630	-
Total	336,095	322,752	13,343	268,677
Communications:				
Salaries and employee benefits	407,025	403,345	3,680	350,675
Operating expenditures	463,960	456,777	7,183	331,708
Capital Outlay	113,170	113,168	2	-
Total	984,155	973,290	10,865	682,383
Human Resources:				
Salaries and employee benefits	432,910	428,874	4,036	364,001
Professional services	17,550	16,565	985	12,043
Operating expenditures	153,090	135,316	17,774	172,927
Total	603,550	580,755	22,795	548,971
Administrative Services				
Finance:				
Salaries and employee benefits	805,560	789,847	15,713	826,453
Professional services	43,600	43,590	10	56,462
Operating expenditures	467,330	388,159	79,171	401,548
Capital outlay	-	-	-	36,761
Total	1,316,490	1,221,596	94,894	1,321,224

Schedule 1

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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Information Technology				
Salaries and employee benefits	$ 580,715	$ 575,765	$ 4,950	$ 600,618
Professional services	48,900	5,685	43,215	38,189
Operating expenditures	507,970	471,729	36,241	361,202
Capital outlay	114,420	114,353	67	76,150
Total	1,252,005	1,167,532	84,473	1,076,159
Inspections				
Inspections:				
Salaries and employee benefits	1,522,790	1,518,406	4,384	1,383,926
Operating expenditures	166,145	156,426	9,719	185,434
Capital outlay	48,005	48,000	5	77,761
Total	1,736,940	1,722,832	14,108	1,647,121
Public Facilities:				
Salaries and employee benefits	329,285	328,358	927	283,033
Professional services	2,000	1,080	920	2,150
Operating expenditures	1,447,600	1,231,443	216,157	1,130,359
Capital outlay	10,000	6,895	3,105	1,599,771
Total	1,788,885	1,567,776	221,109	3,015,313
Community Development				
Salaries and employee benefits	1,205,545	1,188,864	16,681	830,619
Professional services	354,324	170,685	183,639	73,289
Operating expenditures	464,480	417,329	47,151	142,633
Contributions	10,000	10,000	-	-
Capital outlay	11,450	-	11,450	-
Total	2,045,799	1,786,878	258,921	1,046,541
Public Works				
Public Works Administration:				
Salaries and employee benefits	343,465	342,237	1,228	169,698
Operating expenditures	146,305	110,157	36,148	49,163
Capital Outlay	9,775	-	9,775	-
Total	499,545	452,394	47,151	218,861
Engineering:				
Salaries and employee benefits	629,345	582,223	47,122	730,544
Professional services	103,000	44,948	58,052	19,363
Operating expenditures	85,950	79,624	6,326	342,584
Contributions	-	-	-	10,000
Capital outlay	100,900	88,961	11,939	121,940
Total	919,195	795,756	123,439	1,224,431
Fleet Maintenance:				
Salaries and employee benefits	311,675	266,344	45,331	295,663
Operating expenditures	116,725	101,254	15,471	68,632
Capital outlay	-	-	-	5,262
Total	428,400	367,598	60,802	369,557
Total general government	13,452,549	12,362,906	1,089,643	12,832,656

Schedule 1

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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Public safety:				
Police:				
Salaries and employee benefits	$ 8,549,410	$ 8,301,280	$ 248,130	$ 7,512,673
Operating expenditures	2,063,075	1,775,805	287,270	1,391,909
Capital outlay	872,732	811,100	61,632	406,862
Total	11,485,217	10,888,185	597,032	9,311,444
Fire:				
Contributions to:				
Fire Department	5,766,810	5,766,810	-	5,383,179
Hazmat	19,500	19,500	-	15,939
Total	5,786,310	5,786,310	-	5,399,118
Total public safety	17,271,527	16,674,495	597,032	14,710,562
Transportation:				
Streets:				
Salaries and employee benefits	1,255,705	1,112,643	143,062	1,063,505
Operating expenditures	1,098,730	1,053,655	45,075	1,045,884
Capital outlay	386,249	321,248	65,001	347,484
Total transportation	2,740,684	2,487,546	253,138	2,456,873
Environmental protection:				
Sanitation:				
Salaries and employee benefits	668,135	614,159	53,976	578,473
Contracted services	2,531,735	2,516,297	15,438	2,409,911
Operating expenditures	502,015	495,899	6,116	437,751
Capital outlay	48,400	48,279	121	191,686
Total environmental protection	3,750,285	3,674,634	75,651	3,617,821
Cultural and recreational:				
Parks and recreation:				
Salaries and employee benefits	1,769,935	1,758,215	11,720	1,671,406
Professional services	2,100	1,889	211	55,844
Operating expenditures	1,405,780	1,308,278	97,502	1,042,880
Contributions	-	-	-	40,000
Capital outlay	333,330	207,789	125,541	429,162
Total cultural and recreational	3,511,145	3,276,171	234,974	3,239,292
Total expenditures	40,726,190	38,475,752	2,250,438	36,857,204
Revenues under expenditures	2,568,520	4,786,089	2,217,569	3,750,743

Schedule 1

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, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Other financing sources (uses):				
Transfers in (out):				
Debt Service Fund	$ (4,376,185)	$ (4,376,185)	$ -	$ (4,610,650)
Downtown District Special Tax	57,200	22,401	(34,799)	6,285
Futures Fund	(75,000)	(75,000)	-	(125,000)
Wake Forest Renaissance Centre SRF	(350,050)	(316,942)	33,108	(273,241)
Grant & Special Revenue Fund	-	(38,577)	(38,577)	(39,392)
Asset Maintenance Fund	(165,000)	(40,000)	125,000	(119,000)
Public Facilities Capital Project	-	(9,590)	(9,590)	(400,000)
Holding Park Pool Renovations	-	(11,771)	(11,771)	-
Greenways, Trails & Pedestrian Access	(45,000)	(16,500)	28,500	-
Recreation Capital Reserve	142,830	170,707	27,877	39,070
Cemetery Fund Capital Reserve	-	-	-	14,254
General Capital Reserve	44,000	44,000	-	44,000
Pension Trust Fund	(150,000)	-	150,000	-
Installment note issuance	683,650	683,650	-	2,068,550
Appropriated fund balance	1,665,035	-	(1,665,035)	-
Total other financing sources (uses)	(2,568,520)	(3,963,807)	(1,395,287)	(3,395,124)
Net change in fund balance	-	822,282	822,282	355,619
	$ -		$ 822,282	
Fund balance - Beginning of year		15,660,762		15,449,959
Fund balance - Restatement of beginning of year		-		(144,816)
Fund balance - End of year		$ 16,483,044		$ 15,660,762

Schedule 2

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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Restricted intergovernmental:				
Powell Bill allocation	$ 882,000	$ 879,928	$ (2,072)	$ 868,086
Total	882,000	879,928	(2,072)	868,086
Permits and fees:				
Vehicle licenses	626,760	619,531	(7,229)	310,323
Total	626,760	619,531	(7,229)	310,323
Investment earnings	10,800	14,937	4,137	6,490
Total revenues	1,519,560	1,514,396	(5,164)	1,184,899
Expenditures:				
Debt service:				
Bond principal	2,067,240	2,067,000	240	1,245,000
Bond interest	1,011,520	909,555	101,965	379,189
Installment note principal	3,333,035	3,380,080	(47,045)	2,945,536
Installment note interest	341,125	347,043	(5,918)	230,681
Total debt service	6,752,920	6,703,678	49,242	4,800,406
Total expenditures	6,752,920	6,703,678	49,242	4,800,406
Revenues under expenditures	(5,233,360)	(5,189,282)	44,078	(3,615,507)
Other financing sources (uses):				
Transfers in:				
Downtown District Special Tax	60,000	60,000	-	60,000
General Fund	4,376,185	4,376,185	-	4,610,650
Appropriated fund balance	797,175	-	(797,175)	-
Total other financing sources (uses)	5,233,360	4,436,185	(797,175)	4,670,650
Net change in fund balance	-	(753,097)	(753,097)	1,055,143
	$ -		$ (753,097)	
Fund balance - Beginning of year		1,055,143		-
Fund balance - End of year		$ 302,046		$ 1,055,143

Schedule 3

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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Ad valorem taxes	$ 76,200	$ 76,181	$ 19	$ 75,496
Investment earnings	4,150	4,228	(78)	2,468
Total revenues	80,350	80,409	(59)	77,964
Other financings sources (uses):				
Transfers (in) out:				
General Fund	22,500	22,401	99	6,285
Debt Service fund	60,000	60,000	-	60,000
Appropriated Fund Balance	(2,150)	-	(2,150)	-
Total other financing sources (uses):	80,350	82,401	(2,051)	66,285
Net change in fund balance	$ -	(1,992)	$ (1,992)	11,679
Fund Balances:				
Beginning of year		278,314		266,635
End of year		$ 276,322		$ 278,314

Schedule 4

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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Donations	$ 17,500	$ 14,819	$ (2,681)	$ 25,125
Forfeited currency				
Federal Asset Forfeiture	-	-	-	4,194
State Controlled Substances Tax	1,500	1,916	416	22,369
Investment earnings	-	4,477	4,477	2,808
Miscellaneous	8,100	4,100	(4,000)	-
Total revenues	27,100	25,312	(1,788)	54,496
Expenditures:				
Federal Asset Forfeiture	48,000	36,575	11,425	20,170
State Controlled Substances Tax	2,100	13,327	(11,227)	-
Miscellaneous	7,500	-	7,500	598
Donations	17,500	12,015	5,485	13,276
Total expenditures	75,100	61,917	13,183	34,044
Other financings sources (uses):				
Appropriated Fund Balance	(48,000)	-	(48,000)	-
Net change in fund balance	$ -	(36,605)	$ (36,605)	20,452
Fund Balances:				
Beginning of year		354,521		334,069
End of year		$ 317,916		$ 354,521
Project Reconciliation:				
Federal Asset Forfeiture		$ -		$ 36,630
State Controlled Substances Tax		69,903		80,183
Miscellaneous Projects		100,921		95,431
Donations		147,092		142,277
		$ 317,916		$ 354,521

Schedule 5

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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Sales and services	$ 152,500	$ 119,789	$ (32,711)	$ 79,954
Donations	-	-	-	2,379
Miscellaneous	1,000	-	(1,000)	-
Events revenue	93,800	99,740	5,940	57,592
Total revenues	247,300	219,529	(27,771)	139,925
Expenditures:				
Personnel	350,050	316,942	33,108	274,255
Operating expenses	247,300	193,932	53,368	139,584
Total expenditures	597,350	510,874	86,476	413,839
Revenues over (under) expenditures	(350,050)	(291,345)	58,705	(273,914)
Other Financing Sources:				
Transfer in (out):				
General Fund	350,050	316,942	33,108	273,241
Special Revenue Fund	-	(9,385)	9,385	-
Total other financing sources	350,050	307,557	42,493	273,241
Net change in fund balance	$ -	16,212	$ 16,212	(673)
Fund balances:				
Beginning of year		6,323		6,996
End of year		$ 22,535		$ 6,323

Schedule 6

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, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
State Grant	$ 25,000	$ 25,000	$ -	$ -
Total revenues	25,000	25,000	-	-
Expenditures:				
Operating expenses:				
Joyner Park	25,000	14,400	10,600	-
Wake County Murals	-	14,352	(14,352)	3,624
Other:				
Temporary Art	6,000	22,307	(16,307)	9,032
Miscellaneous Public Art Projects	35,000	500	34,500	-
Total expenditures	66,000	51,559	14,441	12,656
Revenues over (under) expenditures	(41,000)	(26,559)	14,441	(12,656)
Other Financing Sources:				
Transfer in:				
Capital Project Funds	41,000	-	41,000	192,500
Total other financing sources	41,000	-	41,000	192,500
Net change in fund balance	$ -	(26,559)	$ (26,559)	179,844
Fund balances:				
Beginning of year		179,844		-
End of year		$ 153,285		$ 179,844

