



Comprehensive Annual Financial Report

for the fiscal year ended June 30, 2013



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***Wake County
North Carolina***

***Comprehensive Annual
Financial Report***

for the fiscal year ended June 30, 2013

Prepared by the Wake County Finance Department

Wake County Board of Commissioners



Joe Bryan
Chair



Caroline Sullivan



Phil Matthews
Vice Chair



Tony Gurley



Paul Coble



James West



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Susan J. Banks
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Susan McCullen*

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County Attorney
Clerk to the Board
Deputy County Manager
Deputy County Manager
Finance Director*

Wake County North Carolina

Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013

Prepared by the Wake County Finance Department:

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TABLE OF CONTENTS

INTRODUCTORY SECTION:

Title Page	I
Board of County Commissioners and County Officials	II
Wake County Finance Department	III
Table of Contents	IV
Organization Chart	VII
Letter of Transmittal	IX
GFOA Certificate of Achievement for Excellence in Financial Reporting	XV

FINANCIAL SECTION:

Report of Independent Auditor	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	20
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds	23
Reconciliation of Balance Sheet to Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	26
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General Fund	29
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Major Facilities Fund	30
Statement of Net Position – Proprietary Funds	31
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	32
Statement of Cash Flows – Proprietary Funds	33
Statement of Fiduciary Net Position	35
Statements of Changes in Fiduciary Net Position – Fiduciary Funds	36
Notes to the Financial Statements	37
Required Supplementary Information:	
Required Supplementary Information-Law Enforcement Officers' Special Separation Allowance	75
Required Supplementary Information-Other Post-employment Benefits	76
General Fund:	
Comparative Balance Sheets	77
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	78
Statement of Revenues, Expenditures and Changes in Fund Balance - Detailed Budget and Actual	79

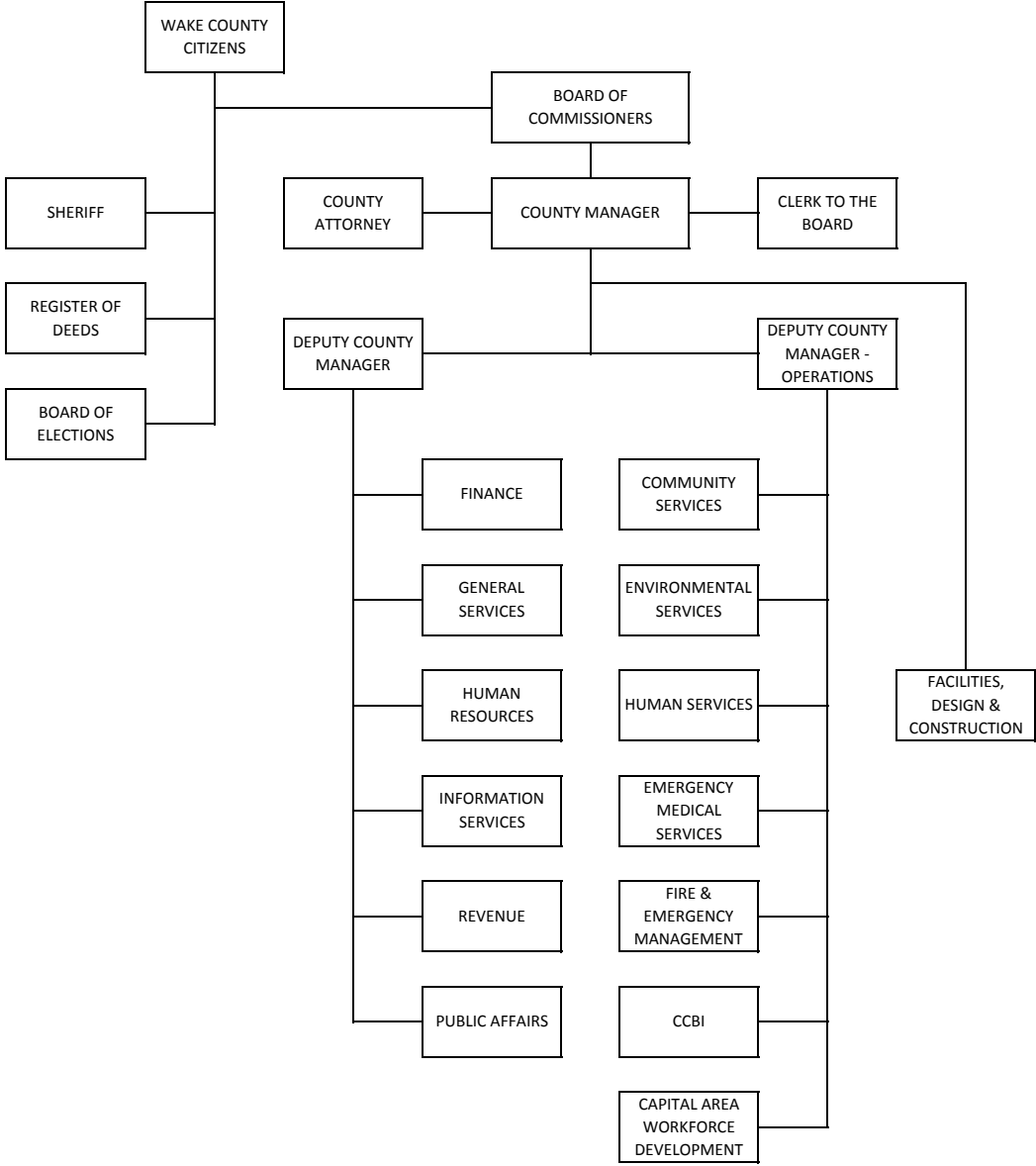
Schedules of Revenues, Expenditures and Changes in Fund Balances – Major Governmental Funds:	
Affordable Housing Fund, from Inception	86
Major Facilities Fund, Budget and Actual	87
Debt Service Fund, Budget and Actual	88
County Capital Projects Fund, from Inception	89
School Capital Fund, from Inception	90
Wake Community College Capital Projects Fund, from Inception	91
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	93
Combining Balance Sheet – Nonmajor Special Revenue Funds	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	95
Combining Balance Sheet – Nonmajor Capital Project Funds	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	97
Schedules of Revenues, Expenditures and Changes in Fund Balances	
Grants Fund, from Inception	98
Capital Area Workforce Development Fund, from Inception	99
Fire Tax District Fund, Budget and Actual	100
Fire Capital Project Fund, from Inception	101
Major Facilities Capital Trust Fund, from Inception	102
Budgetary Combining Balance Sheet, Solid Waste Operating and Capital Project Funds (Non-GAAP)	103
Solid Waste Operating Fund, Budget and Actual	104
Solid Waste Construction Fund, from Inception	106
Budgetary Combining Balance Sheet, South Wake Landfill Partnership Fund (Non-GAAP)	107
South Wake Landfill Partnership Fund, Budget and Actual	108
Budgetary Balance Sheet, Corporate Fleet Fund (Non-GAAP)	109
Corporate Fleet Fund, Budget and Actual	110
Agency Funds:	
Combining Statement of Changes in Assets and Liabilities	111
Capital Assets:	
Schedule of Governmental Capital Assets by Function and Category	113
General Obligation Indebtedness:	
Schedule of Changes in Governmental Long-term Debt	114
Schedule of Long-Term Debt Maturities and Annual Debt	
Service Requirements for Governmental Activities	115

STATISTICAL SECTION:

Table 1 – Net Position by Component – Last Ten Fiscal Years	116
Table 2 – Changes in Net Position – Last Ten Fiscal Years	117
Table 3 – Fund Balance of Governmental Funds	
Last Ten Fiscal Years	119
Table 4 – Changes in Fund Balance of Governmental Funds	
Last Ten Fiscal Years	120
Table 5 – Assessed Value and Actual Value of Taxable Property	
Last Ten Fiscal Years	121

Table 6 – Direct and Overlapping Property Tax Rates	
Last Ten Fiscal Years	122
Table 7 – Principal Property Tax Payers	
Current Year and Nine Years Ago	123
Table 8 – Property Tax Levies and Collections	
Last Ten Fiscal Years	124
Table 9 – Schedule of Ad Valorem Taxes Receivable	125
Table 10 – Analysis of Current Tax Levy – Countywide Levy	126
Table 11 – Ratios of Outstanding Debt by Type	
Last Ten Fiscal Years	127
Table 12 – Ratios of General Bonded Debt Outstanding	
Last Ten Fiscal Years	128
Table 13 – Direct and Overlapping Governmental Activities Debt	129
Table 14 – Legal Debt Margin Information	
Last Ten Fiscal Years	130
Table 15 – Demographic and Economic Statistics	
Last Ten Fiscal Years	131
Table 16 – Principal Employers – Current Year and Nine Years Ago	132
Table 17 – Full-time Equivalent County Government Employees by Function	
Last Ten Fiscal Years	133
Table 18 – Operating Indicators by Function	
Last Ten Fiscal Years	134
Table 19 – Capital Asset Statistics by Function	
Last Ten Fiscal Years	135

WAKE COUNTY ORGANIZATION CHART





November 25, 2013

Residents of Wake County
The Honorable Members of the Board of County
Commissioners
Wake County, North Carolina

Continuing Wake County's history as a county of fiscal strength and stability is a primary goal of the Wake County Board of Commissioners. This Comprehensive Annual Financial Report (financial statements) of Wake County, North Carolina, for the fiscal year ended June 30, 2013, reflects the achievement of that goal. Each year this document is prepared to provide details about how the County receives, spends and accounts for its money, as well as key indicators of its financial strength. The County's Finance Department prepares the financial statements and assumes all responsibility for the accuracy of the data, the completeness and fairness of the presentation, and all disclosures. Wake County officials believe the data and presentation are fair and accurate, and that everything necessary is included in this document to gain an understanding of the County's financial activities over the last fiscal year.

Wake County Government's financial statements have been audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with generally accepted accounting principles. The report of independent auditor is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special

needs of federal grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements. This is to be done with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

Wake County is required to present a Management's Discussion and Analysis (MD&A) section as an introduction to the financial information. This section immediately follows the auditor's opinion and provides an overview and analysis of the County's significant transactions in fiscal year 2013, to aid readers in understanding the financial impact and the relationship to the financial statements and schedules provided. This letter of transmittal is written to complement the MD&A.

FINANCIAL REPORTING ENTITY

The financial statements include all funds of Wake County, including all activities considered to be part of (controlled by or dependent on) the County. Control by, or dependence on, the County was determined in accordance with the criteria established by the Governmental Accounting Standards Board (GASB) and included in the GASB's guidance in defining the governmental reporting entity.

The financial reporting entity includes all funds of Wake County, as well as its component units. Component units are legally separate entities for which Wake County is financially accountable.

Proprietary funds are used to account for a government's continuing business-type organizations and activities. The Wake County Board of Alcoholic Beverage Control is a component unit of Wake County and is presented as a proprietary fund. Most of the generally accepted accounting principles of proprietary funds are those applicable to similar private businesses.

PROFILE OF WAKE COUNTY

Each year, thousands of people continue to move to Wake County to establish roots in one of the most desirable areas in the nation. Due to a combination of positive quality of life factors and abundant employment opportunities, Wake County is continually highlighted in the pages of national publications as one of the best places to call home. Some of those accolades include:

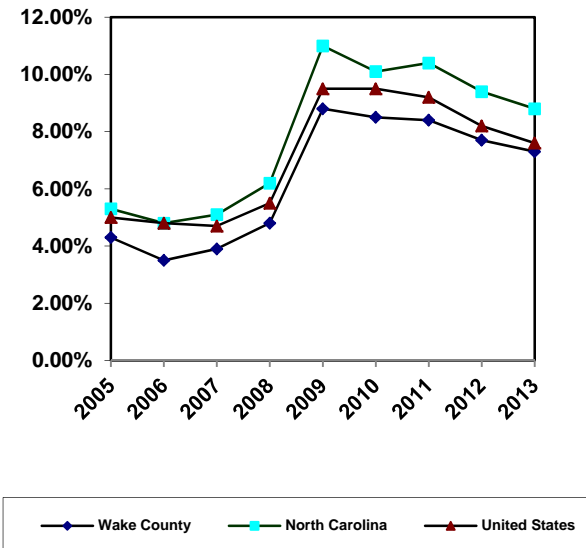
- **#9 Best City to Raise a Family in America** (Raleigh, NC) Movoto, May 2013
- **#8 Largest Increase in Jobs from 2011-2012** (Raleigh-Cary, NC) U.S. Bureau of Labor Statistics May 2013
- **#3 American Boomtown** (Raleigh-Cary, NC) Bloomberg, April 2013
- **#10 City for Business Growth in 2012** (Raleigh, NC) Marketwatch/The Wall Street Journal, April 2013
- **#2 Safest Major Metro in the U.S.** (Raleigh-Cary, NC) Gallup, April 2013
- **#1 Healthiest County in NC** (Wake County, NC) CountyHealthRankings.org, March 2013
- **#1 Fastest Growing City in the U.S.** (Raleigh, NC) Forbes, March 2013
- **#6 U.S. Destination for a Value Vacation** (Raleigh, NC) Hotwire, March 2013
- **#2 Place to Start a Business in 2013** (Raleigh, NC) National Federation of Independent Business, February 2013
- **#5 America's New Tech Hot Spots** (Raleigh-Cary, NC) Forbes, January 2013

Wake County is the second-most populous county in the state, and poised to reach one million residents in 2015. Its 12 municipalities include Raleigh, the county seat and state capital. A mix of urban and rural areas and small towns distinguishes Wake from other counties and provides something for

every lifestyle. Located in the north central section of the state on the Piedmont Plateau, Wake County is on a major industrial corridor approximately halfway between Washington, D.C., and Atlanta. North Carolina's beautiful mountains and serene beaches are each within easy driving distance. The County's topography is characterized by low, rolling hills in the northwest, changing gradually to level land in the southeast. The location, geography and climate make Wake County an enjoyable place to live, work, learn and play, while also contributing significantly to the economic viability of the region.

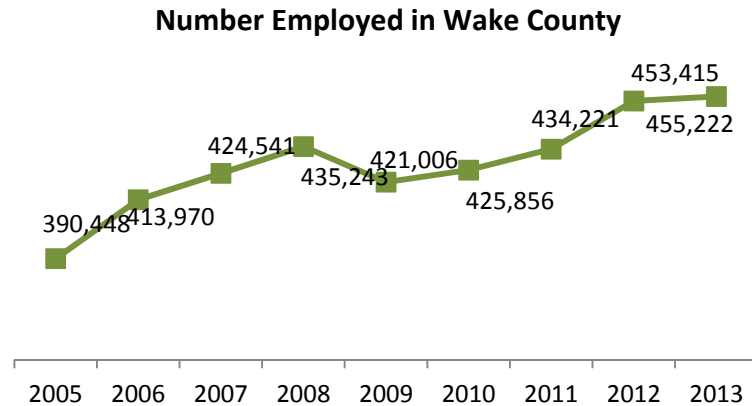
FACTORS AFFECTING FINANCIAL CONDITION

Unemployment Rates



On June 30, 2013, the unemployment rate was 7.3%, compared with 8.8% for the state and 7.6% for the nation. Even with a growing population, Wake County has seen improvement in the unemployment rate, which continues to decline, and is at a rate below the state and the country.

Job Growth



Job growth has been strong. The number of jobs in Wake County has been increasing with job announcements for Citrix, IPreo, Allscripts. MetLife's plan to bring 2,600 high-paying jobs by 2015 demonstrates our ability to continue attracting major businesses and grow jobs in Wake County.

Economic Diversity

The County's economic profile is a mixture of manufacturing, service industries, health care, educational institutions, and State and local government. The principal executive, judicial and regulatory offices of State government and other State institutions are located in the County. Further, light manufacturing of telecommunications equipment, pharmaceuticals, electrical and machine parts, and electronic components contribute to a diversified economic base. The County is also a regional wholesale and retail trade center.

Major highlights of the County's commercial, industrial and institutional profile include:

- The Research Triangle Park (the "*RTP*"), a nationally recognized center for research and light manufacturing, is partially located in the County. The RTP's primary objective is to attract research-related institutions to the area, and currently consists of approximately 170 organizations including International Business Machines Corporation, GlaxoSmithKline, Cisco Systems, RTI International, Fidelity Investments, National Institute of Environmental Health Sciences, United States Environmental Protection Agency, Biogen IDEC and NetApp. The organizations in the RTP employ an estimated 39,000 employees. Source: Research Triangle Foundation of North Carolina website.
- Six public and private institutions of higher education are located within the County, including North Carolina State University (the "*University*") in Raleigh. The University has an enrollment of over 34,000 students and is engaged in graduate and undergraduate education, research and extension programs. It employs approximately 8,000 employees. The University's unique research park, Centennial Campus, hosts more than 60 companies, government agencies and research and academic units.
- The County is also home to Wake Technical Community College ("*Wake Tech*"), which is part of the North Carolina Community College System. The mission of Wake Tech is to provide education and training for the workforce. Calendar year 2012 enrollment at Wake Tech was 29,189 students in curriculum education and 41,329 students in continuing education, totaling 70,518 students.
- Three acute care hospital systems are located in the County and employ over 13,000 employees. Source: 2013 State Medical Facilities Plan; Department of Health and Human Services website, February 2013.
- The County's population is highly educated. According to the U.S. Census Bureau, in 2011 the percentage of the County's adult population with a high school degree or higher was 91% and the

percentage of the County's adult population with a B.A. degree or higher was 47%. Source: U.S. Census Bureau American Community Survey, U.S. Census website, December 2012.

Long-Term Planning

Like most counties and local governments throughout the U.S., Wake County is still experiencing the effects of a slower economy. However, the County continues to maintain a lower unemployment rate than the state and the nation, as well as its commitment to fiscal responsibility as the County determines how to best move forward on long-term planning projects. Wake County continues to work with its Economic Development Commission and contracts with the Greater Raleigh Chamber of Commerce to promote economic development throughout the County.

The County's economic development efforts are helping to keep the economy stable by continuing to bring new high-paying jobs, millions of dollars in investments and strong corporate citizens with global impact to Wake County.

On July 1, 2013, the Wake County Justice Center was officially open; however, some of the services in the Justice Center began operations in June 2013. The Justice Center is 577,000 square-feet and provides public meeting space for the Board of Commissioners and administrative space for the County Manager, County Attorney, Finance, Budget, Register of Deeds, Revenue/Assessor and other support functions. The high rise building has 19 new courtrooms and associated support spaces, with the capacity to add four additional courtrooms in the future. It houses all of Wake County's criminal courtrooms. Civil and Family Court proceedings continue to be held in the existing courthouse.

Wake County, along with many stakeholders and partners, is working to improve behavioral health care for residents with mental health, intellectual/developmental disabilities and substance abuse needs. Recent changes in state law required changes to the management of behavioral health funds and the provision of services. As a result, Wake worked with Durham County to create Alliance Behavioral Healthcare (Alliance), a multi-county managed care organization serving Wake, Durham, Johnston and Cumberland counties. Additionally, Wake County and Alliance divested outpatient behavioral health services to community partners. The

goals of the process were to strengthen essential services, address service gaps and optimize community resources while ensuring continuity of care for consumers. Wake County also transitioned services at the WakeBrook Campus to UNC Health Care (UNCHC). This collaboration will enhance existing programs at the Addiction Treatment Center and Crisis and Assessment Centers to offer services to residents with higher level clinical needs. UNCHC will open a new 16-bed inpatient psychiatric program in Fiscal Year 2014.

In November 2012, Wake County voters approved \$200 million in bonds for Wake Technical Community College for new facilities and renovations to existing facilities to keep pace with student growth. These bonds, in addition to \$10.2 million in cash, will support Wake Tech's \$210.2 million building program. Of the \$200 million of approved bonds, the County issued \$104.25 million in support of the building program in spring 2013.

The bonds will be used toward:

- Northern Wake Campus: Construction of a general education classroom building to open in 2016
- Northern Wake Campus: Construction of a health sciences building to open in 2017
- Northern Wake Campus: Construction of an information technology and business-focused building to open in 2017
- Public Safety Education Center: Construction of Phase 3 to focus on police, fire and EMS training, to open in 2015
- RTP Campus: Construction of the first two classroom buildings, focused on information technology analytics, biotechnology and general education, to open in 2017

Community Improvement Plan

The primary goal of the Community Improvement Plan (CIP) is to ensure that the County is investing in infrastructure for a growing community and that quality services continue to be delivered to Wake County citizens in a timely and efficient manner. The County ensures effective and efficient service delivery through investments in renovations and new capital improvements that preserve the integrity of facilities, maintain the quality of current capital assets, and provide new services when needed.

In June 2012, Commissioners adopted a seven-year, \$551.3 million CIP for fiscal years 2013-19 in connection with Wake County's capital planning.

The current CIP totals \$551.3 million of initiatives to improve the capital infrastructure of the County, of which \$220.7 million is dedicated to community college facilities. The remaining funds would be invested in several areas of capital need, including criminal justice (\$18.1 million), County building improvements (\$27.2 million), fire/rescue (\$23.0 million), economic development (\$13.2 million), open space (\$24.6 million), solid waste operations (\$20.7 million), investments in libraries (\$44.7 million), public safety (\$48.6 million), and automation (\$49.2 million). The entire FY2013-19 CIP document can be viewed within the FY13 Budget Document at <http://www.wakegov.com/budget>.

Wake County's capital funding program leverages debt financing to expand the County's ability to support capital projects. The County's triple-A bond rating from all three rating agencies allows the County to receive lower interest rates on debt issued for capital expenditures. Two fundamental strategies are key to the success of the program: 1) dedicating a funding stream specifically to capital, and 2) maintaining a financing ratio of 80% debt and 20% cash. Dedicating annual revenue streams for a capital program requires a great deal of fiscal discipline. It also is essential for the success of the long-term capital program and to deliver quality services to the current and future residents of Wake County. This means setting aside a percentage of the property and sales tax proceeds each year to fund current and future capital payments. The dedicated stream of revenue is critical to the integrity of the debt and capital financial model, as it ensures that funds are available to pay for additional debt service payments. Funding is set aside each year in the debt service fund as it is incurred in the future years of the CIP planning period. This strategy was a key component of bond referenda for schools, jail facilities, and open space passed in 2000. This key policy has continued as voters have approved additional referenda for schools in 2003, 2006, and fall 2013 referenda for Wake Technical Community College in 2004, 2007, and 2012, for Libraries in 2003 and 2007, and Open Space in 2003 and 2007.

At present, the two primary funding sources for the CIP are dedicated property tax revenue (policy to fund at 15.50 cents) and a percentage of the sales tax receipts to the capital program. The sales tax percentage is based upon legislation codified in the North Carolina General Statutes.

Property Tax Revenues: One of the most significant aspects of the financial model is the commitment to dedicate a portion of the property tax to capital investments. This means that a percentage of the property tax revenues is specifically dedicated to debt service payments and pay-as-you-go funding as needed throughout the seven-year plan. As the largest single source of revenues for the County, the dedication of property tax revenues represents a critical contribution to maintaining the integrity of the capital program.

Sales Tax Revenues: Wake County continues to contribute a portion of sales tax revenues for school capital expenditures as outlined in the state statutes. N.C. General Statute 105, Articles 40 and 42, require that 30 percent and 60 percent of the receipts from sales taxes (authorized by the respective Articles) be used for either public school capital outlays or for servicing county debt incurred for school purposes.

Other funding sources used in the County's CIP are as follows: transfers from other funds, such as the Fire Tax Fund and Major Facilities Fund, investment earnings, and fund balance appropriations.

OTHER ACCOMPLISHMENTS

The County played a key role in securing MetLife's commitment to North Carolina. The company plans to create more than 2,600 jobs by 2015, half of which will be based in Cary. It is the largest job announcement in recent state history.

The Emergency Medical Services (EMS) System celebrated 94 survivors of cardiac arrest in 2012, giving the County the highest cardiac arrest survival rate in the United States. More ambulances are on roads at peak times to ensure the EMS system will continue to respond quickly to emergency calls in a growing county.

The Raleigh/Wake City-County Bureau of Identification (CCBI) Crime Laboratory received international accreditation by the American Society of Crime Laboratory Directors Laboratory Accrediting Board. CCBI is one of only three local laboratories in the state to receive this international accreditation. The accreditation shows that the lab meets the highest standards for doing business and provides extremely accurate information to law enforcement officers.

Libraries doubled the number of youth programs and introduced two initiatives to help kids prepare for and succeed in school. Every Child Ready to Read educates parents and caregivers on the skills and habits that kids needed for kindergarten. Every Reader Ready to Succeed provides educational and entertaining activities that nurture the love of reading, reinforce literacy skills and encourage creative thinking.

AWARDS AND ACKNOWLEDGMENTS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Wake County for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This marks the 29th consecutive year in which the County has received this recognition. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The GFOA award is valid for a period of one year.

Acknowledgments

We appreciate the assistance and dedication of the Finance Department staff throughout the year, especially during the preparation of this document. We would like to thank all members of the department who contributed to its preparation and the County's independent certified public accountants, Cherry Bekaert LLP, for their assistance. The cooperation of each County department is appreciated as we work together to conduct the County's financial operations. We also express our appreciation to the members of the Wake County Board of Commissioners for their continued support, guidance and advice in planning and conducting the financial activities of the County in a responsible and progressive manner. The County's excellent financial status is a tribute to that involvement.

Respectfully submitted,

David Cooke

David Cooke
County Manager

Susan McCullen

Susan McCullen, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Wake County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Report of Independent Auditor

Board of County Commissioners
Wake County, North Carolina
Raleigh, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Wake County, North Carolina, (the "County") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wake County ABC Board (the "Board"). Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the Board, is based solely on the report of the other auditors. 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 *Governmental Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Board were not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures

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

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

Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2013, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Major Facilities Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Correction of Errors

As described in Note 24 to the financial statements, the County recorded adjustments to prior period ending net position. Our opinion is not modified with respect to these matters.

Change in Accounting Principle

As discussed in Note 23 to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective July 1, 2012.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information as listed in the Table of Contents be presented

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Introductory Section, General Fund, Schedules of Revenues and Changes in Fund Balances – Major Governmental Funds, Combining and Individual Fund Statements and Schedules, Schedules of Revenues, Expenditures and Changes in Fund Balances, Agency Funds, Capital Assets, General Obligation Indebtedness, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, excluding the Introductory and Statistical Sections, have 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, based on our audit, the procedures performed as described above, and the report of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cherry Bekasert LHP". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
November 25, 2013

WAKE COUNTY, NORTH CAROLINA MANAGEMENT’S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2013

As the management of Wake County, North Carolina, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2013. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages **IX – XIV** in the Introduction section of this report.

Financial Highlights for Wake County, North Carolina:

The County distinguishes itself by its strong financial management. In 2008 and throughout the recent recession, growth in the tax base was minimal and revenues declined year to year. In response to the downturn, the County froze hiring, postponed capital projects, and reduced spending in County government. As a result, the County weathered the economic downturn while maintaining its strong financial position. The local economy is steadily improving with increased real estate activity and new job announcements. The County is experiencing positive trends in significant revenues of property and sales taxes and continues strong financial management practices, funding key priorities of education and public safety while adhering to its financial policies. In the year ended June 30, 2013, the County achieved savings in departmental budgets, experienced continued growth in property tax and sales tax collections, and added over \$20 million to its combined general fund and debt service fund balances. In addition, to meet the needs of a growing community, the County began to implement new investments in capital infrastructure.

The County has maintained an “Aaa” bond rating from Moody’s Investors Service since 1973, an “AAA” rating from Standard & Poor’s Rating Services since 1983, and an “AAA” rating from Fitch since 2000. These bond ratings are clear indications of the sound financial condition of the County. The County is one of the few counties in the country that maintains the highest financial rating from all three major rating agencies. This achievement is a key factor in allowing the County to receive lower interest rates on debt issued for capital expenditures, reducing the costs to taxpayers. These ratings were reaffirmed most recently in April 2013.

Wake County maintains a seven-year Community Improvement Plan (CIP) developed within the context of debt policies and targets necessary to maintain its triple-A bond rating from all three rating agencies. Capital projects are funded through dedicated revenue sources and the County targets a guideline of cash and debt funding of no more than 80 percent debt in any given year. The County models forecast revenues and expenditures to assure that the dedicated portions of property and sales tax revenues are sufficient for funding of planned capital projects and debt service requirements. The County’s repayment schedule meets the standards of triple-A rated counties and adheres to a policy to maintain a minimum Debt Service Fund balance of 19 percent of the subsequent year’s debt service expenditures.

The County measures its financial health and flexibility to meet operating needs as a ratio of fund balance as a percentage of expenditures, transferring significant resources from its General Fund into the Debt Service Fund to meet those future commitments. As a result, the combined General Fund and Debt Service Fund balances are measured together to assess the County's overall fiscal health. At the end of the 2013 fiscal year, the fund balances for the County's General Fund and the Debt Service Fund were \$196.3 million and \$169.0 million, respectively; compared with both funds reporting fund balances of \$175.7 million and \$169.3 million respectively in the prior fiscal year. The total fund balances of both funds compared as a percentage of the subsequent year's budgeted appropriations in both funds was 29.80% as of the end of fiscal year 2013, compared with a combined total of 35.02% as of the end of the 2012 fiscal year. The percentage decrease is a result of both the General Fund and the Debt Service Fund budgets increasing by \$44.3 million and \$25 million, respectively, between fiscal year 2013 and the prior year. Thus, this percentage decreased despite the combined fund balances of these two funds increasing by more than \$20 million.

The County uses a long-term financial planning model for capital budgeting purposes. The capital and debt component of the model help evaluate the impact of capital funding decisions on the County's financial condition and to ensure policy targets are maintained. In accordance with its financial model, the County allocates a portion of property taxes specifically for debt service and cash funding for its capital program. The tax rate for fiscal year 2013 was 53.4 cents, of which, 15.5 cents are dedicated to capital and debt service. For the fiscal year 2013, the County transferred \$187.7 million from the General Fund to fund the debt service and \$25.4 million to fund the capital projects. In fiscal year 2013 and in the months thereafter, two significant capital programs, funded by new debt issuances were implemented for Wake Technical Community College (Wake Tech) and the Wake County Public School System (WCPSS).

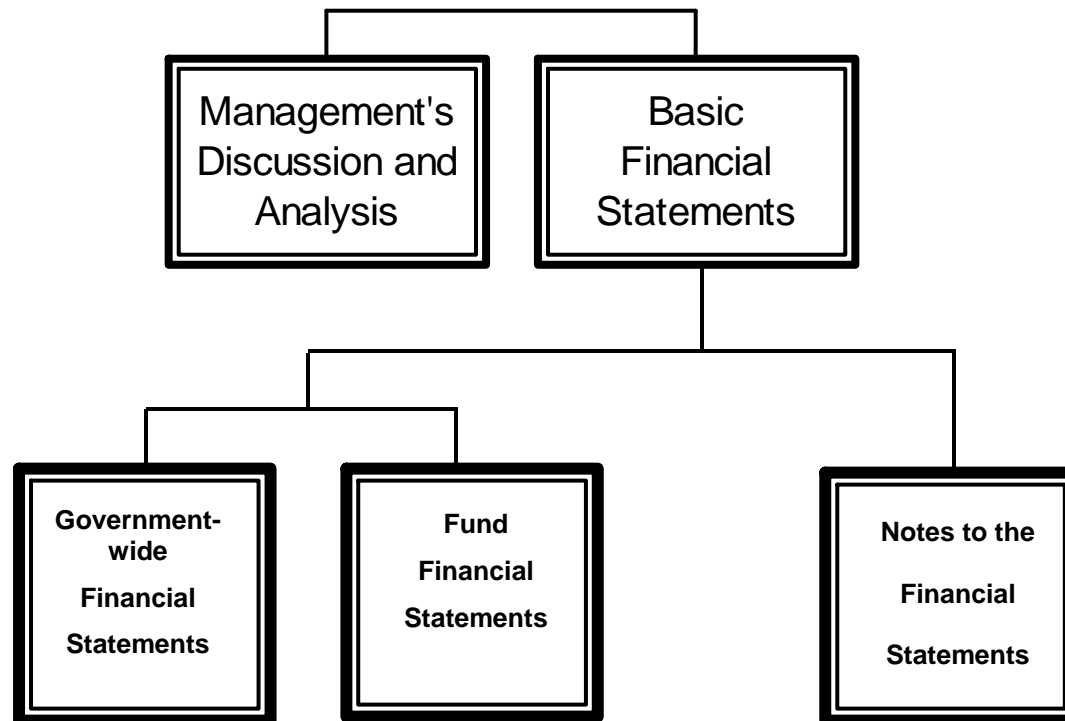
In November 2012, Wake County voters authorized \$200 million of general obligation bonds that, when combined with \$10.2 million of cash funding, will support Wake Technical Community College's 2012 Building Program. In April 2013, the County issued \$104.25 million in general obligation bonds that were authorized by the November 2012 referendum. These proceeds will be used for projects at the Wake Tech Northern Campus, the Main Campus, as well as at the Wake Tech Public Safety Center. In April 2013, the County sold \$21 million of Open Space general obligation bonds; this sale completed the issuance of the \$50 million of Open Space general obligation bonds authorized by the voters in the October 2007 referendum. Also in April 2013, Wake County competitively bid and sold \$51.16 million in fixed-rate general obligation bonds using the County's two-thirds authorization statutory authority under North Carolina state law. These funds will be used to construct the Vernon Malone College and Career Academy and for initial expenses associated with the Wake County Public School System's (WCPSS) 2013 building program.

On June 4, 2013, the WCPSS adopted a resolution requesting and petitioning the County Board of Commissioners to take all necessary steps by the issuance of bonds or otherwise to provide funding for WCPSS capital projects. The School System proposed a \$983.754 million program, comprised of \$43.8 million of current funds and \$939.9 of new capital funding. The County elected to finance the School System's request by a combination of \$129.9 million of cash and \$810.0 million of general obligation bonds. The bond order was adopted by the Wake County Board of Commissioners on July 15, 2013. The anticipated tax impact of the overall school building program is 5.53 cents; 4.86 cents is required for debt and capital needs and 0.67 cents is required to cover the operating impact of additional WCPSS facilities. With the

approval of the general obligation bonds referendum by Wake County voters on October 8, 2013, the County is currently planning the future bond issues in support of WCPSS' capital program with the first school bond issue anticipated in August 2014.

Overview of the Financial Statements:

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



Basic Financial Statements

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

The two government-wide statements report the County's net position and how it has changed. Net position, which is reported on the *statement of net position*, is calculated as total assets plus deferred outflows of resources, less total liabilities and deferred inflows of resources. *The statement of activities* presents information showing how the County's net position has changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The two government-wide statements are each divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as education, human services, public safety, environmental services, community development and cultural services, and general government services. Property and other taxes as well as state and federal grant funds finance most of these activities. The business-type activities are services the County charges customers to provide. For Wake County, only the Solid Waste function is reported as a business-type activity. The final category is the component units. Although the ABC Board is legally separate from the County, the County exercises control over the Board by appointing its members and because the Board is required to distribute its profits to the County.

The government-wide financial statements are on Pages **20 - 22** of this report.

