



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

2019

***Wake County
North Carolina***

***Comprehensive Annual
Financial Report***

for the fiscal year ended June 30, 2019

Prepared by the Wake County Finance Department

Wake County, North Carolina

Board of County Commissioners



Jessica Holmes
Chairwoman
District 3



Greg Ford
Vice Chair
District 6



Sig Hutchinson
District 1



Matt Calabria
District 2



Susan Evans
District 4



James West
District 5



Vickie Adamson
District 7

County Administration

County Manager: David Ellis

County Attorney: Scott Warren

Clerk to the Board: Denise Hogan

Chief Operating Officer: Johnna Rogers

Chief Financial Officer: Emily Lucas

Chief Community Vitality Officer: Derwick Paige

Chief Information & Innovation Officer: Bill Greeves

Wake County North Carolina

Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019

Prepared by the Wake County Finance Department:

Emily Lucas, CPA, Chief Financial Officer

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Brooke Everette, Senior Accounting Technician
Charles Williford, CPA, Internal Auditor
Cindy Dean, Senior Accounting Technician
Dawn Underwood, Buyer
Hope McCullough, Senior Accountant
Joanna Hale, Senior Accounting Technician
John T. Stephenson, CPA, Internal Audit Director
Karen Thiessen, Revenue Manager
Kim Lorbacher, CPA, Controller
Lauren Casey, Senior Accountant
Lee Linker, CPA, Internal Auditor
Mary Hutchings, Internal Auditor
Markisha Baker, Senior Accountant
Melissa England Carroll, Assistant Purchasing Director
Pam Harrington, Information Technology Analyst*

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Sandy Carrington, Accountant
Sarah Gould, CPA, Internal Auditor
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Sheila Hopkins, Financial Systems Manager
Sonya Hicks, Information Technology Analyst
Spencer Phillips, Senior Accountant
Tamara Williams, Accountant
Todd Taylor, Debt Manager
Tonya Love, Senior Accountant
Tom Wester, CLGPO, Purchasing Director
Tracey Aviles, Accountant
Ty Stephens, Buyer
Tymeeka Williams, Executive Assistant
Wendi Brusseau, Senior Accountant*

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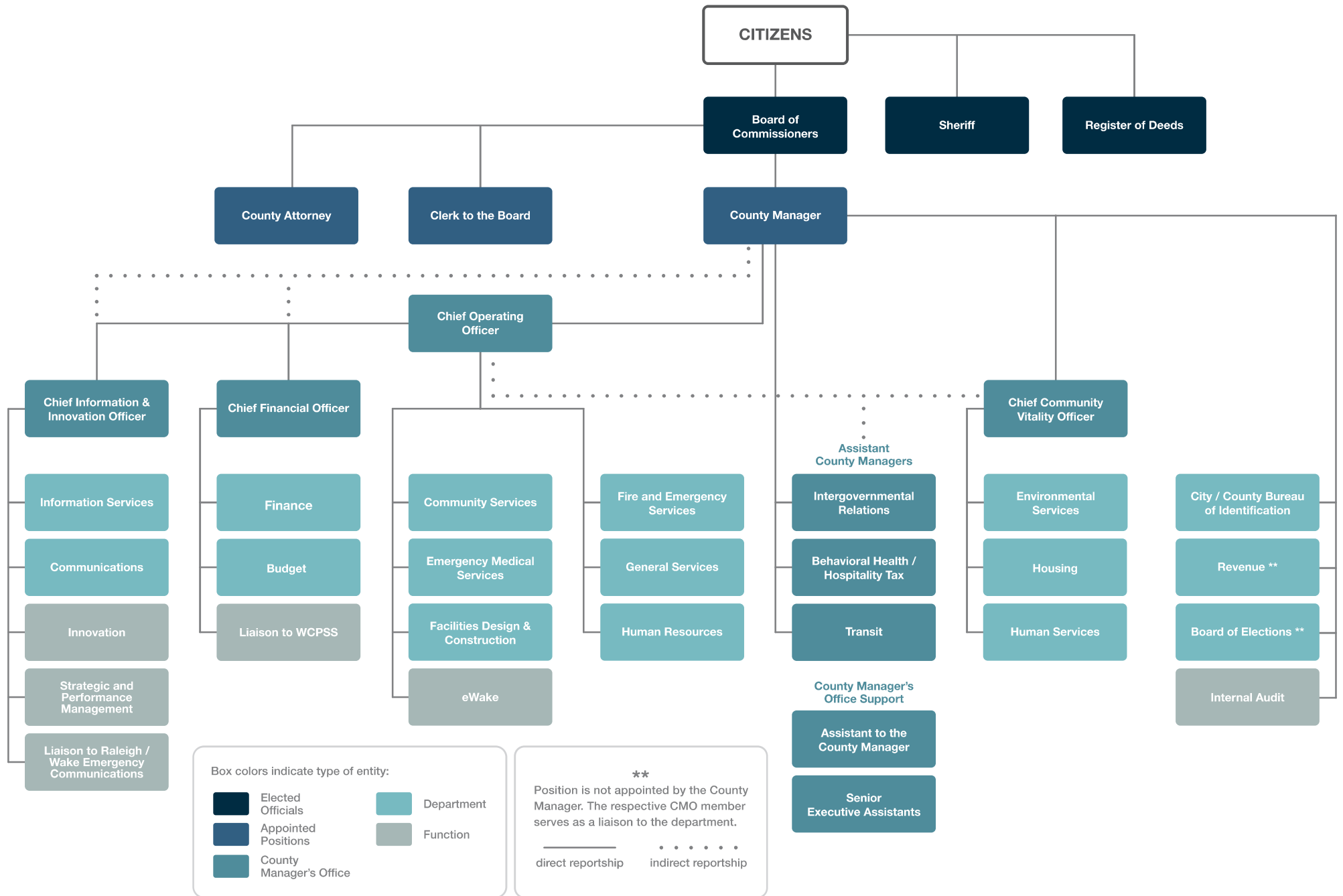
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Wake County Government





November 25, 2019

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

Promoting a vision of a county that partners with all levels of government to empower, protect, and serve its citizens through a culture of respect, collaboration, and innovation is a key goal of the Wake County Board of Commissioners. A key objective of that goal is continuing the County's strong foundation of fiscal strength to maintain the County's Aaa bond ratings with the three major rating agencies. The Comprehensive Annual Financial Report (financial statements) of Wake County, North Carolina, for the fiscal year ended June 30, 2019, demonstrates the County's continued progress towards meeting that objective. The County, like all other local governments in North Carolina, is required by state law to publish a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Each year this document is prepared to fulfill that requirement, as well as to provide details about how the County receives, spends, and accounts for its resources and provide key indicators of the County's financial condition.

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. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's

assets from loss, theft, or misuse and help ensure that information is reliable for the preparation of this report. Because the cost of internal controls should not outweigh their benefits, the County's controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. 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's financial statements have been audited by Elliott Davis, PLLC, 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, 2019, 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, 2019 are fairly presented in conformity with generally accepted accounting principles. The report of the 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 satisfy the audit requirements imposed by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. 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 Report of Schedule of Expenditures of Federal and State Awards and Reports on Compliance and Internal Control.

Wake County is required to present a Management's Discussion and Analysis (MD&A) as an introduction to the financial information. This analysis immediately follows the auditor's opinion and provides an overview and analysis of the County's significant transactions in fiscal year 2019. The purpose of the MD&A is to aid readers in understanding the financial impacts and their relationships as detailed in the financial statements and schedules provided. This letter of transmittal is written to compliment and not supplant 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 the 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

Centrally located in the Triangle area of North Carolina, Wake County is one of the fastest-growing areas in the nation, and the second-most populous county in the state, with more than one million residents. The county was chartered in 1771 and currently encompasses an area of about 860 square miles. The County seat, Raleigh, is also the center of state government.

Twelve core municipalities are located in Wake County, offering a mixture of rural and urban areas. The County's topography is characterized by low rolling hills in the northwest, changing gradually to level land in the southeast.

Wake County's location, climate, proximity to Research Triangle Park and educational centers, and easy access to recreational and cultural opportunities make it an attractive place for people to live, work and play.

The County is continually highlighted in national publications as one of the best places to call home. Some of those accolades from fiscal year 2019 include:

- **#5 Top Metro for Economic Growth Potential (Raleigh-Durham)** - Business Facilities | July 2018
- **#5 Place in the U.S. with the Strongest Business Growth Over the Past 5 Years (Raleigh)** - CNBC | August 2018

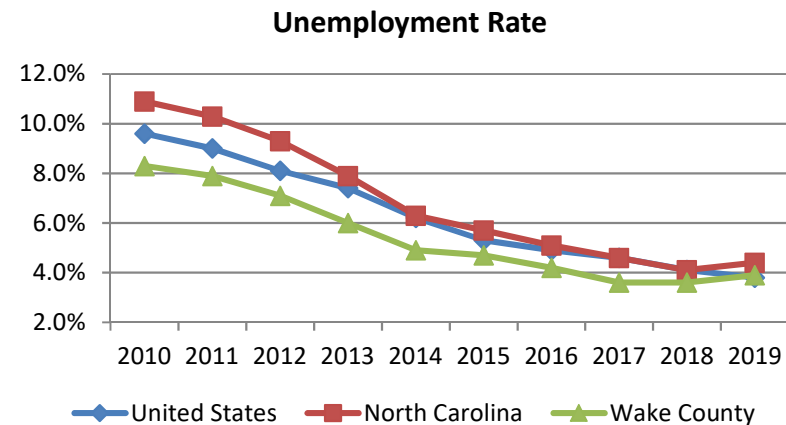
- **#2 Best Place to Live in America (Raleigh)** - Money Magazine | September 2018
- **#5 Best Place to Live in America (Cary)** - Money Magazine | September 2018
- **#8 Best City for Jobs (Raleigh)** - Glassdoor | October 2018
- **#2 Best Place for Business and Careers (Raleigh)** - Forbes | October 2018
- **#4 Most Educated Cities in America (Triangle)** - WalletHub | October 2018
- **#6 Hottest Labor Markets in the U.S. (Raleigh, NC)** – Wall Street Journal | March 2019
- **Top 10 Places to Live in the U.S. (Raleigh-Durham)** - U.S. News & World Report | April 2019
- **#2 Digital County (Population of 1,000,000+)** - GovTech | July 2019

FACTORS AFFECTING FINANCIAL CONDITION

A multitude of factors influence the County's strong financial condition, including low unemployment as compared to the state and the nation; the County's broad and diverse economy; the stabilizing influence of the principal executive, judicial, and regulatory offices of State government and other State institutions located in the County; an average per capita income that is higher than the averages for the State average and the nation; and a growing economic base evidenced by increases in building permits and assessed tax value.

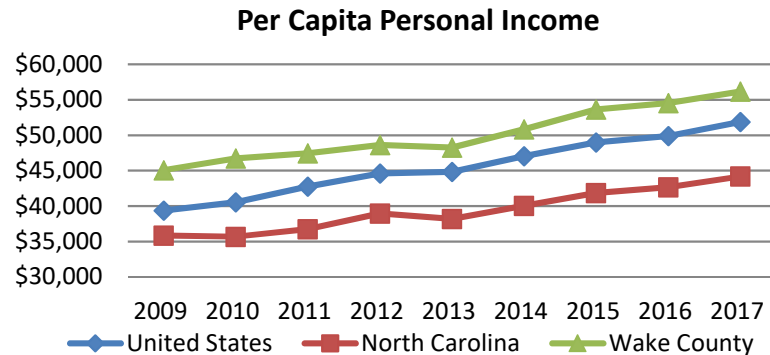
Unemployment Rates

On June 30, 2019, the unemployment rate was 3.9%. Wake County's recovery from the significant recession of the latter 2000s occurred at a faster pace than the nation and State. Now, in a return of economic stabilization and growth, the County's unemployment rate remains lower than North Carolina as a whole, and slightly higher than the United States.



Per Capita Personal Income

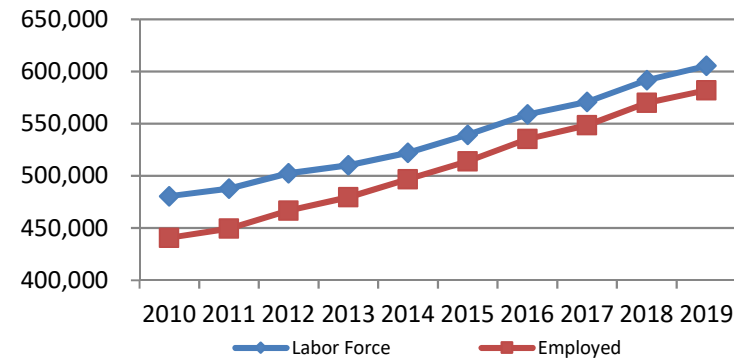
Our residents' per capita income, as reported by the U.S. Bureau of Economic Analysis, also shows continued increases and strength relative to the state and the nation.



Job Growth and Investment

Job growth remains strong. Wake County continues to attract diverse companies creating new jobs. Wake County Economic Development reports that 108 different companies (30 new and 78 expanding) announced a total of 8,238 new jobs worth a total of \$419 million of new investments during 2019. In addition, prior announcements have met or exceeded hiring targets established. Such job announcements allow the County to continue to experience growth in the number of employed in Wake County and increases in both residential and commercial assessed value.

Labor Force and Number Employed



Economic Diversity

The County's economic profile is a mixture of manufacturing, service industries, health care, educational institutions, and state and local government. Key industries include biotechnology and pharmaceuticals, clinical research, advanced medical technologies, software development, as well as smart grid and renewable energy.

Research Triangle Park, one of the nation's largest planned research development communities, is partially located in Wake County. The region is home to some of the world's largest corporations, as well as many start-up businesses.

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

- The Research Triangle Foundation of North Carolina manages Research Triangle Park with a focus on orchestrating industry, university and government collaboration to attract research, scientific and technology-based organizations to support the creation of quality jobs and opportunities. RTP has more than 250 companies, collectively employing more

than 50,000 people. Its top ten employers are IBM Corporation, Cisco Systems, GlaxoSmithKline, Fidelity Investments, RTI International, Credit Suisse, Lenovo, NetApp, Biogen, and the U.S. Environmental Protection Agency.

- Six public and private institutions of higher education are in Wake County, including North Carolina State University. The university has an enrollment of approximately 36,000 students and is engaged in graduate and undergraduate education, research, and extension programs. It employs approximately 9,000 employees. The university's unique research park, Centennial Campus, hosts more than 60 companies, government agencies, and research and academic units
- Wake County is also home to Wake Technical Community College, which is part of the North Carolina Community College System. The mission of Wake Tech is to provide education and training for the workforce. It serves over 70,000 students annually, with six campuses, three training centers, multiple community sites, and an array of online learning options.
- Three acute care hospital systems are in the County and employ over 15,000 employees.
- Wake County's population is highly educated. According to the United State Census Bureau, 51% of its adult population held a bachelor's degree or higher. Wake County's higher education level is consistently higher than state and national averages.

