TOWN OF WAKE FOREST

Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDING
JUNE 30,

2018

TOWN *of*
WAKE FOREST

Back Cover

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2018

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
Teel Anderson, 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
Zee Khan, 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

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TOWN *of* WAKE FOREST

October 25, 2018

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, 2018. 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 18.23 square miles and the extraterritorial or planning jurisdiction of the Town ("ETJ") covers an additional 4.02 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. 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

Like the national and state economy, the local economy continued to improve in fiscal year 2018 with the number of new construction permits and the value of the estimated construction costs both increasing from fiscal years 2016 and 2017. The total number of building permits for new construction, additions and alterations was 1,188, an increase of 27% over the previous fiscal year. This is a record number of building permits issued with the previous highest, 1,125, issued back in fiscal year 2006 (pre-recession). Retail sales increased and resulted in a 5.8% increase in sales tax revenues over fiscal year 2017. 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 3,400 students with an increase in enrollment over 30% in the past ten years. The Seminary offers study in 40 different undergraduate and post-graduate degree programs. A recent analysis conducted in January 2017 reports that the Seminary has a direct annual economic impact of $37.5 million in Wake Forest. In addition, over 1,540 full-time jobs, an average of over 308 per year, have been created and sustained over the last five years by the Seminary's direct and indirect expenditures.

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

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

The number of small firms in town has more than tripled over the last 15 years. This includes a variety of technology employers as follows: Ultra Electronics 3 Phoenix, BTC Electronics, Superior Tooling, Sunthonix, RxMedic, Trident Technologies and PowerSecure just to name a few.

As of June 30, 2018, the Town's estimated population was 43,287 - an increase of 4.9% from fiscal year ended June 30, 2017. Total growth has been 59% since 2009. Wake Forest's tax base has grown from $3.3 billion in 2009 to over $4.9 billion in 2018. The Town's tax base is approximately 25% commercial/industrial and 75% residential for fiscal year 2017-18.

During the fiscal year, the Town issued a record number of permits as follows: 1,066 for residential construction and 122 for commercial construction. Permits issued for residential and commercial new construction and alteration cost values of over $239 million, an increase of approximately 49% over fiscal year 2017. Construction continued in the following developments during 2018:

- 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.
- 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 and is expected to be completed in 2019.

The Board adopted a fiscal year 2019 budget based on growth patterns similar to 2018, 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. Recently, in a comparative cost analysis of Wake County municipalities, Wake Forest ranks number three in customer costs for municipal services provided for fiscal year 2019. This is based on average median value of a single-family residential unit along with average water/sewer usage for the year.

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.

Some highlights of fiscal year 2017-2018 are as follows:

- Additional positions added to meet the demands of our growing community
  - Ten (10) full time positions added
  - Three (3) positions converted from part time to full time
  - Two (2) permanent part time positions added
- Reorganization of four departments
- Performance management (measures and workload indicators) system implemented
- Debt model updated April 2018
- Completed internal IT strategy and organization assessment
- Comprehensive Transportation Plan update launched – expected to be completed by mid-2019
- Parks and Recreation Impact Fee study completed – new fees implemented August 2018
- Comprehensive fee analysis for Parks, Recreation and Cultural Resources and the Renaissance Centre – Fee policy approved in March 2018 – new fees adopted in May 2018

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 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. Project was completed in September 2018.
- Second phase of renovations at the Wake Forest Renaissance Centre totaling approximately $744,500 included: raised ceiling, extended stage, theater lighting and upgraded sound system in the Grand Hall. This project was made possible due to a grant received from the Wake County Board of Commissioners. Grand opening of the Centre was held in June 2018.
  - With remaining funds in project budget – additional enhancements are expected to be completed in 2019.
- Acquisition of 353 S. White Street (formerly SunTrust building) for $1.5 million in May 2018 – located in the Renaissance area of downtown – purpose for future economic development.
- Joyner Park Community Center construction underway and expected to be complete by summer 2019. Project cost estimated at $12 million includes 32,000 square foot facility with walking track, gymnasium for basketball, volleyball and pickleball; multi-purpose rooms; dance studio; and kitchen.
- Northern Wake Senior Center expansion underway. 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.
- Construction commenced for Royal Mill road connection, street rehabilitation and pavement resurfacing along with Owen Avenue parking lot. Street rehabilitation completed in June and others expected to be complete by early 2019.
- Stadium Drive Complete Street project construction underway and expected completion in late 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 will relocate from 234 Friendship Chapel Road to this site in early 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. As mentioned above, the debt model was updated during FY 2017-2018 in conjunction with issuing approximately $17 million in general obligation bonds in June 2018. Also included in the debt model update are planned issuances through 2021. A debt service fund was established during the fiscal year with specific revenues including a portion of the tax rate, vehicle fees and downtown municipal service district tax funds being earmarked to repay general fund debt.

With the general obligation bonds authorized by voter referendum passed in November 2014, the Town planned to issue these bonds in phases. The first phase was issued in March 2015, the second phase was offered in June and the final phase is planned for some time in 2021. Additional planned future debt issuance include (1) an approximately $2.5 million installment finance agreement currently scheduled for 2019 for fiber optic infrastructure, (2) an approximately $4.5 million installment finance agreement currently scheduled for 2019 for streetscape improvements and (3) annual installment financing agreements to fund vehicle and equipment needs. The Town recently closed on the issuance of $3.5 million in installment financing to fund the purchase of 5031 Unicon Drive to house the electric system. The debt will be repaid from electric sale of power revenues.

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 2019. 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, 2017. This was the 28th 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 2017. In September, GFOA named the Town as the recipient of an Award for Outstanding Achievement in Popular Annual Financial Reporting for its Citizens' Financial Report for the fiscal year ended June 30, 2017 with its first submission for consideration.

The preparation of this report would not have been possible without the skill, effort and dedicated service of the Finance Department. We appreciate the support and cooperation of Cherry Bekaert LLP. We sincerely appreciate the contributions of everyone who assisted with this report as well as the entire Town staff for their cooperation and assistance in prudent financial management throughout the year. In addition, we would also like to thank the Mayor and Board of Commissioners for their continued support, guidance and advice in planning and conducting the financial activities of the Town in a responsible and progressive manner.

Respectfully submitted,

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

Aileen J. Staples
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, 2017

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.

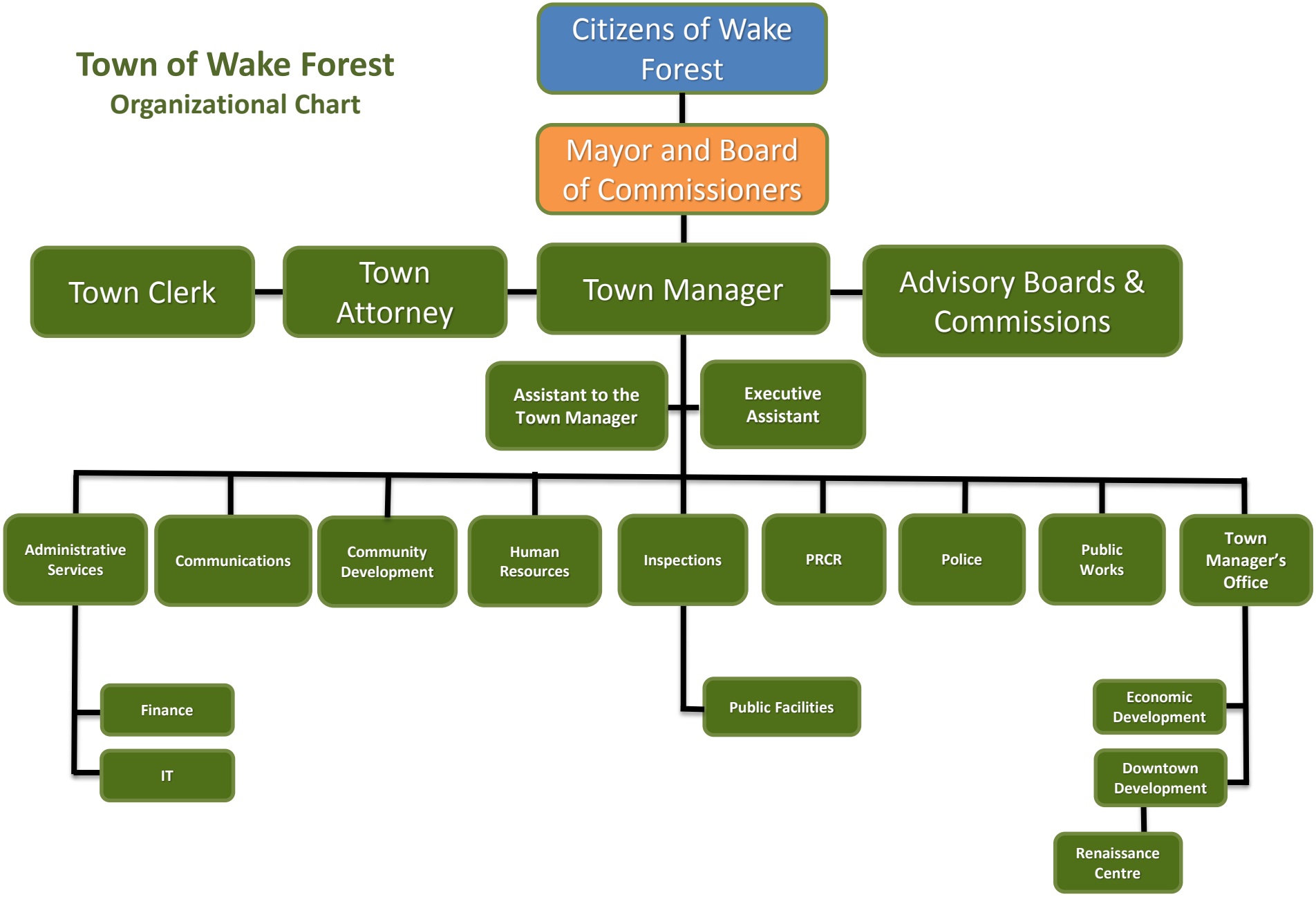
Public Safety
Responsible for the protection of life and property, traffic control and enforcement, criminal investigation, and enforcement of local and state law. Fire services are provided through a contract with the Wake Forest Fire Department.

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, 2018, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 of the financial statements, the Town adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. As a result, net position as of June 30, 2017 has been restated. Our opinion is not modified with respect to this matter.

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, 2018 and 2017 and the schedule of expenditures of federal and state awards for the year ended June 30, 2018 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 25, 2018 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 25, 2018

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, 2018. 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 2017-18, 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. In preparation for issuance of the General Obligation (GO) Bonds the Town obtained a rating from Fitch which resulted in AAA. The town's other current bond ratings are AAA (Standard & Poor') 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 $187,331,353 (*net position*) or a 0.46% decrease from prior year.

- The Town's total net position increased by $10,791,034, primarily due to an increase in the governmental-type activities net position of $9,862,167. Business-type activities position increased $928,867 for the fiscal year.

- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balance of $36,407,318.

    - $4,090,506 or 11.2% is unassigned and available for spending at the Town's discretion
    - $23,537,579 or 64.7% is restricted by external agencies
    - $1,418,720 or 3.9% is committed for economic development purposes
    - $117,560 or 0.3% is considered non-spendable
    - $7,242,953 or 19.9% is assigned for specific purposes as identified by the Town

- The Town's total debt *increased* by $20,081,191 (81.8%) during the current fiscal year. Along with retiring a significant amount of debt during the year, four (4) installment purchase agreements and three (3) general obligation bonds were issued:

    General Obligation Bonds:
    - $830,000 – Street and Sidewalk Improvements and Greenway Improvements (various projects) – June 2018 – twenty year term – 2.98%
    - $14,200,000 – Parks and Recreation Improvements (Joyner Park and Northern Wake Senior Center) – June 2018 – twenty year term – 2.98%
    - $1,650,000 – Street and Sidewalk Improvements Bonds (Roger Road Underpass) – June 2018 - twenty year term – 2.98%

    Installment Purchase Agreements:
    - $2,900,000 – Holding Park Pool Phase II Renovations – September 2017 – 10 year term – 2.85%
    - $1,068,550 – Rolling Stock - December 2017 – 3 year term – 1.95%
    - $2,400,000 – Street Improvements (Street Resurfacing, Street Connections and Police Parking Lot) – May 2018 – 8 year term – 3.39%
    - $1,000,000 – 353 South White Street – May 2018 – 4 ½ year term – 3.10%

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

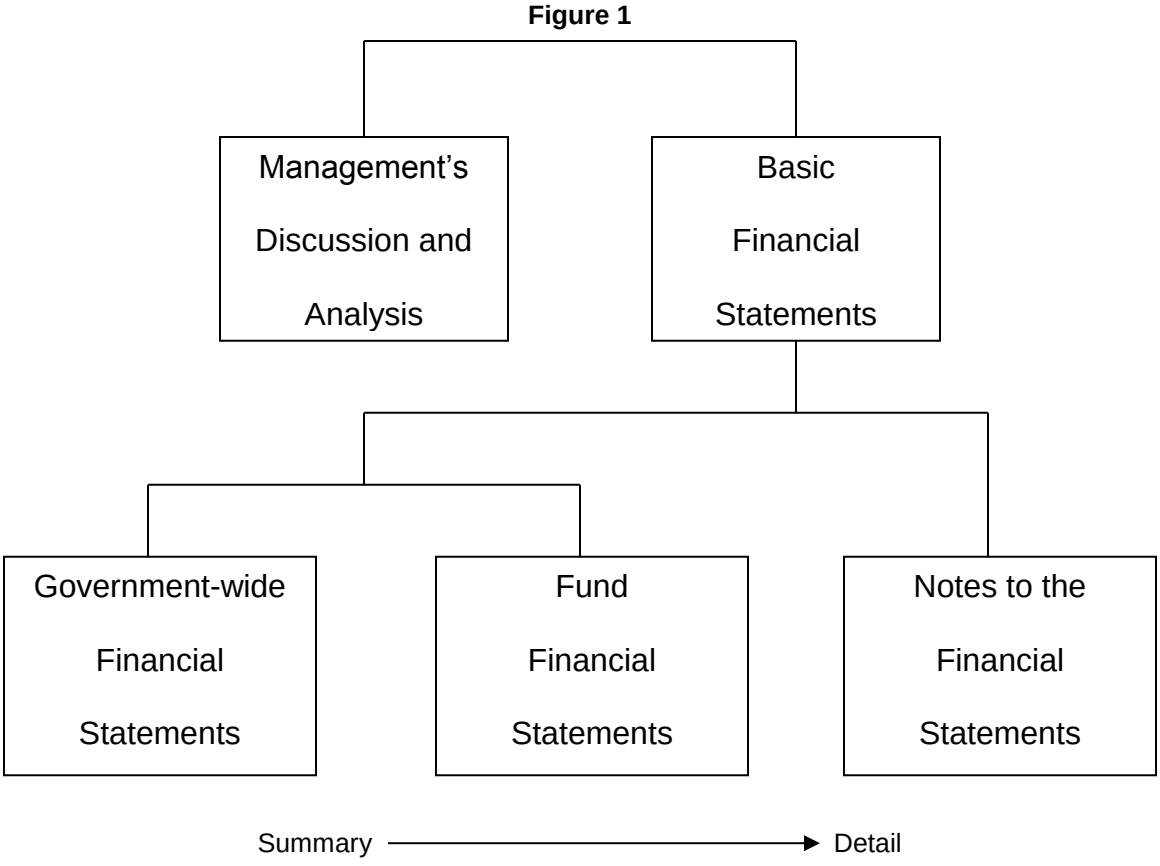
The first two statements (Exhibits 1 and 2) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the Town's financial status, using the full accrual basis of accounting, in a manner similar to a private-sector business.

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 component, however, did not have any activity that must be included in this report.

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Government-Wide Financial Analysis

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

The town implemented GASB 75 related to our Other Post-Employment Benefits (OPEB). This implementation required a restatement of the beginning balance to recognize the total other post-employment liability. The restatement was $11,643,373. The ending balance for this liability at June 30, 2018 was $19,593,442. The Town has no accumulated assets set aside for this allowance.

Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	$ 42,196,012	$ 25,187,015	$ 8,120,677	$ 6,724,947	$ 50,316,689	$ 31,911,962
Capital assets	196,405,961	181,368,514	19,457,541	19,163,134	215,863,502	200,531,648
Total asset	238,601,973	206,555,529	27,578,218	25,888,081	266,180,191	232,443,610
Deferred outflows of resources	2,764,475	3,573,907	354,172	545,161	3,118,647	4,119,068
Total assets and deferred outflows of resources	**241,366,448**	**210,129,436**	**27,932,390**	**26,433,242**	**269,298,838**	**236,562,678**
Long-term liabilities outstanding	60,549,373	32,269,841	5,473,725	3,922,294	66,023,098	36,192,135
Other liabilities	10,793,452	9,466,852	2,706,998	2,239,112	13,500,450	11,705,964
Total liabilities	71,342,825	41,736,693	8,180,723	6,161,406	79,523,548	47,898,099
Deferred inflows of resources	2,122,177	456,707	321,760	24,180	2,443,937	480,887
Total liabilities and deferred inflows of resources	**73,465,002**	**42,193,400**	**8,502,483**	**6,185,586**	**81,967,485**	**48,378,986**
Net investment in capital assets	172,179,914	161,330,230	16,982,591	16,911,361	189,162,505	178,241,591
Restricted	23,537,579	7,599,464	-	-	23,537,579	7,599,464
Unrestricted	(27,816,047)	(993,658)	2,447,316	3,336,295	(25,368,731)	2,342,637
Total net position	**$ 167,901,446**	**$ 167,936,036**	**$ 19,429,907**	**$ 20,247,656**	**$ 187,331,353**	**$ 188,183,692**

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 $187,331,353 as of June 30, 2018. However, the largest portion (81.1%) 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		Business-Type		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	$ 4,984,727	$ 4,879,735	$ 20,670,944	$ 19,948,850	$ 25,655,671	$ 24,828,585
Operating grants and contributions	1,704,026	1,016,302	-	-	1,704,026	1,016,302
Capital grants and contributions	8,369,287	13,547,149	-	-	8,369,287	13,547,149
General revenues						
Property taxes	25,966,222	24,545,443	-	-	25,966,222	24,545,443
Other taxes	75,096	70,711	-	-	75,096	70,711
Investment earnings	293,076	177,663	35,208	33,004	328,284	210,667
Other	11,356,593	11,292,793	423,602	255,592	11,780,195	11,548,385
Total revenues	52,749,027	55,529,796	21,129,754	20,237,446	73,878,781	75,767,242
Expenses:						
General government	13,074,362	12,869,405	-	-	13,074,362	12,869,405
Public safety	15,553,468	14,515,834	-	-	15,553,468	14,515,834
Transportation	5,606,567	2,276,688	-	-	5,606,567	2,276,688
Environmental protection	3,594,622	3,312,425	-	-	3,594,622	3,312,425
Cultural and recreation	4,432,829	6,865,664	-	-	4,432,829	6,865,664
Interest on long-term debt	625,012	604,099	-	-	625,012	604,099
Water and sewer	-	-	-	11,907	-	11,907
Electric	-	-	20,200,887	19,562,897	20,200,887	19,562,897
Total expenses	42,886,860	40,444,115	20,200,887	19,574,804	63,087,747	60,018,919
Change in net position	9,862,167	15,085,681	928,867	662,642	10,791,034	15,748,323
Net position - July 1	167,936,036	153,995,923	20,247,656	19,585,014	188,183,692	173,580,937
Restatement	(9,896,757)	(1,145,568)	(1,746,616)	-	(11,643,373)	(1,145,568)
Net position - June 30	$ 167,901,446	$ 167,936,036	$ 19,429,907	$ 20,247,656	$ 187,331,353	$ 188,183,692

Governmental activities. Management acknowledges that 2018 was a successful year and plans to continue to enhance the organizations fiscal strength, which is a goal identified in the strategic plan. Governmental activities increased the Town's net position by $9,862,167 thereby accounting for 91.4% of the total growth in the net position of the Town. Key elements of this increase are as follows:

- Ad valorem taxes made up 5.8% of governmental activity revenue and continue to be a significant revenue source for funding local government operations. Current year ad valorem taxes increased 5.9% over the previous fiscal year due to continued growth.
- Utility franchise tax decreased $51,293 (2.1%) from previous year – this was primarily due the fact there were only minor fluctuations in the season
- Local option sales tax increased $414,364 (5.8%) over prior fiscal year – due to increased retail sales; along with growth in business coming online during the year.
- Building permit revenue increased $336,724 (21.7%) over previous year due to continued development and growth.

