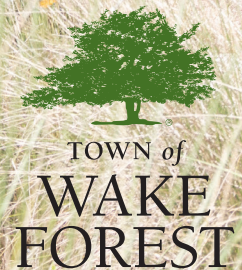


FISCAL YEAR ENDED JUNE 30, 2024

2024

Annual Comprehensive Financial Report

TOWN OF WAKE FOREST ~ NORTH CAROLINA



ABOUT THE FRONT COVER:

The Holding Park Inclusive Playground officially opened on Saturday, March 2, 2024. The playground's thoughtful design includes accommodations for wheelchair users to entrances and benches, accessibility enhancements to walkways, and a perimeter fence for added safety.

In addition, the playground equipment was carefully chosen and adapted to cater to those with sensory issues, ensuring a safe and enjoyable environment for everyone.

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2024



Town of Wake Forest, North Carolina

Prepared by the Finance Department

TOWN OF WAKE FOREST
BOARD OF COMMISSIONERS



Mayor
Vivian Jones



Commissioner
Ben Clapsaddle



Commissioner
Faith Cross



Commissioner
R. Keith Shackleford



Commissioner
Nick Sliwinski



Commissioner
Adam Wright

TOWN OF WAKE FOREST STAFF

Kipling D. Padgett
Town Manager

Candace Davis
Assistant Town Manager

Allison Snyder
Assistant Town Manager

Aileen J. Staples
Assistant Town Manager/CFO

Hassan Kingsberry
Town Attorney

Angela McCray
Human Resources Director

Theresa Savary
Town Clerk

Courtney Tanner
Planning Director

Samantha Sanchez
Finance Director

Ron Early
Fire Chief

Jeff Leonard
Police Chief

Jason Cannon
Economic Development Director

Tim Bailey
Public Works Director

Adam Oates
Chief Information Officer

Bill Crabtree
Communications and Public Affairs Director

J J Carr
Inspections Director

Mickey Rochelle
Public Facilities Director

Lisa Hayes
Organizational Performance Director

Chris Terrell
Electric Utility Director

Deborah Dunn
Renaissance Centre Director

Jennifer Herbert
Downtown Development Director

Tim Watson
Engineering Director

Ruben Wall
Parks and Recreation Director

ADVISORY BOARDS AND COMMISSIONS

Planning and Zoning Board
Karin Kuropas, Chairperson

Public Art Commission
Delphine Peller, Chairperson

Historic Preservation Commission
Elizabeth V. Miller, Chairperson

Technical Advisory Board
Coleman Keane, Chairperson

Human Relations Council
Robin Smith, Chairperson

Urban Forestry Advisory Board
Shawn P. Hagen, Chairperson

Board of Adjustment
Will Hedrick, Chairperson

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

TOWN OF WAKE FOREST, NORTH CAROLINA

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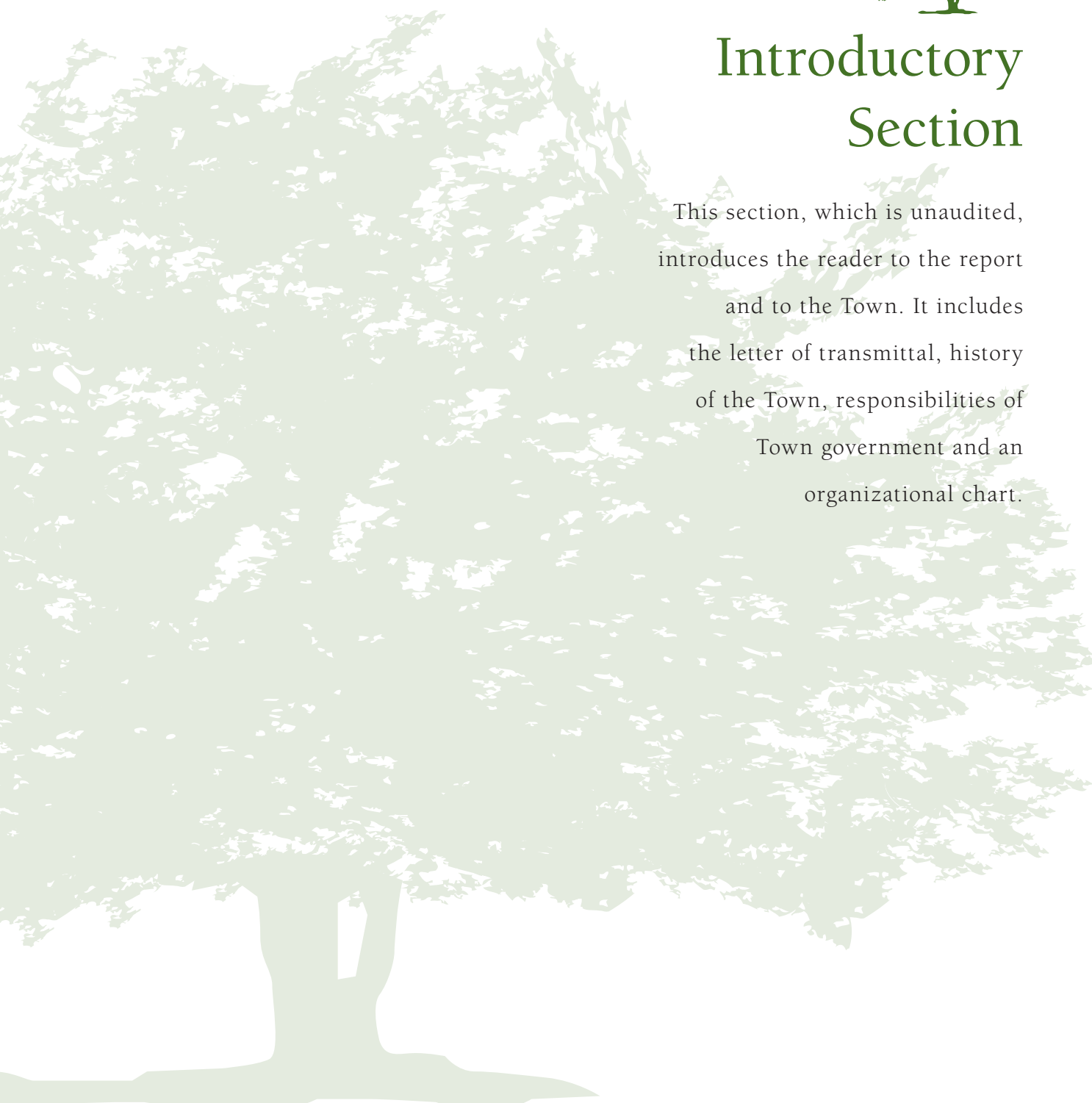
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Introductory Section

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





TOWN *of* WAKE FOREST

October 31, 2024

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

We are pleased to present the Annual Comprehensive Financial Report of the Town of Wake Forest (the “Town”) for your review and use. This report was prepared by the Town’s Finance Department, and it is the comprehensive publication of the Town’s financial position and results of operations as of and for the fiscal year ended June 30, 2024. The Town, like all other local governments in the State, is required by state law to publish a complete set of financial statements within four months of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement and to provide further accountability to citizens and other interested parties by providing a more all-inclusive report in lieu of the minimum basic financial statement requirements.

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

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

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

As noted earlier, the Town is required by state law to have an annual independent financial audit. A compliance audit on federal and state financial assistance is also required under the OMB Uniform Guidance and the State Single Audit Implementation Act. Cherry Bekaert LLP, Certified Public Accountants, has examined the financial records of the Town and their opinion can be found in the Report of the Independent Auditor included with the basic financial statements located at the beginning of the financial section of this document.

Profile of the Town

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

The Town covers an area of 20.51 square miles and the extraterritorial or planning jurisdiction of the Town ("ETJ") covers an additional 2.53 square miles in Wake and Franklin counties located in the Piedmont region of the state. With urban services area defined and annexation agreements in place, future town limits could expand up to 27.79 square miles. The Town adjoins the City of Raleigh, which is the state capital and the county seat, at the Town's southern boundary, just across US 1/Capital Boulevard. Residents enjoy over 1,000 acres of open space, natural land and trails, excellent schools and access to higher education, all in close proximity to Research Triangle Park ("RTP") and Raleigh-Durham International Airport ("RDU").

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

The Town provides its citizens with a full range of services, including police, fire, 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. This report includes all the Town's activities in delivering and administering these services.

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

Local Economy

The Town's tax base has grown to \$7.9 billion in 2024 an increase of \$474 million (6.4%) from the fiscal year ended June 30, 2023. Currently, the tax base is approximately 25% commercial/industrial and 75% residential. Last fiscal year the Town issued 801 permits for residential construction and 92 permits for commercial construction with a total value of over \$245 million. Due to continued growth in the region, the Town continues to benefit from above average economic indicators as compared to the rest of the state and nation. In June 2024 *USA Today Homefront* ranked the Town tenth on its "Best Cities in NC" list. The Town was also named 25th out of 2,000 cities across the country as "Best Places to Live for Families" by *Fortune Well* in July 2024.

The Town uses development agreements with private developers to enhance transportation and complete streetscape improvements which help to spur private development. These tools help promote growth in the Town, as shown by the following recent examples:

- 353 South White Street (former SunTrust Building), located at the corner of White Street and Elm Avenue, spans one acre in the heart of downtown. The Town has selected a developer for this project and currently, negotiations are underway for the development agreement for the site. The project is expected to include ground floor retail, residential units, and a Town-owned parking facility.
- Wegmans Food Markets, a regional supermarket chain with 100 stores and one of the largest private companies in the United States, opened in May 2021. Commercial and residential development activity continues surrounding Wegmans which is located along the central corridor connecting downtown Wake Forest and US Highway 1. The current phase of the Grove 98 development includes retail, restaurants, and a multi-family residential development with a 230-unit apartment complex which was completed in fall 2023.

- Loading Dock Wake Forest is a co-working and collaborative workspace incubator with existing Raleigh locations. This \$2 million building revitalization project that includes private offices, co-working space, conference rooms, dining space, indoor and outdoor event space and mezzanine spaces. Since opening in December 2021, 125 to 150 jobs have been created in the Town's downtown area.
- 535 South White Warehouse (Atlas Stark) is a project that converts and updates a 16,000 square foot building into a mix of uses, including restaurants and private offices. It is located adjacent to and shares open space with Loading Dock Wake Forest. Construction is nearing completion, and the first tenants opened in September 2024.
- Along Roosevelt Avenue and North White Street, there is a restoration of a food hall space and completion is expected by Spring 2025. Surrounding this space are 40 town-home style condominiums recently completed and a downtown park/open space to be developed.

The Wireless Research Center ("WRC") is an independent, private nonprofit research center dedicated to applied research and engineering located in the Town. The WRC helps clients from around the world develop products and services that advance wireless technology innovation. The WRC provides research, development, engineering, and testing of antenna, RF and wireless technologies, with products in a variety of industries like in-body sensors, implanted medical devices, satellites and space exploration tools. Clients range from consumers and business enterprises, industrial, medical and public safety to agriculture, aviation and the U.S. Department of Defense. The WRC has helped launch 20 new local businesses and further facilitated the launch of more than 80 others across the region through its partnership with RIoT. RIoT is a community of technologists, business leaders, policy makers and entrepreneurs who are promoting the "Internet of Things" industry. In addition, the number of small technology firms in the Town has more than tripled over the last 15 years.

Southeastern Baptist Theological Seminary (the "Seminary") was founded in 1950 on the former campus of Wake Forest College with a mandate to educate ministers along the East Coast. The school is located on 300 acres in the Town's downtown area. The student body has grown to more than 5,000 students with an increase in enrollment over 40% in the past several years. The Seminary offers study in 40 different undergraduate, graduate and post-graduate degree programs.

The Board adopted a fiscal year 2024 budget based on maintaining level of service and a cautious approach to revenues. In planning for the future and keeping with the strategic plan, focusing on fiscal strength, the Town continues to maintain a high priority on the delivery of quality services, infrastructure maintenance and financial stability.

Long Term Financial Planning and Major Initiatives

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

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

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

Highlights of fiscal year 2023-2024 include:

- Twenty-seven (27) additional positions added to meet the demands of our growing community.
 - 15 of approved positions are firefighters. Recruit school started in January 2024 and recently completed. The additional staff is essential to maintaining our ISO rating.
- Reorganization effective July 1, 2023, included adding third Assistant Town Manager and establishing the following new department/divisions: Budget Management, Organizational Performance, and Risk Management.
- Retained consultant to update the Town's fire impact fees – new fees effective January 2024.
- Established Housing Initiatives Fund to assist with affordable and workforce housing as well as support the Housing Affordability Plan adopted in September 2022.
- Downtown Plan update will be a blueprint for the future with a focus on the Downtown commercial center. Plan adoption is scheduled for Fall 2024.
- In December 2023, the Board of Commissioners approved a new Stormwater Utility along with a fee structure that was effective July 1, 2024.
- The Unified Development Ordinance (UDO) and Manual of Specifications, Standards and Design (MSSD) were first adopted in 2013. The UDO and MSSD are currently being updated to implement the policies and recommendations of the recently updated Northeast Community Plan and Community Plan. Plan adoption is slated for Fall/Winter 2024.
- In November 2023, the Police department transitioned to a new facility located at 745 Merrit Drive. The Town entered into a long-term lease agreement to consolidate their operations into one location.
- Consultants were engaged to update parks and recreation impact fees. Board of Commissioners directed staff to pursue adding a transportation impact fee as allowed by the Town's special legislation. Results and recommendations for these respective fees are expected to be approved in Fall 2024,
- Two significant property acquisitions occurred during the year as follows:
 - Approximately 4.5 acres located on Wait Avenue were secured for Fire Station 6 in March 2024 for \$1.5 million
 - Over 8 acres located on Devon Square Boulevard were acquired for future park and recreation facilities in December 2023 for \$3.1 million
- South Franklin Street widening from Rogers Road to Artisan Park Drive is a joint development agreement that includes expanding from 2 to 4 lanes with median, sidewalk, multi-use path and landscaping. Portion of tax rate allocated for transportation initiatives is being used to fund this \$3.5 million project. Construction is underway with expected completion by July 2025.
- First phase of three-year street resurfacing project commenced in 2024 with approximately 12 miles of aging streets completed with \$5.5 million funding from an eight-year installment purchase agreement.

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

In November 2022, voters approved a \$75 million bond referendum. Tax rate increase of one cent yielded \$750,000 for fiscal year ended June 30, 2024. In accordance with our debt model, which was updated in May 2022, this will fund the debt service for planned issuances planned for 2024, 2026 and 2028.

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

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

In conjunction with the above, the Town used its two-thirds authority to issue an additional \$1,460,000 for the purpose of Parks and Recreation. These additional monies will go towards Miller Park improvements or Reservoir Improvements.

In September, Standard & Poor's, Moody's and Fitch assigned the Town AAA ratings to the each of the above issuances as well as affirmed the ratings on our existing general obligation bonds. These ratings are a direct result of our strong financial policies, cautious and conservative fiscal planning along with prudent budgetary monitoring. A triple A rating by all three agencies is a significant accomplishment that acknowledges our strong fiscal position.

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 2025. Each year during the annual budget process, the goals, objectives and strategies are incorporated into an official spending plan. The Town's annual budget document can be found on the website at <https://www.wakeforestnc.gov/budget-management/budget>.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Wake Forest for its comprehensive annual financial report for the fiscal year ended June 30, 2023. This was the 34th consecutive year in which the Town has received this prestigious award. To receive this Certificate of Achievement, a government must publish an easily readable and efficiently organized 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 11 consecutive years. The Town has also received the Award for Outstanding Achievement in Popular Annual Financial Reporting for its Citizens' Financial Report for seven consecutive years.

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

Respectfully submitted,

Kipling D. Padgett

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

Aileen J. Staples

Aileen J. Staples
Assistant Town Manager/Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Wake Forest
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



History of the Town of Wake Forest

The Town of Wake Forest grew up around a college founded by North Carolina Baptists in 1834. After purchasing a plantation, which originally belonged to Dr. Calvin Jones, the North Carolina Baptist Convention opened the doors of the college on February 3, 1834. Lots were sold around the campus until gradually a town developed. The first Town Charter was obtained in 1880 for the Town of Wake Forest College. It was not until February 20, 1909 – 29 years later – that the Town of Wake Forest was chartered.

When the college made plans to relocate in the 1950s, the campus was sold to the Southern Baptist Convention for use as a seminary, which opened in 1951. For the next five years Southeastern Baptist Seminary and Wake Forest College existed on the same campus. These dates – 1834, 1909, 1951 – are significant to the Town and consequently are represented on the town seal.

Wake Forest remained a quiet village throughout the 1960s and 70s. Along with most other Wake County towns, however, it began to experience significant growth in the 80s and 90s.

Tremendous progress and development continue today as easy access to Raleigh and the Research Triangle area, combined with the many amenities of small-town living, make Wake Forest a desirable destination for residential and commercial development. An emphasis on planned growth and professional management continue to ensure that the Town's unique personality is maintained and enhanced by the changes currently in progress.

Responsibilities of Town Government By Department and Division

Legislative

The Legislative Department consists of the Board of Commissioners which is comprised of the Mayor and five Board members. All are elected by the registered voters of the Town of Wake Forest.

Legal Services

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

Town Manager's Office

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

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

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

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

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

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

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

Renaissance Centre for the Arts

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

Downtown Development

Responsible for public relations, business development, and marketing and promotion of the Downtown Renaissance area for the purpose of assisting Downtown Wake Forest achieve its economic and cultural potential.

Communications

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

Human Resources

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

Financial Service

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

Information Technology

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

Planning

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

Inspections

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

Public Facilities

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

Police

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

Fire

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

Engineering

Responsible for plan review, design work and construction inspection.

Public Works

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

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

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

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

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

Parks Recreation and Cultural Resources

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

Stormwater Management

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

Electric (Wake Forest Power)

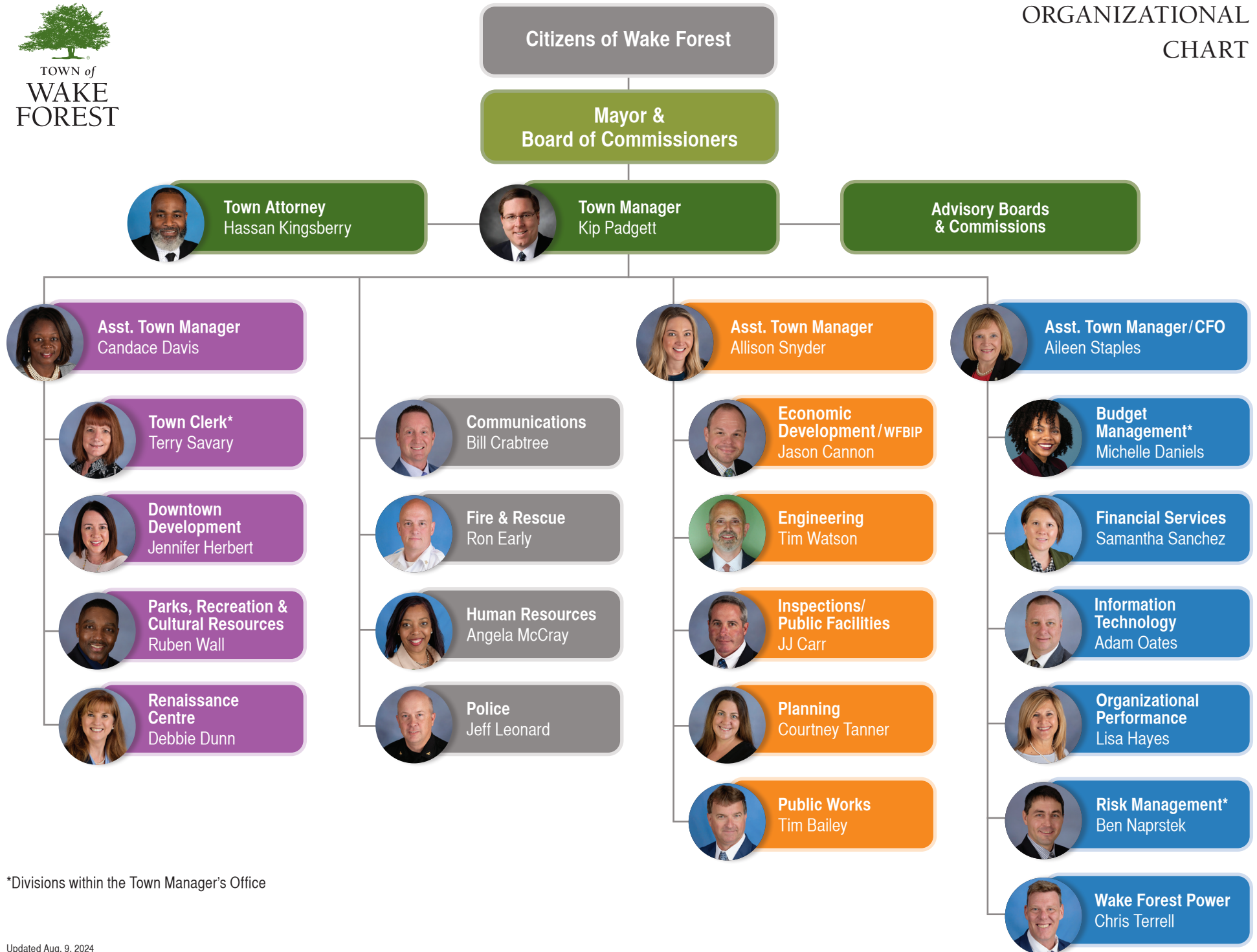
Billing and Collections – Responsible for maintaining and posting monthly meter reading and utility billing statements for all customer accounts.

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

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



ORGANIZATIONAL CHART



*Divisions within the Town Manager's Office



Financial Section

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

Report of Independent Auditor

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wake Forest, North Carolina (the "Town"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Audit of the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The individual fund statements and schedules, other schedules and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the individual fund statements and schedules, other schedules, and the schedule of expenditures of federal and state awards are fairly stated in all material respect in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina
October 31, 2024

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, 2024. 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 2023-24, the Town strengthened its financial position. Key indicators of this were overall positive budget variances, increases in fund balance amounts as well as significant growth in key general revenues. The Town's current bond ratings are AAA (Standard & Poor's & Fitch Ratings) and Aaa (Moody's.)

- The assets and deferred outflows of the Town exceeded the liabilities and deferred inflows of resources at the close of the fiscal year by \$419,412,391 (*net position*) or a 3.74% increase from prior year.
- The Town's total net position increased by \$15,101,728 primarily due to an increase in the governmental-type activities increase in net position of \$12,449,300
Business-type activities position increased \$2,652,428 for the fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balance of \$57,860,332.
 - \$22,335,808 or 38.60% is unassigned and available for spending at the Town's discretion
 - \$13,672,325 or 23.63% is restricted by external agencies and unspent debt proceeds
 - \$2,418,963 or 4.18% is committed for economic development and cultural/recreation purposes
 - \$68,182 or 0.12% is considered non-spendable
 - \$19,365,054 or 33.47% is assigned for specific purposes as identified by the Town
- The Town's total debt *increased* by \$5,704,563 (15.11%) during the current fiscal year. Along with retiring debt during the year, two installment purchase agreements were issued:
 - Installment Purchase Agreement:
 - \$1,610,500– Vehicles and Equipment – May 2024 – 4-year term – 4.22%
 - \$5,500,000 – Street Resurfacing –December 2023 – 8-year term – 4.41%
- The Town recognized a liability for leased (right-to-use) property for police headquarters in the amount of \$3,715,816 with a ten (10) year term and interest of 3.097%.

Overview of the Financial Statements

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

Basic Financial Statements

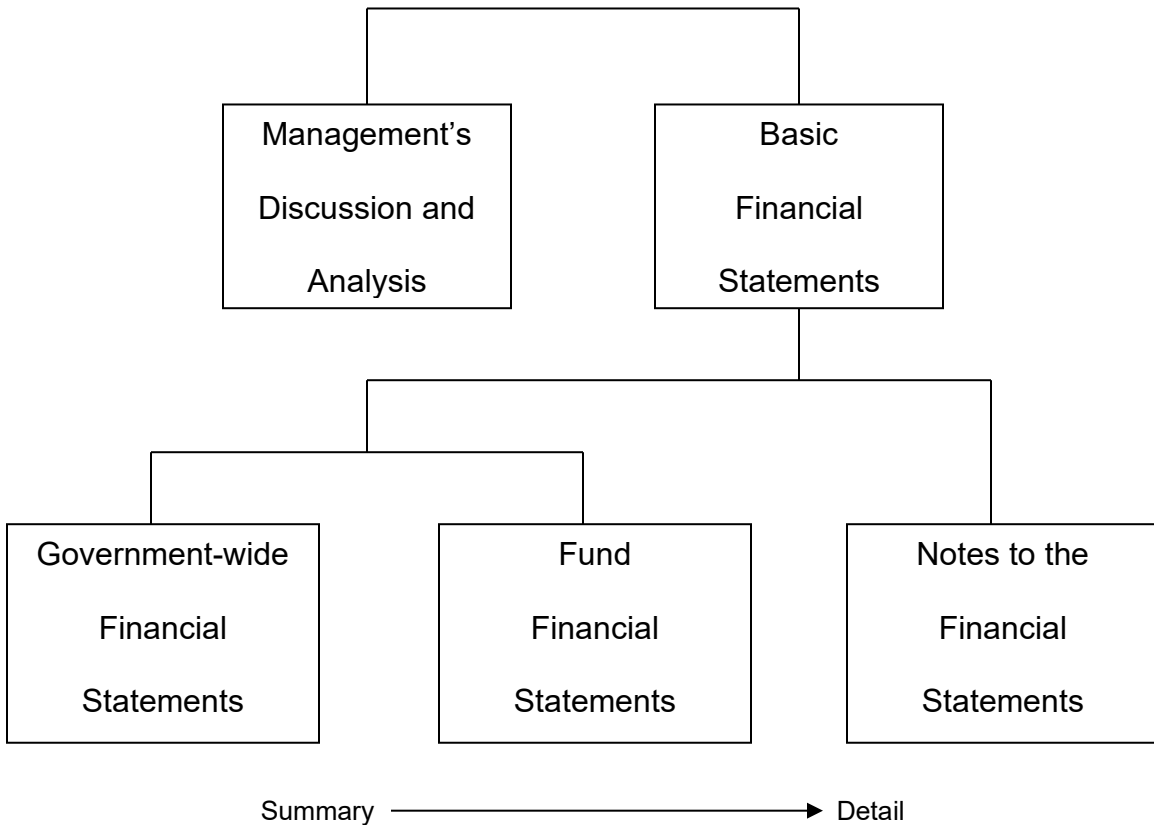
The first two statements (Exhibits 1 and 2) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the Town's financial status, using the full accrual basis of accounting, in a manner like a private-sector business.

The next statements (Exhibits 3 through 10) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Town's government. They provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; 4) the fiduciary fund statements.

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

Required Components of Annual Financial Report

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.