Long-Term Planning and Community Improvement Plan

Wake County's prudent financial planning and sound management policies are hallmarks of its financial strength. The County relies on its goals and objectives to guide long-term decision making and works with its partners to achieve them. To maintain sound financial footing, the County practices long-term capital planning to allow the County to meet the needs of its citizens while maintaining financial policy targets to ensure the County's continued success as a triple-A rated government, as determined by the three major rating agencies.

Wake County's capital funding program leverages debt financing to expand the County's ability to support capital projects. Three fundamental strategies are key to the success of the program: 1) dedicating a funding stream specifically to capital comprised of 18.76 cents of the County's property tax rate and a portion of sales tax revenue; 2) retiring 70% of bond principal within 10 years; and 3) adhering to the County's operating funds fund balance policy of maintaining a combined general fund and debt service fund total fund balance of at least 30% of general fund and debt service fund combined revenues. 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.

In North Carolina, counties are statutorily responsible for providing facilities for both public K-12 schools and community colleges. Wake County, home to the 15th largest school district in the nation with more than 160,000 students, and the State's largest community college, requires significant investment to maintain existing facilities and invest in additional facilities for enrollment growth. Accordingly, over 85% of the County's outstanding \$2.28 billion of debt is for education related capital costs.

During fiscal year 2019, the County expanded its debt market activity by obtaining additional funding needed for new education capital needs. This included issuing additional short-term installment notes to increase the draw authorization available and converting certain education related debt from short-term construction period financing agreements to general obligation bonds and limited obligation bonds. The County also issued refunding bonds to save on future interest costs. More information about the County's debt financed programs or other projects included in its Community Improvement Plan can be found on the Wake County website in the County's adopted budget.

OTHER COUNTY GOALS AND ACCOMPLISHMENTS

Wake County focuses on maintaining a high quality of life for its current and future residents. The County's population is growing by an average 67 people per day, and many of its goals and objectives center on the growing needs of the community. In FY 19, Wake County made significant investments in education, public safety and quality of life for our residents.

In October 2018, the County officially opened Turnipseed Nature Preserve, a 265-acre park featuring trails, a wildlife overlook, diverse habitats and wildlife, and places to play and picnic.

In November 2018, Wake County voters approved three bonds to fund investments in public health and safety, quality of life, and education. The bonds include:

- \$548 million Wake County Public School System construction bond, which will be used for new school construction, renovations, technology upgrades, security improvements and other capital expenses.

- \$349 million infrastructure improvements bond that will build new facilities and fund infrastructure improvements at Wake Tech, allowing the college to serve at least 5,000 more students.
- \$120 million parks, recreation, greenways and open space bond that will allow the county to develop more trails and nature preserves over the next six year and fund important projects in our master plans.

In March 2019, the county opened White Oak Greenway, a seven-mile trail provides a key connection between the American Tobacco Trail and Bond Park.

In April 2019, we opened Oak City Center, an innovative new community partnership that serves as a one-stop-shop for people experiencing homelessness in Wake County. Here, they can get medical evaluations, access services, do their laundry and take showers – all in a single visit.

In May 2019, we partnered with the City of Raleigh to launch a new Computer Aided Dispatch system. The system helps the 9-1-1 center connect those in need with resources from more than 30 fire, EMS and law enforcement agencies county-wide, expediting critical emergency response services.

In June 2019, the Board of Commissioners adopted a \$1.47 billion budget for Fiscal Year 2020. To address growing needs in a public-school system with more than 160,000 students, the fiscal year 2020 budget increased funding for the Wake County Public School System by \$45 million, for an overall annual investment in public K-12 education of \$516.0 million. This marks the first time that the county's annual contribution to the WCPSS operating budget will exceed half a billion dollars.

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, 2018. This marks the 35th 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.

Sustained Professional Purchasing Award

The Carolinas Association of Governmental Purchasing presented their annual award to Wake County for the fiscal year ended June 30, 2018. This is the 15th consecutive year that Wake County has received this prestigious designation. This award is presented to units of government that have demonstrated high standards in the purchasing profession. The criteria for the award include the use of technology, minority outreach, staff certification, customer and vendor training, and the use of recycled products. The award recognizes purchasing departments in North and South Carolina.

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, Elliott Davis, PLLC, 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 as the County continues to conduct its financial activities in a responsible, transparent, and progressive manner.

Respectfully submitted,

David Ellis

David Ellis
County Manager

Emily Lucas

Emily Lucas, CPA
Chief Financial Officer



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, 2018

Christopher P. Morill

Executive Director/CEO



Independent Auditor's Report

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, 2019, 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 Board of Alcoholic Control (the Board), which represent one hundred percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Board were not audited in accordance with *Government 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on 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, 2019, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance, the Schedule of Changes in Total Other Post Employment Benefit Liability and Related Ratios, the Schedule of the County's Proportionate Share of Net Pension Liability (Asset) and Schedule of Employer Contributions for Local Governmental Employees' Retirement System, and the Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Employer Contributions for Register of Deeds Supplemental Pension Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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.

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 general fund and other funds' combining and individual fund financial statements, budgetary schedules, Schedule of Governmental Capital Assets by Function and Category, Schedule of Changes in Governmental Long-term Debt and Schedule of Long-term Debt Maturities and Annual Debt Service Requirements for Governmental Activities, the introductory section, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The general fund and other funds' combining and individual fund financial statements, budgetary schedules, Schedule of Governmental Capital Assets by Function and Category, Schedule of Changes in Governmental Long-term Debt and Schedule of Long-term Debt Maturities and Annual Debt Service Requirements for Governmental Activities are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the general fund and other funds' combining and individual fund financial statements, budgetary schedules, Schedule of Governmental Capital Assets by Function and Category, Schedule of Changes in Governmental Long-term Debt and Schedule of Long-term Debt Maturities and Annual Debt Service Requirements for Governmental Activities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019 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 "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina

November 25, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS



As the management of Wake County, North Carolina, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2019. We encourage readers to review the information presented here in conjunction with the letter of transmittal and the County's financial statements, which follow this overview.

FINANCIAL HIGHLIGHTS FOR WAKE COUNTY, NORTH CAROLINA FOR THE YEAR ENDED JUNE 30, 2019:

- The County's governmental funds reported combined ending fund balances of \$807.3 million, compared with \$743.2 million at the end of the prior fiscal year.
- The combined General Fund and Debt Service Fund fund balances are measured together to assess the County's overall fiscal health. At the end of the 2019 fiscal year, the fund balances for the County's General Fund and Debt Service Fund were \$352.6 million and \$111.3 million, respectively, compared with each fund reporting fund balances of \$317.6 million and \$109.0 million, respectively, in the prior fiscal year. The total fund balance of both funds as a percentage of combined General Fund and Debt Service Fund revenues was 33.2% at the end of fiscal year 2019 compared to 33.5% at the end of fiscal year 2018.
- The County uses a long-term financial planning model for capital budgeting purposes. The debt component of the model helps evaluate the impact of capital funding decisions on the County's financial condition and to ensure policy targets are maintained. In accordance with the model, the County allocates a portion of property taxes specifically for debt service and cash funding of its capital program. The tax rate for fiscal year 2019 was 65.44 cents, of which 18.76 cents was dedicated to capital and debt service. In addition, a portion of sales tax is transferred to the Debt Service Fund for school capital and debt service. For fiscal year 2019, the County transferred from the General Fund the following amounts: \$269.4 million to fund debt service, \$22.0 million for Wake County Public School System capital projects, \$15.2 million for affordable housing capital projects, \$.9 million for grant matching requirements, and \$33.1 million to fund County capital projects.
- In November 2018, Wake County voters approved three bonds to fund projects identified in the County's seven-year capital plan: \$548 million Wake County Public School System (WCPSS) construction bond to fund new school construction, renovations, technology upgrades, and security improvements for fiscal years 2020 and 2021; \$349 million Wake Tech construction bond to fund capital needs for fiscal years 2020 thru 2023; and \$120 million parks, recreation, greenways and open space bond that will allow the County to develop additional greenways, nature preserves and parks over the next six years. The referendum included a 3.8 cent tax increase beginning in fiscal year 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Wake County has maintained an “Aaa” rating from Moody’s since 1973, an “AAA” rating from Standard & Poor’s Global since 1983, and an “AAA” rating from Fitch Ratings 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 low interest rates on debt issued, ultimately reducing the cost of debt to the taxpayers. The ratings from each of the agencies were reaffirmed most recently in October 2019.
- In August 2018, the County issued Series 2018 Installment Financing Agreement (“2018 IFA”) with Bank of America as provider of a \$385 million short-term construction period financing draw program, to fund capital needs for Public Schools (\$305.6 million) and the Community College (\$74.9 million). The County intends, from time to time and as appropriate, to periodically convert to permanent limited obligation bonds the outstanding drawn balance under the 2018 IFA such that the entirety of \$385 million authorization will have been converted to permanent limited obligation bonds by August 2022.
- In January 2019, the County issued \$151,055,000 par Series 2019A General Obligation (GO) Public Improvement Bonds, and \$113,940,000 par Series 2019B General Obligation Refunding Bonds. The Series 2019A transaction converted to permanent bonds certain drawn and undrawn amounts previously authorized under short-term Series 2016A&B and 2017A&B GO bond anticipation notes. Allocation by purpose of the 2019A bonds was 94% Public Schools and 6% Community College. The Series 2019B transaction refunded \$124,000,000 outstanding par Series 2009B bonds and reissued the same at a lower interest cost for a net present value economic savings to the County of approximately \$10.8 million.
- In June 2019, the County issued \$196,805,000 par Series 2019 Limited Obligation Bonds (“2019 LOBs”). The 2019 LOBs converted to permanent bonds certain drawn and undrawn amounts authorized under prior short-term Series 2017 and 2018 Installment Financing Agreement draw programs. The County intends to periodically convert to permanent bonds the remaining authorization under both draw programs with anticipated termination of each draw program by fiscal year 2022. Allocation by purpose of the 2019 LOBs was 94% Public Schools and 6% Community College.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS:

This discussion and analysis is intended to serve as an introduction to the County of Wake's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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.

Basic Financial Statements:

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. These 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 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. The ABC Board is legally separate from the County; however, the County exercises control over the Board by appointing its members. The ABC Board is also required to distribute its profits to the County.

The government-wide financial statements are on pages 21-23 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 North Carolina 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, management of the County, and 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 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 also is included with the basic financial statements as an annually-budgeted major special revenue fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary Funds – The County's business-type activities are reported in proprietary funds. Then County maintains two different types of 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 that accounts for the activities associated with the South Wake landfill that is a partnership between the County and 11 municipalities within the County. The enterprise funds are consolidated into the business-type activities that are presented in the Statement of Net Position 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 reports the activities associated with the Corporate Fleet Fund as 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 three 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, 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 provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the basic financial statements, 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.

The combining statements are presented immediately after the required supplementary information and 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS:

The County's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$(1,436.1) million as of June 30, 2019. Net position is reported in three general categories: net investment in capital assets of \$565.7 million, restricted amounts totaling \$369.8 million, and an unrestricted net deficit of \$(2,371.6) 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 capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources. The capital assets cannot be used to liquidate these liabilities. The amount reported as invested in total capital assets increased from \$540.0 million in the prior year to \$565.7 million at June 30, 2019. This increase relates primarily to the County's governmental activities capital asset additions which includes construction of the Oak City Multi-Services Center, library construction, land purchases for open space preservation program, and the replacement of the 800mhz and CAD systems. The County's school and community college related debt is not included in this calculation as it is not considered capital related debt for Wake County.

The largest category of the County's net position is reported as an unrestricted net deficit. This balance is to be used to meet the government's ongoing obligations to citizens and creditors. However, under North Carolina law, the County is responsible for providing capital funding for the Wake County Public School System (WCPSS) and Wake Technical Community College (WTCC). The County has chosen to meet its legal obligation to provide WCPSS and WTCC capital funding by using a mixture of County funds and debt. The assets funded by the County are owned, utilized, and maintained by WCPSS and WTCC. Since the County, as the issuing government, acquires no capital assets, the County has incurred a debt 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 \$1,826,974,504, and the outstanding balance of the community college-related debt less unspent bond proceeds was \$252,058,640. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Even though the debt issued has been used to finance capital outlay and construction for WCPSS and WTCC, the Governmental Accounting Standards Board has determined that it is not capital debt for the County since the debt is not financing capital assets that are owned by the County. As a result, the public school and community college debt is reportable within the unrestricted category of net position rather than as part of the invested in capital assets category.

The breakdown of the unrestricted portion of the total net position is defined as follows:

School system debt	\$ (1,826,974,504)
Community college debt	(252,058,640)
All other unrestricted	<u>(292,590,349)</u>
 Total unrestricted (deficit)	 <u>\$ (2,371,623,493)</u>

Unrestricted net position is also significantly impacted by the County's other Post-Employment Benefits, which the County funds on a pay-as-you-go basis. The liability reported at June 30, 2019 and 2018 was \$389.4 million and \$397.9 million, respectively. Additional information regarding the County's Other Post-Employment Benefits can be found in Note 17.

MANAGEMENT'S DISCUSSION AND ANALYSIS

WAKE COUNTY'S NET POSITION

IN MILLIONS OF DOLLARS

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 915.8	\$ 863.7	\$ 61.4	\$ 60.5	\$ 977.2	\$ 924.2
Capital assets	858.7	848.3	26.5	22.6	885.2	870.9
Total assets	1,774.5	1,712.0	87.9	83.1	1,862.4	1,795.1
Deferred outflows of resources	76.2	51.7	0.4	0.3	76.6	52.0
Long-term liabilities/schools	1,572.3	1,630.3	-	-	1,572.3	1,630.3
Long-term liabilities/community colleges	238.6	249.1	-	-	238.6	249.1
Long-term liabilities/other	1,263.3	1,029.2	24.8	23.8	1,288.1	1,053.0
Other liabilities	117.8	121.0	7.4	7.5	125.2	128.5
Total liabilities	3,192.0	3,029.6	32.2	31.3	3,224.2	3,060.9
Deferred inflows of resources	150.7	128.8	0.2	0.2	150.9	129.0
Net position:						
Invested in capital assets	539.2	517.4	26.5	22.6	565.7	540.0
Restricted/various	360.6	308.5	9.2	10.0	369.8	318.5
Unrestricted	(2,391.8)	(2,220.6)	20.2	19.3	(2,371.6)	(2,201.3)
Total net position	<u>\$ (1,492.0)</u>	<u>\$ (1,394.7)</u>	<u>\$ 55.9</u>	<u>\$ 51.9</u>	<u>\$ (1,436.1)</u>	<u>\$ (1,342.8)</u>

The County funds the capital needs for both WCPSS and WTCC but does not carry the resulting assets on the financial statements; therefore, the statement of net position reports a net deficit. Despite this deficit reported in governmental activities, the County's finances continue to be strong. The property tax collection rate is high with an overall collection percentage of 99.9%. Revenues and expenditures are planned and managed using financial models for the capital, debt service, and various operating budgets. The low cost of the bonded debt is a direct result of the County's triple-A bond rating by the three major rating agencies.