The next statements within the basic financial statements are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government at a more detailed level than the government-wide statements. There are four parts to the fund financial statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The **fund financial statements** provide a more detailed look at the County's 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 County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. Governmental funds financial statements focus on the near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources

available at the end of the fiscal year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a current financial resources focus. 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 **Budgetary Comparison Statements** are the next part of the fund financial statements that is presented. The County adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County has provided 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 Statement of Revenues, Expenditures and Changes in Fund Balance. 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 variance between the final budget and the actual results. The County's Major Facilities Fund is also included with the basic financial statements as an annually-budgeted major special revenue fund.

Proprietary Funds – For the fiscal year ended June 30, 2013, the County had three proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for solid waste operations that are County funded as well as the South Wake Landfill Partnership Fund that accounts for the activities associated with the South Wake landfill that is a partnership between the County and eleven municipalities within the County. The enterprise funds are consolidated into the business-type activities that are presented in the Statement of Net Assets and the Statement of Activities. *Internal service funds* are used to account for goods or services provided to one department by another on a cost reimbursement basis. The County also reports the activities associated with the Corporate Fleet Fund within an Internal Service Fund. Because Corporate Fleet Fund activities are primarily related to governmental activities, it is consolidated primarily into the governmental activities that are presented in the Statement of Net Position and the Statement of Activities.

Agency Funds – Agency funds are used to account for assets the County holds on behalf of others. Wake County has four agency funds that are used to account for taxes collected for and remitted to other municipalities within the County, funds held by Wake County Human Services on behalf of clients, the Department of Motor Vehicles interest penalties collected on behalf of the State, and fines and forfeitures that are collected from citizens and disbursed to the School System under North Carolina law.

The final section of the basic financial statements is the **notes to the financial statements**. The notes are essential to a full understanding of the data provided in the government-wide and fund financial statements because they explain in detail some of the data contained in those statements.

After the notes, this report presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to law enforcement personnel and other post-employment benefits to employees. Finally, combining statements are provided to show details about the County's non-major governmental funds, as well as enterprise funds. Budgetary information for each fund as required by the North Carolina General Statutes and detailed comparison statements, including encumbrances reported for internal reporting purposes for the County's General Fund and annually budgeted funds, can also be found in this section.

Government-wide Financial Analysis:

The County's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$705.2 million as of June 30, 2013. Net position is reported in three general categories: net investment in capital assets of \$494.7 million, restricted amounts totaling \$193.3 million, and unrestricted net deficit of \$(1,393.2) million.

One portion of Wake County's net position reflects its investment in capital assets (e.g., land, buildings, vehicles, and equipment); less any related debt still outstanding that was issued to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The amount reported as invested in total capital assets decreased from \$514.7 million as restated in the prior year to \$494.7 million at June 30, 2013. The largest portion of the decrease relates to the County's governmental activities. The County's school-related debt is not included in this calculation as it is not considered capital related debt for Wake County.

The largest category of net position is unrestricted net position. This balance may be used to meet the government's ongoing obligations to citizens and creditors. At June 30, 2013, the unrestricted deficit of \$1,393.2 million is attributable primarily to the general obligation bonds issued by Wake County for the school system within the governmental activities. Even though the debt issued has been issued to finance capital outlay and construction for the School System, the Governmental Accounting Standards Board has determined that it is not capital debt for the County since it is not financing capital assets that are owned by the County. As a result, the school debt is reportable within the unrestricted category of net position rather than as part of the category invested in capital assets. The breakdown of the unrestricted portion of the total net position, reduced by school bond proceeds on hand at June 30 is defined as follows:

School System Debt	\$ (1,490,731,144)
All other unrestricted	<u>97,574,134</u>
Total unrestricted (Deficit)	<u>\$ (1,393,157,010)</u>

The amount reported in the total unrestricted category improved from \$(1,469.6) million as restated as of June 30, 2012 to \$(1,393.2) million as of June 30, 2013. This improvement is partially the result of decreases in School Capital Fund expenses, required by accounting standards to be treated as operating expenses, which decreased from \$135.0 million during fiscal year 2012 to \$77.2 million during fiscal year 2013. School-related debt, and the associated capital expenses, is not considered capital debt for the County since the School System, not the County, holds title to the assets purchased or constructed with the debt proceeds. Therefore, the debt, the capital expenses, and the associated bond proceeds are reported as part of the unrestricted component net position.

Wake County's Net Position:

	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	Governmental	Governmental	Business-type	Business-type	Total	Total
	Activities	Activities	Activities	Activities		
		(as restated)		(as restated)		(as restated)
Current and other assets	\$ 922,636,921	\$ 866,310,925	\$ 54,594,091	\$ 54,099,316	\$ 977,231,012	\$ 920,410,241
Capital assets	865,279,696	826,328,221	13,026,721	13,633,543	878,306,417	839,961,764
Total assets	1,787,916,617	1,692,639,146	67,620,812	67,732,859	1,855,537,429	1,760,372,005
Deferred outflows of resources	64,942	128,531	-	-	64,942	128,531
Long-term liabilities/schools	1,641,549,119	1,693,249,642	-	-	1,641,549,119	1,693,249,642
Long-term liabilities/other	729,103,574	618,368,563	20,750,901	18,640,244	749,854,475	637,008,807
Other liabilities	97,100,778	107,503,544	3,060,487	4,201,497	100,161,265	111,705,041
Total liabilities	2,467,753,471	2,419,121,749	23,811,388	22,841,741	2,491,564,859	2,441,963,490
Deferred inflows of resources	69,279,646	75,124,872	380	380	69,280,026	75,125,252
Net position:						
Invested in capital assets	481,647,900	501,015,238	13,026,721	13,633,543	494,674,621	514,648,781
Restricted/various	188,697,751	194,344,857	4,542,124	4,034,015	193,239,875	198,378,872
Unrestricted	(1,419,397,209)	(1,496,839,039)	26,240,199	27,223,180	(1,393,157,010)	(1,469,615,859)
Total net position	\$ (749,051,558)	\$ (801,478,944)	\$ 43,809,044	\$ 44,890,738	\$ (705,242,514)	\$ (756,588,206)

Because the County funds the school capital needs but does not carry the resulting assets on our financial statements, we report a net deficit on our statement of net assets. In spite of this deficit reported in governmental activities, the County's finances are strong as evidenced by:

- Continued diligence in the collection of property taxes by maintaining an overall collection percentage of 99.11%.
- Planning and management of revenues and expenditures through the use of financial models for the capital, debt service, and various operating budgets.
- Continued low cost of bonded debt that is a direct result of the County's high bond rating by each of the three major rating agencies. General obligation bonds provide the County the lowest cost of debt to the tax payer and the County's triple-A bond rating allows the taxpayers to receive lower interest rates on debt issued for capital expenditures.

Wake County's Changes in Net Position:

	For the Year Ended		For the Year Ended		For the Year Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	Governmental	Governmental	Business-type	Business-type	Total	Total
	Activities	Activities	Activities	Activities		
		(as restated)		(as restated)		(as restated)
Revenues:						
Program revenues:						
Charges for services	\$ 71,324,932	\$ 76,514,608	\$ 21,836,839	\$ 22,322,650	\$ 93,161,771	\$ 98,837,258
Operating grants and contributions	122,185,756	142,473,712	1,601,437	1,688,916	123,787,193	144,162,628
General revenues:						
Property taxes	675,565,832	666,196,637	-	-	675,565,832	666,196,637
Sales taxes	127,273,310	120,834,877	-	-	127,273,310	120,834,877
Grants and contributions not restricted to specific programs	5,294,595	9,500,462	-	-	5,294,595	9,500,462
Other general revenues	52,648,733	48,663,001	1,312,991	2,140,954	53,961,724	50,803,955
Total revenues	1,054,293,158	1,064,183,297	24,751,267	26,152,520	1,079,044,425	1,090,335,817
Expenses:						
General administration	57,447,794	59,589,399	-	-	57,447,794	59,589,399
Human services	210,045,271	235,191,515	-	-	210,045,271	235,191,515
Education	423,906,638	467,744,519	-	-	423,906,638	467,744,519
Community development and cultural	73,419,595	72,248,767	-	-	73,419,595	72,248,767
Environmental services	8,647,932	8,560,310	-	-	8,647,932	8,560,310
Public safety	139,372,822	143,349,347	-	-	139,372,822	143,349,347
General services administration	23,127,651	21,913,044	-	-	23,127,651	21,913,044
Interest on long-term debt	66,354,069	92,679,977	-	-	66,354,069	92,679,977
Solid waste		-	25,376,961	23,576,133	25,376,961	23,576,133
Total expenses	1,002,321,772	1,101,276,878	25,376,961	23,576,133	1,027,698,733	1,124,853,011
Increase (decrease) in net position before transfers	51,971,386	(37,093,581)	(625,694)	2,576,387	51,345,692	(34,517,194)
Transfers	456,000	404,000	(456,000)	(404,000)	-	-
Change in net position	52,427,386	(36,689,581)	(1,081,694)	2,172,387	51,345,692	(34,517,194)
Net position, beginning of year, restated	(801,478,944)	(764,789,363)	44,890,738	42,718,351	(756,588,206)	(722,071,012)
Net position, end of the year	\$ (749,051,558)	\$ (801,478,944)	\$ 43,809,044	\$ 44,890,738	\$ (705,242,514)	\$ (756,588,206)

Governmental activities. Governmental activities increased the County's beginning net position by \$52.4 million or more than 100% of the total increase in the net position of the County. The increase is partially due to reduced school capital spending compared to the prior year in the school construction program. Since the School System, not the County, capitalizes these construction costs, they are included in the County's statement of changes as operating expenses within the education function. For the fiscal year ended June 30, 2013, these noncapital school capital expenditures incurred by the County in the School Capital Fund totaled \$77.2 million, compared to 135.0 million in the prior year.

Business-type activities. Business-type activities remained consistent between the two fiscal years.

Financial Analysis of the County's Funds:

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's nine major funds, as defined by GAAP for the fiscal year ended June 30, 2013, were the General Fund, the Affordable Housing Fund, the Major Facilities Fund, the Debt Service Fund, the County Capital Projects Fund, the School Capital Fund, the Wake Community College Capital Projects Fund, the Solid Waste Operating Fund, and the South Wake Landfill Partnership Fund, the last two of which are enterprise funds. The Wake Community College Capital Projects Fund was reported with nonmajor capital funds in the prior fiscal year. During the fiscal year ended June 30, 2013, the County issued \$104.2 million in WTCC general obligation bonds, and the increased bond proceeds on hand at year end, as well as the increased level of operations during the year, required the County to define it as a major fund for fiscal year 2013. Since these bonds were issued under an ongoing building program that has been approved by the public, the Wake Community College Capital Projects Fund will probably continue to be reported as a major fund into the foreseeable future.

As of the close of the 2013 fiscal year, the County's total governmental funds reported combined ending fund balances of \$824.5 million, up \$65.0 million from the \$759.5 million for the prior fiscal year. The County's governmental fund balance increased primarily because, during the fiscal year ended June 30, 2013, the County issued a total of \$176.4 million in long-term bonds with \$26.7 million in associated premiums to finance \$77.2 million of capital expenditures for the school system and \$61.8 million of capital expenditures for the County capital program. A total of \$308.9 million of bond proceeds were still on hand at June 30, 2013, compared with \$286.0 million at the end of the prior fiscal year.

The fund balance of the County's General Fund increased by \$20.6 million during the fiscal year ended June 30, 2013, a substantial amount more than the amount of usage planned of (\$1.1) million. The largest portion of the \$21.7 million difference between planned usage of fund balance and the actual increase in the fund balance of the General Fund resulted from property tax, sales tax, and real property tax collections for the year being \$9.3 million higher than expected. In addition, the County collected \$2.2 million more in charges for services revenues than budgeted. These increases in revenues, when combined with positive expenditure budget variances for the general administration and human services departments of \$2.5 million and \$2.3 million, respectively, resulted in the \$20.6 million in the General Fund balance increase.

During the fiscal year, the County divested of the behavioral health function within the Human Services department, transferring these services to Alliance Behavioral Health as required by the State of North Carolina as part of continuing mental health reform. Also in fiscal 2013, the Wake Tech Community College Capital Projects Fund increased by a total amount of \$91.0 million as a result of Wake Tech general obligation bonds of \$104.3 million that were issued during the fiscal year. As of the end of June, \$115 million of the Wake Tech bond proceeds were still on hand from the bonds issued in 2013 and prior issues.

These increases in governmental fund balances were offset by reductions in governmental fund balances of the County Capital Projects Fund and the School Capital Fund of \$20.3 million and \$23.9 million, respectively. In the County Capital Projects Fund, expenditures exceeded transfers in and bonds issued, resulting in a \$20.3 million reduction in fund balance. For the School Capital Fund, the reduction in fund balance resulted primarily from school capital expenditures of \$77.2 million that exceeded general obligation bonds of \$51.2 million by \$26.0 million. A reduction in these funds is planned as appropriations made in prior years may be expended in subsequent years.

These changes in governmental fund balances were all made in accordance with the County's capital improvement plan, which provides for the capital needs for the county, the school system and the community college system by dedicating revenue sources to provide a stable financial model by which the County can meet long-term capital and debt service needs. For the County Capital Project Fund, transfers from the General Fund were \$25.4 million, compared with \$25.6 million in the prior fiscal year. In practice, approximately 14% of the property tax dedicated to debt and capital is used for cash funding of County capital projects. Remaining funds are allocated between debt funding of County, Wake Tech, and WCPSS projects, adhering to the County's policy that the debt service fund will maintain a fund balance that is no less than 19% of the subsequent year's debt service expenditures and that the County will target a guideline of no more than 80% debt in any given year.

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. The General Fund is the chief operating fund of the County. At the end of the 2013 fiscal year, the total fund balance of the General Fund was \$196.3 million, compared with \$175.7 million at the end of the prior year. The Board of County Commissioners has adopted a General Fund balance policy that requires the County to maintain a total General Fund balance of at least fifteen percent (15%) and an amount committed for working capital of at least ten percent (10%) of the following fiscal year's General Fund adopted budget in order to provide the County with adequate working capital and investment income. For the fiscal year ended June 30, 2013, the General Fund balance was 19.97% of the adopted budget for fiscal year 2014, compared with 18.72% at the end of the prior fiscal year. For the fiscal year ended June 30, 2013, the amount committed to working capital on the General Fund Balance Sheet was \$124.0 million or 12.62% of the subsequent year's budget, compared to \$109.6 million or 11.68% of the next year's budget in the prior fiscal year. Clearly, the County solidly met both criteria associated with the adopted fund balance policy during the years presented.

Wake County's General Fund – Fund Balance Analysis:

	June 30, 2013	June 30, 2012	Increase (Decrease)
Non-spendable:			
Inventories/noncurrent receivables	\$ 660,291	\$ 680,079	\$ (19,788)
Restricted:			
Stabilization by State statute	60,378,072	61,577,460	(1,199,388)
Register of deeds automation	339,453	310,538	28,915
Committed:			-
Revaluation reserve	4,093,247	3,468,905	624,342
Future appropriations from excess ABC revenues	6,400,000	-	6,400,000
Working capital	124,040,311	109,629,660	14,410,651
Assigned:			
Planned expenditures	-	31,602	(31,602)
Future insurance claims	400,000	-	400,000
General fund balance	196,311,374	175,698,244	20,613,130
Subsequent Year's Adopted Budget	982,800,000	938,520,000	44,280,000
Fund Balance as a percentage of next year's budget	19.97%	18.72%	1.25%
Working Capital	124,040,311	109,629,660	14,410,651
Working Capital as a percentage of next year's budget	12.62%	11.68%	0.94%

General Fund Budgetary Highlights:

During the fiscal year ended June 30, 2013, the County revised its General Fund 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.

Actual revenues in the General Fund were more than the amounts projected in the final budget by \$14.3 million for fiscal year 2013. The revenue overages occurred primarily in property taxes, sales taxes and real property transfer taxes as the Wake County economy continued to recover from the recent recession. Total taxes were greater than the final budgeted amount by \$9.3 million. A recovering housing market and improved consumer spending increased property tax collections by \$5.9 million more than budgeted and sales taxes more than \$2 million over the final amount budgeted. Actual fiscal year 2013 property tax collections exceeded the adopted budget by \$5.9 million, of which \$2.3 million or 39% is attributable to actual tax base growth over the estimated tax base used to develop the budget at the collection rate of 98.5%. The remaining \$3.6 million or 61% resulted from the actual overall collection rate of 99.11% exceeding the budgeted rate of 98.5%. Real property transfer taxes also showed signs of improvement with a \$1.3 million increase over the amount budgeted for the year.

Actual expenditures and transfers out in the General Fund were \$7.5 million less than budgeted amounts largely resulting from lower than projected spending by all of the County's departments, particularly Human Services and General Administration. In the Human Services department, the \$2.3 million budget difference primarily resulted from contracted services payments to providers for Social Services Economic Self Sufficiency and the coordinated transportation program being less than anticipated. These positive budget variances were offset by overexpenditures associated with the County's divestiture of the Behavioral Health Programs. During the fiscal year, the County divested of the behavioral health function within the Human Services department, transferring these services to Alliance Behavioral Health as required by the State of North Carolina as part of continuing mental health reform. The General Administration departments' budgets were also underspent by a total of \$2.5 million, with the largest amount being attributed to \$0.7 million of budgeted revaluation expenditures. North Carolina General Statutes require that the County build a reserve over time that will provide funding for the revaluation of property taxes that is completed every eight (8) years under NC law. These revaluation reserve amounts will need to be spent in subsequent years as the County prepares to complete that work in fiscal year 2015.

Proprietary Funds:

The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position in the proprietary fund statement of net position for the Solid Waste Operating Fund at the end of the fiscal year amounted to \$26.2 million, an increase of \$.5 million from the \$25.7 million reported at the end of fiscal year 2012. In addition, the South Wake Landfill Fund reported an unrestricted net position of (\$.24) million for the fiscal year 2013, a decrease of \$.5 million from the \$.481 million reported at the end of the prior fiscal year.

Capital Asset and Debt Administration

Wake County Capital Assets (net of Amortization and Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2013	2012 (as restated)	2013	2012 (as restated)	2013	2012 (as restated)
Land	\$ 111,471,138	\$ 110,138,651	\$ 1,875,253	\$ 1,875,253	\$ 113,346,391	\$ 112,013,904
Landfills	-	-	7,781,927	8,226,645	7,781,927	8,226,645
Buildings	267,534,033	271,895,918	738,491	767,654	268,272,524	272,663,572
Machinery and equipment	2,706,361	3,314,414	385,396	530,525	3,091,757	3,844,939
Vehicles and motorized equipment	11,140,781	11,665,952	-	-	11,140,781	11,665,952
Improvements other than Buildings	18,012,943	18,610,167	343,567	357,150	18,356,510	18,967,317
Computer Software	10,774,274	9,978,797	-	-	10,774,274	9,978,797
Infrastructure	10,262,525	11,112,915	-	-	10,262,525	11,112,915
Construction in progress	433,377,641	389,611,407	1,902,087	1,876,316	435,279,728	391,487,723
Total	<u>\$ 865,279,696</u>	<u>\$ 826,328,221</u>	<u>\$ 13,026,721</u>	<u>\$ 13,633,543</u>	<u>\$ 878,306,417</u>	<u>\$ 839,961,764</u>

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2013, totals \$878.3 million (net of amortization and depreciation). These assets include buildings, vehicles, software, equipment, infrastructure, as well as land and landfills.

Major capital asset transactions during 2013 fiscal year included continued construction of the Wake County Justice Center and the continuation of improvements to county buildings.

Additional information on the County's capital assets can be found in Note 6 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2013, the County had total general obligation bonded debt outstanding of \$1.96 billion, \$1.64 billion of which was issued to help meet the capital outlay needs for the School System. In addition to general obligation bonded debt, the County also has outstanding limited obligation bonds, qualified zone academy bonds, capital leases, and installment purchases. A summary of total outstanding debt associated with governmental activities is shown below.

Wake County's Outstanding Debt - Governmental Activities

	2013	2012 (as restated)
General Obligation bonds (schools)	\$ 1,482,086,982	\$ 1,543,606,543
General Obligation bonds (other)	319,238,018	211,263,457
Premiums	177,635,329	168,441,049
Capital leases	81,238	132,027
Limited obligation bonds	285,155,000	297,295,000
Qualified zoning academy bonds (schools)	653,850	817,311
Installment purchases	5,327,348	5,693,721
Total	<u>\$ 2,270,177,765</u>	<u>\$ 2,227,249,108</u>

Wake County's total general obligation debt as restated increased by \$56.4 million during the fiscal year ended June 30, 2013. This increase occurred because the amount of additional general obligation bonds issued by the County of \$176.4 million during the 2013 fiscal year were more than the debt service principal payments and reductions of \$129.6 million paid by the County during the year. All of these changes were made in accordance with the County's long-term capital planning model.

Additional information regarding the County's long-term debt can be found in Note 10 of the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate in the Raleigh-Cary Metropolitan area in which the county is located was 7.3% (percent) at June 30, 2013, compared with 7.7% at the end of the previous fiscal year. Even with a growing population, Wake County has seen an improvement in the unemployment rate, which continues to decline.
- The County has an eight year revaluation cycle for residential property. In the most recent revaluation at January 1, 2008 that was effective for fiscal year 2009, the total assessed value of property in the County continued to increase, although at a slower pace than experienced in the recent past. From fiscal year 2012 through fiscal year 2013, the total assessed value increased from \$120.5 billion to \$122.5 billion, an increase of 1.7%.
- Sales tax collections continued to increase during the fiscal year ended June 30, 2013 to \$127.3 million from \$120.8 million in the prior fiscal year, a 5% increase. Likewise, property tax collections were up for the fiscal year by 1.4% over last year's collections and exceeded the amount budgeted by the County by \$5.9 million. Occupancy and prepared food and beverage taxes collections increased from the 2012 fiscal year by \$2.4 million or 6.6%.
- Wake County continues to grow but at a slower rate than in the recent past, adding an estimated 18,974 during the fiscal year ended June 30, 2013, bringing the population to 965,833 people. The County's school system added 3,586 new children to its public school system rolls, with a total of \$149,508 overall enrolled.
- The average yield on investments was 0.59% for the fiscal year 2013, compared to 1.12% for the fiscal year 2012. As in the prior fiscal years, the County has continued to utilize detailed cash flow planning which has allowed us to keep funds invested until needed for expenditure, maximizing the maturity on our investments and our earnings on our portfolio. The County realized investment earnings on all funds of \$3.58 million for the fiscal year ended June 30, 2013, on an average portfolio balance of more than \$602 million. This compares to 2012 earnings of \$6.5 million on an average portfolio balance of more than \$583 million.
- While the yield on investments continued to fall significantly during fiscal year 2013, this low rate remained partially offset by historically low interest costs for the County's variable rate portfolio. The variable rate is reset weekly by the remarketing agent based on the minimum rate of interest necessary to enable the remarketing agent to remarket all of the weekly rate bonds in the secondary market. The rate ranged from 0.05% to 0.22% during the period July 1, 2012 through June 30, 2013. Lower costs in this portion of the County's portfolio helped offset lower investment earnings because the County's unrestricted interest earnings are budgeted and posted in the Debt Service Fund.

Some of these factors and others were considered when management prepared Wake County's budget ordinance for the 2014 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2014

Governmental Activities: The County approved an original budget of \$982.8 million for the General Fund budget for fiscal year 2014, which represents a \$44.3 million increase over the original budget adopted for the fiscal year 2013 of \$938.5 million. The budget increases within the General Fund of \$44.3 million can be attributed primarily to four different areas; debt and capital, education, public safety, and employee-related costs. The education appropriation increased by \$9.2 million, reflecting a school board increase request of \$8.3 million operating funds and \$.9 million for an administration building lease. Public safety appropriations increased by \$9.1 million to fund a \$1.8 million costs associated with opening a new Justice Center, a \$3.8 million in additional costs within Sheriff's Office, and a \$3.5 million increase in Emergency Medical Services personnel and equipment. Finally, health care, retiree contributions, and other cost increase, some of which were dictated by the state, increased employee related costs budgeted amounts by \$4 million more than the prior year's budget. County employees received a performance pay increase averaging 2.75% of salary levels. These increased appropriations were largely funded with additional property tax revenues of \$20 million; sales taxes of \$11.3 million and increased register of deeds fees of \$7 million over the prior year. The recommended budget for fiscal year 2014 continued to maintain the current tax rate of 53.4 cents per \$100 of valuation and the 2014 original budget did not include any appropriation of fund balance.

Business – type Activities: For the 2014 fiscal year, the County's budgeted amounts were broken out into two funds, the Solid Waste Management Fund and the South Wake Landfill Partnership Fund. The total amount budgeted for business-type activities for fiscal year 2014 is substantially the same as the amount adopted for FY 2013.

Requests for Information

This report is designed to provide a general overview of the County'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 Susan McCullen, Finance Director, Wake County, North Carolina, 301 S. McDowell Street, Raleigh, NC 27601. Additional information concerning Wake County can also be obtained by referring to the County's website at <http://www.wakegov.com>. Copies of financials statements and additional information concerning the Wake County Board of Alcoholic Control, a discretely presented component unit of the County, may be obtained at 1212 Wicker Drive, Raleigh, NC 27604.

Wake County

***Basic
Financial Statements***

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION

As of June 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Board of Alcoholic Control
ASSETS				
Cash and investments - pooled equity	\$ 513,151,173	\$ 31,889,338	\$ 545,040,511	\$ -
Cash and investments - reserved	4,644,938	19,845,485	24,490,423	-
Cash and investments - cash equivalents	1,006,663	750	1,007,413	14,751,990
Taxes receivable (net)	7,089,734	-	7,089,734	-
Accounts receivable (net)	77,777,854	2,802,445	80,580,299	4,808
Loans receivable	4,206,403	-	4,206,403	-
Accrued interest receivable	589,728	64,457	654,185	-
Prepaid items	4,014,450	1,785	4,016,235	-
Internal balances	10,169	(10,169)	-	-
Inventories	576,089	-	576,089	6,752,737
Net pension asset	718,487	-	718,487	-
Restricted assets:				
Cash and investments - cash equivalents with fiscal agent	308,851,233	-	308,851,233	-
Capital assets not being depreciated:				
Land	111,471,138	1,875,253	113,346,391	8,335,386
Construction in progress	433,377,641	1,902,087	435,279,728	-
Capital assets (net of accumulated depreciation):				
Landfills	-	7,781,927	7,781,927	-
Buildings	267,534,033	738,491	268,272,524	7,271,158
Improvements	18,012,943	343,567	18,356,510	142,986
Machinery and equipment	2,706,361	385,396	3,091,757	512,985
Vehicles and motorized equipment	11,140,781	-	11,140,781	16,939
Computer software	10,774,274	-	10,774,274	-
Infrastructure	10,262,525	-	10,262,525	-
Total assets	1,787,916,617	67,620,812	1,855,537,429	37,788,989
DEFERRED OUTFLOWS OF RESOURCES	64,942	-	64,942	-

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION As of June 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Board of Alcoholic Control
LIABILITIES				
Accounts payable and accrued liabilities	\$ 60,175,041	\$ 3,060,487	\$ 63,235,528	\$ 7,869,299
Due to other governmental units	5,429,795	-	5,429,795	-
Unearned revenues	6,806,403	-	6,806,403	-
Accrued interest payable	24,689,539	-	24,689,539	-
Long term liabilities:				
Amounts due within one year:				
Capital leases	40,927	-	40,927	-
General obligation bonds - schools	113,282,981	-	113,282,981	-
General obligation bonds - other	23,167,019	-	23,167,019	-
Limited obligation bonds	12,140,000	-	12,140,000	-
Quality zoning academic bonds	163,461	-	163,461	-
Installment purchases	1,485,227	-	1,485,227	-
Compensated absences payable	9,500,000	52,000	9,552,000	-
Closure/post closure costs	-	575,000	575,000	-
Risk management liabilities	5,184,744	-	5,184,744	-
Amounts due beyond one year:				
Capital leases	40,311	-	40,311	-
General obligation bonds - schools	1,527,612,288	-	1,527,612,288	-
General obligation bonds - other	296,070,999	-	296,070,999	-
Limited obligation bonds	291,842,042	-	291,842,042	-
Quality zoning academic bonds	490,389	-	490,389	-
Installment purchases	3,842,121	-	3,842,121	-
Other post employment benefits	81,959,990	416,121	82,376,111	1,458,573
Compensated absences payable	1,252,254	16,270	1,268,524	-
Construction reserves	-	417,705	417,705	-
Closure/post closure costs	-	19,270,485	19,270,485	-
Risk management liabilities	2,577,940	3,320	2,581,260	-
Total liabilities	2,467,753,471	23,811,388	2,491,564,859	9,327,872
DEFERRED INFLOWS OF RESOURCES				
Prepaid property taxes	3,315,546	380	3,315,926	-
Derivative liability	64,942	-	64,942	-
Unamortized gains on debt refundings	65,899,158	-	65,899,158	-
Total deferred inflows of resources	69,279,646	380	69,280,026	-
NET POSITION				
Net investment in capital assets	481,647,900	13,026,721	494,674,621	16,279,454
Restricted for:				
Stabilization by state statute	186,979,039	2,113,818	189,092,857	-
Register of deeds automation	339,453	-	339,453	-
Housing programs	1,379,259	-	1,379,259	-
White goods	-	2,428,306	2,428,306	-
Working capital	-	-	-	2,801,698
Unrestricted (See Note 1.P)	(1,419,397,209)	26,240,199	(1,393,157,010)	9,379,965
Total net position (deficit)	\$ (749,051,558)	\$ 43,809,044	\$ (705,242,514)	\$ 28,461,117

The notes to the financial statements are an integral part of this statement.

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2013

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Primary Government		Component Unit	
Expenses				Governmental Activities	Business-type Activities	Total	Board of Alcoholic Control
FUNCTIONS/PROGRAMS							
Primary Government:							
Governmental activities:							
General administration	\$ 57,447,794	\$ 7,831,642	\$ 1,883,518	\$ (47,732,634)	\$ -	\$ (47,732,634)	
Human services	210,045,271	21,954,285	103,268,029	(84,822,957)	-	(84,822,957)	
Education	423,906,638	-	15,136,373	(408,770,265)	-	(408,770,265)	
Community development and cultural	73,419,595	4,698,640	577,185	(68,143,770)	-	(68,143,770)	
Environmental services	8,647,932	1,942,165	530,232	(6,175,535)	-	(6,175,535)	
Public safety	139,372,822	32,543,421	782,594	(106,046,807)	-	(106,046,807)	
General services administration	23,127,651	2,354,779	7,825	(20,765,047)	-	(20,765,047)	
Interest on long-term debt	66,354,069	-	-	(66,354,069)	-	(66,354,069)	
Total governmental activities	1,002,321,772	71,324,932	122,185,756	(808,811,084)	-	(808,811,084)	
Business-type activities:							
Solid Waste	25,376,961	21,836,839	1,601,437	-	(1,938,685)	(1,938,685)	
Total primary government	\$ 1,027,698,733	\$ 93,161,771	\$ 123,787,193	(808,811,084)	(1,938,685)	(810,749,769)	
Component unit:							
Board of Alcoholic Control	\$ 72,972,740	\$ 72,844,136	\$ -				\$ (128,604)
General revenues:							
Property taxes				675,565,832	-	675,565,832	-
Sales taxes				127,273,310	-	127,273,310	-
Occupancy and prepared food taxes				38,158,690	-	38,158,690	-
Other taxes				9,916,198	-	9,916,198	-
Grants and contributions not restricted to specific programs				5,294,595	-	5,294,595	-
Unrestricted investment earnings				2,517,197	85,443	2,602,640	11,193
Other				2,056,648	1,227,548	3,284,196	620,467
Total general revenues				860,782,470	1,312,991	862,095,461	631,660
Transfers				456,000	(456,000)	-	-
Total general revenues and transfers				861,238,470	856,991	862,095,461	631,660
Change in net position				52,427,386	(1,081,694)	51,345,692	503,056
Net position (deficit), beginning of year, previously reported				(917,624,319)	43,014,422	(874,609,897)	27,958,061
Restatement of net position (see Note 24)				116,145,375	1,876,316	118,021,691	-
Net position (deficit), beginning of year, restated				(801,478,944)	44,890,738	(756,588,206)	27,958,061
Net position (deficit), end of year				\$ (749,051,558)	\$ 43,809,044	\$ (705,242,514)	\$ 28,461,117

The notes to the financial statements are an integral part of this statement.