- Total governmental activity revenue *decreased* 5.0% while expenses *increased* 6.0% from the previous fiscal year. Developer contributions decreased significantly, $5,177,862 or 38.2%, from 2017 to 2018. This is due to the number of streets and sidewalks accepted into the town's system.

Business-type activities. Business-type activities increased the Town of Wake Forest's net position by $928,867. Key elements of this increase are as follows:

- Charges for services from the Sale of Power increased slightly, 3.5%, compared to previous fiscal year ended June 30, 2017. This is attributed to an abnormally cold winter season.
- Total business-type expenses *increased* $626,083 (3.2%). There were several items which contributed to this: LGERS pension expense, OPEB expense, personnel allocation, banking services related to increased credit card transactions processed, as well as the power purchases.

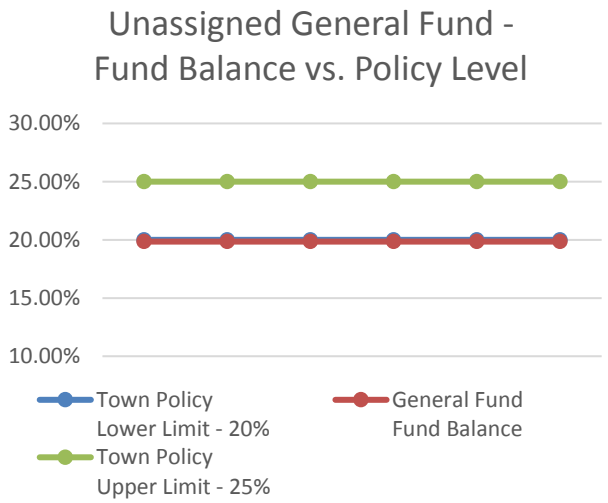
Financial Analysis of the Town's Funds

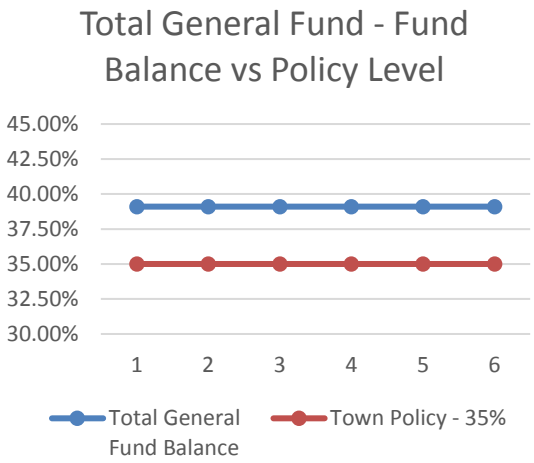
As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 $8,360,653 while total fund balance was $16,479,764. 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 19.9% of the total General Fund expenditures, while total fund balance represents 39.1% 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, 2018, the governmental funds of the Town reported a combined fund balance of $36,407,318 with a net *increase* in fund balance of $17,191,650. The General Fund, Debt Service Fund, special revenue funds, capital project funds and future capital reserve funds are included in this combined amount. This increase is attributed to the issuance of the outstanding general obligation bond authorization. During the current year debt was issued for Joyner Park, Northern Wake Senior Center, Roger Road Widening and Underpass, as well as various other greenway improvements and street and sidewalk improvements.

General Fund Budgetary Highlights. During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Some differences between the original budget and the final amended budget are as follows:

- Ad valorem taxes received exceeded original budget estimates by $950,542 (4.0% increase) due to conservative budgeting regarding the collection rate along with growth in the tax base.
- Unrestricted intergovernmental revenues was less than the original estimates by $129,039 (1.0% decrease). This is attributed to decreased realized in utility distribution sales tax revenues.
- Due to the town's conservative management practices the operating expenditures for the fiscal year was approximately $2.8 million or 7.0%, under budgeted expectations.

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

The original budget planned to use $1,481,115 of appropriated fund balance and was amended during the year to $1,692,635 for one time capital items. However, fund balance actually *increased* $355,619 for fiscal year 2017-2018. 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 $2,447,316 and the total ending net position was $19,429,907.

The Electric Fund's net position increased $830,713 while the total proprietary fund's net position increased $928,867 during the fiscal year. Operating expenses *increased 3.3%* while sale of power revenues *increased 3.7%*. As mentioned above there were various reasons which attributed to the increase in the operating expenses, which include LGERS pension expense, OPEB expense personnel allocation and bank service charges.

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, 2018 totaled $215,863,502 (net of accumulated depreciation). This represents a 7.7% increase from June 30, 2017. 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 - $4,104,822
- Hedrick Property – $617,545
- Taylor Street Sprayground - $511,025
- 353 South White Street (Formerly SunTrust building) - $1,504,561
- Public Safety vehicle and equipment - $467,341

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land, rights and easements	$ 45,717,726	$ 41,475,939	$ 510,605	$ 510,605	$ 46,228,331	$ 41,986,544
Buildings and system	13,955,231	13,004,703	-	-	13,955,231	13,004,703
Other improvements	111,187,932	111,115,991	16,977,522	17,224,068	128,165,454	128,340,059
Equipment and furniture	1,656,741	1,779,767	808,075	893,126	2,464,816	2,672,893
Vehicles and motorized equipment	4,320,209	4,302,907	1,161,339	535,335	5,481,548	4,838,242
Construction in progress	19,568,122	9,689,207	-	-	19,568,122	9,689,207
Total	$ 196,405,961	$ 181,368,514	$ 19,457,541	$ 19,163,134	$ 215,863,502	$ 200,531,648

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

Long-term Debt. As of June 30, 2018, the Town had total bonded debt outstanding of $29,117,000 and governmental activities installment purchase related debt of $13,052,203. The outstanding revenue bond debt totals $1,788,017 which represents the balance owed on the electric substation constructed in 2007 along with the 2014 John B. Cole substation improvements. The Electric Fund also has installment purchase agreement debt of $686,933, which was issued during the year for rolling stock and equipment.

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 $351,068,320. These statutory limits exceed the Town's realistic debt capacity.

As of June 30, 2018, 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	
	2018	2017	2018	2017	2018	2017
General obligation bonds	$ 29,117,000	$ 13,682,000	$ -	$ -	$ 29,117,000	$ 13,682,000
Revenue bonds	-	-	1,788,017	2,251,773	1,788,017	2,251,773
Installment Purchase	13,052,203	8,629,189	686,933	-	13,739,136	8,629,189
Total	$ 42,169,203	$ 22,311,189	$ 2,474,950	$ 2,251,773	$ 44,644,153	$ 24,562,962

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, 2018

Governmental Activities: The 2018-2019 Adopted Budget *decreased* (1.6%) from the 2017-2018 Amended Budget, but increased 3.8% over the 2017-2018 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. Sixteen (16) new positions were included in the approved budget.

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 $44.5 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 $75,000 transfer to the Futures Fund.

In addition, the Town's has taken steps to effectively manage the growing other post-employment benefits liability. The Board of Commissioners took action to limit this benefit to include only those employees hired on or before June 30, 2018. Further, there is an allocation in the 2018-2019 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.

Business–type Activities: Utility rates were unchanged in the Electric Fund with the Adopted 2018-2019 Budget. The total budget was $21.4 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 and a full year salary for the Electric Systems Division Manager, as well as the Tree Trimming Urban Forestry positions.

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, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 18,350,757	$ 3,922,030	$ 22,272,787
Taxes receivables (net)	121,125	-	121,125
Accounts receivable (net)	4,241,853	2,623,528	6,865,381
Due from other governments	661,391	-	661,391
Inventories	16,710	1,550,119	1,566,829
Prepaid expenses	100,850	25,000	125,850
Restricted cash and cash equivalents	17,879,392	-	17,879,392
Due in more than one year			
Note receivable-noncurrent portion	823,934	-	823,934
Capital assets			
Land, improvements, and construction in progress	65,285,848	510,605	65,796,453
Other capital assets, net of depreciation	131,120,113	18,946,936	150,067,049
Total Assets	238,601,973	27,578,218	266,180,191
Deferred Outflows of Resources			
Contributions to LGERS pension plan in current fiscal year	1,021,507	107,727	1,129,234
Pension deferrals - LGERS	1,340,386	218,257	1,558,643
Law enforcement separation allowance deferrals	248,415	-	248,415
Other postemployment benefits deferrals	154,167	28,188	182,355
Total Deferred Outflows of Resources	2,764,475	354,172	3,118,647
Liabilities			
Accounts payable	4,651,574	1,595,762	6,247,336
Accrued interest payable	210,086	11,976	222,062
Customer deposits	-	289,369	289,369
Due within one year			
Compensated absences	571,182	58,384	629,566
Bonds and notes payable	5,471,330	751,506	6,222,836
Due in more than one year			
Compensated absences	605,592	51,463	657,055
Total pension obligation - LEO	2,807,287	-	2,807,287
Net pension obligation - LGERS	2,831,327	670,062	3,501,389
Total Other postemployment benefits & obligations	16,564,685	3,028,757	19,593,442
Bonds and notes payable	37,629,762	1,723,444	39,353,206
Total Liabilities	71,342,825	8,180,723	79,523,548
Deferred Inflows of Resources			
Prepaid taxes	122,610	-	122,610
Pension deferrals - LGERS	212,064	15,634	227,698
Other postemployment benefits deferrals	1,674,242	306,126	1,980,368
Law enforcement separation allowance deferrals	54,123	-	54,123
Grants	59,138	-	59,138
Total Deferred Inflows of Resources	2,122,177	321,760	2,443,937
Net Position			
Net investment in capital assets	172,179,914	16,982,591	189,162,505
Restricted for			
Stabilization by state statute	5,201,309	-	5,201,309
Inspections (HB 255)	351,107		351,107
Downtown district	278,314	-	278,314
Public safety	355,564	-	355,564
Equipment and vehicles	219,155	-	219,155
Street and sidewalk improvements	2,745,290	-	2,745,290
Greenways	1,030,449	-	1,030,449
Cultural and Recreation	13,356,391	-	13,356,391
Unrestricted	(27,816,047)	2,447,316	(25,368,731)
Total Net Position	$ 167,901,446	$ 19,429,907	$ 187,331,353

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, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
General government	$ 13,074,362	$ 2,874,041	$ 5,070	$ -	$ (10,195,251)	$ -	$ (10,195,251)
Public safety	15,553,468	685,319	75,676	20,865	(14,771,608)	-	(14,771,608)
Transportation	5,606,567	126,506	868,086	8,328,200	3,716,225	-	3,716,225
Environmental protection	3,594,622	174,764	-	-	(3,419,858)	-	(3,419,858)
Cultural and recreation	4,432,829	1,124,097	755,194	20,222	(2,533,316)	-	(2,533,316)
Interest on long-term debt	625,012	-	-	-	(625,012)	-	(625,012)
Total governmental activities	42,886,860	4,984,727	1,704,026	8,369,287	(27,828,820)	-	(27,828,820)
Business-type activities:							
Electric	20,200,887	20,670,944	-	-	-	470,057	470,057
Total business-type activities	20,200,887	20,670,944	-	-	-	470,057	470,057
Total	$ 63,087,747	$ 25,655,671	$ 1,704,026	$ 8,369,287	(27,828,820)	470,057	(27,358,763)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					25,966,222	-	25,966,222
Other taxes and licenses					75,096	-	75,096
Unrestricted intergovernmental					10,308,211	-	10,308,211
Unrestricted investment earnings					293,076	35,208	328,284
Miscellaneous					1,048,382	423,602	1,471,984
Total general revenues and transfers					37,690,987	458,810	38,149,797
Change in net position					9,862,167	928,867	10,791,034
Net position-beginning					167,936,036	20,247,656	188,183,692
Restatement (Note 18)					(9,896,757)	(1,746,616)	(11,643,373)
Net position-beginning (restated)					158,039,279	18,501,040	176,540,319
Net position-ending					$ 167,901,446	$ 19,429,907	$ 187,331,353

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, 2018

	General	Debt Service Fund	Parks and Recreation Improvements	Greenway Transportation Projects	Streets Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 12,835,658	$ -	$ -	$ -	$ -	$ 5,515,098	$ 18,350,756
Receivables, net							
Taxes	121,125	-	-	-	-	-	121,125
Accounts	2,876,353	-	-	1,020,774	4	344,722	4,241,853
Due from other governments	660,281	-	-	1,110	-	-	661,391
Due from other funds	1,685,612	-	-	-	-	500,000	2,185,612
Inventories	16,710	-	-	-	-	-	16,710
Prepaid expenditures	100,850	-	-	-	-	-	100,850
Restricted cash and cash equivalents	1,203,097	1,055,143	13,514,553	-	1,440,430	666,169	17,879,392
Total Assets	$ 19,499,686	$ 1,055,143	$ 13,514,553	$ 1,021,884	$ 1,440,434	$ 7,025,989	$ 43,557,689
Liabilities							
Accounts payable and accrued liabilities	$ 2,265,875	$ -	$ -	$ -	$ -	$ 25,637	$ 2,291,512
Due to other funds	500,000	-	-	1,390,015	-	295,597	2,185,612
Accounts payable from restricted assets	-	-	483,601	715,821	804,532	356,108	2,360,062
Total Liabilities	2,765,875	-	483,601	2,105,836	804,532	677,342	6,837,186
Deferred Inflow of Resources							
Property taxes receivable	121,125	-	-	-	-	-	121,125
Sanitation receivables	10,312	-	-	-	-	-	10,312
Prepaid taxes and other	122,610	-	-	-	-	-	122,610
Grants	-	-	-	-	-	59,138	59,138
Total deferred inflows of resources	254,047	-	-	-	-	59,138	313,185
Fund Balances							
Non Spendable							
Inventories	16,710	-	-	-	-	-	16,710
Prepayments	100,850	-	-	-	-	-	100,850
Restricted							
Stabilization by state statute	5,201,309	-	-	-	-	-	5,201,309
Inspections (HB 255)	351,107	-	-	-	-	-	351,107
Downtown district	278,314	-	-	-	-	-	278,314
Public safety	354,521	-	-	-	-	-	354,521
Parks and recreation	-	-	13,030,952	-	-	310,060	13,341,012
Equipment and vehicles	219,155		-	-	-	-	219,155
Street and sidewalk improvements	-	-	-	2,109,390	635,900	-	2,745,290
Greenways	-	-	-	1,030,449	-	-	1,030,449
Grants:							
Cultural and Recreation	-	-	-	-	-	15,379	15,379
Public Safety	-	-	-	-	-	1,043	1,043
Committed							
Economic development	-	-	-	-	-	1,418,720	1,418,720
Assigned							
Subsequent years expenditures	1,597,145	-	-	-	-	-	1,597,145
Debt service	-	1,055,143	-	-	-	-	1,055,143
Recreation improvements	-	-	-	-	-	2,431,103	2,431,103
Cemetery improvements	-	-	-	-	-	56,046	56,046
Fire Department	-	-	-	-	-	1,218,444	1,218,444
Roadway Projects	-	-	-	-	-	835,124	835,124
Asset Maintenance	-	-	-	-	-	49,948	49,948
Unassigned	8,360,653	-	-	(4,223,791)	2	(46,358)	4,090,506
Total fund balances	16,479,764	1,055,143	13,030,952	(1,083,952)	635,902	6,289,509	36,407,318
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 19,499,686	$ 1,055,143	$ 13,514,553	$ 1,021,884	$ 1,440,434	$ 7,025,989	$ 43,557,689

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, 2018

Fund balances-total governmental funds		$ 36,407,318
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.		823,934
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	$ 260,147,365	
Less accumulated depreciation	(63,741,404)	196,405,961
Contributions to the LGERS pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		1,021,507
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	(42,169,203)	
Premiums received on bond issuance	(931,889)	
Compensated absences	(1,176,774)	
Other postemployment benefits & obligations	(16,564,685)	
Total pension obligation - LEOSSA	(2,807,287)	
Net pension obligation - LGERS	(2,831,327)	(66,481,165)
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		131,437
Deferred inflows/outflows of resources related to pensions are not reported in the funds - LEOSSA & LGERS		1,322,619
Deferred inflows/outflows of resources related to pensions are not reported in the funds - Other postemployment benefits		(1,520,079)
Other liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest expense payable		(210,086)
Net position of governmental activities		$ 167,901,446

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, 2018

	General	Debt Service Fund	Parks and Recreation Improvement	Greenway Transportation Projects	Streets Improvements	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Ad valorem taxes	$ 25,966,222	$ -	$ -	$ -	$ -	$ -	$ 25,966,222
Other taxes	75,096	-	-	-	-	-	75,096
Unrestricted intergovernmental	10,308,211	-	-	-	-	-	10,308,211
Restricted intergovernmental	102,239	868,086	-	1,212,426	-	496,992	2,679,743
Permits and fees	2,656,028	310,323	-	191,192	-	1,175,661	4,333,204
Sales and services	776,303	-	-	-	-	-	776,303
Miscellaneous	814,512	-	-	110,652	-	16,544	941,708
Investment earnings	181,719	6,490	-	27,314	35	101,067	316,625
Total revenues	40,880,330	1,184,899	-	1,541,584	35	1,790,264	45,397,112
Expenditures:							
Current:							
General government	10,909,253	-	-	-	-	6,510	10,915,763
Public safety	14,333,034	-	-	-	-	53,060	14,386,094
Transportation	2,109,389	-	-	-	-	-	2,109,389
Environmental protection	3,426,135	-	-	-	-	-	3,426,135
Cultural and recreation	3,223,971	-	-	33,582	-	24,379	3,281,932
Capital outlay	3,311,249	-	964,328	4,399,184	1,764,133	3,666,369	14,105,263
Debt service:							
Bond principal	-	1,245,000	-	-	-	-	1,245,000
Bond interest	-	379,189	-	-	-	-	379,189
Installment note principal	-	2,945,536	-	-	-	-	2,945,536
Installment note interest	-	230,681	-	-	-	-	230,681
Total expenditures	37,313,031	4,800,406	964,328	4,432,766	1,764,133	3,750,318	53,024,982
Revenues under expenditures	3,567,299	(3,615,507)	(964,328)	(2,891,182)	(1,764,098)	(1,960,054)	(7,627,870)
Other financing sources (uses):							
Transfers in	569,351	4,670,650	-	-	-	688,102	5,928,103
Transfers out	(5,638,279)	-	(142,000)	(50,500)	-	(97,324)	(5,928,103)
Issuance of debt	2,068,550	-	14,200,000	2,480,000	2,400,000	2,900,000	24,048,550
Premium on debt issuance	-	-	658,610	112,360	-	-	770,970
Total other financing sources (uses)	(3,000,378)	4,670,650	14,716,610	2,541,860	2,400,000	3,490,778	24,819,520
Net change in fund balances	566,921	1,055,143	13,752,282	(349,322)	635,902	1,530,724	17,191,650
Fund balance - beginning of year	16,057,659	-	(721,330)	(734,630)	-	4,614,529	19,216,228
Restatement - beginning of year (Note 18)	(144,816)	-	-	-	-	144,256	(560)
Fund balance - end of year	$ 16,479,764	$ 1,055,143	$ 13,030,952	$ (1,083,952)	$ 635,902	$ 6,289,509	$ 36,407,318

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

TOWN OF WAKE FOREST, NORTH CAROLINA

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS - RECONCILIATION

FOR THE YEAR ENDED JUNE 30, 2018

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 17,191,650
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	$ 14,105,264	
Less current year depreciation	(6,336,756)	
The net effect of various miscellaneous transactions involving capital assets is to decrease net position	(166,197)	7,602,311
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		1,021,507
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Developer's contributed capital		7,435,140
Change in notes receivable		(35,913)
Change in unavailable revenue for tax and sanitation revenues		(38,991)
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	19,157	
Issuance of debt	(24,048,550)	
Premium received on issuance of debt	(770,971)	
Principal payments	4,190,537	
		(20,609,827)
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		(218,850)
Pension Expense - LGERS		(982,810)
Pension Expense - LEOSSA		(246,456)
Other postemployment benefits expense		(1,396,906)
LEOSSA benefit payments and administration cost made in current fiscal year are not included in Statement of Activities		2,295
Other postemployment benefit payments and administration cost made in current fiscal year are not included in Statement of Activities		154,159
Change in accrued interest payable		(15,142)
Total changes in net position of governmental activities		$ 9,862,167