MANAGEMENT'S DISCUSSION AND ANALYSIS

WAKE COUNTY'S CHANGES IN NET POSITION

IN MILLIONS OF DOLLARS

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 91.8	\$ 84.3	\$ 28.4	\$ 26.3	\$ 120.2	\$ 110.6
Operating grants and contributions	94.8	104.4	2.3	2.4	97.1	106.8
General revenues:						
Property taxes	1,002.0	916.0	-	-	1,002.0	916.0
Sales taxes	202.6	185.6	-	-	202.6	185.6
Grants and contributions not restricted to specific programs	11.1	9.2	-	-	11.1	9.2
Other general revenues	101.0	82.6	3.5	3.1	104.5	85.7
Total revenues	1,503.3	1,382.1	34.2	31.8	1,537.5	1,413.9
Expenses:						
General government	97.7	80.2	-	-	97.7	80.2
Human services	201.5	203.7	-	-	201.5	203.7
Education	833.1	782.7	-	-	833.1	782.7
Community development and cultural	124.2	94.3	-	-	124.2	94.3
Environmental services	14.2	12.7	-	-	14.2	12.7
Public safety	200.1	197.0	-	-	200.1	197.0
General services administration	31.5	23.3	-	-	31.5	23.3
Interest on long-term debt	98.8	63.6	-	-	98.8	63.6
Solid waste	-	-	29.7	28.4	29.7	28.4
Total expenses	1,601.1	1,457.5	29.7	28.4	1,630.8	1,485.9
Increase (decrease) in net position before transfers	(97.8)	(75.4)	4.5	3.4	(93.3)	(72.0)
Transfers	0.5	0.5	(0.5)	(0.5)	-	-
Change in net position	(97.3)	(74.9)	4.0	2.9	(93.3)	(72.0)
Net position (deficit), beginning of year	(1,394.7)	(1,041.8)	51.9	50.3	(1,342.8)	(991.5)
Prior period adjustment	-	(278.0)	-	(1.3)	-	(279.3)
Net position (deficit), beginning of year, as restated	(1,394.7)	(1,319.8)	51.9	49.0	(1,342.8)	(1,270.8)
Net position, end of the year	\$ (1,492.0)	\$ (1,394.7)	\$ 55.9	\$ 51.9	\$ (1,436.1)	\$ (1,342.8)

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, 2019, were the General Fund, Affordable Housing Fund, Major Facilities Fund, Debt Service Fund, County Capital Projects Fund, School Capital Fund, Wake Community College Capital Fund, Solid Waste Operating Fund, and South Wake Landfill Partnership Fund, the last two of which are enterprise funds.

Governmental Funds: As of the end of the 2019 fiscal year, the County's total governmental funds reported combined ending fund balances of \$807.3 million, an increase of \$64.1 million from \$743.2 million for the prior fiscal year. The County's governmental fund balance increased during the fiscal year ended June 30, 2019 in large part because the County issued debt proceeds for WCPSS capital needs, which will be expended in future years.

The General Fund is the chief operating fund of the County; however, the combined General Fund and Debt Service Fund balances are measured together to assess the County's overall fiscal health. In 2011, the Board of County Commissioners adopted a fund balance policy that requires the County to maintain a total General Fund balance of at least 15% of the subsequent year's adopted budget and an amount committed for working capital of at least ten percent of the following fiscal year's General Fund adopted budget in order to provide the County with adequate working capital and investment income. In May 2014, the Board of Commissioners amended the fund balance policy also to require that the County maintain combined General Fund and Debt Services Fund total fund balances of at least 30% of the combined revenues of both funds. The most recent policy change allowed the County to demonstrate our commitment to maintaining our triple-A credit rating from the three major rating agencies.

At the end of the 2019 fiscal year, the fund balances for the County's General Fund and the Debt Service Fund were \$352.6 million and \$111.3 million, respectively, compared to fund balances of \$317.6 million and \$109.0 million respectively in the prior fiscal year. The total fund balances of both funds compared as a percentage of combined General Fund and Debt Service Fund combined revenues, transfers in and bond premiums was 33.2% as of the end of fiscal year 2019 compared to 33.5% in the prior fiscal year. The County's debt and capital model strategically uses fund balance in the Debt Service Fund for debt service expenditures, but in an amount that will not exceed the County's debt service guideline of maintaining a minimum fund balance no less than 19% in the Debt Service Fund of subsequent year debt service expenditures and the maintenance of a combined General Fund and Debt Service Fund balance of at least 30% of General Fund and Debt Service Fund combined revenues.

FUND BALANCE POLICY COMPLIANCE ANALYSIS

GENERAL FUND

	June 30, 2019	June 30, 2018	Increase (Decrease)
Non-spendable:			
Inventories/noncurrent receivables/prepaid expenses	\$ 1,577,971	\$ 1,914,948	\$ (336,977)
Restricted:			
Stabilization by State statute	87,486,137	77,084,432	10,401,705
Register of deeds automation	673,240	879,263	(206,023)
Committed:			
Revaluation reserve	3,457,951	3,619,442	(161,491)
LEO Separation Allowance	2,527,767	1,762,951	764,816
Future appropriations from excess ABC revenues	9,881,742	6,688,420	3,193,322
Future appropriations for behavioral health	13,971,561	14,869,835	(898,274)
Future insurance claims	4,000,000	2,500,000	1,500,000
Working capital	229,054,346	208,294,319	20,760,027
General fund balance	352,630,715	317,613,610	35,017,105
Subsequent Year's Adopted Budget	1,473,980,000	1,331,034,000	142,946,000
Fund Balance as a percentage of next year's budget (15% minimum)	23.92%	23.86%	0.06%
Working Capital	229,054,346	208,294,319	20,760,027
Working Capital as a percentage of next year's budget (10% minimum)	15.54%	15.65%	(0.11)%

FUND BALANCE POLICY COMPLIANCE ANALYSIS

GENERAL FUND AND DEBT SERVICE

	June 30, 2019	June 30, 2018	Increase (Decrease)
General Fund Revenue, sales of assets & materials and transfers in	\$ 1,355,230,286	\$ 1,246,616,123	\$ 108,614,163
Debt Service Fund Revenue, transfers in, and premiums on bond issues	<u>311,606,939</u>	<u>264,277,377</u>	<u>47,329,562</u>
Combined revenue and transfers in	1,666,837,225	1,510,893,500	155,943,725
Less: General Fund transfers to Debt Service Fund	<u>(269,419,000)</u>	<u>(237,998,000)</u>	<u>(31,421,000)</u>
Combined General Fund and Debt Service Fund Revenue	\$ 1,397,418,225	\$ 1,272,895,500	\$ 124,522,725
Fund Balance			
General Fund	\$ 352,630,715	\$ 317,613,610	\$ 35,017,105
Debt Service	<u>111,303,046</u>	<u>108,974,619</u>	<u>2,328,427</u>
Combined Fund Balance	<u>\$ 463,933,761</u>	<u>\$ 426,588,229</u>	<u>\$ 37,345,532</u>
Fund Balance as a percentage of Current Year Revenues (30% minimum)	<u>33.2%</u>	<u>33.5%</u>	<u>(0.3)%</u>

The County Capital Project fund includes County buildings, libraries, criminal justice facilities, public safety stations, parks and open space, and major automation projects. At the end of the current fiscal year, total fund balance was \$78.8 million, a decrease of \$26.3 million from the prior year in part due to the use of previously issued general obligation debt to fund various library and open space projects. The School Capital fund had an increase of \$43.9 million to \$179.2 million at the end of fiscal year 2019. This increase is attributed to the additional debt issued during the fiscal year to fund school construction. These changes were anticipated with the County's long-term capital and debt planning model.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 fiscal year 2019 amounted to approximately \$20.2 million, an increase of \$0.9 million from the \$19.3 million reported at the end of fiscal year 2018. This increase resulted from the completion of multiple convenience center capital projects, the costs of which previously included in restricted for Stabilization by State Statute classification. Otherwise, the differences between the two fiscal years are minimal.

GENERAL FUND BUDGETARY HIGHLIGHTS:

During the fiscal year ended June 30, 2019, 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.

The fund balance of the County's General Fund increased by \$35.0 million during the fiscal year ended June 30, 2019, a substantial amount more than the amount of usage planned of \$8.9 million. The total of \$43.9 million difference between planned usage of fund balance and the actual increase in the fund balance resulted from actual revenues in the General Fund that were \$26.8 million more than the amounts projected in the final budget and expenditures that were \$21.3 million less than anticipated. Property taxes were \$7.8 million higher than budgeted. This majority of this increase is because the final actual tax base ended up higher than the budgeted tax base amount by \$911.4 million. Sales taxes were \$2.2 million higher than budgeted amount due to legislative changes that increased the sales tax base. Other taxes, such as leased rental vehicle tax and the real property tax, were each higher than the budgeted amount by \$1 million due to growth in the County. Intergovernmental revenues for human services were \$5.8 million higher than budgeted amounts due mainly to increased funding from Medicaid for reimbursement of administrative costs. The County also received additional funding of \$5.9 million from the ABC Board to the County. This additional revenue from the ABC Board was committed as fund balance for County needs to address substance abuse and addiction.

Actual expenditures were \$21.3 million less than budgeted amounts resulting from lower than projected spending by most County departments, particularly Human Services, Public Safety, and General Government. The Human Services Department was underspent by approximately \$7.7 million, the result of savings on the behavioral health care managed contract and salary savings in the newly created Housing department. Public Safety expenditures were under budget by approximately \$3.8 million, primarily due to contract and supplies savings in the Sheriff's office and the EMS department.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's general government departments' budgets were underspent by a total of \$8.9 million. Non-departmental costs were approximately \$6.1 million under budget due mainly from a budgeted reserve allocation for Wake County Public Schools that was not spent, as well as savings on the County's self-insurance plan. The savings from the self-insurance plan were committed by the Board to offset future health related costs. Approximately \$1.3 million in savings is attributable to lower than anticipated reappraisal costs and contract services in the Revenue Department. Other savings in the budget were related to lapsed salaries from vacant positions.

CAPITAL ASSET AND DEBT ADMINISTRATION:

Capital assets. The County's investment in capital assets for governmental and business-type activities as of June 30, 2019, totals approximately \$885.2 million (net of amortization and depreciation).

Major capital asset additions during the 2019 fiscal year within Governmental Activities included the construction of the Oak City Multi-Services Center, library construction and improvements, land purchases for the open space preservation program and the replacement of the 800mhz and CAD systems. Within the Business-type Activities, major additions included the construction of several solid waste convenience centers.

	WAKE COUNTY CAPITAL ASSETS (net of Amortization and Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 148,301,074	\$ 144,862,479	\$ 382,327	\$ 382,327	\$ 148,683,401	\$ 145,244,806
Landfills	-	-	5,121,095	5,566,062	5,121,095	5,566,062
Buildings	594,153,182	601,293,490	2,540,442	2,624,528	596,693,624	603,918,018
Machinery and equipment	4,675,743	4,049,747	153,255	177,174	4,828,998	4,226,921
Vehicles and motorized equipment	17,876,260	16,250,555	-	-	17,876,260	16,250,555
Improvements other than Buildings	13,807,587	12,452,223	285,978	303,319	14,093,565	12,755,542
Computer Software	9,105,074	11,636,662	-	-	9,105,074	11,636,662
Infrastructure	15,503,253	16,010,314	-	-	15,503,253	16,010,314
Intangibles	1,032,044	1,032,044	-	-	1,032,044	1,032,044
Construction in progress	54,216,928	40,702,369	18,016,982	13,555,829	72,233,910	54,258,198
Total	<u>\$ 858,671,145</u>	<u>\$ 848,289,883</u>	<u>\$ 26,500,079</u>	<u>\$ 22,609,239</u>	<u>\$ 885,171,224</u>	<u>\$ 870,899,122</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt: As of June 30, 2019, the County had total general obligation bonded debt outstanding of approximately \$1.9 billion, of which \$1.6 billion and \$238.6 million was issued to help meet the capital needs for WCPSS and WTCC, respectively. In addition to general obligation bonded debt, the County also has outstanding capital leases, limited obligation bonds and installment purchases. Although none were outstanding at the end of fiscal year 2019, the County also utilizes bond anticipation notes, which will be refinanced as general obligation bonds and draw down installment notes, which will be refinanced with limited obligation bonds. A summary of total outstanding debt associated with governmental activities is shown below.

Wake County's Outstanding Debt - Governmental Activities

	2019	2018
General Obligation bonds (schools)*	\$ 1,572,250,188	\$ 1,576,624,902
General Obligation bonds (community college)*	238,601,173	249,141,976
General Obligation bonds (other)*	102,516,899	111,702,172
Limited obligation bonds*	646,146,796	424,746,261
Bond anticipation notes	-	50,197,448
Draw down installment notes	-	3,485,580
Installment purchases	4,427,115	5,306,359
Capital Leases	34,883	34,333
Total	<u>\$ 2,563,977,054</u>	<u>2,421,239,031</u>

**Includes premium on issuance cost.*

Wake County's total debt increased \$142.7 million during the fiscal year ended June 30, 2019. This increase occurred because the County issued, among other things, \$265.0 million in general obligation debt (excluding \$29.2 million in premiums) during the fiscal year, compared to the retirement of \$299.8 million in general obligation bonds (excluding \$18.6 million in premiums). The County also issued \$196.8 million in limited obligation bonds (excluding \$40.6 million in premiums) during the fiscal year, compared to the retirement of \$12.1 million in limited obligation bonds (excluding \$3.9 million premiums). These retirements and issuances were made in accordance with the County's long-term capital and debt planning model.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES:

- The unemployment rate for Wake County was 3.9% at June 30, 2019, which is an increase of .3% from the prior year rate of 3.6%.
- The County's assessed valuation increased approximately 2.63% from the prior fiscal year, a reflection of residential and commercial growth in the County. During 2017, the County Board of Commissioners voted to change the County's revaluation cycle from an eight-year cycle to a four-year cycle. The change in reappraisal cycles will allow the County to take advantage of the natural growth in the tax base sooner. Under the revised reappraisal schedule, the next cycle will occur in 2020 for property tax billings beginning July 1, 2021.
- Total sales tax collections continued to increase during the fiscal year ended June 30, 2019 to \$202.5 million, from \$185.6 million in the prior fiscal year, a 9.1% increase. Changes in legislation, including the collection of sales tax on internet sales, have increased the sales tax base for the County. The County does not anticipate additional base increases in the future, so the rate of increase is projected to be smaller.
- Wake County continues to grow, with a population of 1,092,305 people at June 30, 2019. The school system had a slight increase to the system rolls, with a total of 160,471 enrolled for the 2018-2019 school year. School enrollment is projected to be at 161,031 for the 2019-2020 school year.
- The average yield on investments was 1.95% for the fiscal year 2019, compared to 1.28% for the fiscal year 2018. 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 expenditures, maximizing the maturity on our investments and earnings on our portfolio. The County realized investment earnings on all funds of \$22.1 million for the fiscal year ended June 30, 2019, on an average portfolio balance of more than \$794.0 million. This compares to fiscal year 2018 earnings of \$10.3 million on an average portfolio balance of more than \$786.9 million. The County routinely holds investments until maturity to maximize earnings.