WAKE COUNTY, NORTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS As of June 30, 2013

	Major Funds							Nonmajor Funds	Total
	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	Other Governmental Funds	Governmental Funds
ASSETS									
Cash and investments - pooled equity	\$ 176,582,374	\$ 4,451,449	\$ 4,668,846	\$ 122,589,910	\$ 70,923,165	\$ 99,405,191	\$ 7,889,097	\$ 22,596,641	\$ 509,106,673
Cash and investments - cash equivalents	1,006,033	30	600	-	-	-	-	-	1,006,663
Cash and investments - restricted	4,644,938	-	-	39,016,877	21,968,347	132,693,418	115,172,590	-	313,496,170
Taxes receivable (net)	6,849,690	-	-	-	-	-	-	240,044	7,089,734
Accounts receivable (net)	61,004,008	189,739	3,360,189	3,814,011	3,965,174	3,731,838	142,426	1,542,122	77,749,507
Prepaid expenditures	541,186	170,720	-	3,298,469	-	-	-	4,075	4,014,450
Loans receivable	4,000,000	-	-	-	206,403	-	-	-	4,206,403
Accrued interest receivable	11,933	113	6,044	522,362	-	18,035	-	25,797	584,284
Internal balances (interfund receivable)	566,963	-	-	-	-	-	-	-	566,963
Inventories	379,368	-	-	-	-	-	-	-	379,368
Total assets	<u>\$ 255,586,493</u>	<u>\$ 4,812,051</u>	<u>\$ 8,035,679</u>	<u>\$ 169,241,629</u>	<u>\$ 97,063,089</u>	<u>\$ 235,848,482</u>	<u>\$ 123,204,113</u>	<u>\$ 24,408,679</u>	<u>\$ 918,200,215</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 41,435,159	\$ 383,172	\$ 6,698,250	\$ 186,429	\$ 9,404,850	\$ 1,146,569	\$ 2,264,289	\$ 1,742,433	\$ 63,261,151
Due to other governmental units	259,218	-	88	-	-	5,169,592	-	-	5,428,898
Unearned revenue	3,600,000	-	-	-	3,206,403	-	-	-	6,806,403
Internal balances (interfund payable)	-	-	-	-	-	-	-	566,963	566,963
Total liabilities	<u>45,294,377</u>	<u>383,172</u>	<u>6,698,338</u>	<u>186,429</u>	<u>12,611,253</u>	<u>6,316,161</u>	<u>2,264,289</u>	<u>2,309,396</u>	<u>76,063,415</u>
DEFERRED INFLOWS OF RESOURCES	<u>13,980,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,270,177</u>	<u>-</u>	<u>-</u>	<u>385,344</u>	<u>17,636,263</u>

WAKE COUNTY, NORTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS As of June 30, 2013

	Major Funds						Nonmajor Funds	Total Governmental Funds
	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	
Fund Balances:								
Non-spendable:								
Inventories	\$ 379,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379,368
Noncurrent receivable	280,923	-	-	-	-	-	-	280,923
Restricted:								
Stabilization by state statute	60,378,072	3,049,620	1,337,341	7,634,842	13,192,679	97,342,704	142,426	186,043,533
Register of deeds automation	339,453	-	-	-	-	-	-	339,453
Housing programs	-	1,379,259	-	-	-	-	-	1,379,259
Committed:								
Revaluation reserve	4,093,247	-	-	-	-	-	-	4,093,247
Future appropriations from excess local ABC revenues	6,400,000	-	-	-	-	-	-	6,400,000
Working capital	124,040,311	-	-	-	-	-	2,904,480	126,944,791
Assigned:								
Planned expenditures	-	-	-	31,619,016	59,445,049	88,385,082	120,797,398	306,934,871
Future insurance claims	400,000	-	-	-	-	-	-	400,000
Future capital projects	-	-	-	-	8,543,931	43,804,535	-	61,503,750
Debt service	-	-	-	129,801,342	-	-	-	129,801,342
Total Fund Balances	196,311,374	4,428,879	1,337,341	169,055,200	81,181,659	229,532,321	120,939,824	824,500,537
Total liabilities, deferred inflows of resources, and fund balances	\$ 255,586,493	\$ 4,812,051	\$ 8,035,679	\$ 169,241,629	\$ 97,063,089	\$ 235,848,482	\$ 123,204,113	\$ 918,200,215

WAKE COUNTY, NORTH CAROLINA

Reconciliation of the Balance Sheet to the Statement of Net Position As of June 30, 2013

Fund balances - Governmental Funds	\$ 824,500,537
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds less assets related to the Corporate Fleet Internal Service Fund	856,896,894
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	15,039,203
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(2,456,983,697)
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An internal service fund is used by management to charge the costs of fleet to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	<u>11,495,505</u>
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Net position (deficit) of governmental activities	<u><u>\$ (749,051,558)</u></u>
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WAKE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2013

	Major Funds							Total Nonmajor Funds	Total Governmental Funds
	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund		
REVENUES:									
Taxes	\$ 793,285,615	\$ -	\$ 38,158,690	\$ 51,708	\$ 377	\$ -	\$ -	\$ 20,567,456	\$ 852,063,846
Intergovernmental	94,612,804	6,658,047	-	12,964,747	566,781	2,171,627	-	10,505,748	127,479,754
Charges for services	64,535,379	621,063	621,008	-	21,065	-	-	699,152	66,497,667
Fines and forfeitures	-	-	-	-	-	-	-	2,118	2,118
Licenses and permits	4,062,881	-	-	-	-	-	-	-	4,062,881
Investment earnings	10,387	-	15,335	2,422,997	106	23,950	-	42,911	2,515,686
Miscellaneous	1,298,714	-	-	-	6,625	-	-	66,391	1,371,730
Total Revenues	957,805,780	7,279,110	38,795,033	15,439,452	594,954	2,195,577	-	31,883,776	1,053,993,682
EXPENDITURES:									
Current:									
General administration	41,663,173	-	-	354,580	11,837,845	-	-	77,537	53,933,135
Human services	184,720,084	9,658,226	-	-	-	-	-	9,566,960	203,945,270
Education	334,532,675	-	-	-	-	77,218,781	15,662,906	-	427,414,362
Community development and cultural	25,917,801	-	35,854,239	-	7,534,397	-	-	953,459	70,259,896
Environmental services	7,661,402	-	-	-	113,024	-	-	89,978	7,864,404
Public safety	107,763,560	-	-	-	42,300,443	-	-	22,445,818	172,509,821
General services administration	22,421,170	-	-	-	-	-	-	8,598	22,429,768
Debt service:									
Principal	-	-	-	145,652,849	-	-	-	-	145,652,849
Interest	-	-	-	89,523,701	-	-	-	-	89,523,701
Total Expenditures	724,679,865	9,658,226	35,854,239	235,531,130	61,785,709	77,218,781	15,662,906	33,142,350	1,193,533,206
REVENUES OVER (UNDER)									
EXPENDITURES	233,125,915	(2,379,116)	2,940,794	(220,091,678)	(61,190,755)	(75,023,204)	(15,662,906)	(1,258,574)	(139,539,524)

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2013

	Major Funds								
	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	Total Nonmajor Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES):									
Transfers in	\$ 1,599,215	\$ 830,000	\$ -	\$ 193,160,902	\$ 25,549,000	\$ -	\$ 2,500,000	\$ 2,338,000	\$ 225,977,117
Transfers out	(214,112,000)	-	(3,134,215)	(100,000)	(5,696,902)	-	-	(2,478,000)	(225,521,117)
Bonds issued	-	-	-	-	21,000,000	51,165,000	104,250,000	-	176,415,000
Installment purchases issued	-	-	-	-	-	-	-	940,674	940,674
Refunding installment purchases issued	-	-	-	2,234,325	-	-	-	-	2,234,325
Premiums on issuance	-	-	-	26,739,626	-	-	-	-	26,739,626
Payment to refunded escrow agent	-	-	-	(2,234,325)	-	-	-	-	(2,234,325)
Total Other Financing Sources (Uses)	(212,512,785)	830,000	(3,134,215)	219,800,528	40,852,098	51,165,000	106,750,000	800,674	204,551,300
NET CHANGE IN FUND BALANCES	20,613,130	(1,549,116)	(193,421)	(291,150)	(20,338,657)	(23,858,204)	91,087,094	(457,900)	65,011,776
Fund Balances at beginning of year	175,698,244	5,977,995	1,530,762	169,346,350	101,520,316	253,390,525	29,852,730	22,171,839	759,488,761
FUND BALANCES AT END OF YEAR	\$ 196,311,374	\$ 4,428,879	\$ 1,337,341	\$ 169,055,200	\$ 81,181,659	\$ 229,532,321	\$ 120,939,824	\$ 21,713,939	\$ 824,500,537

WAKE COUNTY, NORTH CAROLINA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2013

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

Net change in fund balances - total governmental funds	\$ 65,011,776
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays increases exceeded the capital asset decreases in the current fiscal year.	54,603,903
Depreciation expense for the fiscal year being reported, less depreciation in Corporate Fleet fund	(15,351,458)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(51,025,349)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(685,936)
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 the governmental funds.	9,527
An internal service fund is used by management to charge the costs of the County's fleet of vehicles to individual funds. The net revenue of the internal service fund is reported within the governmental activities.	<u>(135,077)</u>
Change in net position of governmental activities	<u>\$ 52,427,386</u>

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 779,730,343	\$ 783,947,343	\$ 793,285,615	\$ 9,338,272
Licenses and permits	3,319,455	3,320,455	4,062,881	742,426
Intergovernmental	90,818,923	93,337,482	94,612,804	1,275,322
Charges for services	61,687,528	62,373,295	64,535,379	2,162,084
Investment earnings	49,972	49,972	10,387	(39,585)
Miscellaneous	493,177	515,454	1,298,714	783,260
Total Revenues	936,099,398	943,544,001	957,805,780	14,261,779
EXPENDITURES:				
Current:				
General administration	43,283,548	44,126,775	41,663,173	2,463,602
Human services	181,818,711	187,035,404	184,720,084	2,315,320
Education	334,532,675	334,532,675	334,532,675	-
Community development and cultural	26,192,547	26,343,295	25,917,801	425,494
Environmental services	8,031,780	8,137,977	7,661,402	476,575
General services administration	23,253,299	23,405,015	22,421,170	983,845
Public safety	106,445,440	108,589,481	107,763,560	825,921
Total Expenditures	723,558,000	732,170,622	724,679,865	7,490,757
REVENUES OVER EXPENDITURES	212,541,398	211,373,379	233,125,915	21,752,536
OTHER FINANCING SOURCES (USES):				
Transfers in	2,389,000	1,584,000	1,599,215	15,215
Transfers out	(214,962,000)	(214,112,000)	(214,112,000)	-
Total Other Financing Sources (Uses)	(212,573,000)	(212,528,000)	(212,512,785)	15,215
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(31,602)	(1,154,621)	20,613,130	21,767,751
APPROPRIATED FUND BALANCE	31,602	1,154,621	-	(1,154,621)
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER USES	\$ -	\$ -	20,613,130	\$ 20,613,130
FUND BALANCE AT BEGINNING OF YEAR			175,698,244	
FUND BALANCE AT END OF YEAR			\$ 196,311,374	

The notes to the financial statements are an integral part of this statement.

WAKE COUNTY, NORTH CAROLINA

MAJOR FACILITIES FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN APPROPRIATED FUND BALANCE -

BUDGET AND ACTUAL

For the Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes:				
Occupancy tax	\$ 16,317,000	\$ 17,035,000	\$ 17,292,131	\$ 257,131
Prepared food tax	19,772,000	20,571,000	20,866,559	295,559
Total taxes	36,089,000	37,606,000	38,158,690	552,690
Charges for services	-	679,355	621,008	(58,347)
Investment earnings	-	-	15,335	15,335
Total Revenues	36,089,000	38,285,355	38,795,033	509,678
EXPENDITURES:				
Raleigh hold harmless - occupancy	680,000	680,000	680,044	(44)
Cary hold harmless - occupancy	791,364	826,191	838,514	(12,323)
Greater Raleigh Convention and Visitors Bureau	4,204,070	4,378,205	4,439,821	(61,616)
Centennial Authority operations 7%	2,100,735	2,189,121	2,217,993	(28,872)
Centennial - Debt service	5,207,715	5,207,715	5,203,535	4,180
Raleigh annual distribution - \$1M	1,000,000	1,000,000	1,000,000	-
Convention Center	16,176,116	17,174,526	17,494,977	(320,451)
North Carolina Museum of Art	1,000,000	1,000,000	1,000,000	-
Centennial Authority Facility Improvements	1,000,000	1,679,355	1,679,355	-
Green Square	800,000	800,000	800,000	-
St. Augustine's	100,000	100,000	100,000	-
Cary Sports Venue	400,000	400,000	400,000	-
Total Expenditures	33,460,000	35,435,113	35,854,239	(419,126)
REVENUES OVER EXPENDITURES	2,629,000	2,850,242	2,940,794	90,552
OTHER FINANCING SOURCES AND (USES):				
Transfers out to General Fund	(1,083,000)	(1,128,000)	(1,143,215)	(15,215)
Transfers out to Debt Service Fund	(991,000)	(991,000)	(991,000)	-
Transfers out to Capital Improvement Fund	(1,000,000)	(1,000,000)	(1,000,000)	-
Appropriated fund balance	445,000	268,758	-	(268,758)
Total other financing sources (uses)	(2,629,000)	(2,850,242)	(3,134,215)	(283,973)
REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	(193,421)	<u>\$ (193,421)</u>
Fund Balance at beginning of year			1,530,762	
FUND BALANCE AT END OF YEAR			<u>\$ 1,337,341</u>	

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of June 30, 2013

As of June 30, 2013	Business-type Activities Enterprise			Governmental Activities Internal Service
	Major Funds			
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities	Corporate Fleet Fund
ASSETS				
Current assets:				
Cash and investments - pooled equity	\$ 29,800,556	\$ 2,088,782	\$ 31,889,338	\$ 4,044,502
Cash and investments - reserved	12,255,331	7,590,154	19,845,485	
Cash and investments - cash equivalents	-	750	750	
Accounts receivable (net)	628,309	2,174,136	2,802,445	28,348
Internal balances (interfund receivable)	988,728	125,371	1,114,099	-
Prepaid expenditures	1,785	-	1,785	-
Accrued interest receivable	51,342	13,115	64,457	5,444
Inventories	-	-	-	196,721
Total current assets	43,726,051	11,992,308	55,718,359	4,275,015
Noncurrent assets:				
Capital assets not being depreciated:				
Land	1,875,253	-	1,875,253	-
Construction in progress	1,902,087	-	1,902,087	-
Capital assets (net of accumulated depreciation):				
Landfills	7,781,927	-	7,781,927	-
Buildings	738,491	-	738,491	-
Machinery and equipment	385,396	-	385,396	101,704
Vehicles	-	-	-	8,281,098
Improvements	343,567	-	343,567	-
Total non-current assets	13,026,721	-	13,026,721	8,382,802
Total assets	56,752,772	11,992,308	68,745,080	12,657,817
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,149,943	1,910,544	3,060,487	806,849
Internal balances (interfund payable)	125,371	988,728	1,114,099	-
Total current liabilities	1,275,314	2,899,272	4,174,586	806,849
Noncurrent liabilities:				
Compensated absences	65,269	3,001	68,270	53,231
Other post employment benefits	306,617	109,504	416,121	306,614
Risk management liabilities	2,563	757	3,320	5,787
Construction reserves	-	417,705	417,705	-
Closure/postclosure care costs	12,255,331	7,590,154	19,845,485	-
Total noncurrent liabilities	12,629,780	8,121,121	20,750,901	365,632
Total liabilities	13,905,094	11,020,393	24,925,487	1,172,481
DEFERRED INFLOWS OF RESOURCES	380	-	380	-
NET POSITION				
Net investment in capital assets	13,026,721	-	13,026,721	8,382,802
Restricted:				
Stabilization by state statute	1,118,359	995,459	2,113,818	935,506
White goods	2,428,306	-	2,428,306	-
Unrestricted	26,273,912	(23,544)	26,250,368	2,167,028
Total net position	\$ 42,847,298	\$ 971,915	\$ 43,819,213	\$ 11,485,336
Total net position	\$ 42,847,298	\$ 971,915	\$ 43,819,213	
Adjustment to reflect the consolidation of the Corporate Fleet Fund balances related to Solid Waste	(10,169)	-	(10,169)	
Net position of business-type activities	\$ 42,837,129	\$ 971,915	\$ 43,809,044	

The notes to the financial statements are an integral part of this statement.

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended June 30, 2013

	Business-type Activities		Governmental Activities
	Enterprise		Internal Service
	Major Funds		
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Corporate Fleet Fund
OPERATING REVENUES:			
Licenses and permits	\$ 7,500	\$ -	\$ 7,500
Charges for services	7,585,318	14,244,021	21,829,339
Miscellaneous	1,227,548	-	1,227,548
Total Operating Revenues	8,820,366	14,244,021	23,064,387
OPERATING EXPENSES:			
Cost of service	9,819,072	10,465,363	20,284,435
Administration	1,611,168	805,745	2,416,913
Partner rebates	-	2,039,032	2,039,032
Depreciation and amortization	632,593	-	632,593
Total Operating Expenses	12,062,833	13,310,140	25,372,973
OPERATING INCOME (LOSS)	(3,242,467)	933,881	(2,308,586)
NON-OPERATING REVENUES:			
Intergovernmental	1,601,437	-	1,601,437
Investment earnings	74,275	11,168	85,443
Total Non-Operating Revenues	1,675,712	11,168	1,686,880
Income (loss) before transfers	(1,566,755)	945,049	(621,706)
TRANSFERS:			
Transfers in	887,000	-	887,000
Transfers out	(456,000)	(887,000)	(1,343,000)
Total Transfers	431,000	(887,000)	(456,000)
CHANGE IN NET POSITION	(1,135,755)	58,049	(1,077,706)
TOTAL NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY STATED	42,106,737	913,866	43,020,603
Restatement of net position (see Note 24)	1,876,316	-	1,876,316
TOTAL NET POSITION, BEGINNING OF YEAR, RESTATED	43,983,053	913,866	44,896,919
TOTAL NET POSITION, END OF YEAR	\$ 42,847,298	\$ 971,915	\$ 43,819,213
Change in net position	\$ (1,135,755)	\$ 58,049	\$ (1,077,706)
Adjustment to reflect the consolidation of the Corporate Fleet Fund activities related to Solid Waste	(3,988)	-	(3,988)
Change in net position of business-type activities	\$ (1,139,743)	\$ 58,049	\$ (1,081,694)

The notes to the financial statements are an integral part of this statement.

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended June 30, 2013

	Business-type Activities Enterprise		Governmental Activities Internal Service
	Major Funds		
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities Corporate Fleet Fund
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 6,897,785	\$ 14,345,803	\$ 21,243,588
Cash payments to suppliers for goods and services	(8,425,574)	(13,337,087)	(21,762,661)
Cash payments to employees for services	(1,065,929)	(243,802)	(1,309,731)
Other operating revenues	1,235,046	-	1,235,046
Net cash provided (used) by operating activities	(1,358,672)	764,914	(593,758)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenue	1,593,202	-	1,593,202
Transfers in	887,000	-	887,000
Transfers out	(456,000)	(887,000)	(1,343,000)
Net cash provided (used) by noncapital financing activities	2,024,202	(887,000)	1,137,202
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Disposal of capital assets	-	-	-
Acquisition of capital assets	(25,771)	-	(25,771)
Net cash used by capital and related financing activities	(25,771)	-	(25,771)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments	138,428	25,881	164,309

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended June 30, 2013

	Business-type Activities Enterprise		Governmental Activities Internal Service
	Major Funds		
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities Corporate Fleet Fund
Net increase in cash and cash equivalents	\$ 778,187	\$ (96,205)	\$ 681,982
Cash and cash equivalents at beginning of year	41,277,700	9,775,891	51,053,591
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 42,055,887</u>	<u>\$ 9,679,686</u>	<u>\$ 51,735,573</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (3,242,467)	\$ 933,881	\$ (2,308,586)
Adjustments to reconcile operating income/loss to net cash provided (used) by operating activities:			
Depreciation and amortization	632,593	-	632,593
(Increase)/decrease in accounts receivable	(687,533)	101,782	(585,751)
Increase in prepaid items	(1,785)	-	(1,785)
Decrease in inventories	-	-	-
Increase/(decrease) in accounts payable and accrued liabilities	1,940,520	(270,749)	1,669,771
Total adjustments	<u>1,883,795</u>	<u>(168,967)</u>	<u>1,714,828</u>
Net cash provided (used) by operating activities	<u>\$ (1,358,672)</u>	<u>\$ 764,914</u>	<u>\$ (593,758)</u>

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

As of June 30, 2013

	Separation Allowance	Agency Funds
ASSETS		
Cash and investments - pooled equity	\$ 1,491,708	\$ 1,027,128
Accounts receivable (net)	135	52,577
Accrued interest receivable	1,851	847
Total assets	1,493,694	1,080,552
LIABILITIES		
Other liabilities	49,276	1,039,476
Due to other governmental units	-	41,076
Total liabilities	49,276	\$ 1,080,552
NET POSITION		
Held in trust for pension benefits	\$ 1,444,418	

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the Year Ended June 30, 2013

		Separation Allowance
Additions:		
Employer Contributions	\$	960,030
Net investment income		948
Total additions		960,978
Deductions:		
Benefits		1,060,052
Net decrease		(99,074)
Net position held in trust for pension benefits:		
Beginning of year		1,543,492
End of year	\$	1,444,418

**Wake County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013**

**NOTE 1.
Summary of Significant
Accounting Policies**

The County of Wake (County) was established in 1771 by the North Carolina General Assembly under North Carolina State Law [General Statute (G.S.) 153A-10]. The County is governed by a seven-member board of commissioners and provides the following services: public safety, culture-recreation, human services programs, community development, environmental services, planning and zoning, employment and training, education and general administration.

The accounting policies of the County conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County is one of the 100 counties established in North Carolina under State Law [G.S. 153A-10]. As required by GAAP, these financial statements present the County and its component unit, a legally separate entity for which the County is financially accountable. The discretely presented component unit below is reported in a separate column in the County's government-wide financial statements to emphasize that it is legally separate from the County.

Discretely Presented Component Unit

Wake County Board of Alcoholic Control (ABC Board)

The members of the ABC Board's governing board are appointed by the County Board of Commissioners. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The ABC Board has a June 30 year-end. The financial statement may be obtained at 1212 Wicker Drive, Raleigh, NC 27604.

**B. Government-wide and
Fund Financial
Statements**

The Statement of Net Position and the Statement of Activities, which are the government-wide statements, report information on all of the nonfiduciary activities of the County and its component unit. Most of the interfund activity has been removed from these statements. The County's governmental activities, which are supported primarily by taxes and intergovernmental revenues, are reported separately from its business-type activities, which rely on charges for services for support. Likewise, the County is reported separately from the ABC Board, a legally separate component unit for which the County is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of specific functions are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges for services and grants or contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not properly included among program revenues, including all taxes, are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide statements. Major individual governmental funds are included as separate columns in the fund financial statements. The proprietary funds distinguish operating revenues and expenses from nonoperating items. The operating items generally result from providing services in connection with the fund's principal ongoing operations. All revenues and expenses not meeting the operating criteria are reported as nonoperating items.

**C. Measurement Focus,
Basis of Accounting, and
Financial Statement
Presentation**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all the eligibility requirements imposed by the provider are met.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont.)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay the liabilities of the current period. Expenditures are recognized when a fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt which are recognized when due.

In the governmental funds statements, property taxes, investment earnings and charges for services of the current fiscal period are susceptible to accrual and thus counted as revenue for the current fiscal period if received within 30 days of year-end. With the exception of sales tax distributions, revenues collected beyond 30 days after year end are not susceptible to accrual because generally they are either not available or not measurable until received in cash. Sales tax distributions are accrued and treated as revenue for the current fiscal period if received within 90 days of year-end.

The County reports the following major funds:

General Fund - The general fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and federal and State grants. The primary expenditures are for education, human services, public safety, environmental, cultural and recreational services, community development, and general governmental services.

Affordable Housing Fund - The Affordable Housing fund provides housing rehabilitation, infrastructure improvements, and relocation assistance to households meeting eligibility requirements. These programs are funded with both County funds and federal grant moneys.

Major Facilities Fund – The Major Facilities Fund is for the collection and distribution of Prepared Food and Beverage and Occupancy Tax proceeds for the purpose of promoting tourism in Wake County. Created by the North Carolina General Assembly in 1991 (Chapter 594 House Bill 703), the tax rate for Prepared Food and Beverage is currently one percent and the Occupancy rate is six percent. Revenues are distributed based on criteria established in the enabling legislation and an Interlocal Agreement approved by the City of Raleigh and Wake County.

Debt Service Fund - The County budgets and pays debt service and related expenditures from this fund.

County Capital Projects Fund – The County Capital Projects Fund accounts for the acquisition of land and buildings by the County for general public purpose.

School Capital Fund – The School Capital Fund accounts for the construction and renovation of school building projects financed by County-issued bonds, various State grants, and other County funds.

Wake Community College Capital Fund – The Wake Community Capital Fund accounts for the construction and renovation of community college projects financed by County-issued bonds and other County funds.

Solid Waste Operating Fund - The Solid Waste Operating Fund accounts for the County's landfills, container sites, and recycling operations excluding the new South Wake Landfill and the East Wake Transfer Station. The South Wake Landfill and the East Wake Transfer Station are accounted for in a separate enterprise fund.

South Wake Landfill Partnership Fund – The South Wake Landfill Partnership Fund accounts for one Subtitle D Landfill and the East Wake Transfer Station. These facilities are operated in partnership with eleven other local governments within Wake County through an Interlocal Agreement.

Additionally, the County reports the following fund and fund types:

Internal Service Fund –The County has one internal service fund: the Corporate Fleet Fund, which accounts for the fleet service needs of all County departments.

**C. Measurement Focus,
Basis of Accounting, and
Financial Statement
Presentation
(Cont.)**

Pension Trust Fund - Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. The Separation Allowance Fund accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system.

Agency Funds - Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County maintains four agency funds: the Municipal Tax Fund, which collects and disburses the taxes for municipalities in the County; the Human Services Fund, which accounts for moneys deposited with County departments for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for moneys received from the Court System for disbursement to the Wake County Public School System; and the DMV Interest Penalty Fund, which accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles.

All funds of the County are accounted for during the year on the modified accrual basis of accounting in accordance with North Carolina General Statutes. The governmental funds are also reported using the modified accrual basis of accounting. The proprietary funds are reported using the full accrual basis of accounting.

The County recognizes assets of nonexchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Nonexchange transactions occur when one government provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Various intergovernmental revenues, sales taxes, property taxes and most donations are examples of nonexchange transactions.

Under the terms of grant agreements, the County funds certain programs by specific grants, resources and/or general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply grant resources to such programs and then general revenues.

D. Budgetary Data Control

In compliance with the North Carolina Local Government Budget and Fiscal Control Act, the Board of County Commissioners adopts an annual budget ordinance using the modified basis of accounting for all governmental and proprietary funds except funds authorized by project ordinances. The annual budget for governmental funds and proprietary funds must be adopted no later than July 1. Agency and pension trust funds are not required by state law to be budgeted. All capital projects funds and special revenue funds other than the Special Tax District and the Major Facilities Funds are budgeted under project ordinances spanning more than one fiscal year and are controlled by project. Project appropriations continue until the projects are complete. The Debt Service Fund is also budgeted annually.

For those funds for which annual budgets are adopted, appropriations are budgeted and controlled on a functional basis and amended as necessary during the fiscal year. The County Manager is authorized to transfer budgeted amounts between appropriations within the same fund. However, any transfer exceeding \$75,000 shall be reported to the Board of County Commissioners at the next regularly scheduled meeting. Revisions that alter the total appropriations of any fund must be approved by the Board of County Commissioners. Annual appropriations lapse at the end of the budget year.

E. Deposits and Investments

All deposits of the County are made in board-designated official depositories and are secured as required by State Law [G.S. 159-31]. The County may designate as an official depository any bank or savings and loan association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the County 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 bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT), a Securities and Exchange Commission registered (2a-7) mutual fund.

As required, the County's investments are stated at fair value as determined by quoted market prices. The NCCMT Cash Portfolio securities are valued at fair value, which is the NCCMT's share price. Except for unspent bond proceeds, the County pools moneys from several funds to facilitate disbursement and investment and maximize investment income. Income from pooled moneys is allocated to participating funds based on the funds' respective share of total pooled cash and investments. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

The unexpended bond proceeds of the County's general obligation bonds are classified as restricted assets within the governmental funds because their use is completely restricted to the purpose for which the bonds were originally issued. Money within the General Fund set aside for tax revaluation and register of deeds automation are also classified as restricted assets because their use is restricted per North Carolina General Statutes.

F. Receivables and Payables

Outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide statements as "internal balances."

G. Deferred Outflows/ Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then.

H. Taxes Receivable - Deferred Inflows of Resources

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], ad valorem taxes for property other than vehicles are levied on July 1, the beginning of the fiscal year and are due on September 1 (lien date); however, no penalties or interest are assessed until the following January 6. Property taxes on certain registered motor vehicles are assessed and collected throughout the year. The taxes are based on the assessed values as of January 1, 2012.

Ad valorem taxes collected within 30 days after the fiscal year end for the year ended June 30, 2013 and prior years are accrued within the funds because the amounts are considered measurable and available. The remaining ad valorem taxes receivable are not accrued, as the amount is not considered available. These taxes receivable are significantly past due and are not considered to be an available resource to finance the operations of the subsequent year. GAAP states that property taxes, which are measurable but not available, should be initially recorded as deferred inflows of resources under the modified accrual basis of accounting. The receivable amount is reduced by an allowance for uncollectible taxes and an amount equal to the net receivable is shown as deferred inflows of resources on the combined balance sheet. In addition, property taxes collected in advance of the fiscal year to which they apply are recorded as deferred inflows or resources.

I. Allowances for Uncollectible Accounts

Allowances for uncollectible accounts are maintained on all types of receivables that historically experience uncollectible amounts. Allowances are based on collection experience and management's evaluation of the current status of existing receivables.

J. Inventories and Prepaid Expenditures

Inventories are valued at cost, using the weighted average method. The inventories of the General Fund and the Corporate Fleet Fund consist of expendable supplies and are recorded as expenditures when consumed. The inventories reported on the fund balance sheet are offset by a fund balance reserve, which indicates that it does not constitute a resource available for appropriation.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

K. Capital Assets

Capital assets that are purchased or constructed are recorded at historical cost. Donated assets are recorded at estimated market value at the time of donation. The County defines capital assets as assets with an individual cost of more than \$5,000, and an estimated useful life of more than two years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The County holds title to certain Wake County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Wake County Board of Education.

Depreciation is computed using the straight-line method. Capital assets are depreciated on the following basis:

Buildings	40 years
Vehicles and motorized equipment	5 years
Machinery and equipment	3 years
Improvements	40 years
Computer software	3-10 years
Infrastructure	20-50 years

L. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types report the face amount of debt issued as an other financing source. Bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of the debt issued and any related premiums are reported as other financing sources. Discounts on issuance are reported as other financing uses.

M. Compensated Absences

The vacation policy of the County provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. An expense and a liability for vacation pay and salary-related payments are accrued as the leave is earned in the government-wide and proprietary fund financial statements. The compensated absences liability is liquidated using funds to which the liability accrued as the accumulated leave is used.

The County's sick leave policy provides for an 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 benefit purposes. Since the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

N. Net Position/Fund Balances

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

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

The governmental fund types classify fund balances as follows:

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

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

Noncurrent receivable – portion of fund balance that is not an available resource because it represents a receivable that will not be collected in the next fiscal year and therefore is not a spendable resource.

Restricted Fund Balance – This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors, grantors or imposed by law.

Restricted for Stabilization by State Statute – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)]. This primarily represents outstanding receivables and encumbrances.

Restricted for Register of Deeds – portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds office.

Restricted for Housing Programs – portion of fund balance that is restricted by revenue source for CDBG and HOME housing grants.

Committed Fund Balance – portion of fund balance that can only be used for specific purpose imposed by majority vote of the County's Board of Commissioners. Any changes or removal of specific purposes requires majority action by the Board of Commissioners.

Committed for Revaluation Reserve – portion of fund balance that can only be used for Tax Revaluation.

Committed for Future Appropriations from excess local ABC Board Revenues – portion of fund balance that was committed by the Board of Commissioners on June 17, 2013 for additional revenues received from the local ABC Board. Once management determines an appropriate use of these funds, the Board will approve the appropriation.

Committed for Working Capital – General Fund - portion of fund balance that was committed by the Board of Commissioners on May 16, 2011 to comply with the County's fund balance policy to maintain adequate fund balance position to maintain its AAA rating. The policy states that the County should maintain a total General Fund balance of at least fifteen percent (15%) and an amount committed for working capital of at least ten percent (10%) of the following fiscal year's General Fund adopted budget in order to provide the County with adequate working capital and investment income. This commitment is reaffirmed annually in the County's adopted budget.

Committed for Working Capital – Fire Tax Fund – portion of fund balance that the Board and Fire Commission has committed to maintain sufficient cash flow of the fund. This policy was adopted February 25, 2005, and is reaffirmed annually by the Board and Fire Commission.

**N. Net Position/Fund
Balances (cont.)**

Assigned Fund Balance – portion of fund balance that has been constrained to reflect the County’s intended use of resources. These constraints are assigned by the Board of Commissioners or their designee.

Planned expenditures – portion of fund balance that is appropriated in the subsequent year’s budget that is not already classified in restricted or committed. The Board of Commissioners approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$75,000.

Future insurance claims – portion of fund balance that is available for future health, dental or risk management claims. Due to the timing and the nature of these claims, the County may have a surplus of funds at the end of a given fiscal year. These funds are set aside for future unanticipated claims.

Future capital projects – portion of fund balance in a capital project fund that have not yet been assigned to a specific project.

Debt service – portion of fund balance that has been budgeted for future debt service payments.

Unassigned Fund Balance – portion of fund balance that has not been restricted, committed or assigned for a specific purpose.

Wake County has adopted policies to maintain a AAA bond rating on general obligation debt. One important policy related to the County’s fiscal health is that the County will maintain a fund balance position that rating agencies deem is adequate to meet the County’s needs and challenges. Therefore, the County has adopted a policy that requires management to maintain a total General Fund balance of at least fifteen percent (15%) and an amount committed for working capital of at least ten percent (10%) of the following fiscal year’s General Fund adopted budget in order to provide the County with adequate working capital and investment income. Management is expected to manage the budget so that revenue shortfalls and expenditure increases do not impact the County’s amount committed for working capital. If a catastrophic economic event occurs that results in a deviation of five percent (5%) or more from total budgeted revenue or expenditures, the amount committed for working capital can be reduced by board action. At that time, the Board also will adopt a plan on how to return committed for working capital back to the required level for fiscal health. This commitment is reaffirmed annually in the County’s adopted budget.

**O. Reconciliation of
Government-wide and
Fund Financial
Statements**

Explanation of certain differences between the governmental fund balance sheets and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between the fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains, “long term liabilities, including bonds payable, are not due in the current period and therefore are not reported in the funds.” The details of this (\$2,456,983,697) difference are as follows:

Outstanding long-term debt payable (per Note 10)	\$ (2,362,890,009)
Add:	
Accrued interest payable	(23,975,921)
Payable to granting agency	(2,006,301)
Risk management liabilities	(2,572,153)
Less:	
Portion of internal service fund's compensated absences included in Note 10	53,231
Portion of internal service fund's other post employment benefits included in Note 10	306,614
Unamortized portion of deferred inflow of resources related to advanced debt refundings (to be amortized over the life of the debt)	<u>(65,899,158)</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>\$ (2,456,983,697)</u></u>

**O. Reconciliation of
Government-wide and
Fund Financial
Statements (Cont.)**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states “the issuance of long term debt such as bonds and leases provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued while these amounts are deferred and amortized in the statement of activities.” The details of this (\$51,025,349) difference are as follows:

Debt issued or incurred:

General obligation debt - schools issued	\$ (51,165,000)
General obligation debt - other issued	(125,250,000)
Installment purchases issued	(3,175,000)
Premiums on bond issuance - GO Bonds	(26,739,625)
Increases in other post employment benefit liability	(21,556,511)
Increases in other post employment benefit liability - Corporate Fleet Fund	83,963
Increases in compensated absences liability	(9,384,650)
Increases in compensated absences liability - Corporate Fleet Fund	39,353
Change in risk management liabilities	(879,409)
Change in deferred portion of advanced debt refundings	6,390,078
Interest expense accrual and other adjustments	<u>2,263,598</u>
Total Increases	<u>(229,373,203)</u>

Principal repayments:

General obligation debt - schools	112,684,560
General obligation debt - other	17,275,440
Limited obligation bonds	12,140,000
Installment purchase payments	1,336,719
Refunded installment purchases	2,204,654
Qualified zone academy bonds	163,461
Current year amortization of bond premiums - GO Bonds	16,757,126
Current year amortization of bond premiums - LOB Bonds	788,219
Capital lease payments	50,789
Decreases in other post employment benefit liability	4,903,499
Decreases in other post employment benefit liability - Corporate Fleet Fund	(18,344)
Decreases in compensated absences liability	10,100,321
Decreases in compensated absences liability - Corporate Fleet Fund	<u>(38,590)</u>
Total Decreases	<u>178,347,854</u>

Net adjustment to increase net changes in fund balances - total

governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (51,025,349)</u></u>
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**O. Reconciliation of
Government-wide and
Fund Financial
Statements (Cont.)**

Another element of that reconciliation states “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays increases exceeded the book value of capital asset decreases in fiscal year being reported.” The details of this \$54,603,903 difference are as follows:

Capital Asset Increases:	
Capital Asset Increases	\$ 12,373,452
Less acquisitions for the Corporate Fleet Fund	(3,270,506)
Net increase in construction in progress	<u>46,058,485</u>
Total Increases	<u>55,161,431</u>
Capital Asset Decreases:	
Capital asset disposals	(4,531,874)
Add disposals for the Corporate Fleet Fund	2,425,342
Accumulated depreciation related to capital asset disposals	3,703,483
Less accumulated depreciation related to capital asset disposals in the Corporate Fleet Fund	<u>(2,154,479)</u>
Total Decreases	<u>(557,528)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 54,603,903</u>

P. Unrestricted (deficit)

On the Statement of Net position, the unrestricted (deficit) for all activities is composed of the following:

For school debt	\$ (1,490,731,144)
All other	<u>97,574,134</u>
Total unrestricted net position	<u>\$ (1,393,157,010)</u>

Under North Carolina law, the County is responsible for providing capital funding for the Wake County Board of Education (the “School System”). The County has chosen to meet its legal obligation to provide school capital funding by using a mixture of County funds and general obligation debt. The assets funded by the County are owned, utilized and maintained by the school system. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the school-related debt less unspent bond proceeds was \$1,490,731,144. However, the entire amount of school debt outstanding is general obligation debt, which is collateralized by the full faith, credit, and taxing power of the County. The County is authorized and required by State law to levy ad valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year in which they become due.