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

TOWN OF WAKE FOREST, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018

	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Ad valorem taxes	$ 24,940,185	$ 25,759,710	$ 25,890,727	$ 131,017
Other taxes and licenses	72,000	72,000	75,096	3,096
Unrestricted intergovernmental	10,437,250	10,491,095	10,308,211	(182,884)
Restricted intergovernmental	940,780	75,680	75,676	(4)
Permits and fees	2,067,950	2,498,005	2,656,028	158,023
Sales and services	713,020	743,290	696,350	(46,940)
Miscellaneous	676,200	757,925	729,416	(28,509)
Investment earnings	75,000	138,000	176,443	38,443
Total revenues	39,922,385	40,535,705	40,607,947	72,242
Expenditures:				
Current				
General government	12,424,995	14,359,240	12,832,656	1,526,584
Public safety	14,894,650	15,056,660	14,710,562	346,098
Transportation	3,000,690	2,935,690	2,456,873	478,817
Environmental protection	3,557,310	3,674,510	3,617,821	56,689
Cultural and recreational	3,468,240	3,601,975	3,239,292	362,683
Total expenditures	37,345,885	39,628,075	36,857,204	2,770,871
Revenues over (under) expenditures	2,576,500	907,630	3,750,743	2,843,113
Other financing sources (uses):				
Transfers in (out)				
Debt Service Fund	(4,610,650)	(4,505,300)	(4,610,650)	(105,350)
Downtown District Special Tax	119,500	126,500	6,285	(120,215)
Futures Fund	(125,000)	375,000	(125,000)	(500,000)
Wake Forest Renaissance Centre SRF	(321,100)	(321,100)	(273,241)	47,859
Grant and Special Revenue Fund	(4,365)	(19,365)	(39,392)	(20,027)
Asset Maintenance Fund	-	(119,000)	(119,000)	-
Public Facilities Capital Project	(487,500)	(487,500)	(400,000)	87,500
Recreation Capital Reserve	102,500	102,500	39,070	(63,430)
Cemetery Capital Reserve	65,000	-	14,254	14,254
General Capital Reserve	48,500	92,500	44,000	(48,500)
Installment note issuance	1,155,500	2,155,500	2,068,550	(86,950)
Appropriated fund balance	1,481,115	1,692,635	-	(1,692,635)
Total other financing sources (uses)	(2,576,500)	(907,630)	(3,395,124)	(2,487,494)

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

TOWN OF WAKE FOREST, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018

	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Net change in fund balance	$ -	$ -	355,619	$ 355,619
Fund balance - Beginning of year			15,449,959	
Fund balance - Restatement of beginning - Note 18			(144,816)	
Fund balance - End of year			15,660,762	
A legally budgeted Downtown District Special Tax Fund is consolidated into the General Fund for reporting purposes:				
Ad valorem taxes			75,496	
Investment earnings			2,468	
Transfer to Debt Service Fund			(6,285)	
Transfer to General Fund			(60,000)	
Fund balance - beginning of year			266,635	
A legally budgeted Police Department Special Fund is consolidated into the General Fund for reporting purposes:				
Donations			25,125	
Forfeited currency			26,563	
Investment earnings			2,808	
Operating expenditures			(34,044)	
Fund balance - beginning of year			334,069	
A legally budgeted Wake Forest Renaissance Centre Fund is consolidated into the General Fund for reporting purposes:				
Sales and services			79,954	
Donations			2,379	
Events revenue			57,592	
Operating expenditures			(413,839)	
Transfer from General Fund			273,241	
Fund balance - beginning of year			6,996	
A legally budgeted Public Arts Fund is consolidated into the General Fund for reporting purposes:				
Operating expenditures			(12,656)	
Transfer from General Fund			192,500	
Fund balance - end of year (Exhibit 4)			$ 16,479,764	

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

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

JUNE 30, 2018

	Electric Fund
Assets	
Current assets:	
Cash and cash equivalents	$ 3,922,030
Accounts receivable, net	2,623,528
Inventories	1,550,119
Prepaid expenditures	25,000
Subtotal	8,120,677
Noncurrent assets:	
Capital assets:	
Land and other non-depreciable assets	510,605
Other capital assets, net of depreciation	18,946,936
Capital assets (net)	19,457,541
Subtotal-noncurrent assets	19,457,541
Total assets	27,578,218
Deferred Outflows of Resources:	
Contributions to pension plan - LGERS	107,727
Pension deferrals - LGERS	218,257
Other post employment benefit deferrals	28,188
Total deferred outflows of resources	354,172
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	1,595,762
Customer deposits	289,369
Accrued interest payable	11,976
Compensated absences	109,847
Bonds and notes payable	751,506
Total current liabilties	2,758,460
Noncurrent liabilities:	
Net Pension Obligation - LGERS	670,062
Total other postemployment benefits obligations	3,028,757
Bonds and notes payable	1,723,444
Total noncurrent liabilties	5,422,263
Total liabilities	8,180,723
Deferred Inflows of Resources	
Pension deferrals - LGERS	15,634
Other post employment benefit deferrals	306,126
Total deferred inflows of resources	321,760
Net Position	
Net investment in capital assets	16,982,591
Unrestricted	2,447,316
Total net position	$ 19,429,907

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, 2018

	Electric Fund
Operating revenues:	
Charges for services	$ 19,199,890
Other operating revenues	1,840,171
Total operating revenues	21,040,061
Operating expenses:	
Electric operations	6,842,763
Electric power purchases	12,020,879
Depreciation	1,277,834
Total operating expenses	20,141,476
Operating income	898,585
Nonoperating revenues (expenses):	
Investment earnings	35,208
Interest expense	(59,413)
Gain on capital asset disposals	54,487
Total nonoperating revenues (expenses)	30,282
Income before transfers	928,867
Transfers from other funds	95,000
Transfers to other funds	(95,000)
Total transfers	-
Change in net position	928,867
Net position, beginning of year	20,247,656
Restated beginning net positon - Note 18	(1,746,616)
Net position, end of year	$ 19,429,907

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

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

FOR THE YEAR ENDED JUNE 30, 2018

	Totals
Cash flows from operating activities:	
Cash received from customers	$ 20,656,245
Cash paid for goods and services	(15,442,179)
Cash paid to employees for services	(3,240,965)
Customer deposits received	125,511
Customer deposits returned	(67,505)
Net cash provided by operating activities	2,031,107
Cash flows from noncapital financing activities:	
Repayment of interfund loan	(93,500)
Net cash used by noncapital financing activities	(93,500)
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(1,572,242)
Proceeds of sale of capital assets	54,487
Principal paid on bond maturities and equipment notes	(610,059)
Interest paid on bond maturities and equipment notes	(63,904)
Proceeds from issuance of debt	833,235
Net cash provided by (used by) capital and related financing activities	(1,358,483)
Cash flows from investing activities:	
Interest on investments	35,208
Net increase in cash and cash equivalents	614,332
Cash and cash equivalents:	
Beginning of year	3,307,699
End of year	$ 3,922,030

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

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

FOR THE YEAR ENDED JUNE 30, 2018

	Totals
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 898,585
Adjustments to reconcile operating income to to net cash provided by operating activities	
Depreciation	1,277,834
Changes in assets and liabilities:	
Increase in accounts receivable	(383,816)
Increase in prepaid expenses	(25,000)
Increase in inventory	(373,148)
Increase in deferred outflows of resources for pensions (contributions)	(21,323)
Decrease in deferred outflows for pensions	240,500
Decrease in pension liability	(138,657)
Increase in accounts payable and accrued liabilities	251,988
Increase in customer deposits	58,006
Increase in accrued vacation pay	27,459
Decrease in deferred inflows of resources - pensions	(8,546)
Increase in deferred outflows of resources - OPEB	(28,188)
Increase in deferred inflows resources - OPEB	306,126
Decrease in other postemployment liability	(50,712)
Total adjustments	1,132,522
Net cash provided by operating activities	$ 2,031,107

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 and it has no assets, liabilities or other activity to be recorded as of June 30, 2018. 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.

Streets Improvement Fund - The Streets Improvement Fund is used to account design and construction of streets, sidewalk and other related infrastructure improvements.

The government reports the following major proprietary funds:

Electric Fund - The Electric Fund is used to account for electric operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Electric Fund is composed of two sub-funds: Electric Operations, 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 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	$	219,155
Inspections		351,107
Other Major Governmental Funds:		
Debt Service		1,055,143
Downtown Disctrict		278,314
Public Safety		354,521
Parks and Recreation Improvements		13,514,553
Other Nonmajor Govermental Funds:		
Holding Park Pool		666,169
Street Resurfacing and Connections		1,440,430
Total Restricted Cash	$	17,879,392

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, 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 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 Inspection – portion of fund balance that is restricted by NC General Assembly 2015 House Bill 255.

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 Parks & Recreation – portion of fund balance that is restricted by revenue source for Joyner Park, Northern Wake Senior Center and Holding Park Pool.

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 three cost-sharing, multi-employer, defined benefit pension plans that are administered by the State; the Local Government Employees' Retirement System (LGERS) and the Law Enforcement Officers' Special Separation Allowance (LEOSSA). 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, 2018, in the amount of $1,083,952 and $46,357, 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, 2018, the carrying amount of the Town's deposits was $7,280,654 and the bank balance was $8,558,537. Of the bank balance, $1,250,000 was covered by federal depository insurance and $7,308,537 was covered under the Pooling Method. At June 30, 2018, the Town had $2,500 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, 2018, the Town's investment balances were as follows:

Investment Type	Valuation Measurement Method	Book Value at 06/30/2018	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	$ 2,638,184	$ 2,342,312	$ 295,872	$ -	$ -	AAA
NCCMT - Government Portfolio	Amortized Cost	4,940,547	4,940,547	-	-	-	AAAm
NCCMT - Term Portfolio	Fair Value - Level 1	25,290,293	25,290,293	-	-	-	Unrated
Totals		$ 32,869,025	$ 32,573,153	$ 295,872	$ -	$ -	

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, 2018.

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	$	87,067
Electric Fund	Allowance for uncollectible customer receivables		10,546

*The remainder of the page was left blank intentionally

Note 5—Capital assets

Capital asset activity for the year ended June 30, 2018, was as follows:

GOVERNMENTAL ACTIVITIES	Balance June 30, 2017	Additions	Transfers	Deletions	Balance June 30, 2018
Capital assets not being depreciated:					
Land	$ 10,895,330	$ 3,603,535	$ 14,010	$ -	$ 14,512,875
Land rights and easements	30,580,609	624,242	-	-	31,204,851
Construction in progress	9,689,207	10,154,461	(220,046)	55,500	19,568,122
Total capital assets not being depreciated	51,165,146	14,382,238	(206,036)	55,500	65,285,848
Capital assets being depreciated:					
Buildings	16,694,732	1,504,561	-	-	18,199,293
Improvements	31,500,082	794,079	180,707	52,000	32,422,868
Infrastructure	126,430,263	3,561,992	25,329	-	130,017,584
Equipment and furniture	5,829,488	325,684	-	45,652	6,109,520
Vehicles and motorized equipment	7,583,361	971,847	(31,179)	411,776	8,112,253
Total capital assets being depreciated	188,037,926	7,158,163	174,857	509,428	194,861,518
Less Accumulated Depreciation for:					
Buildings	3,690,029	554,033	-	-	4,244,062
Improvements	12,248,720	1,284,590	-	-	13,533,310
Infrastructure	34,565,634	3,153,576	-	-	37,719,210
Equipment and furniture	4,049,721	442,376	-	39,318	4,452,779
Vehicles and motorized equipment	3,280,454	902,181	(31,179)	359,412	3,792,044
Total accumulated depreciation	57,834,558	6,336,756	(31,179)	398,730	63,741,405
Total capital assets being depreciated, net	130,203,368				131,120,113
Governmental activity capital assets, net	$ 181,368,514				$ 196,405,961

Depreciation expense was charged to Functions/programs as follows:

General government	$ 1,015,060
Public safety	700,628
Public works	3,459,135
Environmental protection	144,504
Cultural and recreational	1,017,429
Total	$ 6,336,756

Note 5—Capital assets (continued):

Business-type Activities	Balance June 30, 2017	Additions	Transfers	Deletions	Balance June 30, 2018
Capital assets not being depreciated					
Land	$ 510,605	$ -	$ -	$ -	$ 510,605
Total capital assets not being depreciated	510,605	-	-	-	510,605
Capital assets being depreciated					
Utility improvements	30,002,153	688,830	-	-	30,690,983
Equipment and furniture	2,249,981	97,770	-	13,026	2,334,725
Vehicles and motorized equipment	1,668,407	785,642	31,179	252,222	2,233,006
Total capital assets being depreciated	33,920,541	1,572,242	31,179	265,248	35,258,714
Less accumulated depreciation for					
Utility improvements	12,778,085	935,376	-	-	13,713,461
Equipment and furniture	1,356,855	182,821	-	13,026	1,526,650
Vehicles and motorized Equipment	1,133,072	159,638	31,179	252,222	1,071,667
Total accumulated depreciation	15,268,012	1,277,835	31,179	265,248	16,311,778
Total capital assets being depreciated, net	18,652,529				18,946,936
Business-type activity capital assets, net	$ 19,163,134				$ 19,457,541

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	$ 11,804,337	$ (807,602)	$ 10,996,735
Northern Wake Senior Center	3,984,795	(94,401)	3,890,394
Stadium Drive Complete Streets	6,806,664	(885,439)	5,921,225
Holding Park Pool	2,809,000	(2,408,260)	400,740
Priority Pedestrian Corridors	2,238,848	(65,727)	2,173,121
Road Connections	915,126	(185,479)	729,647
Street Resurfacing	1,354,405	(1,228,812)	125,593
	$ 29,913,175	$ (5,675,720)	$ 24,237,455

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 7.61% and 8.25%, 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, 2018, 2017 and 2016 and were $1,129,234, $1,004,600 and $878,134, 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 $3,501,389 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017 the Town's proportion was .22919%, which was a increase of .00095% from its proportion measured as of June 30, 2016 at 0.22824%.

For the year ended June 30, 2018, the Town recognized pension expense of $1,142,691. At June 30, 2018, 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	$ 201,712	$ 99,113
Changes of assumptions	500,047	-
Net difference between projected and actual earnings on pension plan investments	850,141	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	6,743	128,585
Town contributions subsequent to the measurement date	1,129,234	
Total	$ 2,687,877	$ 227,698

$1,129,234 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	$ 148,927
2020	973,556
2021	481,280
2022	(272,818)
2023	-
Thereafter	-
	$ 1,330,945

Note 6—Pension plan obligations (continued)

Actuarial Assumptions – The total pension liability in the December 31, 2016 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	7.20 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, 2016 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, 2017 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 2016 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 7.20%. 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 7.20%, 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 (6.20 percent) or one percentage point higher (8.20 percent) than the current rate:

	1 % Decrease (6.20%)	Discount Rate (7.20%)	1 % Increase (8.20%)
Town's proportionate share of the net pension liability (asset)	$ 10,511,247	$ 3,501,388	$ (2,349,631)

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, 2017 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	65
Total	66

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, 2016 valuation. The total pension liability in the December 31, 2016 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	3.16 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, 2018, the Town reported a total pension liability of $2,807,287. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the Town recognized pension expense of $246,456.

Note 6—Pension plan obligations (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 89,759	$ -
Changes of assumptions	158,656	48,710
Benefit payments and administrative expenses subsequent to the measurement date	-	5,413
Total	$ 248,415	$ 54,123

$5,413 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, 2019. 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:		
2019	$ 43,128	$ 9,761
2020	43,128	9,761
2021	43,128	9,761
2022	43,128	9,761
2023	43,128	9,666
Thereafter	32,775	5,413
	$ 248,415	$ 54,123

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 3.16 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 (2.16 percent) or 1 percentage point higher (4.16 percent) than the current rate:

	1 % Decrease (2.16%)	Discount Rate (3.16%)	1 % Increase (4.16%)
Total pension liability	$ 3,084,636	$ 2,807,287	$ 2,554,240

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, 2016	$ 2,307,794
Changes for the year:	
Service Cost	123,548
Interest on the total pension liability	88,992
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	105,342
Changes of assumptions or other inputs	186,201
Benefit payments	(4,590)
Other changes	-
Net changes	499,493
Total Pension Liability as of December 31, 2017	$ 2,807,287

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, 2016 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	$ 1,142,691	$ 246,456	$ 1,389,147
Pension Liability	3,501,388	2,807,287	6,308,675
Proportionate share of the net pension liability	0.22919%	100%	
Deferred Outflows of Resources			
Differences between expected and actual experience	201,712	89,759	291,471
Changes of assumptions	500,047	158,656	658,703
Net difference between projected and actual earnings on plan investments	850,141	-	850,141
Changes in proportion and differences between contributions and proportionate share of contributions	6,743	-	6,743
Benefit payments and administrative costs paid subsequent to the measurement date	1,129,234	4,590	1,133,824
Deferred Inflows of Resources			
Differences between expected and actual experience	99,113	-	99,113
Changes of assumptions	-	48,710	48,710
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	128,585	-	128,585
Benefit pyaments and administrative costs paid subsequent to the measurement date	-	5,413	5,413

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, 2018 were $317,224, which consisted of $225,443 from the Town and $91,782 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, 2018 were $703,245, which consisted of $475,909 from the Town and $227,336 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, 2017, 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	143	69
Total	176	73

Funding Policy - The Board of Commissioners established the contribution requirements of plan members and this may be amended by the Board. Employees pay $419 per month for dependent coverage and $969 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 $19,593,442 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 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, 2016	**$20,147,577**
Changes for the year	
Service cost	1,301,212
Interest	603,065
Changes of benefit terms	-
Differences between expected and actual experience	(3,024)
Changes in assumptions or other inputs	(2,229,299)
Benefit payments	(226,089)
Net changes	**(544,135)**
Balance at June 30, 2017	**$19,593,442**

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 (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Total OPEB liability	$ 23,912,153	$ 19,593,442	$ 16,279,191

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	$ 15,842,293	$ 19,593,442	$ 24,650,109

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, 2018, the Town recognized OPEB expense of $1,652,322. At June 30, 2018, 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	$ -	$ 2,683
Changes of assumptions	-	1,977,685
Benefit payments and administrative expenses subsequent to the measurement date	182,355	
Total	$ 182,355	$ 1,980,368

$182,355 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	$ (251,955)
2020	(251,955)
2021	(251,955)
2022	(251,955)
2023	(251,955)
Thereafter	(720,593)
	$ (1,980,368)

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

Note 7—Deferred outflows and inflows of resources

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

	Total
Contributions to pension plan in current fiscal year	
General Fund	$ 1,021,507
Electric Fund	107,727
Subtotal	1,129,234
OPEB Deferrals	
General Fund	154,167
Electric Fund	28,188
Subtotal	182,355
Pension Deferrals	
General Fund	1,340,386
Electric Fund	218,257
Subtotal	1,558,643
LEOSSA made subsequent to measurement date	248,415
Total	$ 3,118,647

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

	Unavailable Revenue	Unearned Revenue	Total
General Fund			
Prepaid taxes not yet earned	$ -	$ 16,230	$ 16,230
Taxes receivable (net)	71,696	-	71,696
Vehicle licenses receivable	49,429	-	49,429
Sanitation receivable	10,312	-	10,312
Prepaid other	-	106,380	106,380
Grant deferral	-	59,138	59,138
Pension deferrals	-	227,694	227,694
OPEB deferrals	-	1,980,368	1,980,368
Total	$ 131,437	$ 2,389,810	$ 2,521,247

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, 2018, 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, 2018 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	$	3,670,000
$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		4,380,000
$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		260,000

$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	4,127,000
$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	830,000
$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	15,850,000
Total	$ 29,117,000

At June 30, 2018, the Town of Wake Forest had bonds authorized but unissued of $4,920,000 and a legal debt margin of $351,068,320.