These factors and others were considered when management prepared Wake County's budget ordinance for the 2020 fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Budget Highlights for the Fiscal Year Ending June 30, 2020:

Governmental Activities. The County approved an original budget of approximately \$1.47 billion for the General Fund for fiscal year 2020, which represented a \$142.9 million increase compared to the original budget for the fiscal year 2019. For fiscal year 2020, the General Fund budget included a property tax rate increase of 6.63 cents for a total property tax rate of 72.07 cents per \$100 of property valuation. Of this increase, 3.8 cents will fund various capital projects approved by voters in November 2018. The additional 2.83 cents will fund WCPSS and County operating needs. Additionally, sales tax revenues were projected to increase by 1.8%. On the expenditure side, the County increased General Fund operating support for WCPSS by \$45.0 million to \$516.0 million. Much of the \$142.9 million of budget increases went to education and debt and capital expenditures. However, the County also addressed increasing demands in public safety, libraries, growth and development, and election support for the 2020 primary presidential election.

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 Chief Financial Officer, 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 financial 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.

Basic Financial Statements

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION

As of June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Board of Alcoholic Control
ASSETS				
Cash and investments - pooled equity	\$ 591,092,995	\$ 33,678,126	\$ 624,771,121	\$ -
Cash and investments - reserved	7,048,357	21,506,172	28,554,529	-
Cash and investments - cash equivalents	1,439,230	900	1,440,130	29,466,521
Taxes receivable (net)	67,056,529	108,371	67,164,900	-
Accounts receivable (net)	19,063,007	3,205,511	22,268,518	-
Intergovernmental receivable (net)	30,819,925	540,215	31,360,140	-
Loans receivable (net)	21,869,741	1,805,271	23,675,012	-
Special Assessments	408,169	-	408,169	-
Accrued interest receivable	5,865,957	571,414	6,437,371	-
Prepaid items	1,716,978	1,400	1,718,378	290,301
Internal balances	27,445	(27,445)	-	-
Inventories	419,581	-	419,581	11,463,547
Restricted assets:				
Restricted cash equivalents	166,928,729	-	166,928,729	-
Net pension asset:				
ROD Supplemental Pension	2,061,005	-	2,061,005	-
Capital assets not being depreciated:				
Land	148,301,074	382,327	148,683,401	12,533,377
Construction in progress	54,216,928	18,016,982	72,233,910	-
Intangibles	1,032,044	-	1,032,044	-
Capital assets (net of accumulated depreciation)				
Landfills	-	5,121,095	5,121,095	-
Buildings	594,153,182	2,540,442	596,693,624	12,440,674
Improvements	13,807,587	285,978	14,093,565	341,605
Machinery and equipment	4,675,743	153,255	4,828,998	1,022,044
Vehicles and motorized equipment	17,876,260	-	17,876,260	309,962
Computer software	9,105,074	-	9,105,074	-
Infrastructure	15,503,253	-	15,503,253	-
Total assets	1,774,488,793	87,890,014	1,862,378,807	67,868,031
DEFERRED OUTFLOWS OF RESOURCES				
LGRS Pension	64,672,857	352,744	65,025,601	1,907,968
ROD Supplemental Pension	566,966	-	566,966	-
LEO Separation Allowance	1,625,305	-	1,625,305	82,816
Other post employment benefit	9,319,017	44,227	9,363,244	279,461
Total deferred outflows of resources	76,184,145	396,971	76,581,116	2,270,245

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION (continued)

As of June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Board of Alcoholic Control
LIABILITIES				
Accounts payable and accrued liabilities	\$ 76,695,687	\$ 4,129,884	\$ 80,825,571	\$ 11,582,123
Due to other governmental units	8,994,807	3,322,056	12,316,863	-
Unearned revenues	2,568,593	-	2,568,593	-
Accrued interest payable	29,546,954	-	29,546,954	-
Long term liabilities:				
Total pension liability - LEOSSA	17,014,647	-	17,014,647	786,712
Net pension liability - LGERS	80,722,947	453,852	81,176,799	2,194,891
Total OPEB liability	387,546,356	1,839,291	389,385,647	6,713,852
Amounts due within one year:				
Capital leases	15,694	-	15,694	-
General obligation bonds - schools	143,879,078	-	143,879,078	-
General obligation bonds - community college	18,533,517	-	18,533,517	-
General obligation bonds - other	8,477,405	-	8,477,405	-
Limited obligation bonds	20,005,000	-	20,005,000	-
Installment purchases	708,000	-	708,000	-
Compensated absences payable	12,840,000	71,000	12,911,000	-
Closure/post closure costs	-	753,238	753,238	-
Risk management liabilities	7,217,479	2,073	7,219,552	-
Amounts due beyond one year:				
Capital leases	19,189	-	19,189	-
General obligation bonds - schools	1,428,371,110	-	1,428,371,110	-
General obligation bonds - community college	220,067,656	-	220,067,656	-
General obligation bonds - other	94,039,494	-	94,039,494	-
Limited obligation bonds	626,141,796	-	626,141,796	-
Installment purchases	3,719,115	-	3,719,115	-
Compensated absences payable	1,551,284	23,164	1,574,448	-
Construction reserves	-	855,985	855,985	-
Closure/post closure costs	-	20,752,934	20,752,934	-
Risk management liabilities	3,316,973	-	3,316,973	-
Total liabilities	3,191,992,781	32,203,477	3,224,196,258	21,277,578
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes & deposits	2,197,888	1,057	2,198,945	-
LGERS Pension	415,789	4,442	420,231	11,362
ROD Supplemental Pension	352,894	-	352,894	-
LEO Separation Allowance	683,751	-	683,751	28,331
Other post employment benefit	46,606,943	220,969	46,827,912	812,376
Unamortized gains on debt refundings	100,456,585	-	100,456,585	-
Total deferred inflows of resources	150,713,850	226,468	150,940,318	852,069
NET POSITION				
Net investment in capital assets	539,201,799	26,500,079	565,701,878	26,647,662
Restricted for:				
Stabilization by state statute	359,864,304	2,994,192	362,858,496	-
Register of deeds automation	673,240	-	673,240	-
White goods	-	3,907,503	3,907,503	-
Working capital	-	-	-	4,428,411
Planned expenditures	-	2,305,723	2,305,723	-
Unrestricted (See Note 1.P)	(2,391,773,036)	20,149,543	(2,371,623,493)	16,932,556
Total net position	\$ (1,492,033,693)	\$ 55,857,040	\$ (1,436,176,653)	\$ 48,008,629

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2019

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
				Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	Board of Alcoholic Control
FUNCTIONS/PROGRAMS							
Primary Government:							
Governmental activities:							
General government	\$ 97,679,473	\$ 9,242,462	\$ 1,724,895	\$ (86,712,116)	\$ -	\$ (86,712,116)	\$ -
Human services	201,487,561	22,295,355	79,199,832	(99,992,374)	-	(99,992,374)	-
Education	833,134,178	14,295	11,180,430	(821,939,453)	-	(821,939,453)	-
Community development and cultural	124,181,812	18,925,489	1,115,242	(104,141,081)	-	(104,141,081)	-
Environmental services	14,174,144	2,671,034	200,396	(11,302,714)	-	(11,302,714)	-
Public safety	200,087,445	36,052,746	1,347,853	(162,686,846)	-	(162,686,846)	-
General services administration	31,530,790	2,574,456	15,937	(28,940,397)	-	(28,940,397)	-
Interest on long-term debt	98,784,457	-	-	(98,784,457)	-	(98,784,457)	-
Total governmental activities	1,601,059,860	91,775,837	94,784,585	(1,414,499,438)	-	(1,414,499,438)	-
Business-type activities:							
Solid waste	29,785,507	28,440,165	2,278,073	-	932,731	932,731	-
Total primary government	\$ 1,630,845,367	\$ 120,216,002	\$ 97,062,658	(1,414,499,438)	932,731	(1,413,566,707)	-
Component unit:							
Board of Alcoholic Control	\$ 145,188,048	\$ 151,036,772	\$ -				\$ 5,848,724
General revenues:							
Property taxes				1,001,983,686	-	1,001,983,686	-
Sales taxes				202,550,087	-	202,550,087	-
Occupancy and prepared food taxes				60,289,276	-	60,289,276	-
Other taxes				18,121,023	-	18,121,023	-
Grants and contributions not restricted to specific programs				11,140,276	-	11,140,276	-
Unrestricted investment earnings				20,572,770	1,508,750	22,081,520	112,998
Gain on sale of capital assets				474,029	-	474,029	-
Other				1,625,687	1,999,771	3,625,458	243,393
Total general revenues				1,316,756,834	3,508,521	1,320,265,355	356,391
Transfers				450,000	(450,000)	-	-
Total general revenues and transfers				1,317,206,834	3,058,521	1,320,265,355	356,391
Change in net position				(97,292,604)	3,991,252	(93,301,352)	6,205,115
Net position (deficit), beginning of year				(1,394,741,089)	51,865,788	(1,342,875,301)	41,803,514
Net position (deficit), end of year				\$ (1,492,033,693)	\$ 55,857,040	\$ (1,436,176,653)	\$ 48,008,629

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, 2019

	Major Funds							Nonmajor Funds	
	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	Total Governmental Funds
ASSETS									
Cash and investments - pooled equity	\$ 310,251,525	\$ 5,452,681	\$ 10,519,462	\$ 97,965,194	\$ 72,899,420	\$ 36,692,484	\$ 10,741,536	\$ 42,808,368	\$ 587,330,670
Cash and investments - cash equivalents	1,438,930	-	300	-	-	-	-	-	1,439,230
Cash and investments - restricted	7,048,357	-	-	2,889,427	20,031,791	143,525,141	482,370	-	173,977,086
Taxes receivable (net)	54,296,820	-	5,347,092	-	694,355	6,587,690	-	130,572	67,056,529
Accounts receivable (net)	16,917,634	2,472	-	-	4,315	-	-	2,129,294	19,053,715
Intergovernmental receivable (net)	21,277,501	1,003,635	-	5,552,061	-	-	-	2,968,071	30,801,268
Special assessments	-	-	-	-	408,169	-	-	-	408,169
Loans receivable (net)	-	21,807,342	-	-	-	-	-	62,399	21,869,741
Accrued interest receivable	91,131	2,748	109,865	5,120,035	-	90,297	-	411,603	5,825,679
Internal balances (due from other funds)	2,124,174	-	-	-	-	-	-	-	2,124,174
Prepaid expenditures	1,163,458	186,065	-	367,455	-	-	-	-	1,716,978
Inventories	340,717	-	-	-	-	-	-	-	340,717
Total assets	<u>\$ 414,950,247</u>	<u>\$ 28,454,943</u>	<u>\$ 15,976,719</u>	<u>\$ 111,894,172</u>	<u>\$ 94,038,050</u>	<u>\$ 186,895,612</u>	<u>\$ 11,223,906</u>	<u>\$ 48,510,307</u>	<u>\$ 911,943,956</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 50,752,412	\$ 123,840	\$ 11,329,732	\$ 591,126	\$ 12,683,824	\$ -	\$ -	\$ 3,960,091	\$ 79,441,025
Due to other governmental units	160,079	-	-	-	-	7,677,426	1,157,302	-	8,994,807
Unearned revenue	-	-	-	-	2,568,593	-	-	-	2,568,593
Internal balances (due to other funds)	-	-	-	-	-	-	-	2,124,174	2,124,174
Total liabilities	<u>50,912,491</u>	<u>123,840</u>	<u>11,329,732</u>	<u>591,126</u>	<u>15,252,417</u>	<u>7,677,426</u>	<u>1,157,302</u>	<u>6,084,265</u>	<u>93,128,599</u>
DEFERRED INFLOWS OF RESOURCES	<u>11,407,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,956</u>	<u>11,523,997</u>

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

(Continued)

WAKE COUNTY, NORTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS (continued)

As of June 30, 2019

	Major Funds						Nonmajor Funds		
	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	Total Governmental Funds
Fund Balances:									
Non-spendable:									
Inventories	\$ 340,717	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,717
Prepaid expenditures	1,163,458	186,065	-	367,455	-	-	-	-	1,716,978
Noncurrent receivable	73,796	-	-	-	-	-	-	-	73,796
Restricted:									
Stabilization by state statute	87,486,137	24,837,873	4,646,987	10,672,096	38,412,843	179,218,186	-	13,691,956	358,966,078
Register of deeds automation	673,240	-	-	-	-	-	-	-	673,240
Committed:									
Reappraisal reserve	3,457,951	-	-	-	-	-	-	-	3,457,951
LEO Separation Allowance	2,527,767	-	-	-	-	-	-	-	2,527,767
Future appropriations from local ABC revenues	9,881,742	-	-	-	-	-	-	-	9,881,742
Future appropriations for behavioral heath	13,971,561	-	-	-	-	-	-	-	13,971,561
Future insurance claims	4,000,000	-	-	-	-	-	-	-	4,000,000
Working capital	229,054,346	-	-	-	-	-	-	3,821,043	232,875,389
Assigned:									
Planned expenditures	-	3,307,165	-	3,426,830	37,806,387	-	-	7,059,422	51,599,804
Future capital projects	-	-	-	-	2,566,403	-	10,066,604	18,105,654	30,738,661
Debt service	-	-	-	96,836,665	-	-	-	-	96,836,665
Unassigned	-	-	-	-	-	-	-	(368,989)	(368,989)
Total fund balances	352,630,715	28,331,103	4,646,987	111,303,046	78,785,633	179,218,186	10,066,604	42,309,086	807,291,360
Total liabilities, deferred inflows of resources, and fund balances	\$ 414,950,247	\$ 28,454,943	\$ 15,976,719	\$ 111,894,172	\$ 94,038,050	\$ 186,895,612	\$ 11,223,906	\$ 48,510,307	\$ 911,943,956

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

WAKE COUNTY, NORTH CAROLINA

Reconciliation of the Balance Sheet to the Statement of Net Position As of June 30, 2019

Fund balances - governmental funds	\$	807,291,360
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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		848,035,535
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Taxes and other receivables will be collected after year-end, but are not available to pay for current-period expenditures and therefore are deferred in the funds		9,326,109
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Net pension assets from the ROD Supplemental Retirement fund resulting from contributions greater than the amount of annual required contributions are not financial resources and therefore not reported in the funds		2,061,005
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Contributions to the LGERS Pension plan, ROD Supplemental Retirement fund and Other post employment benefits in the fiscal year are deferred outflows of resources on the Statement of Net Position		28,105,717
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Long-term liabilities, including bonds payable, other post employment benefits, pension liabilities and deferred portion of advanced refundings are not due and payable in the current period and therefore are not reported in the funds.		(3,198,866,046)
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Pension related deferrals for the LGERS Pension plan, ROD Supplemental Retirement fund and the LEO Special Separation fund, as well as, deferrals related to Other post-employment benefits		(93,862)
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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.		12,106,489
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Net position of governmental activities	\$	<u><u>(1,492,033,693)</u></u>
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The notes to the financial statement are an integral part of this statement.