NOTE 2. Related Organizations

Industrial Facilities and Pollution Control Financing Authority

The County Board of Commissioners is responsible for appointing the board members of the Wake County Industrial Facilities and Pollution Control Financing Authority, but the County's accountability for this organization does not extend beyond making these appointments. The Authority exists to issue and service revenue bond debt for private business for economic development purposes. Its primary revenues are the payments to service the issued debt that are received from the businesses involved. The County is not responsible for the debt issued by the Authority and the Authority's debt is not included in determining the County's legal debt limit.

Wake County Housing Authority

The County Board of Commissioners is responsible for appointing members of the Wake County Housing Authority, but the County's accountability for this organization does not extend beyond making these appointments. The Authority's purpose is to provide safe, decent, and affordable housing to County residents. Their operations are subsidized by the federal government and other grantors. The Authority determines its own budget and sets rental rates. The County is not responsible for deficits or liabilities of the Authority.

Wake County Hospital System, Inc.

The County Board of Commissioners is responsible for appointing eight of the fourteen members of the Wake County Hospital System, Inc. (Wake Med's) Board of Directors. The County's accountability for this organization does not extend beyond making the appointments. The Hospital, a private, not-for-profit entity, operates as a community general hospital, providing care to indigent patients per an agreement with the County which states that it agrees to provide, on an annual basis, out of pocket indigent cost that equal or exceed 4.8% of its total adjusted revenue.

Effective April 1, 1997, the Hospital and the County agreed that the County, as owner of certain hospital facilities and related property would transfer such property to the Hospital. Prior to the transfer, the Hospital issued revenue bonds to defease hospital revenue bonds previously issued by the County in the Hospital's behalf. The proceeds of the new debt plus a sufficient amount of available funds were placed in an irrevocable trust to provide for all future debt service payments on the old hospital revenue bonds.

NOTE 3.
Joint Ventures Without
Equity Interest

Wake Technical Community College

Technical and vocational training beyond the secondary level is provided by Wake Technical Community College, with some financial assistance from the County. The College is a part of the state-wide system of community colleges and technical institutes. The College has a twelve-member Board of Trustees, four of which are appointed by the County Board of Commissioners. The County has no responsibility for the designation of management and exercises no control over the operations of the College beyond its annual appropriation. The County has an ongoing financial responsibility for the College because of the statutory responsibilities to provide funding for the College's facilities. The County remitted \$16,190,938 to the College for operating purposes during the current year. In addition, the County made debt service payments of \$8,235,513 on general obligation bonds issued to construct College facilities. The County does not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2013. Complete financial statements for the College may be obtained at their administrative offices at 9101 Fayetteville Road, Raleigh, NC 27603.

Raleigh-Durham Airport Authority

The Raleigh-Durham Airport Authority is governed by a board appointed to plan and conduct the operations of the Raleigh-Durham International Airport. This eight-member governing body is jointly appointed by the City of Durham, City of Raleigh, County of Durham, and County of Wake, with each member government appointing two members to the Airport Authority board. The Airport Authority board selects the management and determines the budget and financing requirements for airport operations. The County and other participating governments each appropriate \$12,500 annually to cover administration expenses incurred by the Authority. The participating governments have no equity interest in the joint venture; therefore, no equity interest is reflected in the County's financial statements. Complete financial statements for the Airport Authority may be obtained from the airport's administrative offices at 1051 Cargo Drive, Raleigh, NC 27623.

Centennial Authority

The Centennial Authority is a local political subdivision of the State of North Carolina created pursuant to Section 4 of Chapter 458 of the 1995 Session Laws of North Carolina. The purpose of the Authority is to study, design, plan, construct, own, promote, finance and operate a regional facility in Wake County, North Carolina. The regional facility will consist of an arena, coliseum or other buildings or both, where sports, fitness, health recreational, entertainment or cultural activities can be conducted. In addition, the County remitted \$2,217,993 for operations, \$5,203,535 for debt service and \$1,679,355 for facility improvements from the Occupancy and Prepared Food/Beverage taxes for the Authority. The County does not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2013. Complete financial statements for the Authority may be obtained at their administrative offices at 1520 Blue Ridge Road, Suite 201, Raleigh, NC 27607.

Greater Raleigh Convention and Visitors Bureau

The Greater Raleigh Convention and Visitors Bureau (Bureau) was established in fiscal year 1992 in conjunction with a County occupancy tax levy to promote and solicit business, conventions, meetings and tourism in the County. The governing body of the Bureau is a twelve-member Board of Directors with six members appointed by the Raleigh City Council and six members appointed by the County Board of Commissioners. Funding is derived from the six (6) percent occupancy tax levied upon the rental of rooms, lodging or similar accommodations, and from a one (1) percent prepared food & beverage tax levied on all prepared foods and beverages sold by Wake County businesses. Monthly, the County is required to distribute to the Bureau a percentage of the tax collected with a minimum aggregate annual distribution of \$1,000,000. If tax revenues are not sufficient to fully fund the Bureau's minimum annual distributions, the County and City must fund the deficiency equally to ensure that the Bureau receives its minimum distribution of \$1,000,000 in any fiscal year. All unexpended funds of the Bureau revert to the County and City at the end of each fiscal year. The Bureau is a joint venture of equal equity interest between the County and the City of Raleigh. The Wake County Board of Commissioners and the Raleigh City Council must approve the budget and all amendments. The Bureau does not have any outstanding indebtedness except for a minor investment in capital assets; the only equity in the Bureau at year-end is for encumbrances, which will be expended, in the subsequent year. Based on this, no equity interest in the Bureau is recorded at June 30, 2013.

NOTE 4.
Deposits and Investments

1. Deposits

All of the County's deposits are either insured or collateralized using the Pooling Method. Under the Pooling Method, 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 County, these deposits are considered to be held by the County's agent in the County'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 County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under 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 pooling depository. The County has no policy regarding custodial credit risk for deposits.

At year-end, the County's deposits had a carrying amount of \$447,138,487 and a bank balance of \$451,135,221. Of the bank balance, \$1,270,680 was covered by federal depository insurance and \$449,864,541 in interest-bearing deposits was covered by collateral held under the pooling method.

2. Investments

As of June 30, 2013, the County had the following investments and maturities.

Investment Type	Fair Value	Less Than		
		2 Years	2 - 3 Years	3 - 5 Years
U.S. Government Agencies	\$ 178,561,550	\$ 19,980,400	\$ 84,974,900	\$ 73,606,250
Commercial paper	229,598,027	229,598,027	-	-
Certificates of Deposit	25,000,000	10,000,000	15,000,000	-
N.C. Capital Management Trust - Cash portfolio	1,610,352	1,610,352	-	-
Total fair value	<u>\$ 434,769,929</u>	<u>\$ 261,188,779</u>	<u>\$ 99,974,900</u>	<u>\$ 73,606,250</u>

Interest Rate Risk. As a means of managing its exposure to fair value losses from increasing interest rates, the County has an informal investment policy that limits investment maturities to a maximum of five years. A maximum of 15% of the portfolio can be in the 2-3 year range and a maximum 10% of the portfolio can be in the 3-5 year range. At times, it may be necessary for investment maturities to exceed these ranges.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2013, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings and A1 by Moody's Investors Service. In addition, all of the County's long-term debt carried a credit rating of A or better. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AA+ by Standard & Poor's as of June 30, 2013. The County's investments in US Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration risk: The County's informal investment policy limits the amount of investments to \$30 million that is allowed in any one issuer's name.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2013, all of the County's investments were in the County's name.

NOTE 5.
Receivables

Receivables, including accrued interest, as of year-end for the County's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Project Fund	School Capital Fund	Wake Community College Capital Fund	Non Major Funds	Totals
Property taxes	\$ 15,161,084	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 737,038	\$ 15,898,122
Accounts	21,802,517	-	-	-	1,425	-	-	-	21,803,942
Interest	11,933	113	6,044	522,362	-	18,035	-	25,797	584,284
Intergovernmental	50,608,639	165,056	5,629	3,274,011	694,997	3,731,838	142,426	1,449,293	60,071,889
Loans receivable	4,000,000	26,010,960	-	-	206,403	-	-	-	30,217,363
Other	2,165,120	24,683	3,354,560	540,000	4,613,269	-	-	92,829	10,790,461
Gross receivables	93,749,293	26,200,812	3,366,233	4,336,373	5,516,094	3,749,873	142,426	2,304,957	139,366,061
Less allowance for bad debts	(21,883,662)	(26,010,960)	-	-	(1,344,517)	-	-	(496,994)	(49,736,133)
Net total receivables	<u>\$ 71,865,631</u>	<u>\$ 189,852</u>	<u>\$ 3,366,233</u>	<u>\$ 4,336,373</u>	<u>\$ 4,171,577</u>	<u>\$ 3,749,873</u>	<u>\$ 142,426</u>	<u>\$ 1,807,963</u>	<u>\$ 89,629,928</u>

Accounts receivables of the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund are reported net of uncollectible amounts. Total uncollectible amounts related to receivables of the current period are \$157,357 and \$136,974, respectively.

At the end of the current period, the various components of deferred inflows of resources related to accounts receivables were as follows:

	General Fund	County Capital Project Fund	School Capital Fund	Non Major Funds	Total
Unavailable:					
Taxes receivable	\$ 5,123,781	\$ -	\$ -	\$ 240,045	\$ 5,363,826
Other receivables	5,686,714	3,270,177	-	-	8,956,891
Total Unavailable	<u>10,810,495</u>	<u>3,270,177</u>	<u>-</u>	<u>240,045</u>	<u>14,320,717</u>
Unearned:					
Prepaid property taxes not yet earned	3,170,247	-	-	145,299	3,315,546
Total Unearned	<u>3,170,247</u>	<u>-</u>	<u>-</u>	<u>145,299</u>	<u>3,315,546</u>
Total deferred inflows of resources	<u>\$ 13,980,742</u>	<u>\$ 3,270,177</u>	<u>\$ -</u>	<u>\$ 385,344</u>	<u>\$ 17,636,263</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

NOTE 6.
Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Prior Period Adjustment **	Beginning Balance, restated	Increases	Decreases	Ending Balance
Governmental activities:						
Capital assets, not being depreciated:						
Land	\$ 110,138,651	\$ -	\$ 110,138,651	\$ 1,332,487	\$ -	\$ 111,471,138
Construction in progress	243,688,162	145,923,245	389,611,407	48,962,648	(5,196,414)	433,377,641
Total capital assets, not being depreciated	353,826,813	145,923,245	499,750,058	50,295,135	(5,196,414)	544,848,779
Capital assets, being depreciated:						
Buildings	359,486,082	13,414,380	372,900,462	6,186,521	-	379,086,983
Improvements Other than Buildings	23,870,964	-	23,870,964	-	-	23,870,964
Machinery and equipment	37,847,861	-	37,847,861	834,699	(901,253)	37,781,307
Vehicles and motorized equipment	33,664,247	-	33,664,247	4,430,743	(2,874,707)	35,220,283
Computer Software	10,322,893	-	10,322,893	1,881,253	-	12,204,146
Infrastructure	16,646,129	-	16,646,129	-	(755,914)	15,890,215
Total capital assets being depreciated	481,838,176	13,414,380	495,252,556	13,333,216	(4,531,874)	504,053,898
Less accumulated depreciation for:						
Buildings	100,887,064	117,480	101,004,544	10,548,406	-	111,552,950
Improvements Other than Buildings	5,260,797	-	5,260,797	597,224	-	5,858,021
Machinery and equipment	34,533,447	-	34,533,447	1,420,528	(879,029)	35,074,946
Vehicles and motorized equipment	21,998,295	-	21,998,295	4,678,717	(2,597,510)	24,079,502
Computer software	344,096	-	344,096	1,085,776	-	1,429,872
Infrastructure	5,533,214	-	5,533,214	321,421	(226,945)	5,627,690
Total accumulated depreciation	168,556,913	\$ 117,480	168,674,393	\$ 18,652,072	\$ (3,703,484)	183,622,981
Total capital assets, being depreciated, net	313,281,263		326,578,163			320,430,917
Governmental activities capital assets, net	\$ 667,108,076		\$ 826,328,221			\$ 865,279,696

** See discussion of prior period adjustment in Note 24 in the Notes to the Financial Statements

NOTE 6. (Cont.)
Capital Assets

	Beginning Balance	Prior Period Adjustment **	Beginning Balance, restated	Increases	Decreases	Ending Balance
Business-type activities:						
Capital assets, not being depreciated:						
Land	\$ 1,875,253	\$ -	\$ 1,875,253	\$ -	\$ -	\$ 1,875,253
Construction in progress	-	1,876,316	1,876,316	25,771	-	1,902,087
Total capital assets, not being depreciated/amortized	<u>1,875,253</u>	<u>1,876,316</u>	<u>3,751,569</u>	<u>25,771</u>	<u>-</u>	<u>3,777,340</u>
Capital assets, being depreciated/amortized:						
Landfills	39,155,880	-	39,155,880	-	-	39,155,880
Buildings	1,166,846	-	1,166,846	-	-	1,166,846
Improvements	544,003	-	544,003	-	-	544,003
Machinery and equipment	751,610	-	751,610	-	-	751,610
Total capital assets being depreciated/amortized	<u>41,618,339</u>	<u>-</u>	<u>41,618,339</u>	<u>-</u>	<u>-</u>	<u>41,618,339</u>
Less accumulated depreciation/amortization for:						
Landfills	30,929,235	-	30,929,235	444,718	-	31,373,953
Buildings	399,192	-	399,192	29,163	-	428,355
Improvements	186,853	-	186,853	13,583	-	200,436
Machinery and equipment	221,085	-	221,085	145,129	-	366,214
Total accumulated depreciation/amortization	<u>31,736,365</u>	<u>\$ -</u>	<u>31,736,365</u>	<u>\$ 632,593</u>	<u>\$ -</u>	<u>32,368,958</u>
Total capital assets, being depreciated/amortized, net	<u>9,881,974</u>		<u>9,881,974</u>			<u>9,249,381</u>
Business-type activities capital assets, net	<u>\$ 11,757,227</u>		<u>\$ 13,633,543</u>			<u>\$ 13,026,721</u>

** See discussion of prior period adjustment in Note 24 in the Notes to the Financial Statements

NOTE 6. (Cont.)
Capital Assets

Depreciation and amortization expenses were charged to functions as follows:

Governmental activities:

General administration	\$ 3,975,647
Human services	1,976,943
Education	355,489
Community development and cultural	2,405,076
Environmental services	365,059
Public safety	6,126,851
General services administration	<u>3,447,007</u>

Total depreciation expense -

Governmental activities	<u>18,652,072</u>
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Business-type activities:

Environmental services - solid waste	<u>632,593</u>
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Total depreciation and amortization	<u><u>\$ 19,284,665</u></u>
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NOTE 6. (Cont.)
Capital Assets

For the 2013 fiscal year, the construction in progress expenditures for governmental activities were as follows:

Construction in Progress:	
	Expended At 06/30/2013
Automation	\$ 13,977,917
County Building Renovations	27,282,034
Detention Facilities Expansion	154,884,117
Judicial Facilities	172,246,814
Education	3,863,213
Libraries	2,427,461
Open Space Preservation Program	6,238,681
Parks	4,117,275
Public Safety	27,991,333
Water/Wastewater	20,348,796
	<hr/>
Total	\$ 433,377,641
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**NOTE 7.
Interfund
Receivables/Payables and
Transfers**

As of June 30, 2013, internal balances total \$566,963 in the governmental funds. This represents amounts due to the General Fund by a non-major governmental fund for their share of cash and investments pooled equity. Internal balances in the business-type activities funds, as of June 30, 2013 are \$1,114,099. This represents amounts owed to the Solid Waste Operating Fund from the South Wake Landfill Partnership Fund for the County's share of the South Wake Landfill partnership rebates and amounts owed to the South Wake Landfill Partnership Fund from the Solid Waste Operating Fund for the County's portion of tipping fees owed at June 30, 2013.

The County's General Fund transferred funds during fiscal year 2013 to fund debt service payments, capital improvements, economic developments and the County match for State and Federal Grant Programs. The \$456,000 transferred from the Solid Waste Operating Fund is to cover administrative expenses incurred by the County's General Fund on behalf of the solid waste program. The \$887,000 transferred from the South Wake Landfill Partnership Fund to the Solid Waste Operating Fund is for administrative expenses incurred in the Solid Waste Operating Fund on behalf of the South Wake Landfill Fund.

	General Fund	Affordable Housing Fund	Debt Service Fund	County Capital Projects Fund	Wake Community College Capital Funds	Other Governmental Funds	Solid Waste Operating Fund	Total Transfers out
General Fund	\$ -	\$ -	\$ 187,663,000	\$ 25,449,000	\$ 1,000,000	\$ -	\$ -	\$ 214,112,000
Major Facilities Fund	1,143,215	-	991,000	-	-	1,000,000	-	3,134,215
Debt Service Fund	-	-	-	100,000	-	-	-	100,000
Capital Improvements Fund	-	830,000	3,366,902	-	1,500,000	-	-	5,696,902
School Capital Fund	-	-	-	-	-	-	-	-
Other Governmental Funds	-	-	1,140,000	-	-	1,338,000	-	2,478,000
Solid Waste Operating Fund	456,000	-	-	-	-	-	-	456,000
South Wake Partnership Fund	-	-	-	-	-	-	887,000	887,000
Total transfers in	\$ 1,599,215	\$ 830,000	\$ 193,160,902	\$ 25,549,000	\$ 2,500,000	\$ 2,338,000	\$ 887,000	\$ 226,864,117

NOTE 8.
Risk Management

**A. Property, Liability,
Workers'
Compensation and
Self-Insured Employee
Medical Coverages**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of, assets; errors and omissions; on-the-job injuries to employees; and natural disasters, as discussed below.

The County's group medical coverage is self-insured and administered by an outside provider. The County also provides self-insured dental to its employees and dependents. There is no limit for in-network services and no lifetime limit for out-of-network services for each covered employee/dependent's medical costs. The cost of providing medical coverage to participating employees and dependents is charged to benefiting funds as premiums. These premiums are an estimate of expected average claims per individual. The County is self-insured to a retention of \$1,000,000 for each workers' compensation claim and for liability claims. The County purchases commercial excess insurance for claims in excess of its self-insured retentions and other insurance and bonds to cover specific risks and individuals, respectively. The County has a high-deductible policy for property coverage, with a deductible of \$100,000 per occurrence; and \$500,000 per occurrence for locations in flood zones. Claims have not exceeded commercial coverage in any year since the fund was established in 1990. The County distributes claims expenditures to County departments, but does not insurance or bonding costs. Administrative costs, actuarially determined assets to pay ultimate losses and scheduled premiums are covered by the General Fund.

The County's coverage limits, subject to the retentions and deductibles described above, at June 30, 2013 are as follows:

<u>Coverage</u>	<u>Coverage Limits</u>
Property Insurance - Building and Contents	\$ 300,000,000
Flood Insurance	50,000,000
Flood Insurance (flood zone locations)	10,000,000
Earthquake	150,000,000
Workers' Compensation	Statutory
Employers' Liability	1,000,000
General Liability, Public Officials Liability, Law Enforcement Liability and Auto Liability	10,000,000

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more of the County's funds at any given time are covered by a commercial crime policy with limits of \$1,000,000. The Finance Director and the Tax Collector are covered by individual fidelity bonds of \$500,000 each.

**A. Property, Liability,
Workers'
Compensation and
Self-Insured Employee
Medical Coverages
(cont.)**

The claims liability of \$7,766,004 at June 30, 2013 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability is actuarially determined and includes an estimate for claims incurred but not reported. This entire amount is accrued and reported in the government-wide statements in the applicable governmental or business-type activities. A portion of the liability is considered current and is reported in the General fund in the fund financial statements. Changes in the fund's claims liability amount during fiscal years 2012 and 2013 are as follows:

Changes in Claims Liability

	Workers' compensation	Property and Liability	Self-insured group medical	Dental Benefits	Total
Balance, as of June 30, 2011	\$ 5,020,430	\$ 595,838	\$ 2,263,471	\$ 292,288	\$ 8,172,027
Claims incurred, fiscal year 2012	1,709,757	1,032,793	20,029,122	1,840,735	24,612,407
Payments and changes in estimates, fiscal year 2012	<u>2,017,769</u>	<u>803,277</u>	<u>20,376,770</u>	<u>1,989,088</u>	<u>25,186,904</u>
Balance, as of June 30, 2012	4,712,418	825,354	1,915,823	143,935	7,597,530
Claims incurred, fiscal year 2013	1,288,876	653,149	27,284,524	1,825,095	31,051,644
Payments and changes in estimates, fiscal year 2013	<u>1,223,072</u>	<u>259,721</u>	<u>27,570,347</u>	<u>1,830,030</u>	<u>30,883,170</u>
Balance, as of June 30, 2013	<u>\$ 4,778,222</u>	<u>\$ 1,218,782</u>	<u>\$ 1,630,000</u>	<u>\$ 139,000</u>	<u>\$ 7,766,004</u>
Current portion of liability	<u>\$ 3,187,548</u>	<u>\$ 810,490</u>	<u>\$ 1,104,961</u>	<u>\$ 81,745</u>	<u>\$ 5,184,744</u>

NOTE 9.
Capital Lease Obligations
and Operating Leases

The County leases certain equipment under lease agreements that are classified as capital leases for accounting purposes in accordance with GAAP. Obligations of these lease agreements are accounted for in the governmental activities of the government-wide statements. At June 30, 2013, the net book value of the assets acquired through capital leases is \$30,036. The net present value of the future minimum lease payments at June 30, 2013 is \$81,238 as detailed below.

The County also leases buildings and office facilities as well as various equipment under non-cancelable operating leases. The total costs for all operating lease expenditures for the year ended June 30, 2013 were \$3,771,829. The future minimum lease payments for non-cancelable operating leases are \$9,862,770 as detailed below.

At June 30, 2013, future minimum lease payments due under capital leases and operating leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

Year Ending June 30	Capital Leases	Operating Leases
2014	\$ 43,707	\$ 994,984
2015	28,716	964,416
2016	13,003	940,557
2017	-	942,579
2018	-	891,393
2019-2023	-	3,783,191
2024-2025	-	1,345,649
Total minimum lease payments	85,426	\$ 9,862,769
Less: amount representing interest	(4,188)	
Net present value of the future minimum lease payments	\$ 81,238	

The County leases office space under operating lease agreements with terms generally less than one year. Minimum future rentals on non-cancelable lease with terms in excess of one year are not material to the County's financial statements. Rental revenue for the year ended June 30, 2013 was \$235,165.

NOTE 10.
Long-term Debt

General Obligation Bonds:

The general obligation bonds reported in Governmental Activities are collateralized by the full faith, credit and taxing power of the County. The County has issued both fixed and variable rate bonds. The fixed rate bonds bear interest at rates varying from 2.00 percent to 5.40 percent. The variable rate is reset weekly by the remarketing agent based on the minimum rate of interest necessary to enable the remarketing agent to remarket all of the weekly rate bonds in the secondary market. The rate ranged from 0.05% to 0.22% during the period July 1, 2012 through June 30, 2013. Principal and interest requirements will be provided by an appropriation in the Debt Service Fund in the year in which they become due.

General obligation bonds serviced by the General Fund and payable at June 30, 2013 are comprised of the following:

2003B Public Improvement Bonds of \$55,000,000 due in periodic installments of \$10,000,000 to \$30,000,000 beginning in April 2016 through April 2018, interest is variable with a rate of 0.15% at June 30, 2012. The maximum amount of interest cannot exceed 12%.	\$	55,000,000
2003C Public Improvement Bonds of \$45,000,000 due in annual installments of \$13,000,000 to \$32,000,000 beginning in April 2019 through April 2020, interest is variable with a rate of 0.15% at June 30, 2012. The maximum amount of interest cannot exceed 12%.		45,000,000
2004 Public Improvement Bonds of \$130,000,000 due in annual installments of \$10,000,000 beginning March 1, 2005 through March 1, 2017, interest of 3.00 to 5.00%.		10,000,000
2004 Refunding Bonds of \$114,380,000 due in annual installments of \$2,865,000 to \$23,870,000 beginning March 1, 2007 through March 1, 2015 interest of 4.00 to 5.00%.		6,405,000
2005 Refunding Bonds of \$33,020,000 due in annual installments of \$50,000 to \$22,290,000 beginning February 1, 2006 through February 1, 2017 interest of 3.00 to 5.00%.		32,360,000
2005 School Bonds of \$41,000,000 due in annual installments of \$1,500,000 to \$6,000,000 through May 2023, interest of 3.25 to 5.00%.		3,000,000
2007 Public Improvement Bonds of \$455,000,000 due in periodic installments of \$23,000,000 to \$35,000,000 beginning March 1, 2009 through March 1, 2025, interest of 4.25 to 5.00%.		92,000,000
2007A Variable Rate School Bonds of \$50,000,000 due in periodic installments of \$13,000,000 to \$21,000,000 beginning March 1, 2024 through March 1, 2026, interest is variable with a rate of 0.15% at June 30, 2012. The maximum interest rate cannot exceed 12%.		50,000,000
2007B Variable Rate School Bonds of \$50,000,000 due in periodic installments of \$8,000,000 to \$21,000,000 beginning March 1, 2022 through March 1, 2024, interest is variable with a rate of 0.15% at June 30, 2012. The maximum interest rate cannot exceed 12%.		50,000,000
2009A Public Improvement Bonds of \$135,000,000 due in periodic installments of \$6,000,000 to \$24,000,000 beginning March 1, 2012 through March 1, 2026, interest of 4.00 to 5.00%.		36,000,000

NOTE 10. (Cont.)
Long-term Debt

2009B Public Improvement Bonds of \$300,000,000 due in periodic installments of \$7,000,000 to \$26,000,000 beginning March 1, 2010 through March 1, 2025, interest of 4.00 to 5.00%.	\$ 248,000,000
2009C Refunding Bonds of \$66,320,000 due in annual installments of \$7,575,000 to \$14,150,000 beginning March 1, 2010 through March 1, 2015 interest of 4.00 to 5.00%.	25,140,000
2009D Refunding Bonds of \$168,980,000 due in annual installments of \$6,545,000 to \$36,945,000 beginning February 1, 2012 through February 1, 2018 interest of 3.00 to 4.00%.	144,065,000
2010A Public Improvement Bonds of \$86,295,000 due in periodic installments of \$6,635,000 to \$6,675,000 beginning April 1, 2011 through April 1, 2023, interest of 2.00 to 5.00%.	66,350,000
2010B Public Improvement Recovery Zone Economic Development Bonds of \$39,505,000 due in periodic installments of \$6,330,000 to \$6,635,000 beginning April 1, 2024 through April 1, 2029, interest of 4.80 to 5.40%.	39,505,000
2010C Refunding Bonds of \$383,420,000 due in periodic installments of \$100,000 to \$56,780,000 beginning March 1, 2013 through March 1, 2026, interest of 2.00 to 5.00%.	383,320,000
2010D Public Improvement Qualified School Construction Bonds of \$34,910,000 due June 1, 2027, interest at 5.10%. Annual payments are required to be made into a sinking fund held by US Bank. The deposits and the interest earned on those deposits will be used to make the principal payment in June 2027.	34,910,000
2010E Public Improvement Bonds of \$18,945,000 due in periodic installments of \$1,890,000 to \$1,895,000 beginning August 1, 2011 through August 1, 2020, interest of 2.50 to 4.00%.	15,160,000
2010F Public Improvement Bonds of \$17,055,000 due in periodic installments of \$1,895,000 beginning August 1, 2021 through August 1, 2029, interest of 4.15 to 5.40%.	17,055,000
2011 Public Improvement Bonds of \$116,800,000 due in periodic installments of \$6,100,000 to \$6,150,000 beginning April 1, 2012 through April 1, 2030, interest of 3.00 to 5.00%.	104,550,000
2012A School Bonds of \$96,790,000 due in periodic installments of \$4,990,000 to \$5,100,000 beginning February 1, 2013 through February 1, 2031, interest of 3.00 to 5.00%.	91,800,000
2012B Refunding Bonds of \$75,290,000 due in annual installments of \$5,260,000 to \$27,845,000 beginning February 1, 2018 through February 1, 2021 interest of 5.00%.	75,290,000
2013A School Bonds of \$51,165,000 due in periodic installments of \$2,565,000 to \$2,700,000 beginning May 1, 2014 through May 1, 2032, interest of 2.50 to 5.00%.	51,165,000
2013B Public Improvement Bonds of \$125,250,000 due in periodic installments of \$6,000,000 to \$6,600,000 beginning May 1, 2014 through May 1, 2032, interest of 3.00 to 5.00%.	125,250,000
Total general obligation bonds outstanding	<u><u>\$ 1,801,325,000</u></u>

NOTE 10. (Cont.)
Long-term Debt

Limited Obligation Bonds:

The limited obligation bonds reported in Governmental Activities are supported by an annual budgetary appropriation of debt service, unlike general obligation bonds which are collateralized by the full faith, credit and taxing power of the County. Principal and interest requirements will be provided by an appropriation in the Debt Service Fund in the year in which they become due.

2009 Limited obligation bonds of \$154,620,000, due in annual installments of \$6,180,000 through \$6,185,000 June 2036; interest of 4.75% to 5.00%, collateralized by the Hammond Road Detention Center	\$ 142,250,000
2010 Limited obligation bonds of \$148,860,000, due in annual installments of \$5,950,000 through \$5,955,000 January 2037; interest of 2.50% to 5.00%, collateralized by the Criminal Justice Center	142,905,000
Total limited obligation bonds outstanding	<u><u>\$ 285,155,000</u></u>

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2013 are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$ 136,450,000	\$ 75,995,120	\$ 212,445,120
2015	136,525,000	70,846,445	207,371,445
2016	155,055,000	65,303,458	220,358,458
2017	152,985,000	58,968,967	211,953,967
2018	140,655,000	52,170,715	192,825,715
2019-2023	619,970,000	174,147,305	794,117,305
2024-2028	384,765,000	53,930,265	438,695,265
2029-2033	74,920,000	5,739,485	80,659,485
	<u><u>\$ 1,801,325,000</u></u>	<u><u>\$ 557,101,760</u></u>	<u><u>\$ 2,358,426,760</u></u>

The annual requirements to amortize capital leases, installment purchases, limited obligation bonds, notes payable and Qualified Zone Academy debt outstanding as of June 30, 2013 are as follows:

June 30	Principal	Interest	Total
2014	\$ 13,829,615	\$ 13,529,951	\$ 27,359,566
2015	13,860,556	13,051,454	26,912,010
2016	12,975,940	12,552,898	25,528,838
2017	12,895,325	12,095,590	24,990,915
2018	12,633,000	11,602,205	24,235,205
2019-2023	61,258,000	49,462,503	110,720,503
2024-2028	60,700,000	34,595,869	95,295,869
2029-2033	60,700,000	19,616,494	80,316,494
2034-2037	42,365,000	4,814,450	47,179,450
	<u><u>\$ 291,217,436</u></u>	<u><u>\$ 171,321,414</u></u>	<u><u>\$ 462,538,850</u></u>

NOTE 10. (Cont.)
Long-term Debt

The County is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the County may have outstanding to 8 percent of the appraised value of property subject to taxation less property valued for abatement. At June 30, 2013, such statutory limit of the County was \$9,796,012,090 providing a legal debt margin of \$7,558,019,654. Authorized but unissued general obligation bonds as of June 30, 2013 totaled \$145,450,000. Of this amount \$145,450,000 was for authorized but unissued new general obligation³

Qualified Zone Academy Bonds:

In 2003, the County issued \$3,002,077 of Qualified Zone Academy Bonds as authorized by State Law [G.S. 16A-20]. These are installment financing agreements that are secured by the fixtures and improvements at Needham Broughton High School. The County is obligated to make annual debt service fund payments of \$163,461 through December 2016. The scheduled payments by the County assume projected earnings at a fixed rate of 4.02%. If the trustee fails to earn projected amounts, the County shall pay, in addition to its scheduled payments, the amount such that total payments in the Debt Service Fund shall equal \$3,002,077.

Recovery Zone Economic Development Bonds – Wake County Public Schools

In 2010, the County issued Series 2010B Public Improvement Recovery Zone Economic Development Bonds (RZEDBs) totaling \$39.505 million. The issuance was comprised of the County's original allocation of RZEDBs of \$6.3 million and an additional allocation from the State. These bonds are eligible for federal interest subsidy payments equal to 45% of the true interest cost of the bonds as provided in the American Recovery and Reinvestment Act (ARRA).

Qualified School Construction Bonds – Wake County Public Schools

In 2010, the County issued Series 2010D Public Improvement Qualified School Construction Bonds totaling \$34.91 million. The issuance was comprised of the County's direct allocation from the U.S. Treasury totaling \$17.304 million in 2009 and \$17.606 million in 2010. These bonds are eligible for federal interest subsidy payments equal to 100% of the true interest cost of the bonds as provided in the American Recovery and Reinvestment Act (ARRA) and the Hiring Incentives to Restore Employment (HIRE) Act.

Recovery Zone Academy Bonds/Build America Bonds – Wake Tech Community College

In 2010, the County issued Series 2010F Public Improvement Bonds (Taxable Interest) totaling \$17.055 million. The issuance was comprised of an additional allocation of Recovery Zone Economic Development Bonds (RZEDBs) from the State of \$9,475,000 with the remaining \$7,580,000 designated as Build America Bonds (BABs). As provided in the American Recovery and Reinvestment Act (ARRA), the RZEDBs are eligible for federal interest subsidy payments equal to 45% of the true interest cost of the bonds and the BABs are eligible for federal interest subsidy payments equal to 35% of the true interest cost of the bonds.