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, 2018 are as follows:

	Governmental Activities	
	Principal	Interest
Year Ending June 30:		
2019	$ 2,080,000	$ 909,556
2020	1,987,000	878,133
2021	1,893,000	806,280
2022	1,882,000	763,621
2023	1,875,000	720,273
2024-2028	8,835,000	2,666,225
2029-2033	5,980,000	1,280,330
2034-2038	4,585,000	417,937
Total	$ 29,117,000	$ 8,442,355

Note 10—Long-term debt (continued)

(b) Revenue Bonds

$2,300,000 Electric Revenue Bonds, Series 2007, issued for acquiring, constructing and equipping an electric substation. Principal installments are due semiannually on August 15 and February 15 of $119,820 through 2019 which includes interest at 3.74%.	$ 233,414
$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%	1,554,603
	$ 1,788,017

The Town is in compliance with the covenants as to rates, fees, rentals and charges in Section 5.02 of the Bond Order, authorizing the issuance of the Electric System Revenue Bond, Series 2007 and Series 2014. Section 5.02 (a) requires the debt service coverage ratio to be no less than 120%. The debt service coverage ratio calculation for the year ended June 30, 2018, is as follows:

Operating revenues	$ 20,980,923
Operating expenses (less depreciation)	19,030,779
Net revenues available for debt service	$ 1,950,144
Debt service, principal and interest paid (revenue bond only)	$ 517,988
Debt service coverage ratio	376%

The Town has pledged future electric revenues, net of specified operating expenses, to repay $2,300,000 in electric revenue bonds issued in February 2007 and $2,500,000 in electric revenue bonds issued in June 2014. Proceeds from the bonds provided financing for an electric substation, substation improvements, and installation of street lights. The bonds are payable solely from electric customer net revenues and are payable through 2019 for the Series 2007 bonds and 2024 for the Series 2014 bonds. Annual principal and interest payments on the bonds are expected to require less than 376 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $1,926,596. Principal and interest paid for the current year and total customer net revenues were $463,756 and $1,950,143, respectively.

Annual debt service requirements to maturity for revenue bonds at June 30, 2018 are as follows:

	Business-Type Activities	
	Principal	Interest
Year Ending June 30:		
2019	$ 476,040	$ 40,018
2020	250,405	27,943
2021	256,045	22,303
2022	261,813	16,535
2023	267,710	16,535
2024-2028	276,004	15,245
Total	$ 1,788,017	$ 138,579

Note 10—Long-term debt (continued)

c) Installment Notes

The Town's installment notes outstanding at June 30, 2018 are as follows:

	Governmental Activities
$9,800,000 installment obligation to BB&T for the New Town Hall issued July 23, 2008; semi-annual payments of $326,667, plus interest at 3.72%, secured by a building. *(Rate reduced to 2.70% - April 2012)*	$ 3,593,327
$4,000,000 installment obligation to RBC Bank for street improvements issued September 20, 2011; semi-annual payments of varying amounts from $252,725 to $293,600 which includes interest at 2.18%.	750,000
$2,300,000 installment obligation to BB&T for street improvements issued May 16, 2012; semi-annual payments of varying amounts from $165,797 to $185,446 which includes interest at 1.84%.	217,852
$792,750 installment obligation to BB&T for vehicles and equipment issued February 25, 2015; semi-annual payments of $102,059 which includes interest at 1.32%, secured by vehicles and equipment.	202,768
$740,000 installment obligation to BB&T for Holding Park Pool renovations issued February 27, 2014; semi-annual payments of $61,667 which includes interest at 1.65%.	246,667
$455,735 installment obligation to PNC Bank for police vehicles issued on December 17, 2015; semi-annual payments of $77,854 which includes interest at 1.41%.	77,306
$415,965 installment obligation to PNC Bank for vehicles and equipment issued on May 31, 2016; semi-annual payments of $71,024 which includes interest at 1.38%.	140,580
$1,023,170 installment obligation to BB&T Bank for vehicles and equipment issued on March 7, 2017; semi-annual payments of $132,895 which includes interest at 1.72%.	773,911
$2,900,000 installment obligation to Holding Park Pool II renovations issued on September 20, 2017; semi-annual payments of $147,066 to $186,325 which includes interest at 2.85%.	2,755,000
$2,400,000 installment obligation to BB&T Bank for street improvements issued on May 3, 2018; semi-annual payments of $152,543 to $190,680 which includes interest at 3.39%.	2,400,000
$1,000,000 installment obligation to BB&T Bank 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%.	1,000,000

	Governmental Activities
$1,068,550 installment obligation to PNC Bank for vehicles and equipment issued on December 29, 2017; semi-annual payments of $184,282 which includes interest at 1.95%.	894,794
Total	$13,052,203

	Business-Type Activities
$833,235 installment obligation to 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%.	$ 686,933

Annual debt service requirements to maturity for installment notes at June 30, 2018 are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Year Ending June 30:				
2019	$ 3,333,624	$ 331,021	$ 275,466	$ 10,945
2020	2,456,480	255,207	280,364	6,048
2021	1,910,441	196,416	131,103	1,160
2022	1,465,556	148,265	-	-
2023	1,354,445	105,301	-	-
2024-2028	2,531,657	150,784	-	-
Total	$ 13,052,203	$ 1,186,994	$ 686,933	$ 18,153

Note 10—Long-term debt (continued)

Changes in Long-Term Liabilities - Long-term liability activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General obligation bonds	$ 13,682,000	$ 16,680,000	$ 1,245,000	$ 29,117,000	$ 2,080,000
Premiums on issuance	180,075	770,971	19,157	931,889	57,706
Total bonds payable	13,862,075	17,450,971	1,264,157	30,048,889	2,137,706
Installment Notes	8,629,189	7,368,550	2,945,536	13,052,203	3,333,624
Compensated absences	957,924	790,032	571,182	1,176,774	571,182
Total pension liability - LEO*	2,307,794	2,807,287	2,307,794	2,807,287	-
Net pension obligation - LGERS	4,035,298	-	1,203,971	2,831,327	-
Other post employment benefits	6,945,826	16,564,685	6,945,826	16,564,685	-
Governmental activity long-term liabilities	36,738,106	44,981,525	15,238,466	66,481,165	6,042,512
Business-Type Activities:					
Revenue bonds	$ 2,251,773	$ -	$ 463,756	$ 1,788,017	$ 476,040
Installment notes	-	833,235	146,302	686,933	275,466
Compensated absences	82,388	95,672	68,213	109,847	58,384
Net pension obligation - LGERS	808,720	-	138,658	670,062	-
Other post employment benefits	1,274,086	3,028,757	1,274,086	3,028,757	-
Business-type activity long-term liabilities	4,416,967	3,957,664	2,091,015	6,283,616	809,890
Total long-term liabilities	$ 41,155,073			$ 72,764,781	$ 6,852,402

*Restated beginning balance due to GASB 75 for Other Post Employment Benefits - $11,693,373

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	$ 16,479,764
Less:	
Inventories	16,710
Prepayments	100,850
Stabilization by State Statute	5,201,309
Downtown District	278,314
Public Safety	354,521
Inspections	351,107
Equipment and vehicles	219,155
Assigned for subsequent year's expenditures	1,597,145
Remaining fund balance	$ 8,360,653

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	$ 489,375
Capital Projects	1,196,354

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	Parks & Recreation Improvement	GTP Fund	Cemetery Capital Reserve	Recreation Capital Reserve	General Capital Reserve	Total Transfers In
Transfers In:									
General Fund	$ -	$ 6,285	$ -	$ -	$ -	$ 14,254	$ 39,070	$ 44,000	$ 103,609
Debt Service Fund	4,610,650	60,000	-	-	-	-	-	-	4,670,650
Wake Forest Renaissance Centre	273,241	-	-	-	-	-	-	-	273,241
Grants and Special Revenue	39,392	-	4,711	-	-	-	-	-	44,103
Public Arts	-	-	-	142,000	50,500	-	-	-	192,500
Asset Maintenance	119,000	-	-	-	-	-	-	-	119,000
Futures Fund	125,000	-	-	-	-	-	-	-	125,000
Public Facilities Projects	400,000	-	-	-	-	-	-	-	400,000
Total Transfers Out	$ 5,567,283	$ 66,285	$ 4,711	$ 142,000	$ 50,500	$ 14,254	$ 39,070	$ 44,000	$ 5,928,103

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, 2018, 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, 2018 were $12,020,879.

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. At June 30, 2017 there was a fund balance deficit in the Water and Sewer Fund. This deficit was related to the City of Raleigh equity transfer. The deficit was closed out to the General Fund in the current fiscal year. Therefore, there is no balance sheet reported in the current year's financial statement.

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, 2018, the Town had advanced funding in the amount of $823,934. 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, 2018 have been recorded as noncurrent assets in the government-wide financial statements.

Note 17—Subsequent events

The Town entered into an agreement on June 19, 2018 to purchase real property at 5031 Unicorn Drive for the purpose of relocating Wake Forest Power and other electric administrative personnel along with equipment and vehicles from the current location at 234 Friendship Chapel Road. Subsequent to June 30, 2018, the Town will be entering into an agreement with Regions Capital Advantage, Inc. for an amount not to exceed $3,500,000 to fund the acquisition of the property along with improvements. This is a ten year installment note with an interest rate of 2.94%. The Town closed on the property acquisition and installment purchase contract on October 18, 2018.

The Town received a credit on the September 2018 wholesale power bill in the amount of $700,411.56 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 18—Change in Accounting Principles/Restatement

Prior Period Adjustment

During the fiscal year ended June 30, 2018, the Town determined that from the inception of the Futures Fund there were unrestricted revenues which were inadvertently recorded to the General Fund. The adjustment has no overall effect on the financial statements because, in accordance with GASB Statement 54, the Futures Fund is consolidated with the General Fund for reporting purposes. The adjustment to beginning fund balance was a $144,256 increase and decrease to the Futures Fund and General Fund, respectively. In addition, there was an immaterial adjustment to the General Fund in the amount of $560.

Change in Accounting Principle

The Town implemented Governmental Accounting Standards Board (GASB) No. Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, in the fiscal year ending June 30, 2018. The implementation of the statement required the Town to record beginning total OPEB liability and effects on net position of benefit payments and administrative expenses paid by the Town related to OPEB during the measurement period (fiscal year ending June 30, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position for the governmental activities decreased $9,896,757 and $1,746,616 for the business-type activities.

TOWN OF WAKE FOREST, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION OBLIGATION

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

	2018	2017
Beginning balance	$ 2,307,794	$ 2,173,245
Service cost	123,548	129,868
Interest on the total pension obligation	88,992	77,503
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension obligation	105,342	-
Changes of assumptions or other inputs	186,201	(68,232)
Benefit payments	(4,590)	(4,590)
Other changes	-	-
Ending balances of the total pension obligation	$ 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 OBLIGATION AS A PERCENTAGE
OF COVERED PAYROLL
REQUIRED SUPPLEMENTARY INFORMATION
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
June 30, 2018

	2018	2017
Total pension obligation	$ 2,807,287	$ 2,307,794
Covered payroll	4,513,029	4,591,100
Total pension obligation as a percentage of covered payroll	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, 2018

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

Exhibit A-4

TOWN OF WAKE FOREST, NORTH CAROLINA

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

LAST FIVE FISCAL YEARS

Local Government Employees' Retirement System

	2018	2017	2016	2015	2014
Wake Forest's proportion of the net pension obligation (asset) (%)	0.2292%	0.2282%	0.2321%	0.2308%	0.2236%
Wake Forest's proportion of the net pension obligation (asset) ($)	$ 3,501,388	$ 4,844,017	$ 1,041,516	$ (1,361,016)	$ 2,695,239
Wake Forest's covered-employee payroll	$ 12,545,629	$ 12,125,728	$11,768,783	$11,932,156	$ 11,159,640
Wake Forest's proportionate share of the net pension obligation (asset) as a percentage of its covered-employee payroll	27.91%	39.95%	8.85%	-11.41%	24.15%
Plan fiduciary net position as a percentage of the total pension obligation (2)	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 Obligation Calculation in LGERS most recent financial audit.

TOWN OF WAKE FOREST, NORTH CAROLINA

TOWN OF WAKE FOREST CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION

LAST FIVE FISCAL YEARS

Local Government Employees' Retirement System

	2018	2017	2016	2015	2014
Contractually required contribution	$ 1,129,234	$ 1,004,600	$ 878,135	$ 897,824	$ 869,753
Contributions in relation to the contractually required contribution	1,129,234	1,004,600	878,135	897,824	869,753
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Wake Forest's covered payroll	$ 13,681,997	$ 12,545,629	$ 12,125,728	$ 11,768,783	$ 11,932,156
Contributions as a percentage of covered payroll	8.25%	8.01%	7.24%	7.63%	7.29%

TOWN *of* WAKE FOREST

TOWN *of* WAKE FOREST

TOWN OF WAKE FOREST, NORTH CAROLINA

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Ad valorem taxes:				
Current year taxes	$ 25,669,710	$ 25,834,568	$ 164,858	$ 24,404,210
Prior years taxes	40,000	17,308	(22,692)	21,611
Penalties and interest	50,000	38,851	(11,149)	45,030
Total	25,759,710	25,890,727	131,017	24,470,851
Other taxes and licenses:				
Gross receipts tax on short-term rental property	72,000	75,096	3,096	70,711
Total	72,000	75,096	3,096	70,711
Unrestricted intergovernmental:				
Local option sales taxes	7,563,000	7,601,465	38,465	7,187,101
Beer and wine tax	152,845	152,848	3	156,017
Utility franchise tax				
Piped natural gas	86,000	102,985	16,985	79,329
Electricity	2,150,000	1,923,527	(226,473)	1,879,850
Telecommunications	95,000	99,426	4,426	108,395
Video Programming	420,000	404,513	(15,487)	411,584
Other unrestricted intergovernmental	24,250	23,447	(803)	23,156
Total	10,491,095	10,308,211	(182,884)	9,845,432
Restricted intergovernmental:				
Powell Bill allocation	-	-	-	852,302
County grants	75,680	75,676	(4)	75,676
Total	75,680	75,676	(4)	927,978
Permits and fees:				
Building permits	1,845,430	1,890,759	45,329	1,554,035
Fire inspection and prevention	23,250	24,154	904	24,358
Utility and street inspection fees	90,000	126,506	36,506	91,773
Vehicle licenses	160,450	208,101	47,651	452,948
Business registration fee	3,700	2,172	(1,528)	1,625
Other permits and fees	375,175	404,336	29,161	388,874
Total	2,498,005	2,656,028	158,023	2,513,613
Sales and services:				
Solid waste fees	145,000	139,314	(5,686)	152,995
Recreation fees	468,220	422,073	(46,147)	430,891
Cemetery	33,500	35,450	1,950	32,250
Other sales and services	96,570	99,513	2,943	95,349
Total	743,290	696,350	(46,940)	711,485
Miscellaneous:				
ABC revenue	175,000	182,300	7,300	181,489
Miscellaneous revenue	582,925	547,116	(35,809)	649,799
Total	757,925	729,416	(28,509)	831,288
Investment earnings	138,000	176,443	38,443	88,026
Total revenues	40,535,705	40,607,947	72,242	39,459,384

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Expenditures:				
General government:				
Governing body:				
Salaries and employee benefits	$ 254,325	$ 238,055	$ 16,270	$ 230,950
Professional services	330,000	322,204	7,796	298,189
Contributions	38,500	26,500	12,000	37,406
Operating expenditures	132,325	108,990	23,335	83,983
Total	755,150	695,749	59,401	650,528
Town Manager's Office				
Administration:				
Salaries and employee benefits	328,880	327,202	1,678	245,944
Professional services	2,000	-	2,000	1,200
Operating expenditures	81,570	56,433	25,137	56,331
Total	412,450	383,635	28,815	303,475
Economic Development:				
Salaries and employee benefits	211,445	202,488	8,957	161,106
Professional services	70,000	39,011	30,989	39,138
Operating expenditures	114,230	92,535	21,695	29,647
Total	395,675	334,034	61,641	229,891
Downtown Development				
Salaries and employee benefits	138,710	136,417	2,293	111,368
Professional services	4,700	4,700	-	-
Operating expenditures	168,180	127,560	40,620	143,479
Capital Outlay	30,500	-	30,500	-
Total	342,090	268,677	73,413	254,847
Communications:				
Salaries and employee benefits	352,905	350,675	2,230	308,180
Operating expenditures	371,945	331,708	40,237	332,820
Total	724,850	682,383	42,467	641,000
Human Resources:				
Salaries and employee benefits	372,270	364,001	8,269	339,487
Professional services	15,750	12,043	3,707	7,150
Operating expenditures	186,265	172,927	13,338	174,582
Total	574,285	548,971	25,314	521,219
Administrative Services				
Finance:				
Salaries and employee benefits	829,385	826,453	2,932	747,086
Professional services	56,800	56,462	338	45,948
Operating expenditures	415,990	401,548	14,442	406,334
Capital outlay	36,770	36,761	9	16,500
Total	1,338,945	1,321,224	17,721	1,215,868

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Information Technology				
Salaries and employee benefits	$ 628,340	$ 600,618	$ 27,722	$ 555,291
Professional services	65,000	38,189	26,811	36,351
Operating expenditures	498,145	361,202	136,943	353,619
Capital outlay	260,000	76,150	183,850	129,186
Total	1,451,485	1,076,159	375,326	1,074,447
Inspections				
Inspections:				
Salaries and employee benefits	1,393,460	1,383,926	9,534	1,284,486
Operating expenditures	195,490	185,434	10,056	99,227
Capital outlay	78,055	77,761	294	50,670
Total	1,667,005	1,647,121	19,884	1,434,383
Public Facilities:				
Salaries and employee benefits	289,855	283,033	6,822	232,188
Professional services	2,150	2,150	-	-
Operating expenditures	1,372,465	1,130,359	242,106	1,175,364
Capital outlay	1,644,265	1,599,771	44,494	541,554
Total	3,308,735	3,015,313	293,422	1,949,106
Community Development				
Planning:				
Salaries and employee benefits	850,160	830,619	19,541	733,025
Professional services	263,225	73,289	189,936	96,880
Operating expenditures	264,290	142,633	121,657	118,255
Total	1,377,675	1,046,541	331,134	948,160
Engineering:				
Salaries and employee benefits	737,600	730,544	7,056	690,088
Professional services	90,500	19,363	71,137	44,407
Operating expenditures	381,365	342,584	38,781	362,267
Contributions	10,000	10,000	-	10,000
Capital outlay	122,400	121,940	460	144,002
Total	1,341,865	1,224,431	117,434	1,250,764
Public Works				
Public Works Administration:				
Salaries and employee benefits	171,330	169,698	1,632	134,198
Operating expenditures	55,450	49,163	6,287	43,519
Total	226,780	218,861	7,919	177,717
Fleet Maintenance:				
Salaries and employee benefits	328,145	295,663	32,482	261,452
Operating expenditures	108,840	68,632	40,208	82,447
Capital outlay	5,265	5,262	3	8,662
Total	442,250	369,557	72,693	352,561
Total general government	14,359,240	12,832,656	1,526,584	11,003,966

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Public safety:				
Police:				
Salaries and employee benefits	$ 7,634,910	$ 7,512,673	$ 122,237	$ 7,052,716
Operating expenditures	1,562,135	1,391,909	170,226	1,523,541
Capital outlay	460,485	406,862	53,623	751,301
Total	9,657,530	9,311,444	346,086	9,327,558
Fire:				
Contributions to:				
Fire Department	5,383,180	5,383,179	1	5,097,844
Hazmat	15,950	15,939	11	14,675
Total	5,399,130	5,399,118	12	5,112,519
Total public safety	15,056,660	14,710,562	346,098	14,440,077
Transportation:				
Streets:				
Salaries and employee benefits	1,166,510	1,063,505	103,005	1,021,319
Operating expenditures	1,153,180	1,045,884	107,296	988,031
Capital outlay	616,000	347,484	268,516	437,984
Total transportation	2,935,690	2,456,873	478,817	2,447,334
Environmental protection:				
Sanitation:				
Salaries and employee benefits	584,330	578,473	5,857	492,570
Contracted services	2,419,150	2,409,911	9,239	2,318,319
Operating expenditures	479,330	437,751	41,579	348,055
Capital outlay	191,700	191,686	14	175,991
Total environmental protection	3,674,510	3,617,821	56,689	3,334,935
Cultural and recreational:				
Parks and recreation:				
Salaries and employee benefits	1,800,605	1,671,406	129,199	1,579,916
Professional services	55,900	55,844	56	26,822
Operating expenditures	1,219,830	1,042,880	176,950	1,021,685
Contributions	40,000	40,000	-	-
Capital outlay	485,640	429,162	56,478	491,075
Total cultural and recreational	3,601,975	3,239,292	362,683	3,119,498
Debt service (1):				
Bond principal	-	-	-	1,253,000
Bond interest	-	-	-	410,917
Installment note principal	-	-	-	2,881,069
Installment note interest	-	-	-	212,440
Total debt service*	-	-	-	4,757,426
Total expenditures	39,628,075	36,857,204	2,770,871	39,103,236
Revenues under expenditures	907,630	3,750,743	2,843,113	356,148

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Other financing sources (uses):				
Transfers in (out):				
Debt Service Fund	$ (4,505,300)	$ (4,610,650)	$ (105,350)	$ -
Downtown District Special Tax	126,500	6,285	(120,215)	64,668
Futures Fund	375,000	(125,000)	(500,000)	-
Wake Forest Renaissance Centre SRF	(321,100)	(273,241)	47,859	(276,620)
Grant & Special Revenue Fund	(19,365)	(39,392)	(20,027)	(20,000)
Asset Maintenance Fund	(119,000)	(119,000)	-	-
Public Facilities Capital Project	(487,500)	(400,000)	87,500	(253,300)
Holding Park Pool Renovations	-	-	-	(52,500)
Greenways, Trails & Pedestrian Access	-	-	-	(173,025)
Recreation Capital Reserve	102,500	39,070	(63,430)	280,440
Cemetery Fund Capital Reserve	-	14,254	14,254	-
General Capital Reserve	92,500	44,000	(48,500)	44,000
Insurance recovery - Shop Fire 2016	-	-	-	627,952
Installment note issuance	2,155,500	2,068,550	(86,950)	1,023,170
Appropriated fund balance	1,692,635	-	(1,692,635)	-
Total other financing sources (uses)	(907,630)	(3,395,124)	(2,487,494)	1,264,785
Net change in fund balance	-	355,619	355,619	1,620,933
	$ -		$ 355,619	
Fund balance - Beginning of year		15,449,959		13,829,026
Fund balance - Restatement of beginning of year - Note 18		(144,816)		-
Fund balance - End of year		$ 15,660,762		$ 15,449,959

*All related debt service expenditures are now reported in a separate Debt Service Fund.