TOWN OF WAKE FOREST, NORTH CAROLINA **Schedule 7**

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, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Miscellaneous revenue - Senior Center	$ 17,900	$ 17,900	$ 167	$ 18,067
Investment earnings				
Northern Wake Senior Center Expansion	108,885	-	45,959	45,959
Joyner Park Development	141,115	-	164,561	164,561
Total revenues	267,900	17,900	210,687	228,587
Expenditures:				
Operating:				
Northern Wake Senior Center Expansion	-	310	4,559	4,869
Joyner Park Development	-	310	-	310
	-	620	4,559	5,179
Capital outlay:				
Professional services				
Northern Wake Senior Center Expansion	379,100	235,453	152,822	388,275
Joyner Park Development	1,214,930	836,589	227,168	1,063,757
Subtotal	1,594,030	1,072,042	379,990	1,452,032
Capital outlay-improvements				
Northern Wake Senior Center Expansion	4,451,200	410,556	3,378,407	3,788,963
Joyner Park Development	10,555,000	230,740	10,045,580	10,276,320
Subtotal	15,006,200	641,296	13,423,987	14,065,283
Total expenditures	16,600,230	1,713,958	13,808,536	15,522,494
Revenues under expenditures	(16,332,330)	(1,696,058)	(13,597,849)	(15,293,907)
Other financing sources:				
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 7**

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, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
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 - Capital Reserve				
Northern Wake Senior Center Expansion	1,490,730	-	566,897	566,897
Total Transfer In - Capital Reserve	1,490,730	-	566,897	566,897
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	16,332,330	14,727,010	566,897	15,293,907
Net change in fund balance	$ -	$ 13,030,952	(13,030,952)	$ -
Fund balances:				
Beginning of Year			13,030,952	
End of Year			$ -	

Schedule 8

TOWN OF WAKE FOREST, NORTH CAROLINA

CAPITAL PROJECTS FUND

GREENWAY TRANSPORTATION PEDESTRIAN ACCESS

SCHEDULE OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual			
	Project Authorization	**Prior Years**	**Current Year**	**Closed Projects**	**Total to Date**
Revenues:					
Federal grants					
Smith and Sanford Creek Greenway	$ 3,757,920	$ 3,656,145	$ 55,377	$ -	$ 3,711,522
Priority Pedestrian Corridors	1,937,000	430,242	1,590,668	-	2,020,910
Dunn Creek Greenway-Downtown Connector	665,440	564,891	7,405	-	572,296
Ligon Mill Road - Operational Improvements	2,028,000	106,609	6,651	-	113,260
Stadium Drive - Complete Streets	6,601,150	1,004,385	3,006,682	-	4,011,067
Smith Creek Greenway - Phase 2	343,580	-	-		-
Smith Creek Greenway - Phase 3	170,000	-	-		-
Richland Creek Stream Repair	12,699	12,699	-		12,699
Dunn & Richland Creek Greenway Stream Repair	2,468	2,468	-		2,468
Durham Road Operational Improvements	2,038,100	-	-		-
Sub-total federal grants	17,556,357	5,777,439	4,666,783	-	10,444,222
State grants					
Hedrick Property	-	287,859	-	(287,859)	-
Stadium Drive - Complete Streets	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	292,915	-	(287,859)	5,056
Wake County grants					
Smith Creek Greenway - Phase 2	941,000	-	166,964	-	166,964
Sub-total Wake County grants	941,000	-	166,964	-	166,964
Investment earnings					
Smith and Sanford Creek Greenway	-	14,050	14,588	-	28,638
Priority Pedestrian Corridors	-	6,603	10,283	-	16,886
Dunn Creek Greenway - Downtown Connector	-	1,478	4,865	-	6,343
Forestville Raod Pedestrian Underpass	-	647	-	(647)	-
Greenway and Park Signage	-	5,824	1,549	-	7,373
Ligon Mill Road Operation Improvements	-	17,080	14,834	(551)	31,363
Stadium Drive - Complete Streets	-	530	-		530
W. Oak Avenue Pedestrian Underpass	-	2,057	-	(2,057)	-
Burlington Mills Road Landscape	-	(34)	-	34	-
Dunn Creek Greenway - Boardwalk Rehab	-	3,757	-	-	3,757
Richland Creek Greenway	-	(64)	-	64	-
Traffic Signals - Franklin Street	-	242	-	(242)	-
Traffic Signals - Heritage Lake Road/Heritage Club	-	1,094	487	-	1,581
Wake Forest Reservoir	-	4,686	1,049	-	5,735
Hedrick Property	-	8,273	-	(8,273)	-
Smith Creek Stream Bank Repair	-	1,054	-		1,054
Sub-total investment earnings	-	67,277	47,655	(11,672)	103,260
Payment in Lieu of Taxes (PILOT)					
Ligon Mill Road Operation Improvements	128,000	271,127	-	-	271,127
Priority Pedestrian Corridors	48,500	48,379	-	-	48,379
Ligon Mill Road Pedestrian Underpass	73,000	73,000	-	-	73,000
Sub-total payment in lieu of taxes	249,500	392,506	-	-	392,506
Miscellaneous Revenues					
Ligon Mill Additional Services	-	551	-	-	551
Ligon Mill Road Operation Improvements	-	3	-	-	3
Priority Pedestrian Corridors	20,500	20,450	-	-	20,450
Hedrick Property	-	3,198	-	(3,198)	-
Smith and Sanford Creek Greenway	-	800	-	-	800

Schedule 8

TOWN OF WAKE FOREST, NORTH CAROLINA

CAPITAL PROJECTS FUND

GREENWAY TRANSPORTATION PEDESTRIAN ACCESS

SCHEDULE OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual			
	Project Authorization	**Prior Years**	**Current Year**	**Closed Projects**	**Total to Date**
Dunn Creek Greenway - Downtown Connector	$ -	$ 800	$ -	$ -	$ 800
Traffic Signals - Heritage Lake Road/Heritage Club	-	25,000	-	-	25,000
Traffic Signals - Friendship Chapel	-	-	1,000	-	1,000
Stadium Drive - Complete Streets	-	9	397,907	-	397,916
Ailey Young Park Improvements	-	84,000	-	-	84,000
Other Miscellaneous	-	1	-	(3)	(2)
Sub-total miscellaneous revenues	20,500	134,812	398,907	(3,201)	530,518
Sales Tax Refund					
Smith and Sanford Creek Greenway	4,150	-	-	-	-
Sub-total sales tax refund	4,150	-	-	-	-
Total revenues	18,876,563	6,664,949	5,280,309	(302,732)	11,642,526
Expenditures:					
Capital outlay:					
Smith Creek/Sanford Creek Greenway	-	5,661,153	85,497	-	5,746,650
Other improvements:					
Priority Pedestrian Corridors	-	564,030	2,095,850	-	2,659,880
Dunn Creek Greenway - Downtown Connector	-	947,721	6,872	-	954,593
Stadium Drive Complete Streets	-	1,732,508	4,449,752	(81,601)	6,100,659
Forestville Road Pedestrian Underpass	-	349,187	-	(349,187)	-
Greenway and Park Signage	-	388,170	149,555	-	537,725
Ligon Mill Road Operational Improvement	-	876,625	87,625	(25,329)	938,921
W. Oak Avenue Pedestrian Underpass	-	192,699	-	(192,699)	-
Burlington Mills Road Landscape	-	86,466	-	(86,466)	-
Dunn Creek Greenway - Boardwalk Rehab	-	65,602	11,574	-	77,176
Richland Creek Greenway	-	28,537	-	(28,537)	-
Richland Creek Stream Repair	-	25,270	81,400		106,670
Traffic Signals - Franklin Street	-	52,235	-	(52,235)	-
Traffic Signals - Heritage Club	-	-	50,000	-	50,000
Wake Forest Reservoir	-	275,153	53,902	-	329,055
Hedrick Property	-	617,545	-	(617,545)	-
Smith Creek Stream Bank Repair	-	154,054	9,167	-	163,221
Ailey Young Park Improvements	-	164,796	-	-	164,796
Dunn Creek Greenway - Phase 3	-	507,108	63,909	-	571,017
Dunn Creek Greenway - Phase 4	-	-	-	-	-
Smith Creek Greenway - Phase 2	-	223,493	127,983	-	351,476
Smith Creek Greenway - Phase 3	-	166,847	20,350	-	187,197
Harris Round Roundabout	-	283,918	-	-	283,918
Ligon Mill Road Underpass	-	15,000	-	-	15,000
Rogers Road Widening and Underpass*	-	1,667,071	-	(1,667,071)	-
Durham Road Operational Improvements	-	136,736	141,262	-	277,998
Brewer Circle	-	-	6,024	-	6,024
Other Miscellaneous	-	45,604	-	(45,604)	-
Sub-total other improvements	-	9,566,375	7,355,225	(3,146,274)	13,775,326
Total expenditures	-	15,227,528	7,440,722	(3,146,274)	19,521,976
Revenues under expenditures	$ 18,876,563	$ (8,562,579)	$ (2,160,413)	$ 2,843,542	$ (7,879,450)

Schedule 8

TOWN OF WAKE FOREST, NORTH CAROLINA

CAPITAL PROJECTS FUND

GREENWAY TRANSPORTATION PEDESTRIAN ACCESS

SCHEDULE OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Other financing sources:					
Transfers in:					
General Capital Reserve Fund					
Smith and Sanford Creek Greenway	$ 700,000	$ -	$ -	$ -	$ -
Dunn Creek Greenway - Downtown Connector	300,000	-	-	-	-
Ligon Mill Road Operational Improvements	-	24,777	-	(24,777)	-
Forestville Road - Pedestrian Underpass	-	281,539	-	(281,539)	-
Stadium Drive Complete Streets	51,915	9,092	-	-	9,092
Sub-total General Capital Reserve Fund	1,051,915	315,408	-	(306,316)	9,092
General Fund					
Smith and Sanford Creek Greenway	1,028,000	46,500		-	46,500
Priority Pedestrian Corridors	40,000	-	-	-	-
W. Oak Avenue Pedestrian Underpass	359,700	3,957	-	(3,957)	-
Dunn Creek Greenway - Downtown Connector	5,560	-	-	-	-
Greenway and Park Signage	50,000	50,000	16,500	-	66,500
Ligon Mill Road Operational Improvements	13,000	-	-	-	-
Stadium Drive Complete Streets	-	81,601	-	(81,601)	-
Dunn Creek Greenway - Boardwalk Rehab	112,000	-	-	-	-
Hedrick Property	-	16,440	-	(16,440)	-
Richland Creek Stream Repair	100,000	25,424	-	-	25,424
Other Miscellaneous	-	45,603	-	(45,603)	-
Sub-total General Fund	1,708,260	269,525	16,500	(147,601)	138,424
Transfers out:					
Special Revenue Fund					
Smith and Sanford Creek Greenway	-	(34,000)	-	-	(34,000)
Rogers Road Widening and Underpass	-	(16,500)	-	16,500	-
Sub-total Special Revenue Fund	-	(50,500)	-	16,500	(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	-	-	555,000
Dunn Creek Greenway - Downtown Connector	315,500	315,500	-	-	315,500
Forestville Road - Pedestrian Underpass	-	67,000	-	(67,000)	-
Greenway and Park Signage	464,625	430,625	-	-	430,625
Ligon Mill Road - Operational Improvements	844,000	844,000	-	-	844,000
W. Oak Avenue - Pedestrian Underpass	-	168,000	-	(168,000)	-
Dunn Creek Greenway - Boardwalk Rehab	73,500	-	-	-	-
Traffic Signals - Franklin Street	-	51,993		(51,006)	987
Traffic Signals - Heritage Lake Road/Heritage Club	-	38,007	(14,588)	-	23,419
Traffic Signals - Friendship Chapel	14,590	-	14,588	-	14,588
Wake Forest Reservoir	292,000	292,000	-	-	292,000
Richland Creek Greenway	-	28,600	-	(28,600)	-
Burlington Mills Road Landscape	-	86,500	-	(86,500)	-
Stadium Drive Complete Streets	1,581,000	-	-	-	-
Hedrick Property	-	301,775	-	(301,775)	-
Smith Creek Stream Bank Repair	200,000	-	-	-	-
Dunn Creek Greenway - Phase 3	593,000	-		-	-
Smith Creek Greenway - Phase 2	318,245	-	-	-	-
Smith Creek Greenway - Phase 3	243,755	-	-	-	-
Rogers Road Widening and Underpass	-	1,650,000	-	(1,650,000)	-
Ligon Mill Road Underpass	250,000	-	-	-	-
Durham Road Operational Improvements	395,000	-	-	-	-
Ailey Young Park Improvements	175,000	-	-	-	-
Brick Street	150,000	-	-	-	-
Brewer Circle	300,000	-	-	-	-
Miscellaneous Greenway - TBD	126,500	-	-	-	-
Sub-total Bonds Proceeds	9,352,715	6,810,000	-	(2,352,881)	4,457,119