Current Refunding of Installment Financing Agreements

In January 2013, the County issued installment financing agreements of \$3,175,000. Of that amount, \$2,255,000 was issued to pay off two previous issues of installment agreements, totaling \$2,204,654. The net proceeds of the refunding component, after payment of \$20,675 in issuance costs, were \$2,234,325. The net carrying amount of the old debt was exceeded by the reacquisition price by \$29,671. The County completed this refunding to reduce its total debt service payments over a period of seven years by \$128,521 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$126,140.

NOTE 10. (Cont.)
Long-term Debt

Conduit Debt Obligations:

Wake County Industrial Facilities and Pollution Control Financing Authority (the “Authority”) has used industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from the payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State of North Carolina, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2013, there were 17 series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$646 million.

Interest Rate Swap:

As part of the acquisition by the County of an 85% interest in Five County Stadium pursuant to an Interlocal Agreement dated December 19, 2002, the County assumed the obligations of the Town of Zebulon under an Installment Financing Agreement (“Original Agreement”) dated as of February 1, 1999. Effective April 20, 2004, the County entered into an Amended and Restated Installment Financing Agreement (“Amended Agreement”) and pay-fixed, receive-variable interest rate swap (“Swap”) for the purpose of refinancing the Original Agreement. The initial principal amount of the Amended Agreement was \$9,000,000 and the initial notional amount of the Swap was \$9,000,000. The notional value of the swap and the principal amount of the associated debt decline annually. The final maturity of the Amended Agreement and Swap is August 1, 2015. The interest rate on the Amended Agreement is 60.45% of one-month LIBOR plus 1.12%. Under the Swap, the County receives 60.45% of one-month LIBOR plus 1.12% (the same as the interest rate on the Amended Agreement) and pays 3.78%, effectively converting the Amended Agreement from variable-rate to fixed-rate. At June 30, 2013, the swap had a fair value to the County of (\$64,942). Fair value was estimated by the counterparty using mark to market valuations. As of June 30, 2013, the County was not exposed to credit risk because the swap had a negative fair value. The swap counterparty, Bank of America, at June 30, 2013 was rated “A3” by Moody’s Investors Service, “A” by Standard and Poor’s, and “A” by Fitch Ratings. Since the variable interest rate the County pays on the Amended Agreement and the variable interest rate the counterparty pays to the County on the swap are based on the same calculation, the net interest rate is the 3.78% fixed swap rate and there is no interest rate or basis risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The swap may also be terminated if either party’s credit rating on its long-term unsubordinated debt falls to “Baa1” or lower by Moody’s Investors Service, “BBB+” or lower by Standard and Poor’s, and “BBB+” or lower by Fitch Ratings, or such rating is withdrawn or suspended. Termination could result in the County being required to make or being entitled to receive an unanticipated termination payment.

Swap payments and associated debt – Using the variable interest rate as of June 30, 2013 (0.05%) and assuming the rate remains the same for the term of the agreement, debt service requirements of the Amended Agreement debt and net swap payments would be as follows:

Amended Variable Rate Installment Purchase Agreement				
	Principal	Variable Rate Interest	Interest Rate Swaps, Net	Total
2014	\$ 924,631	\$ 877	\$ 65,492	\$ 991,000
2015	960,407	405	30,188	991,000
2016	77,694	20	1,456	79,170
Total	<u>\$ 1,962,732</u>	<u>\$ 1,302</u>	<u>\$ 97,136</u>	<u>\$ 2,061,170</u>

NOTE 10. (Cont.)
Long-term Debt

Changes In Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Prior Period Adjustment **	Beginning Balance, restated	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:							
General obligation bonds	\$ 1,754,870,000	\$ -	\$ 1,754,870,000	\$ 176,415,000	\$ 129,960,000	\$ 1,801,325,000	\$ 136,450,000
Plus: Premiums on issuance	179,799,373	(30,973,585)	148,825,788	26,739,625	16,757,126	158,808,287	N/A
Total general obligation bonds payable	1,934,669,373	(30,973,585)	1,903,695,788	203,154,625	146,717,126	1,960,133,287	136,450,000
Limited obligation bonds	297,295,000	-	297,295,000	-	12,140,000	285,155,000	12,140,000
Plus: Premiums on issuance	19,615,261	-	19,615,261	-	788,219	18,827,042	N/A
Total limited obligation bonds payable	316,910,261	-	316,910,261	-	12,928,219	303,982,042	12,140,000
Qualified Zone Academy Bonds	817,311	-	817,311	-	163,461	653,850	163,461
Installment Purchases	5,693,721	-	5,693,721	3,175,000	3,541,373	5,327,348	1,485,227
Capital leases	132,027	-	132,027	-	50,789	81,238	40,927
Other post-employment benefits	65,306,978	-	65,306,978	21,556,511	4,903,499	81,959,990	-
Compensated absences	11,467,925	-	11,467,925	9,384,650	10,100,321	10,752,254	9,500,000
Total Governmental Activities	<u>\$ 2,334,997,596</u>	<u>\$ (30,973,585)</u>	<u>\$ 2,304,024,011</u>	<u>\$ 237,270,786</u>	<u>\$ 178,404,788</u>	<u>\$ 2,362,890,009</u>	<u>\$ 159,779,615</u>
Business-type activities:							
Landfill	\$ 16,426,769	\$ -	\$ 16,426,769	\$ 3,490,638	\$ 71,922	\$ 19,845,485	\$ 575,000
Other post-employment benefits	327,065	-	327,065	113,951	24,895	416,121	-
Compensated absences	65,944	-	65,944	54,438	52,112	68,270	52,000
Total Business-type Activities	<u>\$ 16,819,778</u>	<u>\$ -</u>	<u>\$ 16,819,778</u>	<u>\$ 3,659,027</u>	<u>\$ 148,929</u>	<u>\$ 20,329,876</u>	<u>\$ 627,000</u>

** See discussion of prior period adjustment in Note 24 in the Notes to the Financial Statements.

NOTE 11.
Additional Social Welfare
Expenditures

The following amount was paid on behalf of the County by the State from Federal and State funds. The human services payments were disbursed directly to vendors and individual recipients. For the year ended June 30, 2013 this amount, which is not included in the financial statements because the County has no primary responsibility beyond making eligibility determinations, is approximately \$614 million.

NOTE 12.
Compliance Audits of Federal
and State Assisted Programs

The County participates in a number of federal and State grant programs which are subject to audit in accordance with Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations", the Single Audit Act Amendments of 1996, and the State Single Audit Implementation Act. The County expects such expenditures, if any, which may be disallowed by the granting agencies to be immaterial.

NOTE 13.
Termination Benefits

On February 6, 2012, the Board approved an agreement to establish a new Multi-County Area Authority to Manage Mental Health, Substance Abuse and Developmental Disability Services for Durham and Wake County. This agreement merged the Counties, effective July 1, 2012, into a new organization called Alliance Behavioral Healthcare. As a result of the merger, Wake County was required to also divest of behavioral health services, which were transitioned to Alliance Behavioral Health, UNC Healthcare, community stakeholders. Wake County identified 225.5 positions for RIF (Reduction in Force). Of those 225.5 positions, 111 employees opted for the Severance Pay Option. Eligible employees who agreed to the terms and conditions of the severance pay option received a lump sum payment equal to two (2) weeks of pay for every full year of salaried service with the County as of the date of separation, up to a maximum payment equal to forty (40) weeks. The total severance payout for these 111 employees was \$3,174,050, paid as of June 30, 2013. Of this amount, \$2,568,612 is included in the accounts payable and accrued liabilities line item of the General Fund.

NOTE 14.
Multiple-Employer Pension
Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. Wake County contributes to 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 provides retirement and disability benefits to plan members and their beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The LGERS is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. That report may be obtained by writing to the Office of the State Controller, 3512 Bush Street, Raleigh, North Carolina 27609, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.74% and 7.22%, respectively, of annual covered payroll. The contribution requirements of members and of Wake County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2011, 2012, and 2013 were \$11,034,875, \$12,124,342 and \$11,816,499, respectively. The contributions made by the County equaled the required contributions for each year.

Supplemental Retirement Income Plan

Plan Description. Wake County 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 all employees of the County who are employed at least half time. Article 5 of the G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County's total payroll in fiscal year 2013 was \$175,232,574. The County's contributions were calculated using the base salary amount of \$175,266,798. The County made contributions amounting to \$8,763,294. Employees made voluntary contributions of \$4,162,437.

Funding Policy. This Supplemental Retirement Income Plan is provided through the Local Government Employees' Retirement System. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. State legislation requires that the County contribute an amount equal to 5 percent of the employee's base salary each month for all law enforcement officers. Wake County also makes a 5 percent contribution for all other employees employed at least half time. All covered employees may make voluntary contributions to the plan. The County's contributions for each employee (and interest allocated to the employee's account) are fully vested immediately.

NOTE 15.
Law Enforcement Officers'
Special Separation Allowance

Plan Description. Wake County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent 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. The Separation Allowance is reported in the County's financial statements as a pension trust fund and a separate report is not issued.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2012, the Separation Allowance's membership consisted of:

Retirees receiving benefits	56
Active plan members	398
Total	<u>454</u>

Basis of Accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

Methods Used to Value Investments. Investments are reported at fair value. Short-term debt, deposits, repurchase agreements, and the North Carolina Capital Management Trust investments are reported at fair value. Certain longer-term United States Government and Agency securities are valued at the last reported sales price.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the fiscal year ended June 30, 2013, the County contributed \$960,030, or 5.0% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed by the General Fund.

The annual required contribution for the fiscal year ended June 30, 2013 was determined as part of the December 31, 2011 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) a 5.00% investment rate of return and (b) projected salary increases ranging from 4.25% per year to 7.85% per year and (c) an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level percent of pay on an open basis. The remaining amortization period at December 31, 2011 was 20 years.

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the plan was 9.77 percent funded. The actuarial accrued liability for benefits was \$10,859,126, and the actuarial value of assets was \$1,060,674 resulting in an unfunded actuarial accrued liability (UAAL) of \$9,798,452. The covered payroll (annual payroll of active employees covered by the plan) was \$19,784,097, and the ratio of the UAAL to the covered payroll was 49.53 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NOTE 15. (Cont.)
Law Enforcement Officers'
Special Separation Allowance**

Trend Information:

Fiscal Year Ended	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation (asset)
June 30, 2011	\$ 972,443	76.61%	\$ (894,774)
June 30, 2012	932,644	80.08%	(708,960)
June 30, 2013	950,503	101.00%	(718,487)

The County's annual pension cost and net pension obligation (asset) to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 943,658
Interest on net pension obligation	(35,448)
Adjustment to annual required contribution	<u>42,293</u>
Annual pension cost	950,503
Contributions made	<u>960,030</u>
Decrease in net pension obligation	(9,527)
Net pension obligation (asset), beginning of year	<u>(708,960)</u>
Net pension asset, end of year	<u><u>\$ (718,487)</u></u>

**NOTE 16.
Register of Deeds'
Supplemental
Pension Fund**

Plan Description. Wake County also contributes to the Registers of Deeds' Supplemental Pension Fund (FUND), a non-contributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds who is retired under the Local Governmental Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. 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. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three (93%) of the amount in the fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the Department of State Treasurer in administering the Fund. For the fiscal year ended June 30, 2013 the County's actual and required contributions were \$104,870.

NOTE 17.
Post-Employment Benefits

The County has elected to provide death benefits to employees through the Death Trust Plan for members of the Local Government Employees' Retirement System (Death Trust Plan), a multiple-employer State-administered cost-sharing plan funded on a one-year term cost basis. The beneficiaries of these employees' who die in active service after one year of contributing membership in the System, or who die within 180 days after termination of service or retirement and have at least one year of contributing membership in the system at the time of death are eligible to receive death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death; however, the benefit may not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State of North Carolina.

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 County, the County does not determine the number of eligible participants. Due to a surplus, a decision was made by the State to temporarily stop employer contributions to the plan as of July 1, 2012. The temporary relief is based on the number of years the County has contributed to the plan as of December 31, 2010. Therefore, for the fiscal year ended June 30, 2013 the County made no contributions to the State.

NOTE 18.
Other Post-Employment Benefits

Plan Description. In addition to providing pension benefits, Wake County has elected to provide healthcare benefits, as a single-employer defined benefit plan to retirees of the County. As of April 15, 2007, this plan provides postemployment healthcare benefits to retirees of the County, provided that they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of creditable service with the County. Prior to April 15, 2007, employees qualified for similar level of benefits after at least five years of creditable service with the County depending on date of hire. Employees hired on or after June 30, 2011 are not eligible to participate in the plan. Retirees are eligible to receive the same benefits as active County employees. The County pays the costs of coverage for these benefits as incurred on a pay-as-you-go basis. Also, retirees can purchase coverage for their dependents at the County's group rates.

Membership in the plan included the following at December 31, 2011, the date of the latest actuarial valuation:

Retirees receiving benefits	775
Active plan members	3,475
Total	<u>4,250</u>

Funding Policy. The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the Board of Commissioners. Retirees can purchase coverage for their dependents at the County's group rates. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 13.69% of annual covered payroll. For the current year, the County contributed \$4,928,394 or 3.0% of annual covered payroll. The County's medical coverage is self-insured, which is administered by an outside provider. There were no contributions made by employees, except for dependent coverage for retirees in the amount of \$721,621.

Summary of Significant Accounting Policies. Post-employment expenditures are made from the County's General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they become due.

NOTE 18. (Cont.)
Other Post-Employment
Benefits

Annual OPEB cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 22,572,789
Interest on net OPEB obligation	2,953,532
Adjustment to annual required contribution	<u>(3,855,859)</u>
Annual OPEB cost	21,670,462
Contributions made	<u>4,928,394</u>
Increase in net OPEB obligation	16,742,068
Net OPEB liability, beginning of year	<u>65,634,043</u>
Net OPEB liability, end of year	<u>\$ 82,376,111</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
2011	\$ 16,560,769	14.8%	\$ 47,760,237
2012	21,916,189	18.4%	65,634,043
2013	21,670,462	22.7%	82,376,111

As of December 31, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits, and thus, the unfunded actuarial accrued liability (UAAL) was \$220,874,828. The covered payroll (annual payroll of active employees covered by the plan) was \$164,876,210, and the ratio of the UAAL to the covered payroll was 134.0%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**NOTE 18. (Cont.)
Other Post-Employment
Benefits**

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.50 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, an inflation rate of 3.00% and an annual medical cost trend increase of 9.50 to 5.00 percent for pre-Medicare and 7.00 to 5.00 percent for post-Medicare, each over 7 years. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2011 was 30 years.

**NOTE 19.
Commitments and
Contingencies**

The County is a party to some pending civil actions which are being vigorously defended. The County Attorney estimates that the potential liability resulting from such litigation not covered by insurance or barred by sovereign immunity is not material and would not have a substantial adverse effect on the financial position of the County as of June 30, 2013.

**NOTE 20.
Closure and Postclosure
Landfill Costs**

The County owns six solid waste landfills which are accounted for in the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund. State and Federal laws and regulations require the County to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The current estimate of closure and postclosure maintenance and monitoring costs is approximately \$23.0 million. The landfill closure and postclosure liability of \$19,845,485 is included as a line item under the noncurrent liabilities in the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund at June 30, 2013. The liability represents a cumulative amount reported to date based on the following facilities.

The North Wake Unlined Landfill and the Feltonsville Unlined Landfill have been closed for approximately fifteen years and no additional closure costs are expected at these facilities. The County is currently responsible for monitoring these sites for an additional 15 years for post-closure care. In fiscal year 2009 the County detected a small amount of groundwater contamination during its assessment process. The County has developed a Corrective Action Plan which addresses this issue. The estimates of the costs associated with the corrective action plan are included in the post-closure estimates for these facilities.

Both the North Wake and Feltonsville Construction and Demolition facilities stopped accepting waste in fiscal year 2004. The North Wake Construction and Demolition facility reached capacity in August 2003. Bids were received and a contract was awarded for closure of the facility in late 2003. The closure construction was successfully completed in early 2004. Therefore no further closure funds need to be reserved for fiscal year 2005 or beyond. Post-closure costs associated with this facility will be covered by the post-closure funds set aside for the adjacent Subtitle D and unlined landfill. The closure contract for the Feltonsville Construction and Demolition facility was bid and awarded in fiscal year 2004. The closure construction was completed in fiscal year 2005. No further closure funds need to be reserved in fiscal year 2005 or beyond. Post-closure costs associated with this facility will be covered by the post-closure funds set aside for the adjacent unlined landfill.

The North Wake Subtitle Design Facility has been closed since May 2008. Bids were received and a contract was awarded for closure of the facility in May 2008. The closure construction was successfully completed in 2009. Therefore no further closure funds need to be reserved for fiscal year 2010 or beyond. The County will continue to monitor this facility for post-closure care for an additional 26 years.

The South Wake Subtitle Design Facility began operations in February 2008 and is in its first phase of five total phases. At June 30, 2013, Phase 1 is estimated to be 83% full and will close in or around November, 2014. The entire landfill is estimated to close June 2037. The County will recognize the remaining estimated cost of closure and post-closure care costs of \$1.2 million as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**NOTE 21.
Pollution Remediation
Liability**

During fiscal year 2010, the County received notification from the North Carolina Department of Environment and Natural Resources Division of Waste Management (NCDENR) regarding post closure activities associated with the closed East Wake Landfill. Groundwater contamination and other volatile compounds have been detected at levels above the State groundwater standards. The County has signed a contract with an Engineering firm to perform a site assessment of the land in question. Prior to the completion of the site assessment, the County is not able to reasonably estimate the entire costs of clean up that may be required. Clean-up activities may include ground water monitoring, landfill gas monitoring and final cap repair. The County may be able to recover a portion of the costs associated with this project related to a certain parcel of land, at this time the amount of recoveries is not known so it was not included in the pollution remediation liability. At June 30, 2013, \$112,052 of pollution remediation liabilities were included in accounts payable and accrued liabilities in the Solid Waste Operating Fund.

**NOTE 22.
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:	\$ 196,311,374
Less:	
Inventories	379,368
Noncurrent receivables	280,923
Stabilization by State Statute	60,378,072
Register of deeds automation	339,453
Revaluation reserve	4,093,247
Local ABC revenues	6,400,000
Working capital	124,040,311
Future insurance claims	400,000
Remaining fund balance	\$ -

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. These amounts are included in the Stabilization by State Statute amount in restricted fund balance. Amounts outstanding at June 30, 2013 are as follows:

General Fund	Affordable Housing Fund	Major Facilities Fund	Major Funds				Nonmajor Funds
			Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	Other Governmental Funds
\$ 2,095,710	\$ 2,689,048	\$ -	\$ -	\$ 15,497,682	\$ 93,592,831	\$ -	\$ 2,675,030

**NOTE 22. (Cont.)
Fund Balance**

The following schedule provides information regarding the funding for the 15% Uncommitted Funds, as defined in the Interlocal Agreement and Amendments, within the Major Facilities Fund. To the extent that current year revenues are not sufficient for funding these projects, the County anticipates appropriating fund balance. As of June 30, 2013, fund balance in the Major Facilities Fund totaled \$1,337,341, all of which is Restricted by State Statute.

Fiscal Year	Cary Sports Facilities*	NC Art Museum	NC Ballet	NC Museum of Natural Sciences	RBC Center	St. Augustine's College Track	Whitewater Park**	Total
2009	\$ -	\$ 1,000,000	\$ 100,000	\$ 1,900,000	\$ 1,500,000	\$ 300,000	\$ -	\$ 4,800,000
2010	-	1,000,000	-	700,000	1,000,000	100,000	-	2,800,000
2011	-	1,000,000	-	900,000	1,000,000	100,000	-	3,000,000
2012	-	1,000,000	-	900,000	1,000,000	100,000	-	3,000,000
2013	400,000	1,000,000	-	800,000	1,679,355	100,000	-	3,979,355
Payments to Date	400,000	5,000,000	100,000	5,200,000	6,179,355	700,000	-	17,579,355
2014	1,000,000	1,000,000	-	200,000	1,000,000	100,000	150,000	3,450,000
2015	1,000,000	1,000,000	-	200,000	1,000,000	100,000	-	3,300,000
2016	1,300,000	1,000,000	-	400,000	1,000,000	100,000	-	3,800,000
2017	1,700,000	1,000,000	-	-	1,000,000	-	-	3,700,000
2018	2,600,000	-	-	-	2,000,000	-	-	4,600,000
2019	2,000,000	-	-	-	2,000,000	-	-	4,000,000
2020	-	-	-	-	5,000,000	-	-	5,000,000
2021	-	-	-	-	5,500,000	-	-	5,500,000
2022	-	-	-	-	320,645	-	-	320,645
Total	\$ 10,000,000	\$ 9,000,000	\$ 100,000	\$ 6,000,000	\$ 25,000,000	\$ 1,000,000	\$ 150,000	\$ 51,250,000

* Cary Sports Facilities include WakeMed Soccer Park, USA Baseball Complex, and the Cary Tennis Park.

** Appropriations have not yet been made and are pending executed funding agreements.

**NOTE 23.
Change in Accounting
Principles**

The County implemented Governmental Accounting Standards Board (GASB) Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position, and Statement 65, Items Previously reported as Assets and Liabilities, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additionally, GASB Statement 65 requires that deferred costs from refunding debt be presented as deferred outflows of resources. Bond issuance costs, which were previously deferred and amortized, must be included in current expenditures. Previously deferred bond issuance costs totaling \$1,759,119 were recognized as an expenditure in the current year. See Note 24 for the total restatement of beginning net position.

NOTE 24.
Prior Period Adjustments

During the fiscal year ended 2013, the County determined that several prior period adjustments were needed, as follows:

Capital Assets – Certain project expenditures in the County construction in progress funds were not correctly capitalized as capital assets in the Government-wide Statements, for both the Governmental and the Business-type activities.

Refunded Debt – The charge between the refunded debt and the refunding debt was not being deferred in the Government-wide Statements, but recognized in the period that it occurred.

Unamortized Bond Premiums – A portion of the unamortized bond premium was not expensed when the bonds were refunded, causing bond premiums in the Government-wide statements to be overstated.

Bond Issuance Costs – The County implemented *GASB 65 – Items Previously Reported as Assets and Liabilities* – which states that bond issuance costs should no longer be amortized over the life of the bonds, but expensed in the current period.

These items were properly recorded in the fund statements; therefore, beginning fund balances were not affected.

The following schedule provides the detailed information related to the prior period adjustments discussed above.

	Governmental Activities	Business-type Activities	Total
Beginning net position, as previously stated	\$ (917,624,319)	\$ 43,014,422	\$ (874,609,897)
Prior period adjustment related to:			
Capital assets	159,220,145	1,876,316	161,096,461
Refunded debt	(72,289,236)	-	(72,289,236)
Unamortized bond premiums	30,973,585	-	30,973,585
Bond issuance costs	(1,759,119)	-	(1,759,119)
Total adjustments	116,145,375	1,876,316	118,021,691
Beginning net position, as restated	\$ (801,478,944)	\$ 44,890,738	\$ (756,588,206)

NOTE 25.
**Stewardship, Compliance,
and Accountability**

The Major Facilities Fund expenditures were overbudget by \$419,126 and transfers were overbudget by \$15,215. Disbursements in the fund are calculated by the amount of revenue received for occupancy and prepared food and beverage taxes. Tax revenues were overbudget by \$552,690. Final revenues are received after June 30 and the County can no longer legally amend the 2013 budget.

The Capital Area Workforce Development Fund had a deficit fund balance of (\$51,126) as of June 30, 2013. This fund is entirely grant funded from federal sources on a reimbursement basis. Due to the timing of the receipts at year-end, funds were not considered available and therefore, not recognized in the current fiscal year. The County expects over the life of the grants, the entire awarded amount will be received to cure the deficit of the fund.

NOTE 26.
Subsequent Events

On October 8, 2013, Wake County voters authorized \$810.0 million of general obligation bonds that, when combined with \$129.9 million of cash funding will support the Wake County Public Schools 2013 Capital Building Program.

NOTE 27.
Comparative Data

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the County's financial position and operations. Comparative totals have not been included on the statements where their inclusion would not provide an enhanced understanding of the County's financial position or would cause the statements to be unduly complex or difficult to understand.

NOTE 28.
Discretely Presented
Component Unit Disclosure

(1) Deposits and Investment

The deposits and investments of the ABC Board are governed by the same North Carolina General Statutes and generally accepted accounting principles that are applicable to the County. These statutes and other reporting requirements are found in Note 4.

Deposits: At June 30, 2013, the Board's deposits had a carrying amount of \$14,286,840 and a bank balance of \$13,609,007. All of the bank balance was either insured by federal depository insurance, or collateralized under the pooling method.

Investments: State law [G.S. 159-30(c)] authorized the Board 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), an SEC registered (2a-7) money market mutual fund.

The NCCMT Cash Portfolio's securities are valued at fair value, which is the NCCMT's share price. This investment is included in cash and cash equivalents.

(2) Risk Management

The ABC Board 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 ABC Board has property, general liability, auto liability, workers' compensation and employee health coverage. The ABC Board also has liquor legal liability coverage.

There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 18B-700(i), each board member is bonded in the amount of \$100,000, secured by a corporate surety.

In accordance with G.S. 18B-803(b) and (c), the store manager and employees are bonded for \$100,000.

WAKE COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE - REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a) / c)
12/31/2003	\$ 3,142,240	\$ 6,410,126	\$ 3,267,886	49.02%	\$ 13,512,764	24.18%
12/31/2004	2,640,759	7,147,681	4,506,922	36.95%	14,453,419	31.18%
12/31/2005	2,599,117	7,091,401	4,492,284	36.65%	14,936,129	30.08%
12/31/2006	2,504,432	7,726,749	5,222,317	32.41%	15,690,512	33.28%
12/31/2007	2,406,714	8,506,194	6,099,480	28.29%	17,086,023	35.70%
12/31/2008	2,178,004	9,001,090	6,823,086	24.20%	18,008,068	37.89%
12/31/2009	1,938,530	11,387,164	9,448,634	17.02%	18,562,071	50.90%
12/31/2010	1,657,751	10,699,329	9,041,578	15.49%	18,662,735	48.45%
12/31/2011	1,350,904	10,585,001	9,234,097	12.76%	18,748,384	49.25%
12/31/2012	1,060,674	10,859,126	9,798,452	9.77%	19,784,097	49.53%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2004	\$ 503,145	100.00%
2005	498,334	130.64%
2006	599,284	89.77%
2007	551,806	115.44%
2008	618,438	100.00%
2009	693,913	100.44%
2010	768,996	96.88%
2011	965,832	77.14%
2012	924,005	80.83%
2013	943,658	101.73%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2012	Actuarial Assumptions:	
Actuarial cost method	Projected unit credit	Investment rate of return	5.00%
Amortization method	Level dollar open	Projected salary increases	4.25% to 7.85%
Remaining amortization period	20 years	Includes inflation at	3.00%
Asset Valuation method	Market Value	Cost of Living adjustments	None

WAKE COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS (OPEB) - REQUIRED SUPPLEMENTARY INFORMATION

PAY AS YOU GO - ACTUARY METHOD

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a) / c)
7/1/2007	\$ -	\$ 157,412,725	\$ 157,412,725	0.00%	\$ 168,991,714	93.1%
12/31/2008	-	179,179,404	179,179,404	0.00%	171,841,892	104.3%
12/31/2009	-	192,103,016	192,103,016	0.00%	175,306,115	109.6%
12/31/2011	-	220,874,828	220,874,828	0.00%	164,876,210	134.0%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 14,918,567	23.0%
2009	14,918,567	26.0%
2010	14,666,675	23.7%
2011	16,289,306	15.0%
2012	22,572,789	17.9%
2013	22,572,789	21.8%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2011
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, closed
Remaining amortization period	30 years
Asset Valuation method	Market Value of Assets

Actuarial Assumptions:	
Investment rate of return	4.50%
Medical cost trend rate - pre-Medicare	9.5% - 5.00%
Medical cost trend rate - post-Medicare	7.00% - 5.00%
Year of ultimate trend rate	2018
Includes inflation at	3.00%

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND COMPARATIVE BALANCE SHEETS As of June 30, 2013 and 2012

	June 30, 2013	June 30, 2012
ASSETS		
Cash and investments - pooled equity	\$ 176,582,374	\$ 147,808,223
Cash and investments - cash equivalents	1,006,033	1,052,712
Cash and investments - restricted	4,644,938	3,784,555
Taxes receivable (net)	6,849,690	7,643,014
Accounts receivable (net)	61,004,008	64,057,902
Loans receivable	4,000,000	-
Due from other funds	566,963	-
Prepaid expenditures	541,186	585,016
Accrued interest receivable	11,933	21,731
Inventories	379,368	329,670
TOTAL ASSETS	<u>\$ 255,586,493</u>	<u>\$ 225,282,823</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 41,435,159	\$ 35,253,810
Due to other governmental units	259,218	177,706
Unearned revenue	3,600,000	-
Total Liabilities	<u>45,294,377</u>	<u>35,431,516</u>
DEFERRED INFLOWS OF RESOURCES	<u>13,980,742</u>	<u>14,153,063</u>
Fund Balance:		
Non-spendable:		
Inventories	379,368	329,670
Noncurrent receivable	280,923	350,409
Restricted:		
Stabilization by State statute	60,378,072	61,577,460
Register of deeds automation	339,453	310,538
Committed:		
Revaluation reserve	4,093,247	3,468,905
Future appropriations from excess		
local ABC revenues	6,400,000	-
Working capital	124,040,311	109,629,660
Assigned:		
Planned expenditures	-	31,602
Future insurance claims	400,000	-
Total Fund Balance	<u>196,311,374</u>	<u>175,698,244</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 255,586,493</u>	<u>\$ 225,282,823</u>

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 2013

With Comparative Actual Amounts for the Year Ended June 30, 2012

	2013			2012
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
Taxes	\$ 783,947,343	\$ 793,285,615	\$ 9,338,272	\$ 776,440,214
Licenses and permits	3,320,455	4,062,881	742,426	3,413,382
Intergovernmental	93,337,482	94,612,804	1,275,322	119,334,660
Charges for services	62,373,295	64,535,379	2,162,084	65,471,200
Investment earnings	49,972	10,387	(39,585)	40,237
Miscellaneous	515,454	1,298,714	783,260	360,173
Total Revenues	943,544,001	957,805,780	14,261,779	965,059,866
EXPENDITURES:				
Current:				
General administration	44,126,775	41,663,173	2,463,602	44,734,430
Human services	187,035,404	184,720,084	2,315,320	211,029,938
Education	334,532,675	334,532,675	-	330,402,642
Community development and cultural	26,343,295	25,917,801	425,494	25,224,320
Environmental services	8,137,977	7,661,402	476,575	7,643,371
General services administration	23,405,015	22,421,170	983,845	21,081,514
Public safety	108,589,481	107,763,560	825,921	101,049,020
Total Expenditures	732,170,622	724,679,865	7,490,757	741,165,235
REVENUES OVER EXPENDITURES	211,373,379	233,125,915	21,752,536	223,894,631
OTHER FINANCING SOURCES (USES)				
Transfers in	1,584,000	1,599,215	15,215	2,180,070
Transfers out	(214,112,000)	(214,112,000)	-	(209,828,316)
Total Other Financing Sources (Uses)	(212,528,000)	(212,512,785)	15,215	(207,648,246)
REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	(1,154,621)	20,613,130	21,767,751	16,246,385
APPROPRIATED FUND BALANCE	1,154,621	-	(1,154,621)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER USES	\$ -	20,613,130	\$ 20,613,130	16,246,385
FUND BALANCE, BEGINNING OF YEAR		175,698,244		159,451,859
BUDGETARY FUND BALANCE		196,311,374		175,698,244
LESS: EXPENDITURES ASSOCIATED WITH CAPITAL LEASE INCEPTION & CAPITAL DONATIONS		-		(7,573)
ADD: PROCEEDS OF CAPITAL LEASES & CAPITAL DONATIONS		-		7,573
TOTAL LEASE INCEPTION AND PROCEEDS		-		-
FUND BALANCE AT END OF YEAR		\$ 196,311,374		\$ 175,698,244

WAKE COUNTY, NORTH CAROLINA

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL
For the Year Ended June 30, 2013
With Comparative Actual Amounts for the Year Ended June 30, 2012

	2013			2012
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
TAXES				
Ad valorem property - current	\$ 639,522,083	\$ 645,115,894	\$ 5,593,811	\$ 635,148,500
Ad valorem property - prior	6,700,000	7,006,410	306,410	7,337,564
Tax penalties, interest and other	2,740,000	2,776,066	36,066	3,238,983
Sales	125,254,839	127,273,310	2,018,471	120,834,877
Leased rental vehicle tax	2,550,000	2,618,729	68,729	2,508,644
Real property transfer	5,950,000	7,245,385	1,295,385	6,120,634
Payments in lieu of taxes	1,230,421	1,249,821	19,400	1,251,012
Total Taxes	<u>783,947,343</u>	<u>793,285,615</u>	<u>9,338,272</u>	<u>776,440,214</u>
LICENSES AND PERMITS				
Beer and wine licenses	72,000	69,986	(2,014)	79,338
Marriage licenses	144,574	148,830	4,256	149,680
Building permits and inspections	3,103,881	3,844,065	740,184	3,184,364
Total Licenses and Permits	<u>3,320,455</u>	<u>4,062,881</u>	<u>742,426</u>	<u>3,413,382</u>

WAKE COUNTY, NORTH CAROLINA

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL
For the Year Ended June 30, 2013
With Comparative Actual Amounts for the Year Ended June 30, 2012

	2013			2012
	Budget	Actual	Variance Positive/(Negative)	Actual
INTERGOVERNMENTAL REVENUE				
Federal and State:				
Human services	\$ 85,219,096	\$ 76,839,908	\$ (8,379,188)	\$ 105,634,701
Payments in lieu of taxes	255,000	270,014	15,014	259,478
Public library	540,000	527,548	(12,452)	548,324
Public safety	698,176	3,716,584	3,018,408	1,654,493
Others	2,467,860	2,483,323	15,463	2,515,577
Total Federal and State	89,180,132	83,837,377	(5,342,755)	110,612,573
Local:				
ABC Board	4,000,000	10,650,000	6,650,000	8,433,333
Human services	9,750	9,570	(180)	153,807
Others	147,600	115,857	(31,743)	134,947
Total Local	4,157,350	10,775,427	6,618,077	8,722,087
Total Intergovernmental	93,337,482	94,612,804	1,275,322	119,334,660

WAKE COUNTY, NORTH CAROLINA

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL
For the Year Ended June 30, 2013
With Comparative Actual Amounts for the Year Ended June 30, 2012

	2013			2012
	Budget	Actual	Variance Positive/(Negative)	Actual
CHARGES FOR SERVICES				
Environmental	\$ 400,000	\$ 399,048	\$ (952)	\$ 395,493
Client Fees	1,262,207	1,121,127	(141,080)	1,230,429
Insurance	1,108,495	977,796	(130,699)	1,097,338
Medicaid Fees	16,622,781	17,371,894	749,113	21,758,670
Medicare Fees	286,379	221,594	(64,785)	258,061
HS Reimbursements	740,380	627,306	(113,074)	595,563
Inspection Fees	460,626	635,592	174,966	485,868
Library Fees	501,000	497,787	(3,213)	535,691
Parks & Recreation Fees	130,130	130,531	401	135,107
EMS Fees	22,896,584	22,677,770	(218,814)	21,573,492
Facility Use Fees	251,100	297,500	46,400	256,118
Fire/Rescue Fees	239,660	231,966	(7,694)	276,021
Sheriff Fees	4,966,978	5,125,920	158,942	3,548,336
Transportation Fees	507,545	590,656	83,111	701,317
Planning Fees	251,010	412,261	161,251	328,563
Court Facility Fees	1,100,000	1,166,468	66,468	1,340,638
Parking Fees	655,000	636,342	(18,658)	667,568
Rental/lease income	219,320	195,165	(24,155)	108,351
Real Estate Record Fees	4,736,018	5,726,870	990,852	5,023,993
Reimbursements	2,038,655	2,027,723	(10,932)	2,358,638
Tax Collection Fees	783,000	823,107	40,107	790,262
Vending Income	670,027	804,087	134,060	604,764
Other Fees and Charges	1,546,400	1,836,869	290,469	1,400,919
Total Charges for Services	62,373,295	64,535,379	2,162,084	65,471,200
INVESTMENT EARNINGS	49,972	10,387	(39,585)	40,237
MISCELLANEOUS				
Sale of materials and capital assets	279,680	242,371	(37,309)	318,786
Other	235,774	1,056,343	820,569	41,387
Total Miscellaneous	515,454	1,298,714	783,260	360,173
TOTAL REVENUES	943,544,001	957,805,780	14,261,779	965,059,866

WAKE COUNTY, NORTH CAROLINA

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

DETAILED BUDGET AND ACTUAL

For the Year Ended June 30, 2013

With Comparative Actual Amounts for the Year Ended June 30, 2012

	2013					2012
	Budget	Actual	Encumbrances	Total	Variance Budget vs. Actual Positive/(Negative)	Actual
EXPENDITURES:						
GENERAL ADMINISTRATION						
County commissioners	\$ 480,707	\$ 472,634	\$ -	\$ 472,634	\$ 8,073	\$ 465,341
County manager	1,417,099	1,333,197	1,959	1,335,156	83,902	1,325,348
County attorney	1,505,109	1,482,706	-	1,482,706	22,403	1,448,773
Board of elections	4,894,904	4,607,893	2,427	4,610,320	287,011	3,905,195
Facilities design & construction	1,148,705	1,068,209	-	1,068,209	80,496	978,194
Finance	2,894,400	2,681,088	19,169	2,700,257	213,312	2,731,379
Human resources	1,886,056	1,635,500	-	1,635,500	250,556	1,725,484
Information services	11,950,464	11,661,933	2,685	11,664,618	288,531	11,207,362
Register of deeds	2,658,716	2,604,115	-	2,604,115	54,601	2,724,684
Revenue	5,920,243	5,061,692	141,680	5,203,372	858,551	4,967,462
Non-departmental	7,839,121	7,522,955	57,095	7,580,050	316,166	11,320,957
Public agencies	1,531,251	1,531,251	-	1,531,251	-	1,934,251
Total General Administration	44,126,775	41,663,173	225,015	41,888,188	2,463,602	44,734,430
HUMAN SERVICES						
Medical examiner	204,200	181,000	-	181,000	23,200	212,600
Social services economic self sufficiency	70,915,359	69,305,768	105,038	69,410,806	1,609,591	33,128,862
Child welfare	21,657,709	21,229,078	-	21,229,078	428,631	21,132,877
Children youth and family	13,913,532	13,686,819	-	13,686,819	226,713	49,224,956
Public health	10,132,739	10,004,793	-	10,004,793	127,946	9,429,274
Health clinics	16,311,803	16,160,876	-	16,160,876	150,927	15,715,705
Behavioral health	28,301,488	30,047,051	-	30,047,051	(1,745,563)	16,247,548
Administration and operations	25,576,297	24,034,924	1,162,181	25,197,105	1,541,373	25,426,155
Local management entity	22,277	69,775	-	69,775	(47,498)	40,511,961
Total Human Services	187,035,404	184,720,084	1,267,219	185,987,303	2,315,320	211,029,938

Encumbrances are included for internal reporting purposes only.