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

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

Fund Financial Statements

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

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

The Town adopts an annual appropriated budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

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

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

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

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

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

Government-Wide Financial Analysis

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

**Net Position
Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$73,493,517	\$ 68,700,108	\$9,138,228	\$ 7,516,081	\$ 82,631,745	\$ 76,216,189
Capital assets	406,978,342	390,245,347	22,420,150	21,215,151	429,398,492	411,460,498
Total asset	480,471,859	458,945,455	31,558,378	28,731,232	512,030,237	487,676,687
Deferred outflows of resources	17,196,264	17,021,460	1,558,121	1,797,054	18,754,385	18,818,514
Total assets and deferred outflows of resources	497,668,123	475,966,915	33,116,499	30,528,286	530,784,622	506,495,201
Long-term liabilities outstanding	76,053,123	67,345,226	5,207,623	5,578,430	81,260,746	72,923,656
Other liabilities	22,586,862	21,552,778	3,254,911	2,826,068	25,841,773	24,378,846
Total liabilities	98,639,985	88,898,004	8,462,534	8,404,498	107,102,519	97,302,502
Deferred inflows of resources	3,956,009	4,446,082	313,703	435,954	4,269,712	4,882,036
Total liabilities and deferred inflows of resources	102,595,994	93,344,086	8,776,237	8,840,452	111,372,231	102,184,538
Net investment in capital assets	368,064,179	353,509,786	20,542,423	18,861,755	388,606,602	372,371,541
Restricted	12,829,074	9,038,310	-	-	12,829,074	9,038,310
Unrestricted	14,178,876	20,074,733	3,797,839	2,826,079	17,976,715	22,900,812
Total net position	\$395,072,129	\$382,622,829	\$24,340,262	\$ 21,687,834	\$ 419,412,391	\$ 404,310,663

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 \$419,412,391 as of June 30, 2024. However, the largest portion reflects the Town's net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those assets. The Town uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the Town's net investment in its capital assets is reported net of the outstanding related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Changes in Net Position Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 12,372,196	\$ 12,387,580	\$ 26,488,971	\$ 22,664,746	\$ 38,861,167	\$35,052,326
Operating grants and contributions	5,084,261	5,914,962	-	-	5,084,261	5,914,962
Capital grants and contributions	12,597,194	85,311,669	-	-	12,597,194	85,311,669
General revenues						
Property taxes	40,198,931	37,045,883	-	-	40,198,931	37,045,883
Other taxes	63,546	55,512	-	-	63,546	55,512
Investment earnings	2,411,850	1,340,353	85,755	80,565	2,497,605	1,420,918
Other	22,175,180	21,229,575	102,766	49,101	22,277,946	21,278,676
Total revenues	94,903,158	163,285,534	26,677,492	22,794,412	121,580,650	186,079,946
Expenses:						
General government	30,203,908	24,445,426	-	-	30,203,908	24,445,426
Public safety	27,808,539	24,166,133	-	-	27,808,539	24,166,133
Transportation	9,587,057	8,749,791	-	-	9,587,057	8,749,791
Environmental protection	5,905,406	5,168,451	-	-	5,905,406	5,168,451
Cultural and recreation	7,792,472	7,348,682	-	-	7,792,472	7,348,682
Interest on long-term debt	1,156,476	1,136,145	-	-	1,156,476	1,136,145
Electric	-	-	24,025,064	22,279,568	24,025,064	22,279,568
Total expenses	82,453,858	71,014,628	24,025,064	22,279,568	106,478,922	93,294,196
Change in net position	12,449,300	92,270,906	2,652,428	514,844	15,101,728	92,785,750
Net position - July 1	382,622,829	290,351,923	21,687,834	21,172,990	404,310,663	311,524,913
Net position - June 30	\$395,072,129	\$382,622,829	\$ 24,340,262	\$ 21,687,834	\$419,412,391	\$404,310,663

Governmental activities. Wake Forest continues to experience unprecedented growth and 2024 is reflective of another successful year. Governmental activities increased the Town's net position by \$12,449,300 thereby accounting for 82.44% of the total growth in the net position of the Town. Key elements of this increase are as follows:

- Ad valorem taxes made up 42.36% of governmental activity revenue and continue to be a significant revenue source for funding local government operations. Current year ad valorem taxes increased 8.51% over the previous fiscal year due to continued growth.
- Charges for services decreased 0.12% from prior fiscal year, largely due to a decrease in permitting and inspection revenues.
- Local option sales tax increased 5% (\$760,829) over prior fiscal year.
- Capital grants and contribution accounted for 13.27% of governmental activity revenues.
- Total governmental activity revenue *decreased* 41.88% while expenses *increased* only 16.18% from the previous fiscal year.

Business-type activities. Business-type activities increased the Town of Wake Forest’s net position by \$2,652,428. Key elements of this increase are as follows:

- Charges for services from the Sale of Power *increased* \$3,824,225 (16.85%) compared to the previous fiscal year ended June 30, 2023. This is attributed to two rate increases in April and September.
- Total business-type expenses *increased* \$1,745,496 (.08%) when compared to the previous fiscal year.

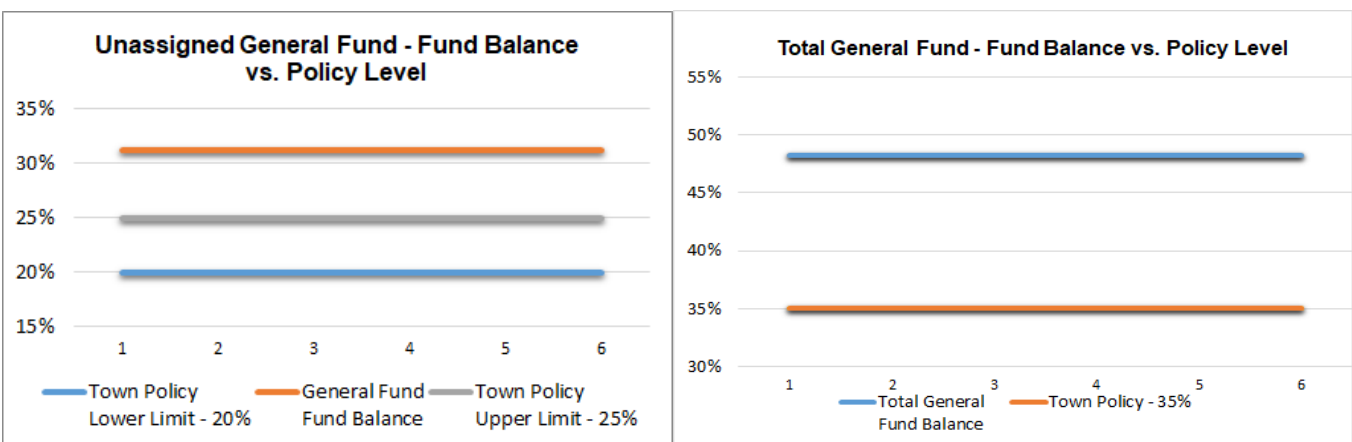
Financial Analysis of the Town’s Funds

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

Governmental Funds The focus of the Town’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town’s financing requirements.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, fund balance available in the General Fund was \$23,808,372 while total fund balance was \$36,738,105. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned (available) fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 31.26% of the total General Fund expenditures, while total fund balance represents 48.26% of that same amount.

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



As of June 30, 2024, the governmental funds of the Town reported a combined fund balance of \$57,860,332 with a net *increase* in fund balance of \$4,599,437. The General Fund, Debt Service Fund, special revenue funds, capital project funds and capital reserve funds are included in this combined amount. This increase is largely attributed to increased ad valorem tax revenue, sales tax revenues, and impact fees. During the current year debt was issued for vehicle purchases and street resurfacing.

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

- Ad valorem tax revenue exceeded original budget estimates by \$1,958,932 (5.14% increase) due to conservative budgeting regarding the collection rate along with growth in the tax base.
- Unrestricted intergovernmental revenues exceeded the original estimates by \$976,397 (5.30% increase). This is attributed to conservative budgeting of local option sales tax revenues.
- Operating expenditures for the fiscal year were approximately \$3.8 million (5.75%) under amended budget.

Revenues were 8.25% above the original budgeted amounts due to the town's continued conservative projections. Expenditures followed budgetary requirements.

The original budget planned to use \$2,287,000 of appropriated fund balance and was amended during the year to \$4,584,995 to fund one-time capital items. However, unconsolidated General Fund balance *increased* \$1,464,110 for fiscal year 2023-2024 which exceeded budgeted expectations. These results are attributed to revenues exceeding original projections, timing of expenditures and continued conservative management practices.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Electric Fund at the end of the fiscal year totaled to \$3,797,839 and the total ending net position was \$24,340,262.

The Electric Fund's net position increased \$2,652,428 during the fiscal year. Operating expenses increased 7.44% while sales of power revenues increased 16.85%

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, 2024, totaled \$429,398,492 (net of accumulated depreciation). This represents a 4.36% increase from June 30, 2023. 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:

- Vehicles - \$2,876,537
- Electric system improvements - \$2,008,864
- Building lease - \$3,715,816
- Streets, sidewalks and right of way additions - \$8,785,136

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land, rights and easements	\$ 90,308,799	\$ 84,266,268	\$ 1,451,949	\$ 1,451,949	\$ 91,760,748	\$ 85,718,217
Buildings and system	22,289,051	23,352,646	1,746,040	2,181,380	24,035,091	25,534,026
Other improvements	267,507,974	269,090,442	18,254,590	16,922,636	285,762,564	286,013,078
Equipment and furniture	2,157,642	2,439,778	149,274	209,930	2,306,916	2,649,708
Vehicles and motorized equipment	8,021,701	7,511,597	818,297	449,256	8,839,998	7,960,853
Right to use leases	4,641,590	555,940	-	-	4,641,590	555,940
Construction in progress	12,051,585	3,028,676	-	-	12,051,585	3,028,676
Total	\$406,978,342	\$ 390,245,347	\$ 22,420,150	\$ 21,215,151	\$ 429,398,492	\$411,460,498

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

Long-term Debt. As of June 30, 2024, the Town had total bonded debt outstanding of \$22,774,000 and governmental activities installment purchase related debt of \$12,861,388. The Town’s debt includes right-to-use (lease) intangible asset contracts totaling \$4,716,852. The Electric Fund had installment purchase agreement debt of \$1,877,727, which includes rolling stock and equipment from prior fiscal years along with the building purchased in October 2018.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to eight (8%) percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for the Town is \$522,942,400. These statutory limits exceed the Town’s realistic debt capacity.

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 24,012,479	\$ 24,969,000	\$ -	\$ -	\$ 24,012,479	\$ 24,969,000
Revenue bonds	-	-	-	273,741	-	273,741
Installment Purchase	12,861,388	9,881,983	1,877,727	2,079,655	14,739,115	11,961,638
Lease liabilities	4,716,852	559,504	-	-	4,716,852	559,504
Total	\$ 41,590,719	\$ 35,410,487	\$ 1,877,727	\$ 2,353,396	\$ 43,468,446	\$ 37,763,883

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, 2025

Governmental Activities: The Town's adopted General Fund Budget for 2024-2025 totals \$86,925,500, representing a 5.5% increase from the fiscal year 2023-2024 amended General Fund budget and 15.5% over the fiscal year 2023-2024 adopted General Fund budget. The budget endeavors to achieve the strategic plan's key goals by maintaining current service levels, enhancing infrastructure and providing for employees. Performance pay (merit), market adjustments and career ladder funds for eligible departments were included in the approved budget along with thirteen (13) new full-time positions.

The Town's tax rate was reduced from \$0.505 to \$0.42 for fiscal year ending June 30, 2025. This reduction is the result of the property tax revaluation. The revenue neutral rate was calculated to be \$0.346. There was a projected increase of expenditures between \$0.03 to \$0.04 related to public safety (police and fire), personnel costs and other Town operations. In addition, \$0.0275 of the tax rate is expected to be used to fund future public safety initiatives, including construction of a new fire station. The tax rate is inclusive of \$0.015 for transportation initiatives and \$0.01 for affordable and workforce housing.

In addition, the Downtown Municipal Service District tax rate remained unchanged at \$0.14, the vehicle fee remained unchanged at \$30, and the solid waste fee increased one dollar to \$23.

Business-type Activities: Slight increase in residential utility rates were included in the Electric Fund for the upcoming fiscal year. The total Electric Fund budget for the fiscal year ending June 30, 2025 is \$26.1 million, which is an increase of 4% over the fiscal year 2023-2024 adopted Electric Fund budget and less than the fiscal year 2023-2024 amended Electric Fund budget.

Effective July 1, 2024, the budget includes the addition of a Stormwater Utility Fund which was approved by the Board of Commissioners in December 2023. The stormwater utility is based on the total square footage of impervious surface on a property. Three different tiers of rates were adopted based on square footage of impervious surface. The total budget for the Stormwater Utility Fund for fiscal year 2024-2025 is \$2,325,000, and the fees will be billed annually in conjunction with the property tax bill.

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

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

Requests for Information

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

TOWN OF WAKE FOREST, NORTH CAROLINA
STATEMENT OF NET POSITION

Exhibit 1

JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 48,641,056	\$ 1,511,628	\$ 50,152,684
Taxes receivables (net)	494,007	-	494,007
Accounts receivable (net)	1,801,462	3,485,996	5,287,458
Due from other governments	5,635,081	-	5,635,081
Inventories	20,310	3,568,524	3,588,834
Prepaid expenses	47,871	-	47,871
Restricted cash and cash equivalents	16,052,046	572,080	16,624,126
Due within one year			
Lease receivable-current portion	10,209	-	10,209
Note receivable-current portion	42,774	-	42,774
Due in more than one year			
Lease receivable, noncurrent portion	202,919	-	202,919
Note receivable-noncurrent portion	545,782	-	545,782
Total Non Capital Assets	73,493,517	9,138,228	82,631,745
Capital assets			
Land, improvements, and construction in progress	102,360,384	1,451,949	103,812,333
Other capital assets, net of depreciation	299,976,368	20,968,201	320,944,569
Right to use intangible assets, net of amortization	4,641,590	-	4,641,590
Total Capital Assets	406,978,342	22,420,150	429,398,492
Total Assets	480,471,859	31,558,378	512,030,237
Deferred Outflows of Resources			
Pension deferrals - LGERS	13,852,086	1,370,483	15,222,569
Pension deferrals - LEOSSA	1,666,739	-	1,666,739
Other postemployment benefits deferrals	1,677,439	187,638	1,865,077
Total Deferred Outflows of Resources	17,196,264	1,558,121	18,754,385
Liabilities			
Accounts payable	6,380,252	2,138,351	8,518,603
Accrued interest payable	180,873	11,212	192,085
Customer deposits	-	572,080	572,080
Unearned revenue-grant proceeds	8,178,925	-	8,178,925
Due within one year			
Compensated absences	914,696	72,594	987,290
Lease liability	632,065	-	632,065
Bonds and notes payable	6,300,051	460,674	6,760,725
Due in more than one year			
Compensated absences	1,803,841	110,220	1,914,061
Lease liability	4,084,787	-	4,084,787
Net pension liability - LEOSSA	6,087,357	-	6,087,357
Net Pension liability - LGERS	22,055,963	2,399,852	24,455,815
Net other postemployment benefits liability	11,447,359	1,280,498	12,727,857
Bonds and notes payable	30,573,816	1,417,053	31,990,869
Total Liabilities	98,639,985	8,462,534	107,102,519
Deferred Inflows of Resources			
Prepaid taxes and other	84,211	-	84,211
Leases	217,344	-	217,344
Pension deferrals - LGERS	355,312	38,661	393,973
Other postemployment benefit deferrals	2,458,810	275,042	2,733,852
Pension deferrals - LEOSSA	840,332	-	840,332
Total Deferred Inflows of Resources	3,956,009	313,703	4,269,712
Net Position			
Net investment in capital assets	368,064,179	20,542,423	388,606,602
Restricted for			
Stabilization by state statute	9,145,497	-	9,145,497
Downtown district	462,304	-	462,304
Public safety	514,840	-	514,840
Transportation	2,706,433	-	2,706,433
Unrestricted	14,178,876	3,797,839	17,976,715
Total Net Position	\$ 395,072,129	\$ 24,340,262	\$ 419,412,391

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

TOWN OF WAKE FOREST, NORTH CAROLINA
STATEMENT OF ACTIVITIES

Exhibit 2

FOR THE YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General	\$ 30,203,908	\$ 3,573,843	\$ 392,002	\$ 604,547	\$ (25,633,516)	\$ -	\$ (25,633,516)
Public safety	27,808,539	41,245	2,630,133	-	(25,137,161)	-	(25,137,161)
Transportation	9,587,057	1,239,194	1,552,310	8,866,460	2,070,907	-	2,070,907
Environmental	5,905,406	4,017,262	-	759,953	(1,128,191)	-	(1,128,191)
Cultural and	7,792,472	3,500,652	509,816	2,366,234	(1,415,770)	-	(1,415,770)
Interest on long-	1,156,476	-	-	-	(1,156,476)	-	(1,156,476)
Total governmental activities	82,453,858	12,372,196	5,084,261	12,597,194	(52,400,207)	-	(52,400,207)
Business-type activities:							
Total Electric Fund Activities	24,025,064	26,677,492	-	-	-	2,652,428	2,652,428
Total	\$ 106,478,922	\$ 39,049,688	\$ 5,084,261	\$ 12,597,194	(52,400,207)	2,652,428	(49,747,779)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					40,198,931	-	40,198,931
Other taxes and licenses					63,546	-	63,546
Unrestricted intergovernmental					19,411,697	-	19,411,697
Unrestricted investment earnings					2,411,850	-	2,411,850
Miscellaneous					2,763,483	-	2,763,483
Total general revenues					64,849,507	-	64,849,507
Change in net position					12,449,300	2,652,428	15,101,728
Net position-beginning					382,622,829	21,687,834	404,310,663
Net position-ending					\$ 395,072,129	\$ 24,340,262	\$ 419,412,391

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

TOWN OF WAKE FOREST, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS

Exhibit 3

JUNE 30, 2024

	General	Debt Service Fund	Recreation Capital Reserve Fund	American Rescue Plan Act Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 32,622,855	\$ 1,957,886	\$ 7,682,361	\$ 834,058	\$ 5,543,896	\$ 48,641,056
Receivables, net						
Taxes	494,007	-	-	-	-	494,007
Accounts	1,134,001	-	-	-	667,460	1,801,461
Due from other governments	5,566,533	68,548	-	-	-	5,635,081
Due from other funds	-	-	3,750,000	-	-	3,750,000
Lease receivable	213,128	-	-	-	-	213,128
Inventories	20,311	-	-	-	-	20,311
Prepaid expenditures	47,871	-	-	-	-	47,871
Restricted cash and cash equivalents	1,512,145	-	-	8,454,643	6,085,258	16,052,046
Total Assets	\$ 41,610,851	\$ 2,026,434	\$ 11,432,361	\$ 9,288,701	\$ 12,296,614	\$ 76,654,961
Liabilities						
Accounts payable and accrued liabilities	\$ 4,387,294	\$ -	\$ -	\$ 275,718	\$ 1,717,240	\$ 6,380,252
Due to other funds	-	-	-	-	3,750,000	3,750,000
Unearned revenue-grant proceeds	-	-	-	8,178,925	-	8,178,925
Total Liabilities	4,387,294	-	-	8,454,643	5,467,240	18,309,177
Deferred Inflow of Resources						
Property taxes receivable	191,094	-	-	-	-	191,094
Prepaid taxes and other	77,014	-	-	-	-	77,014
Leases	217,344	-	-	-	-	217,344
Total deferred inflows of resources	485,452	-	-	-	-	485,452
Fund Balances						
Non Spendable						
Inventories	20,311	-	-	-	-	20,311
Prepayments	47,871	-	-	-	-	47,871
Restricted						
Stabilization by state statute	9,145,497	-	-	-	-	9,145,497
Unspent debt proceeds	-	-	-	-	2,493,182	2,493,182
Downtown district	462,304	-	-	-	-	462,304
Public safety	500,777	-	-	-	14,063	514,840
Transportation	-	-	-	-	213,251	213,251
General grant activities	-	-	-	834,058	9,193	843,251
Committed						
Economic Development	431,200	-	-	-	1,786,655	2,217,855
Cultural and Recreation	201,108	-	-	-	-	201,108
Assigned						
Subsequent years expenditures	2,120,665	-	-	-	537,630	2,658,295
Debt service	-	2,026,434	-	-	-	2,026,434
Cultural and Recreation	-	-	11,432,361	-	(10,900)	11,421,461
Public Safety	-	-	-	-	2,377,206	2,377,206
Housing Initiatives	-	-	-	-	202,246	202,246
Transportation	-	-	-	-	616,290	616,290
Asset Maintenance	-	-	-	-	63,122	63,122
Unassigned	23,808,372	-	-	-	(1,472,564)	22,335,808
Total fund balances	36,738,105	2,026,434	11,432,361	834,058	6,829,374	57,860,332
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 41,610,851	\$ 2,026,434	\$ 11,432,361	\$ 9,288,701	\$ 12,296,614	\$ 76,654,961

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

TOWN OF WAKE FOREST, NORTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS

Exhibit 3

JUNE 30, 2024

Fund balances-total governmental funds		\$ 57,860,332
<p>Amounts reported for governmental activities in the statement of net position are different because;</p>		
<p>Long-term assets are not available in the current period and therefore are not reported in the governmental funds.</p>		588,556
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
<p>Governmental capital assets</p>	517,033,723	
<p>Less accumulated depreciation</p>	(114,696,971)	
<p>Right to use intangible assets</p>	5,375,314	
<p>Less accumulated amortization</p>	<u>(733,724)</u>	406,978,342
<p>Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
<p>Bonds and notes payable</p>	(35,635,388)	
<p>Premiums received on bond issuance</p>	(1,238,479)	
<p>Lease liability</p>	(4,716,852)	
<p>Compensated absences</p>	(2,718,537)	
<p>Other postemployment benefits liability</p>	(11,447,359)	
<p>Net pension liability - LEOSSA</p>	(6,087,357)	
<p>Pension liability - LGERS</p>	<u>(22,055,963)</u>	(83,899,935)
<p>Unavailable revenues are considered deferred inflows of resources in fund statements.</p>		183,897
<p>Deferred inflows/outflows of resources related to pensions are not reported in the funds - LEOSSA & LGERS</p>		14,323,181
<p>Deferred inflows/outflows of resources related to other postemployment benefits are not reported in the funds</p>		(781,371)
<p>Accrued interest expense payable</p>		<u>(180,873)</u>
Net position of governmental activities		<u>\$ 395,072,129</u>

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

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

Exhibit 4

FOR THE YEAR ENDED JUNE 30, 2024

	General	Debt Service Fund	Recreation Capital Reserve Fund	American Rescue Plan Act Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Ad valorem taxes	\$ 40,198,931	\$ -	\$ -	\$ -	\$ -	\$ 40,198,931
Other taxes	63,546	-	-	-	-	63,546
Unrestricted intergovernmental	19,411,697	-	-	-	-	19,411,697
Restricted intergovernmental	3,112,809	1,480,263	-	2,733,377	673,055	7,999,504
Permits and fees	3,134,582	814,362	2,267,084	-	793,016	7,009,044
Sales and services	5,363,152	-	-	-	-	5,363,152
Miscellaneous	2,727,059	-	-	-	75,600	2,802,659
Investment earnings	1,759,409	97,284	509,816	468,561	358,044	3,193,114
Total revenues	75,771,185	2,391,909	2,776,900	3,201,938	1,899,715	86,041,647
Expenditures:						
Current:						
General government	20,857,824	-	-	18,927	13,500	20,890,251
Public safety	27,826,497	-	-	-	21,196	27,847,693
Transportation	3,004,679	-	-	-	2,200	3,006,879
Environmental protection	5,796,968	-	-	-	-	5,796,968
Cultural and recreation	5,938,357	-	-	-	33,732	5,972,089
Capital outlay	12,703,314	-	-	2,587,074	6,365,024	21,655,412
Debt service:						
Lease and SBITA principal	-	497,202	-	-	-	497,202
Lease and SBITA interest and other charges	-	73,577	-	-	-	73,577
Bond principal	-	2,195,000	-	-	-	2,195,000
Bond interest	-	778,984	-	-	-	778,984
Installment note principal	-	3,880,190	-	-	-	3,880,190
Installment note interest	-	316,338	-	-	-	316,338
Total expenditures	76,127,639	7,741,291	-	2,606,001	6,435,652	92,910,583
Revenues under expenditures	(356,454)	(5,349,382)	2,776,900	595,937	(4,535,937)	(6,868,936)
Other financing sources (uses):						
Transfers in	3,527,960	6,395,775	-	-	2,650,288	\$ 12,574,023
Transfers out	(7,542,312)	-	(3,398,949)	(127,376)	(1,505,386)	(12,574,023)
Donations	67,272	-	19,030	-	20,642	106,944
Contribution to Pension Trust	(150,000)	-	-	-	-	(150,000)
Issuance of lease	4,651,834	-	-	-	-	4,651,834
Issuance of debt	1,359,595	-	-	-	5,500,000	6,859,595
Total other financing sources (uses)	1,914,349	6,395,775	(3,379,919)	(127,376)	6,665,544	11,468,373
Net change in fund balances	1,557,895	1,046,393	(603,019)	468,561	2,129,607	4,599,437
Fund balance - beginning of year	35,180,210	980,041	12,035,380	365,497	4,699,767	53,260,895
Fund balance - end of year	36,738,105	\$ 2,026,434	\$ 11,432,361	\$ 834,058	\$ 6,829,374	\$ 57,860,332

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

Exhibit 4

FOR THE YEAR ENDED JUNE 30, 2024

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

Net change in fund balances - total governmental funds	\$	4,599,437
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.