Schedule 8

TOWN OF WAKE FOREST, NORTH CAROLINA

CAPITAL PROJECTS FUND

GREENWAY TRANSPORTATION PEDESTRIAN ACCESS

SCHEDULE OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual			
	Project Authorization	**Prior Years**	**Current Year**	**Closed Projects**	**Total to Date**
Bond Proceeds - Premium					
Smith and Sanford Creek Greenway	$ -	$ 17,268	$ -	$ -	$ 17,268
Priority Pedestrian Corridors	-	9,929	40,185	-	50,114
Dunn Creek Greenway - Downtown Connector	-	8,634	-	-	8,634
Traffic Signals - Heritage Lake/Heritage Club	-	984	-	(984)	-
Traffic Signals - Franklin Street			(987)	-	(987)
Traffic Signals - Friendship Chapel			987	-	987
W. Oak Avenue - Pedestrian Underpass	-	18,687	-	(18,687)	-
Wake Forest Reservoir	-	4,934	-		4,934
Rogers Road Widening and Underpass	-	33,570	-	(33,570)	-
Miscellaneous Sidewalks and Streets - TBD	-	40,188	(40,185)	(3)	-
Sub-total Bonds Proceeds Premium	-	134,194	-	(53,244)	80,950
Total other financing sources	12,112,890	7,478,627	16,500	(2,843,542)	4,651,585
Net change in fund balance	$ 30,989,453	$ (1,083,952)	(2,143,913)	$ -	$ (3,227,865)
Fund balances:					
Beginning of year			(1,083,952)		
End of year			$ (3,227,865)		

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

JUNE 30, 2019

	Capital Project Funds				
	Asset Maintenance	Public Facilities Projects	Street Improvements	Recreation Capital Reserve	Cemetery Capital Reserve
Assets					
Cash and cash equivalents	$ 40,010	$ -	$ -	$ 65,449	$ 56,847
Restricted cash and cash equivalents	-	-	2,819,412	-	-
Due from other funds	-	-	-	2,600,000	-
Accounts receivable	11,197	295,705	44,042	-	-
Total assets	$ 51,207	$ 295,705	$ 2,863,454	$ 2,665,449	$ 56,847
Liabilities					
Accounts payable	$ 5,905	$ 5,618	$ 463,492	$ -	$ -
Due to other funds	-	448,252	-	-	-
Total liabilities	5,905	453,870	463,492	-	-
Deferred inflows					
Grants	-	-	-	-	-
Fund balances:					
Restricted:					
Street improvements	-	-	2,399,962	-	-
Urban Forestry	-	-	-	-	-
Community Development	-	-	-	-	-
Cultural & Recreation	-	-	-	-	-
Committed:					
Economic development	-	-	-	-	-
Assigned:					
Subsequent years expenditures	45,302	-	-	-	-
Recreation improvements	-	-	-	2,665,449	-
Cemetery improvements	-	-	-	-	56,847
Unassigned:	-	(158,165)	-	-	-
Total fund balances	45,302	(158,165)	2,399,962	2,665,449	56,847
Total liabilities, deferred inflows and fund balances	$ 51,207	$ 295,705	$ 2,863,454	$ 2,665,449	$ 56,847

General Capital Reserve	Total Capital Projects Funds	Special Revenue Fund: Wake Forest Business & Industry Fund	Special Revenue Fund: Futures Fund	Special Revenue Fund: Grants and Special Revenue Funds	Total Special Revenue Funds	Total Nonmajor Governmental Funds
$ 20,631	$ 182,937	$ -	$ -	$ -	$ -	$ 182,937
-	2,819,412	147,750	862,739	18,903	1,029,392	3,848,804
2,598,252	5,198,252	-	500,000	-	500,000	5,698,252
-	350,944	-	-	32,567	32,567	383,511
$ 2,618,883	$ 8,551,545	$ 147,750	$ 1,362,739	$ 51,470	$ 1,561,959	$ 10,113,504
$ -	475,015	$ -	$ -	$ 12,451	$ 12,451	$ 487,466
-	448,252	-	-	-	-	448,252
-	923,267	-	-	12,451	12,451	935,718
-	-	-	-	30,408	30,408	30,408
-	2,399,962	-	-	-	-	2,399,962
-	-	-	-	2,879	2,879	2,879
-	-	-	-	1,149	1,149	1,149
-	-	-	-	6,353	6,353	6,353
-	-	147,750	1,362,739	-	1,510,489	1,510,489
2,383,281	2,428,583	-	-	-	-	2,428,583
235,602	2,901,051	-	-	-	-	2,901,051
-	56,847	-	-	-	-	56,847
-	(158,165)	-	-	(1,770)	(1,770)	(159,935)
2,618,883	7,628,278	147,750	1,362,739	8,611	1,519,100	9,147,378
$ 2,618,883	$ 8,551,545	$ 147,750	$ 1,362,739	$ 51,470	$ 1,561,959	$ 10,113,504

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, 2019

	Capital Project Funds				
	Asset Maintenance	Public Facilities Projects	Holding Park Pool Renovation Phase 2	Recreation Capital Reserve	Street Improvements
Revenues:					
Investment earnings	$ -	$ -	$ 22	$ 38,014	$ 10,772
Federal grant	-	-	-	-	-
State grant	66,134	23,000	-	-	100,000
Impact fees	-	-	-	1,137,363	-
Payment in lieu	-	-	-	-	-
Greenway fees	-	-	-	-	-
Miscellaneous	1,944	45,107	-	-	44,042
Total revenues	68,078	68,107	22	1,175,377	154,814
Expenditures:					
Personnel	-	-	-	-	-
Professional services	-	-	34,538	-	619,823
Operating	1,945	-	-	-	-
Capital outlay	110,779	189,505	287,315	-	3,270,931
Total expenditures	112,724	189,505	321,853	-	3,890,754
Revenues over (under) expenditures	(44,646)	(121,398)	(321,831)	1,175,377	(3,735,940)
Other financing sources (uses):					
Transfers in	40,000	9,590	11,771	-	-
Transfers out	-	-	-	(737,605)	-
Installment note issuance	-	-	-	-	5,500,000
Total other financing sources (uses)	40,000	9,590	11,771	(737,605)	5,500,000
Net change in fund balances	(4,646)	(111,808)	(310,060)	437,772	1,764,060
Fund balances:					
Beginning of year	49,948	(46,357)	310,060	2,227,677	635,902
End of year	$ 45,302	$ (158,165)	$ -	$ 2,665,449	$ 2,399,962

Cemetery Capital Reserve	General Capital Reserve	Total Capital Projects Funds	Special Revenue Funds: Wake Forest Business & Industry Fund	Special Revenue Funds: Futures Fund	Special Revenue Funds: Grants and Special Revenue Funds	Total Grants and Special Revenue Funds	Total Nonmajor Governmental Funds
$ 801	$ 34,348	$ 83,957	$ -	$ 12,019	$ -	$ 12,019	$ 95,976
-	-	-	-	-	(979)	(979)	(979)
-	-	189,134	-	-	85,292	85,292	274,426
-	260,375	1,397,738	-	-	-	-	1,397,738
-	113,338	113,338	-	-	-	-	113,338
-	(2,172)	(2,172)	-	-	-	-	(2,172)
-	-	91,093	-	57,000	44,532	101,532	192,625
801	405,889	1,873,088	-	69,019	128,845	197,864	2,070,952
-	-	-	-	-	84,700	84,700	84,700
-	-	654,361	52,250	-	-	52,250	706,611
-	-	1,945	-	-	73,255	73,255	75,200
-	-	3,858,530	-	-	28,731	28,731	3,887,261
-	-	4,514,836	52,250	-	186,686	238,936	4,753,772
801	405,889	(2,641,748)	(52,250)	69,019	(57,841)	(41,072)	(2,682,820)
-	-	61,361	200,000	75,000	50,031	325,031	386,392
-	(44,000)	(781,605)	-	(200,000)	-	(200,000)	(981,605)
-	-	5,500,000	-	-	-	-	5,500,000
-	(44,000)	4,779,756	200,000	(125,000)	50,031	125,031	4,904,787
801	361,889	2,138,008	147,750	(55,981)	(7,810)	83,959	2,221,967
56,046	2,256,994	5,490,270	-	1,418,720	16,421	1,435,141	6,925,411
$ 56,847	$ 2,618,883	$ 7,628,278	$ 147,750	$ 1,362,739	$ 8,611	$ 1,519,100	$ 9,147,378

TOWN OF WAKE FOREST, NORTH CAROLINA **Schedule 11**

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, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	$ -	$ 35	$ 10,772	$ 10,807
State grant	100,000	-	100,000	100,000
Miscellaneous revenues	-	-	44,042	44,042
Total revenues	100,000	35	154,814	154,849
Expenditures:				
Capital outlay:				
Professional services				
Road Connections - 2018	150,000	6,451	2,729	9,180
Street Rehabilitation - 2018	225,000	16,838	14,623	31,461
Downtown Streetscape - 2018	1,180,000	276,664	602,471	879,135
Subtotal Professional Services	1,555,000	299,953	619,823	919,776
Capital outlay-improvements				
Road Connections - 2018	1,050,000	185,475	753,470	938,945
Street Rehabilitation - 2018	1,675,000	1,278,705	-	1,278,705
Downtown Streetscape - 2018	4,420,000	-	2,517,461	2,517,461
Subtotal Capital Outlay Improvements	7,145,000	1,464,180	3,270,931	4,735,111
Total expenditures	8,700,000	1,764,133	3,890,754	5,654,887
Revenues under expenditures	(8,600,000)	(1,764,098)	(3,735,940)	(5,500,038)
Other financing sources:				
Installment Purchase				
Road Connections - 2018	850,000	850,000	-	850,000
Street Rehabilitation - 2018	1,550,000	1,550,000	(140,000)	1,410,000
Downtown Streetscape - 2018	5,500,000	-	5,640,000	5,640,000
Total Installment Purchase	7,900,000	2,400,000	5,500,000	7,900,000
Transfer in - General Fund				
Road Connections - 2018	250,000	-	-	-
Street Rehabilitation - 2018	250,000	-	-	-
Total Transfer In - General Fund	500,000	-	-	-

TOWN OF WAKE FOREST, NORTH CAROLINA **Schedule 11**

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, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Transfer in - Capital Reserve				
Road Connections - 2018	$ 100,000	$ -	$ -	$ -
Street Rehabilitation - 2018	100,000	-	-	-
Total Transfer In - Capital Reserve	200,000	-	-	-
Total other financing sources	8,600,000	2,400,000.00	5,500,000	7,900,000
Net change in fund balance	$ -	$ 635,902	1,764,060	$ 2,399,962
Fund balances:				
Beginning of Year			635,902	
End of Year			$ 2,399,962	

TOWN OF WAKE FOREST, NORTH CAROLINA **Schedule 12**

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, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Restricted Intergovernmental:				
Ailey Young Dam Renovation	$ 582,105	$ 78,533	$ 66,134	$ 144,667
Other Revenue:				
Ailey Young Dam Renovation	61,000	447	1,944	2,391
Total revenues	643,105	78,980	68,078	147,058
Expenditures:				
Operating:				
Ailey Young Dam Renovation	61,000	447	1,945	2,392
Capital outlay:				
Professional services				
Ailey Young Dam Renovation	100,450	78,533	66,134	144,667
Subtotal	100,450	78,533	66,134	144,667
Capital outlay-improvements				
Town Hall Renovations	119,000	69,052	40,340	109,392
Police Station - Taylor Street	-	-	4,305	4,305
Ailey Young Dam Renovation	481,655	-	-	-
Subtotal	600,655	69,052	44,645	113,697
Total expenditures	762,105	148,032	112,724	260,756
Revenues under expenditures	(119,000)	(69,052)	(44,646)	(113,698)
Other financing sources:				
Transfer in - General Fund				
Town Hall Renovations	119,000	119,000	-	119,000
Police Station - Taylor Street	-	-	40,000	40,000
Total Transfer In - General Fund	119,000	119,000	40,000	159,000
Total other financing sources	119,000	119,000	40,000	159,000
Net change in fund balance	$ -	$ 49,948	(4,646)	$ 45,302
Fund balances:				
Beginning of Year			49,948	
End of Year			$ 45,302	