WAKE COUNTY, NORTH CAROLINA

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

DETAILED BUDGET AND ACTUAL

For the Year Ended June 30, 2013

With Comparative Actual Amounts for the Year Ended June 30, 2012

	2013					2012
	Budget	Actual	Encumbrances	Total	Variance Budget vs. Actual Positive/(Negative)	Actual
EDUCATION						
Wake County Public Schools:						
Current expense	\$ 317,181,372	\$ 317,181,372	\$ -	\$ 317,181,372	\$ -	\$ 311,759,998
Capital outlay	1,160,365	1,160,365	-	1,160,365	-	2,651,594
Total Wake County Public Schools	318,341,737	318,341,737	-	318,341,737	-	314,411,592
Wake Technical College:						
Current expense	16,190,938	16,190,938	-	16,190,938	-	15,991,050
Total Wake Technical College	16,190,938	16,190,938	-	16,190,938	-	15,991,050
Total Education	334,532,675	334,532,675	-	334,532,675	-	330,402,642
COMMUNITY DEVELOPMENT AND CULTURAL						
Community Development:						
Administration	579,665	574,342	-	574,342	5,323	505,330
Parks and recreation	2,561,582	2,553,964	20,150	2,574,114	7,618	2,330,084
Building inspections	3,561,016	3,551,167	5,579	3,556,746	9,849	3,493,033
Veterans services	244,710	199,541	-	199,541	45,169	222,844
Geographic information services	1,653,821	1,624,062	17,113	1,641,175	29,759	1,616,999
Public libraries	17,742,501	17,414,725	96,732	17,511,457	327,776	17,056,030
Total Community Development and Cultural	26,343,295	25,917,801	139,574	26,057,375	425,494	25,224,320

WAKE COUNTY, NORTH CAROLINA

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL
For the Year Ended June 30, 2013
With Comparative Actual Amounts for the Year Ended June 30, 2012

	2013					2012
	Budget	Actual	Encumbrances	Total	Variance Budget vs. Actual Positive/(Negative)	Actual
EXPENDITURES:						
ENVIRONMENTAL SERVICES						
Environmental services	\$ 8,137,977	\$ 7,661,402	\$ 22,230	\$ 7,683,632	\$ 476,575	\$ 7,643,371
Total Environmental Services	8,137,977	7,661,402	22,230	7,683,632	476,575	7,643,371
GENERAL SERVICES ADMINISTRATION						
General services administration	23,405,015	22,421,170	345,361	22,766,531	983,845	21,081,514
Total General Services Administration	23,405,015	22,421,170	345,361	22,766,531	983,845	21,081,514
PUBLIC SAFETY						
Sheriff Department:						
Sheriff	35,401,972	35,591,064	37,785	35,628,849	(189,092)	34,113,388
Detention	34,251,889	34,026,312	-	34,026,312	225,577	30,348,141
Total Sheriff Department	69,653,861	69,617,376	37,785	69,655,161	36,485	64,461,529
CCBI	5,015,163	4,902,839	1,692	4,904,531	112,324	4,708,071
Emergency medical services	30,725,097	30,700,734	49,234	30,749,968	24,363	29,068,117
Fire and emergency management	2,006,981	1,690,655	7,600	1,698,255	316,326	1,877,083
Public safety communications	1,188,379	851,956	-	851,956	336,423	934,220
Total Public Safety	108,589,481	107,763,560	96,311	107,859,871	825,921	101,049,020
TOTAL EXPENDITURES	732,170,622	724,679,865	2,095,710	726,775,575	7,490,757	741,165,235

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL
For the Year Ended June 30, 2013
With Comparative Actual Amounts for the Year Ended June 30, 2012

	2013			2012
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES OVER EXPENDITURES	\$ 211,373,379	\$ 233,125,915	\$ 21,752,536	\$ 223,894,631
OTHER FINANCING SOURCES (USES)				
Transfers in	1,584,000	1,599,215	15,215	2,180,070
Transfers out	(214,112,000)	(214,112,000)	-	(209,828,316)
Total Other Financing Sources (Uses)	(212,528,000)	(212,512,785)	15,215	(207,648,246)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,154,621)	20,613,130	21,767,751	16,246,385
APPROPRIATED FUND BALANCE	1,154,621	-	(1,154,621)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	20,613,130	\$ 20,613,130	16,246,385
FUND BALANCE, BEGINNING OF YEAR		175,698,244		159,451,859
BUDGETARY FUND BALANCE		196,311,374		175,698,244
LESS: EXPENDITURES ASSOCIATED WITH INCEPTION OF CAPITAL LEASES AND NOTE PAYABLES		-		(7,573)
ADD: PROCEEDS OF CAPITAL LEASES AND NOTE PAYABLES		-		7,573
TOTAL LEASE INCEPTIONS		-		-
FUND BALANCE AT END OF YEAR		\$ 196,311,374		\$ 175,698,244

WAKE COUNTY, NORTH CAROLINA

AFFORDABLE HOUSING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

From Project Inception Through June 30, 2013

	Project	Actual		
	Authorization	Prior	Current	Total
		Years	Year	To Date
REVENUES:				
Intergovernmental	\$ 24,581,661	\$ 13,659,174	\$ 6,658,047	\$ 20,317,221
Charges for services	2,058,889	1,337,955	621,063	1,959,018
Investment earnings	58,615	247,722	-	247,722
Miscellaneous	36,686	-	-	-
Total Revenues	26,735,851	15,244,851	7,279,110	22,523,961
EXPENDITURES:				
Human Services				
County funded	8,164,134	4,806,669	829,734	5,636,403
Housing and community revitalization	15,582,256	6,718,859	4,769,552	11,488,411
Home grant	6,916,236	2,386,142	3,289,172	5,675,314
Homeless prevention grants	582,164	582,164	-	582,164
HOPWA grants	2,530,516	982,477	769,768	1,752,245
Total Expenditures	33,775,306	15,476,311	9,658,226	25,134,537
REVENUES OVER (UNDER) EXPENDITURES	(7,039,455)	(231,460)	(2,379,116)	(2,610,576)
OTHER FINANCING SOURCES:				
Transfers in	7,039,455	6,209,455	830,000	7,039,455
REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ -	\$ 5,977,995	(1,549,116)	\$ 4,428,879
Fund Balance at beginning of year			5,977,995	
FUND BALANCE AT END OF YEAR			\$ 4,428,879	

WAKE COUNTY, NORTH CAROLINA

MAJOR FACILITIES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN APPROPRIATED FUND BALANCE

For the Year Ended June 30, 2013

	2013	
	Budget	Actual
REVENUES:		
Taxes:		
Occupancy tax	\$ 17,035,000	\$ 17,292,131
Prepared food tax	20,571,000	20,866,559
Total taxes	37,606,000	38,158,690
Charges for services	679,355	621,008
Investment earnings	-	15,335
Total Revenues	38,285,355	38,795,033
EXPENDITURES:		
Raleigh hold harmless - occupancy	680,000	680,044
Cary hold harmless - occupancy	826,191	838,514
Greater Raleigh Convention and Visitors Bureau	4,378,205	4,439,821
Centennial Authority operations 7%	2,189,121	2,217,993
Centennial - Debt service	5,207,715	5,203,535
Raleigh annual distribution - \$1M	1,000,000	1,000,000
Convention Center	17,174,526	17,494,977
NC Museum of Art	1,000,000	1,000,000
Centennial Authority Facility Improvements	1,679,355	1,679,355
Green Square	800,000	800,000
St. Augustine's	100,000	100,000
Cary Sports Venue	400,000	400,000
Total Expenditures	35,435,113	35,854,239
REVENUES OVER EXPENDITURES	2,850,242	2,940,794
OTHER FINANCING USES:		
Transfers out to General Fund	(1,128,000)	(1,143,215)
Transfers out to Debt Service Fund	(991,000)	(991,000)
Transfers out to Capital Improvement Fund	(1,000,000)	(1,000,000)
Total other financing uses	(3,119,000)	(3,134,215)
REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	(268,758)	(193,421)
Appropriated fund balance	268,758	-
REVENUES AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER FINANCING USES	\$ -	(193,421)
Fund Balance at beginning of year		1,530,762
FUND BALANCES AT END OF YEAR		\$ 1,337,341

WAKE COUNTY, NORTH CAROLINA

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 2013

	2013	
	Budget	Actual
REVENUES:		
Taxes	\$ -	\$ 51,708
Intergovernmental	13,002,174	12,964,747
Investment earnings	6,479,000	2,422,997
Total revenues	19,481,174	15,439,452
EXPENDITURES:		
Debt service - principal	145,633,944	145,652,849
Debt service - interest	92,666,987	89,523,701
Future appropriated reserves	-	-
Miscellaneous	312,971	354,580
Total expenditures	238,613,902	235,531,130
REVENUES UNDER EXPENDITURES	(219,132,728)	(220,091,678)
OTHER FINANCING SOURCES:		
Transfers in	193,160,902	193,160,902
Transfers out	(100,000)	(100,000)
Refunding installment purchases issued	-	2,234,325
Premiums on issuance	-	26,739,626
Payment to refunded escrow agent	-	(2,234,325)
Total Other Financing Sources (Uses)	193,060,902	219,800,528
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(26,071,826)	(291,150)
APPROPRIATED FUND BALANCE	26,071,826	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	\$ -	(291,150)
Fund Balance at beginning of year		169,346,350
FUND BALANCES AT END OF YEAR		\$ 169,055,200

WAKE COUNTY, NORTH CAROLINA

COUNTY CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

From Project Inception Through June 30, 2013

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Taxes	\$ 612,910	\$ 616,264	\$ 377	\$ 616,641
Intergovernmental	12,970,667	13,169,268	566,781	13,736,049
Charges for services	11,170,792	6,774,460	21,065	6,795,525
Investment earnings	29,567,844	28,950,247	106	28,950,353
Miscellaneous	1,179,872	1,350,969	6,625	1,357,594
Total Revenues	55,502,085	50,861,208	594,954	51,456,162
EXPENDITURES - CAPITAL PROJECTS:				
Capital projects:				
Automation CIP	21,325,607	8,140,666	6,911,528	15,052,194
Community capital projects	2,105,000	1,250,000	250,000	1,500,000
County building improvements	39,227,927	28,995,643	4,926,317	33,921,960
Criminal justice CIP	385,791,203	322,927,955	40,749,614	363,677,569
Public libraries CIP	12,832,029	4,556,207	510,220	5,066,427
Open space	14,828,155	7,521,589	4,474,798	11,996,387
Parks and recreation CIP	4,991,170	3,571,699	239,796	3,811,495
Public safety CIP	18,294,341	15,725,434	1,550,829	17,276,263
Water and sewer	10,009,424	6,126,393	113,024	6,239,417
Economic development	13,509,224	5,671,843	2,059,583	7,731,426
Program wide projects	5,026,000	-	-	-
Total Expenditures	527,940,080	404,487,429	61,785,709	466,273,138
REVENUES UNDER EXPENDITURES	(472,437,995)	(353,626,221)	(61,190,755)	(414,816,976)
OTHER FINANCING SOURCES AND (USES):				
Transfers in	171,636,096	148,727,218	25,549,000	174,276,218
Transfers out	(23,824,084)	(18,127,182)	(5,696,902)	(23,824,084)
Bonds issued	12,221,431	12,095,578	21,000,000	33,095,578
Limited obligation bonds issued	301,310,923	301,310,923	-	301,310,923
Premiums on issuance	11,093,629	11,140,000	-	11,140,000
Total Other Financing Sources and (Uses)	472,437,995	455,146,537	40,852,098	495,998,635
REVENUES AND OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES	\$ -	\$ 101,520,316	(20,338,657)	\$ 81,181,659
Fund Balance at beginning of year			101,520,316	
FUND BALANCE AT END OF YEAR			\$ 81,181,659	

WAKE COUNTY, NORTH CAROLINA

SCHOOL CAPITAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

From Project Inception Through June 30, 2013

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 4,357,908	\$ 4,357,908	\$ 2,171,627	\$ 6,529,535
Lottery proceeds	16,613,874	16,613,874	-	16,613,874
Investment earnings	68,504,937	69,030,222	23,950	69,054,172
Miscellaneous	4,328	4,328	-	4,328
Total Revenues	89,481,047	90,006,332	2,195,577	92,201,909
EXPENDITURES - CAPITAL PROJECTS:				
Wake County Public Schools	1,080,552,197	840,847,184	77,218,781	918,065,965
TOTAL EXPENDITURES	1,080,552,197	840,847,184	77,218,781	918,065,965
REVENUES UNDER EXPENDITURES	(991,071,150)	(750,840,852)	(75,023,204)	(825,864,056)
OTHER FINANCING SOURCES AND (USES):				
Bonds issued	849,547,092	850,388,322	51,165,000	901,553,322
Transfers in	178,188,018	190,507,015	-	190,507,015
Transfers out	(36,663,960)	(36,663,960)	-	(36,663,960)
Total Other Financing Sources and (Uses)	991,071,150	1,004,231,377	51,165,000	1,055,396,377
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 253,390,525	(23,858,204)	\$ 229,532,321
Fund Balance at beginning of year			253,390,525	
FUND BALANCE AT END OF YEAR			\$ 229,532,321	

WAKE COUNTY, NORTH CAROLINA

WAKE COMMUNITY COLLEGE CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Project Inception Through June 30, 2013

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Investment earnings	\$ 935,736	\$ 1,542,667	\$ -	\$ 1,542,667
Total Revenues	935,736	1,542,667	-	1,542,667
EXPENDITURES - CAPITAL PROJECTS:				
Wake Technical College	178,181,503	131,809,000	15,662,906	147,471,906
TOTAL EXPENDITURES	178,181,503	131,809,000	15,662,906	147,471,906
REVENUES UNDER EXPENDITURES	(177,245,767)	(130,266,333)	(15,662,906)	(145,929,239)
OTHER FINANCING SOURCES:				
Transfers in	31,647,000	29,147,000	2,500,000	31,647,000
Bonds issued	144,334,412	129,707,708	104,250,000	233,957,708
Premiums on issuance	1,264,355	1,264,355	-	1,264,355
Total Other Financing Sources	177,245,767	160,119,063	106,750,000	266,869,063
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ -	\$ 29,852,730	91,087,094	\$ 120,939,824
Fund Balance at beginning of year			29,852,730	
FUND BALANCE AT END OF YEAR			\$ 120,939,824	

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds account for proceeds of revenue sources that are restricted to expenditures for specific purposes. These funds are established under the provisions of the North Carolina General Statutes:

The ***Grants Fund*** accounts for the non-recurring revenues and expenditures, received from grant, donations and forfeiture funds, in a multi-year fund. It was established in fiscal year 2008.

The ***Capital Area Workforce Development Fund*** accounts for the federal Department of Labor grant activities conducted within the Workforce Investment Act of 1998.

The ***Fire Tax District Fund*** accounts for the revenues received as part of ad valorem tax collections and their subsequent distribution to various special tax districts throughout the County.

Capital Project Funds

Capital project funds account for the proceeds of debt issues and all other resources segregated for the acquisition, construction, and reconstruction of capital assets.

The ***Fire Capital Project Fund*** accounts for the acquisition of fire apparatus and equipment and renovations of fire facilities. It was established in fiscal year 2008, prior to that these projects had been accounting for in the County Capital Project Fund.

The ***Major Facilities Capital Trust Fund*** accounts for identified projects through the Wake County's allocation from the Major Facilities Trust Fund and to repay a loan on behalf of the Carolina Mudcats for construction of a restaurant at Five County Stadium. It was established in fiscal year 2008, prior to that these projects had been accounting for in the County Capital Project Fund.

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of June 30, 2013

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
ASSETS			
Cash and investments - pooled equity	\$ 8,321,371	\$ 14,275,270	\$ 22,596,641
Taxes receivable, net	240,044	-	240,044
Accounts receivable, net	1,465,346	76,776	1,542,122
Prepaid expenditures	4,075	-	4,075
Accrued interest receivable	9,252	16,545	25,797
TOTAL ASSETS	\$ 10,040,088	\$ 14,368,591	\$ 24,408,679
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 940,033	\$ 802,400	\$ 1,742,433
Due to other funds	566,963	-	566,963
Total Liabilities	1,506,996	802,400	2,309,396
DEFERRED INFLOWS OF RESOURCES	385,344	-	385,344
Fund Balances:			
Restricted:			
Stabilization by State statute	1,105,345	1,860,504	2,965,849
Committed:			
Working capital	2,904,480	-	2,904,480
Assigned:			
Planned expenditures	4,137,923	2,550,403	6,688,326
Future capital projects	-	9,155,284	9,155,284
Total Fund Balances	8,147,748	13,566,191	21,713,939
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 10,040,088	\$ 14,368,591	\$ 24,408,679

WAKE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2013

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
REVENUES:			
Taxes	\$ 20,567,456	\$ -	\$ 20,567,456
Intergovernmental	10,505,748	-	10,505,748
Charges for services	103,652	595,500	699,152
Fines and forfeitures	2,118	-	2,118
Investment earnings	16,232	26,679	42,911
Miscellaneous	60,519	5,872	66,391
Total Revenues	31,255,725	628,051	31,883,776
EXPENDITURES			
General administration	77,537	-	77,537
Human services	9,566,960	-	9,566,960
Community development	26,787	926,672	953,459
Environmental services	89,978	-	89,978
Public safety	18,664,179	3,781,639	22,445,818
General services administration	8,598	-	8,598
Total Expenditures	28,434,039	4,708,311	33,142,350
REVENUES OVER (UNDER) EXPENDITURES	2,821,686	(4,080,260)	(1,258,574)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	2,338,000	2,338,000
Transfers out	(2,478,000)	-	(2,478,000)
Installment purchases issued	-	940,674	940,674
Total Other Financing Sources (Uses)	(2,478,000)	3,278,674	800,674
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	343,686	(801,586)	(457,900)
Fund Balances at beginning of year	7,804,062	14,367,777	22,171,839
FUND BALANCES AT END OF YEAR	\$ 8,147,748	\$ 13,566,191	\$ 21,713,939

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS As of June 30, 2013

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Total
ASSETS				
Cash and investments - pooled equity	\$ 2,242,262	\$ -	\$ 6,079,109	\$ 8,321,371
Taxes receivable, net	-	-	240,044	240,044
Accounts receivable, net	352,614	1,112,732	-	1,465,346
Prepaid expenditures	4,075	-	-	4,075
Accrued interest receivable	1,318	-	7,934	9,252
TOTAL ASSETS	\$ 2,600,269	\$ 1,112,732	\$ 6,327,087	\$ 10,040,088
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 306,842	\$ 596,895	\$ 36,296	\$ 940,033
Due to other funds	-	566,963	-	566,963
Total Liabilities	306,842	1,163,858	36,296	1,506,996
DEFERRED INFLOWS OF RESOURCES	-	-	385,344	385,344
Fund Balances:				
Restricted:				
Stabilization by State statute	1,113,543	(51,126)	42,928	1,105,345
Committed:				
Working capital	-	-	2,904,480	2,904,480
Assigned:				
Planned expenditures	1,179,884	-	2,958,039	4,137,923
Total Fund Balances	2,293,427	(51,126)	5,905,447	8,147,748
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,600,269	\$ 1,112,732	\$ 6,327,087	\$ 10,040,088

WAKE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended June 30, 2013

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Total
REVENUES:				
Taxes	\$ -	\$ -	\$ 20,567,456	\$ 20,567,456
Intergovernmental	3,378,937	7,126,811	-	10,505,748
Charges for services	103,652	-	-	103,652
Fines and forfeitures	2,118	-	-	2,118
Investment earnings	1,514	-	14,718	16,232
Miscellaneous	60,051	-	468	60,519
Total Revenues	<u>3,546,272</u>	<u>7,126,811</u>	<u>20,582,642</u>	<u>31,255,725</u>
EXPENDITURES:				
General administration	77,537	-	-	77,537
Human services	2,310,162	7,256,798	-	9,566,960
Community development	26,787	-	-	26,787
Environmental services	89,978	-	-	89,978
Public safety	1,076,763	-	17,587,416	18,664,179
General services administration	8,598	-	-	8,598
Total Expenditures	<u>3,589,825</u>	<u>7,256,798</u>	<u>17,587,416</u>	<u>28,434,039</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(43,553)</u>	<u>(129,987)</u>	<u>2,995,226</u>	<u>2,821,686</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(2,478,000)	(2,478,000)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(2,478,000)</u>	<u>(2,478,000)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(43,553)</u>	<u>(129,987)</u>	<u>517,226</u>	<u>343,686</u>
Fund Balances at beginning of year	<u>2,336,980</u>	<u>78,861</u>	<u>5,388,221</u>	<u>7,804,062</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,293,427</u>	<u>\$ (51,126)</u>	<u>\$ 5,905,447</u>	<u>\$ 8,147,748</u>

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECT FUNDS As of June 30, 2013

	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Total
ASSETS			
Cash and investments - pooled equity	\$ 6,510,003	\$ 7,765,267	\$ 14,275,270
Accounts receivable, net	60,028	16,748	76,776
Accrued interest receivable	6,911	9,634	16,545
TOTAL ASSETS	\$ 6,576,942	\$ 7,791,649	\$ 14,368,591
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 745,515	\$ 56,885	\$ 802,400
Total Liabilities	745,515	56,885	802,400
Fund Balances:			
Restricted:			
Stabilization by State statute	1,782,651	77,853	1,860,504
Assigned:			
Planned expenditures	2,160,711	389,692	2,550,403
Future capital projects	1,888,065	7,267,219	9,155,284
Total Fund Balances	5,831,427	7,734,764	13,566,191
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,576,942	\$ 7,791,649	\$ 14,368,591

WAKE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECT FUNDS For the Year Ended June 30, 2013

	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Total
REVENUES:			
Charges for services	\$ 30,500	\$ 565,000	\$ 595,500
Investment earnings	12,215	14,464	26,679
Miscellaneous	5,872	-	5,872
Total Revenues	<u>48,587</u>	<u>579,464</u>	<u>628,051</u>
EXPENDITURES:			
Capital Projects:			
Community development and cultural	-	926,672	926,672
Public safety	3,781,639	-	3,781,639
Total Expenditures	<u>3,781,639</u>	<u>926,672</u>	<u>4,708,311</u>
REVENUES (UNDER)			
EXPENDITURES	<u>(3,733,052)</u>	<u>(347,208)</u>	<u>(4,080,260)</u>
OTHER FINANCING SOURCES:			
Transfers in	1,338,000	1,000,000	2,338,000
Installment purchases issued	940,674	-	940,674
Total other financing sources	<u>2,278,674</u>	<u>1,000,000</u>	<u>3,278,674</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(1,454,378)	652,792	(801,586)
Fund Balances at beginning of year	<u>7,285,805</u>	<u>7,081,972</u>	<u>14,367,777</u>
FUND BALANCES AT END OF YEAR	<u>\$ 5,831,427</u>	<u>\$ 7,734,764</u>	<u>\$ 13,566,191</u>

WAKE COUNTY, NORTH CAROLINA

GRANTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

From Project Inception Through June 30, 2013

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 20,771,731	\$ 16,983,248	\$ 3,378,937	\$ 20,362,185
Charges for services	1,413,681	614,383	103,652	718,035
Fines and forfeitures	9,400	11,186	2,118	13,304
Investment earnings	4,140	23,096	1,514	24,610
Miscellaneous	203,451	94,113	60,051	154,164
Total Revenues	22,402,403	17,726,026	3,546,272	21,272,298
EXPENDITURES:				
General administration	352,467	157,833	77,537	235,370
Human services	15,389,595	11,517,134	2,310,162	13,827,296
Community development	347,725	181,286	26,787	208,073
Environmental services	557,341	316,989	89,978	406,967
Public safety	5,473,306	2,879,753	1,076,763	3,956,516
General services administration	53,080	37,153	8,598	45,751
Total Expenditures	22,173,514	15,090,148	3,589,825	18,679,973
REVENUES UNDER EXPENDITURES	228,889	2,635,878	(43,553)	2,592,325
OTHER FINANCING SOURCES AND (USES):				
Transfers in	138,145	138,145	-	138,145
Transfers out	(437,043)	(437,043)	-	(437,043)
Total Other Financing Sources and Uses	(298,898)	(298,898)	-	(298,898)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(70,009)	\$ 2,336,980	(43,553)	\$ 2,293,427
Fund balance appropriated	70,009		-	
REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES	\$ -		(43,553)	
Fund Balance at beginning of year			2,336,980	
FUND BALANCE AT END OF YEAR			\$ 2,293,427	

WAKE COUNTY, NORTH CAROLINA

CAPITAL AREA WORKFORCE DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

From Project Inception Through June 30, 2013

	Project	Actual		
	Authorization	Prior	Current	Total
REVENUES:		Years	Year	To Date
Intergovernmental	\$ 22,086,810	\$ 12,099,321	\$ 7,126,811	\$ 19,226,132
Charges for services	49,780	49,290	-	49,290
Miscellaneous	11,596	15,945	-	15,945
Total Revenues	22,148,186	12,164,556	7,126,811	19,291,367
EXPENDITURES:				
Title I - Adult	4,075,762	1,873,072	2,078,612	3,951,684
Title I - Dislocated Workers	5,893,766	4,233,960	1,386,513	5,620,473
Title I - Youth	4,695,577	2,671,510	1,848,361	4,519,871
Statewide Activities	1,659,130	1,086,817	512,050	1,598,867
Dislocated Worker - Supplemental	775,461	152,340	600,000	752,340
WIA Administration	3,209,112	994,898	615,764	1,610,662
AmeriCorps	1,836,626	1,085,145	215,498	1,300,643
Other County	2,752	(12,047)	-	(12,047)
Total Expenditures	22,148,186	12,085,695	7,256,798	19,342,493
REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ 78,861	(129,987)	\$ (51,126)
Fund balance at beginning of year			78,861	
FUND BALANCE AT END OF YEAR			\$ (51,126)	

WAKE COUNTY, NORTH CAROLINA

FIRE TAX DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 2013

	2013	
	Budget	Actual
REVENUES:		
Taxes - ad valorem property	\$ 20,165,000	\$ 20,567,456
Investment earnings	5,000	14,718
Miscellaneous	-	468
Total Revenues	<u>20,170,000</u>	<u>20,582,642</u>
EXPENDITURES:		
Public Safety:		
Rural fire districts	<u>17,692,000</u>	<u>17,587,416</u>
Total Expenditures	<u>17,692,000</u>	<u>17,587,416</u>
REVENUES OVER EXPENDITURES	2,478,000	2,995,226
OTHER FINANCING USES:		
Transfers out	<u>(2,478,000)</u>	<u>(2,478,000)</u>
REVENUES OVER EXPENDITURES AND OTHER USES	<u>\$ -</u>	517,226
Fund Balance at beginning of year		<u>5,388,221</u>
FUND BALANCE AT END OF YEAR		<u>\$ 5,905,447</u>

WAKE COUNTY, NORTH CAROLINA

FIRE CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

From Project Inception Through June 30, 2013

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Charges for services	\$ 128,204	\$ 68,204	\$ 30,500	\$ 98,704
Investment earnings	438,044	538,329	12,215	550,544
Miscellaneous	87,071	87,071	5,872	92,943
Total Revenues	653,319	693,604	48,587	742,191
EXPENDITURES:				
Capital projects:				
Fire and rescue CIP	13,816,306	6,067,676	3,781,639	9,849,315
Total Expenditures	13,816,306	6,067,676	3,781,639	9,849,315
REVENUES UNDER EXPENDITURES	(13,162,987)	(5,374,072)	(3,733,052)	(9,107,124)
OTHER FINANCING SOURCES:				
Transfer in	12,025,312	12,659,877	1,338,000	13,997,877
Installment purchases issued	940,675	-	940,674	940,674
Total Other Financing Sources	12,965,987	12,659,877	2,278,674	14,938,551
REVENUES AND OTHER SOURCES OVER EXPENDITURES	(197,000)	7,285,805	(1,454,378)	5,831,427
Appropriated fund balance	197,000	-	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES	\$ -	\$ 7,285,805	(1,454,378)	\$ 5,831,427
Fund Balance at beginning of year			7,285,805	
FUND BALANCE AT END OF YEAR			\$ 5,831,427	

WAKE COUNTY, NORTH CAROLINA

MAJOR FACILITIES CAPITAL TRUST FUND

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

From Project Inception Through June 30, 2013

	Project	Actual		Total
	Authorization	Prior	Current	To Date
		Years	Year	
REVENUES:				
Charges for services	\$ 542,997	\$ 5,977,997	\$ 565,000	\$ 6,542,997
Investment earnings	-	98,263	14,464	112,727
Total Revenues	542,997	6,076,260	579,464	6,655,724
EXPENDITURES:				
Capital projects:				
Community development and cultural	9,564,001	7,362,780	926,672	8,289,452
REVENUES UNDER EXPENDITURES	(9,021,004)	(1,286,520)	(347,208)	(1,633,728)
OTHER FINANCING SOURCES:				
Installment purchases issued	600,000	599,842	-	599,842
Transfers in	8,421,004	7,768,650	1,000,000	8,768,650
Total Other Financing Sources	9,021,004	8,368,492	1,000,000	9,368,492
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ -	\$ 7,081,972	652,792	\$ 7,734,764
Fund Balance at beginning of year			7,081,972	
FUND BALANCE AT END OF YEAR			\$ 7,734,764	

WAKE COUNTY, NORTH CAROLINA

BUDGETARY COMBINING BALANCE SHEET

SOLID WASTE OPERATING AND CAPITAL PROJECT FUNDS (NON-GAAP)

MODIFIED ACCRUAL BASIS OF ACCOUNTING

As of June 30, 2013

	Solid Waste Operating Fund	Solid Waste Capital Project	June 30, 2013	June 30, 2012
ASSETS				
Cash and investments - pooled equity	\$ 26,611,226	\$ 3,994,244	\$ 30,605,470	\$ 31,188,288
Cash and investments - reserved	12,255,331	-	12,255,331	10,089,412
Accounts receivable, net	614,641	13,668	628,309	751,234
Internal balances (due from other funds)	183,814	-	183,814	170,035
Prepaid expenditures	1,785	-	1,785	-
Accrued interest receivable	48,289	3,053	51,342	115,495
TOTAL ASSETS	\$ 39,715,086	\$ 4,010,965	\$ 43,726,051	\$ 42,314,464
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,014,533	\$ 135,410	\$ 1,149,943	\$ 1,324,282
Internal balances (due to other funds)	125,371	-	125,371	243,940
Closure/post-closure care reserves	12,255,331	-	12,255,331	10,089,412
Total Liabilities	13,395,235	135,410	13,530,645	11,657,634
DEFERRED INFLOWS OF RESOURCES	49,624	-	49,624	57,694
Fund Balances:				
Restricted:				
Stabilization by state statute	803,872	314,487	1,118,359	1,416,412
White goods	2,428,306	-	2,428,306	2,184,917
Assigned:				
Planned expenditures	2,278,337	3,218,337	5,496,674	2,524,642
Future capital projects	-	342,731	342,731	337,283
Unassigned	20,759,712	-	20,759,712	24,135,882
Total Fund Balances	26,270,227	3,875,555	30,145,782	30,599,136
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 39,715,086	\$ 4,010,965	\$ 43,726,051	\$ 42,314,464

This statement is included for internal reporting purposes to show fund balance compliance with State law.