Expenditures for capital assets	16,980,998	
Less current year depreciation	(13,041,071)	
Less disposition of assets	(77,718)	
Expenditures for right to use intangible assets	4,676,940	
Accumulated lease amortization	(591,290)	
The net effect of various miscellaneous transactions involving capital assets is to increase net position	<u>(2,525)</u>	7,945,334

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	8,787,406
Change in unavailable revenue for tax and building permit revenues	(41,719)

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	86,595	
Issuance of debt	(6,859,595)	
Principal payments	6,075,190	
Issuance of lease	(4,651,834)	
Right to use lease principal payments	<u>497,202</u>	(4,852,442)

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	(357,587)
Pension Expense - LGERS	(3,141,630)
Pension Expense - LEO	(422,298)
Other postemployment benefits expense	(79,624)
Change in accrued interest payable	<u>12,423</u>

Total changes in net position of governmental activities	<u>\$</u>	<u>12,449,300</u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF WAKE FOREST, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Exhibit 5

FOR THE YEAR ENDED JUNE 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 38,078,440	\$ 40,261,265	\$ 40,037,372	\$ (223,893)
Other taxes and licenses	55,000	55,000	63,546	8,546
Unrestricted intergovernmental	18,435,300	18,477,745	19,411,697	933,952
Restricted intergovernmental	2,297,540	3,111,540	3,111,598	58
Permits and fees	2,514,750	2,791,625	3,134,582	342,957
Sales and services	5,096,750	5,247,260	5,071,144	(176,116)
Miscellaneous	1,903,470	2,219,920	2,201,384	(18,536)
Investment earnings	650,000	1,708,350	1,691,575	(16,775)
Total revenues	69,031,250	73,872,705	74,722,898	850,193
Expenditures:				
Current				
General government	21,989,355	30,312,870	26,070,760	4,242,110
Public safety	28,853,800	30,146,300	29,031,493	1,114,807
Transportation	3,713,875	3,902,780	3,848,528	54,252
Environmental protection	5,985,500	6,240,600	6,274,768	(34,168)
Cultural and recreational	6,208,965	10,623,280	9,355,806	1,267,474
Total expenditures	66,751,495	81,225,830	74,581,355	6,644,475
Revenues over (under) expenditures	2,279,755	(7,353,125)	141,543	7,494,668
Other financing sources (uses):				
Transfers in (out)				
American Rescue Plan Fund	(497,365)	249,390	127,376	(122,014)
Debt Service Fund	(6,013,775)	(6,330,775)	(6,330,775)	-
Downtown District Special Tax	100,000	100,000	83,800	(16,200)
General Capital Reserve Fund	-	-	(157,649)	(157,649)
Housing Initiative	12,500	12,500	(200,000)	(212,500)
Grant & Special Revenue Fund	-	-	1,635	1,635
Greenways, Trails & Pedestrian Access	-	-	-	-
Police Special Revenue Fund	175,100	175,100	-	(175,100)
Recreation Capital Reserve Fund	1,709,650	3,020,330	3,398,949	378,619
Roadway & Transportation	(788,880)	-	(788,888)	(788,888)
Pension Trust	-	-	(150,000)	(150,000)
Wake Forest Business Industry Partnership	(475,200)	(475,200)	(475,200)	-
Wake Forest Renaissance Centre SRF	(723,785)	(723,785)	(723,785)	-
Transfer from NCHIP reserve	500,000	525,000	525,675	675
Right to use liabilities issued	-	4,856,000	4,651,834	(204,166)
Installment note issuance	1,435,000	1,359,570	1,359,595	25
Appropriated fund balance	2,287,000	4,584,995	-	(4,584,995)
Total other financing sources (uses)	(2,279,755)	7,353,125	1,322,567	(6,030,558)
Net change in fund balance	\$ -	\$ -	\$ 1,464,110	\$ 1,464,110

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

Exhibit 5

FOR THE YEAR ENDED JUNE 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Fund balance - Beginning of year			33,678,605	
Fund balance - End of year			35,142,715	
A legally budgeted Business & Industry Partnership (BIP) Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			16,816	
Operating expenditures			(433,425)	
Transfer from General Fund			475,200	
Fund balance - beginning of year			372,610	
A legally budgeted Downtown District Special Tax Fund is consolidated into the General Fund for reporting purposes:				
Ad valorem taxes			161,559	
Investment earnings			20,771	
Transfer to Debt Service Fund			(65,000)	
Transfer to General Fund			(83,800)	
Fund balance - beginning of year			428,774	
A legally budgeted Police Department Special Fund is consolidated into the General Fund for reporting purposes:				
Donations			31,683	
Forfeited currency			1,211	
Investment earnings			21,633	
Operating expenditures			(25,239)	
Fund balance - beginning of year			471,489	
A legally budgeted Wake Forest Renaissance Centre Fund is consolidated into the General Fund for reporting purposes:				
Sales and services			187,368	
Donations			28,589	
Events revenue			104,640	
Investment Earnings			4,587	
Operating expenditures			(1,066,374)	
Transfer from General Fund			723,785	
Transfer from American Rescue Plan Fund			8,162	
Fund balance - beginning of year			121,367	
A legally budgeted Public Arts Special Fund is consolidated into the General Fund for reporting purposes:				
Donations			7,000	
Investment Earnings			4,027	
Transfer to special revenue fund			(21,246)	
Transfer to special revenue fund			(8,162)	
Fund balance - beginning of year			107,365	
Fund balance - end of year (Exhibit 4)			<u>\$ 36,738,105</u>	

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

TOWN OF WAKE FOREST, NORTH CAROLINA
PROPRIETARY FUND
ELECTRIC FUND
STATEMENT OF NET POSITION

Exhibit 6

JUNE 30, 2024

		Electric Fund
Assets		
Current assets:		
Cash and cash equivalents-unrestricted	\$	1,511,628
Accounts receivable, net		3,485,996
Inventories		3,568,524
Total current assets		<u>8,566,148</u>
Noncurrent assets:		
Cash and cash equivalents-restricted		572,080
Capital assets:		
Land and other non-depreciable assets		1,451,949
Other capital assets, net of depreciation		20,968,201
Capital assets (net)		<u>22,420,150</u>
Total noncurrent assets		<u>22,992,230</u>
Total assets		<u>31,558,378</u>
Deferred Outflows of Resources:		
Pension deferrals		1,370,483
Other post employment benefit deferrals		187,638
Total deferred outflows of resources		<u>1,558,121</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities		2,138,351
Customer deposits		572,080
Accrued interest payable		11,212
Compensated absences		72,594
Bonds and notes payable		460,674
Total current liabilities		<u>3,254,911</u>
Noncurrent liabilities:		
Net pension liability		2,399,852
Total other postemployment benefits liability		1,280,498
Compensated absences		110,220
Bonds and notes payable		1,417,053
Total noncurrent liabilities		<u>5,207,623</u>
Total liabilities		<u>8,462,534</u>
Deferred Inflows of Resources		
Pension deferrals		38,661
Other post employment benefit deferrals		275,042
Total deferred inflows of resources		<u>313,703</u>
Net Position		
Net investment in capital assets		20,542,423
Unrestricted		3,797,839
Total net position	\$	<u>24,340,262</u>

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

TOWN OF WAKE FOREST, NORTH CAROLINA

Exhibit 7

PROPRIETARY FUND

ELECTRIC FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2024

	Electric Fund
Operating revenues:	
Charges for services	\$ 24,219,559
Other operating revenues	2,269,412
Total operating revenues	<u>26,488,971</u>
Operating expenses:	
Electric operations	9,065,011
Electric power purchases	13,514,789
Depreciation	1,392,804
Total operating expenses	<u>23,972,604</u>
Operating income	<u>2,516,367</u>
Nonoperating revenues (expenses):	
Investment earnings	85,755
Interest expense	(52,460)
Gain on capital asset disposals	102,136
Total nonoperating revenues (expenses)	<u>135,431</u>
Income before transfers and contributions	2,651,798
Capital contributions	630
Change in net position	2,652,428
Net position, beginning of year	21,687,834
Net position, end of year	<u>\$ 24,340,262</u>

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

TOWN OF WAKE FOREST, NORTH CAROLINA
PROPRIETARY FUND
ELECTRIC FUND
STATEMENT OF CASH FLOWS

Exhibit 8

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Electric Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 25,882,322
Cash paid for goods and services	(18,830,572)
Cash paid to employees for services	(4,640,482)
Customer deposits received	171,130
Customer deposits returned	(97,071)
Net cash provided by operating activities	<u>2,485,327</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(2,597,172)
Proceeds of sale of capital assets	102,136
Capital asset transfers in	(3,112)
Capital asset transfers out	2,482
Principal paid on bonds and notes	(726,576)
Interest paid on bonds and notes	(59,971)
Proceeds from issuance of debt	250,905
Net cash used by capital and related financing activities	<u>(3,031,308)</u>
Cash flows from investing activities:	
Interest on investments	85,755
Net cash provided by investing activities	<u>85,755</u>
Net decrease in cash and cash equivalents	(460,226)
Cash and cash equivalents:	
Beginning of year	2,543,304
End of year	<u>\$ 2,083,078</u>

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

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

Exhibit 8

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Electric Fund</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ 2,516,367</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	1,392,804
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
Increase in accounts receivable	(606,649)
Increase in inventory	(1,475,094)
Increase in deferred outflows of resources for pension contributions	(40,171)
Decrease in deferred outflows for pensions	164,486
Increase in pension liability	14,079
Increase in accounts payable and accrued liabilities	618,314
Increase in customer deposits	74,059
Increase in accrued compensated absences	9,596
Increase in deferred inflows of resources - pensions	28,580
Decrease in deferred outflows of resources - OPEB	114,618
Increase in deferred inflows resources - OPEB	(150,831)
Decrease in other postemployment liability	(174,831)
Total adjustments	<u>(31,040)</u>
Net cash provided by operating activities	<u><u>\$ 2,485,327</u></u>

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

TOWN OF WAKE FOREST, NORTH CAROLINA
FIDUCIARY FUND
PENSION TRUST FUND
STATEMENT OF FIDUCIARY NET POSITION

Exhibit 9

JUNE 30, 2024

	Fiduciary Fund
Assets	
Current assets:	
Cash and cash equivalents-restricted	\$ 186,201
Subtotal current assets	<u>186,201</u>
Total assets	<u>186,201</u>
Liabilities	
Current liabilities:	
Subtotal current liabilities	<u>-</u>
Total liabilities	<u>-</u>
Net Position	
Restricted for:	
General Employees	101,564
Law Enforcement Special Separation	49,716
Electric Fund Employees	34,921
Total net position	<u>\$ 186,201</u>

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

TOWN OF WAKE FOREST, NORTH CAROLINA

Exhibit 10

FIDUCIARY FUND

PENSION TRUST FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FIDUCIARY NET

FOR THE YEAR ENDED JUNE 30, 2024

	Fiduciary Fund
Additions:	
Investment earnings	\$ 2,085
Employer contributions	900,773
Total additions	<u>902,858</u>
Deductions:	
Benefit payments	<u>716,657</u>
Total deductions	716,657
Change in net position	186,201
Net position, beginning of year	-
Net position, end of year	<u><u>\$ 186,201</u></u>

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

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Summary of Significant Accounting Policies

The financial statements of the Town of Wake Forest (the “Town”) have been prepared in conformity with generally accepted accounting principles as applied to government units. The following is a summary of the more significant accounting policies:

(a) Reporting Entity - The Town, a political subdivision of Wake County, is a municipal corporation governed by an elected mayor and a five-member commission. The Town’s basic financial statements include all funds over which the Town has accountability.

(b) Basis of Presentation

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

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

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

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

The Town reports on the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The primary sources of revenue are ad valorem taxes and state-shared revenues. The primary expenditures are for public safety, streets, sanitation, parks and recreation, and general governmental services. Additionally, the Town has legally adopted a Downtown District Special Tax Fund, Wake Forest Renaissance Centre Fund, Police Department Special Fund, Public Arts Special Fund, and Wake Forest Business and Industry Partnership Special Fund, which are consolidated in the General Fund.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Summary of Significant Accounting Policies (continued)

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

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

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

The Town reports on the following major proprietary fund:

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

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

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

Capital Project Funds - Capital project funds are used to account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by proprietary funds). The Town has eight (8) non-major capital project funds: Public Facilities, Asset Maintenance, Parking Facilities, Roadway & Transportation, Green Transportation Pedestrian Access, Greenway Improvements, Parks and Recreation, and General Capital Reserve.

Fiduciary Fund – The Pension Trust Fund accounts for the Town’s contributions to a supplemental money purchase pension plan and other post-employment benefits such as health care coverage for qualified retirees.

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

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

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Summary of Significant Accounting Policies (continued)

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

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

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

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

The Town considers all revenues available if they are collected within 90 days after year end, except for property taxes. Ad valorem property taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. As of June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 13, 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, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received.

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

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is charges between the Town's Electric Fund and various other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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

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

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

State law (G.S. 159-30(c)) authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and banker's acceptances; and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value as determined by quoted market prices. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolios have weighted average maturity of less than 90 days, they are presented as an investment with maturity of less than 6 months.

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.

(e) Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance(continued)

Restricted Assets – Money in the Downtown District Special Tax Fund and the Police Department Special Fund is classified as restricted 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. Money in the Grants and Special Revenue Fund, Roadway and Transportation Fund, Futures Fund, and ARPA Fund is restricted by the external and/or awarding agency for the specific purpose of the award. Customer deposits held by the Town before electric services are supplied are restricted to electric services.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Summary of Significant Accounting Policies (continued)

Governmental Activities	Deposits	Unspent Debt Proceeds
General Fund:		
Downtown District	\$ 461,457	\$ -
Public Safety	500,777	-
Wake Forest BIP	460,658	-
Public Art	89,253	-
American Rescue Plan Act	8,454,643	-
Other Nonmajor Governmental Funds:		
Transportation	1,804,387	2,493,182
Economic Development	1,787,689	-
Total Governmental Activities	13,558,864	2,493,182
Business-type activities		
Electric Fund-customer deposits	572,080	-
Total Restricted Cash	\$ 14,130,944	\$ 2,493,182

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

Note Receivable - The Town entered into an agreement with the Wireless Research Center of North Carolina whereby the Town would advance loan funds to the Wireless Research Center up to \$975,000 for the purpose of economic development. The loan funds are for the purpose of covering operating expenses during the startup period. As of June 30, 2024, the Town had advanced funding in the amount of \$588,556. This loan agreement was modified in March 2016. Under the original terms of the loan, interest only payments began January 1, 2012 and continued on the first day of each calendar month thereafter until December 31, 2016 at such time the entire outstanding principal balance was due. The terms of the loan modification, interest at the rate of 2.5% per annum with the balance of the loan in December 2016 to convert to a 10-year balloon payment with a 20-year amortization. Accordingly, the amounts advanced as of June 30, 2024 have been recorded in the government-wide financial statements.

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

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

Capital Assets - Capital assets, which include property, plant, equipment, right to use intangible assets, and infrastructure assets (roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Summary of Significant Accounting Policies (continued)

by the government as assets with an initial, individual cost of \$5,000 or more. Such assets are recorded at historical cost or estimated historical cost. Right to use intangible assets are initially measured at an amount equal to the measurement of the related liability plus any payments made prior to the contract term, less incentives, and plus ancillary charges necessary to place the asset into service. The right to use intangible assets are amortized on a straight-line basis over the life of the related contract term. Donated assets are recorded at their estimated acquisition value at the date of donation rather than fair value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated on a straight-line method over the following estimated useful lives:

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

Deferred Outflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has three items that meet the criterion for this category – LGERS pension deferrals, 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 assets that applies to a future period and so will not be recognized as revenue until then. The Town has five items that meet the criterion for this category - prepaid taxes, lease deferrals, deferrals of LGERS pension expense, LEOSSA deferrals, and other post-employment benefits deferrals.

Long-term Obligations - In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt. Payables for right to use intangible assets are recorded at the present value of the future minimum contract payments as of the date of their inception and are amortized over the contract term.

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

Compensated Absences - The 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-

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Summary of Significant Accounting Policies (continued)

out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements. The Town's sick leave policy provides for unlimited accumulation of earned sick leave. Sick leave does not vest but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement purposes. Since the Town has no obligation for the sick leave until it is taken, no provision has been made in the accompanying financial statements.

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

Net Position/Fund Balances

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

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

The governmental fund types classify fund balances as follows:

Non-spendable Fund Balance

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

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

Prepayments – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenses, which are not spendable resources.

Restricted Fund Balance

This classification includes amounts of fund balance restricted by or subject to externally enforceable legal restrictions, including, but not limited to creditors, grantors, contributors, or other governments through enabling legislation.

Restricted for Stabilization by State Statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for Downtown District - portion of fund balance that is restricted by revenue source for certain downtown district expenditures.

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for certain public safety expenditures.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Summary of Significant Accounting Policies (continued)

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

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

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

Committed Fund Balance

This classification includes amounts of fund balance that can be used only for specific purposes imposed by majority vote by quorum of the Town's Board of Commissioners, the highest level of decision-making authority. Any changes or removal of 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.

Committed for cultural & recreation – portion of fund balance committed by the Board for culture & recreation projects.

Assigned Fund Balance

This classification includes amounts of fund balance that reflect a government's intended use of resources through authority delegated by the Town's Board of Commissioners to the Town Manager, Chief Financial Officer, or another member of the management team.

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

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

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

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

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

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

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Summary of Significant Accounting Policies (continued)

Assigned for asset maintenance – portion of fund balance that has been budgeted by the Board for asset maintenance.

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 was adopted in September 2004. The policy as amended in February 2016 requires that the Town maintain an unassigned General Fund balance between 20 and 25 percent of General Fund expenditures and a total fund balance of at least 35 percent of General Fund expenditures. Amounts in excess of this minimum may be used for construction projects or major capital outlay when the Town wishes to avoid the issuance of debt, purchase of real property, emergency work after disasters or for maintaining a stable tax rate when economically dependent revenues (i.e., sales taxes) are less than budgeted amounts. Furthermore, should the Town go below these thresholds, then they have three years to restore to policy levels.

(f) Defined Benefit Pension Plans and OPEB Plans

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

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 2—Stewardship, compliance, and accountability

Deficit in Fund Balance of Individual Funds – The Public Facilities Capital Projects, Parking Facilities, Parks and Recreation and Greenway improvement funds had deficit fund balances as of June 30, 2024, in the amount of \$85,354, \$804,919, 217,303 and \$364,808 respectively. The deficits will be funded with bond proceeds which were approved in the 2022 bond referendum and are scheduled to be issued in late 2024.

Note 3—Deposits and investments

Deposits - All the Town's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage are collateralized with securities held by the Town's agent in the Town's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in the Town's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Town under The Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

As of June 30, 2024, the carrying amount of the Town's deposits was \$8,491,476 and the bank balance was \$9,303,591. Of the bank balance, \$1,500,000 was covered by federal depository insurance and \$7,803,591 was covered under the Pooling Method. As of June 30, 2024, the Town had \$2,390 of petty cash and change funds on hand.

Investments - The Town's investment policy states that investment securities purchased by the Town shall be held in third-party safekeeping by an institution designated as primary agent.

As of June 30, 2024, the Town's investment balances were as follows:

Investment Type	Valuation Measurement Method	Book Value at 06/30/2024	Maturities Less Than 1 Year	Maturities 1 to 2 Years	Maturities 2 to 3 Years	Maturities 3+ Years	Rating
Commercial Paper	Fair Value - Level 1	\$962,589	\$ 962,589	\$ -	\$ -	\$ -	A1P1
US Government Bonds	Market value	4,466,610	2,470,623	1,497,718	498,270	-	AAA
Certificates of Deposit		1,662,680	1,662,680	-	-	-	
NCCMT - Government Portfolio	Amortized Cost	51,191,065	51,191,065	-	-	-	AAA
Totals		\$58,282,944	\$ 56,286,957	\$1,497,718	\$ 498,270	\$ -	

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

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 3—Deposits and investments (continued)

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, 2024.

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).

OPEB and LEOSSA Trust Funds

At June 30, 2024, the Town had \$136,485 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust and \$49,716 invested in the State Treasurer's Local Government Law Enforcement Officers' Special Separation Allowance (LEOSSA) Trust pursuant to G.S. 159-30.1. The Town may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the Town's OPEB and LEOSSA trust funds were 100% invested in the State Treasurer's Short-Term Investment Fund (STIF).

Level of the Fair Value Hierarchy - Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involve input, other than quoted prices, included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2024 of .59 years.

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

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

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

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 4—Receivables

(a) Allowance for doubtful accounts

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

General Fund	Allowance for uncollectible property taxes receivable	\$96,563
Electric Fund	Allowance for uncollectible customer receivables	90,747

(b) Lease receivable

On November 1, 2023, Town of Wake Forest entered into a 160-month lease as lessor with Crown & Castle for use of a cell tower. This lease replaced an earlier lease that expired on October 31, 2023. An initial lease receivable was recorded in the amount of \$228,783. As of June 30, 2024, the value of the lease receivable was \$213,128 and the value of the current portion of the receivable was \$10,209. The lease has an interest rate of 3.29%. The value of the deferred inflow of resources as of June 30, 2024 was \$217,344 and the Town of Wake Forest recognized lease revenue of \$11,439 during the fiscal year. The lessee has 2 extension options, each for 60 months.

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TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 5—Capital assets

Capital asset activity for the year ended June 30, 2024, was as follows:

GOVERNMENTAL ACTIVITIES	Balance July 1, 2023	Additions	Transfers	Deletions	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 22,261,717	\$ 3,396,320	\$ -	\$ -	\$ 25,658,037
Land rights and easements	62,004,549	2,646,213	-	-	64,650,762
Construction in progress	3,028,678	9,727,101	(704,194)	-	12,051,585
Total capital assets not being depreciated	87,294,944	15,769,634	(704,194)	-	102,360,384
Capital assets being depreciated/amortized:					
Buildings	31,985,459	-	-	-	31,985,459
Improvements	64,702,151	684,153	-	-	65,386,304
Infrastructure	286,352,507	6,544,819	704,194	-	293,601,520
Equipment and furniture	9,103,388	443,928	-	2,249,640	7,297,676
Intangible right-to-use assets					
Buildings	721,491	3,715,816	-	196,509	4,240,798
Equipment	16,879	122,931	-	4,052	135,758
Subscriptions	195,124	838,193	-	34,559	998,758
Vehicles and motorized equipment	15,254,075	2,323,600	-	1,175,295	16,402,380
Total capital assets being depreciated	408,331,074	14,673,440	704,194	3,660,055	420,048,653
Less Accumulated Depreciation/amortization for:					
Buildings	8,632,813	1,063,595	-	-	9,696,408
Improvements	22,745,942	2,333,545	-	-	25,079,487
Infrastructure	59,177,498	7,222,865	-	-	66,400,363
Equipment and furniture	6,704,386	684,955	-	2,249,307	5,140,034
Intangible right-to-use assets					
Buildings	295,099	338,510	-	196,509	437,100
Equipment	9,826	43,863	-	4,052	49,637
Subscriptions	72,629	208,917	-	34,559	246,987
Vehicles and motorized equipment	7,742,478	1,736,111	-	1,097,910	8,380,679
Total accumulated depreciation	105,380,671	\$ 13,632,361	\$ -	\$ 3,582,337	115,430,695
Total capital assets being depreciated, net	302,950,403				304,617,958
Governmental activity capital assets, net	\$ 390,245,347				\$406,978,342
Depreciation and amortization expense were charged to:					
Functions/programs as follows:					
General government	\$ 2,420,472				
Public safety	1,984,267				
Public works	6,959,231				
Environmental protection	183,253				
Cultural and recreational	2,085,138				
Total	\$ 13,632,361				

\$8,787,406 of capital asset additions resulted from developer-donated streets and sidewalks and a donated vehicle.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 5—Capital assets (continued)

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

Business-type Activities	Balance			Balance June 30, 2024
	July 1, 2023	Additions	Deletions	
Capital assets not being depreciated				
Land	\$ 1,451,949	\$ -	\$ -	\$ 1,451,949
Total capital assets not being depreciated	1,451,949	-	-	1,451,949
Capital assets being depreciated				
Utility improvements	35,846,818	2,044,236	17,290	37,873,764
Buildings	2,095,249	-	-	2,095,249
Equipment and furniture	2,388,567	-	157,094	2,231,473
Vehicles and motorized equipment	2,454,310	552,937	324,900	2,682,347
Total capital assets being depreciated	42,784,944	2,597,173	499,284	44,882,833
Less accumulated depreciation for				
Utility improvements	18,558,684	1,060,490	-	19,619,174
Buildings	279,367	69,842	-	349,209
Equipment and furniture	2,178,637	75,463	171,901	2,082,199
Vehicles and motorized Equipment	2,005,054	187,009	328,013	1,864,050
Total accumulated depreciation	23,021,742	\$1,392,804	\$499,914	23,914,632
Total capital assets being depreciated, net	19,763,202			20,968,201
Business-type activity capital assets, net	\$ 21,215,151			\$ 22,420,150

Construction Commitments - The identification of possible commitments is the responsibility of the Finance Department. Once identified, the department involved with the project and the Finance Department evaluates the financial statement impact by evaluating the funding and timing of the contracts.

Open Construction Commitments

Project	Contract Amount	Expensed	Remaining
Flaherty Baseball Field #2	\$ 973,267	\$ 892,723	\$ 1,865,990
Flaherty Dam Upper Improvements	829,910	157,772	987,682
North Main Street Improvements	1,350,000	-	1,350,000
Street Resurfacing	6,020,717	2,774,493	8,795,210
	\$ 9,173,894	\$ 3,824,988	\$ 12,998,882

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability

(a) Local Government Employees' Retirement System

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

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

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

Funding Policy – Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Wake Forest employees are required to contribute six (6%) percent of their annual covered salary. The Town is required to contribute at an actuarially determined rate. For the Town, the current rate for employees not engaged in law enforcement (including fire fighters) and for law enforcement officers is 12.92% and 14.04%, respectively, of annual covered payroll. The contribution requirements of employees and of the Town are established and may be amended by the North Carolina General Assembly. The Town's contributions to LGERS for the year ended June 30, 2024 were \$4,198,317. The contributions made by the Town equaled the required contributions.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (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 \$24,455,815 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, 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, 2023 the Town's proportion was .3693%, which was an increase of .002% from its proportion measured as of June 30, 2022 at 0.3677%.

For the year ended June 30, 2024, the Town recognized pension expense of \$7,504,461. At June 30, 2024, 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	\$ 2,725,102	\$ 58,667
Changes of assumptions	1,039,232	-
Net difference between projected and actual earnings on pension plan investments	6,545,447	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	714,471	335,306
Town contributions subsequent to the measurement date	4,198,317	-
Total	<u>\$ 15,222,569</u>	<u>\$ 393,973</u>

\$4,198,317 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, 2025.

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

Year ended June 30:	
2025	\$ 4,153,508
2026	1,872,176
2027	4,327,818
2028	276,777
Total	<u><u>\$ 10,630,279</u></u>

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (continued)

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

Inflation	2.5 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2018 through December 31, 2019.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	29.00%	0.90%
Global Equity	42.00%	6.50%
Real Estate	8.00%	5.90%
Alternatives	8.00%	8.20%
Opportunistic Fixed Income	7.00%	5.00%
Inflation Sensitive	6.00%	2.70%
	<u>100.00%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2023 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 2.25%. All rates of return and inflation are annualized.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (continued)

Discount rate – The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town’s proportionate share of the net pension liability to changes in the discount rate – The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.5%, as well as what the Town’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.5 percent) or one percentage point higher (7.5 percent) than the current rate:

1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
\$ 42,368,739	\$ 24,455,815	\$ 9,708,218

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

(b) Law Enforcement Officers Special Separation Allowance

Plan Description

The Town of Wake Forest administers a public employee retirement system (the “Separation Allowance”), a single employer defined benefit pension plan that provides retirement benefits to the Town’s qualified sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G. S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2023, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	7
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	82
	89

Summary of Significant Accounting Policies

Basis of Accounting - The Town has chosen to fund the Separation Allowance on a pay-as-you-go basis with additional amounts to prefund benefits through the Town’s LEOWSA Trust Fund as determined annually by the Board of Town Commissioners. Pension expenditures and contributions to the LEOWSA Trust are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (continued)

Investment Policy - In July 2023 the Town established an irrevocable trust with an initial investment of \$50,000 solely for the purpose of investing Town LEOSSA contributions. The LEOSSA trust is managed by the North Carolina Department of State Treasurer Ancillary Governmental Participant Investment Program (AGPIP). Town contributions to the AGPIP LEOSSA trust are at the discretion of the Town Board of Commissioners.

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

Contributions - The Town is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and the Town's liability to contribute to this plan is established and may be amended by the North Carolina General Assembly. For the current year, the Town paid \$277,701 as benefits came due for the reporting period. There were no contributions made by employees. Contributions equaled the required contributions for each year. Contributions for fiscal year 2024 did not include additional amounts to prefund benefits deposited in the Town's LEOSSA Trust.

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

At June 30, 2024, the Town reported a net pension liability of \$6,087,357. The components of the Town's net pension liability at June 30, 2024 were as follows:

Total LEOSSA liability	\$6,137,073
Plan fiduciary net position	49,716
Net LEOSSA liability	<u>\$6,087,357</u>
Plan fiduciary net position as a percentage of the total LEOSSA liability	0.08%

The net pension liability was measured as of December 31, 2023, based on a December 31, 2022, actuarial valuation. The net pension liability was then rolled forward to the measurement date of December 31, 2023, utilizing update procedures incorporating the actuarial assumptions.

For the year ended June 30, 2024, the Town recognized pension expense of \$749,082. The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 767,432	\$ 32,104
Changes of assumptions	744,009	808,228
Contributions made subsequent to the measurement date	155,298	-
Total	<u>\$ 1,666,739</u>	<u>\$ 840,332</u>

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (continued)

The \$155,298 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ 282,606
2026	270,312
2027	152,667
2028	(57,152)
2029	(8,127)
Thereafter	30,803
	\$ 671,109

Sensitivity of the Town's Net Pension Liability to Changes in the Discount Rate

The following presents the Town's total pension liability calculated using the discount rate of 4.00 percent, as well as what the Town's pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.00 percent) or 1 percentage point higher (5.00 percent) than the current rate:

	1% Decrease 3.00%	Current Discount Rate 4.00%	1% Increase 5.00%
Net pension liability	\$ 6,591,823	\$ 6,087,357	\$ 5,631,343

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

Changes in the Net LEOSSA Pension Liability	Total LEOSSA Liability	Plan Net Position	Net LEOSSA Liability
Balance at July 1, 2023	\$ 5,469,790	\$ -	\$ 5,469,790
Changes for the year			
Service cost	202,132	-	202,132
Interest	230,655	-	230,655
Differences between expected and actual experience	333,729	-	333,729
Changes in assumptions or other inputs	137,114	-	137,114
Contributions - employer	-	286,063	(286,063)
Net investment income	-	-	-
Net benefit payment and implicit subsidy cost	(236,347)	(236,347)	-
Net changes	667,283	49,716	617,567
Balance at June 30, 2024	\$ 6,137,073	\$ 49,716	\$ 6,087,357

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (continued)

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

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.00 percent
Cost of Living Adjustment	N/A

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

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

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 7,504,461	\$ 749,082	\$ 8,253,543
Pension Liability	24,455,815	6,087,357	30,543,172
Proportionate share of the net pension liability	0.3693%	n/a	-
Deferred Outflows of Resources			
Differences between expected and actual experience	2,725,102	767,432	3,492,534
Changes of assumptions	1,039,232	744,009	1,783,241
Net difference between projected and actual earnings on plan investments	6,545,447	-	6,545,447
Changes in proportion and differences between contributions and proportionate share of	714,471	-	714,471
Employer contributions subsequent to measurement date	4,198,317	155,298	4,353,615
			-
Deferred Inflows of Resources			
Difference between expected and actual experience	58,667	32,104	90,771
Changes of assumptions	-	808,228	808,228
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	335,306	-	335,306
Benefit payments and administrative costs paid subsequent to the measurement date	-	-	-

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (continued)

The following are financial statements for the Law Enforcement Special Separation Allowance Trust Fund included in the Fiduciary Funds in Exhibits 9 and 10 at June 30, 2024:

Statement of LEOSSA Plan Net Position

June 30, 2024

	<u>Law Enforcement Special Separation Allowance</u>
Assets	
Current Assets:	
AGPIP LEOSSA Trust Fund	
Short-term LEOSSA fund	\$ 49,716
Long-term LEOSSA fund	-
LEOSSA Equity fund	-
Cash and cash equivalents	<u>49,716</u>
Net position	<u><u>\$ 49,716</u></u>

Statement of Changes in Plan Net Position

June 30, 2024

	<u>Law Enforcement Special Separation Allowance</u>
Additions:	
Employer Contributions	\$ 286,063
Investment Earnings	-
Total Additions	<u>286,063</u>
Deductions	
Benefits Paid	<u>236,347</u>
Total Deductions	-
Net position	<u><u>\$ 49,716</u></u>

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (continued)

(c) Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy - Article 12E of G. S. Chapter 143 requires the Town to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. The Law Enforcement Officers may also make voluntary contributions to the plan. Contributions for the year ended June 30, 2024 were \$627,083 which consisted of \$375,467 from the Town and \$251,616 from the law enforcement officers.