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, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Restricted intergovernmental:				
Powell Bill allocation	$ 868,000	$ 868,086	$ 86	$ -
Total	868,000	868,086	86	-
Permits and fees:				
Vehicle licenses	307,250	310,323	3,073	-
Total	307,250	310,323	3,073	-
Investment earnings	6,500	6,490	(10)	-
Total revenues	1,181,750	1,184,899	3,149	-
Expenditures:				
Debt service:				
Bond principal	1,245,200	1,245,000	200	-
Bond interest	379,220	379,189	31	-
Installment note principal	2,945,655	2,945,536	119	-
Installment note interest	232,720	230,681	2,039	-
Total debt service	4,802,795	4,800,406	2,389	-
Total expenditures	4,802,795	4,800,406	2,389	-
Revenues under expenditures	(3,621,045)	(3,615,507)	5,538	-
Other financing sources (uses):				
Transfers in (out):				
Downtown District Special Tax	60,000	60,000	-	-
General Fund	3,561,045	4,610,650	1,049,605	-
Total other financing sources (uses)	3,621,045	4,670,650	1,049,605	-
Net change in fund balance	-	1,055,143	1,055,143	-
	$ -		$ 1,055,143	
Fund balance - Beginning of year		-		-
Fund balance - End of year		$ 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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Ad valorem taxes	$ 74,000	$ 75,496	$ (1,496)	$ 74,592
Investment earnings	1,000	2,468	(1,468)	1,365
Total revenues	75,000	77,964	(2,964)	75,957
Other financings sources (uses):				
Transfers out:				
General Fund	59,500	6,285	53,215	64,668
Debt Service fund	60,000	60,000	-	-
Appropriated Fund Balance	(44,500)	-	(44,500)	-
Total other financing sources (uses):	75,000	66,285	8,715	64,668
Net change in fund balance	$ -	11,679	$ 11,679	11,289
Fund Balances:				
Beginning of year		266,635		255,346
End of year		$ 278,314		$ 266,635

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Donations	$ 15,000	$ 25,125	$ 10,125	$ 28,140
Forfeited currency				
Federal Asset Forfeiture	-	4,194	4,194	19,528
State Controlled Substances Tax	23,000	22,369	(631)	419
Investment earnings	2,000	2,808	808	1,446
Total revenues	40,000	54,496	14,496	49,533
Expenditures:				
Federal Asset Forfeiture	-	20,170	(20,170)	37,829
State Controlled Substances Tax	25,000	-	25,000	5,168
Miscellaneous	-	598	(598)	-
Donations	15,000	13,276	1,724	16,140
	40,000	34,044	5,956	59,137
Net change in fund balance	$ -	20,452	$ 20,452	(9,604)
Fund Balances:				
Beginning of year		334,069		343,673
End of year		$ 354,521		$ 334,069
Project Reconciliation:				
Federal Asset Forfeiture		$ 36,630		$ 52,126
State Controlled Substances Tax		80,183		57,266
Miscellaneous Projects		95,431		95,261
Donations		142,277		129,416
		$ 354,521		$ 334,069

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Sales and services	$ 98,000	$ 79,954	$ (18,046)	$ 88,682
Donations	2,500	2,379	(121)	-
Miscellaneous	1,000	-	(1,000)	64,447
Events revenue	52,500	57,592	5,092	
Total revenues	154,000	139,925	(14,075)	153,129
Expenditures:				
Personnel	290,085	274,255	15,830	259,575
Operating expenses	185,015	139,584	45,431	185,888
Total expenditures	475,100	413,839	61,261	445,463
Revenues over (under) expenditures	(321,100)	(273,914)	47,186	(292,334)
Other Financing Sources:				
Transfer in:				
General Fund	321,100	273,241	47,859	276,620
Total other financing sources	321,100	273,241	47,859	276,620
Net change in fund balance	$ -	(673)	$ (673)	(15,714)
Fund balances:				
Beginning of year		6,996		22,710
End of year		$ 6,323		$ 6,996

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Total revenues	$ -	$ -	$ -	$ -
Expenditures:				
Operating expenses:				
Joyner Park	200,000	-	200,000	-
Wake County Murals	37,510	3,624	33,886	-
Other:				
Temporary Art	-	9,032	(9,032)	-
Total expenditures	237,510	12,656	224,854	-
Revenues over (under) expenditures	(237,510)	(12,656)	224,854	-
Other Financing Sources:				
Transfer in:				
Capital Project Funds	237,510	192,500	45,010	-
Total other financing sources	237,510	192,500	45,010	-
Net change in fund balance	$ -	179,844	$ 179,844	-
Fund balances:				
Beginning of year		-		-
End of year		$ 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, 2018

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Miscellaneous Revenue - Senior Center	$ -	$ 17,900	$ -	$ 17,900
Total revenues	-	17,900	-	17,900
Expenditures:				
Operating:				
Northern Wake Senior Center Expansion	-	-	310	310
Joyner Park Development	-	-	310	310
	-	-	620	620
Capital outlay:				
Professional services				
Northern Wake Senior Center Expansion	345,000	154,815	80,638	235,453
Joyner Park Development	875,000	283,628	552,961	836,589
Subtotal	1,220,000	438,443	633,599	1,072,042
Capital outlay-improvements				
Northern Wake Senior Center Expansion	2,800,000	311,187	99,369	410,556
Joyner Park Development	10,555,000	-	230,740	230,740
Subtotal	13,355,000	311,187	330,109	641,296
Total expenditures	14,575,000	749,630	964,328	1,713,958
Revenues under expenditures	(14,575,000)	(731,730)	(964,328)	(1,696,058)
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	-	-	143,781	143,781
Joyner Park Development	-	-	514,829	514,829
Total Bond Proceeds	-	-	658,610	658,610
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

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, 2018

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Transfer in - Capital Reserve				
Northern Wake Senior Center Expansion	$ 45,000	$ -	$ -	$ -
Joyner Park Development	205,000	-	-	-
Total Transfer In - Capital Reserve	250,000	-	-	-
Transfer out - Special Revenue Fund (Public Arts)				
Northern Wake Senior Center Expansion	-	-	(31,000)	(31,000)
Joyner Park Development	-	-	(111,000)	(111,000)
Total Transfer In - Capital Reserve	-	-	(142,000)	(142,000)
Total other financing sources	14,575,000	10,400	14,716,610	14,727,010
Net change in fund balance	$ -	$ (721,330)	13,752,282	$ 13,030,952
Fund balances:				
Beginning of Year			(721,330)	
End of Year			$13,030,952	

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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues:				
Federal grants				
Smith and Sanford Creek Greenway	$ 3,757,920	$ 3,415,008	$ 241,137	$ 3,656,145
Priority Pedestrian Corridors	1,937,000	369,597	60,645	430,242
Dunn Creek Greenway-Downtown Connector	665,440	518,711	46,180	564,891
Ligon Mill Road - Operational Improvements	2,028,000	104,678	1,931	106,609
Stadium Drive - Complete Streets	3,562,400	445,533	558,852	1,004,385
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	14,517,607	4,853,527	923,912	5,777,439
State grants				
Hedrick Property	289,665	4,400	283,459	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	394,721	4,400	288,515	292,915
Wake County grants				
Smith Creek Greenway - Phase 2	941,000	-	-	-
Sub-total Wake County grants	941,000	-	-	-
Investment earnings				
Smith and Sanford Creek Greenway	-	7,174	6,876	14,050
Priority Pedestrian Corridors	-	3,139	3,464	6,603
Dunn Creek Greenway - Downtown Connector	-	854	624	1,478
Forestville Raod Pedestrian Underpass	-	647	-	647
Greenway and Park Signage	-	3,477	2,347	5,824
Ligon Mill Road Operation Improvements	-	8,157	8,923	17,080
Stadium Drive - Complete Streets	-	-	530	530
W. Oak Avenue Pedestrian Underpass	-	1,623	434	2,057
Burlington Mills Road Landscape	-	(34)	-	(34)
Dunn Creek Greenway - Boardwalk Rehab	-	3,152	605	3,757
Richland Creek Greenway	-	(64)	-	(64)
Traffic Signals - Franklin Street	-	242	-	242
Traffic Signals - Heritage Lake Road/Heritage Club	-	627	467	1,094
Wake Forest Reservoir	-	6,197	(1,511)	4,686
Hedrick Property	-	4,321	3,952	8,273
Smith Creek Stream Bank Repair	-	449	605	1,054
Sub-total investment earnings	-	39,961	27,316	67,277

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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Payment in Lieu of Taxes (PILOT)				
Ligon Mill Road Operation Improvements	$ 128,000	$ 128,314	$ 142,813	$ 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	201,314	191,192	392,506
Miscellaneous Revenues				
Ligon Mill Additional Services	-	551	-	551
Ligon Mill Road Operation Improvements	-	3	-	3
Rogers Road Widening and Pedestrian Underpass	-	20,450	(20,450)	-
Priority Pedestrian Corridors	20,500	-	20,450	20,450
Hedrick Property	4,075	2,621	577	3,198
Smith and Sanford Creek Greenway	-	-	800	800
Dunn Creek Greenway - Downtown Connector	-	-	800	800
Traffic Signals - Heritage Lake Road/Heritage Club	25,000	-	25,000	25,000
Stadium Drive - Complete Streets	-	-	9	9
Ailey Young Park Improvements	-	-	84,000	84,000
Other Miscellaneous	-	10	(9)	1
Sub-total miscellaneous revenues	49,575	23,635	111,177	134,812
Sales Tax Refund				
Smith and Sanford Creek Greenway	4,150	-	-	-
Sub-total sales tax refund	4,150	-	-	-
Total revenues	16,156,553	5,122,837	1,542,112	6,664,949
Expenditures:				
Capital outlay:				
Smith Creek/Sanford Creek Greenway	7,471,070	4,558,942	1,102,211	5,661,153
Other improvements:				
Priority Pedestrian Corridors	3,081,000	459,084	104,946	564,030
Dunn Creek Greenway - Downtown Connector	1,086,500	700,372	247,349	947,721
Stadium Drive Complete Streets	6,036,620	685,273	1,047,235	1,732,508
Forestville Road Pedestrian Underpass	349,000	349,187	-	349,187
Greenway and Park Signage	514,625	116,093	272,077	388,170
Ligon Mill Road Operational Improvement	3,052,555	784,986	91,639	876,625
W. Oak Avenue Pedestrian Underpass	168,000	192,699	-	192,699
Burlington Mills Road Landscape	86,500	86,466	-	86,466
Dunn Creek Greenway - Boardwalk Rehab	312,000	52,107	13,495	65,602
Richland Creek Greenway	28,600	28,537	-	28,537
Richland Creek Stream Repair	116,932	9,242	16,028	25,270
Traffic Signals - Franklin Street	52,500	52,235	-	52,235
Traffic Signals - Heritage Club	62,500	-	-	-
Wake Forest Reservoir	292,000	256,513	18,640	275,153
Hedrick Property	595,515	14,010	603,535	617,545
Smith Creek Stream Bank Repair	200,000	5,457	148,597	154,054
Ailey Young Park Improvements	175,000	56,428	108,368	164,796
Dunn Creek Greenway - Phase 3	593,000	250,248	256,860	507,108
Dunn Creek Greenway - Phase 4	6,000	-	-	-
Smith Creek Greenway - Phase 2	1,537,580	189,303	34,190	223,493
Smith Creek Greenway - Phase 3	432,000	-	166,847	166,847

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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Harris Round Roundabout	$ -	$ 146,742	$ 137,176	$ 283,918
Ligon Mill Road Underpass	323,000	15,000	-	15,000
Rogers Road Widening and Underpass	1,650,000	1,649,987	17,084	1,667,071
Durham Road Operational Improvements	2,433,100	90,245	46,491	136,736
Miscellaneous Greenway - TBD	41,000	-	-	-
Brick Street	150,000	-	-	-
Dunn & Richland Creek Greenway Stream Repair	3,291	-	-	-
Other Miscellaneous	-	45,604		45,604
Sub-total other improvements	23,378,818	6,235,818	3,330,557	9,566,375
Total expenditures	30,849,888	10,794,760	4,432,768	15,227,528
Revenues under expenditures	$ (14,693,335)	$ (5,671,923)	$ (2,890,656)	$ (8,562,579)
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	39,555	33,869	(9,092)	24,777
Forestville Road - Pedestrian Underpass	282,000	281,539	-	281,539
Stadium Drive Complete Streets	51,915	-	9,092	9,092
Sub-total General Capital Reserve Fund	1,373,470	315,408	-	315,408
General Fund				
Smith and Sanford Creek Greenway	1,028,000	46,500		46,500
Priority Pedestrian Corridors	40,000	-	-	-
W. Oak Avenue Pedestrian Underpass	-	3,957	-	3,957
Dunn Creek Greenway - Downtown Connector	5,560	-	-	-
Greenway and Park Signage	50,000	50,000	-	50,000
Ligon Mill Road Operational Improvements	13,000	-	-	-
Stadium Drive Complete Streets	441,305	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	1,789,865	269,525	-	269,525
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	50,500
Bond Proceeds				
Smith and Sanford Creek Greenway	1,981,000	985,000	996,000	1,981,000
Priority Pedestrian Corridors	1,035,000	325,000	230,000	555,000
Dunn Creek Greenway - Downtown Connector	115,500	103,500	212,000	315,500
Forestville Road - Pedestrian Underpass	67,000	67,000	-	67,000
Greenway and Park Signage	464,625	431,150	(525)	430,625
Ligon Mill Road - Operational Improvements	844,000	844,000	-	844,000
W. Oak Avenue - Pedestrian Underpass	168,000	187,120	(19,120)	168,000

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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Dunn Creek Greenway - Boardwalk Rehab	$ 200,000	$ 200,000	$ (200,000)	$ -
Traffic Signals - Franklin Street	52,500	51,993	-	51,993
Traffic Signals - Heritage Lake Road/Heritage Club	37,500	38,995	(988)	38,007
Wake Forest Reservoir	292,000	501,727	(209,727)	292,000
Richland Creek Greenway	28,600	28,600	-	28,600
Burlington Mills Road Landscape	86,500	86,500	-	86,500
Stadium Drive Complete Streets	1,881,000	-	-	-
Hedrick Property	301,775	301,775	-	301,775
Smith Creek Stream Bank Repair	200,000	200,000	(200,000)	-
Dunn Creek Greenway - Phase 3	593,000	-		-
Dunn Creek Greenway - Phase 4	6,000	-	-	-
Smith Creek Greenway - Phase 2	253,000	-	-	-
Smith Creek Greenway - Phase 3	262,000	-	-	-
Rogers Road Widening and Underpass	1,650,000	-	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	-	-	-
Miscellaneous Greenway - TBD	41,000	-	-	-
Sub-total Bonds Proceeds	11,530,000	4,352,360	2,457,640	6,810,000
Bond Proceeds - Premium				
Smith and Sanford Creek Greenway	-	-	17,268	17,268
Priority Pedestrian Corridors	-	-	9,929	9,929
Dunn Creek Greenway - Downtown Connector	-	-	8,634	8,634
Traffic Signals - Heritage Lake/Heritage Club	-	-	984	984
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	40,188
Sub-total Bonds Proceeds Premium	-	-	134,194	134,194
Sub-total other financing sources	14,693,335	4,937,293	2,541,334	7,478,627
Less closed project budget	-			
Total other financing sources	14,693,335	4,937,293	2,541,334	7,478,627
Net change in fund balance	$ -	$ (734,630)	(349,322)	$ (1,083,952)
Fund balances:				
Beginning of year			(734,630)	
End of year			$ (1,083,952)	

TOWN OF WAKE FOREST, NORTH CAROLINA **Schedule 9**

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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues:				
Investment earnings	$ -	$ -	$ 35	$ 35
Total revenues	-	-	35	35
Expenditures:				
Capital outlay:				
Professional services				
Road Connections - 2018	150,000	-	6,451	6,451
Street Rehabilitation - 2018	225,000	-	16,838	16,838
Downtown Streetscape - 2018	500,000	-	276,664	276,664
Subtotal Professional Services	875,000	-	299,953	299,953
Capital outlay-improvements				
Road Connections - 2018	1,050,000	-	185,475	185,475
Street Rehabilitation - 2018	1,675,000	-	1,278,705	1,278,705
Downtown Streetscape - 2018	3,400,000	-	-	-
Subtotal Capital Outlay Improvements	6,125,000	-	1,464,180	1,464,180
Total expenditures	7,000,000	-	1,764,133	1,764,133
Revenues under expenditures	(7,000,000)	-	(1,764,098)	(1,764,098)
Other financing sources:				
Installment Purchase				
Road Connections - 2018	850,000	-	850,000	850,000
Street Rehabilitation - 2018	1,550,000	-	1,550,000	1,550,000
Downtown Streetscape - 2018	3,900,000	-	-	-
Total Installment Purchase	6,300,000	-	2,400,000	2,400,000
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 9**

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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual 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	7,000,000	-	2,400,000	2,400,000
Net change in fund balance	$ -	$ -	635,902	$ 635,902
Fund balances:				
Beginning of Year			-	
End of Year			$ 635,902	