TOWN *of* WAKE FOREST

TOWN OF WAKE FOREST, NORTH CAROLINA **Schedule 13**

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, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Restricted Intergovernmental:				
Renaissance Centre Renovations	$ 348,530	$ 300,328	$ 44,607	$ 344,935
Ailey Young Home Improvements	100,000	-	23,000	23,000
Other Revenue:				
Ailey Young Home Improvements	10,000	10,000	500	10,500
Total revenues	458,530	310,328	68,107	378,435
Expenditures:				
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	-	9,213	2,110	11,323
Fiber Infrastructure Project	475,000	75,476	61,924	137,400
Subtotal	675,000	134,389	64,034	198,423
Capital outlay-improvements				
Ailey Young Home Improvements	110,000	19,589	12,978	32,567
Renaissance Centre Renovations	995,800	853,402	112,493	965,895
Fiber Infrastructure Project	2,275,000	-	-	-
Subtotal	3,380,800	872,991	125,471	998,462
Total expenditures	4,055,800	1,009,985	189,505	1,199,490
Revenues under expenditures	(3,597,270)	(699,657)	(121,398)	(821,055)
Other financing sources:				
Transfer in - General Fund				
Renaissance Centre Renovations	647,270	653,300	-	653,300
Ailey Young Home Improvements	-	-	9,590	9,590
Fiber Infrastructure Project	250,000	-	-	-
Total Transfer In - General Fund	897,270	653,300	9,590	662,890

TOWN OF WAKE FOREST, NORTH CAROLINA **Schedule 13**

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, 2019

		Actual		
	Project Authorization	**Prior Years**	**Current Year**	**Total to Date**
Transfer in - Capital Reserve				
Operations Center Expansion	$ 200,000	$ -	$ -	$ -
Total Transfer In - Capital Reserve	200,000	-	-	-
Installment Purchase				
Fiber Infrastructure Project	2,500,000	-	-	-
Total Installment Purchase	2,500,000	-	-	-
Total other financing sources	3,597,270	653,300	9,590	662,890
Net change in fund balance	$ -	$ (46,357)	(111,808)	$ (158,165)
Fund balances:				
Beginning of Year			(46,357)	
End of Year			$ (158,165)	

Schedule 14

TOWN OF WAKE FOREST, NORTH CAROLINA

CAPITAL PROJECTS FUND
HOLDING PARK POOL RENOVATIONS - PHASE 2
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	$ -	$ 174	$ 22	$ 196
Total revenues	-	174	22	196
Expenditures:				
Capital outlay:				
Professional services	395,000	353,589	34,538	388,127
Capital outlay-improvements	2,846,885	2,530,910	287,315	2,818,225
Total expenditures	3,241,885	2,884,499	321,853	3,206,352
Revenues under expenditures	(3,241,885)	(2,884,325)	(321,831)	(3,206,156)
Other financing sources:				
Installment note issuance	2,900,000	2,900,000	-	2,900,000
Transfer in - Capital Reserve	241,885	241,885	-	241,885
Transfer in - General Fund	100,000	52,500	11,771	64,271
Total other financing sources	3,241,885	3,194,385	11,771	3,206,156
Net change in fund balance	$ -	$ 310,060	(310,060)	$ -
Fund balances:				
Beginning of Year			310,060	
End of Year			$ -	

Schedule 15

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, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Impact fees	$ 3,489,600	$ 2,252,113	$ 1,137,363	$ (39,070)	$ 3,350,406
Investment earnings	150,000	14,634	38,014	-	52,648
Miscellaneous	1,000	-	-	-	-
Total revenues	3,640,600	2,266,747	1,175,377	(39,070)	3,403,054
Other financing sources (uses):					
Transfers in (out):					
General Fund	250,000	-	-	-	-
General Fund	(252,600)	(39,070)	(170,707)	39,070	(170,707)
Capital Project Fund	(3,638,000)	-	(566,898)	-	(566,898)
Total financing sources (uses)	(3,640,600)	(39,070)	(737,605)	39,070	(737,605)
Net change in fund balance	$ -	$ 2,227,677	437,772	$ -	$ 2,665,449
Fund balances:					
Beginning of year			2,227,677		
End of year			$ 2,665,449		

Schedule 16

TOWN OF WAKE FOREST, NORTH CAROLINA

CAPITAL PROJECTS FUND
CEMETERY CAPITAL RESERVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Donations	$ 150,000	$ 69,372	$ -	$ (14,254)	$ 55,118
Investment earnings	115,000	928	801	-	1,729
Total revenues	265,000	70,300	801	(14,254)	56,847
Other financing uses					
Transfer out:					
General Fund	(265,000)	(14,254)	-	14,254	-
Net change in fund balance	$ -	$ 56,046	801	$ -	$ 56,847
Fund balances:					
Beginning of year			56,046		
End of year			$ 56,847		

Schedule 17

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, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Payments in lieu	$ 838,220	$ 835,124	$ 113,338	$ -	$ 948,462
Greenway fees	20,690	20,692	(2,172)	-	18,520
Fire Impact Fees	1,435,000	1,262,444	260,375	(44,000)	1,478,819
Investment earnings	160,000	73,942	34,348	-	108,290
Donations	205,000	22,232	-	-	22,232
Development proceeds	86,560	86,560	-	-	86,560
Total revenues	2,745,470	2,300,994	405,889	(44,000)	2,662,883
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Fire Department	(1,435,000)	(44,000)	(44,000)	44,000	(44,000)
Other	(306,595)	-	-	-	-
Capital Projects Fund	(1,003,875)	-	-		-
Total other financing sources (uses)	(2,745,470)	(44,000)	(44,000)	44,000	(44,000)
Net change in fund balance	$ -	$ 2,256,994	361,889	$ -	$ 2,618,883
Fund balances:					
Beginning of year			2,256,994		
End of year			$ 2,618,883		

Schedule 18

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, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Restricted Intergovernmental:					
Federal Grants					
Police Department	$ 11,265	$ 13,019	$ (3,479)	$ (6,155)	$ 3,385
Park, Recreation and Cultural Resources	12,500	10,000	-	-	10,000
Urban Forestry	-	-	2,500	-	2,500
State Grants					
Downtown Development	144,340	85,201	28,730	-	113,931
Planning	5,100	9,000	-	(9,000)	-
Police Department	143,084	74,956	46,562	-	121,518
Urban Forestry	10,000	-	10,000	-	10,000
Total Restricted Intergovernmental	326,289	192,176	84,313	(15,155)	261,334
Miscellaneous Revenues:					
Park, Recreation and Cultural Resources	-	103,496	-	(103,496)	-
Donations:					
Park, Recreation and Cultural Resources	-	4,500	-	(4,500)	-
Police Department	-	6,484	-	(6,484)	-
Renaissance Centre	19,750	4,560	19,750	(4,560)	19,750
Total donations	19,750	15,544	19,750	(15,544)	19,750
Other Revenues:					
Park, Recreation and Cultural Resources	19,596	12,963	9,507	(8,860)	13,610
Urban Forestry	-	-	7,590	-	7,590
Renaissance Centre	850	-	7,685	-	7,685
Total other revenues	20,446	12,963	24,782	(8,860)	28,885
Total revenues	366,485	324,179	128,845	(143,055)	309,969
Expenditures:					
Personnel:					
Police Department	118,816	35,167	84,700	(6,155)	113,712
Renaissance Centre	3,730	-	-	-	-
Subtotal - Personnel	122,546	35,167	84,700	(6,155)	113,712
Operations:					
Police Department	33,529	22,200	(2,812)	(6,482)	12,906
Planning Department	8,500	14,345	2,251	(14,345)	2,251
Park, Recreation and Cultural Resources	25,962	38,276	25,661	(18,457)	45,480
Renaissance Centre	26,255	4,560	30,466	(4,560)	30,466
Urban Forestry	10,000	-	17,689	-	17,689
Subtotal - Operations	104,246	79,381	73,255	(43,844)	108,792

Schedule 18

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, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Capital Outlay:					
Downtown Development	$ 144,340	$ 85,201	$ 28,731	$ -	$ 113,932
Park, Recreation and Cultural Resources	25,500	180,707	-	(180,707)	-
Police Department	49,500	60,479	-	-	60,479
Subtotal - Capital Outlay	219,340	326,387	28,731	(180,707)	174,411
Total expenditures	446,132	440,935	186,686	(230,706)	396,915
Revenues under expenditures	(79,647)	(116,756)	(57,841)	87,651	(86,946)
Other financing sources:					
Transfer in - General Fund					
Police Department	47,497	17,567	33,922	-	51,489
Planning Department	3,400	5,345	3,400	(5,345)	3,400
Park, Recreation and Cultural Resources	19,365	103,401	1,155	(82,306)	22,250
Urban Forestry	-	-	100	-	100
Total Transfer In - General Fund	70,262	126,313	38,577	(87,651)	77,239
Transfer in - Special Revenue Fund					
Police Department	-	6,864	2,069	-	8,933
Renaissance Centre	9,385	-	9,385	-	9,385
Total Transfer In - Special Revenue Fund	9,385	6,864	11,454	-	18,318
Capital Contributions	-	-	-	-	-
Total other financing sources	79,647	133,177	50,031	(87,651)	95,557
Net change in fund balance	$ -	$ 16,421	(7,810)	$ -	$ 8,611
Fund balances:					
Beginning of Year			16,421		
End of Year			$ 8,611		

Schedule 19

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, 2019

		Actual		
	Budget Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	$ 57,000	$ 422,355	$ 12,019	$ 434,374
Miscellaneous revenues	314,750	-	57,000	57,000
Total revenues	371,750	422,355	69,019	491,374
Expenditures:				
Professional services	264,500	119,452	-	119,452
Operating	1,326,250	1,214,653	-	1,214,653
Total expenditures	1,590,750	1,334,105	-	1,334,105
Revenues under expenditures	(1,219,000)	(911,750)	69,019	(842,731)
Other financing sources (uses)				
Transfer In - General Fund	4,628,870	2,330,470	75,000	2,405,470
Transfer out				
General Fund	(500,000)	-	-	-
Special Revenue Fund (Business & Industry Partnership)	-	-	(200,000)	(200,000)
Appropriated Fund Balance	(2,909,870)	-	-	-
Total other financing sources	1,219,000	2,330,470	(125,000)	2,205,470
Net change in fund balance	$ -	$ 1,418,720	(55,981)	$ 1,362,739
Fund balances:				
Beginning of Year			1,418,720	
End of Year			$ 1,362,739	

Schedule 20

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, 2019

		Actual		
	Budget Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Total revenues	$ -	$ -	$ -	$ -
Expenditures:				
Professional services	150,000	-	52,250	52,250
Operating	50,000	-	-	-
Total expenditures	200,000	-	52,250	52,250
Revenues under expenditures	(200,000)	-	(52,250)	(52,250)
Other financing sources				
Transfer In - Futures Fund	200,000	-	200,000	200,000
Total other financing sources	200,000	-	200,000	200,000
Net change in fund balance	$ -	$ -	147,750	$ 147,750
Fund balances:				
Beginning of Year			-	
End of Year			$ 147,750	

Schedule 21

TOWN OF WAKE FOREST, NORTH CAROLINA

ELECTRIC FUND

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL (NON - GAAP)

FOR THE YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Charges for services	$ 19,717,580	$ 19,510,748	$ (206,832)	$ 19,199,890
Other operating revenues	-			
Sales tax	1,380,895	1,351,097	(29,798)	1,346,273
Reconnect charges	123,500	126,310	2,810	124,783
Miscellaneous	210,000	49,977	(160,023)	369,115
Total operating revenues	21,431,975	21,038,132	(393,843)	21,040,061
Nonoperating revenues:				
Investment earnings	81,500	79,692	(1,808)	32,052
Sale of assets	35,000	27,445	(7,555)	54,487
Total nonoperating revenues	116,500	107,137	(9,363)	86,539
Total revenues	21,548,475	21,145,269	(403,206)	21,126,600
Expenditures:				
Electric operations:				
Salaries and employee benefits	3,642,390	3,182,767	459,623	3,240,965
Power purchases for resale	12,319,100	11,590,898	728,202	12,020,879
Utility sales tax	2,143,000	2,140,092	2,908	2,032,056
Repairs and maintenance	249,600	136,086	113,514	278,003
Other operating expenditures	1,158,160	938,425	219,735	1,338,232
Total electric operations	19,512,250	17,988,268	1,523,982	18,910,135
Debt service:				
Principal retirement	928,785	928,778	7	610,059
Interest and fees	103,865	103,862	3	63,904
Total debt service	1,032,650	1,032,640	10	673,963
Capital outlay	4,068,100	4,031,293	36,807	1,572,242
Total expenditures	24,613,000	23,052,201	1,560,799	21,156,340
Revenues over expenditures	(3,064,525)	(1,906,932)	(1,157,593)	(29,740)