(d) Supplemental Retirement Income Plan for all Other Employees

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

Funding Policy - The Town contributes each month an amount equal to 5% of eligible employees' salaries, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024 were \$1,825,545 which consisted of \$1,210,631 from the Town and \$614,914 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.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (continued)

Membership of the HCB Plan consisted of the following as of June 30, 2023, the date of the latest actuarial valuation:

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

Summary of Significant Accounting Policies

Funding Policy – As noted above, the Town pays its share of the cost of coverage (premiums) for the healthcare benefits provided to qualified retirees under a Town resolution that can be amended by the Board of Town Commissioners. The Town’s members pay their share of the premiums as noted above. The Town has chosen to fund the healthcare benefits on a pay-as-you-go basis with an additional amount to prefund benefits through the Towns OPEB Trust Fund as determined annually by the Board of Town Commissioners. For the current year, the Town contributed \$614,710 (retiree claims paid, insurance, and other costs less premiums received) or 4.85% of annual covered payroll. The contribution for fiscal year 2024 did not include the additional amount to prefund benefits deposited in the Town’s OPEB Trust.

Investments - In July 2023 the Town established an irrevocable trust with an initial investment of \$134,400 solely for the purpose of investing Town OPEB contributions. The OPEB trust is managed by the North Carolina Department of State Treasurer Ancillary Governmental Participant Investment Program (AGPIP). Town contributions to the AGPIP OPEB trust are at the discretion of the Town Board of Commissioners. The target allocations are based on the initial allocations made during the Town’s enrollment in the fund.

Asset Class	Target Allocation	10 Year Expected Real Rate of Return
Short Term Investment	100%	1.13%
Equity Index	0%	0%
Bond Index	0%	0%
Total	100%	1.13%

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

Rate of Return - For the year ended June 30, 2024 the annual money-weighted rate of return on investments, net of investment expense was 4.39%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (continued)

Net OPEB Liability

The Town's net OPEB liability of \$12,727,857 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023. The components of the Town's net OPEB liability at June 30, 2024 were as follows:

Total OPEB liability	\$	12,864,342
Plan fiduciary net position		136,485
Net OPEB liability	\$	12,727,857

Plan fiduciary net position as a percentage of the total OPEB liability	1.06%
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Actuarial assumptions and other inputs - The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	0.75 percent
Wage inflation	3.25 percent
Salary increases, including Wage inflation	3.25 to 8.41 percent, including inflation for General Employees 3.25 to 7.90 percent, including inflation for Law Enforcement Officers
Discount rate	3.93 percent
Long-term investment rate Of return, net of OPEB plan Investment expense, Including Price inflation	1.13%
Municipal bond index rate	Prior measurement date: 3.65 percent Measurement date: 3.93 percent
Year FNP is projected to be Depleted	Prior measurement date: N/A Measurement date: 2024
Single equivalent investment Rate net of OPEB plan Investment expense, Including Price inflation	Prior measurement date: 3.65 percent Measurement date: 3.93 percent
Healthcare cost trends	Pre Medicare medical and prescription drug: 7.00 percent for 2023 decreasing to an ultimate rate of 4.50 percent by 2033 Medicare medical and prescription drug: 5.125 percent for 2023 decreasing to an ultimate rate of 4.50 percent by 2026

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (continued)

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

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

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

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

Discount Rate (Single Equivalent Interest Rate) - The discount rate used to measure the total OPEB liability as of the Measurement Date was 3.93%. The projection of cash flows used to determine the discount rate was based on an actuarial valuation performed as of June 30, 2023. The projection of cash flows used to determine the discount rate was per formed in accordance with GAAP. The actuarial methods and assumptions used in the projection of cash flows were (1) those of the June 30, 2023 actuarial valuation, (2) total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date, in subsequent projection years, total payroll was assumed to increase annually using payroll growth assumptions, (3) active employees do not explicitly contribute to the Plan, (4) benefit payments are assumed to be paid out of the trust until the trust is depleted, (5) projected assets do not include employer contributions that fund the estimated service cost of future employees, and (6) cash flows occur mid-year.

Based on these assumptions, the Plan’s fiduciary net position was projected to be depleted in 2024 and, as a result, the Municipal Bond Index Rate was used in the determination of the Single Equivalent Interest Rate. Here, the long-term expected rate of return of 1.13% on Plan investments was applied to periods through 2024 and the Municipal Bond Index Rate at the Measurement Date (3.65%) was applied to periods on and after 2024, resulting in a Single Equivalent Interest Rate at the Measurement Date (3.93%). As a result of the change to the Municipal Bond Index Rate, there was a change in the discount rate from 3.65% at the Prior Measurement Date to 3.93% at the Measurement Date.

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	\$ 11,337,105	\$ 12,727,857	\$ 14,361,280

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (continued)

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:

	2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Net OPEB liability	\$ 14,012,758	\$ 12,727,857	\$ 11,590,723

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

At June 30, 2024, the Town reported a net OPEB liability of \$12,727,857. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. Actuarial gains and losses arising from the change in the SEIR from 3.65% on the Prior Measurement Date to 3.93% on the Measurement Date are accounted for as changes of assumptions or other inputs.

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

Changes in the Net OPEB Liability	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2023	\$ 13,136,788	\$ -	\$ 13,136,788
Changes for the year			
Service cost	474,604	-	474,604
Interest	456,615	-	456,615
Differences between expected and actual experience	(793,880)	-	(793,880)
Changes in assumptions or other inputs	70,525	-	70,525
Contributions - employer	-	614,710	(614,710)
Net investment income	-	2,085	(2,085)
Net benefit payment and implicit subsidy cost	(480,310)	(480,310)	-
Net changes	(272,446)	136,485	(408,931)
Balance at June 30, 2024	\$ 12,864,342	\$ 136,485	\$ 12,727,857

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (continued)

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

For the year ended June 30, 2024 the Town recognized OPEB expense of \$412,623. As of June 30, 2024, 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	\$ 216,869	\$ 1,048,900
Changes of assumptions	1,315,498	1,683,890
Difference between projected and actual earnings	-	1,062
Town contributions subsequent to the measurement date	332,710	-
Total	<u>\$ 1,865,077</u>	<u>\$ 2,733,852</u>

The \$332,710 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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	\$ (482,567)
2026	(245,585)
2027	(43,989)
2028	(133,808)
2029	(241,955)
Thereafter	(53,581)
	<u>\$ (1,201,485)</u>

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TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (continued)

The following are financial statements for the Other Post Employment Benefits Pension Trust Fund included in the Fiduciary Funds in Exhibits 9 and 10 at June 30, 2024:

Statement of OPEB Plan Net Position

June 30, 2024

	<u>Other Post Employment Benefits</u>	
Assets		
Current Assets:		
AGPIP OPEB Trust Fund		
Short-term OPEB fund	\$	136,485
Long-term OPEB fund		-
OPEB Equity fund		-
Cash and cash equivalents		<u>136,485</u>
Net position	\$	<u>136,485</u>

Statement of Changes in Plan Net Position

June 30, 2024

	<u>Other Post Employment Benefits</u>	
Additions:		
Employer Contributions	\$	614,710
Investment Earnings		<u>2,085</u>
Total Additions		616,795
Deductions		
Benefit Payments		<u>480,310</u>
Total Deductions		-
Net position	\$	<u>136,485</u>

(f) Other Employment Benefits

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

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Pension plan liability (continued)

Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for Law Enforcement Officers. Because the benefit payments are made by the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.07% and 0.14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

Note 7—Risk management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in two (2) self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains commercial general liability of \$5 million and auto liability coverage of \$5 million combined single limit, property coverage up to the total insured values of the property policy, and workers' compensation coverage up to statutory limits. The Town's commercial general liability policy also provides a \$250,000 sublimit for cyber liability. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request. In addition, the Wake Forest Fire Department's property and liability exposures are insured through VFIS, a division of Glatfelter Insurance Group, with a combined commercial general liability limit of \$1 million.

There are exclusions to the town's policy which bar coverage for all risks of loss. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past four (4) fiscal years. The Town does not carry flood insurance because flood plain maps show insignificant property values within flood plains.

In accordance with G.S. 159-29, Town employees with access to \$100 or more of the Town's funds at any given time are performance bonded through a commercial fidelity bond with limits of \$100,000. The Chief Financial Officer is individually bonded for \$1,000,000. Government crime coverage provides \$5,000 per occurrence for theft of money and securities inside or outside the premises.

Note 8—Claims, judgments, and contingent liabilities

As of June 30, 2024, the Town was a defendant to various lawsuits. In the opinion of the Town's management and the Town's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 9—Long-term debt

(a) General Obligation Bonds

The Town's general obligation bonds serviced by the governmental funds were issued for the acquisition of parks and recreation facilities, greenways, street, and sidewalk improvements. In addition, general obligation bonds have been issued to refund general obligation bonds. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due. Bonds payable as of June 30, 2024 include the following individual issues:

Serviced by the General Fund:

\$4,330,000 Series 2015 Public Improvement Bonds with annual installments of \$220,000 to \$215,000 due annually on April 1 through October 1, 2035 plus interest from 2.0 to 2.25 percent	\$ 2,365,000
\$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	1,308,000
\$15,850,000 Series 2018B Public Improvement Bonds with annual installments of \$420,000 to \$835,000 due annually on June 1 through June 1, 2038 plus interest of 2.98 percent	11,670,000
\$3,6710,000 Series 2019 Refunding Bonds with annual payments of \$338,000 to \$392,000 due annually on February 1 through February 1, 2030 plus interest at 1.79 percent	2,151,000
\$4,920,000 Series 2021B Public Improvement Bonds with annual payments of 260,000 to \$310,000 due annually on March 1 through March 1, 2041 plus interest of 1.62 percent	4,920,000
\$1,290,000 Series 2021A Public Improvement Bonds with annual payments of \$310,000 due annually on March 1 through March 1, 2026 plus interest of .54 percent	360,000
Total	\$ 22,774,000

As of June 30, 2024, the Town of Wake Forest had a legal debt margin of \$522,942,400. As of June 30, 2024, the Town had \$75,000,000 in authorized and unissued bonds from the November 2022 referendum.

Annual debt service requirements to maturity for general obligation bonds as of June 30, 2024 are as follows:

Year Ending	Governmental Activities	
	Principal	Interest
June 30:		
2025	\$ 2,181,000	\$ 722,179
2026	2,167,000	644,779
2027	2,156,000	567,435
2028	1,720,000	498,176
2029	1,707,000	447,177
2030-2034	7,138,000	1,439,378
2035-2039	5,085,000	428,625
2040-2043	620,000	18,600
	\$ 22,774,000	\$ 4,766,349

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 9—Long-term debt (continued)

(b) Installment Notes

The Town has several direct placement installment obligations outstanding on June 30, 2024. For each loan, the respective building, property, equipment, improvements (streets) and/or vehicles are pledged as collateral while the debt is outstanding. Annual debt service requirements to maturity for installment notes as of June 30, 2024 are as follows:

Governmental Activities

\$2,900,000 direct placement installment obligation with BB&T for Holding Park Pool-Phase II renovations issued on September 20, 2017; semi-annual payments of 147,066 to \$186,325 which include interest at 2.85%	\$ 982,804
\$5,500,000 direct placement installment obligation with PNC Bank for downtown street improvements issued on April 25, 2019; semi-annual payments of \$392,857 which include interest at 2.74%	1,571,430
\$2,400,000 direct placement installment obligation with BB&T for street improvements issued on May 3, 2018; semi-annual payments of \$152,543 to \$190,680 which include interest at 3.39% <i>(Rate reduced to 2.17% - July 2017)</i>	600,000
\$2,500,000 direct placement installment obligation with Truist (BB&T) for underground fiber construction issued on July 15, 2020; semi-annual payments of \$178,572 plus interest at 2.17%	1,250,000
\$331,045 direct placement installment obligation with Truist (BB&T) Bank for vehicles and equipment issued on September 3 2020; semi-annual payments of \$42,355 which include interest at 1.04%	42,137
\$1,309,512 direct placement installment obligation with Truist Bank for aerial ladder fire truck issued on February 18, 2021; semi-annual payments of \$256,755 plus interest at .99%	531,561
\$642,435 direct placement installment obligation with Truist (BB&T) Bank for vehicles and equipment issued on June 11, 2021; semi-annual payments of \$82,067 which include interest at .97%	145,603
\$798,510 direct placement obligation with Truist Bank for vehicles and equipment issued on September 15, 2021; semi-annual payments of \$131,612 to \$134,567 which include interest at .89%	134,567
\$964,750 direct placement installment obligation with Benchmark Community Bank issued on March 29, 2022; monthly payments of \$164,334 which include interest at 1.25%	325,602
\$779,715 direct placement obligations with First Citizens Bank for vehicles issued on May 31, 2023; semi-annual payments of \$139,622 which include interest at 4.18%	527,094
\$363,725 direct placement installment obligations with Pinnacle Bank for vehicles issued on January 31, 2023; semi-annual payments of \$64,264 which include interest at 3.46%	234,747
\$1,610,500 direct placement installment obligations with J.P.Morgan Chase Bank for vehicles and equipment issued on April 30, 2024; semi-annual payments of \$220,893 which include interest at 4.22%.	1,359,593
\$5,500,000 direct placement installment obligations with J.P. Morgan Chase Bank for street resurfacing issued on December 31, 2023; semi-annual installment payments of \$351,000 to \$452,000 which include interest at 4.41%.	5,156,250
	\$ 12,861,388

Business Type Activities

\$407,125 direct placement installment obligation with Truist (BB&T) Bank for vehicles and equipment issued September 3, 2020; semi-annual payments of \$52,098, plus interest at 1.04%	\$ 51,820
\$3,500,000 direct placement installment obligation with Regions Capital Advantage Bank for 5031 Unicon Drive issued October 18, 2018; Semi-annual payments of \$350,000, plus interest at 2.94%	1,575,000
\$1,610,500 direct placement installment obligations with J.P.Morgan Chase Bank for vehicles and equipment issued on April 30, 2024; semi-annual payments of \$220,893 which include interest at 4.22%.	250,907
	\$ 1,877,727

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 9—Long-term debt (continued)

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 4,032,455	\$ 410,487	\$ 460,674	\$ 53,976
2026	3,400,994	299,754	411,364	40,907
2027	1,681,335	204,540	413,981	28,000
2028	1,340,352	143,880	416,708	14,981
2029	687,500	98,536	175,000	2,572
2030-2034	1,718,752	113,695	-	-
Total	\$ 12,861,388	\$ 1,270,892	\$ 1,877,727	\$ 140,436

(c) Lease and subscription liabilities

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

	Balance as of 7/1/2023	Additions	Reduction of Principal	Balance as of 6/30/2024
Right to use leases and subscriptions				
Buildings	\$ 446,640	\$ 3,715,816	\$ (216,144)	\$ 3,946,312
Equipment	6,842	122,931	(44,765)	85,008
Subscriptions	106,022	813,087	(233,577)	685,532
Total right to use lease and subscription liabilities	\$ 559,504	\$ 4,651,834	\$ (494,486)	\$ 4,716,852

The future minimum contract payments as of June 30, 2024, were as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	\$ 632,065	\$ 128,598	\$ 760,663
2026	597,886	113,196	711,082
2027	465,659	97,500	563,159
2028	431,176	84,239	515,415
2029	435,484	71,566	507,050
2030-2034	2,154,582	151,472	2,306,054
Total	\$ 4,716,852	\$ 646,571	\$ 5,363,423

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 9—Long-term debt (continued)

(e) Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General obligation bonds	\$ 24,969,000	\$ -	\$ 2,195,000	\$ 22,774,000	\$ 2,181,000
Premiums on issuance	1,325,074	-	86,595	1,238,479	86,596
Total bonds payable	26,294,074	-	2,281,595	24,012,479	2,267,596
Installment Notes	9,881,983	6,859,595	3,880,190	12,861,388	4,032,455
Lease and subscription liabilities	559,504	4,651,834	494,486	4,716,852	632,065
Compensated absences	2,360,951	1,736,108	1,378,522	2,718,537	914,696
Net pension liability - LEO	5,469,790	617,567	-	6,087,357	-
Pension obligation - LGERS	18,357,194	3,698,769	-	22,055,963	-
Other post-employment benefits	11,197,945	249,414	-	11,447,359	-
Governmental activity long-term liabilities	74,121,441	17,813,287	8,034,793	83,899,935	7,846,812
Business-Type Activities:					
Revenue bonds	\$ 273,741	\$ -	\$ 273,741	\$ -	\$ -
Installment notes	2,079,655	250,905	452,833	1,877,727	460,674
Compensated absences	173,218	130,002	120,406	182,814	72,594
Pension obligation - LGERS	2,385,773	14,079	-	2,399,852	-
Other post-employment benefits	1,455,329	-	174,831	1,280,498	-
Business-type activity long-term liabilities	6,367,716	\$ 394,986	\$ 1,021,811	5,740,891	533,268
Total long-term liabilities	\$80,489,157			\$ 89,640,826	\$ 8,380,080

(f) Other Long-term Debt

Compensated absences, OPEB, and pension liabilities for governmental activities typically have been liquidated in the General Fund.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 10—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	\$ 36,738,105
Less:	
Inventories	20,311
Prepayments	47,871
Stabilization by State Statute	9,145,497
Downtown District	462,304
Public Safety	500,777
Economic Development	431,200
Cultural and Recreation	201,108
Assigned for subsequent year's expenditures	2,120,665
Remaining fund balance	<u>\$ 23,808,372</u>

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

Encumbrances – General Fund \$2,146,266

Note 11—Interfund balances and transfers

A summary of interfund transfers follows:

	Transfers Out				
	General Fund	American Rescue Plan	Recreation Capital Reserve	Nonmajor Governmental Funds	Total Transfers In
Transfers In:					
General Fund	\$ -	\$ 127,376	\$ 3,398,949	\$ 1,635	\$ 3,527,960
Debt Service Fund	6,395,775	-	-	-	6,395,775
General Capital Reserve	157,649	-	-	-	157,649
Public Facilities Capital Projects	-	-	-	1,503,751	1,503,751
Housing Initiatives	200,000	-	-	-	200,000
Roadway & Transportation	788,888	-	-	-	788,888
Total Transfers Out	<u>\$ 7,542,312</u>	<u>\$127,376</u>	<u>\$3,398,949</u>	<u>\$1,505,386</u>	<u>\$12,574,023</u>

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. 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.

TOWN OF WAKE FOREST, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 12—Jointly governed organization

The Town is a member of the North Carolina Eastern Municipal Power Agency (the “Agency”). The Agency was formed to enable municipalities that own electric distribution systems to finance, construct, own, operate, and maintain generation and transmission facilities through the Agency. The Town receives power from the Agency and is contractually allocated a .7262% interest in the Agency, with the balance being shared by the thirty-two (32) other local governments. Each participating government appoints one commissioner to the Agency’s governing board. The Town is obligated to purchase all of its power supply requirements from the Agency. Except for the power supply purchase requirements, no local government participant has any obligation, entitlement, or residual interest. On July 31, 2015, the NCEMPA completed the sale of most of its electricity generating assets to Duke Energy. These proceeds were used to defease the NCEMPA’s outstanding revenue bonds. The NCEMPA entered into contractual agreements with its member cities and Duke Energy. Under these arrangements, the NCEMPA will supply wholesale power to its members and will purchase this power from Duke Energy. In addition to payments made for electric power, NCEMPA members will make payments for their share of the debt service on the NCEMPA’s new revenue bonds. The Town’s gross purchases of power for the fiscal year ended June 30, 2024, were \$13,514,789 which is higher in comparison to the previous year.

Note 13—Contingencies

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

Note 14—Subsequent events

Subsequent events were evaluated through October 31, 2024, which is the date financial statements were available to be issued. Subsequent to June 30, 2024, the Town issued general obligation bonds in the amount of \$22,050,000 and two-thirds general obligation bonds in the amount of \$1,460,000 for parks and recreation and public improvements. Both issues were sold on October 1, 2024 to Truist Securities, Inc. with true interest cost (TIC) of 3.1832%.

TOWN OF WAKE FOREST, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE (LEOSSA)
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit A-1

LAST EIGHT FISCAL YEARS

Schedule of Changes in Net Pension Liability and Related Ratios*

	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability - beginning	\$ 5,469,790	\$ 6,246,457	\$ 5,592,381	\$ 3,461,581	\$ 3,063,359	\$ 2,807,287	\$ 2,307,794	\$ 2,173,245
Service cost	202,132	296,241	308,163	179,210	147,393	154,143	123,548	129,868
Interest on the total pension liability	230,655	138,828	106,633	111,497	111,193	88,638	88,992	77,503
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	333,729	(46,372)	546,334	409,831	44,798	153,644	105,342	-
Changes of assumptions or other inputs	137,114	(1,012,711)	(172,382)	1,513,138	112,042	(135,763)	186,201	(68,232)
Benefit payments	(236,347)	(152,653)	(134,672)	(82,876)	(17,204)	(4,590)	(4,590)	(4,590)
Other changes	-	-	-	-	-	-	-	-
Total pension liability - ending	\$ 6,137,073	\$ 5,469,790	\$ 6,246,457	\$ 5,592,381	\$ 3,461,581	\$ 3,063,359	\$ 2,807,287	\$ 2,307,794
Plan net position:								
Contributions - employer	\$ 286,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment income	-	-	-	-	-	-	-	-
Benefit payments	(236,347)	-	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-	-	-
Net change in plan net position	49,716	-	-	-	-	-	-	-
Net pension liability - ending	\$ 6,087,357	\$ 5,469,790	\$ 6,246,457	\$ 5,592,381	\$ 3,461,581	\$ 3,063,359	\$ 2,807,287	\$ 2,307,794
Ratio of plan net position to total pension liability	0.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 7,656,672	\$ 7,041,482	\$ 6,139,080	\$ 5,815,589	\$ 5,209,710	\$ 4,840,560	\$ 4,513,029	\$ 4,591,100
Net pension liability as a percent of covered payroll	79.50%	77.68%	101.75%	96.16%	66.44%	63.29%	62.20%	50.27%
Annual money weighted rate of return net of investment expenses	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Schedule of Town Contributions

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarly determined employer contribution	\$ 1,071,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual employer contributions	50,000	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ 1,021,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wake Forest's covered payroll	\$ 7,656,672	\$ 7,041,482	\$ 6,139,080	\$ 5,815,589	\$ 5,209,710	\$ 4,840,560	\$ 4,513,029	\$ 4,591,100
Contributions as a percentage of covered-employee payroll	0.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

*This report will eventually report ten years of information.

TOWN OF WAKE FOREST, NORTH CAROLINA
OTHER POST EMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit A-2

LAST SEVEN FISCAL YEARS

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 474,604	\$ 577,753	\$ 649,594	\$ 481,254	\$ 1,079,017	\$ 1,146,420	\$ 1,301,212
Interest on TOL and Cash Flows	456,615	311,422	272,273	349,782	769,604	693,368	603,065
Changes of benefit terms			-	-	(10,345,798)	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(793,880)	22,754	316,907	131,328	(1,254,861)	(9,287)	(3,024)
Changes of assumptions or other inputs*	70,525	(1,874,338)	1,330,816	1,519,595	(241,361)	(1,275,315)	(2,229,299)
Benefit payments	(480,310)	(448,029)	(350,807)	(296,583)	(260,005)	(235,691)	(226,089)
Other changes	-	-	-	-	-	-	-
Net change in total OPEB Liability	(272,446)	(1,410,438)	2,218,783	2,185,376	(10,253,404)	319,495	(554,135)
Total OPEB Liability - beginning	13,136,788	14,063,692	11,844,909	9,659,533	19,912,937	19,593,442	20,147,577
Total OPEB Liability - ending	\$ 12,864,342	\$ 12,653,254	\$ 14,063,692	\$ 11,844,909	\$ 9,659,533	\$ 19,912,937	\$ 19,593,442
Plan Fiduciary Net Position							
Contributions - employer	\$ 614,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment income	2,085	-	-	-	-	-	-
Benefit payments	(480,310)	-	-	-	-	-	-
Net change in total OPEB Liability	136,485	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-
Plan fiduciary net position - ending	\$ 136,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability - ending	\$ 12,727,857	\$ 12,653,254	\$ 14,063,692	\$ 11,844,909	\$ 9,659,533	\$ 19,912,937	\$ 19,593,442
Ratio of plan net position to total pension liability	1.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 12,666,523	\$ 12,819,072	\$ 12,920,204	\$ 15,697,734	\$ 14,683,362	\$ 14,677,142	\$ 13,681,997
Net OPEB liability as a percentage of covered-employee payroll	100.48%	98.71%	108.85%	75.46%	65.79%	135.67%	143.21%
Annual money weighted rate of return net of investment expenses	4.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Schedule of Town Contributions

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined employer contribution	\$ 1,265,996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	614,710	-	-	-	-	-	-
Contribution deficiency (excess)	\$ 651,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wake Forest's covered payroll	\$ 12,666,523	\$ 12,819,072	\$ 12,920,204	\$ 15,697,734	\$ 14,683,362	\$ 14,677,142	\$ 13,681,997
Contributions as a percentage of covered-employee payroll	4.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

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

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

Fiscal Year	Rate
2024	3.93%
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

TOWN OF WAKE FOREST, NORTH CAROLINA
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM (LGERS)
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit A-3

LAST TEN FISCAL YEARS

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Wake Forest's proportion of the net pension liability (asset) (%)	0.3693%	0.3677%	0.3417%	0.2602%	0.2424%	0.2377%	0.2292%	0.2282%	0.2321%	0.2308%
Wake Forest's proportion of the net pension liability (asset) (\$)	\$ 24,455,815	\$ 20,742,967	\$ 5,240,605	\$ 9,298,770	\$ 6,618,936	\$ 5,639,058	\$ 3,501,388	\$ 4,844,017	\$ 1,041,516	\$ (1,361,016)
Wake Forest's covered payroll	\$ 27,642,442	\$ 23,382,764	\$ 21,450,990	\$ 16,180,204	\$ 14,677,142	\$ 13,681,997	\$ 12,545,629	\$ 12,125,728	\$ 11,768,783	\$ 11,932,156
Wake Forest's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	88.47%	88.71%	24.43%	57.47%	45.10%	41.22%	27.91%	39.95%	8.85%	-11.41%
Plan fiduciary net position as a percentage of the total pension liability (2)	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

Schedule of Town Contributions

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 4,198,317	\$ 3,673,675	\$ 2,114,360	\$ 2,319,534	\$ 1,573,124	\$ 1,249,325	\$ 1,129,234	\$ 1,004,600	\$ 878,135	\$ 897,824
Contributions in relation to the contractually required contribution	4,198,317	3,673,675	2,114,360	2,319,534	1,573,124	1,249,325	1,129,234	1,004,600	878,135	897,824
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wake Forest's covered payroll	\$ 29,849,799	\$ 27,642,442	\$ 23,382,764	\$ 21,450,990	\$ 16,180,204	\$ 14,677,142	\$ 13,681,997	\$ 12,545,629	\$ 12,125,728	\$ 11,768,783
Contributions as a percentage of covered-employee payroll	14.06%	13.29%	9.04%	10.81%	9.72%	8.51%	8.25%	8.01%	7.24%	7.63%