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

JUNE 30, 2018

	Capital Project Funds				
	Asset Maintenance	Public Facilities Projects	Holding Park Pool Project	Recreation Capital Reserve	Cemetery Capital Reserve
Assets					
Cash and cash equivalents	$ 18,257	$ -	$ -	$ 2,227,677	$ 56,046
Restricted cash and cash equivalents	-	-	666,169	-	-
Due from other funds	-	-	-	-	-
Accounts receivable	46,014	249,567	-	-	-
Total assets	$ 64,271	$ 249,567	$ 666,169	$ 2,227,677	$ 56,046
Liabilities					
Accounts payable	$ 14,323	$ 327	$ 356,109	$ -	$ -
Due to other funds	-	295,597	-	-	-
Total liabilities	14,323	295,924	356,109	-	-
Deferred inflows					
Grants	-	-	-	-	-
Fund balances:					
Restricted:					
Public Safety	-	-	-	-	-
Cultural & Recreation	-	-	310,060	-	-
Committed:					
Economic development	-	-	-	-	-
Assigned:					
Subsequent years expenditures	-	-	-	-	-
Recreation improvements	-	-	-	2,227,677	-
Cemetery improvements	-	-	-	-	56,046
Unassigned:	49,948	(46,357)	-	-	-
Total fund balances	49,948	(46,357)	310,060	2,227,677	56,046
Total liabilities, deferred inflows and fund balances	$ 64,271	$ 249,567	$ 666,169	$ 2,227,677	$ 56,046

Schedule 10

General Capital Reserve	Total Capital Projects Funds	Special Revenue Fund: Futures Fund	Special Revenue Fund: Grants and Special Revenue Funds	Total Special Revenue Funds	Total Nonmajor Governmental Funds
$ 2,256,994	$ 4,558,974	$ 918,720	$ 37,404	$ 956,124	$ 5,515,098
-	666,169	-	-	-	666,169
-	-	500,000	-	500,000	500,000
-	295,581	-	49,141	49,141	344,722
$ 2,256,994	$ 5,520,724	$ 1,418,720	$ 86,545	$ 1,505,265	$ 7,025,989
$ -	370,759	$ -	$ 10,986	$ 10,986	$ 381,745
-	295,597	-	-	-	295,597
-	666,356	-	10,986	10,986	677,342
-	-	-	59,138	59,138	59,138
-	-	-	1,043	1,043	1,043
-	310,060		15,378	15,378	325,438
-	-	1,418,720	-	1,418,720	1,418,720
2,256,994	2,256,994	-	-	-	2,256,994
-	2,227,677	-	-	-	2,227,677
-	56,046	-	-	-	56,046
-	3,591	-	-	-	3,591
2,256,994	4,854,368	1,418,720	16,421	1,435,141	6,289,509
$ 2,256,994	$ 5,520,724	$ 1,418,720	$ 86,545	$ 1,505,265	$ 7,025,989

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, 2018

	Capital Project Funds				
	Asset Maintenance	Public Facilities Projects	Holding Park Pool Project	Recreation Capital Reserve*	Cemetery Capital Reserve
Revenues:					
Investment earnings	$ -	$ -	$ 174	$ 14,634	$ 601
Federal grant	-	-	-	-	-
State grant	78,533	-	-	-	-
Impact fees	-	-	-	622,071	-
Payment in lieu	-	-	-	-	-
Miscellaneous	447	257,494	-	-	-
Total revenues	78,980	257,494	174	636,705	601
Expenditures:					
Personnel	-	-	-	-	-
Professional services	78,533	78,889	59,208	-	-
Operating expenses	447	2,605	-	-	-
Capital outlay	69,052	731,019	2,530,910	-	-
Total expenditures	148,032	812,513	2,590,118	-	-
Revenues over (under) expenditures	(69,052)	(555,019)	(2,589,944)	636,705	601
Other financing sources (uses):					
Transfers in	119,000	400,000	-	-	-
Transfers out	-	-	-	(39,070)	(14,254)
Installment note issuance	-	-	2,900,000	-	-
Total other financing sources (uses)	119,000	400,000	2,900,000	(39,070)	(14,254)
Net change in fund balances	49,948	(155,019)	310,056	597,635	(13,653)
Fund balances:					
Beginning of year	-	108,662	4	1,630,042	69,699
Restatement (Note 18)	-	-	-	-	-
End of year	$ 49,948	$ (46,357)	$ 310,060	$ 2,227,677	$ 56,046

Schedule 11

General Capital Reserve*	Total Capital Projects Funds	Special Revenue Funds: Futures Fund	Special Revenue Funds: Grants and Special Revenue Funds*	Total Grants and Special Revenue Funds	Total Nonmajor Governmental Funds
$ 18,933	$ 34,342	$ 66,724	$ -	$ 66,724	$ 101,066
-	-	-	20,865	20,865	20,865
-	78,533	-	134,683	134,683	213,216
555,233	1,177,304	-	-	-	1,177,304
(1,641)	(1,641)	-	-	-	(1,641)
-	257,941	-	21,513	21,513	279,454
572,525	1,546,479	66,724	177,061	243,785	1,790,264
-	-	-	35,167	35,167	35,167
-	216,630	-	250	250	216,880
-	3,052	10	48,522	48,532	51,584
-	3,330,981	-	115,706	115,706	3,446,687
-	3,550,663	10	199,645	199,655	3,750,318
572,525	(2,004,184)	66,714	(22,584)	44,130	(1,960,054)
-	519,000	125,000	44,102	169,102	688,102
(44,000)	(97,324)	-	-	-	(97,324)
-	2,900,000	-	-		2,900,000
(44,000)	3,321,676	125,000	44,102	169,102	3,490,778
528,525	1,317,492	191,714	21,518	213,232	1,530,724
1,728,469	3,536,876	1,082,750	(5,097)	1,077,653	4,614,529
-	-	144,256	-	144,256	144,256
$ 2,256,994	$ 4,854,368	$ 1,418,720	$ 16,421	$ 1,435,141	$ 6,289,509

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, 2018

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Restricted Intergovernmental:				
Ailey Young Dam Renovation	$ 582,105	$ -	$ 78,533	$ 78,533
Other Revenue:				
Ailey Young Dam Renovation	61,000	-	447	447
Total revenues	643,105	-	78,980	78,980
Expenditures:				
Operating:				
Ailey Young Dam Renovation	61,000	-	447	447
Capital outlay:				
Professional services				
Ailey Young Dam Renovation	100,450	-	78,533	78,533
Subtotal	100,450	-	78,533	78,533
Capital outlay-improvements				
Town Hall Renovations	119,000	-	69,052	69,052
Ailey Young Dam Renovation	481,655	-	-	-
Subtotal	600,655	-	69,052	69,052
Total expenditures	762,105	-	148,032	148,032
Revenues under expenditures	(119,000)	-	(69,052)	(69,052)
Other financing sources:				
Transfer in - General Fund				
Town Hall Renovations	119,000	-	119,000	119,000
Total Transfer In - General Fund	119,000	-	119,000	119,000
Total other financing sources	119,000	-	119,000	119,000
Net change in fund balance	$ -	$ -	49,948	$ 49,948
Fund balances:				
Beginning of Year			-	
End of Year			$ 49,948	

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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues:				
Restricted Intergovernmental:				
Renaissance Centre Renovations	$ 348,530	$ 42,834	$ 257,494	$ 300,328
Other Revenue:				
Ailey Young Home Improvements	10,000	10,000	-	10,000
Total revenues	358,530	52,834	257,494	310,328
Expenditures:				
Operating:				
Renaissance Centre Renovations	-	-	2,605	2,605
Subtotal	-	-	2,605	2,605
Capital outlay:				
Professional services				
Operations Center Expansion	200,000	55,500	(5,800)	49,700
Renaissance Centre Renovations	-	-	9,213	9,213
Fiber Infrastructure Project	475,000	-	75,476	75,476
Subtotal	675,000	55,500	78,889	134,389
Capital outlay-improvements				
Ailey Young Home Improvements	10,000	19,589	-	19,589
Renaissance Centre Renovations	995,800	122,383	731,019	853,402
Fiber Infrastructure Project	2,275,000	-	-	-
Subtotal	3,280,800	141,972	731,019	872,991
Total expenditures	3,955,800	197,472	812,513	1,009,985
Revenues under expenditures	(3,597,270)	(144,638)	(555,019)	(699,657)
Other financing sources:				
Transfer in - General Fund				
Renaissance Centre Renovations	647,270	253,300	400,000	653,300
Fiber Infrastructure Project	250,000	-	-	-
Total Transfer In - General Fund	897,270	253,300	400,000	653,300
Transfer in - Capital Reserve				
Operations Center Expansion	200,000	-	-	-
Total Transfer In - Capital Reserve	200,000	-	-	-

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, 2018

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Installment Purchase				
Fiber Infrastructure Project	$ 2,500,000	$ -	$ -	$ -
Total Installment Purchase	2,500,000	-	-	-
Total other financing sources	3,597,270	253,300	400,000	653,300
Net change in fund balance	$ -	$ 108,662	(155,019)	$ (46,357)
Fund balances:				
Beginning of Year			108,662	
End of Year			$ (46,357)	

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, 2018

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	$ -	$ -	$ 174	$ 174
Total revenues	-	-	174	174
Expenditures:				
Capital outlay:				
Professional services	395,000	294,381	59,208	353,589
Capital outlay-improvements	2,846,885	-	2,530,910	2,530,910
Total expenditures	3,241,885	294,381	2,590,118	2,884,499
Revenues under expenditures	(3,241,885)	(294,381)	(2,589,944)	(2,884,325)
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	-	52,500
Total other financing sources	3,241,885	294,385	2,900,000	3,194,385
Net change in fund balance	$ -	$ 4	310,056	$ 310,060
Fund balances:				
Beginning of Year			4	
End of Year			$ 310,060	

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, 2018

		Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Impact fees	$ 3,489,600	$ 2,427,112	$ 622,071	$ (797,070)	$ 2,252,113
Investment earnings	150,000	6,794	14,634	(6,794)	14,634
Miscellaneous	1,000	-	-	-	-
Total revenues	3,640,600	2,433,906	636,705	(803,864)	2,266,747
Other financing sources (uses):					
Transfers in (out):					
General Fund	250,000	-	-	-	-
General Fund	(252,600)	(280,440)	(39,070)	280,440	(39,070)
Capital Project Fund	(3,638,000)	(523,424)	-	523,424	-
Total financing sources (uses)	(3,640,600)	(803,864)	(39,070)	803,864	(39,070)
Net change in fund balance	$ -	$ 1,630,042	597,635	$ -	$ 2,227,677
Fund balances:					
Beginning of year			1,630,042		
End of year			$ 2,227,677		

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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues:				
Donations	$ 150,000	$ 69,372	$ -	$ 69,372
Investment earnings	115,000	327	601	928
Total revenues	265,000	69,699	601	70,300
Other financing uses				
Transfer out:				
General Fund	(265,000)	-	(14,254)	(14,254)
Net change in fund balance	$ -	$ 69,699	(13,653)	$ 56,046
Fund balances:				
Beginning of year			69,699	
End of year			$ 56,046	

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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Closed Projects	Actual Total to Date
Revenues:					
Payments in lieu	$ 838,220	$ 836,765	$ (1,641)	$ -	$ 835,124
Greenway fees	20,690	20,692	-	-	20,692
Fire Impact Fees	1,435,000	751,211	555,232	(43,999)	1,262,444
Investment earnings	160,000	55,008	18,934	-	73,942
Donations	205,000	22,232	-	-	22,232
Development proceeds	86,560	86,560	-	-	86,560
Total revenues	2,745,470	1,772,468	572,525	(43,999)	2,300,994
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Fire Department	(1,435,000)	(43,999)	(44,000)	43,999	(44,000)
Other	(306,595)	-	-	-	-
Capital Projects Fund	(1,003,875)	-	-		-
Total other financing sources (uses)	(2,745,470)	(43,999)	(44,000)	43,999	(44,000)
Net change in fund balance	$ -	$ 1,728,469	528,525	$ -	$ 2,256,994
Fund balances:					
Beginning of year			1,728,469		
End of year			$ 2,256,994		

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, 2018

		Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Restricted Intergovernmental:					
Federal Grants					
Police Department	$ 29,265	$ 13,541	$ 10,865	$ (11,387)	$ 13,019
Park, Recreation and Cultural Resources	12,500	-	10,000	-	10,000
State Grants					
Downtown Development	144,340	29,974	55,227	-	85,201
Planning	9,000	4,500	4,500	-	9,000
Police Department	99,544	-	74,956	-	74,956
Total Restricted Intergovernmental	294,649	48,015	155,548	(11,387)	192,176
Miscellaneous Revenues:					
Park, Recreation and Cultural Resources	97,275	98,860	4,636	-	103,496
Donations:					
Planning Department	-	-	-	-	-
Park, Recreation and Cultural Resources	2,500	4,500	-	-	4,500
Police Department	-	-	6,484		6,484
Renaissance Centre	4,560	5,000	4,560	(5,000)	4,560
Total Donations	7,060	9,500	11,044	(5,000)	15,544
Other Revenues:					
Park, Recreation and Cultural Resources	260,091	7,994	4,969	-	12,963
Total revenues	659,075	164,369	176,197	(16,387)	324,179
Expenditures:					
Personnel:					
Police Department	76,611	-	35,167		35,167
Subtotal - Personnel	76,611	-	35,167	-	35,167
Operations:					
Police Department	31,530	26,784	17,893	(22,477)	22,200
Planning Department	14,250	7,845	6,500		14,345
Park, Recreation and Cultural Resources	371,231	18,457	19,819		38,276
Renaissance Centre	4,560	5,000	4,560	(5,000)	4,560
Subtotal - Operations	421,571	58,086	48,772	(27,477)	79,381
Capital Outlay:					
Downtown Development	144,340	29,974	55,227	-	85,201
Park, Recreation and Cultural Resources	111,500	180,707	-	-	180,707
Police Department	49,500		60,479	-	60,479
Subtotal - Capital Outlay	305,340	210,681	115,706	-	326,387
Total expenditures	803,522	268,767	199,645	(27,477)	440,935
Revenues under expenditures	(144,447)	(104,398)	(23,448)	11,090	(116,756)

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, 2018

		Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Other financing sources:					
Transfer in - General Fund					
Police Department	28,832	7,861	17,567	(7,861)	17,567
Planning Department	5,250	2,885	2,460	-	5,345
Park, Recreation and Cultural Resources	110,365	83,172	20,229	-	103,401
Total Transfer In - General Fund	144,447	93,918	40,256	(7,861)	126,313
Transfer in - Special Revenue Fund					
Police Department	-	5,383	4,710	(3,229)	6,864
Total Transfer In - Special Revenue Fund	-	5,383	4,710	(3,229)	6,864
Capital Contributions	-	-	-	-	-
Total other financing sources	144,447	99,301	44,966	(11,090)	133,177
Net change in fund balance	$ -	$ (5,097)	21,518	$ -	$ 16,421
Fund balances:					
Beginning of Year			(5,097)		
End of Year			$ 16,421		

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

FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	$ 75,000	$ 66,724	$ (8,276)	$ 52,250
Expenditures:				
Professional services	-	10	(10)	-
Total expenditures	-	10	(10)	-
Revenues over (under) expenditures	$ 75,000	66,714	$ (8,286)	52,250
Other financing sources (uses):				
Transfer in:				
General Fund	125,000	125,000	-	-
Transfer out:				
General Fund	(500,000)	-	500,000	
Appropriated Fund Balance	300,000	-	(300,000)	-
Total other financing sources	(75,000)	125,000	200,000	-
Net change in fund balance	$ -	191,714	$ 191,714	52,250
Fund balances:				
Beginning of year		1,082,750		1,030,500
Prior period adjustment - Note 18		144,256		-
End of year		$ 1,418,720		$ 1,082,750

Schedule 20

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

FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Charges for services	$ 19,217,915	$ 19,199,890	$ (18,025)	$ 18,521,682
Other operating revenues				
Sales tax	1,343,450	1,346,273	2,823	1,306,516
Reconnect charges	122,500	124,783	2,283	120,652
Miscellaneous	216,500	369,115	152,615	212,176
Total operating revenues	20,900,365	21,040,061	139,696	20,161,026
Nonoperating revenues:				
Investment earnings	30,000	32,052	2,052	17,189
Sale of assets	55,000	54,487	(513)	43,416
Total nonoperating revenues	85,000	86,539	1,539	60,605
Total revenues	20,985,365	21,126,600	141,235	20,221,631
Expenditures:				
Electric operations:				
Salaries and employee benefits	3,293,795	3,240,965	52,830	2,838,398
Power purchases for resale	12,271,390	12,020,879	250,511	12,060,954
Utility sales tax	2,119,355	2,032,056	87,299	2,009,211
Repairs and maintenance	317,950	278,003	39,947	215,380
Other operating expenditures	1,341,690	1,338,232	3,458	952,087
Total electric operations	19,344,180	18,910,135	434,045	18,076,030
Debt service:				
Principal retirement	610,450	610,059	391	450,630
Interest and fees	63,935	63,904	31	72,034
Total debt service	674,385	673,963	422	522,664
Capital outlay	1,705,035	1,572,242	132,793	1,765,632
Total expenditures	21,723,600	21,156,340	567,260	20,364,326
Revenues over expenditures	(738,235)	(29,740)	(708,495)	(142,695)

Schedule 20

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

FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Other financing sources (uses):				
Transfer in (out):				
Electric capital reserve fund	$ (95,000)	$ (95,000)	$ -	$ -
Installment purchase	833,235	833,235	-	-
Total other financing sources (uses)	738,235	738,235	-	-
Revenues over expenditures and other financing uses	$ -	708,495	$ (708,495)	(142,695)
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Depreciation		(1,277,834)		(1,091,847)
Capital outlay		1,572,242		1,765,632
Interfund transfers		95,000		-
Debt issuance		(833,235)		-
Principal retirement		610,059		450,630
Increase/(Decrease) in inventory		373,154		(1,153)
Increase/(Decrease) in accrued interest		4,491		4,347
Increase in accrued vacation pay		(27,459)		(3,656)
Increase in pension expense		(179,701)		(189,744)
Deferred outflows of resources for contributions made to pension plan in current fiscal year		107,727		86,406
Increase in accrued other postemployment benefits		50,710		(219,187)
Increase deferred inflows of resources - OPEB		(306,126)		-
Increase deferred outflows of resources - OPEB		28,188		-
Capital project funds:				
Investment earnings		3,156		1,629
Total reconciling items		220,372		803,057
Change in net position		$ 928,867		$ 660,362

Schedule 21

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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues:				
Investment earnings	$ 170,000	$ 1,629	$ 3,156	$ 4,785
Other financing sources (uses):				
Transfers in (out)				
Electric Fund	830,000	401,492	95,000	496,492
Electric Fund	(1,000,000)	-	-	-
Total other financing sources (uses)	(170,000)	401,492	95,000	496,492
Revenues and other financing sources over other financing uses	$ -	$ 403,121	$ 98,156	$ 501,277

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

JUNE 30, 2018

Fiscal Year	Uncollected Balance June 30, 2017	Additions	Collections And Credits	Uncollected Balance June 30, 2018
2017-2018	$ -	$ 25,954,547	$ 25,922,302	$ 32,245
2016-2017	34,734	-	19,706	15,028
2015-2016	15,580	-	3,517	12,063
2014-2015	8,608	-	3,149	5,459
2013-2014	12,920	-	1,349	11,571
2012-2013	13,663	-	650	13,013
2011-2012	18,580	-	280	18,300
2010-2011	17,087	-	2,528	14,559
2009-2010	(2,749)	-	156	(2,905)
2008-2009	18,783	-	5,326	13,457
2007-2008	15,968	-	15,968	-
	$ 153,174	$ 25,954,547	$ 25,974,930	132,791
	Less allowance for uncollectible ad valorem tax receivable			(87,067)
	Ad valorem taxes receivable - net			$ 45,723

General Fund Taxes Receivable per the fund financial statements (Exhibit 3)	$ 121,124
Less: Downtown Municipal Service District Taxes Receivable	(25,973)
Less: Vehicle License Fee Receivable	(49,429)
General Fund Ad Valorem Taxes Receivable	$ 45,723

Revenue reconciliation:

Ad valorem taxes - General Fund	$ 25,890,727
Add (deduct):	
Releases allowed	107,086
Taxes written off	15,968
Penalties and interest	(38,851)
Total collections and credits	$ 25,974,930