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2019

	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
REVENUES:									
Taxes	\$ 1,195,443,644	\$ -	\$ 60,289,276	\$ -	\$ 17	\$ -	\$ -	\$ 26,452,844	\$ 1,282,185,781
Intergovernmental	79,372,888	4,078,817	-	11,283,484	450,000	-	-	13,453,541	108,638,730
Charges for services	64,901,408	517,825	-	14,295	15,697,343	-	-	4,413,105	85,543,976
Fines and forfeitures	-	-	-	-	-	-	-	54	54
Licenses and permits	5,799,060	-	-	-	-	-	-	-	5,799,060
Investment earnings	309,578	6,658	276,388	18,466,725	-	258,733	-	1,150,764	20,468,846
Miscellaneous	1,600,649	-	-	-	24,200	-	-	4,601	1,629,450
Total Revenues	1,347,427,227	4,603,300	60,565,664	29,764,504	16,171,560	258,733	-	45,474,909	1,504,265,897
EXPENDITURES:									
Current:									
General government	66,229,039	-	-	1,090,766	30,815,069	-	-	73,132	98,208,006
Human services	181,801,828	6,798,556	-	-	-	-	-	17,374,063	205,974,447
Education	501,319,244	-	-	-	-	311,167,364	20,647,570	-	833,134,178
Community development and cultural	37,277,208	-	54,392,123	-	37,629,778	-	-	3,197,832	132,496,941
Environmental services	13,191,047	-	-	-	-	-	-	20,120	13,211,167
Public safety	150,008,746	-	-	-	11,130,899	-	-	31,662,866	192,802,511
General services administration	29,807,677	-	-	-	-	-	-	12,101	29,819,778
Debt service:									
Principal	-	-	-	190,431,748	-	-	-	-	190,431,748
Interest	-	-	-	98,286,386	-	-	-	-	98,286,386
Total Expenditures	979,634,789	6,798,556	54,392,123	289,808,900	79,575,746	311,167,364	20,647,570	52,340,114	1,794,365,162
REVENUES OVER (UNDER) EXPENDITURES	367,792,438	(2,195,256)	6,173,541	(260,044,396)	(63,404,186)	(310,908,631)	(20,647,570)	(6,865,205)	(290,099,265)

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

(Continued)

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS (continued)

For the Year Ended June 30, 2019

	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	\$ 7,723,505	\$ -	\$ -	\$ 270,329,936	\$ 37,059,000	\$ 22,023,000	\$ -	\$ 25,603,338	\$ 362,738,779
Transfers out	(340,596,338)	-	(4,400,000)	(8,875,000)	-	(5,873,505)	-	(2,543,936)	(362,288,779)
Bonds issued	-	-	-	-	-	141,020,873	10,034,127	-	151,055,000
Bond anticipation notes issued	-	-	-	-	-	52,143,339	1,185,381	-	53,328,720
Repayment of bond anticipation notes	-	-	-	-	-	(94,180,550)	(9,345,618)	-	(103,526,168)
Drawdown installment notes issued	-	-	-	-	-	151,191,912	12,101,158	-	163,293,070
Repayment of drawdown installment notes	-	-	-	-	-	(153,687,702)	(13,090,948)	-	(166,778,650)
Limited obligation bonds issued	-	-	-	-	-	185,137,613	11,667,387	-	196,805,000
Refunding bonds issued	-	-	-	113,940,000	-	-	-	-	113,940,000
Payment to refunded escrow agent	-	-	-	(124,534,612)	-	-	-	-	(124,534,612)
Premiums on issuance	-	-	-	11,512,499	-	56,956,396	1,423,562	-	69,892,457
Capital leases issued	17,946	-	-	-	-	-	-	-	17,946
Sale of assets and materials	79,554	-	-	-	4,725	99,600	-	43,957	227,836
Total Other Financing Sources (Uses)	(332,775,333)	-	(4,400,000)	262,372,823	37,063,725	354,830,976	13,975,049	23,103,359	354,170,599
NET CHANGE IN FUND BALANCES	35,017,105	(2,195,256)	1,773,541	2,328,427	(26,340,461)	43,922,345	(6,672,521)	16,238,154	64,071,334
Fund Balances at beginning of year	317,613,610	30,526,359	2,873,446	108,974,619	105,126,094	135,295,841	16,739,125	26,070,932	743,220,026
FUND BALANCES AT END OF YEAR	<u>\$ 352,630,715</u>	<u>\$ 28,331,103</u>	<u>\$ 4,646,987</u>	<u>\$ 111,303,046</u>	<u>\$ 78,785,633</u>	<u>\$ 179,218,186</u>	<u>\$ 10,066,604</u>	<u>\$ 42,309,086</u>	<u>\$ 807,291,360</u>

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

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, 2019

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

Net change in fund balances - total governmental funds	\$ 64,071,334
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.	33,472,621
Depreciation expense for the fiscal year being reported, less depreciation in Corporate Fleet Fund	(23,816,641)
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 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.	(162,466,870)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,620,246)
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.	(35,651,687)
Contributions to the LGERS Pension plan, ROD Supplemental Retirement fund, LEO Separation Allowance and Other post employment benefits in the current fiscal year are not included on the Statement of Activities	28,076,701
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>642,184</u>
Change in net position of governmental activities	<u><u>\$ (97,292,604)</u></u>

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

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 1,182,063,997	\$ 1,182,278,997	\$ 1,195,443,644	\$ 13,164,647
Intergovernmental	67,187,893	67,439,143	79,372,888	11,933,745
Charges for services	63,110,927	64,946,917	64,901,408	(45,509)
Licenses and permits	5,611,504	5,611,504	5,799,060	187,556
Investment earnings	1,220	1,220	309,578	308,358
Miscellaneous	325,597	325,597	1,600,649	1,275,052
Total Revenues	1,318,301,138	1,320,603,378	1,347,427,227	26,823,849
EXPENDITURES:				
Current:				
General government	76,938,998	75,063,935	66,211,093	8,852,842
Human services	189,088,292	189,477,826	181,801,828	7,675,998
Education	493,906,422	501,319,244	501,319,244	-
Community development and cultural	37,873,281	37,860,685	37,277,208	583,477
Environmental services	13,258,847	13,463,448	13,191,047	272,401
Public safety	150,591,249	153,835,865	150,008,746	3,827,119
General services administration	29,706,676	29,864,555	29,807,677	56,878
Total Expenditures	991,363,765	1,000,885,558	979,616,843	21,268,715
REVENUES OVER EXPENDITURES	326,937,373	319,717,820	367,810,384	48,092,564
OTHER FINANCING SOURCES (USES):				
Transfers in	3,759,362	7,723,505	7,723,505	-
Transfers out	(339,670,235)	(340,596,338)	(340,596,338)	-
Sale of assets and materials	35,500	35,500	79,554	44,054
Total Other Financing Sources (Uses)	(335,875,373)	(332,837,333)	(332,793,279)	44,054
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(8,938,000)	(13,119,513)	35,017,105	48,136,618
APPROPRIATED FUND BALANCE	8,938,000	13,119,513	-	(13,119,513)
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ -	35,017,105	\$ 35,017,105
FUND BALANCE AT BEGINNING OF YEAR			317,613,610	
FUND BALANCE AT END OF YEAR			352,630,715	
LESS: EXPENDITURES ASSOCIATED WITH CAPITAL LEASE INCEPTION & CAPITAL DONATIONS			(17,946)	
ADD: PROCEEDS OF CAPITAL LEASES & CAPITAL DONATIONS			17,946	
TOTAL LEASE INCEPTION AND PROCEEDS			-	
FUND BALANCE AT END OF YEAR			\$ 352,630,715	

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Occupancy tax	\$ 26,810,000	\$ 29,573,000	\$ 29,328,077	\$ (244,923)
Prepared food tax	30,505,000	31,085,000	30,961,199	(123,801)
Investment earnings	-	-	276,388	276,388
Total Revenues	<u>57,315,000</u>	<u>60,658,000</u>	<u>60,565,664</u>	<u>(92,336)</u>
EXPENDITURES:				
Raleigh hold harmless - occupancy	680,000	680,000	680,000	-
Cary hold harmless - occupancy	1,308,000	1,446,000	1,433,904	12,096
Greater Raleigh Convention and Visitors Bureau	6,787,000	7,478,000	7,416,769	61,231
Centennial Authority operations 7%	3,347,000	3,524,000	3,502,702	21,298
Centennial - debt service	5,208,000	5,208,000	5,208,208	(208)
Raleigh annual distribution - \$1M	1,000,000	1,000,000	1,000,000	-
Convention Center	29,396,000	31,384,000	31,150,540	233,460
Centennial Authority facility improvements	2,000,000	2,000,000	2,000,000	-
Cary sports venue	2,000,000	2,000,000	2,000,000	-
Unallocated	<u>1,189,000</u>	<u>1,538,000</u>	<u>-</u>	<u>1,538,000</u>
Total Expenditures	<u>52,915,000</u>	<u>56,258,000</u>	<u>54,392,123</u>	<u>1,865,877</u>
REVENUES OVER EXPENDITURES	<u>4,400,000</u>	<u>4,400,000</u>	<u>6,173,541</u>	<u>1,773,541</u>
OTHER FINANCING SOURCES (USES):				
Transfers out to General Fund	(1,400,000)	(1,400,000)	(1,400,000)	-
Transfers out to Capital Improvement Fund	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(4,400,000)</u>	<u>(4,400,000)</u>	<u>(4,400,000)</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	<u>1,773,541</u>	<u>\$ 1,773,541</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>2,873,446</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 4,646,987</u>	

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

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of June 30, 2019

	Business-Type Activities			Governmental Activities
	Enterprise			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	\$ 29,608,599	\$ 4,069,527	\$ 33,678,126	\$ 3,762,325
Cash and investments - reserved	11,095,307	10,410,865	21,506,172	-
Cash and investments - cash equivalents	-	900	900	-
Taxes receivable (net)	108,371	-	108,371	-
Accounts receivable (net)	230,441	2,975,070	3,205,511	5,899
Intergovernmental receivable (net)	540,215	-	540,215	22,050
Loan receivable	1,805,271	-	1,805,271	-
Internal balance (due from other funds)	327,064	145,317	472,381	-
Prepaid expenses	1,400	-	1,400	-
Accrued interest receivable	417,110	154,304	571,414	40,278
Inventories	-	-	-	78,864
Total current assets	44,133,778	17,755,983	61,889,761	3,909,416
Noncurrent assets:				
Capital assets not being depreciated:				
Land	382,327	-	382,327	-
Construction in progress	18,016,982	-	18,016,982	-
Capital assets (net of accumulated depreciation):				
Landfills	5,121,095	-	5,121,095	-
Buildings	2,540,442	-	2,540,442	-
Machinery and equipment	153,255	-	153,255	67,040
Vehicles	-	-	-	10,568,570
Improvements	285,978	-	285,978	-
Total non-current assets	26,500,079	-	26,500,079	10,635,610
Total assets	70,633,857	17,755,983	88,389,840	14,545,026
DEFERRED OUTFLOWS OF RESOURCES	331,498	65,473	396,971	313,777

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

(Continued)

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS (continued) As of June 30, 2019

	Business-Type Activities			Governmental Activities
	Enterprise			Internal Service
	Major Funds			
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities	Corporate Fleet Fund
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 2,440,808	\$ 1,689,076	\$ 4,129,884	\$ 505,776
Due to other governmental units	-	3,322,056	3,322,056	-
Internal balances (due to other funds)	145,317	327,064	472,381	-
Compensated absences	60,000	11,000	71,000	40,000
Closure/postclosure care costs	753,238	-	753,238	-
Risk management liabilities	1,544	529	2,073	1,897
Total current liabilities	3,400,907	5,349,725	8,750,632	547,673
Noncurrent liabilities:				
Net pension liability - LGERS	383,466	70,386	453,852	338,255
Total OPEB Liability	1,379,468	459,823	1,839,291	1,655,362
Compensated absences	20,723	2,441	23,164	37,605
Construction reserves	-	855,985	855,985	-
Closure/postclosure care costs	10,342,069	10,410,865	20,752,934	-
Total noncurrent liabilities	12,125,726	11,799,500	23,925,226	2,031,222
Total liabilities	15,526,633	17,149,225	32,675,858	2,578,895
DEFERRED INFLOWS OF RESOURCES	170,501	55,967	226,468	200,864
NET POSITION				
Net investment in capital assets	26,500,079	-	26,500,079	10,635,610
Restricted:				
Stabilization by state statue	2,377,928	616,264	2,994,192	898,226
White goods	3,907,503	-	3,907,503	-
Planned expenditures	2,305,723	-	2,305,723	-
Unrestricted	20,176,988	-	20,176,988	545,208
Total net position	\$ 55,268,221	\$ 616,264	\$ 55,884,485	\$ 12,079,044
Total net position	55,268,221	616,264	55,884,485	
Adjustment to reflect the consolidation of the Corporate Fleet Fund balances related to Solid Waste	(27,445)	-	(27,445)	
Net position of business-type activities	\$ 55,240,776	\$ 616,264	\$ 55,857,040	