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

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



Individual Fund Statements & Schedules

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

TOWN OF WAKE FOREST, NORTH CAROLINA

Schedule 1

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Ad valorem taxes				
Current year taxes	\$ 40,156,265	\$ 39,927,275	\$ (228,990)	\$ 36,779,263
Prior years taxes	36,000	32,188	(3,812)	46,987
Penalties and interest	69,000	77,909	8,909	67,884
Total	40,261,265	40,037,372	(223,893)	36,894,134
Other taxes and licenses				
Gross receipts tax on short-term rental property	55,000	63,546	8,546	55,512
Total	55,000	63,546	8,546	55,512
Unrestricted intergovernmental				
Local option sales taxes	15,235,510	16,022,437	786,927	15,261,608
Beer and wine tax	244,445	244,450	5	221,000
Utility franchise tax				
Piped natural gas	180,000	98,652	(81,348)	165,651
Electricity	2,280,000	2,530,210	250,210	2,492,508
Telecommunications	45,000	53,165	8,165	53,702
Video Programming	453,150	423,625	(29,525)	443,048
Other unrestricted intergovernmental	39,640	39,158	(482)	39,313
Total	18,477,745	19,411,697	933,952	18,676,830
Restricted intergovernmental				
State grants	500,000	500,000	-	15,000
Wake County cost sharing	2,611,540	2,611,598	58	2,074,785
Total	3,111,540	3,111,598	58	2,089,785
Permits and fees				
Building permits	1,507,500	1,546,756	39,256	1,717,685
Fire inspection and prevention	36,075	41,245	5,170	25,993
Utility and street inspection fees	276,650	333,672	57,022	229,996
Vehicle licenses	385,000	424,832	39,832	379,847
Business registration fee	5,250	5,328	78	2,170
Other permits and fees	581,150	782,749	201,599	715,756
Total	2,791,625	3,134,582	342,957	3,071,447
Sales and services				
Solid waste fees	4,224,000	4,017,262	(206,738)	3,454,042
Recreation fees	897,760	941,560	43,800	888,297
Cemetery	11,000	11,000	-	30,500
Other sales and services	114,500	101,322	(13,178)	109,062
Total	5,247,260	5,071,144	(176,116)	4,481,901
Miscellaneous				
ABC revenue	296,500	238,196	(58,304)	286,300
Miscellaneous revenue	1,923,420	1,963,188	39,768	2,136,478
Total	2,219,920	2,201,384	(18,536)	2,422,778
Investment earnings				
	1,708,350	1,691,575	(16,775)	1,193,787
Total revenues	73,872,705	74,722,898	850,193	68,886,174

TOWN OF WAKE FOREST, NORTH CAROLINA

Schedule 1

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Expenditures:				
General government				
Governing body				
Salaries and employee benefits	95,020	86,659	8,361	90,701
Contributions	110,500	60,500	50,000	64,500
Operating expenditures	265,365	247,988	17,377	154,837
Total	470,885	395,147	75,738	310,038
Legal Services				
Salaries and employee benefits	321,395	242,952	78,443	280,799
Professional services	180,755	176,034	4,721	118,219
Operating expenditures	20,450	14,598	5,852	10,132
Capital outlay	-	-	-	7,025
Total	522,600	433,584	89,016	416,175
Town Manager's Office				
Salaries and employee benefits	800,885	800,084	801	831,268
Professional services	170,400	104,815	65,585	46,384
Operating expenditures	66,865	59,401	7,464	96,716
Total	1,038,150	964,300	73,850	974,368
Town Clerk				
Salaries and employee benefits	234,305	230,946	3,359	-
Operating expenditures	22,595	20,221	2,374	-
Total	256,900	251,167	5,733	-
Organizational Performance				
Salaries and employee benefits	434,955	431,503	3,452	-
Operating expenditures	54,975	42,115	12,860	-
Professional services	21,750	21,630	120	-
Total	511,680	495,248	16,432	-
Budget Management				
Salaries and employee benefits	206,035	160,855	45,180	-
Operating expenditures	26,750	12,418	14,332	-
Total	232,785	173,273	59,512	-
Downtown Development				
Salaries and employee benefits	288,140	284,613	3,527	224,062
Operating expenditures	225,860	189,481	36,379	152,952
Capital outlay	12,785	12,785	-	5,352
Total	526,785	486,879	39,906	382,366
Communications				
Salaries and employee benefits	842,975	840,595	2,380	729,228
Operating expenditures	433,625	384,125	49,500	405,949
Professional services	26,200	26,126	74	-
Capital outlay	-	-	-	15,812
Total	1,302,800	1,250,846	51,954	1,150,989
Human Resources				
Salaries and employee benefits	904,235	846,244	57,991	941,328
Professional services	50,875	51,012	(137)	26,982
Operating expenditures	271,300	239,614	31,686	188,050
Capital outlay	107,000	105,464	1,536	-
Total	1,333,410	1,242,334	91,076	1,156,360

TOWN OF WAKE FOREST, NORTH CAROLINA

Schedule 1

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Risk Management				
Salaries and employee benefits	224,780	222,188	2,592	-
Professional services	1,300	35	1,265	-
Operating expenditures	265,100	260,156	4,944	-
Total	491,180	482,379	8,801	-
Finance				
Salaries and employee benefits	690,185	685,968	4,217	968,743
Professional services	71,975	71,919	56	64,851
Operating expenditures	647,420	623,105	24,315	869,442
Capital outlay	-	-	-	86,981
Total	1,409,580	1,380,992	28,588	1,990,017
Information Technology				
Salaries and employee benefits	888,120	886,451	1,669	819,239
Professional services	137,000	182,478	(45,478)	22,514
Operating expenditures	899,955	788,441	111,514	725,591
Capital outlay	995,400	601,699	393,701	211,190
Total	2,920,475	2,459,069	461,406	1,778,534
Inspections				
Salaries and employee benefits	2,180,935	2,050,334	130,601	1,896,396
Operating expenditures	157,990	123,514	34,476	123,263
Capital outlay	73,750	64,307	9,443	-
Total	2,412,675	2,238,155	174,520	2,019,659
Public Facilities				
Salaries and employee benefits	629,145	616,605	12,540	574,627
Professional services	218,750	209,398	9,352	29,950
Operating expenditures	1,803,970	1,596,532	207,438	1,543,644
Capital outlay	5,735,720	4,406,748	1,328,972	681,884
Total	8,387,585	6,829,283	1,558,302	2,830,105
Planning				
Salaries and employee benefits	1,637,840	1,477,403	160,437	1,327,740
Professional services	1,205,775	703,656	502,119	243,791
Operating expenditures	1,520,735	1,260,849	259,886	952,063
Capital outlay	145,075	144,985	90	34,559
Total	4,509,425	3,586,893	922,532	2,558,153
Public Works Administration				
Salaries and employee benefits	261,800	260,715	1,085	249,893
Operating expenditures	50,065	36,121	13,944	43,582
Capital outlay	42,700	42,689	11	-
Total	354,565	339,525	15,040	293,475
Urban Forestry				
Salaries and employee benefits	372,805	372,439	366	351,752
Operating expenditures	125,945	87,606	38,339	87,936
Capital Outlay	32,000	31,562	438	-
Total	530,750	491,607	39,143	439,688

TOWN OF WAKE FOREST, NORTH CAROLINA

Schedule 1

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Engineering				
Salaries and employee benefits	1,056,480	1,032,198	24,282	1,178,337
Professional services	242,990	132,608	110,382	627,362
Operating expenditures	163,920	152,034	11,886	156,926
Capital outlay	336,795	236,122	100,673	80,397
Total	1,800,185	1,552,962	247,223	2,043,022
Stormwater Management				
Salaries and employee benefits	409,375	317,368	92,007	-
Professional services	155,415	40,937	114,478	-
Operating expenditures	81,770	52,755	29,015	-
Total	646,560	411,060	235,500	-
Fleet Maintenance				
Salaries and employee benefits	500,665	490,282	10,383	434,726
Operating expenditures	153,230	115,775	37,455	100,435
Capital outlay	-	-	-	34,943
Total	653,895	606,057	47,838	570,104
Total general government	30,312,870	26,070,760	4,242,110	18,913,053
Public safety				
Police				
Salaries and employee benefits	13,661,820	13,585,762	76,058	12,076,361
Professional services	-	-	-	7,000
Operating expenditures	2,469,850	1,996,759	473,091	2,058,788
Capital outlay	1,423,100	1,113,392	309,708	572,795
Total	17,554,770	16,695,913	858,857	14,714,944
Fire				
Salaries and employee benefits	10,049,120	10,041,391	7,729	8,619,718
Operating expenditures	2,347,760	2,177,346	170,414	1,631,036
Capital outlay	194,650	116,843	77,807	925,413
Total	12,591,530	12,335,580	255,950	11,176,167
Total public safety	30,146,300	29,031,493	1,114,807	25,891,111
Transportation				
Streets				
Salaries and employee benefits	1,761,420	1,746,622	14,798	1,550,344
Operating expenditures	1,297,220	1,258,057	39,163	1,231,848
Capital outlay	844,140	843,849	291	264,735
Total transportation	3,902,780	3,848,528	54,252	3,046,927
Environmental protection				
Solid Waste			580	
Salaries and employee benefits	1,026,720	1,013,051	13,669	854,788
Operating expenditures	4,736,080	4,783,917	(47,837)	4,155,310
Capital outlay	477,800	477,800	-	357,876
Total environmental protection	6,240,600	6,274,768	(34,168)	5,367,974

TOWN OF WAKE FOREST, NORTH CAROLINA

Schedule 1

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Cultural and recreational				
Parks and recreation				
Salaries and employee benefits	2,945,160	2,714,461	230,699	2,392,399
Professional services	263,800	215,962	47,838	89,060
Contributions	40,000	40,000	-	-
Operating expenditures	2,262,855	1,880,314	382,541	1,682,408
Capital outlay	5,111,465	4,505,069	606,396	208,368
Total cultural and recreational	10,623,280	9,355,806	1,267,474	4,372,235
Total expenditures	81,225,830	74,581,355	6,644,475	57,591,300
Revenues over expenditures	(7,353,125)	141,543	7,494,668	11,294,874
Transfers in (out):				
American Rescue Plan Fund	249,390	127,376	(122,014)	142,239
Debt Service Fund	(6,330,775)	(6,330,775)	-	(5,598,865)
Downtown District Special Tax	100,000	83,800	(16,200)	10,639
General Capital Reserve	-	(157,649)	(157,649)	-
Grant & Special Revenue Fund	-	1,635	1,635	(61,263)
Housing Initiative	12,500	(200,000)	(212,500)	-
Greenways, Trails & Pedestrian Access	-	-	-	(1,182,392)
Police Special Revenue Fund	175,100	-	(175,100)	-
Recreation Capital Reserve	3,020,330	3,398,949	378,619	9,397
Roadways & Transportaion	-	(788,888)	(788,888)	-
Pension Trust Fund	-	(150,000)	(150,000)	-
Wake Forest Business & Industry Partnership (BIP)	(475,200)	(475,200)	-	(365,265)
Wake Forest Renaissance Centre SRF	(723,785)	(723,785)	-	(606,594)
Transfer from NCHIP reserve	525,000	525,675	675	169,500
Right to use debt issuance	4,856,000	4,651,834	(204,166)	195,124
Installment note issuance	1,359,570	1,359,595	25	1,142,990
Appropriated fund balance	4,584,995	-	(4,584,995)	-
Total other financing sources (uses)	7,353,125	1,322,567	(6,030,558)	(6,144,490)
Net change in fund balance	\$ -	1,464,110	\$ 1,464,110	5,150,384
Fund balance - Beginning of year		33,678,605		28,528,221
Fund balance - End of year		\$ 35,142,715		\$ 33,678,605

TOWN OF WAKE FOREST, NORTH CAROLINA

Schedule 2

DEBT SERVICE FUND

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

FOR THE YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Restricted intergovernmental:				
Powell Bill allocation	\$ 1,480,295	\$ 1,480,263	\$ (32)	\$ 1,286,484
Investment Earnings Powell Bill	63,490	63,487	-	-
Total	1,543,785	1,543,750	(32)	1,286,484
Permits and fees:				
Vehicle licenses	707,610	814,362	106,752	738,272
Total	707,610	814,362	106,752	738,272
Investment earnings	30,520	33,797	3,277	35,258
Total revenues	2,281,915	2,391,909	109,997	2,060,014
Expenditures:				
Debt service:				
Bond principal	2,942,465	2,195,000	747,465	2,209,000
Bond interest	918,645	778,984	139,661	856,919
Installment note principal	3,887,710	3,880,190	7,520	3,781,046
Installment note interest	319,410	316,338	3,072	246,592
Lease and subscription principal	529,950	497,202	32,748	234,752
Lease and subscription interest	79,510	73,577	5,933	6,906
Total debt service expenditures	8,677,690	7,741,291	936,399	7,335,215
Revenues under expenditures	(6,395,775)	(5,349,382)	1,046,396	(5,275,201)
Other financing sources (uses):				
Transfers in:				
Downtown District Special Tax	65,000	65,000	-	65,000
General Fund	6,330,775	6,330,775	-	5,598,865
Total other financing sources (uses)	6,395,775	6,395,775	-	5,663,865
Net change in fund balance	\$ -	1,046,393	\$ 1,046,396	388,664
Fund balance - Beginning of year		980,041		591,377
Fund balance - End of year		\$ 2,026,434		\$ 980,041

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

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

Schedule 3

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual		Total to
	Authorization	Prior	Current	Date
		Years	Year	
Revenues:				
Donations	\$ -	\$ 6,826	\$ -	\$ 6,826
Investment earning	2,500	-	16,816	16,816
Miscellaneous revenues	-	8,000	-	8,000
Total revenues	<u>2,500</u>	<u>14,826</u>	<u>16,816</u>	<u>31,642</u>
Expenditures:				
Personnel	243,700	318,336	242,601	560,937
Professional services	35,000	181,121	24,086	205,207
Contributions	1,500	2,500	-	2,500
Operating	273,000	352,854	166,738	519,592
Total expenditures	<u>553,200</u>	<u>854,811</u>	<u>433,425</u>	<u>1,288,236</u>
Revenues under expenditures	<u>(550,700)</u>	<u>(839,985)</u>	<u>(416,609)</u>	<u>(1,256,594)</u>
Other financing sources				
Transfer in (out) - Special Revenue Fund	-	500	-	500
Transfer in (out) - Futures Fund	-	200,000	-	200,000
Transfer in (out) - General Fund	475,200	1,012,095	475,200	1,487,295
Appropriated Fund Balance	75,500	-	-	-
Total other financing sources	<u>550,700</u>	<u>1,212,595</u>	<u>475,200</u>	<u>1,687,795</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 372,610</u>	58,591	<u>\$ 431,201</u>
Fund balances:				
Beginning of Year			<u>372,610</u>	
End of Year			<u>\$ 431,201</u>	

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

Schedule 4

FOR THE YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Ad valorem taxes	\$ 155,570	\$ 161,559	\$ 5,989	\$ 151,749
Investment earnings	9,430	20,771	11,341	11,875
Total revenues	165,000	182,330	17,330	163,624
Other financings sources (uses):				
Transfers in (out):				
General Fund	(100,000)	(83,800)	(16,200)	(10,639)
Debt Service fund	(65,000)	(65,000)	-	(65,000)
Total other financing sources (uses):	(165,000)	(148,800)	(16,200)	(75,639)
Net change in fund balance	\$ -	33,530	\$ 33,530	87,985
Fund Balances:				
Beginning of year		428,774		340,789
End of year		\$ 462,304		\$ 428,774

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

Schedule 5

FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Donations	\$ 50,000	\$ 31,683	\$ (18,317)	\$ 30,814
Forfeited currency				
Federal Asset Forfeiture	203,900	-	(203,900)	23,176
State Controlled Substances Tax	7,100	1,211	(5,889)	5,664
Investment earnings	24,900	21,633	(3,267)	12,837
Miscellaneous	10,000	-	(10,000)	-
Total revenues	<u>295,900</u>	<u>54,527</u>	<u>(241,373)</u>	<u>72,491</u>
Expenditures:				
Miscellaneous	108,700	25,239	83,461	19,870
Total expenditures	<u>108,700</u>	<u>25,239</u>	<u>83,461</u>	<u>19,870</u>
Other financings sources (uses):				
Transfer to General Fund	(175,100)	-	175,100	-
Transfer to Special Revenue Fund	(12,100)	-	12,100	-
Total other financing sources (uses)	<u>(187,200)</u>	<u>-</u>	<u>187,200</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>29,288</u>	<u>\$ 29,288</u>	<u>52,621</u>
Fund Balances:				
Beginning of year		471,489		418,868
End of year		<u>\$ 500,777</u>		<u>\$ 471,489</u>
Project Reconciliation:				
Federal Asset Forfeiture		\$ 23,176		\$ 23,176
State Controlled Substances Tax		83,109		81,898
Miscellaneous Projects		138,074		141,680
Donations		256,418		224,735
		<u>\$ 500,777</u>		<u>\$ 471,489</u>

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

Schedule 6

FOR THE YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Sales and services	\$ 249,710	\$ 187,368	\$ (62,342)	\$ 164,033
Donations	25,000	28,589	3,589	11,407
Miscellaneous	500	-	(500)	637
Events revenue	115,200	104,640	(10,560)	99,533
Investment earnings	-	4,587	4,587	-
Total revenues	<u>390,410</u>	<u>325,184</u>	<u>(65,226)</u>	<u>275,610</u>
Expenditures:				
Personnel	744,285	741,315	2,970	614,014
Operating expenses	395,710	325,059	70,651	294,293
Capital outlay	8,200	-	8,200	-
Total expenditures	<u>1,148,195</u>	<u>1,066,374</u>	<u>81,821</u>	<u>908,307</u>
Revenues over (under) expenditures	<u>(757,785)</u>	<u>(741,190)</u>	<u>16,595</u>	<u>(632,697)</u>
Other Financing Sources:				
Transfer in (out):				
Special Revenue Fund	34,000	8,162	(25,838)	-
General Fund	723,785	723,785	-	606,594
Total other financing sources	<u>757,785</u>	<u>731,947</u>	<u>(25,838)</u>	<u>606,594</u>
Net change in fund balance	<u>\$ -</u>	<u>(9,243)</u>	<u>\$ (9,243)</u>	<u>(26,103)</u>
Fund balances:				
Beginning of year		<u>121,367</u>		<u>147,470</u>
End of year		<u>\$ 112,124</u>		<u>\$ 121,367</u>

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

Schedule 7

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	<u>Actual</u>			
	<u>Budget</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Donations	\$ -	\$ 8,216	\$ 7,000	\$ 15,216
Investment Earnings	-	-	4,027	4,027
State Grant	25,000	25,000	-	25,000
Total revenues	<u>25,000</u>	<u>33,216</u>	<u>11,027</u>	<u>44,243</u>
Expenditures:				
Operating expenses:				
Joyner Park	-	125,000	-	125,000
Wake County Murals	-	21,510	-	21,510
Temporary Art	-	53,818	4,342	58,160
Miscellaneous Public Art Projects	303,510	19,408	16,904	36,312
Total expenditures	<u>303,510</u>	<u>219,736</u>	<u>21,246</u>	<u>240,982</u>
Revenues over (under) expenditures	<u>(278,510)</u>	<u>(186,520)</u>	<u>(10,219)</u>	<u>(196,739)</u>
Other Financing Sources:				
Transfer in (out):				
Capital Project Funds	278,510	293,885	-	293,885
Special Revenue Fund	-	-	(8,162)	(8,162)
Total other financing sources	<u>278,510</u>	<u>293,885</u>	<u>(8,162)</u>	<u>285,723</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 107,365</u>	<u>(18,381)</u>	<u>\$ 88,984</u>
Fund balances:				
Beginning of year			<u>107,365</u>	
End of year			<u>\$ 88,984</u>	

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

Schedule 8

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project			Actual	
	Authorization	Prior	Current	Closed	Total to
		Years	Year	Projects	Date
Revenues:					
Impact fees	\$ 14,489,600	\$ 12,173,121	\$ 2,267,084	\$ -	\$ 14,440,205
Investment earnings	750,000	330,397	509,816	-	840,213
Development proceeds	25,000	22,800	-	-	22,800
Miscellaneous	1,000	-	-	-	-
Donations	58,180	39,535	19,030	-	58,565
Total revenues	<u>15,323,780</u>	<u>12,565,853</u>	<u>2,795,930</u>	<u>-</u>	<u>15,361,783</u>
Other financing sources (uses):					
Transfers in (out):					
General Fund	(3,022,930)	(49,377)	(3,398,949)	-	(3,448,326)
Capital Project Fund	(12,300,850)	(481,096)	-	-	(481,096)
Total financing sources (uses)	<u>(15,323,780)</u>	<u>(530,473)</u>	<u>(3,398,949)</u>	<u>-</u>	<u>(3,929,422)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 12,035,380</u>	<u>(603,019)</u>	<u>\$ -</u>	<u>\$ 11,432,361</u>
Fund balances:					
Beginning of year			<u>12,035,380</u>		
End of year			<u>\$ 11,432,361</u>		

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

Schedule 9

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Actual				
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Restricted Intergovernmental:					
Federal Grants					
Broadband	\$ 3,130,000	\$ 1,870,972	\$ 502,197	\$ -	\$ 2,373,169
Economic Impact	3,186,000	831,724	1,440,987	-	2,272,711
Public Safety	1,900,000	579,855	-	-	579,855
Stormwater	6,325,000	346,992	790,193	-	1,137,185
Miscellaneous	-	-	-	-	-
Total Restricted Intergovernmental	<u>14,541,000</u>	<u>3,629,543</u>	<u>2,733,377</u>	<u>-</u>	<u>6,362,920</u>
Other Revenues:					
Investment earnings	1,025,430	365,497	468,561	-	834,058
Total other revenues	<u>1,025,430</u>	<u>365,497</u>	<u>468,561</u>	<u>-</u>	<u>834,058</u>
Total revenues	<u>15,566,430</u>	<u>3,995,040</u>	<u>3,201,938</u>	<u>-</u>	<u>7,196,978</u>
Expenditures:					
Operations:					
Broadband	1,200,000	1,000,000	-	-	1,000,000
Economic Impact	550,000	-	18,927	-	18,927
Public Safety	-	-	-	-	-
Stormwater	-	-	-	-	-
Subtotal - Operations	<u>1,750,000</u>	<u>1,000,000</u>	<u>18,927</u>	<u>-</u>	<u>1,018,927</u>
Capital Outlay Professional Services:					
Broadband	-	-	-	-	-
Economic Impact	250,000	114,522	88,983	-	203,505
Public Safety	-	-	-	-	-
Stormwater	1,675,000	346,992	639,447	-	986,439
Subtotal - Professional Services	<u>1,925,000</u>	<u>461,514</u>	<u>728,430</u>	<u>-</u>	<u>1,189,944</u>
Capital Outlay Improvements:					
Broadband	1,030,000	530,546	505,167	-	1,035,713
Economic Impact	2,111,955	408,832	1,202,731	-	1,611,563
Public Safety	3,220,840	920,281	-	-	920,281
Stormwater	5,095,000	-	150,746	-	150,746
Subtotal - Capital Outlay	<u>11,457,795</u>	<u>1,859,659</u>	<u>1,858,644</u>	<u>-</u>	<u>3,718,303</u>
Total expenditures	<u>15,132,795</u>	<u>3,321,173</u>	<u>2,606,001</u>	<u>-</u>	<u>5,927,174</u>
Revenues over expenditures	<u>433,635</u>	<u>673,867</u>	<u>595,937</u>	<u>-</u>	<u>1,269,804</u>
Other financing sources (uses):					
Transfer in (out) - General Fund					
Economic Impact	(433,635)	(308,370)	(127,376)	-	(435,746)
Total other financing sources	<u>(433,635)</u>	<u>(308,370)</u>	<u>(127,376)</u>	<u>-</u>	<u>(435,746)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 365,497</u>	<u>468,561</u>	<u>\$ -</u>	<u>\$ 834,058</u>
Fund balances:					
Beginning of Year			365,497		
End of Year			<u>\$ 834,058</u>		

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

Schedule 10

JUNE 30, 2024

	Capital Project Funds								Total	Special Revenue Funds				Total	Total	
	Asset	Public	Parking	Parks	Roadway	Greenway	General	Capital		Futures	Grants	Housing	Special			Nonmajor
		Facilities	Facilities	and	and	Transportation					and Special					
Maintenance	Projects	Facilities	Recreation	Transportation	Access	Improvements	Reserve	Funds	Fund	Revenue Funds	Initiatives	Funds	Funds			
Assets																
Cash and cash equivalents	\$ 63,122	\$ 203,346	\$ 695,081	\$ 172,812	\$ -	\$ -	\$ 676,163	\$ 3,531,126	\$ 5,341,650	\$ -	\$ -	\$ 202,246	\$ 202,246	\$ 5,543,896		
Restricted cash and cash equivalents	-	-	-	-	4,297,569	-	-	-	4,297,569	1,786,655	1,034	-	1,787,689	6,085,258		
Accounts receivable	-	-	-	656,138	-	-	-	-	656,138	-	11,322	-	11,322	667,460		
Total assets	\$ 63,122	\$ 203,346	\$ 695,081	\$ 828,950	\$ 4,297,569	\$ -	\$ 676,163	\$ 3,531,126	\$ 10,295,357	\$ 1,786,655	\$ 12,356	\$ 202,246	\$ 2,001,257	\$ 12,296,614		
Liabilities																
Accounts payable	\$ -	\$ 38,880	\$ -	\$ 46,253	\$ 1,591,136	\$ -	\$ 40,971	\$ -	\$ 1,717,240	\$ -	\$ -	\$ -	\$ -	\$ 1,717,240		
Due to other funds	-	250,000	1,500,000	1,000,000	-	-	1,000,000	-	3,750,000	-	-	-	-	3,750,000		
Total liabilities	-	288,880	1,500,000	1,046,253	1,591,136	-	1,040,971	-	5,467,240	-	-	-	-	5,467,240		
Fund balances:																
Restricted:																
Unspent debt proceeds	-	-	-	-	2,493,182	-	-	-	2,493,182	-	-	-	-	2,493,182		
Public Safety	-	-	-	-	-	-	-	-	-	-	14,063	-	14,063	14,063		
General Government	-	-	-	-	-	-	-	-	-	-	9,193	-	9,193	9,193		
Transportation	-	-	-	-	213,251	-	-	-	213,251	-	-	-	-	213,251		
Committed:																
Economic development	-	-	-	-	-	-	-	-	-	1,786,655	-	-	1,786,655	1,786,655		
Assigned:																
Subsequent years expenditures	-	-	-	-	-	-	-	537,630	537,630	-	-	-	-	537,630		
Cultural & Recreation Improvements	-	-	-	-	-	-	-	-	-	-	(10,900)	-	(10,900)	(10,900)		
Fire Department	-	-	-	-	-	-	-	2,377,206	2,377,206	-	-	-	-	2,377,206		
Housing Initiatives	-	-	-	-	-	-	-	-	-	-	-	202,246	202,246	202,246		
Transportation	-	-	-	-	-	-	-	616,290	616,290	-	-	-	-	616,290		
Asset Maintenance	63,122	-	-	-	-	-	-	-	63,122	-	-	-	-	63,122		
Unassigned:	-	(85,534)	(804,919)	(217,303)	-	-	(364,808)	-	(1,472,564)	-	-	-	-	(1,472,564)		
Total fund balances	63,122	(85,534)	(804,919)	(217,303)	2,706,433	-	(364,808)	3,531,126	4,828,117	1,786,655	12,356	202,246	2,001,257	6,829,374		
Total liabilities, deferred inflows and fund balances																
	\$ 63,122	\$ 203,346	\$ 695,081	\$ 828,950	\$ 4,297,569	\$ -	\$ 676,163	\$ 3,531,126	\$ 10,295,357	\$ 1,786,655	\$ 12,356	\$ 202,246	\$ 2,001,257	\$ 12,296,614		