Schedule 21

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

FOR THE YEAR ENDED JUNE 30, 2019

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Other financing sources (uses):				
Transfer in (out):				
Electric capital reserve fund	$ (435,475)	$ (429,788)	$ (5,687)	$ (95,000)
Installment purchase	3,500,000	3,500,000	-	833,235
Total other financing sources (uses)	3,064,525	3,070,212	(5,687)	738,235
Revenues over expenditures and other financing uses	$ -	1,163,280	$ (1,163,280)	708,495
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Depreciation		(1,364,634)		(1,277,834)
Capital outlay		4,031,293		1,572,242
Interfund transfers		429,788		95,000
Debt issuance		(3,500,000)		(833,235)
Principal retirement		928,778		610,059
Book value of disposed asset		27,325		-
Increase/(Decrease) in inventory		76,532		373,154
Increase/(Decrease) in accrued interest		(10,852)		4,491
Increase in accrued vacation pay		(18,601)		(27,459)
Increase in pension expense		(237,824)		(179,701)
Deferred outflows of resources for contributions made to pension plan in current fiscal year		113,087		107,727
Increase in accrued other postemployment benefits		(48,958)		50,710
Increase deferred inflows of resources - OPEB		(136,021)		(306,126)
Increase deferred outflows of resources - OPEB		11,639		28,188
Capital project funds:				
Investment earnings		7,014		3,156
Total reconciling items		308,566		220,372
Change in net position		$ 1,471,846		$ 928,867

Schedule 22

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	$ 170,000	$ 4,785	$ 7,014	$ 11,799
Other financing sources (uses):				
Transfers in (out)				
Electric Fund	830,000	496,492	279,788	776,280
Electric Fund	(1,000,000)	-	-	-
Total other financing sources (uses)	(170,000)	496,492	279,788	776,280
Revenues and other financing sources over other financing uses	$ -	$ 501,277	$ 286,802	$ 788,079

Schedule 23

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

JUNE 30, 2019

Fiscal Year	Uncollected Balance June 30, 2018	Additions	Collections And Credits	Uncollected Balance June 30, 2019
2018-2019	$ -	$ 27,738,783	$ 27,694,586	$ 44,198
2017-2018	32,245		13,433	18,812
2016-2017	15,028	-	1,606	13,422
2015-2016	12,063	-	1,793	10,270
2014-2015	5,459	-	584	4,875
2013-2014	11,571	-	667	10,904
2012-2013	13,013	-	466	12,547
2011-2012	18,300	-	382	17,918
2010-2011	14,559	-	474	14,085
2009-2010	(2,905)	-	(66)	(2,839)
2008-2009	13,457	-	13,457	-
	$ 132,790	$ 27,738,783	$ 27,727,381	144,193
	Less allowance for uncollectible ad valorem tax receivable			(95,247)
	Ad valorem taxes receivable - net			$ 48,945

General Fund Taxes Receivable per the fund financial statements (Exhibit 3)	$ 122,963
Less: Downtown Municipal Service District Taxes Receivable	(25,458)
Less: Vehicle License Fee Receivable	(48,561)
General Fund Ad Valorem Taxes Receivable	$ 48,945

Revenue reconciliation:

Ad valorem taxes - General Fund	$ 27,713,298
Add (deduct):	
Releases allowed	39,475
Taxes written off	13,457
Penalties and interest	(38,849)
Total collections and credits	$ 27,727,381

Schedule 24

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	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	$ 5,330,657,142	0.52	$ 27,719,417	$ 25,302,882	$ 2,416,534
Penalties	-		15,641	15,641	-
Total	5,330,657,142		27,735,058	25,318,523	2,416,534
Discoveries:					
Prior year taxes	-		43,201	43,201	-
Less: abatements	(7,591,440)	0.52	(39,475)	(39,475)	-
Total property valuation	$ 5,323,065,702				
Net levy			27,738,784	25,322,249	2,416,534
Less: uncollected taxes at June 30, 2019			44,198	35,062	9,136
Current year's taxes collected			$ 27,694,586	$ 25,287,187	$ 2,407,398
Current levy collection percentage			99.84%	99.86%	99.62%

Schedule 25

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

JUNE 30, 2019

Fiscal Year	Governmental Funds Principal	Governmental Funds Principal and Interest
2019-2020	$ 2,000,000	$ 878,133
2020-2021	1,893,000	806,280
2021-2022	1,882,000	763,621
2022-2023	1,875,000	720,273
2023-2024	1,867,000	652,018
2024-2025	1,859,000	604,802
2025-2026	1,851,000	536,875
2026-2027	1,843,000	467,072
2027-2028	1,415,000	405,460
2028-2029	1,415,000	352,515
2029-2030	1,415,000	299,355
2031-2032	1,050,000	245,873
2032-2033	1,050,000	206,775
2033-2034	1,050,000	175,813
2034-2035	1,050,000	144,313
2035-2036	1,045,000	112,813
2036-2037	830,000	79,888
2037-2038	830,000	53,950
2038-2039	830,000	26,975
Total	$ 27,050,000	$ 7,532,799

TOWN *of* WAKE FOREST

TOWN *of* WAKE FOREST

TOWN OF WAKE FOREST, NORTH CAROLINA

NET POSITION BY CATEGORY

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

June 30, 2019

	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	$ 110,101,600	$ 112,448,969	$ 112,059,645	$ 115,919,685
Restricted for:				
Stabilization by State Statute	-	5,424,734	3,753,434	2,757,473
Inspections (HB 255)	-	-	-	-
Downtown District	-	-	222,608	224,269
Public Safety	-	-	208,258	267,904
Street and sidewalk improvements	-	-	-	-
Equipment and vehicles	-	-	-	-
Holding park pool renovations	-	-	-	-
Greenways	-	-	-	-
Public Works				
Community Development				
Cultural and Recreation	-	-	-	-
Unrestricted	12,534,616	4,887,874	6,352,719	8,353,849
Subtotal governmental activities net position	122,636,216	122,761,577	122,596,664	127,523,180
Business-type activities				
Net investment in capital assets	13,938,763	14,324,918	13,998,797	14,129,141
Unrestricted	1,801,040	2,591,519	3,053,159	3,465,391
Subtotal business-type activities net position	15,739,803	16,916,437	17,051,956	17,594,532
Primary Government				
Net investment in capital assets	124,040,363	126,773,887	126,058,442	130,048,826
Restricted for:				
Stabilization by State Statute	-	5,424,734	3,753,434	2,757,473
Inspections (HB 225)	-	-	-	-
Downtown District	-	-	222,608	224,269
Public Safety	-	-	208,258	267,904
Street improvements	-	-	-	-
Holding Park Pool Renovations	-	-	-	-
Equipment and vehicles	-	-	-	-
Greenways	-	-	-	-
Public Works	-	-	-	-
Community Development	-	-	-	-
Cultural and Recreation	-	-	-	-
Unrestricted	14,335,656	7,479,393	9,405,878	11,819,240
Total primary government net position	$ 138,376,019	$ 139,678,014	$ 139,648,620	$ 145,117,712

Table 1

2014	2015	2016	2017	2018	2019
$ 120,837,511	$ 131,248,516	$ 144,053,526	$ 161,330,230	$ 172,179,914	$ 240,687,066
4,111,501	3,721,637	3,617,882	4,208,575	5,201,309	3,697,546
-	-	-	163,450	351,107	-
236,256	243,525	255,346	266,635	278,314	276,322
267,986	297,346	343,673	334,069	355,564	317,916
478,867	1,481,070	954,214	1,983,593	2,745,290	3,224,084
-	224,833	969,307	-	219,155	683,654
26,373	-	-	-	-	-
-	2,330,480	2,221,896	469,387	1,030,449	637,496
					2,879
					1,149
-	-	11,742	173,755	13,356,391	6,353
5,087,465	7,157,318	1,568,337	(993,658)	(27,816,047)	(30,803,644)
131,045,959	146,704,725	153,995,923	167,936,036	167,901,446	218,730,821
12,716,267	13,789,268	15,786,945	16,911,360	16,982,591	17,105,343
5,069,470	3,909,794	3,798,069	3,336,296	2,447,316	3,796,410
17,785,737	17,699,062	19,585,014	20,247,656	19,429,907	20,901,753
133,553,778	145,037,784	159,840,471	178,241,590	189,162,505	257,792,409
4,111,501	3,721,637	3,617,882	4,208,575	5,201,309	3,697,546
-	-	-	163,450	351,107	-
236,256	243,525	255,346	266,635	278,314	276,322
267,986	297,346	343,673	334,069	355,564	317,916
478,867	1,481,070	954,214	1,983,593	2,745,290	3,224,084
26,373	-	-	-	-	-
-	224,833	969,307	-	219,155	683,654
-	2,330,480	2,221,896	469,387	1,030,449	637,496
-	-	-	-	-	2,879
-	-	-	-	-	1,149
-	-	11,742	173,755	13,356,391	6,353
10,156,935	11,067,112	5,366,406	2,342,638	(25,368,731)	(27,007,234)
$ 148,831,696	$ 164,403,787	$ 173,580,937	$ 188,183,692	$ 187,331,353	$ 239,632,574

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

June 30, 2019

	2010	2011	2012	2013
Expenses				
Governmental activities:				
General Government	$ 8,682,965	$ 9,814,820	$ 9,629,543	$ 9,524,312
Public Safety	10,253,680	10,478,094	10,697,935	11,228,188
Transportation	4,299,079	4,370,908	4,052,075	4,119,839
Environmental Protection	2,397,576	2,520,645	2,554,192	2,666,922
Cultural and Recreational	2,024,989	2,502,178	2,644,989	2,819,826
Interest on long-term debt	902,986	909,477	932,318	995,852
Subtotal governmental activities expense	28,561,275	30,596,122	30,511,052	31,354,939
Business-type activities:				
Water and sewer	170,850	147,731	126,995	74,309
Electric	16,097,214	17,327,845	16,908,508	17,486,017
Subtotal business-type activities expenses	16,268,064	17,475,576	17,035,503	17,560,326
Total primary government expenses	44,829,339	48,071,698	47,546,555	48,915,265
Program Revenues				
Governmental activities:				
Charges for Services				
General Governmental	1,101,020	1,206,061	1,240,682	1,901,453
Public Safety	417,136	298,319	272,903	624,000
Transportation	52,628	73,665	73,334	36,873
Environmental Protection	266,524	267,115	210,471	191,383
Cultural and Recreational	471,331	625,252	566,154	1,119,803
Operating Grants and Contributions				
General Governmental	-	144,937	342,982	-
Public Safety	56,655	116,649	75,676	82,944
Transportation	656,839	686,375	738,982	770,703
Environmental Protection	396	3,057	-	54,028
Cultural and Recreational	-	-	-	-
Capital Grants and Contributions				
General Governmental	-	-	-	-
Public Safety	21,454	62,117	-	16,960
Transportation	700,731	1,487,487	-	3,612,138
Environmental Protection	210,394	46,999	-	-
Cultural and Recreational	158,479	291,521	284,861	142,693
Subtotal governmental activities program revenues	4,113,587	5,309,554	3,806,045	8,552,978