WAKE COUNTY, NORTH CAROLINA

(Continued)

SOLID WASTE OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)
For the Year Ended June 30, 2013
With Comparative Actual Amounts for the Year Ended June 30, 2012

	2013		2012
	Budget	Actual	Actual
REVENUES:			
Intergovernmental	\$ 1,230,464	\$ 1,601,437	\$ 1,688,916
Licenses and permits	6,500	7,500	-
Charges for services	7,679,828	7,593,388	7,495,314
Investment earnings	357,000	68,827	238,578
Miscellaneous	2,702,208	1,227,548	1,802,303
Total Revenues	<u>11,976,000</u>	<u>10,498,700</u>	<u>11,225,111</u>
EXPENDITURES:			
Cost of service	9,105,760	9,332,337	7,332,336
Administration	2,232,237	1,543,659	1,293,668
Total Expenditures	<u>11,337,997</u>	<u>10,875,996</u>	<u>8,626,004</u>
REVENUES OVER (UNDER) EXPENDITURES	638,003	(377,296)	2,599,107

WAKE COUNTY, NORTH CAROLINA

SOLID WASTE OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)

For the Year Ended June 30, 2013

With Comparative Actual Amounts for the Year Ended June 30, 2012

	2013		2012
	Budget	Actual	Actual
OTHER FINANCING SOURCES AND (USES):			
Transfers In	\$ 887,000	\$ 887,000	\$ 852,000
Transfers out	(1,556,000)	(1,556,000)	(1,804,000)
Total Other Financing Sources and Uses	(669,000)	(669,000)	(952,000)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER SOURCES/(USES):	(30,997)	(1,046,296)	1,647,107
APPROPRIATED FUND BALANCE	30,997	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ (1,046,296)	\$ 1,647,107
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES:		\$ (1,046,296)	\$ 1,647,107
Reconciling items:			
Compensated absences expenses		(2,264)	(9,151)
OPEB expenses		(65,621)	(67,259)
Risk management expenses		376	1,304
Net increase/(decrease) in deferred revenue		(8,070)	2,340
Investment earnings - Construction Fund		5,448	19,129
Miscellaneous revenues - Construction Fund		-	15,275
Expenditures - Construction Fund		(512,506)	(1,725,006)
Transfers in - Construction Fund		1,100,000	1,400,000
Acquisition of capital assets		25,771	380,085
Depreciation and depletion		(632,593)	(603,494)
Change in net position		\$ (1,135,755)	\$ 1,060,330

WAKE COUNTY, NORTH CAROLINA

SOLID WASTE CONSTRUCTION FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BASIS)
From Project Inception Through June 30, 2013

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
REVENUES:				
Intergovernmental	\$ 75,000	\$ 75,000	\$ -	\$ 75,000
Investment earnings	1,431,000	1,548,165	5,448	1,553,613
Miscellaneous	4,142,148	15,275	-	15,275
Total revenues	5,648,148	1,638,440	5,448	1,643,888
EXPENDITURES:				
Enterprise infrastructure	16,293,411	7,901,767	483,871	8,385,638
Other	-	219,441	28,635	248,076
Total expenditures	16,293,411	8,121,208	512,506	8,633,714
REVENUES OVER (UNDER) EXPENDITURES	(10,645,263)	(6,482,768)	(507,058)	(6,989,826)
OTHER FINANCING SOURCES AND USES:				
Transfers in	10,645,263	9,765,381	1,100,000	10,865,381
Total other financing sources and uses	10,645,263	9,765,381	1,100,000	10,865,381
REVENUES, OTHER SOURCES, AND APPROPRIATED FUND				
BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 3,282,613	592,942	\$ 3,875,555
Fund Balance at the beginning of the year			3,282,613	
FUND BALANCE AT THE END OF THE YEAR			\$ 3,875,555	

WAKE COUNTY, NORTH CAROLINA

**BUDGETARY COMBINING BALANCE SHEET
SOUTH WAKE LANDFILL PARTNERSHIP FUND (NON-GAAP)
MODIFIED ACCRUAL BASIS OF ACCOUNTING
As of June 30, 2013**

	South Wake Landfill	East Wake Transfer Station	June 30, 2013	June 30, 2012
ASSETS				
Cash and investments - pooled equity	\$ 2,088,782	\$ -	\$ 2,088,782	\$ 2,961,577
Cash and investments - reserved	7,590,154	-	7,590,154	6,813,564
Cash and investments - cash equivalents	450	300	750	750
Accounts receivable, net	553,062	1,621,074	2,174,136	2,157,349
Accrued interest receivable	5,927	7,188	13,115	27,828
Internal balances (due from other funds)	62,832	62,539	125,371	243,940
TOTAL ASSETS	\$ 10,301,207	\$ 1,691,101	\$ 11,992,308	\$ 12,205,008
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,489,656	\$ 420,887	\$ 1,910,543	\$ 2,877,213
Internal balances (due to other funds)	183,814	804,914	988,728	170,035
Construction reserves	-	417,705	417,705	1,817,130
Closure/post-closure care reserves	7,590,154	-	7,590,154	6,337,357
Total Liabilities	9,263,624	1,643,506	10,907,130	11,201,735
DEFERRED INFLOWS OF RESOURCES	42,124	47,595	89,719	7,814
Fund Balances:				
Restricted:				
Stabilization by state statute	580,147	415,312	995,459	432,686
Assigned:				
Planned expenditures	415,312	(415,312)	-	562,773
Total Fund Balances	995,459	-	995,459	995,459
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 10,301,207	\$ 1,691,101	\$ 11,992,308	\$ 12,205,008

This statement is included for internal reporting purposes to show fund balance compliance with State law.

WAKE COUNTY, NORTH CAROLINA

SOUTH WAKE LANDFILL PARTNERSHIP FUND
SCHEDULE OF REVENUES, EXPENDITURES AND APPROPRIATED FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
For the Year Ended June 30, 2013

	June 30, 2013						June 30, 2012
	South Wake Landfill		East Wake Transfer Station		Total		Total
	Budget	Actual	Budget	Actual	Budget	Actual	Actual
REVENUES:							
Charges of services	\$ 11,707,876	\$ 4,779,145	\$ 2,408,124	\$ 9,382,970	\$ 14,116,000	\$ 14,162,115	\$ 14,827,646
Investment earnings	-	7,797	-	3,371	-	11,168	65,669
Total Revenues	11,707,876	4,786,942	2,408,124	9,386,341	14,116,000	14,173,283	14,893,315
EXPENDITURES:							
Cost of service	6,956,884	7,037,103	3,470,100	3,428,260	10,426,984	10,465,363	10,434,883
Administration	142,874	150,554	636,170	631,334	779,044	781,888	444,193
Partner rebates	2,024,819	2,039,032	-	-	2,024,819	2,039,032	2,166,780
Total Expenditures	9,124,577	9,226,689	4,106,270	4,059,594	13,230,847	13,286,283	13,045,856
REVENUES UNDER EXPENDITURES	2,583,299	(4,439,747)	(1,698,146)	5,326,747	885,153	887,000	1,847,459
OTHER FINANCING SOURCES (USES):							
Transfers out	(700,879)	(700,879)	(186,121)	(186,121)	(887,000)	(887,000)	(852,000)
Intrafund transfers in	-	5,140,626	-	-	-	5,140,626	5,385,432
Intrafund transfers out	-	-	-	(5,140,626)	-	(5,140,626)	(5,385,432)
Total other financing sources/(uses)	(700,879)	4,439,747	(186,121)	(5,326,747)	(887,000)	(887,000)	(852,000)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,882,420	-	(1,884,267)	-	(1,847)	-	995,459
APPROPRIATED FUND BALANCE	1,847	-	-	-	1,847	-	-
REVENUES AND OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 1,884,267	\$ -	\$ (1,884,267)	\$ -	\$ -	\$ -	\$ 995,459
Reconciliation from budgetary basis of modified accrual to full accrual basis:							
REVENUES AND OTHER FINANCING USES UNDER EXPENDITURES AND OTHER FINANCING USES						\$ -	\$ 995,459
Reconciling items							
Net change in deferred revenue						81,906	(2,650)
Compensated absences expenses						(62)	(392)
Risk management expenses						(360)	1,094
OPEB expenses						(23,435)	(24,021)
Change in net position						\$ 58,049	\$ 969,490

WAKE COUNTY, NORTH CAROLINA

BUDGETARY BALANCE SHEET
CORPORATE FLEET FUND (NON-GAAP)
MODIFIED ACCRUAL BASIS OF ACCOUNTING
As of June 30, 2013

	June 30, 2013	June 30, 2012
ASSETS		
Cash and investments - pooled equity	\$ 4,044,502	\$ 3,539,364
Accounts receivable, net	28,348	22,009
Accrued interest receivable	5,444	10,401
Inventories	196,721	203,686
TOTAL ASSETS	\$ 4,275,015	\$ 3,775,460
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 806,849	\$ 539,546
Fund Balances:		
Non-spendable:		
Inventories	196,721	203,686
Restricted:		
Stabilization by state statute	935,506	1,152,924
Assigned:		
Planned expenditures	110,002	110,002
Unassigned	2,225,937	1,769,302
Total Fund Balances	3,468,166	3,235,914
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,275,015	\$ 3,775,460

This statement is included for internal reporting purposes to show fund balance compliance with State law.

WAKE COUNTY, NORTH CAROLINA

CORPORATE FLEET FUND

SCHEDULE OF REVENUES, EXPENDITURES AND APPROPRIATED FUND BALANCE

BUDGET AND ACTUAL (NON-GAAP BASIS)

For the Year Ended June 30, 2013

	2013		2012
	Budget	Actual	Actual
REVENUES:			
Charges of services	\$ 8,174,136	\$ 8,331,865	\$ 8,431,825
Investment earnings	40,000	2,452	13,629
Miscellaneous	435,862	534,100	374,379
Total Revenues	8,649,998	8,868,417	8,819,833
EXPENDITURES:			
Cost of service	8,677,671	7,709,053	7,400,522
Administration	946,281	927,112	1,053,772
Reserve for replacements	256,562	-	-
Total Expenditures	9,880,514	8,636,165	8,454,294
REVENUES UNDER EXPENDITURES	(1,230,516)	232,252	365,539
OTHER FINANCING SOURCES:			
Transfers in	-	-	1,673,316
Total other financing sources/(uses)	-	-	1,673,316
REVENUES OVER (UNDER)			
EXPENDITURES AND OTHER FINANCING USES	(1,230,516)	232,252	2,038,855
APPROPRIATED FUND BALANCE	1,230,516	-	-
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ 232,252	\$ 2,038,855
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND OTHER FINANCING USES			
UNDER EXPENDITURES AND OTHER FINANCING USES		\$ 232,252	\$ 2,038,855
Reconciling items			
Compensated absences expenses		(763)	(5,258)
OPEB expenses		(65,619)	(67,259)
Risk management expenses		(3,963)	2,419
Acquisition of capital assets		3,270,506	3,086,025
Disposal of capital assets		(270,864)	(301,406)
Depreciation of capital assets		(3,300,614)	(3,373,150)
Change in net position		\$ (139,065)	\$ 1,380,226

WAKE COUNTY, NORTH CAROLINA

(Continued)

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2013**

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
MUNICIPAL TAX FUND				
ASSETS				
Cash and investments - pooled equity	\$ 472,682	\$ 383,370,896	\$ (383,387,500)	\$ 456,078
LIABILITIES				
Other Liabilities	\$ 472,682	\$ 384,418,104	\$ (384,434,708)	\$ 456,078
HUMAN SERVICES FUND				
ASSETS				
Cash and investments - pooled equity	\$ 475,405	\$ 2,853,951	\$ (2,929,079)	\$ 400,277
Accounts receivable	1,339	-	(1,339)	-
Accrued interest receivable	1,395	635	(1,395)	635
TOTAL ASSETS	\$ 478,139	\$ 2,854,586	\$ (2,931,813)	\$ 400,912
LIABILITIES				
Other liabilities	\$ 478,139	\$ 8,868,647	\$ (8,945,874)	\$ 400,912

WAKE COUNTY, NORTH CAROLINA

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES For the Year Ended June 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
FINES AND FORFEITURES				
ASSETS				
Cash and investments - pooled equity	\$ 858,879	\$ 1,875,441	\$ (2,609,244)	\$ 125,076
Accounts receivable	11,747	52,577	(11,747)	52,577
Accrued interest	2,410	155	(2,410)	155
TOTAL ASSETS	<u>\$ 873,036</u>	<u>\$ 1,928,173</u>	<u>\$ (2,623,401)</u>	<u>\$ 177,808</u>
LIABILITIES				
Other liabilities	\$ 873,036	\$ 1,861,284	\$ (2,556,512)	\$ 177,808
TOTAL LIABILITIES	<u>\$ 873,036</u>	<u>\$ 1,861,284</u>	<u>\$ (2,556,512)</u>	<u>\$ 177,808</u>
DMV INTEREST PENALTIES				
ASSETS				
Cash and investments - pooled equity	\$ 53,601	\$ 764,846	\$ (772,750)	\$ 45,697
Accrued interest	150	57	(150)	57
TOTAL ASSETS	<u>\$ 53,751</u>	<u>\$ 764,903</u>	<u>\$ (772,900)</u>	<u>\$ 45,754</u>
LIABILITIES				
Due to other governmental units	\$ 49,201	\$ 41,076	\$ (49,201)	\$ 41,076
Other liabilities	4,550	674,418	(674,290)	4,678
TOTAL LIABILITIES	<u>\$ 53,751</u>	<u>\$ 715,494</u>	<u>\$ (723,491)</u>	<u>\$ 45,754</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and investments - pooled equity	\$ 1,860,567	\$ 388,865,134	\$ (389,698,573)	\$ 1,027,128
Accounts receivable	13,086	52,577	(13,086)	52,577
Accrued interest receivable	3,955	847	(3,955)	847
TOTAL ASSETS	<u>\$ 1,877,608</u>	<u>\$ 388,918,558</u>	<u>\$ (389,715,614)</u>	<u>\$ 1,080,552</u>
LIABILITIES				
Other liabilities	\$ 1,828,407	\$ 395,822,453	\$ (396,611,384)	\$ 1,039,476
Due to other governmental units	49,201	41,076	(49,201)	41,076
TOTAL LIABILITIES	<u>\$ 1,877,608</u>	<u>\$ 395,863,529</u>	<u>\$ (396,660,585)</u>	<u>\$ 1,080,552</u>

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS BY FUNCTION AND CATEGORY As of June 30, 2013

Function	Land	Buildings	Improvements	Machinery and Equipment	Vehicles and Motorized Equipment	Computer Software	Infrastructure	Construction in progress	Total
General administration	\$ 10,172,473	\$ 64,909,308	\$ 6,360,074	\$ 11,619,522	\$ 539,982	\$ 10,322,893	\$ 340,990	\$ -	\$ 104,265,242
Human services	2,749,082	58,272,616	290,075	2,069,146	2,177,893	1,881,253	-	-	67,440,065
Education	270,700	10,160,682	3,947,902	-	-	-	-	-	14,379,284
Community development	74,202,569	93,406,637	716,715	2,389,834	132,595	-	56,230	-	170,904,580
Environmental services	19,216,059	4,979,210	-	80,049	-	-	14,876,981	-	39,152,299
Public safety	4,795,515	147,274,610	12,366,414	15,948,134	7,714,157	-	-	-	188,098,830
General services administration	64,740	83,920	189,784	5,674,622	24,655,656	-	616,014	-	31,284,736
Construction in progress	-	-	-	-	-	-	-	433,377,641	433,377,641
Total Governmental Capital Assets	<u>\$ 111,471,138</u>	<u>\$ 379,086,983</u>	<u>\$ 23,870,964</u>	<u>\$ 37,781,307</u>	<u>\$ 35,220,283</u>	<u>\$ 12,204,146</u>	<u>\$ 15,890,215</u>	<u>\$ 433,377,641</u>	<u>\$ 1,048,902,677</u>

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT

As of June 30, 2013

	Date of Issue	Interest Rate	Amount Issued	Debt Outstanding June 30, 2012	Net Additions (Retirements)	Debt Outstanding June 30, 2013
GENERAL OBLIGATION BONDS:						
2003A Public improvement bonds	04/01/03	3.00-5.00%	\$ 122,890,000	\$ 8,000,000	\$ (8,000,000)	\$ -
2003B Public improvement bonds	04/08/03	variable	55,000,000	55,000,000	-	55,000,000
2003C Public improvement bonds	04/08/03	variable	45,000,000	45,000,000	-	45,000,000
2003 Criminal Justice Facilities	11/01/03	3.00-5.00%	8,000,000	400,000	(400,000)	-
2004 Public improvement bonds	04/01/04	3.00-5.00%	130,000,000	20,000,000	(10,000,000)	10,000,000
Refunding series 2004	11/01/04	4.00-5.00%	114,380,000	25,075,000	(18,670,000)	6,405,000
Refunding series 2005	04/01/05	3.00-5.00%	33,020,000	32,475,000	(115,000)	32,360,000
2005 School bonds	11/01/05	3.25-5.00%	41,000,000	4,500,000	(1,500,000)	3,000,000
2007 Public improvement bonds	03/08/07	4.25-5.00%	455,000,000	115,000,000	(23,000,000)	92,000,000
School 2007A	03/08/07	variable	50,000,000	50,000,000	-	50,000,000
School 2007B	03/08/07	variable	50,000,000	50,000,000	-	50,000,000
2009A Public improvement bonds	04/01/09	4.00-5.00%	135,000,000	42,000,000	(6,000,000)	36,000,000
2009B Public improvement bonds	04/01/09	4.00-5.00%	300,000,000	258,000,000	(10,000,000)	248,000,000
2009C Refunding	04/01/09	4.00-5.00%	66,320,000	39,275,000	(14,135,000)	25,140,000
2009D Refunding	06/16/09	3.00-4.00%	168,980,000	162,435,000	(18,370,000)	144,065,000
2010A Public improvement bonds	03/30/10	3.00-5.00%	86,295,000	72,985,000	(6,635,000)	66,350,000
2010B Public improvement recovery zone economic development bonds	03/30/10	4.80-5.30%	39,505,000	39,505,000	-	39,505,000
2010C Refunding	05/13/10	2.00-5.00%	383,420,000	383,420,000	(100,000)	383,320,000
2010D Public improvement qualified school construction bonds	06/09/10	5.10%	34,910,000	34,910,000	-	34,910,000
2010E Public Improvement	08/05/10	2.50-4.00%	18,945,000	17,055,000	(1,895,000)	15,160,000
2010F Public Improvement	08/05/10	4.15-5.40%	17,055,000	17,055,000	-	17,055,000
2011 Public Improvement	03/30/11	3.00-5.00%	116,800,000	110,700,000	(6,150,000)	104,550,000
2012A School Bonds	02/08/12	3.00-5.00%	96,790,000	96,790,000	(4,990,000)	91,800,000
2012B Refunding	02/08/12	5.00%	75,290,000	75,290,000	-	75,290,000
2013A School	05/06/13	2.50-5.00%	51,165,000	-	51,165,000	51,165,000
2013B Public Improvement	05/07/13	3.00-5.00%	125,250,000	-	125,250,000	125,250,000
Total General Obligation Bonds				1,754,870,000	46,455,000	1,801,325,000
OTHER LONG-TERM DEBT:						
Limited obligation bonds				297,295,000	(12,140,000)	285,155,000
Qualified zone academy bonds				817,311	(163,461)	653,850
Installment purchase				5,693,721	(366,373)	5,327,348
Capitalized equipment leases				132,027	(50,789)	81,238
Other post-employment benefits				65,306,978	16,653,012	81,959,990
Compensated absences				11,467,925	(715,671)	10,752,254
Total other long-term debt				380,712,962	3,216,718	383,929,680
TOTAL GOVERNMENTAL LONG-TERM DEBT				\$ 2,135,582,962	\$ 49,671,718	\$ 2,185,254,680

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF LONG-TERM DEBT MATURITIES AND ANNUAL DEBT SERVICE REQUIREMENTS FOR GOVERNMENTAL ACTIVITIES As of June 30, 2013

BONDED DEBT Fiscal Year Ended June 30	PUBLIC SCHOOLS		OTHER		TOTAL	
	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest
2014	\$ 113,282,981	\$ 174,848,242	\$ 23,167,019	\$ 37,596,878	\$ 136,450,000	\$ 212,445,120
2015	113,754,161	171,030,585	22,770,839	36,340,860	136,525,000	207,371,445
2016	132,284,375	185,043,856	22,770,625	35,314,602	155,055,000	220,358,458
2017	129,818,574	177,332,196	23,166,426	34,621,771	152,985,000	211,953,967
2018	119,887,650	161,717,493	20,767,350	31,108,222	140,655,000	192,825,715
2019	121,303,583	158,279,125	20,011,417	29,340,276	141,315,000	187,619,401
2020	108,960,755	141,043,391	20,174,245	28,521,483	129,135,000	169,564,874
2021	86,824,852	113,942,397	22,785,148	30,142,624	109,610,000	144,085,021
2022	99,365,876	122,155,806	22,164,124	28,439,545	121,530,000	150,595,351
2023	96,727,977	115,377,639	21,652,023	26,875,019	118,380,000	142,252,658
2024-2028	316,199,280	356,306,373	68,565,720	82,388,892	384,765,000	438,695,265
2029-2033	43,676,918	46,508,399	31,243,082	34,151,086	74,920,000	80,659,485
Total Bonded Debt	1,482,086,982	1,923,585,502	319,238,018	434,841,258	1,801,325,000	2,358,426,760
OTHER LONG-TERM DEBT:						
Total limited obligation bonds, qualified zone academy bonds, installment purchases, notes payable and capitalized lease:						
2014	163,461	163,461	13,666,154	27,196,105	13,829,615	27,359,566
2015	163,461	163,461	13,697,095	26,748,549	13,860,556	26,912,010
2016	163,461	163,461	12,812,479	25,365,377	12,975,940	25,528,838
2017	163,461	163,461	12,731,864	24,827,454	12,895,325	24,990,915
2018	-	-	12,633,000	24,235,205	12,633,000	24,235,205
2018-2022	-	-	61,258,000	110,720,503	61,258,000	110,720,503
2024-2028	-	-	60,700,000	95,295,869	60,700,000	95,295,869
2029-2033	-	-	60,700,000	80,316,494	60,700,000	80,316,494
2034-2037	-	-	42,365,000	47,179,450	42,365,000	47,179,450
Total Other Long-Term Debt	653,844	653,844	290,563,592	461,885,006	291,217,436	462,538,850
TOTAL LONG- TERM DEBT	\$ 1,482,740,826	\$ 1,924,239,346	\$ 609,801,610	\$ 896,726,264	\$ 2,092,542,436	\$ 2,820,965,610

On the Statement of Net Assets as of June 30, 2013, the amounts reported as liabilities for general obligation bonds - schools and limited obligation bonds also includes premiums on issuance of bonds of \$158,808,287 and \$18,827,042, respectively, which will be amortized over the life of its related debt.

Statistical Section

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<i><u>Page</u></i>
<i>Financial Trends</i>	<i>116</i>
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>121</i>
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
<i>Debt Capacity</i>	<i>127</i>
These schedules 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.	
<i>Demographic and Economic Information</i>	<i>131</i>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
<i>Operating Information</i>	<i>134</i>
These schedules 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.	

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 245,210,981	\$ 287,201,644	\$ 305,583,601	\$ 341,690,913	\$ 386,657,062	\$ 421,474,474	\$ 490,451,441	\$ 475,499,631	\$ 501,015,238	\$ 481,647,900
Restricted	267,010,816	311,224,704	195,212,913	375,528,175	259,041,104	248,373,467	420,636,893	313,308,968	194,344,857	188,697,751
Unrestricted	(618,357,680)	(738,789,608)	(763,907,492)	(1,072,909,919)	(1,164,382,682)	(1,396,418,768)	(1,682,993,506)	(1,553,597,961)	(1,496,839,039)	(1,419,397,209)
Total governmental activities net position	(106,135,883)	(140,363,260)	(263,110,978)	(355,690,831)	(518,684,516)	(726,570,827)	(771,905,172)	(764,789,362)	(801,478,944)	(749,051,558)
Business-type activities										
Net investment in capital assets	14,704,876	12,531,246	10,193,631	10,740,531	13,000,011	12,714,646	13,114,762	13,711,534	13,633,543	13,026,721
Restricted	3,620,987	2,125,055	2,956,199	5,835,136	5,536,792	6,115,191	5,874,703	3,515,460	4,034,015	4,542,124
Unrestricted	10,628,223	13,909,783	19,118,809	20,376,207	20,810,389	20,517,389	21,823,855	25,491,356	27,223,180	26,240,199
Total business-type activities net position	28,954,086	28,566,084	32,268,639	36,951,874	39,347,192	39,347,226	40,813,320	42,718,350	44,890,738	43,809,044
Primary government										
Net investment in capital assets	259,915,857	299,732,890	315,777,232	352,431,444	399,657,073	434,189,120	503,566,203	489,211,165	514,648,781	494,674,621
Restricted	270,631,803	313,349,759	198,169,112	381,363,311	264,577,896	254,488,658	426,511,596	316,824,428	198,378,872	193,239,875
Unrestricted	(607,729,457)	(724,879,825)	(744,788,683)	(1,052,533,712)	(1,143,572,293)	(1,375,901,379)	(1,661,169,651)	(1,528,106,605)	(1,469,615,859)	(1,393,157,010)
Total primary government net position	\$ (77,181,797)	\$ (111,797,176)	\$ (230,842,339)	\$ (318,738,957)	\$ (479,337,324)	\$ (687,223,601)	\$ (731,091,852)	\$ (722,071,012)	\$ (756,588,206)	\$ (705,242,514)

**Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities:										
General administration	\$ 54,201,940	\$ 53,512,005	\$ 68,198,823	\$ 60,741,669	\$ 47,969,041	\$ 55,488,240	\$ 54,937,881	\$ 61,575,688	\$ 59,589,399	\$ 57,447,794
Human services	220,415,369	242,823,255	250,108,791	237,600,544	240,798,504	244,176,508	224,307,656	225,731,230	235,191,515	210,045,271
Education	404,812,302	389,668,265	496,720,211	523,605,091	620,118,123	661,548,515	472,748,721	457,469,350	467,744,519	423,906,638
Community development and cultural	46,704,583	45,969,169	55,385,595	48,468,336	76,626,538	59,885,379	20,597,071	62,457,707	72,248,767	73,419,595
Environmental services	7,990,415	8,233,369	8,145,774	11,663,330	11,013,142	11,846,689	6,669,967	10,261,353	8,560,310	8,647,932
Public safety	83,790,986	85,983,497	99,183,648	104,173,604	118,704,265	126,265,023	125,402,922	129,945,055	143,349,347	139,372,822
General services administration**	-	-	-	-	24,167,418	26,444,850	25,927,613	24,364,454	21,913,044	23,127,651
Interest on long-term debt	41,558,609	48,989,694	49,336,540	55,900,737	60,239,785	76,911,979	131,934,858	72,727,338	92,679,977	66,354,069
Total governmental activities	859,474,204	875,179,254	1,027,079,382	1,042,153,311	1,199,636,816	1,262,567,183	1,062,526,689	1,044,532,175	1,101,276,878	1,002,321,772
Business-type activities:										
Solid Waste	19,646,419	21,587,342	19,178,292	19,495,080	21,939,090	26,455,882	24,172,681	23,291,842	23,576,133	25,376,961
Total primary government expenses	879,120,623	896,766,596	1,046,257,674	1,061,648,391	1,221,575,906	1,289,023,065	1,086,699,370	1,067,824,017	1,124,853,011	1,027,698,733
Program Revenues										
Governmental activities:										
Charges for services:										
General administration	11,521,846	10,086,239	12,027,205	13,843,797	7,949,045	5,631,031	6,670,497	6,193,871	7,396,357	7,831,642
Human services	53,275,988	57,961,578	58,876,026	32,987,888	29,716,382	27,828,734	30,212,823	26,662,361	25,935,891	21,954,285
Community development and cultural	3,895,261	5,403,582	7,017,247	5,330,038	4,600,087	5,820,331	1,923,791	2,916,663	9,524,859	4,698,640
Environmental services	(2,176,942)	3,165,264	2,546,631	2,915,815	3,023,674	2,686,474	1,457,700	1,517,953	1,647,646	1,942,165
Public safety	12,268,841	13,138,405	14,143,661	14,786,145	20,066,901	17,649,225	17,949,739	21,772,992	29,494,441	32,543,421
General Services Administration**	-	-	-	-	3,672,789	3,167,713	2,663,746	2,754,829	2,515,414	2,354,779
Operating grants and contributions:										
General Administration	777,190	174,869	2,416,522	629,564	2,163,578	2,754,167	2,188,124	2,646,944	3,365,340	1,883,518
Human Services	96,970,607	109,445,162	112,417,917	113,148,467	121,386,436	128,697,447	127,235,785	124,614,245	119,719,778	103,268,029
Education	8,211,083	1,603,647	8,218,405	7,000,000	20,013,316	28,570,960	12,818,821	23,269,710	13,961,465	15,136,373
Community development and cultural	593,876	1,955,922	2,435,970	650,276	3,529,978	1,461,583	2,020,859	668,917	2,002,578	577,185
Environmental services	329,378	184,143	358,126	100,675	520,728	2,861,388	259,591	212,172	329,287	530,232
Public Safety	2,304,421	2,037,432	5,145,585	5,210,495	2,690,382	3,372,852	2,700,697	6,101,846	3,084,164	782,594
General services administration**	-	-	-	-	3,700	52,050	9,250	10,375	11,100	7,825
Total governmental activities program revenues	187,971,549	205,156,243	225,603,295	196,603,160	219,336,996	230,553,955	208,111,423	219,342,878	218,988,320	193,510,688
Business-type activities:										
Charges for services: solid waste	18,221,208	19,390,570	20,528,263	20,624,752	20,548,146	23,530,328	22,886,642	22,512,763	22,322,650	21,836,839
Operating grants and contributions: solid waste	720,972	969,896	1,038,558	1,102,733	1,199,844	1,146,661	1,390,303	1,621,434	1,688,916	1,601,437
Total business-type activities program revenues	18,942,180	20,360,466	21,566,821	21,727,485	21,747,990	24,676,989	24,276,945	24,134,197	24,011,566	23,438,276
Total primary government program revenues	206,913,729	225,516,709	247,170,116	218,330,645	241,084,986	255,230,944	232,388,368	243,477,075	242,999,886	216,948,964

Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue										
Governmental activities	\$ (671,502,655)	\$ (670,023,011)	\$ (801,476,087)	\$ (845,550,151)	\$ (980,299,820)	\$ (1,032,013,228)	\$ (854,415,266)	\$ (825,189,297)	\$ (882,288,558)	\$ (808,811,084)
Business-type activities	(704,239)	(1,226,876)	2,388,529	2,232,405	(191,100)	(1,778,893)	104,264	842,355	435,433	(1,938,685)
Total primary government net expense	<u>(672,206,894)</u>	<u>(671,249,887)</u>	<u>(799,087,558)</u>	<u>(843,317,746)</u>	<u>(980,490,920)</u>	<u>(1,033,792,121)</u>	<u>(854,311,002)</u>	<u>(824,346,942)</u>	<u>(881,853,125)</u>	<u>(810,749,769)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	429,529,325	446,187,553	468,502,179	514,897,471	579,083,019	640,238,154	651,480,015	658,044,349	666,196,637	675,565,832
Sales taxes	116,532,025	124,603,942	136,593,464	149,755,646	156,037,557	127,210,118	104,384,663	114,034,923	120,834,877	127,273,310
Occupancy and prepared food taxes	22,075,691	24,157,920	26,532,040	29,381,377	31,653,895	31,127,163	30,282,509	33,137,525	35,814,980	38,158,690
Other taxes	11,651,401	14,015,438	16,564,492	16,770,750	13,233,588	7,545,463	7,633,811	7,070,086	8,640,999	9,916,198
Grants and contributions										
not restricted to specific programs	5,586,138	4,038,667	5,704,166	5,433,654	6,066,813	5,125,653	4,410,678	8,179,519	9,500,462	5,294,595
Unrestricted investment earnings	8,328,643	14,142,548	18,525,606	35,453,214	31,454,984	15,900,340	14,450,011	9,486,862	3,778,383	2,517,197
Other	669,596	2,919,174	6,031,422	979,986	1,874,466	(3,331,974)	(3,964,766)	1,947,843	428,639	2,056,648
Transfers	200,000	200,000	275,000	298,200	306,000	312,000	404,000	404,000	404,000	456,000
Total governmental activities	<u>594,572,819</u>	<u>630,265,242</u>	<u>678,728,369</u>	<u>752,970,298</u>	<u>819,710,322</u>	<u>824,126,917</u>	<u>809,080,921</u>	<u>832,305,107</u>	<u>845,598,977</u>	<u>861,238,470</u>
Business-type activities:										
Unrestricted investment earnings	488,225	702,607	1,122,962	2,111,779	1,999,644	1,229,967	1,144,867	522,993	323,376	85,443
Other	230,794	336,267	466,064	637,251	892,774	860,960	620,963	943,682	1,817,578	1,227,548
Transfers	(200,000)	(200,000)	(275,000)	(298,200)	(306,000)	(312,000)	(404,000)	(404,000)	(404,000)	(456,000)
Total business-type activities	<u>519,019</u>	<u>838,874</u>	<u>1,314,026</u>	<u>2,450,830</u>	<u>2,586,418</u>	<u>1,778,927</u>	<u>1,361,830</u>	<u>1,062,675</u>	<u>1,736,954</u>	<u>856,991</u>
Total primary government	<u>\$ 595,091,838</u>	<u>\$ 631,104,116</u>	<u>\$ 680,042,395</u>	<u>\$ 755,421,128</u>	<u>\$ 822,296,740</u>	<u>\$ 825,905,844</u>	<u>\$ 810,442,751</u>	<u>\$ 833,367,782</u>	<u>\$ 847,335,931</u>	<u>\$ 862,095,461</u>
Change in Net Position										
Government activities	\$ (76,929,836)	\$ (39,757,769)	\$ (122,747,718)	\$ (92,579,853)	\$ (160,589,498)	\$ (207,886,311)	\$ (45,334,345)	\$ 7,115,810	\$ (36,689,581)	\$ 52,427,386
Business-type activities	(185,220)	(388,002)	3,702,555	4,683,235	2,395,318	34	1,466,094	1,905,030	2,172,387	(1,081,694)
Total primary government	<u>\$ (77,115,056)</u>	<u>\$ (40,145,771)</u>	<u>\$ (119,045,163)</u>	<u>\$ (87,896,618)</u>	<u>\$ (158,194,180)</u>	<u>\$ (207,886,277)</u>	<u>\$ (43,868,251)</u>	<u>\$ 9,020,840</u>	<u>\$ (34,517,194)</u>	<u>\$ 51,345,692</u>