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

Schedule 11

FOR THE YEAR ENDED JUNE 30, 2024

	Capital Project Funds								Total	Special Revenue Funds				Total	Total
	Asset Maintenance	Public Facilities Capital Projects	Parking Facilities	Parks and Recreation	Roadway and Transportation	Greenway Transportation Pedestrian Access	Greenway Improvements	General Capital Reserve		Capital Projects Funds	Futures Fund	Grants and Special Revenue Funds	Housing Initiatives		
Revenues:															
Investment earnings	\$ 2,495	\$ 1,887	\$ -	\$ -	\$ 72,047	\$ -	\$ -	\$ 193,404	\$ 269,833	\$ 85,965	\$ -	\$ 2,246	\$ 88,211	\$ 358,044	
Federal grant	-	-	-	656,138	-	-	-	-	656,138	-	16,917	-	16,917	673,055	
Impact fees	-	-	-	-	-	-	-	469,125	469,125	-	-	-	-	469,125	
Payment in lieu	-	-	-	-	110,073	(110,073)	-	323,891	323,891	-	-	-	-	323,891	
Miscellaneous	-	500	-	-	-	-	-	-	500	57,000	18,100	-	75,100	75,600	
Total revenues	2,495	2,387	-	656,138	182,120	(110,073)	-	986,420	1,719,487	142,965	35,017	2,246	180,228	1,899,715	
Expenditures:															
Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Professional services	-	-	2,200	28,500	-	-	-	-	30,700	-	-	-	-	30,700	
Operating	-	-	-	-	-	-	-	-	-	-	39,928	-	39,928	39,928	
Capital outlay	-	1,762,051	-	664,090	3,729,324	156,411	53,148	-	6,365,024	-	-	-	-	6,365,024	
Total expenditures	-	1,762,051	2,200	692,590	3,729,324	156,411	53,148	-	6,395,724	-	39,928	-	39,928	6,435,652	
Revenues over (under) expenditures	2,495	(1,759,664)	(2,200)	(36,452)	(3,547,204)	(266,484)	(53,148)	986,420	(4,676,237)	142,965	(4,911)	2,246	140,300	(4,535,937)	
Other financing sources (uses):															
Transfers in	-	1,503,751	-	-	788,888	157,649	-	-	2,450,288	-	-	200,000	200,000	2,650,288	
Transfers out	-	-	-	-	-	-	-	(1,503,751)	(1,503,751)	-	(1,635)	-	(1,635)	(1,505,386)	
Donations	-	-	-	-	-	-	5,642	-	5,642	-	15,000	-	15,000	20,642	
Issuance of debt	-	-	-	-	5,500,000	-	-	-	5,500,000	-	-	-	-	5,500,000	
Total other financing sources (uses)	-	1,503,751	-	-	6,288,888	157,649	5,642	(1,503,751)	6,452,179	-	13,365	200,000	213,365	6,665,544	
Net change in fund balances	2,495	(255,913)	(2,200)	(36,452)	2,741,684	(108,835)	(47,506)	(517,331)	1,775,942	142,965	8,454	202,246	353,665	2,129,607	
Fund balances:															
Beginning of year	60,627	170,379	(802,719)	(180,851)	(35,251)	108,835	(317,302)	4,048,457	3,052,175	1,643,690	3,902	-	1,647,592	4,699,767	
End of year	\$ 63,122	\$ (85,534)	\$ (804,919)	\$ (217,303)	\$ 2,706,433	\$ -	\$ (364,808)	\$ 3,531,126	\$ 4,828,117	\$ 1,786,655	\$ 12,356	\$ 202,246	\$ 2,001,257	\$ 6,829,374	

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, 2024

	Actual				
	Project Authorization	Prior Years	Current Year	Project Close	Total to Date
Revenues:					
Restricted Intergovernmental:					
Future Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue:					
Investment earnings	-	-	2,495	-	2,495
Total revenues	-	-	2,495	-	2,495
Expenditures:					
Total expenditures	-	-	-	-	-
Revenues under expenditures	-	-	2,495	-	2,495
Other financing sources:					
Transfer in (out) - General Fund					
Future Projects	-	60,627	-	-	60,627
Total Transfer In (out) - General Fund	-	60,627	-	-	60,627
Total other financing sources	-	60,627	-	-	60,627
Net change in fund balance	\$ -	\$ 60,627	2,495	\$ -	\$ 63,122
Fund balances:					
Beginning of Year			60,627		
End of Year			<u>\$ 63,122</u>		

TOWN OF WAKE FOREST, NORTH CAROLINA
CAPITAL PROJECTS FUND
PUBLIC FACILITIES CAPITAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

Schedule 13

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Revenues:					
Restricted Intergovernmental:					
Ailey Young Home Improvements	\$ 100,000	\$ 101,115	\$ -	-	\$ 101,115
Other Revenue:					
Investment earning	-	-	1,887	-	1,887
Ailey Young Home Improvements	11,665	10,600	500	-	11,100
Total revenues	<u>111,665</u>	<u>111,715</u>	<u>2,387</u>	<u>-</u>	<u>114,102</u>
Expenditures:					
Capital outlay:					
Professional services					
Ailey Young Home Improvements	66,905	66,904	-	-	66,904
Fire Station 6	-	-	37,400	-	37,400
Public Works Warehouse	-	-	30,200	-	30,200
Public Safety Warehouse	-	-	190,700	-	190,700
Subtotal	<u>66,905</u>	<u>66,904</u>	<u>258,300</u>	<u>-</u>	<u>325,204</u>
Capital outlay-improvements					
Ailey Young Home Improvements	464,920	294,589	-	-	294,589
Fire Station 6	-	-	1,503,751	-	1,503,751
Subtotal	<u>464,920</u>	<u>294,589</u>	<u>1,503,751</u>	<u>-</u>	<u>1,798,340</u>
Total expenditures	<u>531,825</u>	<u>361,493</u>	<u>1,762,051</u>	<u>-</u>	<u>2,123,544</u>
Revenues under expenditures	<u>(420,160)</u>	<u>(249,778)</u>	<u>(1,759,664)</u>	<u>-</u>	<u>(2,009,442)</u>
Other financing sources:					
Transfer in (out) - General Fund					
Ailey Young Home Improvements	420,160	420,157	-	-	420,157
Total Transfer in (out) - General Fund	<u>420,160</u>	<u>420,157</u>	<u>-</u>	<u>-</u>	<u>420,157</u>
Transfer in (out) - Capital Reserve					
Fire Station 6	-	-	1,503,751	-	1,503,751
Total Transfer In (out) - Capital Reserve	<u>-</u>	<u>-</u>	<u>1,503,751</u>	<u>-</u>	<u>1,503,751</u>
Total other financing sources	<u>420,160</u>	<u>420,157</u>	<u>1,503,751</u>	<u>-</u>	<u>1,923,908</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 170,379</u>	<u>(255,913)</u>	<u>\$ -</u>	<u>\$ (85,534)</u>
Fund balances:					
Beginning of Year			170,379		
End of Year			<u>\$ (85,534)</u>		

TOWN OF WAKE FOREST, NORTH CAROLINA
CAPITAL PROJECTS FUND
PARKING FACILITIES
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

Schedule 14

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Revenues:					
Investment Earnings					
Downtown Parking Deck	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures:					
Capital outlay:					
Professional services					
Downtown Parking Deck	2,250,000	23,299	2,200	-	25,499
Subtotal Professional services	2,250,000	23,299	2,200	-	25,499
Operating					
Contingency					
Downtown Parking Deck	750,000	-	-	-	-
Subtotal Operating	750,000	-	-	-	-
Capital outlay-improvements					
Downtown Parking Deck	8,750,000	-	-	-	-
Capital Outlay - Property Acquisition	750,000	779,420	-	-	779,420
Subtotal Capital outlay-improvements	9,500,000	779,420	-	-	779,420
Total expenditures	12,500,000	802,719	2,200	-	804,919
Revenues under expenditures	(12,500,000)	(802,719)	(2,200)	-	(804,919)
Other financing sources:					
Bond Proceeds					
Downtown Parking Deck	12,500,000	-	-	-	-
Total Bond Proceeds	12,500,000	-	-	-	-
Total other financing sources	12,500,000	-	-	-	-
Net change in fund balance	\$ -	\$ (802,719)	(2,200)	\$ -	\$ (804,919)
Fund balances:					
Beginning of Year			(802,719)		
End of Year			<u>(804,919)</u>		

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

Schedule 15

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Actual				
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Federal Grants					
Reservoir Improvements	\$ -	\$ -	\$ 656,138	\$ -	\$ 656,138
Sub-total federal grants	-	-	656,138	-	656,138
Miscellaneous revenues					
Reservoir Improvements	-	500,000	-	-	500,000
Sub-total miscellaneous revenue	-	500,000	-	-	500,000
Total revenues	-	500,000	656,138	-	1,156,138
Expenditures:					
Operating:					
Professional Services					
Skate Park	-	-	28,500	-	28,500
Sub-total Operating	-	-	28,500	-	28,500
Capital outlay:					
Professional Services					
Athletic Fields Lighting System	315,000	-	-	-	-
Parks Restroom Installation	514,000	-	-	-	-
Ailey Young Park Improvements	385,000	-	-	-	-
Multipurpose Outdoor Sports Complex	395,000	24,700	14,000	-	38,700
Reservoir Improvements	1,984,000	338,360	257,859	-	596,219
Flaherty Dam Lower	85,000	-	-	-	-
Miller Park Greenway	-	-	213,720	-	213,720
Sub-total Professional Services	3,678,000	363,060	485,579	-	848,639
Other improvements:					
Athletic Fields Lighting System	3,335,000	-	178,511	-	178,511
Parks Restroom Installation	6,686,000	-	-	-	-
Ailey Young Park Improvements	3,655,000	-	-	-	-
Multipurpose Outdoor Sports Complex	4,145,000	-	-	-	-
Reservoir Improvements	2,016,000	317,791	-	-	317,791
Flaherty Dam Lower	915,000	-	-	-	-
Skate Park	-	501,751	-	-	501,751
Sub-total other improvements	20,752,000	819,542	178,511	-	998,053
Total expenditures	24,430,000	1,182,602	692,590	-	1,875,192
Revenues (under)/over expenditures	(24,430,000)	(682,602)	(36,452)	-	(719,054)
Other financing sources (uses):					
NC State Grants					
Transfer from Capital Reserve Fund					
Skate Park	-	501,751	-	-	501,751
Sub-total Bonds Proceeds	-	501,751	-	-	501,751
Bond Proceeds					
Athletic Fields Lighting System	3,650,000	-	-	-	-
Parks Restroom Installation	7,200,000	-	-	-	-
Ailey Young Park Improvements	4,040,000	-	-	-	-
Multipurpose Outdoor Sports Complex	4,540,000	-	-	-	-
Reservoir Improvements	4,000,000	-	-	-	-
Flaherty Dam Lower	1,000,000	-	-	-	-
Sub-total Bonds Proceeds	24,430,000	-	-	-	-
Total other financing sources	24,430,000	501,751	-	-	501,751
Net change in fund balance	\$ -	\$ (180,851)	(36,452)	\$ -	\$ (217,303)
Fund balances:					
Beginning of year			(180,851)		
End of year			\$ (217,303)		

TOWN OF WAKE FOREST, NORTH CAROLINA
CAPITAL PROJECTS FUND
ROADWAY & TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

Schedule 16

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Actual				
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Investment earnings					
Street Resurfacing	\$ -	\$ -	\$ 72,047	\$ -	\$ 72,047
Sub-total investment earnings	-	-	72,047	-	72,047
Payment in Lieu of Taxes (PILOT)					
Ligon Mill Road Pedestrian Underpass	-	-	110,073	-	110,073
Rogers Road Grade Improvements	-	127,804	-	-	127,804
Sub-total payment in lieu of taxes	-	127,804	110,073	-	237,877
Total revenues	-	127,804	182,120	-	309,924
Expenditures:					
Capital outlay:					
Professional services:					
Traffic / Pedestrian Signals	-	-	105,105	-	105,105
Bus Shelters	7,500	-	-	-	-
Street Resurfacing	535,000	-	232,701	-	232,701
General Transportation Improvements	1,495,000	-	533	-	533
Sub-total professional services	2,037,500	-	338,339	-	338,339
Other improvements:					
Traffic / Pedestrian Signals	500,000	163,055	7,000	-	170,055
Ligon Mill Road Pedestrian Underpass	-	-	18,589	-	18,589
Road Connections	4,000,000	-	110,000	-	110,000
Bus Shelters	292,500	-	-	-	-
Street Resurfacing	12,915,000	-	2,774,117	-	2,774,117
Rogers Road Grade Improvements	470,000	-	-	-	-
General Transportation Improvements	9,005,000	-	481,279	-	481,279
Sub-total other improvements	27,182,500	163,055	3,390,985	-	3,554,040
Total expenditures	29,220,000	163,055	3,729,324	-	3,892,379
Revenues (under)/over expenditures	(29,220,000)	(35,251)	(3,547,204)	-	(3,582,455)
Other financing sources (uses):					
Transfer From General Fund					
Road Connections	-	-	220,000	-	220,000
General Transportation Improvements	-	-	568,888	-	568,888
Sub-total Transfer from general fund	-	-	788,888	-	788,888
Installment Purchase Proceeds					
Street Resurfacing	5,500,000	-	5,500,000	-	5,500,000
Sub-total installment purchase proceeds	5,500,000	-	5,500,000	-	5,500,000
Bond Proceeds					
Traffic / Pedestrian Signals	500,000	-	-	-	-
Road Connections	4,000,000	-	-	-	-
Bus Shelters	300,000	-	-	-	-
Street Resurfacing	7,950,000	-	-	-	-
Rogers Road Grade Improvements	470,000	-	-	-	-
General Transportation Improvements	10,500,000	-	-	-	-
Sub-total Bonds Proceeds	23,720,000	-	-	-	-
Total other financing sources	29,220,000	-	6,288,888	-	6,288,888
Net change in fund balance	\$ -	\$ (35,251)	2,741,684	\$ -	\$ 2,706,433
Fund balances:					
Beginning of year			(35,251)		
End of year			<u>\$ 2,706,433</u>		

TOWN OF WAKE FOREST, NORTH CAROLINA
CAPITAL PROJECTS FUND
GREENWAY TRANSPORTATION PEDESTRIAN ACCESS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

Schedule 17

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Prior Years	Actual		Total to Date
			Current Year	Closed Projects	
Revenues:					
Payment in Lieu of Taxes (PILOT)					
Ligon Mill Road Pedestrian Underpass	\$ 110,075	\$ 110,073	\$ (110,073)	\$ -	\$ -
Sub-total payment in lieu of taxes	110,075	110,073	(110,073)	-	-
Miscellaneous Revenues					
Investment Earnings					
Dunn Creek Greenway - Phase 3	6,480	-	-	-	-
Sub-total miscellaneous revenues	6,480	-	-	-	-
Total revenues	116,555	110,073	(110,073)	-	-
Expenditures:					
Capital outlay:					
Professional Services:					
Dunn Creek Greenway - Phase 3	655,275	655,275	9,570	(664,845)	-
Ligon Mill Road Underpass	67,575	9,570	(9,570)	-	-
Sub-total other improvements	722,850	664,845	-	(664,845)	-
Other improvements:					
Dunn Creek Greenway - Phase 3	274,440	24,441	175,000	(199,441)	-
Ligon Mill Road Underpass	82,565	18,589	(18,589)	-	-
Sub-total other improvements	357,005	43,030	156,411	(199,441)	-
Total expenditures	1,079,855	707,875	156,411	(864,286)	-
Revenues (under)/over expenditures	(963,300)	(597,802)	(266,484)	864,286	-
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Dunn Creek Greenway - Phase 3	167,225	-	157,649	(157,649)	-
Sub-total General Fund	167,225	-	157,649	(157,649)	-
Bond Proceeds					
Dunn Creek Greenway - Phase 3	756,010	706,425	-	(706,425)	-
Ligon Mill Road Underpass	40,065	-	-	-	-
Sub-total Bonds Proceeds	796,075	706,425	-	(706,425)	-
Bond Proceeds - Premium					
Dunn Creek Greenway - Phase 3	-	212	-	(212)	-
Sub-total Bonds Proceeds Premium	-	212	-	(212)	-
Total other financing sources	963,300	706,637	157,649	(864,286)	-
Net change in fund balance	\$ -	\$ 108,835	(108,835)	\$ -	\$ -
Fund balances:					
Beginning of year			108,835		
End of year			\$ -		

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

Schedule 18

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Prior Years	Actual		Total to Date
			Current Year	Closed Projects	
Revenues:					
Donations					
Dunn Creek Greenway - Phase 3 & 4	\$ -	\$ -	\$ 5,642	\$ -	\$ 5,642
Smith Creek Greenway - Phase 2 & 3	-	4,437	-	-	4,437
Sub-total Donations	-	4,437	5,642	-	10,079
Total revenues	-	4,437	5,642	-	10,079
Expenditures:					
Capital outlay:					
Professional services:					
Dunn Creek Greenway - Phase 3 & 4	900,000	321,439	53,148	-	374,587
Smith Creek Greenway - Phase 2 & 3	1,880,500	-	-	-	-
Sanford Creek Boardwalk Replacement	390,000	-	-	-	-
Sub-total professional services	3,170,500	321,439	53,148	-	374,587
Other improvements:					
Dunn Creek Greenway - Phase 3 & 4	4,850,000	300	-	-	300
Smith Creek Greenway - Phase 2 & 3	5,529,500	-	-	-	-
Sanford Creek Boardwalk Replacement	1,450,000	-	-	-	-
Sub-total other improvements	11,829,500	300	-	-	300
Total expenditures	15,000,000	321,739	53,148	-	374,887
Revenues (under)/over expenditures	(15,000,000)	(317,302)	(47,506)	-	(364,808)
Other financing sources (uses):					
Transfers in:					
General Capital Reserve Fund					
Smith Creek Greenway - Phase 2 & 3	100,000	-	-	-	-
Sanford Creek Boardwalk Replacement	400,000	-	-	-	-
Sub-total General Capital Reserve Fund	500,000	-	-	-	-
General Fund					
Dunn Creek Greenway - Phase 3 & 4	110,000	-	-	-	-
Sanford Creek Boardwalk Replacement	40,000	-	-	-	-
Sub-total General Fund	150,000	-	-	-	-
Bond Proceeds					
Dunn Creek Greenway - Phase 3 & 4	5,640,000	-	-	-	-
Smith Creek Greenway - Phase 2 & 3	7,310,000	-	-	-	-
Sanford Creek Boardwalk Replacement	1,400,000	-	-	-	-
Sub-total Bonds Proceeds	14,350,000	-	-	-	-
Total other financing sources	15,000,000	-	-	-	-
Net change in fund balance	\$ -	\$ (317,302)	(47,506)	\$ -	\$ (364,808)
Fund balances:					
Beginning of year			(317,302)		
End of year			\$ (364,808)		

TOWN OF WAKE FOREST, NORTH CAROLINA
CAPITAL PROJECTS FUND
GENERAL CAPITAL RESERVE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

Schedule 19

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Revenues:					
Payments in lieu	\$ 2,093,220	\$ 1,796,150	\$ 323,891	\$ -	\$ 2,120,041
Greenway fees	20,690	18,520	-	-	18,520
Fire Impact Fees	2,365,000	1,966,809	469,125	-	2,435,934
Investment earnings	410,000	246,553	193,404	-	439,957
Donations	205,000	22,232	-	-	22,232
Development proceeds	86,560	56,921	-	-	56,921
Total revenues	5,180,470	4,107,185	986,420	-	5,093,605
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Fire Department	(1,741,595)	(58,728)	-	-	(58,728)
Capital Projects Fund	(3,438,875)	-	(1,503,751)	-	(1,503,751)
Total other financing sources (uses)	(5,180,470)	(58,728)	(1,503,751)	-	(1,562,479)
Net change in fund balance	\$ -	\$ 4,048,457	(517,331)	\$ -	\$ 3,531,126
Fund balances:					
Beginning of year			4,048,457		
End of year			\$ 3,531,126		

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

Schedule 20

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Budget Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Investment earnings	\$ 454,750	\$ 487,326	\$ 85,965	\$ 573,291
Miscellaneous revenues	117,000	284,999	57,000	341,999
Total revenues	<u>571,750</u>	<u>772,325</u>	<u>142,965</u>	<u>915,290</u>
Expenditures:				
Professional services	264,500	119,452	-	119,452
Operating	1,326,250	1,214,653	-	1,214,653
Total expenditures	<u>1,590,750</u>	<u>1,334,105</u>	<u>-</u>	<u>1,334,105</u>
Revenues over expenditures	<u>(1,019,000)</u>	<u>(561,780)</u>	<u>142,965</u>	<u>(418,815)</u>
Other financing sources (uses)				
Transfer In (out)				
General Fund	4,128,870	2,405,470	-	2,405,470
Special Revenue Fund (Business & Industry Partnership)	(200,000)	(200,000)	-	(200,000)
Appropriated Fund Balance	(2,909,870)	-	-	-
Total other financing sources	<u>1,019,000</u>	<u>2,205,470</u>	<u>-</u>	<u>2,205,470</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,643,690</u>	<u>142,965</u>	<u>\$ 1,786,655</u>
Fund balances:				
Beginning of Year			<u>1,643,690</u>	
End of Year			<u>\$ 1,786,655</u>	

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

Schedule 21

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Revenues:					
Restricted Intergovernmental:					
Federal Grants					
Police Department	\$ 48,094	\$ 6,652	\$ 14,817	\$ (15,565)	\$ 5,904
Park, Recreation and Cultural Resources	-	-	-	-	-
Planning Department	-	-	2,100	-	2,100
Downtown Development	10,000	-	-	-	-
State Grants					
Solid Waste	32,650	24,000	-	(24,000)	-
Total Restricted Intergovernmental	90,744	30,652	16,917	(39,565)	8,004
Donations:					
Solid Waste	1,000	-	-	-	-
Downtown Development	10,000	-	10,000	(10,000)	-
Renaissance Centre	15,900	5,000	5,000	(10,000)	-
Total donations	26,900	5,000	15,000	(20,000)	-
Other Revenues:					
Police Department	18,100	-	18,100	-	18,100
Total other revenues	18,100	-	18,100	-	18,100
Total revenues	135,744	35,652	50,017	(59,565)	26,104
Expenditures:					
Operations:					
Police Department	90,359	28,214	21,196	(31,130)	18,280
Downtown Development	20,000	-	10,000	(10,000)	-
Planning Department	-	-	3,500	-	3,500
Solid Waste	60,030	38,781	-	(38,781)	-
Renaissance Centre	26,650	19,807	5,232	(25,039)	-
Subtotal - Operations	197,039	86,802	39,928	(104,950)	21,780
Total expenditures	197,039	86,802	39,928	(104,950)	21,780
Revenues under expenditures	(61,295)	(51,150)	10,089	45,385	4,324

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

Schedule 21

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Prior Years	Actual		Total to Date
			Current Year	Closed Projects	
Other financing sources:					
Transfer in (out) - General Fund					
Police Department	8,595	15,565	8,032	(15,565)	8,032
Solid Waste	26,380	24,427	(9,667)	(14,760)	-
Downtown Development	10,000	-	-	-	-
Renaissance Centre	-	15,060	-	(15,060)	-
Total Transfer in (out) - General Fund	44,975	55,052	(1,635)	(45,385)	8,032
Transfer in - Special Revenue Fund					
Police Department	15,570	-	-	-	-
Renaissance Centre	750	-	-	-	-
Total Transfer in (out) - Special Revenue Fund	16,320	-	-	-	-
Total other financing sources	61,295	55,052	(1,635)	(45,385)	8,032
Net change in fund balance	\$ -	\$ 3,902	8,454	\$ -	\$ 12,356
Fund balances:					
Beginning of Year			3,902		
End of Year			\$ 12,356		

TOWN OF WAKE FOREST, NORTH CAROLINA
SPECIAL REVENUE FUND
HOUSING INITIATIVES
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Schedule 22

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Budget		Actual		
	Authorization	Prior	Current		Total to
		Years	Year		Date
Revenues:					
Investment earnings	\$ 12,500	\$ -	\$ 2,246	\$	2,246
Total revenues	<u>12,500</u>	<u>-</u>	<u>2,246</u>		<u>2,246</u>
Other financing sources (uses)					
Transfer In (out)					
General Fund	(12,500)	-	200,000		200,000
Total other financing sources	<u>(12,500)</u>	<u>-</u>	<u>200,000</u>		<u>200,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	202,246	\$	<u>202,246</u>
Fund balances:					
Beginning of Year					-
End of Year			<u>\$ 202,246</u>		

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

Schedule 23

FOR THE YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Revenues:				
Operating revenues:				
Charges for services	\$ 23,669,900	\$ 24,219,559	\$ 549,659	\$ 20,727,816
Other operating revenues				
Sales tax	1,572,350	1,680,150	107,800	1,439,022
Reconnect charges	130,000	133,783	3,783	129,566
Miscellaneous	492,500	458,591	(33,909)	452,565
Total operating revenues	<u>25,864,750</u>	<u>26,492,084</u>	<u>627,334</u>	<u>22,748,969</u>
Nonoperating revenues:				
Investment earnings	55,100	56,346	1,246	59,967
Sale of assets	102,500	102,136	(365)	49,101
Total nonoperating revenues	<u>157,600</u>	<u>158,482</u>	<u>882</u>	<u>109,068</u>
Total revenues	<u>26,022,350</u>	<u>26,650,565</u>	<u>628,215</u>	<u>22,858,037</u>
Expenditures:				
Electric operations:				
Salaries and employee benefits	4,797,080	4,640,837	156,243	4,734,873
Power purchases for resale	13,353,725	13,514,789	(161,064)	12,447,745
Utility sales tax	2,461,150	2,490,186	(29,036)	2,194,520
Repairs and maintenance	317,400	200,129	117,271	245,491
Other operating expenditures	1,969,755	14,953	1,954,802	770,171
Total electric operations	<u>22,899,110</u>	<u>20,860,894</u>	<u>2,038,216</u>	<u>20,392,800</u>
Debt service:				
Principal retirement	726,585	726,576	9	719,484
Interest and fees	59,980	59,971	9	77,353
Total debt service	<u>786,565</u>	<u>786,547</u>	<u>18</u>	<u>796,837</u>
Capital outlay	<u>2,587,600</u>	<u>2,597,172</u>	<u>(9,572)</u>	<u>1,493,451</u>
Total expenditures	<u>26,273,275</u>	<u>24,244,613</u>	<u>2,028,662</u>	<u>22,683,088</u>
Revenues over expenditures	<u>(250,925)</u>	<u>2,405,952</u>	<u>2,656,877</u>	<u>174,949</u>

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

Schedule 23

FOR THE YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)

	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Other financing sources (uses):				
Transfer in (out):				
Electric capital reserve fund	-	-	-	149,500
Installment purchase	250,925	250,905	20	-
Total other financing sources (uses)	<u>250,925</u>	<u>250,905</u>	<u>20</u>	<u>149,500</u>
Revenues over (under) expenditures and other financing uses	<u>\$ -</u>	2,656,857	<u>\$ 2,656,857</u>	324,449
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling items:				
Depreciation		(1,392,804)		(1,508,429)
Capital outlay		2,597,172		1,493,451
Installment purchase proceeds		(250,905)		-
Principal retirement		726,576		719,484
(Increase)/Decrease in inventory		(1,475,094)		(89,787)
(Increase)/Decrease in accrued interest payable		7,511		(6,871)
(Increase)/Decrease in compensated absences		(9,596)		(18,686)
Pension expense		(736,414)		(736,476)
Deferred outflows of resources for contributions made to pension plan in current fiscal year		288,672		248,501
Decrease in accrued other postemployment benefits		174,831		384,202
Decrease in deferred inflows of resources - OPEB		150,831		(79,379)
Decrease in deferred outflows of resources - OPEB		(114,618)		(86,713)
Capital project funds:				
Investment earnings		29,409		20,598
Total reconciling items		<u>(4,429)</u>		<u>190,395</u>
Change in net position		<u>\$ 2,652,428</u>		<u>\$ 514,844</u>

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

Schedule 24

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Revenues:				
Investment earnings	\$ 170,000	\$ 20,598	\$ 29,409	\$ 50,007
Other financing sources (uses):				
Transfers in (out)				
Electric Fund	830,000	-	-	-
Electric Fund	(1,000,000)	(149,500)	-	(149,500)
Total other financing sources (uses)	(170,000)	(149,500)	-	(149,500)
Revenues and other financing sources over (under) other financing uses	\$ -	\$ (128,902)	\$ 29,409	\$ (99,493)