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, 2019

	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
OPERATING REVENUES:			
Licenses and permits	\$ 8,600	\$ -	\$ 8,600
Charges for services	9,532,883	18,898,682	28,431,565
Miscellaneous	1,999,771	-	1,999,771
Total Operating Revenues	11,541,254	18,898,682	30,439,936
OPERATING EXPENSES:			
Cost of service	8,982,625	13,385,569	22,368,194
Administration	2,141,676	750,634	2,892,310
Partner rebates	-	3,885,421	3,885,421
Depreciation and amortization	639,402	-	639,402
Total Operating Expenses	11,763,703	18,021,624	29,785,327
OPERATING INCOME (LOSS)	(222,449)	877,058	654,609
NON-OPERATING REVENUES:			
Intergovernmental	2,278,073	-	2,278,073
Investment earnings	1,125,026	383,724	1,508,750
Sale of assets and materials	-	-	-
Total Non-Operating Revenues	3,403,099	383,724	3,786,823
INCOME (LOSS) BEFORE TRANSFERS	3,180,650	1,260,782	4,441,432
TRANSFERS:			
Transfers in	1,118,303	-	1,118,303
Transfers out	(450,000)	(1,118,303)	(1,568,303)
Total Transfers	668,303	(1,118,303)	(450,000)
CHANGE IN NET POSITION	3,848,953	142,479	3,991,432
TOTAL NET POSITION, BEGINNING OF YEAR	51,419,268	473,785	51,893,053
TOTAL NET POSITION, END OF YEAR	\$ 55,268,221	\$ 616,264	\$ 55,884,485
Change in net position	3,848,953	142,479	3,991,432
Adjustment to reflect the consolidation of the Corporate Fleet Fund activities related to Solid Waste	(180)	-	(180)
Change in net position of business-type activities	\$ 3,848,773	\$ 142,479	\$ 3,991,252

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, 2019

	Business-type Activities		Governmental Activities
	Enterprise		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	\$ 10,110,179	\$ 18,386,281	\$ 28,496,460
Cash payments to suppliers for goods and services	(11,453,610)	(15,478,564)	(26,932,174)
Cash payments to employees for services	(1,498,400)	(290,904)	(1,789,304)
Cash received from other operating revenues	2,008,371	-	2,008,371
Net cash provided (used) by operating activities	(833,460)	2,616,813	1,783,353
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenue	2,278,073	-	2,278,073
Transfers in	1,118,303	-	1,118,303
Transfers out	(450,000)	(1,118,303)	(1,568,303)
Net cash provided (used) by noncapital financing activities	2,946,376	(1,118,303)	1,828,073
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(4,530,242)	-	(4,530,242)
Proceeds from sale of assets and materials	-	-	-
Net cash used by capital and related financing activities	(4,530,242)	-	(4,530,242)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments	943,015	337,805	1,280,820

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

(Continued)

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (continued) For the Year Ended June 30, 2019

	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 (decrease) in cash and cash equivalents	\$ (1,474,311)	\$ 1,836,315	\$ 362,004
Cash and cash equivalents at beginning of year	42,178,217	12,644,977	54,823,194
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 40,703,906</u>	<u>\$ 14,481,292</u>	<u>\$ 55,185,198</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (222,449)	\$ 877,058	\$ 654,609
Adjustments to reconcile operating income/loss to net cash provided (used) by operating activities:			
Depreciation and amortization	639,402	-	639,402
(Increase)/Decrease in accounts receivable, taxes receivable and intergovernmental receivables	577,296	(512,401)	64,895
Increase in inventories	-	-	-
Increase in deferred outflows of resources	(114,429)	(21,886)	(136,315)
Increase/(decrease) in accounts payable, accrued liabilities and due to other governmental units	(1,089,428)	648,176	(441,252)
Increase/(Decrease) in noncurrent liabilities	(654,826)	1,614,748	959,922
Increase in deferred inflows of resources	30,974	11,118	42,092
Total adjustments	<u>(611,011)</u>	<u>1,739,755</u>	<u>1,128,744</u>
Net cash provided (used) by operating activities	<u>\$ (833,460)</u>	<u>\$ 2,616,813</u>	<u>\$ 1,783,353</u>

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

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

As of June 30, 2019

	Agency Funds
	<hr/>
ASSETS	
Cash and investments - pooled equity	\$ 442,338
Accounts receivable (net)	4,965,903
Accrued interest receivable	<hr/> 6,185
Total assets	<hr/> <hr/> \$ 5,414,426
LIABILITIES	
Other liabilities	\$ 534,054
Due to other governmental units	<hr/> 4,880,372
Total liabilities	<hr/> <hr/> \$ 5,414,426

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

Wake County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2019

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, cultural-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 under North Carolina 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 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 statements 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. Eliminations have been made to minimize the double counting of internal activities. Interfund activities between the governmental activities and the business-type activities have not been eliminated. 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 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.

NOTE 1. Summary of Significant Accounting Policies (Cont.)

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 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, intergovernmental revenues 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 45 days of year-end. Property taxes and investment earnings are treated 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 these dates 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. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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 services, 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 College 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 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 11 other local governments within Wake County through an Interlocal Agreement.

NOTE 1. Summary of Significant Accounting Policies (Cont.)

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

Additionally, the County reports the following 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.

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 three 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; and the Fines and Forfeitures Fund, which accounts for moneys received from the court system for disbursement to the Wake County Public School System.

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 also are 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 County 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 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 project funds and special revenue funds other than the Special Tax District, the Major Facilities Fund, and the Transportation Fund 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 also is 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 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.

NOTE 1. Summary of Significant Accounting Policies (Cont.)

E. Deposits and Investments (Cont.)

As required, the County's investments are stated at fair value as determined by quoted market prices. The NCCMT Cash Portfolio, a SEC-registered 2a7 external investment pool, is measured at amortized cost, 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, register of deeds automation, and LEO Special Separation Allowance are also classified as restricted assets because their use is restricted per North Carolina General Statutes.

F. Interfund 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 net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – a charge on pensions, and contributions made to the OPEB or the pension plans in the current fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category – prepaid taxes, taxes receivable beyond period of availability, unamortized gains on debt refundings, and other OPEB or pension related deferrals.

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, 2018.

Ad valorem taxes collected within 30 days after the fiscal year end for the year ended June 30, 2019 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 of 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 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 non-spendable fund balance, 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 and expensed as the items are used.

NOTE 1. Summary of Significant Accounting Policies (Cont.)

K. Capital Assets

Capital assets that are purchased or constructed are recorded at historical cost. Donated capital assets received prior to July 1, 2015 are recorded at estimated market value at the time of donation. Donated capital assets received on or after to July 1, 2015 are recorded at acquisition 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 of 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	3-20 years
Improvements	40 years
Computer software	10 years
Infrastructure	20-50 years

Landfills are amortized annually based on the estimated remaining useful life.

L. Long-Term Debt and other long-term obligations

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.

NOTE 1. Summary of Significant Accounting Policies (Cont.)

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 liabilities are liquidated in the funds in which 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 the 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.

Prepaid Expenditures – portion of fund balance that is not an available resource because it represents payments to vendors that are applicable to future accounting periods.

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 White Goods - portion of fund balance that is restricted by State Statute [G.S. 105-187.20-.21 and G.S. 130A-309.80-.86] for White Goods disposal and capital needs.

NOTE 1. Summary of Significant Accounting Policies (Cont.)

N. Net Position/Fund Balances (Cont.)

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

Committed for Reappraisal Reserve – portion of fund balance that can only be used for tax revaluation.

Committed for LEO Separation - portion of fund balance that will be used for Law Enforcement Officers' Special Separation Allowance.

Committed for Future Appropriations from Excess Local ABC Board Revenues – portion of fund balance that is committed by the Board of Commissioners for additional revenues received from the local ABC Board. Once management determines an appropriate use of the remaining funds, the Board will approve the appropriation.

Committed for Future Appropriations for Behavioral Health - portion of fund balance that is committed by the Board of Commissioners from savings in current behavioral health - managed care contracts. Once management determines an appropriate use for these savings the Board will approve the appropriation.

Committed for Future Insurance Claims - portion of fund balance that is committed by the Board of Commissioners to offset future health insurance claims. The County changed to a new third party administrator for health insurance which caused a delay in processing contributing to the savings experienced during fiscal year 2018. Once management determines that the additional funding is required 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 fund balance of at least 15%) and an amount committed for working capital of at least 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.

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 County Manager to modify the appropriations by resource or appropriation within funds up to \$75,000.

Future Capital Projects – portion of fund balance in a capital project fund that has not yet been assigned to a specific project.

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

NOTE 1. Summary of Significant Accounting Policies (Cont.)

N. Net Position/Fund Balances (Cont.)

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

The County's standard practice when an expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the restricted funds should be spent first, followed in order by committed funds, then assigned funds, and finally unassigned funds, if available, unless the Board has provided otherwise in its commitment or assigned actions.

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 the following fund balance policies.

General Fund - Management will maintain a total General Fund fund balance of at least 15% and an amount committed for working capital of at least 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 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.

Operating Funds – The County will maintain a combined General Fund and Debt Service Fund total fund balance of at least 30% of General Fund and Debt Service Fund combined revenues.

These policies are reaffirmed annually in the County's adopted budget.

O. Defined Benefit Pension Plan

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF) and the Law Enforcement Officers' Special Separation Allowance (LEOSSA) collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans, and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

NOTE 1. Summary of Significant Accounting Policies (Cont.)

P. 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 \$(3,198,866,046) difference are as follows:

Outstanding long-term debt payable (per Note 10)	\$ (3,063,652,288)
Less:	
Accrued interest payable	(29,546,954)
Payable to granting agency	(2,059,850)
Risk management liabilities	(5,221,591)
Add:	
Portion of internal service fund's compensated absences included in Note 10	77,605
Portion of internal service fund's total OPEB liability included in Note 10	1,655,362
Portion of internal service fund's net pension employment benefits included in Note 10	338,255
Unamortized portion of deferred inflow of resources related to advanced debt refundings (to be amortized over life of debt)	<u>(100,456,585)</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ (3,198,866,046)</u></u>

NOTE 1. Summary of Significant Accounting Policies (Cont.)

P. 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 \$(162,466,870) difference are as follows:

Debt issued or incurred:	
GO bonds issued	\$ (151,055,000)
GO refunding bonds issued	(113,940,000)
Refunding LOB bonds issued	(196,805,000)
GO bond anticipation notes issued	(53,328,720)
Drawdown installment notes issued	(163,293,070)
Capital leases	(17,946)
Premiums on bond issuance - GO Bonds	(18,523,438)
Premiums on refunding bond issuance - GO Bonds	(10,708,552)
Premiums on refunding bond issuance - LOB Bonds	(40,660,464)
Increases in compensated absences liability	(13,907,154)
Increases in compensated absences liability - Corporate Fleet Fund	49,560
Change in risk management liabilities	324,313
Change in deferred portion of advanced debt refundings	(17,110,675)
Interest expense accrual and other adjustments	<u>(1,928,245)</u>
Total Increases	<u>(780,904,391)</u>
Principal repayments:	
General obligation debt - schools	149,100,340
General obligation debt - community college	18,956,780
General obligation debt - other	7,697,880
Limited obligation bonds	12,135,000
Installment purchase payments	879,244
Capital leases	17,396
Refunded GO Bonds	124,000,000
Refunded bond anticipation notes	103,526,168
Refunded drawdown installment notes	166,778,650
Current year amortization of bond premiums - GO Bonds	18,572,780
Current year amortization of bond premiums - LOB Bonds	3,929,929
Decreases in compensated absences liability	12,884,776
Decreases in compensated absences liability - Corporate Fleet Fund	<u>(41,422)</u>
Total Decreases	<u>618,437,521</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (162,466,870)</u>

NOTE 1. Summary of Significant Accounting Policies (Cont.)

P. 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 \$33,472,621 difference are as follows:

Capital Asset Increases:	
Capital Asset Increases	\$ 24,784,233
Less acquisitions for the Corporate Fleet Fund	(4,594,627)
Increase in construction in progress	13,514,559
Total Increases	<u>33,704,165</u>
Capital Asset Decreases:	
Capital asset disposals	(4,978,676)
Add disposals for the Corporate Fleet Fund	2,449,203
Accumulated depreciation related to capital asset disposals	4,650,821
Less accumulated depreciation related to capital asset disposals in the Corporate Fleet Fund	(2,352,892)
Total Decreases	<u>(231,544)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 33,472,621</u>

Q. Unrestricted (deficit)

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

For school debt	\$ (1,826,974,504)
For community college debt	(252,058,640)
All other	<u>(292,590,349)</u>
Total unrestricted net position	<u>\$ (2,371,623,493)</u>

Under North Carolina law, the County is responsible for providing capital funding for the Wake County Board of Education (School System) and Wake Technical Community College (College). The County has chosen to meet its legal obligation to provide school capital funding by using a mixture of County funds and debt. The assets funded by the County are owned, utilized and maintained by the School System or the College. 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 \$1,826,974,504, and the outstanding balance of the community college-related debt less unspent bond proceeds was \$252,058,640. For additional information regarding the County's debt see Note 1.M. and Note 10.

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) Board of Directors. The County's accountability for this organization does not extend beyond making the appointments. Wake Med, 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, Wake Med and the County agreed that the County, as owner of certain hospital facilities and related property would transfer such property to Wake Med. Prior to the transfer, Wake Med 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 part of the state-wide system of community colleges. The College has a twelve-member Board of Trustees, four of which are appointed by the County Board of Commissioners. The College is reported as a component unit of the State. 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 \$25,400,000 to the College for operating purposes during the current year. In addition, the County made debt service payments of \$18,956,780 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, 2019. 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.

NOTE 3. Joint Ventures Without Equity Interest (Cont.)

Centennial Authority

The Centennial Authority is a local political subdivision of the State of North Carolina created pursuant to Section 4, 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 Authority is reported as a component unit of the State. 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 \$3,502,702 for operations, \$5,208,208 for debt service, and \$2,000,000 for facility improvements from the occupancy and prepared food and 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, 2019. 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 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 percent occupancy tax levied upon the rental of rooms, lodging or similar accommodations, and from a one percent prepared food and 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, 2019. Complete financial statements for the Bureau may be obtained at the Greater Raleigh Convention and Visitors Bureau, PO Box 1879, Raleigh, NC 27602.

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 \$234,226,104 and a bank balance of \$235,450,953. Of the bank balance, \$1,867,570 was covered by federal depository insurance and \$233,583,383 in interest-bearing deposits was covered by collateral held under the pooling method.

NOTE 4. Deposits and Investments (Cont.)

2. Investments

As of June 30, 2019, the County had the following investments and maturities.