Continued on next page

Table 2

2014	2015	2016	2017	2018	2019
$ 10,466,637	$ 10,288,616	$ 11,422,995	$ 12,869,405	$ 13,074,362	$ 14,299,862
12,809,633	13,193,519	15,997,273	14,515,834	15,553,468	16,907,529
4,436,052	5,090,607	1,785,023	2,276,688	5,606,567	8,234,442
2,787,905	2,661,631	3,081,207	3,312,425	3,594,622	3,798,036
3,250,469	3,759,071	1,951,732	6,865,664	4,432,829	2,574,238
809,270	775,312	748,481	604,099	625,012	1,257,960
34,559,966	35,768,756	34,986,711	40,444,115	42,886,860	47,072,067
60,395	44,045	27,761	11,907	-	-
17,964,027	19,503,601	18,172,784	19,562,897	20,200,887	19,680,438
18,024,422	19,547,646	18,200,545	19,574,804	20,200,887	19,680,438
52,584,388	55,316,402	53,187,256	60,018,919	63,087,747	66,752,505
1,767,013	2,183,403	(2,985,095)	2,456,723	2,874,041	2,641,893
444,838	608,598	641,804	544,319	685,319	406,705
19,403	28,655	18,663	91,773	126,506	174,785
168,524	172,421	174,647	185,245	174,764	143,845
805,310	1,181,893	987,346	1,601,675	1,124,097	1,943,860
-	-	-	7,994	5,070	17,589
85,197	75,676	78,823	75,676	75,676	122,239
796,640	810,220	946,028	852,302	868,086	879,928
37,184	2,264	-	-	-	-
-	2,834	20,975	80,330	755,194	211,655
-	-	-	-	-	28,731
264,256	99,564	65,450	5,680	20,865	-
3,397,026	15,342,778	7,870,624	10,193,724	8,328,200	49,687,277
-	-	11,000	-	-	-
427,543	2,756	13,541	3,347,745	20,222	298,467
8,212,934	20,511,062	7,843,806	19,443,186	15,058,040	56,556,974

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

June 30, 2019

	2010	2011	2012	2013
Business-type activities:				
Charges for Services -				
Electric	17,520,430	18,453,796	17,033,633	17,987,671
Operating Grants and Contributions -				
Water and sewer	-	311	31	-
Subtotal business-type activities program	17,520,430	18,454,107	17,033,664	17,987,671
Total primary government program revenues	21,634,017	23,763,661	20,839,709	26,540,649
Net (Expense) Revenue				
Governmental activities	(24,447,688)	(25,286,568)	(26,705,007)	(22,801,961)
Business-type activities:				
Water and sewer	(170,850)	(147,420)	(126,964)	(74,309)
Electric	1,423,216	1,125,951	125,125	501,654
Total primary government net expense	(23,195,322)	(24,308,037)	(26,706,846)	(22,374,616)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes, levied for general purpose	18,229,078	18,590,117	19,271,260	20,062,610
Other taxes and licenses	83,634	86,027	113,292	92,347
Unrestricted intergovernmental	5,789,968	6,254,703	6,671,559	7,070,415
Unrestricted investment earnings	85,946	67,390	68,575	139,553
Miscellaneous	327,018	402,927	415,408	516,424
Special items	-	-	-	-
Transfers	1,423	10,765	-	1,460
Subtotal governmental activities	24,517,067	25,411,929	26,540,094	27,882,809
Business type activities:				
Unrestricted investment earnings	174,934	152,522	132,409	82,968
Unrestricted intergovernmental	-	-	-	-
Miscellaneous	26,999	56,346	4,949	33,723
Transfers and Special items	(1,423)	(10,765)	-	(1,460)
Subtotal business-type activities	200,510	198,103	137,358	115,231
Total primary government	24,717,577	25,610,032	26,677,452	27,998,040
Change in Net Position				
Governmental activities	69,379	125,361	(164,913)	5,080,848
Business-type activities	1,452,876	1,176,634	135,519	542,576
Total primary Government	$ 1,522,255	$ 1,301,995	$ (29,394)	$ 5,623,424

Table 2

2014	2015	2016	2017	2018	2019
18,068,548	19,501,560	19,946,073	19,948,850	20,670,944	20,988,155
-	-	-	-	-	-
18,068,548	19,501,560	19,946,073	19,948,850	20,670,944	20,988,155
26,281,482	40,012,622	27,789,879	39,392,036	35,728,984	77,545,129
(26,347,032)	(15,257,694)	(27,142,905)	(21,000,929)	(27,828,820)	9,484,907
(60,395)	(44,045)	(27,761)	(11,907)	-	-
104,521	(2,041)	1,773,289	385,953	470,057	1,307,717
(26,302,906)	(15,303,780)	(25,397,377)	(20,626,883)	(27,358,763)	10,792,624
21,387,601	22,496,254	23,681,908	24,545,443	25,966,222	27,789,480
110,789	47,957	64,894	70,711	75,096	55,488
7,527,964	8,773,026	9,464,778	9,845,432	10,308,211	11,090,320
69,369	67,633	110,600	177,663	293,076	750,509
766,922	607,247	1,111,923	1,447,361	1,048,382	1,658,671
-	507,768	-	-	-	-
7,166	-	-	-	-	-
29,869,811	32,499,885	34,434,103	36,086,610	37,690,987	41,344,468
65,167	49,047	38,254	33,004	35,208	86,707
-	1,177	-	-	-	
89,078	162,559	102,170	255,592	423,602	77,422
(7,166)	-	-	-	-	-
147,079	212,783	140,424	288,596	458,810	164,129
30,016,890	32,712,668	34,574,527	36,375,206	38,149,797	41,508,597
3,522,779	17,242,191	7,291,198	15,085,681	9,862,167	50,829,375
191,205	166,697	1,885,952	662,642	928,867	1,471,846
$ 3,713,984	$ 17,408,888	$ 9,177,150	$ 15,748,323	$ 10,791,034	$ 52,301,221

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

June 30, 2019

	2010	2011	2012	2013
General Fund				
Reserved for:				
Encumbrances	$ 254,500	$ -	$ -	$ -
State statute	2,669,931	-	-	-
Inventories and prepaid items	62,904	-	-	-
Streets	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	2,108,755	-	-	-
Undesignated	7,383,752	-	-	-
Non Spendable				
Inventories	-	16,327	16,327	17,169
Prepaid Expenditures	-	535	-	-
Restricted:				
Stabilization by State Statute	-	5,424,734	3,753,434	2,757,473
Inspections (HB 255)	-	-	-	-
Downtown District	-		222,608	224,269
Public Safety	-		208,258	267,904
Equipment and vehicles				
Assigned:				
Subsequent years expenditures	-	1,660,745	921,000	935,130
Unassigned	-	4,838,882	6,349,345	7,726,822
Total General Fund	$ 12,479,842	$ 11,941,223	$ 11,470,972	$ 11,928,767
All Other Governmental Funds				
Unreserved, reported in:				
Special revenue funds	$ 314,410	$ -	$ -	$ -
Capital projects funds	4,217,030	-	-	-
Committed:				
Economic Development	-	-	-	900,053
Street improvements	-	2,068,159	2,513,318	897,352
Recreation improvements	-	113,239	-	-
Restricted:				
Street improvements	-	-	-	-
Holding park pool renovations	-	-	-	-
Parks and recreation	-	-	-	-
Equipment and vehicles	-	-	-	-
Street and sidewalk improvements				
Greenways	-	-	-	-
Grants	-	-	-	-
Assigned:				
Subsequent years expenditures	-	611,431	2,455,268	1,830,896
Debt service	-	-	-	-
Recreation improvements	-	1,320,649	1,081,765	726,880
Cemetery improvements	-	104,092	104,193	104,330
Fire Department	-	-	-	-
Roadway projects	-	-	-	-
Asset maintenance	-	-	-	-
Unassigned	-	(799,734)	(1,067,899)	-
Total all other Governmental Funds	$ 4,531,440	$ 3,417,836	$ 5,086,645	$ 4,459,511

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 funded by federal grant, as well as those which will be funded by
Note (2): Changes from 2017 to 2018 were mainly due to GO bond issuance in June 2018.

Table 3

2014	2015	2016	2017	2018	2019
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,099	13,281	15,942	12,958	16,710	15,069
-	-	74,031	69,775	100,850	124,878
4,111,501	3,721,637	3,617,882	4,208,575	5,201,309	3,697,546
-	-	-	163,450	351,107	-
236,256	243,525	255,346	266,635	278,314	276,322
267,986	297,346	343,673	334,069	354,521	317,916
	224,833	969,307	-	219,155	683,654
1,383,860	894,170	1,161,500	1,481,115	1,597,145	2,182,500
5,634,102	7,633,804	8,013,074	9,521,082	8,360,653	9,955,217
$ 11,648,804	$ 13,028,596	$ 14,450,755	$ 16,057,659	$ 16,479,764	$ 17,253,102
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
923,451	946,850	1,030,500	1,082,750	1,418,720	1,510,489
-	-	-	-	-	-
-	-	-	-	-	-
478,867	1,287,047	954,214	1,983,593	2,745,290	-
26,373	-	-	-	-	-
-	-	-	-	13,341,012	-
-	194,023	-	-	-	-
					3,224,084
-	2,330,480	2,221,896	469,387	1,030,449	637,496
-	-	11,742	173,755	16,422	10,381
2,353,473	3,058,811	1,242,997	1,728,468	-	-
-	-	-	-	1,055,143	302,046
833,558	1,365,216	1,665,395	1,630,042	2,431,103	2,901,051
104,408	74,048	69,372	69,699	56,046	56,847
-	-	-	-	1,218,444	1,434,819
-	-	-	-	835,124	948,462
-	-	-	-	49,948	45,302
(293,207)	-	-	(3,979,125)	(4,270,147)	(4,849,418)
$ 4,426,923	$ 9,256,475	$ 7,196,116	$ 3,158,569	$ 19,927,554	$ 6,221,559

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

June 30, 2019

	2010	2011	2012	2013
Revenues				
Ad Valorem Taxes	$18,218,142	$18,655,904	$19,314,239	$20,062,793
Other Taxes	81,990	84,844	87,495	92,347
Unrestricted Intergovernmental	5,789,968	6,254,703	6,671,559	7,070,415
Restricted Intergovernmental	1,110,921	1,339,445	1,442,501	1,121,653
Permits and Fees	1,547,973	1,679,309	1,625,891	3,151,923
Sales and Services	760,666	796,759	758,893	710,031
Miscellaneous	327,018	465,688	440,520	527,072
Investment Earnings	340,767	67,390	68,575	122,770
Total revenues	28,177,445	29,344,042	30,409,673	32,859,004
Expenditures				
General Government	8,145,908	8,821,715	9,255,647	8,705,491
Public Safety	9,449,953	9,679,055	9,899,361	10,418,124
Transportation	2,071,754	2,162,019	1,811,031	1,734,057
Environmental Protection	2,289,181	2,420,516	2,461,981	2,577,759
Cultural and Recreational	1,558,458	1,605,629	1,742,995	2,003,892
Capital outlay	9,456,702	3,782,821	7,697,205	5,371,207
Debt service:				
Bond Principal	2,365,250	1,015,000	1,010,000	1,005,000
Bond Interest	452,588	628,763	572,513	542,188
Installment note principal	753,022	877,659	1,238,404	1,957,402
Installment note interest	352,835	334,913	372,133	361,021
Total expenditures	36,895,651	31,328,090	36,061,270	34,676,141
Excess of revenues over (under) expenditures	(8,718,206)	(1,984,048)	(5,651,597)	(1,817,137)
Other Financing Sources (Uses)				
Transfers in	3,525,538	913,836	5,597,826	1,453,347
Transfers (out)	(3,524,115)	(903,071)	(5,597,826)	(1,451,887)
Special Item	-	-	-	-
Installment note proceeds	407,504	321,060	6,850,155	1,603,825
Bond premium/(issuance costs)	(151,247)	-	-	-
Bond issuance	9,005,000	-	-	-
Insurance reconvery - Shop Fire 2016*	-	-	-	-
Total other financing sources (uses)	9,262,680	331,825	6,850,155	1,605,285
Net changes in fund balances	544,474	(1,652,223)	1,198,558	(211,852)
Fund balance - beginning of year (as previously reported)	16,392,452	17,011,282	15,359,059	16,557,617
Adjustments to beginning fund balance	74,356	-	-	42,513
Fund balance - beginning of year (as restated)	16,466,808	17,011,282	15,359,059	16,600,130
Fund balance - end of year	$17,011,282	$15,359,059	$16,557,617	$16,388,278
Debt service as a percentage of noncapital expenditures	14.30%	10.37%	11.26%	13.19%