TOWN OF WAKE FOREST, NORTH CAROLINA
FIDUCIARY FUND
PENSION TRUST FUND
COMBINING STATEMENT OF FIDUCIARY NET POSITION

Schedule 25

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Other Post Employment Benefits Trust	Law Enforcement Special Separation Allowance Trust	Total
Assets			
Current assets:			
Cash and cash equivalents-restricted	\$ 136,485	\$ 49,716	\$ 186,201
Subtotal current assets	136,485	49,716	186,201
Total assets	136,485	49,716	186,201
Liabilities			
Current liabilities:			
Subtotal current liabilities	-	-	-
Total liabilities	-	-	-
Net Position			
Restricted for:			
General Employees	101,564	-	101,564
Law Enforcement Special Separation	-	49,716	49,716
Electric Fund Employees	34,921	-	34,921
Total net position	\$ 136,485	\$ 49,716	\$ 186,201

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

TOWN OF WAKE FOREST, NORTH CAROLINA

Schedule 26

FIDUCIARY FUND

PENSION TRUST FUND

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Other Post Employment Benefits Trust	Law Enforcement Special Separation Allowance Trust	Total
Additions:			
Investment earnings	\$ 2,085	\$ -	\$ 2,085
Employer contributions	614,710	286,063	900,773
Total additions	<u>616,795</u>	<u>286,063</u>	<u>902,858</u>
Deductions:			
Benefit payments	<u>480,310</u>	<u>236,347</u>	<u>716,657</u>
Total deductions	480,310	236,347	716,657
Change in net position	136,485	49,716	186,201
Net position, beginning of year	-	-	-
Net position, end of year	<u>\$ 136,485</u>	<u>\$ 49,716</u>	<u>\$ 186,201</u>

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

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

Schedule 27

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	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	\$ 7,926,957,400	0.505	\$ 40,031,135	\$ 36,363,543	\$ 3,667,592
Penalties	-		22,496	22,496	-
Total	7,926,957,400		40,053,631	36,386,039	3,667,592
Discoveries:					
Prior year taxes	-		14,042	14,042	-
Less: abatements	(7,235,050)	0.505	(36,537)	(36,537)	-
Total property valuation	<u>\$ 7,919,722,350</u>				
Net levy			40,031,136	36,363,544	3,667,592
Less: uncollected taxes at June 30, 2024			65,022	53,441	11,581
Current year's taxes collected			<u>\$ 39,966,114</u>	<u>\$ 36,310,103</u>	<u>\$ 3,656,011</u>
Current levy collection percentage			<u>99.84%</u>	<u>99.85%</u>	<u>99.68%</u>

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

Schedule 28

JUNE 30, 2024

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2023</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2024</u>
2023-2024	\$ -	\$ 40,031,136	\$ 39,966,114	\$ 65,022
2022-2023	65,613	-	28,891	36,722
2021-2022	32,159	-	2,806	29,353
2020-2021	40,501	-	1,280	39,221
2019-2018	31,074	-	2,568	28,506
2017-2018	17,927	-	129	17,798
2017-2018	10,695	-	56	10,639
2016-2017	10,145	-	16	10,129
2015-2016	8,244	-	17	8,227
2014-2015	2,772	-	450	2,322
2013-2014	7,314	-	7,314	-
	<u>\$ 226,445</u>	<u>\$ 40,031,136</u>	<u>\$ 40,009,641</u>	247,939
				(96,563)
				<u>\$ 151,376</u>
				\$ 494,007
				(5,407)
				(337,224)
				<u>\$ 151,376</u>
Revenue reconciliation:				
			\$ 40,037,372	
			42,302	
			7,877	
			(77,910)	
			<u>\$ 40,009,641</u>	

TOWN OF WAKE FOREST, NORTH CAROLINA

Schedule 29

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS AND MATURITY SCHEDULE

JUNE 30, 2024

<u>Fiscal Year</u>	Governmental Funds	
	<u>Principal</u>	<u>Interest</u>
2024-2025	\$ 2,181,000	\$ 722,179
2025-2026	2,167,000	644,779
2026-2027	2,156,000	567,435
2027-2028	1,720,000	498,176
2028-2029	1,707,000	447,177
2029-2030	1,698,000	386,905
2030-2031	1,360,000	326,473
2031-2032	1,360,000	281,175
2032-2033	1,360,000	237,812
2033-2034	1,360,000	197,013
2034-2035	1,355,000	156,213
2035-2036	1,140,000	117,088
2036-2037	1,140,000	84,950
2037-2038	1,140,000	51,775
2038-2039	310,000	18,600
2039-2040	310,000	12,400
2040-2041	310,000	6,200
Total	<u>\$ 22,774,000</u>	<u>\$ 4,756,349</u>



Statistical Section

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

Financial Trends

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

Revenue Trends

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Table 1

JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 131,248,516	\$ 144,053,526	\$ 161,330,230	\$ 172,179,914	\$ 240,687,066	\$ 236,048,865	\$ 242,074,620	\$ 268,941,397	\$ 353,509,786	\$ 368,064,179
Restricted for:										
Stabilization by State Statute	3,721,637	3,617,882	4,208,575	5,201,309	3,697,546	3,559,260	6,075,840	9,887,895	8,143,737	9,145,497
Inspections (HB 255)	-	-	163,450	351,107	-	-	-	-	-	-
Downtown District	243,525	255,346	266,635	278,314	276,322	276,779	341,865	340,789	428,774	462,304
Public Safety	297,346	343,673	334,069	355,564	317,916	317,892	376,579	418,868	465,799	514,840
Street and sidewalk improvements	1,481,070	954,214	1,983,593	2,745,290	3,224,084	16,283	-	-	-	-
Equipment and vehicles	224,833	969,307	-	219,155	683,654	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	2,706,433
Greenways	2,330,480	2,221,896	469,387	1,030,449	637,496	-	-	-	-	-
Public Works	-	-	-	-	2,879	-	-	-	-	-
Community Development	-	-	-	-	1,149	-	-	-	-	-
Cultural and Recreation	-	11,742	173,755	13,356,391	6,353	9,204	-	-	-	-
Unrestricted	7,157,318	1,568,337	(993,658)	(27,816,047)	(30,803,644)	(7,838,025)	3,311,100	10,762,974	20,074,733	14,178,876
Subtotal governmental activities net position	146,704,725	153,995,923	167,936,036	167,901,446	218,730,821	232,390,258	252,180,004	290,351,923	382,622,829	395,072,129
Business-type activities										
Net investment in capital assets	13,789,268	15,786,945	16,911,360	16,982,591	17,105,343	17,396,780	17,621,551	18,157,249	18,861,755	20,542,423
Unrestricted	3,909,794	3,798,069	3,336,296	2,447,316	3,796,410	3,801,870	3,522,260	3,015,741	2,826,079	3,797,839
Subtotal business-type activities net position	17,699,062	19,585,014	20,247,656	19,429,907	20,901,753	21,198,650	21,143,811	21,172,990	21,687,834	24,340,262
Primary Government										
Net investment in capital assets	145,037,784	159,840,471	178,241,590	189,162,505	257,792,409	253,445,645	259,696,171	287,098,646	372,371,541	388,606,602
Restricted for:										
Stabilization by State Statute	3,721,637	3,617,882	4,208,575	5,201,309	3,697,546	3,559,260	6,075,840	9,887,895	8,143,737	9,145,497
Inspections (HB 225)	-	-	163,450	351,107	-	-	-	-	-	-
Downtown District	243,525	255,346	266,635	278,314	276,322	276,779	341,865	340,789	428,774	462,304
Public Safety	297,346	343,673	334,069	355,564	317,916	317,892	376,579	418,868	465,799	514,840
Street improvements	1,481,070	954,214	1,983,593	2,745,290	3,224,084	16,283	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	2,706,433
Equipment and vehicles	224,833	969,307	-	219,155	683,654	-	-	-	-	-
Greenways	2,330,480	2,221,896	469,387	1,030,449	637,496	-	-	-	-	-
Public Works	-	-	-	-	2,879	-	-	-	-	-
Community Development	-	-	-	-	1,149	-	-	-	-	-
Cultural and Recreation	-	11,742	173,755	13,356,391	6,353	9,204	-	-	-	-
Unrestricted	11,067,112	5,366,406	2,342,638	(25,368,731)	(27,007,234)	(4,036,155)	6,833,360	13,778,715	22,900,812	17,976,715
Total primary government net position	\$ 164,403,787	\$ 173,580,937	\$ 188,183,692	\$ 187,331,353	\$ 239,632,574	\$ 253,588,908	\$ 273,323,815	\$ 311,524,913	\$ 404,310,663	\$ 419,412,391

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

Table 2

JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General Government	\$ 10,288,616	\$ 11,422,995	\$ 12,869,405	\$ 13,074,362	\$ 14,299,862	\$ 12,354,370	\$ 18,422,121	\$ 25,372,409	\$ 24,445,426	\$ 30,203,908
Public Safety	13,193,519	15,997,273	14,515,834	15,553,468	16,907,529	16,087,550	21,459,650	21,789,190	24,166,133	27,808,539
Transportation	5,090,607	1,785,023	2,276,688	5,606,567	8,234,442	6,012,293	9,931,088	5,327,812	8,749,791	9,587,057
Environmental Protection	2,661,631	3,081,207	3,312,425	3,594,622	3,798,036	3,743,415	4,308,854	4,584,944	5,168,451	5,905,406
Cultural and Recreational	3,759,071	1,951,732	6,865,664	4,432,829	2,574,238	5,294,637	3,674,315	4,791,286	7,348,682	7,792,472
Interest on long-term debt	775,312	748,481	604,099	625,012	1,257,960	1,217,267	1,158,958	1,160,705	1,136,145	1,156,476
Subtotal governmental activities expense	35,768,756	34,986,711	40,444,115	42,886,860	47,072,067	44,709,532	58,954,986	63,026,346	71,014,628	82,453,858
Business-type activities:										
Water and sewer	44,045	27,761	11,907	-	-	-	-	-	-	-
Electric	19,503,601	18,172,784	19,562,897	20,200,887	19,680,438	20,317,296	21,405,442	22,454,743	22,279,568	24,025,064
Subtotal business-type activities expenses	19,547,646	18,200,545	19,574,804	20,200,887	19,680,438	20,317,296	21,405,442	22,454,743	22,279,568	24,025,064
Total primary government expenses	55,316,402	53,187,256	60,018,919	63,087,747	66,752,505	65,026,828	80,360,428	85,481,089	93,294,196	106,478,922
Program Revenues										
Governmental activities:										
Charges for Services										
General Governmental	2,183,403	(2,985,095)	2,456,723	2,874,041	2,641,893	4,232,238	1,009,675	4,344,408	3,368,369	3,573,843
Public Safety	608,598	641,804	544,319	685,319	406,705	44,000	-	666,761	426,057	41,245
Transportation	28,655	18,663	91,773	126,506	174,785	-	375,000	713,004	1,118,119	1,239,194
Environmental Protection	172,421	174,647	185,245	174,764	143,845	-	-	3,499,914	3,454,042	4,017,262
Cultural and Recreational	1,181,893	987,346	1,601,675	1,124,097	1,943,860	1,423,238	6,829,996	4,458,049	4,020,993	3,500,652
Operating Grants and Contributions										
General Governmental	-	-	7,994	5,070	17,589	1,460,656	2,931,282	245,334	2,147,623	392,002
Public Safety	75,676	78,823	75,676	75,676	122,239	79,275	-	1,860,517	2,157,545	2,630,133
Transportation	810,220	946,028	852,302	868,086	879,928	-	-	1,282,385	1,580,794	1,552,310
Environmental Protection	2,264	-	-	-	-	-	-	-	24,000	-
Cultural and Recreational	2,834	20,975	80,330	755,194	211,655	153,225	17,636	211,066	5,000	509,816
Capital Grants and Contributions										
General Governmental	-	-	-	-	28,731	4,568	69,947	938,213	-	604,547
Public Safety	99,564	65,450	5,680	20,865	-	3,386	-	-	579,855	-
Transportation	15,342,778	7,870,624	10,193,724	8,328,200	49,687,277	5,838,274	15,691,743	27,928,864	83,564,981	8,866,460
Environmental Protection	-	11,000	-	-	-	-	-	-	346,992	759,953
Cultural and Recreational	2,756	13,541	3,347,745	20,222	298,467	2,483,118	2,313,439	-	819,841	2,366,234
Subtotal governmental activities program revenues	20,511,062	7,843,806	19,443,186	15,058,040	56,556,974	15,721,978	29,238,718	46,148,515	103,614,211	30,053,651

Continued on next page

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

Table 2

JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:										
Charges for Services -										
Electric	19,501,560	19,946,073	19,948,850	20,670,944	20,988,155	20,461,307	20,964,168	22,477,422	22,794,412	26,677,492
Operating Grants and Contributions -										
Water and sewer	-	-	-	-	-	-	-	-	-	-
Subtotal business-type activities program	19,501,560	19,946,073	19,948,850	20,670,944	20,988,155	20,461,307	20,964,168	22,477,422	22,794,412	26,677,492
Total primary government program revenues	40,012,622	27,789,879	39,392,036	35,728,984	77,545,129	36,183,285	50,202,886	68,625,937	126,408,623	56,731,143
Net (Expense) Revenue										
Governmental activities	(15,257,694)	(27,142,905)	(21,000,929)	(27,828,820)	9,484,907	(28,987,554)	(29,716,268)	(16,877,831)	32,599,583	(52,400,207)
Business-type activities:										
Water and sewer	(44,045)	(27,761)	(11,907)	-	-	-	-	-	-	-
Electric	(2,041)	1,773,289	385,953	470,057	1,307,717	144,011	(441,274)	22,679	514,844	2,652,428
Total primary government net expense	(15,303,780)	(25,397,377)	(20,626,883)	(27,358,763)	10,792,624	(28,843,543)	(30,157,542)	(16,855,152)	33,114,427	(49,747,779)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes, levied for										
general purpose	22,496,254	23,681,908	24,545,443	25,966,222	27,789,480	29,419,885	33,785,203	35,516,837	37,045,883	40,198,931
Other taxes and licenses	47,957	64,894	70,711	75,096	55,488	46,985	44,468	55,865	55,512	63,546
Unrestricted intergovernmental	8,773,026	9,464,778	9,845,432	10,308,211	11,090,320	11,365,093	12,754,023	17,034,220	18,676,830	19,411,697
Unrestricted investment earnings	67,633	110,600	177,663	293,076	750,509	360,928	79,215	150,419	1,340,353	2,411,850
Miscellaneous	607,247	1,111,923	1,447,361	1,048,382	1,658,671	1,454,100	2,843,105	1,595,433	2,552,745	2,763,483
Special items	507,768	-	-	-	-	-	-	703,476	-	-
Transfers	-	-	-	-	-	-	-	(6,500)	-	-
Subtotal governmental activities	32,499,885	34,434,103	36,086,610	37,690,987	41,344,468	42,646,991	49,506,014	55,049,750	59,671,323	64,849,507
Business type activities:										
Unrestricted investment earnings	49,047	38,254	33,004	35,208	86,707	54,302	1,617	-	-	-
Unrestricted intergovernmental	1,177	-	-	-	-	-	-	-	-	-
Miscellaneous	162,559	102,170	255,592	423,602	77,422	98,584	384,818	-	-	-
Transfers	-	-	-	-	-	-	-	6,500	-	-
Subtotal business-type activities	212,783	140,424	288,596	458,810	164,129	152,886	386,435	6,500	-	-
Total primary government	32,712,668	34,574,527	36,375,206	38,149,797	41,508,597	42,799,877	49,892,449	55,056,250	59,671,323	64,849,507
Change in Net Position										
Governmental activities	17,242,191	7,291,198	15,085,681	9,862,167	50,829,375	13,659,437	19,789,746	38,171,919	92,270,906	12,449,300
Business-type activities	166,697	1,885,952	662,642	928,867	1,471,846	296,897	(54,839)	29,179	514,844	2,652,428
Total primary Government	\$ 17,408,888	\$ 9,177,150	\$ 15,748,323	\$ 10,791,034	\$ 52,301,221	\$ 13,956,334	\$ 19,734,907	\$ 38,201,098	\$ 92,785,750	\$ 15,101,728

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

Table 3

JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Non Spendable										
Inventories	\$ 13,281	\$ 15,942	\$ 12,958	\$ 16,710	\$ 15,069	\$ 17,141	\$ 17,911	\$ 22,688	\$ 21,811	\$ 20,311
Prepayments	-	74,031	69,775	100,850	124,878	136,802	108,634	167,410	129,213	47,871
Restricted:										
Stabilization by State Statute	3,721,637	3,617,882	4,208,575	5,201,309	3,697,546	3,568,985	6,075,840	9,887,895	8,143,737	9,141,281
Inspections (HB 255)	-	-	163,450	351,107	-	-	-	-	-	-
Downtown District	243,525	255,346	266,635	278,314	276,322	276,779	341,865	340,789	428,774	462,304
Public Safety	297,346	343,673	334,069	354,521	317,916	313,892	376,579	418,868	471,489	500,777
Economic Development	-	-	-	-	-	-	102,326	-	-	-
Equipment and vehicles	224,833	969,307	-	219,155	683,654	-	-	-	-	-
Committed										
Economic Development	-	-	-	-	-	-	-	213,978	372,610	431,200
Cultural and recreational	-	-	-	-	-	-	-	61,429	218,931	201,108
Assigned:										
Subsequent years expenditures	894,170	1,161,500	1,481,115	1,597,145	2,182,500	812,400	1,200,600	1,777,205	2,287,000	2,120,665
Unassigned	7,633,804	8,013,074	9,521,082	8,360,653	9,955,217	10,771,209	13,628,106	16,854,068	23,106,645	23,812,588
Total General Fund	\$ 13,028,596	\$ 14,450,755	\$ 16,057,659	\$ 16,479,764	\$ 17,253,102	\$ 15,897,208	\$ 21,851,861	\$ 29,755,190	\$ 35,180,210	\$ 36,738,105
All Other Governmental Funds										
Committed:										
Economic Development	\$ 946,850	\$ 1,030,500	\$ 1,082,750	\$ 1,418,720	\$ 1,510,489	\$ 1,437,644	\$ 1,508,812	\$ 1,575,339	\$ 1,643,690	\$ 1,786,655
Street improvements	-	-	-	-	-	-	-	-	-	-
Recreation improvements	-	-	-	-	-	-	-	-	-	-
Restricted:										
Street improvements	1,287,047	954,214	1,983,593	2,745,290	-	-	-	-	-	213,251
Unspent debt proceeds	-	-	-	-	-	-	-	-	-	2,493,182
Holding park pool renovations	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	13,341,012	-	-	10,504	19,677	-	-
Equipment and vehicles	194,023	-	-	-	-	-	-	-	-	-
Street and sidewalk improvements	-	-	-	-	3,224,084	16,283	-	-	-	-
Public Safety	-	-	-	-	-	-	8,829	(343,046)	-	14,063
General Government	-	-	-	-	-	-	-	348,107	494,571	843,251
Greenways	2,330,480	2,221,896	469,387	1,030,449	637,496	-	-	-	-	-
Grants	-	11,742	173,755	16,422	10,381	9,204	-	-	-	-
Assigned:										
Subsequent years expenditures	3,058,811	1,242,997	1,728,468	-	-	1,383,122	213,802	217,840	344,226	537,630
Debt service	-	-	-	1,055,143	302,046	108,054	369,150	591,377	980,041	2,026,434
Culture and recreation	1,365,216	1,665,395	1,630,042	2,431,103	2,901,051	2,180,928	5,701,041	9,388,363	12,205,759	11,421,461
Cemetery improvements	74,048	69,372	69,699	56,046	56,847	-	-	-	-	-
Public Safety	-	-	-	1,218,444	1,434,819	337,419	927,904	1,508,017	1,908,081	2,377,206
Housing Initiatives	-	-	-	-	-	-	-	-	-	202,246
Roadway projects	-	-	-	835,124	948,462	814,774	1,584,474	1,790,635	1,796,150	616,290
Asset maintenance	-	-	-	49,948	45,302	17,653	-	64,586	60,627	63,122
Unassigned	-	-	(3,979,125)	(4,270,147)	(4,849,418)	(7,727,805)	(1,500,574)	(1,964,285)	(1,352,460)	(1,472,564)
Total all other Governmental Funds	\$ 9,256,475	\$ 7,196,116	\$ 3,158,569	\$ 19,927,554	\$ 6,221,559	\$ (1,422,724)	\$ 8,823,942	\$ 13,196,610	\$ 18,080,685	\$ 21,122,227

Note (1): Changes from 2016 to 2017 were mainly due to expenditures for the 2014 bond related projects. In addition, there was significant activity for projects funded by federal grant, as well as those to be funded by future debt issuance.

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

JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Ad Valorem Taxes	\$ 22,496,254	\$ 23,681,908	\$ 24,545,443	\$ 25,966,222	\$ 27,789,480	\$ 29,419,885	\$ 33,785,203	\$ 35,516,837	\$ 37,045,883	\$ 40,198,931
Other Taxes	47,957	64,894	70,711	75,096	55,488	46,985	44,468	55,865	55,512	63,546
Unrestricted Intergovernmental	8,740,874	9,464,778	9,845,432	10,308,211	11,090,320	11,365,093	12,754,023	17,034,220	18,676,830	19,411,697
Restricted Intergovernmental	1,029,571	1,162,325	4,674,540	2,679,743	6,089,714	4,182,070	4,179,451	5,939,879	6,702,661	7,999,504
Permits and Fees	3,592,120	3,200,322	3,867,619	4,333,204	4,260,255	4,913,100	9,216,189	9,120,690	7,642,113	7,009,044
Sales and Services	847,584	967,433	800,167	776,303	1,050,656	721,424	2,105,209	4,597,047	4,745,467	5,363,152
Miscellaneous	489,816	892,367	1,045,895	941,708	1,659,716	1,524,594	2,338,738	1,670,210	3,510,211	2,802,659
Investment Earnings	50,849	151,696	187,357	316,625	692,804	307,017	29,101	71,701	2,054,151	3,193,114
Total revenues	37,295,025	39,585,723	45,037,164	45,397,112	52,688,433	52,480,168	64,452,382	74,006,449	80,432,828	86,041,647
Expenditures										
General Government	9,387,662	9,987,406	10,114,354	10,915,763	12,127,881	13,092,963	13,981,212	16,710,458	18,357,979	20,890,251
Public Safety	12,586,385	15,344,482	13,730,482	14,386,094	15,963,299	18,858,089	20,025,838	21,516,649	24,455,943	27,847,693
Transportation	1,995,906	1,982,830	2,000,350	2,109,389	2,169,297	2,311,478	2,393,628	2,526,773	3,585,193	3,006,879
Environmental Protection	2,863,636	2,982,465	3,158,944	3,426,135	3,626,355	3,853,434	4,175,023	4,569,800	5,048,879	5,796,968
Cultural and Recreational	2,840,566	2,866,153	3,097,344	3,281,932	3,635,384	3,810,464	3,658,433	4,223,890	5,443,245	5,972,089
Capital outlay	2,532,617	3,102,334	12,251,028	14,105,263	27,581,846	13,408,233	9,166,742	7,808,168	7,235,393	21,655,412
Debt service:										
Lease principal	-	-	-	-	-	-	-	210,791	234,752	497,202
Lease interest & other charges	-	-	-	-	-	-	-	4,615	6,906	73,577
Bond Principal	1,000,000	1,215,000	1,253,000	1,245,000	2,067,000	5,650,000	1,920,000	2,222,000	2,209,000	2,195,000
Bond interest	475,375	539,038	410,917	379,189	909,555	862,529	743,736	848,657	858,919	778,984
Installment note principal	2,795,093	2,884,020	2,881,069	2,945,536	3,380,080	3,466,684	3,576,443	4,004,868	3,781,046	3,880,190
Installment note interest	295,441	257,952	212,440	230,681	347,043	413,396	379,030	330,762	246,592	316,338
Total expenditures	36,763,681	41,160,680	49,118,928	53,024,982	71,804,740	65,727,269	60,020,085	64,979,421	71,461,847	92,910,583
Excess of revenues over (under) expenditures	531,344	(1,574,957)	(4,081,764)	(7,627,870)	(19,116,307)	(13,247,101)	4,432,297	9,027,028	8,970,981	(6,868,936)
Other Financing Sources (Uses)										
Transfers in	277,878	2,916,749	1,693,359	5,928,103	5,960,025	9,458,307	9,396,065	8,001,662	7,560,907	12,574,023
Transfers (out)	(277,878)	(2,916,749)	(1,693,360)	(5,928,103)	(5,960,025)	(9,458,307)	(6,896,065)	(8,008,162)	(7,560,907)	(12,574,023)
Special Item	507,768	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	71,845	-	106,944
Contribution to Pension Trust	-	-	-	-	-	-	-	-	-	(150,000)
Transfer from NCHIP reserve	-	-	-	-	-	-	-	703,476	-	-
Proceeds from Wake Forest Fire Dept	-	-	-	-	-	-	64,481	-	-	-
Installment note proceeds	792,750	871,700	1,023,170	-	-	-	-	-	-	-
Lease liabilities issued	-	-	-	-	-	-	-	-	-	-
insurance of debt	-	-	-	-	-	-	-	1,763,260	1,142,990	6,859,595
Bond premium/(issuance costs)	47,482	-	-	770,970	-	-	-	-	-	-
Bond issuance	4,330,000	65,057	-	24,048,550	6,183,650	4,246,925	9,204,540	-	-	-
Insurance recovery - Shop Fire 2016*	-	-	627,952	-	-	-	-	-	-	-
Total other financing sources (uses)	5,678,000	936,757	1,651,121	24,819,520	6,183,650	4,246,925	11,769,021	3,248,969	1,338,114	11,468,373
Net changes in fund balances	6,209,344	(638,200)	(2,430,643)	17,191,650	(12,932,657)	(9,000,176)	16,201,318	12,275,997	10,309,095	4,599,437
Fund balance - beginning of year (as previously reported)	16,075,727	22,285,071	21,646,871	19,216,228	36,407,318	23,474,661	14,474,485	30,675,803	42,951,800	53,260,895
Adjustments to beginning fund balance	-	-	-	(560)	-	-	-	-	-	-
Fund balance - beginning of year (as restated)	16,075,727	22,285,071	21,646,871	19,215,668	36,407,318	23,474,661	14,474,485	30,675,803	42,951,800	53,260,895
Fund balance - end of year	\$ 22,285,071	\$ 21,646,871	\$ 19,216,228	\$ 36,407,318	\$ 23,474,661	\$ 14,474,485	\$ 30,675,803	\$ 42,951,800	\$ 53,260,895	\$ 57,860,332
Debt service as a percentage of noncapital expenditures	13.34%	12.86%	12.90%	12.33%	15.16%	19.86%	13.02%	12.95%	11.04%	10.06%

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

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

Table 5

JUNE 30, 2024

Fiscal Year	Program Revenues				General Revenue				Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Intergovernmental	Unrestricted Investment Earnings	Miscellaneous		
2015	\$ 23,676,530	\$ 890,994	\$ 15,445,098	\$ 22,544,211	\$ 8,774,203	\$ 116,680	\$ 1,277,574	\$ 72,725,290	
2016	18,783,438	1,045,826	7,960,615	23,746,802	9,464,778	148,854	1,214,093	62,364,406	
2017	24,828,585	1,016,302	13,547,149	24,616,154	9,845,432	210,667	1,702,953	75,767,242	
2018	25,655,671	1,704,026	8,369,287	26,041,318	10,308,211	328,284	1,471,984	73,878,781	
2019	26,299,243	1,231,411	50,014,475	27,844,968	11,090,320	837,216	1,736,093	119,053,726	
2020	26,160,783	1,693,156	8,329,346	29,466,870	11,365,093	415,230	1,552,684	78,983,162	
2021	29,178,839	2,948,918	18,075,129	33,829,671	12,754,023	80,832	3,227,924	100,095,336	
2022	36,159,558	3,599,302	28,867,077	35,572,702	17,034,220	150,419	2,298,909	123,682,187	
2023	35,181,992	5,914,962	85,311,669	37,101,395	18,676,830	1,340,353	2,552,745	186,079,946	
2024	39,049,688	5,084,261	12,597,194	40,262,477	19,411,697	2,411,850	2,763,483	121,580,650	

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

*Charges for Services for June 30, 2016 includes a bond refunding amount of \$5,125,000 for the 2006 Public Improvements Bond \$9,200,000 issuance

*Capital Grants and Contributions for June 30, 2019 includes a significant addition of streets acceptances.