Schedule 23

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Town - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	$ 4,991,269,425	0.52	$ 25,954,601	$ 23,738,228	$ 2,216,372
Penalties	-		21,481	21,481	-
Total	4,991,269,425		25,976,082	23,759,709	2,216,372
Discoveries:					
Prior year taxes	-		50,877	50,852	25
Less: abatements	(13,925,385)	0.52	(72,412)	(66,195)	(6,217)
Total property valuation	$ 4,977,344,040				
Net levy			25,954,547	23,744,366	2,210,180
Less: uncollected taxes at June 30, 2018			32,245	24,246	7,999
Current year's taxes collected			$ 25,922,302	$ 23,720,120	$ 2,202,181
Current levy collection percentage			99.88%	99.90%	99.64%

Schedule 24

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

JUNE 30, 2018

Fiscal Year	Governmental Funds	
	Principal	Principal and Interest
2018-2019	$ 2,080,000	$ 896,556
2019-2020	1,987,000	891,133
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	$ 29,117,000	$ 8,442,355

TOWN *of* WAKE FOREST

TOWN OF WAKE FOREST, NORTH CAROLINA

NET POSITION BY CATEGORY

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

June 30, 2018

	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	$ 109,374,788	$ 110,101,600	$ 112,448,969	$ 112,059,645
Restricted for:				
Stabilization by State Statute	-	-	5,424,734	3,753,434
Inspections (HB 255)	-	-	-	-
Downtown District	-	-	-	222,608
Public Safety	-	-	-	208,258
Street and sidewalk improvements	185,777	-	-	-
Equipment and vehicles	-	-	-	-
Holding park pool renovations	-	-	-	-
Greenways	-	-	-	-
Cultural and Recreation	-	-	-	-
Unrestricted	12,613,374	12,534,616	4,887,874	6,352,719
Subtotal governmental activities net position	122,173,939	122,636,216	122,761,577	122,596,664
Business-type activities				
Net investment in capital assets	13,606,123	13,938,763	14,324,918	13,998,797
Unrestricted	680,804	1,801,040	2,591,519	3,053,159
Subtotal business-type activities net position	14,286,927	15,739,803	16,916,437	17,051,956
Primary Government				
Net investment in capital assets	122,980,911	124,040,363	126,773,887	126,058,442
Restricted for:				
Stabilization by State Statute	-	-	5,424,734	3,753,434
Inspections (HB 225)	-	-	-	-
Downtown District	-	-	-	222,608
Public Safety	-	-	-	208,258
Street improvements	185,777	-	-	-
Holding Park Pool Renovations	-	-	-	-
Equipment and vehicles	-	-	-	-
Greenways	-	-	-	-
Cultural and Recreation	-	-	-	-
Unrestricted	13,294,178	14,335,656	7,479,393	9,405,878
Total primary government net position	$ 136,460,866	$ 138,376,019	$ 139,678,014	$ 139,648,620

Table 1

2013	2014	2015	2016	2017	2018
$ 115,919,685	$ 120,837,511	$ 131,248,516	$ 144,053,526	$ 161,330,230	$ 172,179,914
2,757,473	4,111,501	3,721,637	3,617,882	4,208,575	5,201,309
-	-	-	-	163,450	351,107
224,269	236,256	243,525	255,346	266,635	278,314
267,904	267,986	297,346	343,673	334,069	355,564
-	478,867	1,481,070	954,214	1,983,593	2,745,290
-	-	224,833	969,307	-	219,155
-	26,373	-	-	-	-
-	-	2,330,480	2,221,896	469,387	1,030,449
-	-	-	11,742	173,755	13,356,391
8,353,849	5,087,465	7,157,318	1,568,337	(993,658)	(27,816,047)
127,523,180	131,045,959	146,704,725	153,995,923	167,936,036	167,901,446
14,129,141	12,716,267	13,789,268	15,786,945	16,911,360	16,982,591
3,465,391	5,069,470	3,909,794	3,798,069	3,336,296	2,447,316
17,594,532	17,785,737	17,699,062	19,585,014	20,247,656	19,429,907
130,048,826	133,553,778	145,037,784	159,840,471	178,241,590	189,162,505
2,757,473	4,111,501	3,721,637	3,617,882	4,208,575	5,201,309
-	-	-	-	163,450	351,107
224,269	236,256	243,525	255,346	266,635	278,314
267,904	267,986	297,346	343,673	334,069	355,564
-	478,867	1,481,070	954,214	1,983,593	2,745,290
-	26,373	-	-	-	-
-	-	224,833	969,307	-	219,155
-	-	2,330,480	2,221,896	469,387	1,030,449
-	-	-	11,742	173,755	13,356,391
11,819,240	10,156,935	11,067,112	5,366,406	2,342,638	(25,368,731)
$ 145,117,712	$ 148,831,696	$ 164,403,787	$ 173,580,937	$ 188,183,692	$ 187,331,353

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

June 30, 2018

	2009	2010	2011	2012
Expenses				
Governmental activities:				
General Government	$ 8,618,506	$ 8,682,965	$ 9,814,820	$ 9,629,543
Public Safety	9,447,725	10,253,680	10,478,094	10,697,935
Transportation	3,604,053	4,299,079	4,370,908	4,052,075
Environmental Protection	2,272,165	2,397,576	2,520,645	2,554,192
Cultural and Recreational	1,798,042	2,024,989	2,502,178	2,644,989
Interest on long-term debt	784,454	902,986	909,477	932,318
Subtotal governmental activities expense	26,524,945	28,561,275	30,596,122	30,511,052
Business-type activities:				
Water and sewer	195,625	170,850	147,731	126,995
Electric	16,048,282	16,097,214	17,327,845	16,908,508
Subtotal business-type activities expenses	16,243,907	16,268,064	17,475,576	17,035,503
Total primary government expenses	42,768,852	44,829,339	48,071,698	47,546,555
Program Revenues				
Governmental activities:				
Charges for Services				
General Governmental	1,071,361	1,101,020	1,206,061	1,240,682
Public Safety	376,472	417,136	298,319	272,903
Transportation	70,698	52,628	73,665	73,334
Environmental Protection	256,014	266,524	267,115	210,471
Cultural and Recreational	415,745	471,331	625,252	566,154
Operating Grants and Contributions				
General Governmental	-	-	144,937	342,982
Public Safety	55,286	56,655	116,649	75,676
Transportation	708,220	656,839	686,375	738,982
Environmental Protection	5,460	396	3,057	-
Cultural and Recreational	56,482	-	-	-
Capital Grants and Contributions				
Public Safety	-	21,454	62,117	-
Transportation	12,395,415	700,731	1,487,487	-
Environmental Protection	-	210,394	46,999	-
Cultural and Recreational	750,000	158,479	291,521	284,861
Subtotal governmental activities program revenues	16,161,153	4,113,587	5,309,554	3,806,045

2013	2014	2015	2016	2017	2018
$ 9,524,312	$ 10,466,637	$ 10,288,616	$ 11,422,995	$ 12,869,405	$ 13,074,362
11,228,188	12,809,633	13,193,519	15,997,273	14,515,834	15,553,468
4,119,839	4,436,052	5,090,607	1,785,023	2,276,688	5,606,567
2,666,922	2,787,905	2,661,631	3,081,207	3,312,425	3,594,622
2,819,826	3,250,469	3,759,071	1,951,732	6,865,664	4,432,829
995,852	809,270	775,312	748,481	604,099	625,012
31,354,939	34,559,966	35,768,756	34,986,711	40,444,115	42,886,860
74,309	60,395	44,045	27,761	11,907	-
17,486,017	17,964,027	19,503,601	18,172,784	19,562,897	20,200,887
17,560,326	18,024,422	19,547,646	18,200,545	19,574,804	20,200,887
48,915,265	52,584,388	55,316,402	53,187,256	60,018,919	63,087,747
1,901,453	1,767,013	2,183,403	(2,985,095)	2,456,723	2,874,041
624,000	444,838	608,598	641,804	544,319	685,319
36,873	19,403	28,655	18,663	91,773	126,506
191,383	168,524	172,421	174,647	185,245	174,764
1,119,803	805,310	1,181,893	987,346	1,601,675	1,124,097
-	-	-	-	7,994	5,070
82,944	85,197	75,676	78,823	75,676	75,676
770,703	796,640	810,220	946,028	852,302	868,086
54,028	37,184	2,264	-	-	-
-	-	2,834	20,975	80,330	755,194
16,960	264,256	99,564	65,450	5,680	20,865
3,612,138	3,397,026	15,342,778	7,870,624	10,193,724	8,328,200
-	-	-	11,000	-	-
142,693	427,543	2,756	13,541	3,347,745	20,222
8,552,978	8,212,934	20,511,062	7,843,806	19,443,186	15,058,040

Continued on next page

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

June 30, 2018

	2009	2010	2011	2012
Business-type activities:				
Charges for Services -				
Electric	16,483,781	17,520,430	18,453,796	17,033,633
Operating Grants and Contributions -				
Water and sewer	-	-	311	31
Subtotal business-type activities program	16,483,781	17,520,430	18,454,107	17,033,664
Total primary government program revenues	32,644,934	21,634,017	23,763,661	20,839,709
Net (Expense) Revenue				
Governmental activities	(10,363,792)	(24,447,688)	(25,286,568)	(26,705,007)
Business-type activities:				
Water and sewer	(195,625)	(170,850)	(147,420)	(126,964)
Electric	435,499	1,423,216	1,125,951	125,125
Total primary government net expense	(10,123,918)	(23,195,322)	(24,308,037)	(26,706,846)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes, levied for general purpose	17,276,890	18,229,078	18,590,117	19,271,260
Other taxes and licenses	71,784	83,634	86,027	113,292
Unrestricted intergovernmental	5,937,573	5,789,968	6,254,703	6,671,559
Unrestricted investment earnings	358,825	85,946	67,390	68,575
Miscellaneous	463,068	327,018	402,927	415,408
Special items	2,205,470	-	-	-
Transfers	-	1,423	10,765	-
Subtotal governmental activities	26,313,610	24,517,067	25,411,929	26,540,094
Business type activities:				
Unrestricted investment earnings	201,099	174,934	152,522	132,409
Unrestricted intergovernmental	-	-	-	-
Miscellaneous	117,379	26,999	56,346	4,949
Transfers and Special items	-	(1,423)	(10,765)	-
Subtotal business-type activities	318,478	200,510	198,103	137,358
Total primary government	26,632,088	24,717,577	25,610,032	26,677,452
Change in Net Position				
Governmental activities	15,949,818	69,379	125,361	(164,913)
Business-type activities	558,352	1,452,876	1,176,634	135,519
Total primary Government	$ 16,508,170	$ 1,522,255	$ 1,301,995	$ (29,394)

2013	2014	2015	2016	2017	2018
17,987,671	18,068,548	19,501,560	19,946,073	19,948,850	20,670,944
-	-	-	-	-	-
17,987,671	18,068,548	19,501,560	19,946,073	19,948,850	20,670,944
26,540,649	26,281,482	40,012,622	27,789,879	39,392,036	35,728,984
(22,801,961)	(26,347,032)	(15,257,694)	(27,142,905)	(21,000,929)	(27,828,820)
(74,309)	(60,395)	(44,045)	(27,761)	(11,907)	-
501,654	104,521	(2,041)	1,773,289	385,953	470,057
(22,374,616)	(26,302,906)	(15,303,780)	(25,397,377)	(20,626,883)	(27,358,763)
20,062,610	21,387,601	22,496,254	23,681,908	24,545,443	25,966,222
92,347	110,789	47,957	64,894	70,711	75,096
7,070,415	7,527,964	8,773,026	9,464,778	9,845,432	10,308,211
139,553	69,369	67,633	110,600	177,663	293,076
516,424	766,922	607,247	1,111,923	1,447,361	1,048,382
-	-	507,768	-	-	-
1,460	7,166	-	-	-	-
27,882,809	29,869,811	32,499,885	34,434,103	36,086,610	37,690,987
82,968	65,167	49,047	38,254	33,004	35,208
-	-	1,177	-	-	-
33,723	89,078	162,559	102,170	255,592	423,602
(1,460)	(7,166)	-	-	-	-
115,231	147,079	212,783	140,424	288,596	458,810
27,998,040	30,016,890	32,712,668	34,574,527	36,375,206	38,149,797
5,080,848	3,522,779	17,242,191	7,291,198	15,085,681	9,862,167
542,576	191,205	166,697	1,885,952	662,642	928,867
$ 5,623,424	$ 3,713,984	$ 17,408,888	$ 9,177,150	$ 15,748,323	$ 10,791,034

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

June 30, 2018

	2009	2010	2011	2012
General Fund				
Reserved for:				
Encumbrances	$ 42,046	$ 254,500	$ -	$ -
State statute	6,872,108	2,669,931	-	-
Inventories and prepaid items	39,694	62,904	-	-
Streets	185,777	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	2,090,000	2,108,755	-	-
Undesignated	4,683,978	7,383,752	-	-
Non Spendable				
Inventories	-	-	16,327	16,327
Prepaid Expenditures	-	-	535	-
Restricted:				
Stabilization by State Statute	-	-	5,424,734	3,753,434
Inspections (HB 255)	-	-	-	-
Downtown District	-	-		222,608
Public Safety	-	-		208,258
Equipment and vehicles				
Assigned:				
Subsequent years expenditures	-	-	1,660,745	921,000
Unassigned	-	-	4,838,882	6,349,345
Total General Fund	$ 13,913,603	$ 12,479,842	$ 11,941,223	$ 11,470,972
All Other Governmental Funds				
Unreserved, reported in:				
Special revenue funds	$ 168,677	$ 314,410	$ -	$ -
Capital projects funds	7,304,335	4,217,030	-	-
Committed:				
Economic Development	-	-	-	-
Street improvements	-	-	2,068,159	2,513,318
Recreation improvements	-	-	113,239	-
Restricted:				
Street improvements	-	-	-	-
Holding park pool renovations	-	-	-	-
Parks and recreation	-	-	-	-
Equipment and vehicles	-	-	-	-
Greenways	-	-	-	-
Grants	-	-	-	-
Assigned:				
Subsequent years expenditures	-	-	611,431	2,455,268
Debt service	-	-	-	-
Recreation improvements	-	-	1,320,649	1,081,765
Cemetery improvements	-	-	104,092	104,193
Fire Department	-	-	-	-
Roadway projects	-	-	-	-
Asset maintenance	-	-	-	-
Unassigned	-	-	(799,734)	(1,067,899)
Total all other Governmental Funds	$ 7,473,012	$ 4,531,440	$ 3,417,836	$ 5,086,645

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

Table 3

2013	2014	2015	2016	2017	2018
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
17,169	15,099	13,281	15,942	12,958	16,710
-	-	-	74,031	69,775	100,850
2,757,473	4,111,501	3,721,637	3,617,882	4,208,575	5,201,309
-	-	-	-	163,450	351,107
224,269	236,256	243,525	255,346	266,635	278,314
267,904	267,986	297,346	343,673	334,069	354,521
		224,833	969,307	-	219,155
935,130	1,383,860	894,170	1,161,500	1,481,115	1,597,145
7,726,822	5,634,102	7,633,804	8,013,074	9,521,082	8,360,653
$ 11,928,767	$ 11,648,804	$ 13,028,596	$ 14,450,755	$ 16,057,659	$ 16,479,764
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
900,053	923,451	946,850	1,030,500	1,082,750	1,418,720
897,352	-	-	-	-	-
-	-	-	-	-	-
-	478,867	1,287,047	954,214	1,983,593	2,745,290
-	26,373	-	-	-	-
-	-	-	-	-	13,341,012
-	-	194,023	-	-	-
-	-	2,330,480	2,221,896	469,387	1,030,449
-	-	-	11,742	173,755	16,422
1,830,896	2,353,473	3,058,811	1,242,997	1,728,468	-
-	-	-	-	-	1,055,143
726,880	833,558	1,365,216	1,665,395	1,630,042	2,431,103
104,330	104,408	74,048	69,372	69,699	56,046
-	-	-	-	-	1,218,444
-	-	-	-	-	835,124
-	-	-	-	-	49,948
-	(293,207)	-	-	(3,979,125)	(4,270,147)
$ 4,459,511	$ 4,426,923	$ 9,256,475	$ 7,196,116	$ 3,158,569	$ 19,927,554

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

June 30, 2018

	2009	2010	2011	2012
Revenues				
Ad Valorem Taxes	$17,150,242	$18,218,142	$18,655,904	$19,314,239
Other Taxes	69,073	81,990	84,844	87,495
Unrestricted Intergovernmental	5,937,573	5,789,968	6,254,703	6,671,559
Restricted Intergovernmental	1,575,448	1,110,921	1,339,445	1,442,501
Permits and Fees	1,440,169	1,547,973	1,679,309	1,625,891
Sales and Services	870,538	760,666	796,759	758,893
Miscellaneous	398,427	327,018	465,688	440,520
Investment Earnings	358,825	340,767	67,390	68,575
Total revenues	27,800,295	28,177,445	29,344,042	30,409,673
Expenditures				
General Government	8,010,553	8,145,908	8,821,715	9,255,647
Public Safety	8,715,513	9,449,953	9,679,055	9,899,361
Transportation	1,552,320	2,071,754	2,162,019	1,811,031
Environmental Protection	2,174,599	2,289,181	2,420,516	2,461,981
Cultural and Recreational	1,537,097	1,558,458	1,605,629	1,742,995
Capital outlay	19,836,119	9,456,702	3,782,821	7,697,205
Debt service:				
Bond Principal	651,625	2,365,250	1,015,000	1,010,000
Bond Interest	452,364	452,588	628,763	572,513
Installment note principal	573,026	753,022	877,659	1,238,404
Installment note interest	187,930	352,835	334,913	372,133
Total expenditures	43,691,146	36,895,651	31,328,090	36,061,270
Excess of revenues over (under) expenditures	(15,890,851)	(8,718,206)	(1,984,048)	(5,651,597)
Other Financing Sources (Uses)				
Transfers in	1,172,719	3,525,538	913,836	5,597,826
Transfers (out)	(1,172,719)	(3,524,115)	(903,071)	(5,597,826)
Special Item	2,205,470	-	-	-
Installment note proceeds	10,048,795	407,504	321,060	6,850,155
Bond premium/(issuance costs)	-	(151,247)	-	-
Bond issuance		9,005,000	-	-
Insurance reconvery - Shop Fire 2016*	-	-	-	-
Total other financing sources (uses)	12,254,265	9,262,680	331,825	6,850,155
Net changes in fund balances	(3,636,586)	544,474	(1,652,223)	1,198,558
Fund balance - beginning of year (as previously reported)	19,710,496	16,392,452	17,011,282	15,359,059
Adjustments to beginning fund balance	-	74,356	-	-
Fund balance - beginning of year (as restated)	19,710,496	16,466,808	17,011,282	15,359,059
Fund balance - end of year	$16,073,910	$17,011,282	$15,359,059	$16,557,617
Debt service as a percentage of noncapital expenditures	7.82%	14.30%	10.37%	11.26%