Table 4

2014	2015	2016	2017	2018	2019
$ 21,364,309	$22,496,254	$23,681,908	$24,545,443	$25,966,222	$27,789,480
110,789	47,957	64,894	70,711	75,096	55,488
7,527,964	8,740,874	9,464,778	9,845,432	10,308,211	11,090,320
2,233,503	1,029,571	1,162,325	4,674,540	2,679,743	6,089,714
2,530,344	3,592,120	3,200,322	3,867,619	4,333,204	4,260,255
746,997	847,584	967,433	800,167	776,303	1,050,656
757,487	489,816	892,367	1,045,895	941,708	1,659,716
52,589	50,849	151,696	187,357	316,625	692,804
35,323,982	37,295,025	39,585,723	45,037,164	45,397,112	52,688,433
9,245,621	9,387,662	9,987,406	10,114,354	10,915,763	12,127,881
11,896,289	12,586,385	15,344,482	13,730,482	14,386,094	15,963,299
1,836,957	1,986,906	1,982,830	2,009,350	2,109,389	2,166,297
2,700,114	2,863,636	2,982,465	3,158,944	3,426,135	3,626,355
2,369,564	2,840,566	2,866,153	3,097,344	3,281,932	3,635,384
6,180,462	2,532,617	3,102,334	12,251,028	14,105,263	27,581,846
1,005,000	1,000,000	1,215,000	1,253,000	1,245,000	2,067,000
511,988	475,375	538,038	410,917	379,189	909,555
2,465,139	2,795,093	2,884,020	2,881,069	2,945,536	3,380,080
321,270	295,441	257,952	212,440	230,681	347,043
38,532,404	36,763,681	41,160,680	49,118,928	53,024,982	71,804,740
(3,208,422)	531,344	(1,574,957)	(4,081,764)	(7,627,870)	(19,116,307)
356,367	277,878	2,916,749	1,693,359	5,928,103	5,960,025
(349,201)	(277,878)	(2,916,749)	(1,693,360)	(5,928,103)	(5,960,025)
-	507,768	-	-	-	-
2,888,705	792,750	871,700	1,023,170	-	-
-	47,482	-	-	770,970	-
-	4,330,000	65,057	-	24,048,550	6,183,650
-	-	-	627,952	-	-
2,895,871	5,678,000	936,757	1,651,121	24,819,520	6,183,650
(312,551)	6,209,344	(638,200)	(2,430,643)	17,191,650	(12,932,657)
16,388,278	16,075,727	22,285,071	21,646,871	19,216,228	36,407,318
-	-	-	-	(560)	-
16,388,278	16,075,727	22,285,071	21,646,871	19,215,668	36,407,318
$ 16,075,727	$22,285,071	$21,646,871	$19,216,228	$36,407,318	$23,474,661
13.30%	13.34%	12.86%	12.90%	12.33%	15.16%

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

June 30, 2019

	Program Revenues		
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
2010	$ 19,829,069	$ 713,890	$ 1,091,058
2011	20,924,208	951,329	1,888,124
2012	19,397,177	1,157,671	284,861
2013	21,861,183	907,675	3,771,791
2014	21,273,636	919,021	4,088,825
2015	23,676,530	890,994	15,445,098
2016	18,783,438	1,045,826	7,960,615
2017	24,828,585	1,016,302	13,547,149
2018	25,655,671	1,704,026	8,369,287
2019	26,299,243	1,231,411	50,014,475

* 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.

Table 5

General Revenue				
Taxes	Unrestricted Intergovernmental	Unrestricted Investment Earnings	Miscellaneous	Total
$ 18,312,712	$ 5,789,968	$ 260,880	$ 354,017	$ 46,351,594
18,676,144	6,254,703	219,912	459,273	49,373,693
19,384,552	6,671,559	200,984	420,357	47,517,161
20,154,957	7,070,415	222,521	550,147	54,538,689
21,498,390	7,527,964	134,536	856,000	56,298,372
22,544,211	8,774,203	116,680	1,277,574	72,725,290
23,746,802	9,464,778	148,854	1,214,093	62,364,406
24,616,154	9,845,432	210,667	1,702,953	75,767,242
26,041,318	10,308,211	328,284	1,471,984	73,878,781
27,844,968	11,090,320	837,216	1,736,093	119,053,726

Table 6

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

June 30, 2019

Fiscal Year	Taxes	Intergovernmental	Permits and Fees	Sales and Services	Investment Earnings	Miscellaneous Revenues	Total
2010	$ 24,000,426	$ 952,442	$ 1,057,807	$ 760,666	$ 140,826	$ 274,260	$ 27,186,427
2011	24,995,451	1,117,009	1,114,255	796,759	58,183	307,744	28,389,401
2012	26,073,293	1,339,589	1,204,262	758,893	54,424	422,909	29,853,370
2013	27,225,555	907,675	1,853,691	710,031	34,831	422,787	31,154,570
2014	29,071,809	888,290	1,803,280	695,300	25,870	460,782	32,945,331
2015	31,283,682	984,848	2,292,774	847,584	24,310	489,816	35,923,014
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

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, 2019

Fiscal Year	General Government	Public Safety	Transportation	Environmental Protection	Cultural and Recreational	Debt Service	Fiscal Year Total
2010	$ 9,064,236	$ 9,682,515	$ 2,668,418	$ 2,389,591	$ 1,523,354	$ 3,923,695	$ 29,251,809
2011	10,130,934	10,147,037	2,377,888	2,420,516	1,871,215	2,856,335	29,803,925
2012	10,421,497	10,321,288	2,301,523	2,468,976	1,836,625	3,193,050	30,542,959
2013	9,081,076	10,836,218	2,343,492	2,940,893	2,190,341	3,865,611	31,257,631
2014	11,428,809	12,420,494	2,155,007	2,700,114	2,486,889	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

(1) Does not include capital outlay expenditures

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

June 30, 2019

Fiscal Year	General Government	Public Safety	Transportation	Environmental Protection
2010	$ 8,682,965	$ 10,253,680	$ 4,299,079	$ 2,397,576
2011	9,814,820	10,478,094	4,370,908	2,520,645
2012	9,629,543	10,697,935	4,052,075	2,554,192
2013	9,524,312	11,228,188	4,119,839	2,666,922
2014	10,466,637	12,809,633	4,436,052	2,787,905
2015	10,288,616	13,193,519	5,090,607	2,661,631
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

Table 8

Cultural and Recreation	Interest on Long-term Debt	Water and Sewer	Electric	Total
$ 2,024,989	$ 902,986	$ 170,850	$ 16,097,214	$ 44,829,339
2,502,178	909,477	147,731	17,327,845	48,071,698
2,644,989	932,318	126,995	16,908,508	47,546,555
2,819,826	995,852	74,309	17,486,017	48,915,265
3,250,469	809,270	60,395	17,964,027	52,584,388
3,759,071	775,312	44,045	19,503,601	55,316,402
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

Table 9

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

June 30, 2019

Fiscal Year	Tax Year Ended December 31	Real Property	Personal Property	Public Service Company	Total Assessed Value	Total Direct Tax Rate	Ratio of Assessed Value to Estimated Actual Value
2010	2009	$ 3,205,505,756	$ 266,540,456	$ 31,382,089	$ 3,503,428,301	$ 0.510	100%
2011	2010	3,221,774,225	345,392,571	30,995,165	3,598,161,961	0.510	100%
2012	2011	3,373,651,564	348,998,438	30,021,371	3,752,671,373	0.510	100%
2013	2012	3,454,767,428	413,935,518	33,118,426	3,901,821,372	0.510	100%
2014	2013	3,578,577,402	531,310,563	32,184,022	4,142,071,987	0.510	100%
2015	2014	3,772,983,301	478,751,321	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%

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 four (4) years by State Statute. The last revaluation occurred as of December 31, 2016.

*Amount does not agree to that fiscal year's CAFR; 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, 2019

Fiscal Year	Town of Wake Forest	Wake County	Combined Tax Rate Per $100 of Assessed Value
2010	$ 0.510	$ 0.534	$ 1.044
2011	0.510	0.534	1.044
2012	0.510	0.534	1.044
2013	0.510	0.534	1.044
2014	0.510	0.578	1.088
2015	0.520	0.615	1.135
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

Table 11

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

June 30, 2019

	2019			2010		
Taxpayer	**Taxable Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**	**Taxable Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**
Wake Forest Apartments LLC	$ 39,620,368	1	0.74%	$ -	-	0.00%
Caveness Partners LLC	35,075,009	2	0.66%	21,105,703	4	0.60%
Wake Forset Crossing Owner LLC	32,457,371	3	0.61%	-	-	0.00%
Legacy Wake Forest LLC	29,806,893	4	0.56%	-	-	0.00%
Crossroads Holdings LLC	27,683,674	5	0.52%	25,834,058	1	0.74%
WMCI Raleigh IV LLC	26,803,533	6	0.50%	22,765,335	3	0.65%
1-800 Pack Rat LLC	26,737,580	7	0.50%	-	-	0.00%
Heritage Gardens LLC	25,104,215	8	0.47%	-	-	0.00%
Wake EMC	24,561,065	9	0.46%	-	-	0.00%
Gateway Forest LLC	23,054,415	10	0.43%	19,058,455	7	0.54%
Time Warner Entertainment	14,316,701	15	0.27%	22,710,009	2	0.65%
Heritage Wake Forest Inc	-	-	0.00%	19,928,744	5	0.57%
Lowes Home Center Inc	10,324,420	26	0.19%	18,835,412	8	0.54%
Factory LLC	-	-	0.00%	19,677,441	6	0.56%
Walmart Real Estate Business Trust	-	-	0.00%	15,055,714	9	0.43%
MLC Automotive LLC	16,904,935	13	0.32%	14,682,581	10	0.54%
Total	$ 332,450,179		6.25%	199,653,452		5.82%
Total Assessed Value	$ 5,323,065,702			$ 3,503,428,301		

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, 2019

Fiscal Year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
2010	$ 2,365,250	$ 452,588	$ 2,817,838	$ 29,251,809	9.6%
2011	1,015,000	628,763	1,643,763	29,477,326	5.6%
2012	1,010,000	572,513	1,582,513	29,919,509	5.3%
2013	1,005,000	542,188	1,547,188	31,257,631	4.9%
2014	1,005,000	511,988	1,516,988	35,578,285	4.3%
2015	1,000,000	475,375	1,475,375	35,833,160	4.1%
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%

(1) Excludes bond issuance and other costs.

(2) Includes both General Fund and Debt Service Fund

TOWN OF WAKE FOREST, NORTH CAROLINA

Property Tax Levies and Collections

LAST TEN FISCAL YEARS

JUNE 30, 2019

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy
2010	$ 18,185,036	$ (26,445)	$ 18,158,591
2011	18,576,563	-	18,576,563
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

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
$ 17,886,169	98.50%	$ 250,872	$ 18,137,041	99.88%
18,353,347	98.80%	190,738	18,544,085	99.83%
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%

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
2010	28,542	**	34.5	139,599	8.8%	6.2%
2011	30,329	29,723	32.9	143,289	8.7%	6.6%
2012	31,774	41,440	34.2	146,687	7.9%	5.9%
2013	33,703	32,060	35.0	149,528	7.3%	5.4%
2014	35,609	33,711	35.0	154,381	5.1%	3.9%
2015	37,046	32,474	34.2	159,984	4.8%	4.0%
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%

Sources:

(1) Wake Forest Business & Industry Partnership - 2019 Community Profile (discoverwakeforest.org)

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

(3) Wake Forest Business & Industry Partnership - 2019 Community Profile (discoverwakeforest.org)

(4) Wake Forest Business & Industry Partnership - 2019 Community Profile (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, 2019

Fiscal Year	Debt Limit	Less: Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2010	$ 280,274,264	$ 24,531,725	$ 255,742,539	8.75%
2011	287,852,957	24,595,011	263,257,946	8.54%
2012	300,213,710	29,196,762	271,016,948	9.73%
2013	312,145,710	27,802,641	284,343,069	8.91%
2014	331,365,759	27,256,751	304,109,008	8.23%
2015	342,941,335	49,354,418	293,586,917	14.39%
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 (1)	378,021,219	11.23%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	$ 5,323,065,702
Debt Limit (8% of total assessed value)	425,845,256
Debt applicable to limit	47,824,037
Legal debt margin	$ 378,021,219
Percentage of debt to debt limit	11.23%

(1) Debt Applicable to Limit includes $27,050,000 outstanding bonded debt, $4,920,000 authorized and unissued bonded debt and $15,854,037 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, 2019

Fiscal Year	(1) Population	Assessed Value	Gross Bonded Debt	Debt Payable From Enterprise Revenues
2010	28,542	$ 3,503,428,301	$ 16,790,000	-
2011	30,329	3,598,161,961	15,775,000	-
2012	31,774	3,752,671,373	14,765,000	-
2013	33,703	3,901,821,373	13,760,000	-
2014	35,609	4,142,071,987	12,942,690	-
2015	37,046	4,286,766,624	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	-

(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 also.