Investment Type	Valuation Measurement Method	Fair Value	Less Than 2 Years	2 - 3 Years	3 - 5 Years
U.S. Government Treasuries	Fair Value - Level 1	\$ 311,872,006	\$ 267,926,350	\$ -	\$ 43,945,656
U.S. Government Agencies	Fair Value - Level 1	198,855,813	174,044,063	-	24,811,750
Commercial paper	Fair Value - Level 2	34,724,094	34,724,094	-	-
Other - municipal bonds	Fair Value - Level 1	2,195,652	-	-	2,195,652
N.C. Capital Management Trust - Government portfolio	Amortized cost	40,263,178	40,263,178	-	-
Total fair value		<u>\$ 587,910,743</u>	<u>\$ 516,957,685</u>	<u>\$ -</u>	<u>\$ 70,953,058</u>

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or groups of assets.

Level of fair value hierarchy: **Level 1:** Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. **Level 2:** Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The County does not have a formal investment policy in place, but 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. The County has no formal policy regarding credit risk but has an informal investment policy that limits the County's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2019, the County's investments in US Treasuries and US Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac) are rated AA+ by Standard & Poor's, AAA by Fitch Ratings, and Aaa by Moody's Investors Service. The County's investments in Commercial Paper were rated A-1 by Standard & Poor's, P-1 by Moody's Investors Service and F-1+ by Fitch Ratings. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2019.

Concentration risk: The County has no formal policy regarding concentration risk but has an informal investment policy that limits the amount of commercial paper and certificates of deposits to \$50 million in any one issuer's name.

Custodial Credit Risk: For an investment, the custodial 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. The County has no formal policy on custodial credit risk. At June 30, 2019, 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:

Taxes and 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 \$101,330 and \$6,431, respectively.

	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Project Fund	School Capital Fund	Non Major Funds	Totals
Taxes:								
Property taxes	\$ 6,455,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 640,930	\$ 7,096,715
Sales	52,142,723	-	-	-	694,355	6,587,690	26,915	59,451,683
Prepared food & occupancy	-	-	5,347,092	-	-	-	-	5,347,092
Accounts	82,285,239	52,589	-	-	4,315	-	2,129,294	84,471,437
Intergovernmental	21,277,501	1,003,635	-	5,552,061	4,614,478	-	2,968,071	35,415,746
Special Assessments	-	-	-	-	408,169	-	-	408,169
Loans receivable	-	27,741,617	-	-	-	-	62,399	27,804,016
Interest	91,131	2,748	109,865	5,120,035	-	90,297	411,603	5,825,679
Gross receivables	162,252,379	28,800,589	5,456,957	10,672,096	5,721,317	6,677,987	6,239,212	225,820,537
Less allowance for bad debts	(69,669,293)	(5,984,392)	-	-	(4,614,478)	-	(537,273)	(80,805,436)
Net total receivables	<u>\$ 92,583,086</u>	<u>\$ 22,816,197</u>	<u>\$ 5,456,957</u>	<u>\$ 10,672,096</u>	<u>\$ 1,106,839</u>	<u>\$ 6,677,987</u>	<u>\$ 5,701,939</u>	<u>\$ 145,015,101</u>

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

	General Fund	Non Major Funds	Total
Unavailable:			
Taxes receivable	\$ 1,765,366	\$ 103,657	\$ 1,869,023
Other receivables	7,457,086	-	7,457,086
Total Unavailable	<u>9,222,452</u>	<u>103,657</u>	<u>9,326,109</u>
Unearned:			
Prepaid property taxes not yet earned	2,116,302	13,299	2,129,601
Prepaid rent not yet earned	-	-	-
Deposits on account	68,287	-	68,287
Total Unearned	<u>2,184,589</u>	<u>13,299</u>	<u>2,197,888</u>
Total deferred inflows of resources	<u>\$ 11,407,041</u>	<u>\$ 116,956</u>	<u>\$ 11,523,997</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, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 144,862,479	\$ 3,438,595	\$ -	\$ 148,301,074
Construction in progress	40,702,369	27,241,513	(13,726,954)	54,216,928
Intangibles	1,032,044	-	-	1,032,044
Total capital assets, not being depreciated	186,596,892	30,680,108	(13,726,954)	203,550,046
Capital assets, being depreciated:				
Buildings	801,968,157	9,135,101	(193,699)	810,909,559
Improvements other than buildings	20,063,073	1,860,548	-	21,923,621
Machinery and equipment	32,621,989	2,419,819	(1,458,687)	33,583,121
Vehicles and motorized equipment	48,343,646	7,930,170	(3,326,290)	52,947,526
Computer Software	25,315,880	-	-	25,315,880
Infrastructure	23,827,100	-	-	23,827,100
Total capital assets being depreciated	952,139,845	21,345,638	(4,978,676)	968,506,807
Less accumulated depreciation for:				
Buildings	200,674,667	16,082,679	(969)	216,756,377
Improvements other than buildings	7,610,850	505,184	-	8,116,034
Machinery and equipment	28,572,242	1,793,823	(1,458,687)	28,907,378
Vehicles and motorized equipment	32,093,091	6,169,340	(3,191,165)	35,071,266
Computer software	13,679,218	2,531,588	-	16,210,806
Infrastructure	7,816,786	507,061	-	8,323,847
Total accumulated depreciation	290,446,854	\$ 27,589,675	\$ (4,650,821)	313,385,708
Total capital assets, being depreciated, net	661,692,991			655,121,099
Governmental activities capital assets, net	\$ 848,289,883			\$ 858,671,145

NOTE 6. Capital Assets (Cont.)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 382,327	\$ -	\$ -	\$ 382,327
Construction in progress	13,555,829	4,461,153	-	18,016,982
Total capital assets, not being depreciated/amortized	<u>13,938,156</u>	<u>4,461,153</u>	<u>-</u>	<u>18,399,309</u>
Capital assets, being depreciated/amortized:				
Landfills	35,596,682	-	-	35,596,682
Buildings	3,363,470	-	-	3,363,470
Improvements	588,689	-	-	588,689
Machinery and equipment	1,135,668	69,089	-	1,204,757
Total capital assets being depreciated/amortized	<u>40,684,509</u>	<u>69,089</u>	<u>-</u>	<u>40,753,598</u>
Less accumulated depreciation/amortization for:				
Landfills	30,030,620	444,967	-	30,475,587
Buildings	738,942	84,086	-	823,028
Improvements	285,370	17,341	-	302,711
Machinery and equipment	958,494	93,008	-	1,051,502
Total accumulated depreciation/amortization	<u>32,013,426</u>	<u>\$ 639,402</u>	<u>\$ -</u>	<u>32,652,828</u>
Total capital assets, being depreciated/amortized, net	<u>8,671,083</u>			<u>8,100,770</u>
Business-type activities capital assets, net	<u>\$ 22,609,239</u>			<u>\$ 26,500,079</u>

Depreciation and amortization expenses were charged to functions as follows:

Governmental activities:	
General administration	\$ 379,713
Human services	3,038,859
Education	870,652
Community development and cultural	2,729,589
Environmental services	708,752
Public safety	15,919,188
General services administration	<u>169,889</u>
Total depreciation expense - Governmental activities	<u>23,816,642</u>
Business-type activities:	
Environmental services - solid waste	<u>639,402</u>
Total depreciation and amortization	<u>\$ 24,456,044</u>

NOTE 6. Capital Assets (Cont.)

As of June 30, 2019 fiscal year, the construction in progress balance for governmental activities was made up of the following projects:

Construction in Progress:

	Expended At June 30, 2019
Document Management Projects	\$ 2,712,227
Other Automation Projects	5,289,804
Judicial Facilities	2,096,212
Libraries	16,492,326
Open Space Preservation	705,210
Water/Wastewater	193,762
800MHZ Radio Communications System	16,069,494
Public Safety	10,657,893
	<u>\$ 54,216,928</u>

NOTE 7. Interfund Receivables/Payables and Transfers

As of June 30, 2019, internal balances total \$2,124,174 in the governmental funds. This represents amounts due to the General Fund by non-major governmental funds for their share of cash and investments pooled equity. Internal balances in the business-type activities funds, as of June 30, 2019 are \$472,381. 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, 2019.

The County's General Fund transferred funds during fiscal year 2019 to fund debt service payments, capital improvements, economic developments and the County match for State and federal grant programs. The \$450,000 transferred from the Solid Waste Operating Fund is to cover expenses incurred by the General Fund on behalf of the solid waste program. The \$1,118,303 transferred from the South Wake Landfill Partnership Fund to the Solid Waste Operating Fund is for expenses incurred in the Solid Waste Operating Fund on behalf of the South Wake Landfill Fund.

	General Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Other Governmental Funds	Solid Waste Operating Fund	Total Transfers out
General Fund	\$ -	\$ 269,419,000	\$ 33,059,000	\$ 22,023,000	\$ 16,095,338	\$ -	\$ 340,596,338
Major Facilities Fund	1,400,000	-	-	-	3,000,000	-	4,400,000
Debt Service Fund	-	-	4,000,000	-	4,875,000	-	8,875,000
School Capital Fund	5,873,505	-	-	-	-	-	5,873,505
Other Governmental Funds	-	910,936	-	-	1,633,000	-	2,543,936
Solid Waste Operating Fund	450,000	-	-	-	-	-	450,000
South Wake Partnership Fund	-	-	-	-	-	1,118,303	1,118,303
Total transfers in	<u>\$ 7,723,505</u>	<u>\$ 270,329,936</u>	<u>\$ 37,059,000</u>	<u>\$ 22,023,000</u>	<u>\$ 25,603,338</u>	<u>\$ 1,118,303</u>	<u>\$ 363,857,082</u>

NOTE 8. Risk Management – 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. 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 also provides self-insured dental coverage to employees and dependents.

The County is self-insured with a retention of \$1,250,000 for workers' compensation claims and \$1,000,000 for liability claims. The County maintains commercial excess workers' compensation and liability insurance and other insurance and bonds to cover specific risks and individuals. The County maintains 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. Separate NFIP Flood Insurance is purchased for high risk locations. 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 distribute insurance or bonding costs. Administrative costs, actuarially determined assets to pay ultimate losses, and insurance premiums are covered by the General Fund.

The County's coverage limits, subject to the retentions and deductibles described above, at June 30, 2019 are as follows:

Coverage	Coverage Limits
Property Insurance - Building and Contents	\$ 300,000,000
Flood Insurance (non-specific locations)	50,000,000
NFIP Flood Insurance for high risk locations	\$500,000/location
Earthquake	150,000,000
Workers' Compensation	Statutory
Employers' Liability	2,000,000
Other Liability:	
General	\$2,000,000 per occurrence/ \$4,000,000 aggregate
Auto	\$2,000,000 per accident
Public Officials/Employment Practice	\$2,000,000 per wrongful act/ \$2,000,000 aggregate
Law Enforcement	\$2,000,000 per wrongful act/ \$2,000,000 aggregate
Excess	\$8,000,000 per occurrence/ \$8,000,000 aggregate

In accordance with G.S. 159-29, County 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.

NOTE 8. Risk Management – Property, Liability, Workers' Compensation, and Self-Insured Employee Medical Coverages (Cont.)

The claims liability of \$10,536,525 at June 30, 2019 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 due and payable and is reported in the General Fund in the fund financial statements. Changes in the fund's claims liability amount during fiscal years 2018 and 2019 are as follows:

Changes in Claims Liability

	Workers' compensation	Property and liability	Self-insured group medical	Dental benefits	Total
Balance, as of June 30, 2017	\$ 4,936,084	\$ 2,041,786	\$ 2,744,000	\$ 116,000	\$ 9,837,870
Claims incurred, fiscal year 2018	806,222	631,604	38,886,468	2,212,850	42,537,144
Payments and changes in estimates, fiscal year 2018	<u>(279,678)</u>	<u>(462,280)</u>	<u>(39,091,468)</u>	<u>(2,218,850)</u>	<u>(42,052,276)</u>
Balance, as of June 30, 2018	5,462,628	2,211,110	2,539,000	110,000	10,322,738
Claims incurred, fiscal year 2019	1,258,195	880,846	42,474,166	2,305,005	46,918,212
Payments and changes in estimates, fiscal year 2019	<u>(1,413,456)</u>	<u>(438,798)</u>	<u>(42,543,166)</u>	<u>(2,309,005)</u>	<u>(46,704,425)</u>
Balance, as of June 30, 2019	<u>\$ 5,307,367</u>	<u>\$ 2,653,158</u>	<u>\$ 2,470,000</u>	<u>\$ 106,000</u>	<u>\$ 10,536,525</u>
Amount reported in General Fund	<u>\$ 1,700,970</u>	<u>\$ 1,475,000</u>	<u>\$ 2,045,000</u>	<u>\$ 90,000</u>	<u>\$ 5,310,970</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 and business-type activities of the government-wide statements. At June 30, 2019, the net book value of the assets acquired through capital leases is \$21,975. The net present value of the future minimum lease payments at June 30, 2019 is \$34,883 for governmental activities, as detailed below.

The County also leases buildings, office facilities and various equipment under non-cancelable operating leases. The total costs for all operating lease expenditures for the year ended June 30, 2019 were \$3,358,120. The future minimum lease payments for non-cancelable operating leases are \$23,719,858, as detailed below.

At June 30, 2019, 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 - Governmental	Operating Leases
2020	\$ 16,197	\$ 2,888,929
2021	10,820	2,106,586
2022	6,073	2,049,088
2023	2,070	2,093,375
2024	426	2,137,742
2025-2029	-	7,169,939
2030-2034	-	5,009,199
2035-2039	-	62,500
2040-2044	-	62,500
2045-2049	-	62,500
2050-2054	-	61,500
2055-2059	-	16,000
Total minimum lease payments	35,586	\$ 23,719,858
Less: amount representing interest	(703)	
Net present value of the future minimum lease payments	\$ 34,883	

The County leases office space under operating lease agreements with terms generally less than one year. Minimum future rentals on non-cancelable leases with terms in excess of one year are not material to the County's financial statements. Rental revenue for the year ended June 30, 2019 was \$300,478.

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's general obligation outstanding are fixed rate and bear interest at rates varying from 2.00% to 5.40%. 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, 2019 are comprised of the following:

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%.	\$ 26,540,000
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%.	296,685,000
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%.	3,790,000
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%.	67,650,000
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%.	61,200,000
2012B Refunding Bonds of \$75,290,000 due in periodic installments of \$5,260,000 to \$27,845,000 beginning February 1, 2018 through February 1, 2021 interest of 5.00%.	33,105,000

NOTE 10. Long-term Debt (Cont.)