**Prior to Fiscal Year 2008, General services administration was included in General administration amounts.

**Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Non-spendable	\$ 989,699	\$ 975,930	\$ 945,986	\$ 835,378	\$ 955,310	\$ 695,291	\$ 1,012,690	\$ 753,870	\$ 680,079	\$ 660,291
Restricted	56,881,671	61,797,234	66,241,285	69,629,069	81,125,875	58,873,481	56,393,164	53,687,483	61,887,998	60,717,525
Committed	73,363,349	78,028,147	80,686,087	89,740,505	78,052,056	94,516,043	92,844,472	104,907,262	113,098,565	134,533,558
Assigned	8,791,251	10,939,413	13,016,863	11,295,161	8,905,614	2,000,000	2,000,000	103,244	31,602	400,000
Unassigned	14,824,054	12,876,239	2,362,462	-	-	-	-	-	-	-
Total General Fund	<u>\$ 154,850,024</u>	<u>\$ 164,616,963</u>	<u>\$ 163,252,683</u>	<u>\$ 171,500,113</u>	<u>\$ 169,038,855</u>	<u>\$ 156,084,815</u>	<u>\$ 152,250,326</u>	<u>\$ 159,451,859</u>	<u>\$ 175,698,244</u>	<u>\$ 196,311,374</u>
All Other Governmental Funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	210,129,145	249,427,470	128,971,628	305,899,106	177,915,229	189,499,986	364,243,729	258,663,484	131,303,935	127,044,720
Committed	3,624,841	4,767,599	2,420,117	1,674,132	354,408	1,223,558	5,019,365	2,779,200	2,830,720	2,904,480
Assigned	376,519,447	185,469,399	108,827,367	292,834,006	172,398,031	313,895,746	442,430,960	477,307,247	449,655,862	498,239,963
Unassigned	-	-	(3,133,969)	-	(10,033,460)	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 590,273,433</u>	<u>\$ 439,664,468</u>	<u>\$ 237,085,143</u>	<u>\$ 600,407,244</u>	<u>\$ 340,634,208</u>	<u>\$ 504,619,290</u>	<u>\$ 811,694,054</u>	<u>\$ 738,749,931</u>	<u>\$ 583,790,517</u>	<u>\$ 628,189,163</u>

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 580,295,091	\$ 609,308,349	\$ 647,548,590	\$ 710,275,214	\$ 779,282,089	\$ 805,971,657	\$ 792,862,640	\$ 810,990,349	\$ 832,640,691	\$ 852,063,846
Intergovernmental	113,838,108	118,587,529	133,663,332	131,862,575	156,374,930	172,956,616	151,643,808	165,703,784	151,985,131	127,479,754
Charges for services	80,177,453	84,974,746	90,286,022	66,353,660	63,848,042	61,597,480	58,060,472	57,244,484	72,565,052	66,497,667
Fines and forfeitures	-	-	-	-	-	-	-	9,249	1,745	2,118
Licenses and permits	2,541,490	3,826,961	4,455,484	3,966,854	4,317,114	3,640,114	2,511,430	3,031,172	3,413,382	4,062,881
Investment earnings	8,285,340	13,965,562	18,210,761	34,917,361	31,505,676	16,032,292	14,450,008	9,449,429	3,765,433	2,515,686
Miscellaneous	1,265,598	1,747,001	1,967,157	1,766,839	2,209,788	1,300,892	1,589,375	1,832,334	424,000	1,371,730
Total revenues	786,403,080	832,410,148	896,131,346	949,142,503	1,037,537,639	1,061,499,051	1,021,117,733	1,048,260,801	1,064,795,434	1,053,993,682
Expenditures										
General administration	54,531,419	54,503,193	67,496,914	69,670,869	62,616,556	57,333,739	62,312,808	59,102,157	57,101,602	53,933,135
Human services	218,390,386	242,728,896	251,447,674	237,426,103	239,200,024	245,260,302	228,226,056	225,151,612	226,219,076	203,945,270
Education	404,531,045	389,311,077	496,363,021	523,403,059	614,650,186	661,308,744	472,392,741	457,113,370	467,388,048	427,414,362
Community development and cultural	62,777,646	58,106,647	80,047,310	72,320,978	78,880,528	72,398,266	55,323,394	60,686,759	69,050,159	70,259,896
Environmental services	9,230,777	9,699,551	12,720,619	12,639,837	11,579,862	8,906,419	8,107,490	8,452,527	12,152,613	7,864,404
Public safety	91,279,148	101,784,936	111,963,564	117,581,846	137,019,013	153,430,681	174,204,071	239,028,698	209,183,377	172,509,821
General Services Administration**	-	-	-	-	24,950,463	28,402,331	24,895,202	23,820,674	21,090,881	22,429,768
Debt service										
Principal	61,348,461	70,642,456	70,480,946	71,522,353	71,574,931	94,944,496	110,568,516	118,987,473	164,498,331	145,652,849
Interest	41,094,397	44,964,694	49,736,040	52,747,094	66,048,503	58,677,460	77,807,693	84,194,136	88,561,925	89,523,701
Total expenditures	943,183,279	971,741,450	1,140,256,088	1,157,312,139	1,306,520,066	1,380,662,438	1,213,837,971	1,276,537,406	1,315,246,012	1,193,533,206
Excess of revenues over (under) expenditures	(156,780,199)	(139,331,302)	(244,124,742)	(208,169,636)	(268,982,427)	(319,163,387)	(192,720,238)	(228,276,605)	(250,450,578)	(139,539,524)
Other Financing Sources (Uses)										
Transfers in	148,219,664	140,916,584	147,675,732	163,553,933	201,112,793	215,254,756	223,203,272	222,033,652	256,643,030	225,977,117
Transfers out	(150,648,664)	(142,716,584)	(152,533,732)	(165,723,733)	(193,580,333)	(214,942,756)	(225,799,272)	(223,629,652)	(257,912,346)	(225,521,117)
Refunding bonds issued	(87,375,000)	147,400,000	41,000,000	-	-	235,300,000	383,420,000	-	75,290,000	-
Refunding installment purchases issued	-	-	-	-	-	-	-	-	-	2,234,325
Payment to refunded bond escrow agent	83,145,000	(151,425,000)	1,358,620	-	-	(256,895,981)	(449,682,612)	-	(94,006,298)	-
Payment to refunded escrow agent	-	-	-	-	-	-	-	-	-	(2,234,325)
Bond proceeds and premiums	287,036,497	5,718,339	-	580,953,020	-	489,456,200	258,034,180	163,990,302	131,715,590	203,154,626
Limited obligation bonds issued	-	-	-	-	-	-	303,480,000	-	-	-
Proceeds of capital leases and installment purchases	150,384	523,937	2,680,517	955,950	1,619,860	2,022,210	304,944	139,713	7,573	940,674
Total other financing sources (uses)	280,527,881	417,276	40,181,137	579,739,170	9,152,320	470,194,429	492,960,512	162,534,015	111,737,549	204,551,300
Net change in fund balances	\$ 123,747,682	\$ (138,914,026)	\$ (203,943,605)	\$ 371,569,534	\$ (259,830,107)	\$ 151,031,042	\$ 300,240,274	\$ (65,742,590)	\$ (138,713,029)	\$ 65,011,776
Debt service as a percentage of noncapital expenditures	11.33%	12.52%	11.19%	11.30%	10.95%	11.51%	16.63%	16.93%	19.91%	20.65%

**Prior to Fiscal Year 2008, General services administration was included in General administration amounts.

**Assessed Value and Actual Value of Taxable Property¹
Last Ten Fiscal Years**

Fiscal Year	Real Property	Personal Property	Public Service Companies	Total	*County-wide Tax Rate³	Special Tax Districts Tax Rate³	Average County Tax Rate³
2004	\$ 54,347,709,322	\$ 10,601,740,204	\$ 3,477,604,369	\$ 68,427,053,895	\$ 0.564	\$ 0.100	\$ 0.664
2005	56,733,308,581	10,954,988,975	3,436,614,540	71,124,912,096	0.604	0.100	0.704
2006	59,644,957,346	12,084,539,414	3,405,223,801	75,134,720,561	0.604	0.100	0.704
2007	62,996,405,923	12,506,221,915	3,341,976,693	78,844,604,531	0.604	0.100	0.704
2008	66,679,502,469	13,556,157,155	2,887,291,656	83,122,951,280	0.634	0.100	0.734
2009 ²	99,568,342,254	14,058,926,692	2,983,256,554	116,610,525,500	0.678	0.100	0.778
2010	103,093,250,199	13,015,000,000	3,050,000,000	119,158,250,199	0.534	0.080	0.614
2011	103,067,247,714	13,630,432,081	2,837,941,846	119,535,621,641	0.534	0.080	0.614
2012	104,028,407,900	13,698,928,311	2,828,064,440	120,555,400,651	0.534	0.080	0.614
2013	105,310,957,601	14,311,760,539	2,827,432,989	122,450,151,129	0.534	0.080	0.614

Notes:

* Real Estate reappraisal effective.

(1) All taxable property is subject to the county-wide tax. Most property in unincorporated areas is subject to special district taxes. The County's property tax is levied each July 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the County except for certain registered motor vehicles which are assessed and collected throughout the year. Assessed valuations are established by the Board of County Commissioners at 100% of estimated market value for real property and 100% of actual value for personal property. Public service company property is certified by the State of North Carolina at 100% of actual value, with no distinction between real and personal property values.

(2) A revaluation of real property is required by N.C. General Statutes at least every eight years. The last revaluation was completed tax year 2008 (fiscal year 2009).

(3) Per \$1,000 of value.

Source: Wake County Revenue Department

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

	Fiscal Year								
	2004	2005	2006	2007	2008	2009 ²	2010	2011	2012
County Direct Rates									
County-wide Rate ¹	\$ 0.604	\$ 0.604	\$ 0.604	\$ 0.634	\$ 0.678	\$ 0.534	\$ 0.534	\$ 0.534	\$ 0.534
Various Special Tax Districts	0.100	0.100	0.100	0.100	0.100	0.080	0.080	0.080	0.080
Total average direct rate	0.704	0.704	0.704	0.734	0.778	0.614	0.614	0.614	0.614
Municipality Rates									
Town of Angier	0.460	0.460	0.500	0.530	0.530	0.530	0.530	0.530	0.530
Town of Apex	0.400	0.400	0.400	0.400	0.400	0.340	0.340	0.340	0.340
Town of Cary	0.420	0.420	0.420	0.420	0.420	0.330	0.330	0.330	0.330
Town of Clayton				0.490	0.540	0.540	0.540	0.540	0.525
Town of Fuquay-Varina	0.520	0.520	0.520	0.520	0.520	0.385	0.385	0.385	0.385
Town of Garner	0.560	0.560	0.560	0.575	0.575	0.490	0.490	0.490	0.490
Town of Holly Springs	0.530	0.530	0.530	0.530	0.530	0.415	0.415	0.415	0.415
Town of Knightdale	0.480	0.500	0.500	0.500	0.500	0.400	0.400	0.410	0.410
Town of Morrisville	0.470	0.470	0.468	0.468	0.468	0.367	0.367	0.367	0.367
City of Raleigh	0.385	0.395	0.395	0.435	0.435	0.374	0.374	0.374	0.374
Town of Rolesville	0.485	0.485	0.485	0.485	0.515	0.420	0.420	0.420	0.440
Town of Wake Forest	0.530	0.540	0.540	0.540	0.550	0.510	0.510	0.510	0.510
Town of Wendell	0.540	0.540	0.540	0.540	0.540	0.490	0.490	0.490	0.490
Town of Zebulon	0.480	0.480	0.490	0.500	0.550	0.510	0.500	0.500	0.500

Notes:

(1) All taxable property is subject to the county-wide tax. Most property in unincorporated areas is also subject to special district taxes.

(2) A revaluation of real property is required by N. C. General Statutes at least every eight years. Revaluation was completed for tax year 2008 (fiscal year 2009).

Source: Wake County Revenue Department

**Principal Property Tax Payers
June 30, 2013
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2013			Fiscal Year 2004		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Progress Energy Carolinas, Inc.	\$ 1,524,348,467	1	1.26%	\$ 2,082,486,205	1	3.04%
SAS Institute Inc	524,310,092	2	0.43%	225,024,120	6	0.33%
Cisco Systems Inc	471,005,919	3	0.39%	380,256,354	2	0.56%
Duke Realty LP	426,127,741	4	0.35%	268,421,970	5	0.39%
Novartis Vaccines & Diagnostics	355,781,624	5	0.30%			
CVM Holdings Inc	334,450,819	6	0.28%	170,805,503	8	0.25%
NC Eastern Municipal Power Agency	302,723,097	7	0.25%	336,873,909	4	0.49%
Highwoods Realty LP	282,260,332	8	0.23%	179,832,599	7	0.26%
Bellsouth Tel Co	243,866,625	9	0.20%	355,688,558	3	0.52%
Glaxosmithkline	242,736,180	10	0.20%			
Public Service Co of NC				143,730,763	9	0.21%
UDRT of North Carolina LLC				116,333,662	10	0.17%
	<u>\$ 4,707,610,896</u>		<u>3.89%</u>	<u>\$ 4,259,453,643</u>		<u>6.22%</u>

Source: Wake County Revenue Department

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year		Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	(Original Levy)	Adjustments		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2004	\$ 429,108,412	\$ (2,841,221)	\$ 426,267,191	\$ 420,310,912	98.60%	\$ 5,302,956	\$ 425,613,868	99.84%
2005	447,296,073	(2,915,368)	444,380,705	438,197,505	98.61%	5,510,807	443,708,312	99.83%
2006	471,423,336	(4,606,253)	466,817,083	460,044,525	98.55%	6,041,718	466,086,243	99.82%
2007	518,390,324	(3,827,251)	514,563,073	507,081,845	98.55%	6,546,959	513,628,804	99.78%
2008	582,905,166	(4,123,930)	578,781,236	569,645,015	98.42%	7,972,722	577,617,737	99.74%
2009	649,942,150	(10,067,050)	639,875,100	630,648,211	98.56%	8,171,089	638,819,300	99.74%
2010	657,175,469	(7,643,046)	649,532,423	640,993,333	98.69%	7,471,629	648,464,962	99.57%
2011	661,292,534	(4,849,315)	656,443,219	648,750,058	98.83%	6,419,102	655,169,160	98.83%
2012	665,819,212	(2,298,064)	663,521,148	657,541,978	99.10%	4,014,038	661,556,016	99.70%
2013	676,163,798	(2,306,621)	673,857,177	667,843,411	99.11%	-	667,843,411	99.11%

Notes:

Taxes for the fiscal year ended June 30, 2013 at the collection rate of 99.11% are a composite of the following collections by category:

Vehicle taxes	89.78%
Real and personal property taxes	99.77%

Amounts included above represent taxes in the General Fund and the Special Tax District Fund.

**Schedule of Ad Valorem Taxes Receivable
As of June 30, 2013**

Fiscal Year	Uncollected Balance June 30, 2012	Additions	Collections and Credits	Uncollected Balance June 30, 2013
2012-2013	\$ -	\$ 673,857,177	\$ 667,843,411	\$ 6,013,766
2011-2012	5,979,170	-	2,993,133	2,986,037
2010-2011	3,691,408	-	2,417,349	1,274,059
2009-2010	1,303,567	-	236,107	1,067,460
2008-2009	1,191,062	-	135,262	1,055,800
2007-2008	1,271,379	-	107,880	1,163,499
2006-2007	999,692	-	65,423	934,269
2005-2006	759,292	-	28,452	730,840
2004-2005	692,020	-	19,628	672,392
Total	\$ 15,887,590	\$ 673,857,177	\$ 673,846,645	15,898,122
Less allowance for uncollectable ad valorem taxes receivable				<u>(8,808,388)</u>
Ad valorem taxes receivable (net)				<u><u>\$ 7,089,734</u></u>
Reconcilement with revenues:				
Taxes - ad valorem - General Fund				\$ 654,898,370
Taxes - ad valorem - Fire Tax District Fund				20,567,456
Reconciling items:				
Interest and fees collected				(2,776,066)
Late list property				503,047
Other adjustments				<u>653,838</u>
Total collections and credits				<u><u>\$ 673,846,645</u></u>

Note: This schedule includes the General fund and the Special Tax District fund.

**Analysis of Current Tax Levy - Countywide Levy
For the Year Ended June 30, 2013**

	County-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	\$ 119,510,397,969	\$ 0.534	\$ 659,454,014	\$ 629,986,178	\$ 29,467,836
Motor vehicles taxed at prior year's rate	2,939,753,160	0.534	15,824,474	-	15,824,474
Penalties	-		-	-	-
Total	<u>122,450,151,129</u>		<u>675,278,488</u>	<u>629,986,178</u>	<u>45,292,310</u>
Discoveries:					
Current year taxes	-		-	-	-
Prior year taxes	-		-	-	-
Penalties	-		885,310	885,310	-
Total	<u>-</u>		<u>885,310</u>	<u>885,310</u>	<u>-</u>
Abatements	(518,397,191)		(2,768,241)	(2,069,313)	(698,928)
Total property valuation	<u>\$ 121,931,753,938</u>				
Deferred Levy			<u>461,620</u>	<u>461,620</u>	<u>-</u>
Net levy			673,857,177	629,263,795	44,593,382
Uncollected taxes at June 30, 2013			<u>6,013,766</u>	<u>1,457,370</u>	<u>4,556,396</u>
Current year's taxes collected			<u>\$ 667,843,411</u>	<u>\$ 627,806,425</u>	<u>\$ 40,036,986</u>
Current levy collection percentage			99.11%	99.77%	89.78%

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities									Business- Type Activities	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	General Obligation Commercial Paper	Limited Obligation Bonds	Installment Purchases	Quality Zoning Academy Bonds	Clean Water Revolving Loans	Capital Leases	Notes Payable	Total Governmental Activities	Revenue Bonds			
2004	\$ 1,145,851,705	\$ -	\$ -	\$ 9,474,957	\$ 2,124,999	\$ 713,763	\$ 200,710	\$ -	\$ 1,158,366,134	\$ -	1,158,366,134	4.18%	1,602.57
2005	1,075,969,512	-	-	8,570,962	1,961,538	475,843	607,239	-	1,087,585,094	-	1,087,585,094	3.60%	1,443.21
2006	1,046,504,574	58,250,000	-	7,763,477	1,798,077	237,923	733,181	-	1,115,287,232	-	1,115,287,232	3.34%	1,409.59
2007	1,554,112,546	-	-	7,778,972	1,634,616	-	571,090	-	1,564,097,224	-	1,564,097,224	4.31%	1,884.39
2008	1,479,851,275	-	-	8,472,500	1,471,155	-	419,418	-	1,490,214,348	-	1,490,214,348	3.99%	1,719.99
2009	1,867,469,296	-	-	9,356,965	1,307,694	-	328,068	-	1,878,462,023	-	1,878,462,023	4.99%	2,093.66
2010	1,956,072,526	-	324,671,699	8,181,909	1,144,233	-	157,095	299,767	2,290,527,229	-	2,290,527,229	5.61%	2,542.39
2011	1,991,296,438	-	323,883,480	6,961,421	980,772	-	173,449	-	2,323,295,560	-	2,323,295,560	5.70%	2,498.76
2012	1,934,669,373	-	316,910,261	5,693,721	817,311	-	132,027	-	2,258,222,693	-	2,258,222,693	5.48%	2,390.62
2013	1,960,133,287 ²	-	303,982,042 ²	5,327,348	653,850	-	81,238	-	2,270,177,765	-	2,270,177,765	6.04%	2,350.49

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 15 for personal income and population data. 2011, 2012 and 2013 ratios are calculated using 2010 personal income.

(2) General Obligation Bonds and Limited Obligation Bonds include premiums on issuance of bonds of \$158,808,287 and \$18,827,042, respectively, which will be amortized over the life of its related debt.

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property¹	Per Capita²
Fiscal Year	General Obligation Bonds	General Obligation Commercial Paper	Total General Bonded Debt		
2004	\$ 1,145,851,705	\$ -	\$ 1,145,851,705	1.67%	1,585.26
2005	1,075,969,512	-	1,075,969,512	1.51%	1,427.79
2006	1,046,504,574	58,250,000	1,104,754,574	1.47%	1,396.28
2007	1,554,112,546	-	1,554,112,546	1.97%	1,872.36
2008	1,479,851,275	-	1,479,851,275	1.78%	1,708.03
2009	1,867,469,296	-	1,867,469,296	1.60%	2,081.41
2010	1,956,072,526	-	1,956,072,526	1.64%	2,171.16
2011	1,991,296,438	-	1,991,296,438	1.67%	2,141.69
2012	1,934,669,373	-	1,934,669,373	1.40%	1,788.20
2013	1,960,133,287 ³	-	1,960,133,287	1.60%	2,029.47

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Table 5 for property assessed/actual value data.

(2) Population data can be found in Table 15.

(3) General Obligation Bonds include premiums on issuance of bonds of \$158,808,287, which will be amortized over the life of its related debt.

Direct and Overlapping Governmental Activities Debt
As of June 30, 2013

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Municipality:			
Apex	\$ 54,850,000	100%	\$ 54,850,000
Cary	145,415,001	100%	145,415,001
Fuquay-Varina	9,025,000	100%	9,025,000
Garner	12,985,820	100%	12,985,820
Holly Springs	25,295,000 ¹	100%	25,295,000
Knightdale	6,094,565	100%	6,094,565
Morrisville	9,898,661	100%	9,898,661
Raleigh	327,775,001	100%	327,775,001
Rolesville	-	100%	-
Wake Forest	13,760,000 ¹	100%	13,760,000
Wendell	1,202,204 ¹	100%	1,202,204
Zebulon	3,475,000 ¹	100%	3,475,000
Overlapping debt	<u>609,776,252</u>		<u>609,776,252</u>
Direct debt	<u>2,270,177,765</u>		<u>2,270,177,765</u>
Total direct and overlapping debt	<u><u>\$ 2,879,954,017</u></u>		<u><u>\$ 2,879,954,017</u></u>

Source: Overlapping debt provided by each municipality, unless otherwise noted.

¹ Overlapping debt provided by Form LGC 129 - Annual Principal and Interest Requirements for FY12-13

Note: Percentage of overlap based on assessed property values.

**Legal Debt Margin Information
Last Ten Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed Value of Property	\$ 68,427,053,895	\$ 71,124,912,096	\$ 75,134,720,561	\$ 78,844,604,531	\$ 83,122,951,280	\$ 116,610,525,500	\$ 119,158,250,199	\$ 119,535,621,641	\$ 120,555,400,651	\$ 122,450,151,129
Debt Limit, 8% of Assessed Value (Statutory Limitation)	\$ 5,474,164,312	\$ 5,689,992,968	\$ 6,010,777,645	\$ 6,307,568,362	\$ 6,649,836,102	\$ 9,328,842,040	\$ 9,532,660,016	\$ 9,562,849,731	\$ 9,644,432,052	\$ 9,796,012,090
Amount of Debt Applicable to Limit										
General Obligation Bonds	\$ 1,123,210,000	\$ 1,049,485,000	\$ 1,020,850,000	\$ 1,505,200,000	\$ 1,434,595,000	\$ 1,772,370,000	\$ 1,794,370,000	\$ 1,831,620,000	\$ 1,754,870,000	\$ 1,801,325,000
General Obligation Commercial Paper	-	-	58,250,000	-	-	-	-	-	-	-
Other Long Term Debt	12,313,719	11,008,343	9,799,477	9,413,588	9,943,655	10,664,659	313,263,004	311,595,642	303,938,059	291,217,436
Bonds Authorized not Issued	403,600,000	718,510,000	718,500,000	1,058,390,000	911,000,000	514,500,000	391,870,000	239,070,000	65,700,000	145,450,000
Total net debt applicable to limit	1,539,123,719	1,779,003,343	1,807,399,477	2,573,003,588	2,355,538,655	2,297,534,659	2,499,503,004	2,382,285,642	2,124,508,059	2,237,992,436
Legal Debt Margin	\$ 3,935,040,593	\$ 3,910,989,625	\$ 4,203,378,168	\$ 3,734,564,774	\$ 4,294,297,447	\$ 7,031,307,381	\$ 7,033,157,012	\$ 7,180,564,089	\$ 7,519,923,993	\$ 7,558,019,654
Total net debt applicable to limit as a percentage of debt limit	28.12%	31.27%	30.07%	40.79%	35.42%	24.63%	26.22%	24.91%	22.82%	22.85%

Note: The County is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the County may have outstanding to 8 percent of the appraised value of property subject to taxation. The legal debt margin is the difference between the debt limit and the County's net debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

**Demographic and Economic Statistics
Last Ten Years**

Year	Population Estimates¹	Personal Income² (thousands of dollars)	Per Capita Personal Income³	School Employment⁴	Unemployment Rate⁵
2004	722,817	\$ 27,164,020	\$ 37,566	108,620	4.4%
2005	753,589	29,470,723	39,095	113,547	4.1%
2006	791,214	32,581,446	41,089	119,306	3.6%
2007	830,029	35,134,837	42,242	128,072	3.5%
2008	866,410	36,190,313	41,691	134,002	4.6%
2009	897,214	35,727,859	39,821	137,706	8.4%
2010	900,933	37,576,938	41,400	139,599	8.5%
2011	929,780	*	*	143,289	7.8%
2012	944,619 ^	*	*	145,922	7.7%
2013	965,833 ^	*	*	149,508	7.3% ^^

* Information not yet available

(1) U.S. Census Bureau, 2010 Population Estimates, Census 2000, 1990 Census

(2) Bureau of Economic Analysis Regional, Economic Information System- Bureau of Economic Analysis April 2012.

(3) Bureau of Economic Analysis Regional Economic Account -computed using Census Bureau midyear population estimates available as of April 2012.

(4) North Carolina Department of Public Instruction. 2003-2012 Final Average Daily Membership 2012 Wake County Public Schools.

(5) Employment Security Commission of North Carolina. 2003-2012 Annual Average.

^Wake County Planning Department

^^Employment Security Commission of North Carolina. Local Area Unemployment Statistics.

**Principal Employers
Current Year and Nine Years Ago**

Employer	2013**			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of North Carolina	24,739	1	5.86%	23,639	1	6.13%
Wake County Public School Systems	17,572	2	4.16%	12,997	3	3.37%
International Business Machines (IBM)	10,500	3	2.49%	13,000	2	3.37%
North Carolina State University	7,730	4	1.83%	7,787	4	2.02%
WakeMed Health & Hospitals	7,607	5	1.80%	5,000	5	1.30%
GlaxoSmithKline, Inc.	4,900	6	1.16%	4,800	6	1.24%
Rex Healthcare	4,800	7	1.14%	3,779	9	0.98%
SAS Institute, Inc.	4,742	8	1.12%	4,300	7	1.11%
Wake County Government	4,272	9	1.01%			0.00%
Cisco Systems	3,800	10	0.90%			0.00%
Nortel				4,000	8	1.04%
Progress Energy				3,400	10	0.88%
	<u>90,662</u>		<u>21.47%</u>	<u>82,702</u>		<u>21.44%</u>

Source: Greater Raleigh Chamber of Commerce.

****** As of the date of publication this information was not available for 2013 or 2012. Data from 2011 has been used.

**Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General administration	380.75	392.60	419.10	474.05	330.00	327.00	294.00	308.80	304.25	305.25
Human services	1,581.67	1,645.42	1,666.32	1,782.67	1,609.00	1,604.00	1,623.00	1,782.80	1,751.10	1,644.03
Community development and cultural	240.38	247.00	275.00	300.00	255.00	254.00	287.50	304.00	304.00	312.00
Environmental services	98.00	104.00	106.00	115.00	124.00	111.00	112.00	118.00	117.00	120.00
Public safety	811.00	828.00	940.00	1,025.00	1,022.00	1,050.00	1,057.00	1,102.00	1,199.50	1,237.50
General services administration**	-	-	-	-	121.00	123.00	121.00	134.00	137.00	142.50
Total	3,111.80	3,217.02	3,406.42	3,696.72	3,461.00	3,469.00	3,494.50	3,749.60	3,812.85	3,761.28

**Prior to Fiscal Year 2008, General services administration was included in General administration totals.

WAKE COUNTY, NORTH CAROLINA

TABLE 18

Operating Indicators By Function Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Administration										
Registered voters	645,419	628,953	588,701	575,146	569,222	542,763	508,218	506,186	486,456	432,176
Taxable real estate parcels	381,677	367,323	361,082	322,205	322,620	315,000	299,000	293,371	283,003	269,655
Tax bills	1,164,651	1,153,607	1,128,643	1,120,585	1,125,000	1,100,000	1,100,000	1,032,300	976,847	933,900
Deeds and real estate documents recorded	208,162	179,048	164,279	167,888	189,164	243,000	250,000	243,500	250,000	274,235
Acres of land being landscaped				711	661	661	645	645	617	580
Human Services										
Family medicaid recipients	76,745	74,338	68,373	64,595	54,904	48,408	45,300	*	41,409	36,687
Laboratory tests	163,837	235,000	*	178,068	192,753	202,375	200,228	239,180	228,300	
School nurse health support services	28,880	23,428	20,795	23,211	*	9,691	9,759	9,575	*	*
Families receiving maternal and child health case management services	4,042	4,328	5,817	4,844	5,424	2,544	2,534	3,137	*	*
Adult inpatient substance abuse services	336	484	687	641	847	861	808	800+	*	*
Adult care home residents served through on-site inspections	2,381	2,861	2,932	2,637	2,684	2,560	2,560	2500-3000	*	*
Homeless served - street outreach	N/A	N/A	N/A	241	476	389	389	201	*	*
Homeless sheltered at S. Wilmington St. Center	1,791	1,734	1,834	2,055	2,055	2,044	2,137	1,703	*	*
Persons testing for HIV/STD	21,107	22,420	15,597	10,619	10,861	21,492	12,056	1,280	*	*
Number of transportation trips provided	165,908	178,330	157,000	145,000	146,060	142,093	195,000	135,957	129,483	
Food assistance individuals	*	85,892	77,068	65,101	51,835	45,070	43,002	*	40,658	37,714
Education										
Students attending public school ¹	149,508	146,687	142,997	139,599	137,706	134,002	128,072	120,504	113,547	108,620
Public school teachers ²	9,810	9,810	9,342	9,277	9,546	9,204	8,644	8,385	7,757	7,435
Community college students-average semester ³	33,338	32,236	31,559	31,067	31,719	29,858	31,160	31,367	27,461	26,194
Community college faculty ³	1,921	1,344	1,315	1,213	1,210	1,079	1,096	1,058	1,088	1,057
Community Development and Cultural										
Libraries - Circulation of youth services	6,912,700	7,047,064	6,147,038	6,322,332	5,883,351	5,523,734	4,805,095	4,284,910	3,903,455	3,571,214
Libraries - Circulation of adult services	3,699,333	4,212,225	4,511,679	5,030,294	4,569,145	4,866,561	4,453,517	4,061,217	3,364,907	3,057,416
Park visitation	1,113,501	1,162,246	1,129,732	1,046,997	987,059	1,003,605	914,278	822,835	805,999	744,481
Residential permits issued - new	1,239	716	369	277	279	851	1,353	1,703	1,857	1,666
Commercial permits issued - new	136	167	81	2	11	21	11	7	8	15
Building permits - additional, alterations	1,473	1,276	1,264	1,307	1,258	1,639	1,289	1,226	1,181	1,241
Inspections performed	44,329	35,510	35,537	34,650	41,636	55,470	60,307	61,836	57,141	50,020
Environmental Services										
Animal control service calls	7,644	8,260	*	14,498	10,742	12,549	5,986	6,672	4,721	6,493
Animals impounded	13,805	15,517	16,162	12,040	11,232	11,318	10,276	10,368	6,361	8,896
Sanitation inspections	9,222	*	*	8,215	7,110	5,233	5,518	7,222	7,033	8,772
Public Safety										
Detention intake	38,070	*	32,849	35,519	31,789	31,833	31,513	*	32,269	28,000
Civil processes served	70,575	93,318	96,089	98,233	95,009	91,248	*	*	86,121	86,424
Pistol permits processed	35,883	21,163	17,525	15,309	20,768	12,793	10,167	*	10,271	10,170
Average daily jail population	1,306	1,227	1,279	1,341	1,366	1,237	1,222	*	1,193	1,138
Fire/medical incidents responded to by contracting fire departments	28,675	27,645	29,012	26,770	26,399	29,258	11,444	*	22,805	19,824
Wake EMS trips	45,829	45,055	37,943	30,434	29,283	29,132	27,369	24,849	23,266	22,310
Solid Waste										
Tons received at North Wake Landfill ⁴	N/A	N/A	N/A	N/A	N/A	344,467	573,477	451,919	389,268	365,326
Tons received at South Wake Landfill ⁵	400,964	414,156	426,901	439,069	463,126	70,669	N/A	N/A	N/A	N/A
Tons received at East Wake Transfer Station ⁶	242,123	259,610	255,096	260,333	278,464	24,802	N/A	N/A	N/A	N/A
Household hazardous waste customers	29,560	30,863	27,566	24,449	14,471	12,423	11,679	12,088	8,975	7,470

* Information not available.

(1) North Carolina Department of Public Instruction. 1997-2005 Final Average Daily Membership. 2006- 2010 Wake County Public Schools.

(2) Wake County Public Schools.

(3) Wake Technical Community College Planning and Research Department.

(4) North Wake Landfill closed on May 28, 2008.

(5) South Wake Landfill opened on February 7, 2008.

(6) East Wake Transfer Station opened on May 28, 2008.

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Administration										
Rentable square footage	4,516,751	3,956,974	3,477,580	3,369,836	3,213,049	3,111,096	3,039,976	2,968,199	2,842,465	2,781,886
Human Services										
Number of centers	22	22	22	20	15	14	14	15	*	*
Education										
Number of schools	165	163	163	159	156	153	147	139	132	127
Community Development and Cultural										
Libraries - branches	20	20	20	20	19	19	19	17	17	17
Volume of library books	1,520,704	1,479,940	1,544,261	1,670,538	1,714,645	1,846,996	1,670,543	1,476,396	1,520,714	1,490,551
Number of County Parks	8	8	8	7	7	7	7	7	*	*
Number of School Parks	16	16	16	16	16	16	16	16	*	*
Public Safety										
Sheriff - Stations	9	9	7	5	5	5	5	5	4	4
Detention capacity	1,472	1,568	1312	1,312	1,312	1,312	1,312	1,312	1,312	896
EMS - Stations	15	15	15	15	15	15	15	15	15	17

* Information not available.