Table 4

2013	2014	2015	2016	2017	2018
$20,062,793	$ 21,364,309	$22,496,254	$23,681,908	$24,545,443	$25,966,222
92,347	110,789	47,957	64,894	70,711	75,096
7,070,415	7,527,964	8,740,874	9,464,778	9,845,432	10,308,211
1,121,653	2,233,503	1,029,571	1,162,325	4,674,540	2,679,743
3,151,923	2,530,344	3,592,120	3,200,322	3,867,619	4,333,204
710,031	746,997	847,584	967,433	800,167	776,303
527,072	757,487	489,816	892,367	1,045,895	941,708
122,770	52,589	50,849	151,696	187,357	316,625
32,859,004	35,323,982	37,295,025	39,585,723	45,037,164	45,397,112
8,705,491	9,245,621	9,387,662	9,987,406	10,114,354	10,915,763
10,418,124	11,896,289	12,586,385	15,344,482	13,730,482	14,386,094
1,734,057	1,836,957	1,986,906	1,982,830	2,009,350	2,109,389
2,577,759	2,700,114	2,863,636	2,982,465	3,158,944	3,426,135
2,003,892	2,369,564	2,840,566	2,866,153	3,097,344	3,281,932
5,371,207	6,180,462	2,532,617	3,102,334	12,251,028	14,105,263
1,005,000	1,005,000	1,000,000	1,215,000	1,253,000	1,245,000
542,188	511,988	475,375	538,038	410,917	379,189
1,957,402	2,465,139	2,795,093	2,884,020	2,881,069	2,945,536
361,021	321,270	295,441	257,952	212,440	230,681
34,676,141	38,532,404	36,763,681	41,160,680	49,118,928	53,024,982
(1,817,137)	(3,208,422)	531,344	(1,574,957)	(4,081,764)	(7,627,870)
1,453,347	356,367	277,878	2,916,749	1,693,359	5,928,103
(1,451,887)	(349,201)	(277,878)	(2,916,749)	(1,693,360)	(5,928,103)
-	-	507,768	-	-	-
1,603,825	2,888,705	792,750	871,700	1,023,170	-
-	-	47,482	-	-	770,970
-	-	4,330,000	65,057	-	24,048,550
-	-	-	-	627,952	-
1,605,285	2,895,871	5,678,000	936,757	1,651,121	24,819,520
(211,852)	(312,551)	6,209,344	(638,200)	(2,430,643)	17,191,650
16,557,617	16,388,278	16,075,727	22,285,071	21,646,871	19,216,228
42,513	-	-	-	-	(560)
16,600,130	16,388,278	16,075,727	22,285,071	21,646,871	19,215,668
$16,388,278	$ 16,075,727	$22,285,071	$21,646,871	$19,216,228	$36,407,318
13.19%	13.30%	13.34%	12.86%	12.90%	12.33%

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

June 30, 2018

	Program Revenues		
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
2009	$ 18,674,071	$ 825,448	$ 13,145,415
2010	19,829,069	713,890	1,091,058
2011	20,924,208	951,329	1,888,124
2012	19,397,177	1,157,671	284,861
2013	21,861,183	907,675	3,771,791
2014	21,273,636	919,021	4,088,825
2015	23,676,530	890,994	15,445,098
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

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

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

*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

General Revenue				
Taxes	Unrestricted Intergovernmental	Unrestricted Investment Earnings	Miscellaneous	Total
$ 17,348,674	$ 5,937,573	$ 559,924	$ 2,785,917	$ 59,277,022
18,312,712	5,789,968	260,880	354,017	46,351,594
18,676,144	6,254,703	219,912	459,273	49,373,693
19,384,552	6,671,559	200,984	420,357	47,517,161
20,154,957	7,070,415	222,521	550,147	54,538,689
21,498,390	7,527,964	134,536	856,000	56,298,372
22,544,211	8,774,203	116,680	1,277,574	72,725,290
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

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

June 30, 2018

Fiscal Year	Taxes	Intergovernmental	Permits and Fees	Sales and Services	Investment Earnings	Miscellaneous Revenues	Total
2009	$ 23,156,889	$ 838,658	$ 1,046,138	$ 870,538	$ 167,293	$ 385,190	$ 26,464,706
2010	24,000,426	952,442	1,057,807	760,666	140,826	274,260	27,186,427
2011	24,995,451	1,117,009	1,114,255	796,759	58,183	307,744	28,389,401
2012	26,073,293	1,339,589	1,204,262	758,893	54,424	422,909	29,853,370
2013	27,225,555	907,675	1,853,691	710,031	34,831	422,787	31,154,570
2014	29,071,809	888,290	1,803,280	695,300	25,870	460,782	32,945,331
2015	31,283,682	984,848	2,292,774	847,584	24,310	489,816	35,923,014
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

Notes:

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

Table 7

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

June 30, 2018

Fiscal Year	General Government	Public Safety	Transportation	Environmental Protection	Cultural and Recreational	Debt Service	Fiscal Year Total
2009	$ 9,672,294	$ 9,432,078	$ 1,784,221	$ 2,313,596	$ 1,506,851	$ 1,864,945	$ 26,573,985
2010	9,064,236	9,682,515	2,668,418	2,389,591	1,523,354	3,923,695	29,251,809
2011	10,130,934	10,147,037	2,377,888	2,420,516	1,871,215	2,856,335	29,803,925
2012	10,421,497	10,321,288	2,301,523	2,468,976	1,836,625	3,193,050	30,542,959
2013	9,081,076	10,836,218	2,343,492	2,940,893	2,190,341	3,865,611	31,257,631
2014	11,428,809	12,420,494	2,155,007	2,700,114	2,486,889	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

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

June 30, 2018

Fiscal Year	General Government	Public Safety	Transportation	Environmental Protection
2009	$ 8,618,506	$ 9,447,725	$ 3,604,053	$ 2,272,165
2010	8,682,965	10,253,680	4,299,079	2,397,576
2011	9,814,820	10,478,094	4,370,908	2,520,645
2012	9,629,543	10,697,935	4,052,075	2,554,192
2013	9,524,312	11,228,188	4,119,839	2,666,922
2014	10,466,637	12,809,633	4,436,052	2,787,905
2015	10,288,616	13,193,519	5,090,607	2,661,631
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

Table 8

Cultural and Recreation	Interest on Long-term Debt	Water and Sewer	Electric	Total
$ 1,798,042	$ 784,454	$ 195,625	$ 16,048,282	$ 42,768,852
2,024,989	902,986	170,850	16,097,214	44,829,339
2,502,178	909,477	147,731	17,327,845	48,071,698
2,644,989	932,318	126,995	16,908,508	47,546,555
2,819,826	995,852	74,309	17,486,017	48,915,265
3,250,469	809,270	60,395	17,964,027	52,584,388
3,759,071	775,312	44,045	19,503,601	55,316,402
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

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

June 30, 2018

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
2009	2008 (2)	$ 2,991,210,274	$ 325,185,573	$ 29,041,493	$ 3,345,437,340	$ 0.510	100%
2010	2009	3,205,505,756	266,540,456	31,382,089	3,503,428,301	0.510	100%
2011	2010	3,221,774,225	345,392,571	30,995,165	3,598,161,961	0.510	100%
2012	2011	3,373,651,564	348,998,438	30,021,371	3,752,671,373	0.510	100%
2013	2012	3,454,767,428	413,935,518	33,118,426	3,901,821,372	0.510	100%
2014	2013	3,578,577,402	531,310,563	32,184,022	4,142,071,987	0.510	100%
2015	2014	3,772,983,301	478,751,321	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%

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, 2018

Fiscal Year	Town of Wake Forest	Wake County	Combined Tax Rate Per $100 of Assessed Value
2009	$ 0.510	$ 0.534	$ 1.044
2010	0.510	0.534	1.044
2011	0.510	0.534	1.044
2012	0.510	0.534	1.044
2013	0.510	0.534	1.044
2014	0.510	0.578	1.088
2015	0.520	0.615	1.135
2016	0.520	0.601	1.121
2017	0.520	0.615	1.135
2018	0.520	0.615	1.135

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

June 30, 2018

	2018			2009		
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	0.80%	$ -	-	0.00%
Caveness Partners LLC	35,075,009	2	0.70%	21,105,703	4	0.63%
Wake Forset Crossing Owner LLC	32,457,371	3	0.65%			
1-800 Pack Rat LLC	30,648,628	4	0.62%			
Crossroads Holdings LLC	27,664,604	5	0.56%	25,666,778	1	0.77%
WMCI Raleigh IV LLC	26,803,533	6	0.54%	22,765,335	2	0.68%
Gateway Forest LLC	26,416,587	7	0.53%	-	-	0.00%
Heritage Gardens LLC	25,135,041	8	0.50%	-	-	0.00%
Wake Electric Membership CORP.	23,532,694	9	0.47%	-	-	0.00%
Capital Creek Apartments LLC	19,057,143	10	0.38%			0.00%
Heritage Wake Forest Inc	-	-	0.00%	22,049,912	3	0.66%
Lowes Home Center Inc	10,427,861	23	0.21%	19,593,173	5	0.59%
Factory LLC	-	-	0.00%	18,341,912	6	0.55%
Walmart Real Estate Business Trust			0.00%	15,055,714	7	0.45%
MLC Automotive LLC	16,904,935	12	0.34%	14,682,581	8	0.59%
Target Corporation	11,537,201	20	0.23%	13,737,294	9	0.41%
Weingarten Investments Inc	6,022,785	45	0.12%	11,754,249	10	0.35%
Total	$ 331,303,760		6.66%	184,752,651		5.67%
Total Assessed Value	$ 4,977,344,040			3,345,437,340		

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, 2018

Fiscal Year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2009	$ 651,625	$ 452,364	$ 1,103,989	$ 26,573,985	4.2%
2010	2,365,250	452,588	2,817,838	29,251,809	9.6%
2011	1,015,000	628,763	1,643,763	29,477,326	5.6%
2012	1,010,000	572,513	1,582,513	29,919,509	5.3%
2013	1,005,000	542,188	1,547,188	31,257,631	4.9%
2014	1,005,000	511,988	1,516,988	35,578,285	4.3%
2015	1,000,000	475,375	1,475,375	35,833,160	4.1%
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%

(1) Excludes bond issuance and other costs.

TOWN OF WAKE FOREST, NORTH CAROLINA

Property Tax Levies and Collections

LAST TEN FISCAL YEARS

JUNE 30, 2018

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy
2009	$ 17,243,590	$ (23,407)	$ 17,220,183
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

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
$ 16,928,984	98.31%	$ 268,216	$ 17,197,200	99.87%
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%

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

June 30, 2018

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
2009	27,217	$ 37,849	34.9	137,706	8.6%	6.3%
2010	28,542	**	34.5	139,599	8.8%	6.2%
2011	30,329	29,723	32.9	143,289	8.7%	6.6%
2012	31,774	41,440	34.2	146,687	7.9%	5.9%
2013	33,703	32,060	35.0	149,528	7.3%	5.4%
2014	35,609	33,711	35.0	154,381	5.1%	3.9%
2015	37,046	32,474	34.2	159,984	4.8%	4.0%
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%

Sources:

(1) Town of Wake Forest - Planning Department

(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) North Carolina Department of Commerce and/or Data USA - Information is calculated on the county level. Information is not maintained at the City level. Information is estimated.

(4) Wake County Public School System

(5) North Carolina State Employment Security Commission for Wake County 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, 2018

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
2009	$ 267,634,987	$ 19,852,128	$ 247,782,859	7.42%
2010	280,274,264	24,531,725	255,742,539	8.75%
2011	287,852,957	24,595,011	263,257,946	8.54%
2012	300,213,710	29,196,762	271,016,948	9.73%
2013	312,145,710	27,802,641	284,343,069	8.91%
2014	331,365,759	27,256,751	304,109,008	8.23%
2015	342,941,335	49,354,418	293,586,917	14.39%
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	398,187,523	47,119,203	351,068,320	11.83%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	$ 4,977,344,040
Debt Limit (8% of total assessed value)	398,187,523
Debt applicable to limit	47,119,203
Legal debt margin	$ 351,068,320
Percentage of debt to debt limit	11.83%

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, 2018

Fiscal Year	(1) Population	Assessed Value	Gross Bonded Debt	Debt Payable From Enterprise Revenues
2009	27,217	$ 3,345,437,340	$ 10,220,000	$ 69,750
2010	28,542	3,503,428,301	16,790,000	-
2011	30,329	3,598,161,961	15,775,000	-
2012	31,774	3,752,671,373	14,765,000	-
2013	33,703	3,901,821,373	13,760,000	-
2014	35,609	4,142,071,987	12,942,690	-
2015	37,046	4,286,766,624	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	-

(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
$ 10,150,250	0.30%	$ 373	$ 376
16,790,000	0.48%	588	588
15,775,000	0.44%	520	520
14,765,000	0.39%	465	465
13,760,000	0.35%	408	408
12,942,690	0.31%	365	365
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

Table 17

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

June 30, 2018

Jurisdiction	Bonded Debt		Percentage Applicable to Town (2)	Amount Applicable to Town
Direct:				
Town of Wake Forest	$ 42,169,203	(1)	100.00%	$ 42,169,203
Overlapping: (3)				
Wake County	$ 1,762,270,000	(4)	3.45%	60,820,080
			Total	$ 102,989,283

(1) Includes all governmental activities debt.

(2) Based on total assessed values.

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

(4) Wake County Revenue Department

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

June 30, 2018

Fiscal Year	Commercial		Residential		Total	
	Number	Value	Number	Value	Number	Value
2009	31	$ 36,982,166	153	$ 28,544,355	184	$ 65,526,521
2010	59	26,595,248	316	57,137,983	375	83,733,231
2011	47	6,122,922	415	68,864,397	462	74,987,319
2012	67	10,282,212	585	70,591,023	652	80,873,235
2013	94	27,164,939	501	100,873,993	595	128,038,932
2014	89	29,873,213	419	74,795,239	508	104,668,452
2015	102	33,338,472	561	102,480,602	663	135,819,074
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

(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, 2018

Fiscal Year	Admin	Comm	(2) Downtown Development	Economic Development	Finance	Human Resources	IT	Planning	(3) Inspections	Public Safety
2009	3.0	1.0	0.0	0.0	17.0	4.0	3.0	23.0	0.0	65.0
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

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

(2) Renaissance Centre employees are included in Downtown Development in 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	195.0
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

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

June 30, 2018

Fiscal Year	Property Tax	Sales Tax	Utility Sales Distribution (1)
2009	$ 17,150,242	$ 4,328,578	$ 1,445,212
2010	18,128,468	4,257,327	1,468,603
2011	18,579,520	4,559,143	1,550,178
2012	19,240,193	4,991,298	1,528,114
2013	19,988,279	5,285,774	1,581,534
2014	21,290,422	5,700,274	1,661,397
2015	22,422,548	6,218,974	2,335,449
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

(1) Formerly Franchise Tax.

Table 20

Motor Vehicle Licenses	Rental Vehicle Tax	Beer & Wine Tax	Total
$ 95,221	$ 31,388	$ 115,568	$ 23,166,209
96,886	32,994	39,216	24,023,494
99,371	36,920	125,782	24,950,914
219,629	31,791	131,394	26,142,419
324,888	38,731	125,512	27,344,718
485,076	39,867	139,022	29,316,058
456,574	47,957	154,318	31,635,820
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

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

June 30, 2018

	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
2009	$ 10,150,250	$ 9,722,128	$ 69,750	$ 4,881,023	$ 1,984,034	$ 26,807,185	$ 985	2.60%
2010	16,790,000	9,376,610	-	4,315,594	1,817,049	32,299,253	1,132	N/A
2011*	15,875,091	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%

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

TOWN OF WAKE FOREST, NORTH CAROLINA
MISCELLANEOUS STATISTICS

June 30, 2018

Date of Incorporation	February 20, 1909	
Form of Government	Council-Manager	
Miles of City-owned Streets	105.03	
Fire Protection (Combination: Paid/Volunteer)		
Number of Stations	5	
Number of Full-Time & Part-Time	77	
Number of Volunteers	60	
Police Protection		
Number of Stations	5	
Number of Full-time Sworn Officers	68	
Utility System: Electric		
Number of Customers	6,683	
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	*Art Galleries in Downtown Wake Forest
*Wake Forest Arts	*Good Neighbor Day community music, art, and food festival
*Wake Forest Biennial Historical Homes Tour	*Annual Lighting of Wake Forest and Christmas Parade
*Wake Forest Historical Association bi-monthly programs	*Art After Hours monthly events in Downtown Wake Forest
*Six Sundays in Spring concert series	*Wake Forest Mardi Gras - community festival
*Movies in the Park	*Dirt Day - showcasing healthy living, outdoor lifestyle
*Meet in the Street - Spring arts and music festival	*Wake Forest Charity Car Show
*Arbor Day Celebration	*Public Power Week
*Fourth of July Fireworks Spectacular	*Friday Night on White Street
*Art-in-the-Park & Games-in-the-Park	*Mid-day Concerts at Town Hall Plaza
*Wake Forest Christmas Parade	*Wake Forest Home & Garden Show
*Easter Egg Hunt at Joyner Park	

	2018		2010	
Principal Employers*:	Approximate Number of Employees	Rank	Approximate Number of Employees	Rank
Wake County Public School System	900	1	683	1
Southeastern Baptist Theological Seminary, Inc.	425	2	345	4
Centurylink	400	3	375	3
Wal-mart	396	4	388	2
Pack-Rat	275	5	-	-
Town of Wake Forest	258	6	178	7
Lowes Foods	235	7	-	-
Rex Healthcare (Wake Forest & Wakefield)	228	8	-	-
Target	200	9	233	5
Lowe's Home Improvement	175	10	175	8
Publix	160	11	-	-
Hillside Nursing Center of Wake Forest, Inc.	150	12	-	-
Home Depot	136	13	106	9
Franklin Academy	130	14	-	-
Ultra Electronics/3 Phoenix	122	15	-	-
Harris Teeter	120	16	-	-
Olive Garden	100	17	-	-
Kohl's	86	18	-	-
Chris Leith	85	19	98	10
East Coast Drilling & Blasting Inc.	85	19	-	-

* Source - Wake Forest Economic Development

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, 2018, 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 25, 2018.

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 25, 2018

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, 2018. 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, 2018.

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 25, 2018

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, 2018. 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, 2018.

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 25, 2018

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

FOR THE YEAR ENDED JUNE 30, 2018

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, 2018

None noted.

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

FOR THE YEAR ENDED JUNE 30, 2018

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	$ 60,645	$ -	$ 44,301
Dunn Creek Greenway - Downtown Connector	20.205-1	WBS 41821.1.41	103,656	-	143,693
Ligon Mill Road Operational Improvements	20.205-1	WBS 42379.1.3	1,931	-	89,708
Stadium Drive - Complete Streets	20.205-1	WBS 55056.1.1	558,852	-	488,383
Smith and Sanford Creek Greenway	20.205-1	WBS 46229.1.1	495,095	-	628,843
Durham Road Operational Improvements	20.205-1	STPDA-0527 (019)	-	-	46,491
Total U.S. Department of Transportation			1,220,179	-	1,441,419
U.S. Department of Justice					
Office of Justice Programs:					
Bulletproof Vest Partnership - 2016	16.607	N/A	4,710	-	4,710
Federal Bureau of Investigations					
Raleigh-Durham Safe Streets Task Force	N/A	N/A	6,155	-	-
Equitable Sharing Program:					
Asset Forfeiture and Money Laundering	16.922	N/A	20,171	-	-
Total U.S. Department of Justice			31,036	-	4,710
U.S. Department of Agriculture					
Passed through US Forest Service					
NC Forest Service	10.675	17-217-4008	10,000	-	9,819
Total U.S. Department of Agriculture			10,000	-	9,819
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	16,028	-	-
Total U.S. Homeland Security			16,028	-	-
Total Federal Grants			1,277,243	-	1,455,949
STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE					
N.C. Department of Transportation					
Non-State System Street-Aid Allocation Fund (Powell Bill)	N/A	WBS 32570	-	868,086	-
Passed through N.C. Governor's Highway Safety Program					
Traffic Safety Unit (2018)	20.600	PT-18-06-22	74,956	-	16,524
Total NC Department of Transportation			74,956	868,086	16,524
N.C. Department of Commerce					
Building Reuse Program (Downtown Revitalization)	N/A	2017-053-1257-1534	-	55,227	-
Total NC Department of Commerce			-	55,227	-
N.C. Department of Justice					
Ailey Young Dam Restoration	N/A	TWF 015	-	78,533	447
Total NC Department of Justice			-	78,533	447
N.C. Department of Natural and Cultural Resources					

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

FOR THE YEAR ENDED JUNE 30, 2018

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 N.C. Clean Water Management Trust Fund					
Hedrick Property	N/A	2014-068	-	295,732	307,803
Smith Creek Greenway - Phase 2	N/A	2016-089	-	-	34,190
Smith Creek Greenway - Phase 3	N/A	2016-089	-	-	166,847
Passed through State Historic Preservation Office					
Archaeology Workshop at Ailey Young House	15.904	P16AF00065	-	4,500	2,000
Total NC Department of Natural and Cultural Resources			-	300,232	510,840
Total State of North Carolina Financial Assistance			74,956	1,302,078	527,812
Total Federal & State of North Carolina Financial Assistance			$ 1,352,199	$ 1,302,078	$ 1,983,760

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, 2018. 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, 2018.