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

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

Table 6

JUNE 30, 2024

Fiscal Year	Taxes (2)	Intergovernmental	Permits and Fees	Sales and Services	Investment Earnings	Miscellaneous Revenues	Total
2015	\$ 31,283,682	\$ 984,848	\$ 2,292,774	\$ 847,584	\$ 24,310	\$ 489,816	\$ 35,923,014
2016	33,211,580	930,429	2,052,949	967,433	46,407	828,639	38,037,437
2017	34,461,586	947,925	2,513,613	800,167	90,837	923,876	39,738,004
2018	36,349,529	970,325	2,966,351	776,303	188,209	814,512	42,065,229
2019	38,935,288	982,520	2,751,351	1,050,656	338,653	1,068,017	45,126,485
2020	40,831,963	1,061,286	3,027,187	711,918	204,904	1,265,744	47,103,002
2021	46,583,694	3,529,610	4,099,596	2,105,209	13,444	1,515,751	57,847,304
2022	52,606,922	3,136,214	4,771,131	4,597,047	40,859	1,592,730	66,744,903
2023	55,778,225	3,405,109	3,809,719	4,745,467	1,253,757	2,637,136	71,629,413
2024	59,674,174	4,593,072	3,948,944	5,363,152	1,856,693	2,727,059	78,163,094

Notes:

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

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

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

Table 7

JUNE 30, 2024

Fiscal Year	General Government	Public Safety	Transportation	Environmental Protection	Cultural and Recreational	Debt Service	(1) Fiscal Year Total
2015	\$ 9,788,541.00	\$ 13,286,150.00	\$ 2,255,542.00	\$ 2,977,093.00	\$ 2,835,107.00	\$ 4,565,909.00	\$ 35,708,342.00
2016	10,751,122	15,883,240	2,079,603	3,399,391	2,582,951	4,895,010	39,591,317
2017	10,113,394	13,719,419	2,009,350	3,158,944	3,073,887	4,757,426	36,832,420
2018	10,909,253	14,333,034	2,109,389	3,426,135	3,223,971	4,800,406	38,802,188
2019	12,036,115	15,881,411	2,166,297	3,626,355	3,579,256	6,703,678	43,993,112
2020	12,833,820	18,857,942	2,311,478	3,853,434	3,734,209	10,464,409	52,055,292
2021	13,768,929	19,990,107	2,273,802	4,171,087	3,572,648	6,619,209	50,395,782
2022	16,060,458	21,498,512	2,528,773	4,569,800	4,021,987	7,621,693	56,301,223
2023	18,007,979	24,412,773	2,782,192	5,010,098	5,075,438	7,335,215	62,623,695
2024	20,857,824	27,826,497	3,004,679	5,796,968	5,938,357	7,741,290	71,165,616

(1) Does not include capital outlay expenditures

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

Table 8

JUNE 30, 2024

Fiscal Year	General Government	Public Safety	Transportation	Environmental Protection	Cultural and Recreation	Interest on Long-term Debt	Electric	Total
2015	\$ 10,288,616	\$ 13,193,519	\$ 5,090,607	\$ 2,661,631	\$ 3,759,071	\$ 775,312	\$ 19,503,601	\$ 55,316,402
2016	11,422,995	15,997,273	1,785,023	3,081,207	1,951,732	748,481	18,172,784	53,187,256
2017	12,869,405	14,515,834	2,276,688	3,312,425	6,865,664	604,099	19,562,897	60,018,919
2018	13,074,362	15,553,468	5,606,567	3,594,622	4,432,829	625,012	20,200,887	63,087,747
2019	14,299,862	16,907,529	8,234,442	3,798,036	2,574,238	1,257,960	19,680,438	66,752,505
2020	12,354,370	16,087,550	6,012,293	3,743,415	5,294,637	1,217,268	20,317,296	65,026,829
2021	18,422,121	21,459,650	9,931,088	4,308,854	3,674,315	1,158,958	21,405,438	80,360,424
2022	25,372,409	21,789,190	5,327,812	4,584,944	4,791,286	1,160,705	22,454,743	85,481,089
2023	24,445,426	24,166,133	8,749,791	5,168,451	7,348,682	1,136,145	22,279,568	93,294,196
2024	30,203,908	27,808,539	9,587,057	5,905,406	7,792,472	1,156,476	24,025,064	106,478,922

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

Table 9

JUNE 30, 2024

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
2015	2014	\$ 3,772,983,301	\$ 478,751,321	\$ 35,032,002	\$ 4,286,766,624	0.520	100%
2016	2015*	3,938,881,667	533,343,249	45,164,560	4,517,389,476	0.520	100%
2017	2016	4,062,038,937	587,751,713	53,461,252	4,703,251,902	0.520	100%
2018	2017	4,338,087,926	594,060,969	45,195,145	4,977,344,040	0.520	100%
2019	2018	4,639,886,284	636,546,681	46,632,737	5,323,065,702	0.520	100%
2020	2019	4,932,636,055	677,262,332	49,964,357	5,659,864,744	0.520	100%
2021	2020	6,005,443,538	743,366,531	50,972,511	6,799,782,580	0.495	100%
2022	2021	6,298,703,850	779,326,464	53,739,040	7,131,769,354	0.495	100%
2023	2022	6,525,239,377	864,714,178	55,991,697	7,445,945,252	0.495	100%
2024	2023	6,912,389,750	947,339,363	59,993,237	7,919,722,350	0.505	100%

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, 2020.

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

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

Table 10

JUNE 30, 2024

<u>Fiscal Year</u>	<u>Town of Wake Forest</u>	<u>Wake County</u>	<u>Combined Tax Rate Per \$100 of Assessed Value</u>
2015	\$ 0.520	\$ 0.615	\$ 1.135
2016	0.520	0.601	1.121
2017	0.520	0.615	1.135
2018	0.520	0.615	1.135
2019	0.520	0.654	1.174
2020	0.520	0.721	1.241
2021	0.495	0.600	1.095
2022	0.495	0.600	1.095
2023	0.495	0.600	1.095
2024	0.505	0.513	1.018

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

Table 11

JUNE 30, 2024

Taxpayer	2024			2015		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Legacy Wake Forest LLC	\$ 52,853,027	1	0.67%	\$ -	-	-
Wake Forest Apartments LLC	41,361,099	2	0.52%	30,297,931	1	0.71%
WF-GCA Holding Village LLC	37,801,268	3	0.48%	-	-	-
Caveness Partners LLC	36,903,241	4	0.47%	21,105,703	4	0.49%
KE Capital Owner TIC LLC	35,117,127	5	0.44%	-	-	-
Crescent1000 LLC	35,057,573	6	0.44%	-	-	-
Wake EMC	34,764,506	7	0.44%	17,677,106	7	0.41%
1747 Alexander Heritage LLC	34,028,943	8	0.43%	-	-	-
WMCI Raleigh IV LLC	33,949,300	9	0.43%	22,765,335	3	0.53%
Legacy Heritage Lake Road LLC	33,936,920	10	0.43%	-	-	-
Crossroads Holdings LLC	-	-	-	28,710,113	2	0.67%
Gateway Forest LLC	-	-	-	19,939,438	5	0.47%
Factory LLC	-	-	-	19,677,441	6	0.46%
Walmart	-	-	-	17,360,451	8	0.40%
Lowes Home Center Inc	-	-	-	17,309,864	9	0.40%
MLC Automotive LLC	-	-	-	14,936,618	10	0.35%
Target Corporation	-	-	-	12,956,872	11	0.30%
Carolina Telephone	-	-	-	5,658,401	38	0.13%
Total	<u>\$ 375,773,004</u>		<u>4.74%</u>	<u>\$ 228,395,273</u>		<u>5.33%</u>
Total Assessed Value	<u>\$ 7,919,722,350</u>			<u>\$ 4,286,766,624</u>		

Source: Wake County Revenue Department

TOWN OF WAKE FOREST, NORTH CAROLINA

Table 12

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATIONS
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS**

JUNE 30, 2024

Fiscal Year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
2015	\$ 1,000,000	\$ 475,375	\$ 1,475,375	\$ 35,833,160	4.1%
2016	1,215,000	538,038	1,753,038	39,889,279	4.4%
2017	1,253,000	410,917	1,663,917	39,602,453	4.2%
2018	1,245,000	379,189	1,624,189	42,113,437	3.9%
2019	2,067,000	909,556	2,976,556	45,801,709	6.5%
2020	1,635,000	862,529	2,497,529	50,052,482	5.0%
2021	1,920,000	743,736	2,663,736	52,982,893	5.0%
2022	2,222,000	848,657	3,070,657	59,999,642	5.1%
2023	2,209,000	856,919	3,065,919	66,111,024	4.6%
2024	2,195,000	778,984	2,973,984	83,868,930	3.5%

(1) Excludes bond issuance and other costs.

(2) Includes both General Fund and Debt Service Fund

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

TOWN OF WAKE FOREST, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Table 13

JUNE 30, 2024

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)		Adjustments	Total Adjusted Levy	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
2015	\$	22,357,927	\$ -	\$ 22,357,927	\$ 22,314,249	99.80%	\$ 123,823	\$ 22,438,072	100.00%
2016		23,561,063	-	23,561,063	23,523,354	99.84%	64,280	23,587,634	100.00%
2017		24,578,867	-	24,578,867	24,544,133	99.86%	53,709	24,597,842	100.00%
2018		25,954,547	-	25,954,547	25,922,302	99.88%	54,836	25,974,930	100.00%
2019		27,738,784	-	27,738,784	27,694,586	99.84%	38,502	27,727,381	99.96%
2020		29,491,642	-	29,491,642	29,403,822	99.70%	44,583	29,426,840	99.78%
2021		33,810,785	-	33,810,785	33,662,899	99.73%	151,339	33,774,170	99.89%
2022		35,387,282	-	35,387,282	35,321,835	99.82%	33,288	35,355,123	99.91%
2023		36,929,346	-	36,929,346	36,863,733	99.82%	25,132	36,888,865	99.89%
2024		40,031,136	-	40,031,136	39,966,114	99.84%	-	39,966,114	99.84%

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

Table 14

JUNE 30, 2024

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
2015	37,046	\$ 32,474	34.2	159,984	4.8%	4.0%
2016	39,012	33,124	34.7	157,180	4.3%	3.6%
2017	41,157	34,845	36.2	159,549	3.8%	3.6%
2018	43,287	35,752	35.5	160,429	3.9%	3.9%
2019	45,264	37,315	35.0	160,471	3.6%	3.6%
2020	47,220	39,102	35.0	160,471	6.6%	6.1%
2021	50,244	40,982	36.0	160,471	3.8%	3.9%
2022	54,274	42,721	35.0	159,802	3.4%	3.0%
2023	56,681	43,601	38.6	159,000	3.2%	3.0%
2024	60,146	47,191	39.0	159,799	3.6%	3.6%

Sources:

- (1) Wake Forest Business & Industry Partnership - 2024 Community Profile (discoverwakeforest.org)
- (2) North Carolina Department of Commerce and/or [Census.gov](https://www.census.gov) - Information is calculated on the county level. Information is not maintained at the Town level. Information is estimated based on projections from censusreporter.org
- (3) Per censusreporter.org (<https://censusreporter.org/profiles/16000US3770540-wake-forest-nc/>)
- (4) National Center for Education Statistics(nces.ed.gov)
- (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

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

Table 15

JUNE 30, 2024

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
2015	\$ 342,941,335	\$ 49,354,418	\$ 293,586,917	14.39%
2016	361,391,158	46,192,088	315,199,070	12.78%
2017	376,260,152	43,081,189	333,178,963	11.45%
2018	398,187,525	47,119,203	351,068,320	11.83%
2019	425,845,256	47,824,037	378,021,219	11.23%
2020	452,789,180	42,954,278	409,834,902	9.49%
2021	543,982,606	44,156,859	499,825,747	8.12%
2022	570,541,548	39,698,054	530,843,509	6.96%
2023	580,461,355	109,850,983	470,610,372	18.92%
2024	633,577,788	110,635,388 (1)	522,942,400	17.46%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	7,919,722,350
Debt Limit (8% of total assessed value)	633,577,788
Debt applicable to limit	<u>110,635,388</u>
Legal debt margin	<u><u>\$ 522,942,400</u></u>
Percentage of debt to debt limit	<u><u>17.46%</u></u>

(1) Debt Applicable to Limit includes \$22,774,000 outstanding bonded debt, \$75,000,000 in authorized and unissued bonds, and \$12,861,388 general long-term installment notes.

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

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

Table 16

JUNE 30, 2024

Fiscal Year	(1) Population	Assessed Value	General Bonded Debt Outstanding		Bonded Debt per Capita	Other Governmental Activities Debt			Total Debt per Capita
			General Obligation Bonds	Ratio of Net Bonded Debt to Assessed Value		Installment Financings	Leases and IT Subscriptions	Total Primary Government	
2015	37,046	\$ 4,286,766,624	\$ 16,303,389	0.38%	\$ 440	\$ 12,499,409	\$ -	\$ 28,802,798	\$ 777
2016	39,012	4,517,389,476	15,134,232	0.34%	388	10,487,088	-	25,621,320	657
2017*	41,157	4,703,251,902	13,862,075	0.29%	337	8,629,189	-	22,491,264	546
2018	43,287	4,977,344,040	30,048,889	0.60%	694	13,052,203	-	43,101,092	996
2019	45,264	5,323,065,702	27,924,183	0.52%	617	15,854,036	-	43,778,219	967
2020	47,220	5,659,864,744	25,928,692	0.46%	549	12,924,277	-	38,852,969	823
2021	50,244	6,799,782,580	30,898,265	0.45%	615	1,756,859	-	32,655,124	650
2022	54,274	7,131,769,354	28,589,670	0.40%	527	12,520,039	582,451	41,692,160	768
2023	56,681	7,445,945,252	26,294,074	0.35%	464	9,881,983	559,504	36,735,561	648
2024	60,146	7,919,722,350	24,012,479	0.30%	399	12,861,388	4,716,852	41,590,719	691

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

TOWN OF WAKE FOREST, NORTH CAROLINA

Table 17

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

JUNE 30, 2024

<u>Jurisdiction</u>	<u>Bonded Debt</u>	<u>Percentage Applicable to Town (2)</u>	<u>Amount Applicable to Town</u>
Direct:			
Town of Wake Forest	\$ 36,873,867 (1)	100.00%	\$ 36,873,867
Overlapping: (3)			
Wake County	\$ 2,628,768,042 (4)	3.80%	<u>99,961,147</u>
Total			<u><u>\$ 136,835,014</u></u>

(1) Includes all governmental activities debt.

(2) Based on total assessed values.

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

(4) Wake County Revenue Department

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

Table 18

JUNE 30, 2024

Fiscal Year	Commercial		Residential		Total	
	Number	Value	Number	Value	Number	Value
2015	102	\$ 33,338,472	561	\$ 102,480,602	663	\$ 135,819,074
2016	99	36,132,937	537	88,031,763	636	124,164,700
2017	105	32,799,902	835	128,088,592	940	160,888,494
2018	122	79,275,153	1,066	160,171,714	1,188	239,446,867
2019	106	29,452,682	831	145,850,175	937	175,302,857
2020	84	74,307,043	560	124,260,431	644	198,567,474
2021	88	40,437,213	915	227,180,180	1,003	267,617,393
2022	117	70,432,955	739	242,546,339	856	312,979,294
2023	85	51,966,571	665	191,204,325	750	243,170,896
2024	92	54,155,354	801	191,435,350	893	245,590,704

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

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

Table 19

JUNE 30, 2024

Fiscal Year	(5) Admin	(5) Legal	(5) Comm	(2) Downtown Development	(2) (WFBIP) Economic Development	Finance	Human Resources	IT	(6) Planning	(3) Inspections	Police	(4) Fire	(6) Engineering	Pub Works Admin	Urban Forestry	Fleet	Streets	Solid Waste	Parks & Recreation	Public Facilities	Renaissance Centre	Electric	Tree Trimming	Year Total
2015	3.0	0.0	3.0	1.0	0.0	18.0	4.0	5.0	8.0	14.0	84.0	0.0	7.0	3.0	0.0	5.0	20.0	9.0	19.0	3.0	0.0	19.0	3.0	228.0
2016	3.0	0.0	3.0	1.0	0.0	17.0	4.0	5.0	8.0	14.0	84.0	0.0	7.0	3.0	0.0	5.0	20.0	9.0	19.0	3.0	0.0	20.0	3.0	228.0
2017	4.0	0.0	3.0	1.0	1.0	18.0	4.0	6.0	8.0	15.0	91.0	0.0	7.0	2.0	0.0	6.0	20.0	9.0	23.0	3.0	0.0	20.0	3.0	244.0
2018	4.0	0.0	3.0	5.0	1.0	18.0	5.0	6.0	9.0	16.0	91.0	0.0	7.0	2.0	0.0	6.0	20.0	12.0	23.0	4.0	0.0	21.0	5.0	258.0
2019	4.0	0.0	4.0	5.0	1.0	18.0	5.0	6.0	11.0	16.0	105.0	0.0	6.0	5.0	0.0	6.0	20.0	12.0	21.0	4.0	0.0	21.0	5.0	275.0
2020	4.0	0.0	5.0	5.0	1.0	18.0	5.0	6.0	11.0	16.0	105.0	0.0	7.0	5.0	5.0	6.0	20.0	12.0	23.0	4.0	0.0	24.0	5.0	287.0
2021	7.0	0.0	5.0	2.0	2.0	20.0	6.0	9.0	12.0	16.0	105.0	84.0	10.0	3.0	2.0	7.0	20.0	13.0	23.0	7.0	4.0	25.0	5.0	387.0
2022	7.0	2.0	5.0	2.0	2.0	20.0	7.0	9.0	12.0	16.0	114.0	84.0	10.0	2.0	4.0	7.0	20.0	13.0	23.0	7.0	5.0	25.0	3.0	399.0
2023	7.0	2.0	5.0	2.0	2.0	21.0	7.0	9.0	13.0	17.0	114.0	85.0	13.0	2.0	4.0	7.0	23.0	13.0	26.0	7.0	6.0	25.0	3.0	413.0
2024	13.0	2.0	7.0	3.0	2.0	9.0	7.0	9.0	14.0	19.0	114.0	100.0	13.0	2.0	4.0	7.0	23.0	15.0	27.0	9.0	7.0	31.0	3.0	440.0

- (1) Permanent full time and part time positions only as of June 30th. Excludes temporary, part-time and seasonal employees.
- (2) Renaissance Centre employees have been included in Downtown Development since FY 2018. They were part of Parks & Recreation in previous years. Renaissance Centre became its own department in FY 2021.
- (3) Planning and Inspections employee reporting was separated in FY 2014.
- (4) Effective July 1, 2020, privately contracted fire services were consolidated and transitioned to the Town of Wake Forest.
- (5) Legal services was added during FY 2021.
- (6) Planning and Engineering positions increased mid-year 2023.

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

Table 20

JUNE 30, 2024

Fiscal Year	Property Tax	Sales Tax	Utility Sales Distribution (1)	Motor Vehicle Licenses	Rental Vehicle Tax	Beer & Wine Tax	Total
2015	\$ 22,422,548	\$ 6,218,974	\$ 2,335,449	\$ 456,574	\$ 47,957	\$ 154,318	\$ 31,635,820
2016	23,610,065	6,755,795	2,540,817	423,335	64,894	146,483	33,541,389
2017	24,470,851	7,187,102	2,479,157	452,948	70,711	156,017	34,816,786
2018	25,882,092	7,601,465	2,530,451	518,424	75,096	152,848	36,760,376
2019	27,713,298	8,245,963	2,660,061	735,378	55,488	157,255	39,567,443
2020	29,340,018	8,594,400	2,582,156	895,271	46,985	160,326	41,619,156
2021	33,655,281	9,972,882	2,590,845	933,869	44,468	161,375	47,358,720
2022	35,375,578	13,941,067	2,866,181	914,950	55,865	190,734	53,344,375
2023	36,894,134	15,261,608	3,154,909	1,118,119	55,512	221,000	56,705,282
2024	40,198,931	16,022,437	3,105,652	1,239,194	63,546	244,450	60,874,210

(1) Formerly Franchise Tax

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

Table 21

JUNE 30, 2024

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	(1) Debt Per Capita	Percentage of Personal Income
	General Obligation Bonds	Installment Financings	Lease Liabilities	General Obligation Bonds	Installment Financings	Revenue Bonds			
2015*	\$16,303,390	\$12,499,409	-	-	\$ 1,178,344	\$3,140,053	\$33,121,196	\$ 894	2.75%
2016	15,134,232	10,487,088	-	-	583,616	2,702,403	28,907,339	741	2.24%
2017	13,682,000	8,629,189	-	-	-	2,251,773	24,562,963	597	1.71%
2018	29,117,000	13,052,203	-	-	686,933	1,788,017	44,644,153	1,031	2.88%
2019	27,924,183	15,854,036	-	-	3,736,466	1,309,715	48,824,401	1,079	2.89%
2020	25,928,692	12,924,277	-	-	3,106,103	1,059,309	43,018,381	911	2.33%
2021	30,898,265	14,761,648	-	-	2,982,153	803,264	49,445,331	984	2.40%
2022	28,589,670	12,520,039	582,451	-	2,531,429	541,451	44,765,041	825	1.93%
2023	26,294,074	9,881,983	456,483	-	2,079,655	273,741	38,985,937	688	1.58%
2024	24,012,479	12,861,388	4,716,852	-	1,877,727	-	43,468,446	723	1.53%

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 ACFR; amount was adjusted in subsequent fiscal year reporting

TOWN OF WAKE FOREST, NORTH CAROLINA
MISCELLANEOUS STATISTICS

Table 22

JUNE 30, 2024

Date of Incorporation	February 20, 1909	
Form of Government	Council-Manager	
Miles of City-owned Streets	170.05	
Fire Protection (Combination: Paid/Volunteer)		
Number of Stations	5	
Number of Full-Time & Part-Time	124	
Number of Volunteers	35	
Police Protection		
Number of Stations	2	
Number of Full-time Sworn Officers	92	
Utility System: Electric		
Number of Customers	8,989	
Residential Rates:	Basic Customer Charge	\$25.00
	Energy Charge	\$0.1358 per kwh
Community Facilities:		
Parks	0 Private	12 Public
Pools	0 Private	1 Public
Sprayground	0 Private	1 Public
Tennis Courts	0 Private	2 Public
Golf Courses	0 Semi-private	0 Public
Pickleball Court	0 Private	1 Public
Disc Golf Course	0 Private	1 Public
Cultural Activities:		
Wake Forest Renaissance Centre (WFRC)	Virtual Art Exhibit - RC	
Wake Forest Birthplace Museum	Good Neighbor Day community music, art, and food festival	
Wake Forest Historic District	Public Power Week	
Arts Wake Forest		
Wake Forest Biennial Historical Homes Tour		
Wake Forest Historical Association bi-monthly programs		
Friday Night on White Street		
Unity In the Community		
Wake Forest Dance Festival		
Arbor Day Celebration		
Wake Forest Christmas Parade		
Halloween Boo Bash		
Art Galleries in Downtown Wake Forest		
Wake Forest Mardi Gras - community festival		
Forest Moon Theatre events at WFRC		
Mid-day Concerts at Town Hall Plaza		

	2024		2015	
	* Number of Employees	Rank	Number of Employees	Rank
Principal Employers:				
Wake County Public School System	1,334	1	801	1
Southeastern Baptist Theological Seminary, Inc.	475	2	380	2
Town of Wake Forest	453	3	227	5
Wegman's	450	4		
Wal-Mart	395	5	355	3
Harris Teeter (Heritage Lake and Capital Blvd)	325	6		
Chik Fil A	315	7		
Lowe's Foods	235	8	191	6
Target Corporation	230	9	248	4
Lowe's Home Improvement	188	10	170	7
Rex Healthcare (Wake Forest & Wakefield)	180	11	160	9
Home Depot	170	12		
Franklin Academy	166	13	85	10
Sam's Club	160	14		
Hillside Nursing Center of Wake Forest, Inc.	150	15	167	8
Publix	130	16		
Texas Roadhouse	120	17		
Kohl's	104	18		
Wake Preparatory Academy	100	19		
Food Lion	85	20		

* Source - Wake Forest Economic Development projected employment estimates



Compliance Section

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wake Forest, North Carolina (the “Town”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprises the Town’s basic financial statements, and have issued our report thereon dated October 31, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Cherry Bekaert LLP

Raleigh, North Carolina
October 31, 2024

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

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Town of Wake Forest, North Carolina's (the "Town") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on the Town's major federal program for the year ended June 30, 2024. The Town's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Cherry Bekaert LLP

Raleigh, North Carolina
October 31, 2024

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

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Town of Wake Forest, North Carolina's (the "Town") compliance with the types of compliance requirements identified as subject to audit in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town's major State programs for the year ended June 30, 2024. The Town's major State programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major State program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
October 31, 2024

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

YEAR ENDED JUNE 30, 2024

Section I—Summary of Auditor’s Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

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

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

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

_____ yes X no

Identification of major federal programs:

Assistance Listing Numbers

21.027

Names of Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Funds

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

\$750,000

Auditee qualified as low-risk auditee?

_____ yes X no

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

YEAR ENDED JUNE 30, 2024

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)
Session Law 2023-134 House Bill 259

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

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Awards Findings and Questioned Costs

None reported.

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

YEAR ENDED JUNE 30, 2024

Section V—Prior Year Findings

2023-001: Corrected.

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

FOR THE YEAR ENDED JUNE 30, 2024

Grantor / Pass-Through Entity Grantor / Program Program Title	Federal Assistance Listing Number	State / Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
FEDERAL GRANTS:						
U.S. Department of Justice						
Office of Justice Programs:						
Bulletproof Vest Partnership - 2022	16.607	N/A	\$ 1,458	\$ -	\$ -	\$ 1,458
Bulletproof Vest Partnership - 2023	16.607	N/A	9,140	-	-	9,140
Total U.S. Department of Justice			<u>10,598</u>	<u>-</u>	<u>-</u>	<u>10,598</u>
U.S. Department of Interior						
National Park Service Passed through State Historic Preservation Office	15.904	P23AF00989	2,100	-	-	1,400
Total NC Department of Transportation			<u>2,100</u>	<u>-</u>	<u>-</u>	<u>1,400</u>
US Treasury Department						
Coronavirus State and Local Fiscal Recovery Funds	21.027	NC0485	2,733,377	-	-	-
Total US Treasury Department			<u>2,733,377</u>	<u>-</u>	<u>-</u>	<u>-</u>
Department of Homeland Security						
Passed through Federal Emergency Management Assistance (FEMA) Reservoir	97.143	LPDM-PJ-04-NC-2022-001	193,394	-	-	64,465
Total US Department of Homeland Security			<u>193,394</u>	<u>-</u>	<u>-</u>	<u>64,465</u>
Total Federal Grants			<u>2,939,469</u>	<u>-</u>	<u>-</u>	<u>76,463</u>
STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE						
N.C. Department of Transportation						
Non-State System Street-Aid Allocation Fund (Powell Bill)	N/A	WBS 32570	-	1,480,263	-	-
Total NC Department of Transportation			<u>-</u>	<u>1,480,263</u>	<u>-</u>	<u>-</u>
North Carolina General Assembly						
Session Law 2023-134 House Bill 259	N/A		-	500,000	-	441,432
Total NC Department of Transportation			<u>-</u>	<u>500,000</u>	<u>-</u>	<u>441,432</u>
Total State of North Carolina Financial Assistance			<u>-</u>	<u>1,980,263</u>	<u>-</u>	<u>441,432</u>
Total Federal & State of North Carolina Financial Assistance			<u>\$ 2,939,469</u>	<u>\$ 1,980,263</u>	<u>\$ -</u>	<u>\$ 517,895</u>

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

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

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



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