Table 16

Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita	Gross Bonded Debt per Capita
$ 16,790,000	0.48%	588	588
15,775,000	0.44%	520	520
14,765,000	0.39%	465	465
13,760,000	0.35%	408	408
12,942,690	0.31%	365	365
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

Table 17

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

June 30, 2019

Jurisdiction	Bonded Debt		Percentage Applicable to Town (2)	Amount Applicable to Town
Direct:				
Town of Wake Forest	$ 43,778,220	(1)	100.00%	$ 43,778,220
Overlapping: (3)				
Wake County	$ 1,727,510,000	(4)	3.58%	61,870,413
			Total	$ 105,648,632

(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, 2019

Fiscal Year	Commercial		Residential		Total	
	Number	Value	Number	Value	Number	Value
2010	59	$ 26,595,248	316	$ 57,137,983	375	$ 83,733,231
2011	47	6,122,922	415	68,864,397	462	74,987,319
2012	67	10,282,212	585	70,591,023	652	80,873,235
2013	94	27,164,939	501	100,873,993	595	128,038,932
2014	89	29,873,213	419	74,795,239	508	104,668,452
2015	102	33,338,472	561	102,480,602	663	135,819,074
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

(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, 2019

Fiscal Year	Admin	Comm	(2) Downtown Development	Economic Development	Finance	Human Resources	IT	Planning	(3) Inspections	Police
2010	3.0	2.0	0.0	0.0	17.0	4.0	3.0	23.0	0.0	65.0
2011	3.0	2.0	0.0	0.0	17.0	4.0	4.0	22.0	0.0	67.0
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

(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.

Table 19

Engineering	Pub Works Admin	Fleet	Streets	Sanitation	Parks & Recreation	Public Facilities	Electric	Tree Trimming	Year Total
7.0	3.0	5.0	18.0	9.0	15.0	0.0	22.0	0.0	196.0
7.0	3.0	5.0	17.0	9.0	15.0	1.0	22.0	0.0	198.0
7.0	3.0	5.0	17.0	9.0	15.0	1.0	22.0	0.0	201.0
7.0	3.0	5.0	17.0	9.0	15.0	2.0	19.0	3.0	209.0
7.0	3.0	5.0	20.0	9.0	17.0	2.0	19.0	3.0	222.0
7.0	3.0	5.0	20.0	9.0	19.0	3.0	19.0	3.0	228.0
7.0	3.0	5.0	20.0	9.0	19.0	3.0	20.0	3.0	228.0
7.0	2.0	6.0	20.0	9.0	23.0	3.0	20.0	3.0	244.0
7.0	2.0	6.0	20.0	12.0	23.0	4.0	21.0	5.0	258.0
6.0	5.0	6.0	20.0	12.0	21.0	4.0	21.0	5.0	275.0

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

June 30, 2019

Fiscal Year	Property Tax	Sales Tax	Utility Sales Distribution (1)
2010	$ 18,128,468	$ 4,257,327	$ 1,468,603
2011	18,579,520	4,559,143	1,550,178
2012	19,240,193	4,991,298	1,528,114
2013	19,988,279	5,285,774	1,581,534
2014	21,290,422	5,700,274	1,661,397
2015	22,422,548	6,218,974	2,335,449
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

(1) Formerly Franchise Tax.

Table 20

Motor Vehicle Licenses	Rental Vehicle Tax	Beer & Wine Tax	Total
$ 96,886	$ 32,994	$ 39,216	$ 24,023,494
99,371	36,920	125,782	24,950,914
219,629	31,791	131,394	26,142,419
324,888	38,731	125,512	27,344,718
485,076	39,867	139,022	29,316,058
456,574	47,957	154,318	31,635,820
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

Table 21

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

June 30, 2019

	Governmental Activities		Business-Type Activities				(1)	
Fiscal Year	General Obligation Bonds	Installment Financings	General Obligation Bonds	Installment Financings	Revenue Bonds	Total Primary Government	Debt Per Capita	Percentage of Personal Income
2010	$ 16,790,000	$ 9,376,610	$ -	$ 4,315,594	$ 1,817,049	$ 32,299,253	1,132	N/A
2011*	15,875,091	8,820,011	-	3,650,588	1,643,761	29,889,360	986	3.32%
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	48,824,400	1,079	2.89%

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 CAFR; amount was adjusted in subsequent fiscal year reporting

Table 22

TOWN OF WAKE FOREST, NORTH CAROLINA
MISCELLANEOUS STATISTICS

June 30, 2019

Date of Incorporation	February 20, 1909	
Form of Government	Council-Manager	
Miles of City-owned Streets	127.21	
Fire Protection (Combination: Paid/Volunteer)		
Number of Stations	5	
Number of Full-Time & Part-Time	92	
Number of Volunteers	55	
Police Protection		
Number of Stations	5	
Number of Full-time Sworn Officers	76	
Utility System: Electric		
Number of Customers	6,824	
Residential Rates:	Basic Customer Charge	$15.95
	Energy Charge	$0.1131 per kwh
Community Facilities:		
Parks	0 Private	12 Public
Pools	6 Private	1 Public
Sprayground	0 Private	1 Public
Tennis Courts	7 Private	4 Public
Golf Courses	1 Semi-private	1 Public

Cultural Activities:

*Wake Forest Renaissance Centre (WFRC)	*Concerts in the Park (in addition to the Six Sundays Series)
*Wake Forest Birthplace Museum	*Neck of the Woods - regular theater and music performances at WFRC
*Wake Forest Historic District	*Forest Moon Theatre events at WFRC
*Arts Wake Forest	*Good Neighbor Day community music, art, and food festival
*Wake Forest Biennal Historical Homes Tour	*Annual Lighting of Wake Forest and Christmas Parade
*Wake Forest Historical Association bi-monthly programs	*Art After Hours monthly events in Downtown Wake Forest
*Friday Night on White Street	*Wake Forest Mardi Gras - community festival
*Six Sundays in Spring concert series	*Dirt Day - showcasing healthy living, outdoor lifestyle
*Wake Forest Dance Festival	*Wake Forest Charity Car Show
*Arbor Day Celebration	*Public Power Week
*Fourth of July Fireworks Spectacular	*Meet in the Street - Spring arts and music festival
*Memorial Flag Raising	*Mid-day Concerts at Town Hall Plaza
*Wake Forest Christmas Parade	*Wake Forest Home & Garden Show
*Easter Egg Hunt at Joyner Park	*Wake Forest Purple Heart Foundation's Annual Banquet
*Halloween Spooktacular	*Movies in the Park, Wake Forest Unplugged, National Trails Day
*Art Galleries in Downtown Wake Forest	*Art-in-the-Park & Games-in-the-Park

	2019		2010	
Principal Employers*:	Number of Employees	Rank	Number of Employees	Rank
Wake County Public School System	843	1	683	1
Southeastern Baptist Theological Seminary, Inc.	450	2	345	4
Wal-mart	396	3	388	2
CenturyLink	380	4	375	3
Town of Wake Forest	275	5	178	7
Lowes Foods	235	6		
Target Corporation	200	7	233	5
Sam's Club	182	8	-	-
Pack-Rat	175	9		
Chik Fil A	175	9		
Lowe's Home Improvement	170	11	175	8
Rex Healthcare (Wake Forest & Wakefield)	165	12	-	-
Home Depot	161	13	106	9
Publix	160	14	-	-
Hillside Nursing Center of Wake Forest, Inc.	150	15	-	-
Franklin Academy	130	16	-	-
Texas Roadhouse	123	17	-	-
East Coast Drilling & Blasting Inc.	92	18	-	-
Kohl's	90	19		
Carolina Ale House	80	20	-	-
Moffat Pipe	80	20		

* Source - Wake Forest Economic Development. Numbers are approximate

TOWN *of* WAKE FOREST

Cherry Bekaert LLP
CPAs & Advisors

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, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated October 31, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Cherry Bekaert LLP

Raleigh, North Carolina
October 31, 2019

Cherry Bekaert LLP
CPAs & Advisors

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, 2019. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* 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, 2019.

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.

Cherry Bekaert LLP

Raleigh, North Carolina
October 31, 2019

Cherry Bekaert LLP
CPAs & Advisors

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, 2019. The Town's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Town's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations (CFR) 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, 2019.

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
October 31, 2019

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

FOR THE YEAR ENDED JUNE 30, 2019

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: 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:

CFDA Numbers	Names of Federal Program or Cluster
20.205	Highway Planning and Construction

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

Auditee qualified as low-risk auditee? ___X___ yes _____ no

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

FOR THE YEAR ENDED JUNE 30, 2019

None noted.

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

FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures
FEDERAL GRANTS:					
U.S. Department of Transportation					
Passed through N.C. Department of Transportation:					
Priority Pedestrian Corridors - Sidewalk Projects	20.205-1	WBS 41821.1.38	$ 1,590,669	$ -	$ 505,181
Dunn Creek Greenway - Downtown Connector	20.205-1	WBS 41821.1.41	7,405	-	-
Ligon Mill Road Operational Improvements	20.205-1	WBS 42379.1.3	6,650	-	80,975
Stadium Drive - Complete Streets	20.205-1	WBS 55056.1.1	3,006,682	-	1,292,099
Smith and Sanford Creek Greenway	20.205-1	WBS 46229.1.1	55,377	-	30,120
Durham Road Operational Improvements	20.205-1	STPDA-0527 (019)	-	-	141,262
Total U.S. Department of Transportation			4,666,783	-	2,049,637
U.S. Department of Justice					
Equitable Sharing Program:					
Asset Forfeiture and Money Laundering	16.922	N/A	36,575	-	-
Total U.S. Department of Justice			36,575	-	-
U.S. Department of Agriculture					
Passed through US Forest Service					
NC Forest Service	10.675	17-217-4008	-	-	7,589
Ash Protection Program	10.664	17-DG-11083137-001	10,000	-	100
Total U.S. Department of Agriculture			10,000	-	7,689
U.S. Homeland Security					
Passed through Federal Emergency Management Assistance (FEMA)					
Dunn Creek 2018	97.036	7-G2143	-	-	-
Richland Creek 2018	97.036	7-G2143	-	-	81,400
Total U.S. Homeland Security			-	-	81,400
Total Federal Grants			4,713,358	-	2,138,726
STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE					
N.C. Department of Transportation					
Non-State System Street-Aid Allocation Fund (Powell Bill)	N/A	WBS 32570	-	879,928	-
Passed through N.C. Governor's Highway Safety Program					
Traffic Safety Unit (2018)	20.600	PT-18-06-22	-	4,319	16,299
Traffic Safety Unit (2019)	20.600	PT-19-06-07	-	42,244	22,504
Total NC Department of Transportation			-	926,491	38,803
N.C. Department of Commerce					
Building Reuse Program (Downtown Revitalization)	N/A	2017-053-1257-1534	-	28,731	-
Revitalization and Economic Development (S White Street)	N/A	2019-054-1257-1534	-	100,000	-
Total NC Department of Commerce			-	128,731	-
N.C. Department of Justice					
Ailey Young Dam Restoration	N/A	TWF 015	-	66,134	1,944
Total NC Department of Justice			-	66,134	1,944
N.C. Department of Natural and Cultural Resources					
Passed through N.C. Clean Water Management Trust Fund					
Smith Creek Greenway - Phase 2	N/A	2016-089	-	-	127,983
Smith Creek Greenway - Phase 3	N/A	2016-089	-	-	20,350

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

FOR THE YEAR ENDED JUNE 30, 2019

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
Passed through General Assembly					
Joyer Park - Gateway & Arch	N/A	N/A	-	14,400	-
Total NC Department of Natural and Cultural Resources			-	14,400	148,333
Total State of North Carolina Financial Assistance			-	1,135,756	189,080
Total Federal & State of North Carolina Financial Assistance			$ 4,713,358	$ 1,135,756	$ 2,327,806

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

Note 1*:* The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and state grant activity of the Town of Wake Forest the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Town of Wake Forest, it is not intended to and does not present the financial position, changes in net position or cash flows 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, 2019.