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%.	35,100,000
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%.	85,800,000
2014 Public Improvement Bonds of \$345,240,000 due in periodic installments of \$18,170,000 to \$18,180,000 beginning September 1, 2016 through September 1, 2034, interest of 3.25 to 5.00%.	290,720,000
2015 Public Improvement Bonds of \$94,000,000 due in periodic installments of \$4,900,000 to \$4,950,000 beginning April 1, 2017 through April 1, 2035, interest of 3.00 to 5.00%.	79,200,000
2016A Refunding Bonds of \$162,895,000 due in periodic installments of \$9,340,000 to \$27,055,000 beginning March 1, 2017 through March 1, 2026, interest of 5.00%.	99,470,000
2017A Public Improvement Bonds of 33,700,000 due in periodic installments of \$1,685,000 beginning March 1, 2018 through March 1, 2037 interest of 3.00 to 5.00%.	30,330,000
2017B School Bonds of \$82,415,000 due in periodic installments of \$4,120,000 to \$4,125,000 beginning March 1, 2018 through March 1, 2037, interest of 3.00 to 5.00%.	74,165,000
2018A Public Improvement Bonds of \$197,745,000 due in periodic installments of \$10,405,000 to \$10,455,000 beginning March 1, 2019 through March 1, 2037, interest of 3.00 to 5.00%	187,290,000
2019A Public Improvement Bonds of \$151,055,000 due in periodic installments of \$7,950,000 to \$7,955,000 beginning March 1, 2020 through March 1, 2038, interest of 3.00 to 5.00%.	151,055,000
2019B Refunding Bonds of \$113,940,000 due in periodic installments of \$5,200,000 to \$24,520,000 beginning March 1, 2020 through March 1, 2025, interest of 5.00%.	113,940,000
Total general obligation bonds outstanding	<u><u>\$ 1,727,510,000</u></u>

NOTE 10. Long-term Debt (Cont.)

General Obligation Bond Anticipation Notes:

During fiscal year 2019, the county issued \$151,055,000 Series 2019A Public Improvement Bonds, the proceeds of which fully retired the outstanding drawn balance and remaining undrawn authorization of each of the County's Series 2016A, 2016B, 2017A and 2017B General Obligation Bond Anticipation Notes. As such, the County has no outstanding General Obligation Bond Anticipation Notes at June 30, 2019.

Drawdown Installment Notes:

Drawdown installment notes serviced by the General Fund and payable at June 30, 2019 are comprised of the following:

Series 2017 Drawdown Installment Note with Wells Fargo Bank: Up to \$389,666,000 for full debt appropriation for fiscal years 2017 and 2018 for Public Schools and Community College. Interest payable monthly at 70% of one-month LIBOR plus 40 bp. Zero outstanding at June 30, 2019. Remaining authorization (aggregate authorization minus retired authorization) at June 30, 2019 is \$63,666,000 and expires February 28, 2021.	\$ -
Series 2018 Drawdown Installment Note with Bank of America: Up to \$385,000,000 aggregate authorization for full debt appropriation for fiscal year 2019 for Public Schools and Community College. Interest payable monthly at 70% of one-month LIBOR plus 47 bp. Zero outstanding at June 30, 2019. Remaining authorization (aggregate authorization minus retired authorization) at June 30, 2019 is \$313,518,000 and expires August 15, 2022.	\$ -
	<u>\$ -</u>

During fiscal year 2019, \$131,027,156 and \$35,751,494 principal amounts drawn and outstanding under the respective Series 2017 and Series 2018 Notes program were retired with Series 2019 Limited Obligation Bonds (refunding component). Remaining undrawn authorization of \$38,972,844 and \$31,248,506 under the respective Series 2017 and Series 2018 Notes programs were also reduced with the Series 2019 Limited Obligation Bonds. At June 30, 2019, remaining authorization under the Series 2017 and Series 2018 Notes programs was \$63,666,000 and \$313,518,000 respectively. The County intends to retire the remaining Notes programs authorization with permanent bonds over the next several years.

NOTE 10. Long-term Debt (Cont.)

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.

2010 Limited Obligation Bonds of \$148,860,000, due in annual installments of \$5,950,000 to \$5,955,000 beginning in January 2017 through January 2020; interest of 3.50% to 5.00%, collateralized by the Criminal Justice Center.	\$ 5,955,000
2016 Refunding Limited Obligation Bonds of \$191,835,000, due in annual installments of \$5,245,000 to \$11,585,000 beginning in December 2019 through December 2036; interest of 3.00% to 5.00%, collateralized by the Criminal Justice Center.	191,835,000
2018A Limited Obligation Bonds of \$155,290,000, due in annual installments of \$8,170,000 to \$8,175,000 beginning in August 2019 through August 2037; interest of 3.00% to 5.00%, collateralized by Apex High School, Apex, NC.	155,290,000
2019 Limited Obligation Bonds of \$196,805,000, due in annual installments of \$10,355,000 to \$10,360,000 beginning in September 2020 through September 2038; interest of 4.00 to 5.00%, collateralized by Willow Springs High School (Fuquay-Varina, NC) and Parkside Elementary School (Morrisville, NC).	<u>196,805,000</u>
Total limited obligation bonds outstanding	<u><u>\$ 549,885,000</u></u>

NOTE 10. Long-term Debt (Cont.)

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2019 are as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$ 170,890,000	\$ 78,157,151	\$ 249,047,151
2021	155,410,000	68,556,541	223,966,541
2022	164,405,000	60,936,270	225,341,270
2023	161,780,000	52,864,828	214,644,828
2024	158,430,000	45,098,260	203,528,260
2025-2029	530,500,000	128,854,056	659,354,056
2030-2034	282,545,000	43,672,559	326,217,559
2035-2039	103,550,000	6,212,066	109,762,066
	<u>\$ 1,727,510,000</u>	<u>\$ 484,351,731</u>	<u>\$ 2,211,861,731</u>

The annual requirements to amortize capital leases, installment purchases and limited obligation bond debt outstanding as of June 30, 2019 are as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$ 20,728,694	\$ 23,006,762	\$ 43,735,456
2021	30,847,637	24,724,466	55,572,103
2022	30,820,056	23,205,492	54,025,548
2023	30,756,070	21,687,669	52,443,739
2024	30,693,426	20,171,633	50,865,059
2025-2029	150,976,359	78,228,427	229,204,786
2030-2034	148,465,000	42,094,013	190,559,013
2035-2039	111,125,000	10,071,756	121,196,756
	<u>\$ 554,412,242</u>	<u>\$ 243,190,218</u>	<u>\$ 797,602,460</u>

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 eight percent of the appraised value of property subject to taxation less property valued for abatement. At June 30, 2019, such statutory limit of the County was \$11,890,205,771 providing a legal debt margin of \$8,591,348,773. Authorized but unissued general obligation bonds as of June 30, 2019 totaled \$1,017,000,000 as follows.

Purpose	Date Approved	Authorized and Unissued ¹
Schools	11/6/2018	\$ 548,000,000
Community College	11/6/2018	349,000,000
Parks, Greenways, Recreation and Open Space	11/6/2018	120,000,000
Total		<u>\$ 1,017,000,000</u>

¹Excludes nominal unissued balances of prior authorizations for GO bonds for community college and school purposes. The County has issued debt under these prior authorizations and successfully funded all projects intended to be funded by those bond orders. The County does not intend to issue under the remaining authorizations, which solely exist because of the premium-based bond structure of prior GO bond issuances related to those authorizations.

NOTE 10. Long-term Debt (Cont.)

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 million with the remaining \$7.580 million 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.

Defeased Debt:

In 2019 and prior years, the County has defeased various general obligation and limited obligation bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the County's government-wide financial statements. As of June 30, 2019, the amount of defeased debt outstanding was \$121,245,000.

Conduit Debt Obligations:

Wake County Industrial Facilities and Pollution Control Financing 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, 2019, there were 15 series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$522.5 million.

Debt Related to Capital Activities:

Of the total Governmental Activities debt listed, only \$340,936,399 relates to assets the County holds title. Unspent cash related to the debt amounts to \$21,467,053.

NOTE 10. Long-term Debt (Cont.)

Changes In Long-Term Liabilities:

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 1,762,270,000	\$ 264,995,000	\$ 299,755,000	\$ 1,727,510,000	\$ 170,890,000
Plus: Premiums on issuance	175,199,050	29,231,990	18,572,780	185,858,260	N/A
Total general obligation bonds payable	1,937,469,050	294,226,990	318,327,780	1,913,368,260	170,890,000
Limited obligation bonds	365,215,000	196,805,000	12,135,000	549,885,000	20,005,000
Plus: Premiums on issuance	59,531,261	40,660,464	3,929,929	96,261,796	N/A
Total limited obligation bonds payable	424,746,261	237,465,464	16,064,929	646,146,796	20,005,000
Direct Placement Bond Anticipation Notes	50,197,448	53,328,720	103,526,168	-	-
Direct Placement Drawdown Installment Notes	3,485,580	163,293,070	166,778,650	-	-
Direct Placement Installment Purchases	5,306,359	-	879,244	4,427,115	708,000
Capital leases	34,333	17,946	17,396	34,883	15,694
Total OPEB Liability	396,001,005	23,946,992	32,401,641	387,546,356	-
Total pension liability (LEOSSA)	17,179,631	1,626,707	1,791,691	17,014,647	-
Net pension liability (LGERS)	50,584,770	30,138,177	-	80,722,947	-
Compensated absences	13,368,906	13,907,154	12,884,776	14,391,284	12,840,000
Total Governmental Activities	<u>\$ 2,898,373,343</u>	<u>\$ 817,951,220</u>	<u>\$ 652,672,275</u>	<u>\$ 3,063,652,288</u>	<u>\$ 204,458,694</u>
Business-type activities:					
Landfill	\$ 20,297,742	\$ 2,275,923	\$ 1,067,493	\$ 21,506,172	\$ 753,238
Total OPEB Liability	1,933,778	59,060	153,547	1,839,291	-
Net pension liability (LGERS)	284,128	169,724	-	453,852	-
Compensated absences	84,600	80,803	71,239	94,164	71,000
Total Business-type Activities	<u>\$ 22,600,248</u>	<u>\$ 2,585,510</u>	<u>\$ 1,292,279</u>	<u>\$ 23,893,479</u>	<u>\$ 824,238</u>

NOTE 10. Long-term Debt (Cont.)

Debt Outstanding June 30, 2019:

General Obligation Bonds¹

2010A Public Improvement	\$ 26,540,000
2010B Public Improvement	39,505,000
2010C Refunding	296,685,000
2010D Public Improvement	34,910,000
2010E Public Improvement	3,790,000
2010F Public Improvement - BABs	7,580,000
2010F Public Improvement - RZEDBs	9,475,000
2011 Public Improvement	67,650,000
2012A School	61,200,000
2012B Refunding	33,105,000
2013A School	35,100,000
2013B Public Improvement	85,800,000
2014 Public Improvement	290,720,000
2015 Public Improvement	79,200,000
2016A Refunding	99,470,000
2017A Public Improvement	30,330,000
2017B Public Improvement	74,165,000
2018A Public Improvement	187,290,000
2019A Public Improvement	151,055,000
2019B Refunding	113,940,000
	<u>1,727,510,000</u>

Limited Obligation Bonds²

2010 Limited Obligation Bonds	5,955,000
2016A Limited Obligation Bonds	191,835,000
2018A Limited Obligation Bonds	155,290,000
2019 Limited Obligation Bonds	196,805,000
	<u>549,885,000</u>

Installment Purchase Financings (fire apparatus)³

2013 Installment Purchase	354,000
2014 Installment Purchase	779,000
2015 Installment Purchase	785,000
2016 Installment Purchase	1,469,359
2017 Installment Purchase	1,039,756
	<u>4,427,115</u>

Drawdown Installment Purchase⁴

2017 Drawdown Installment Purchase	-
2018 Drawdown Installment Purchase	-
	<u>-</u>

Total	<u>\$ 2,281,822,115</u>
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1,2 Publicly offered debt obligations

3,4 Direct placement debt obligations

1 Secured by the full faith, credit, and taxing power of the County and not by particular assets of the County.

2,3,4 Collateralized debt issued under N.C.G.S. 160A-20, the annual debt service of which is subject to annual board appropriation. Each respective debt agreement identifies property pledged as collateral and contains specific defined events of default, termination events, and acceleration clauses. If there is an event of default under a particular agreement entered into pursuant to N.C.G.S. 160A-20, the lender under such agreement may accelerate the County's payment obligation under the agreement's specific terms. As a remedy in the event of County non-payment of a particular agreement, the lender under such agreement may elect to foreclose on the collateralized property pledged under the agreement. Under N.C.G.S. 160A-20, no deficiency judgement may be rendered against the County for the breach of an agreement entered into under such statute. The taxing power of the County is not pledged directly or indirectly to secure these obligations.

4 Aggregate \$377.9 million unused drawdown authorization balance as of June 30, 2019.

NOTE 11. Compliance Audits of Federal and State Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. The County believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

NOTE 12. 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 membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The LGERS is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6.00% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 7.80% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$18,416,964 for the year ended June 30, 2019.

Refunds of Contributions. County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4.00% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

NOTE 12. Multiple-Employer Pension Plan Obligations (Cont.)*Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2019, the County reported a liability of \$81,176,799 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing updated procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the County's proportion was 3.42%, which was an increase of .09% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$23,087,112. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,523,651	\$ 420,231
Changes of assumptions	21,541,189	-
Net difference between projected and actual earnings on pension plan investments	11,143,160	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,400,637	-
County contributions subsequent to the measurement date	18,416,964	-
Total	<u>\$ 65,025,601</u>	<u>\$ 420,231</u>

\$18,416,964 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 22,222,730
2021	14,497,460
2022	2,856,782
2023	6,611,434
Thereafter	-
	<u>\$ 46,188,406</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, (a) an investment rate of return of 7.00%, net of pension plan investment expense, including inflation, (b) projected salary increases ranging from 3.50% per year to 8.10% per year and (c) an inflation component of 3.00%.

NOTE 12. Multiple-Employer Pension Plan Obligations (Cont.)

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	0.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 12. Multiple-Employer Pension Plan Obligations (Cont.)

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 194,993,702	\$ 81,176,799	\$ (13,930,387)

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

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 2019 was \$234,585,984. The County's contributions were calculated using the base salary amount of \$234,775,167. The County made contributions amounting to \$11,738,579. Employees made voluntary contributions of \$5,742,867.

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% of the employee's base salary each month for all law enforcement officers. Wake County also makes a 5% 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 13. Law Enforcement Officers' Special Separation Allowance

Plan Description. Wake County administers a public employee retirement system (LEOSSA), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The LEOSSA is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the LEOSSA. At December 31, 2017, the Valuation Date, the LEOSSA's membership consisted of:

Retirees receiving benefits	64
Active plan members	398
Total	462

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

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

NOTE 13. Law Enforcement Officers' Special Separation Allowance (Cont.)

Actuarial Assumptions. The entry age normal actuarial cost method was used in the December 31, 2017 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, (a) projected salary increases ranging from 3.50% to 7.35%, (b) discount rate of 3.64% and (c) an inflation component of 2.50%.

The discount rate is based on the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

Mortality rates are based on the RP-2014 Mortality tables projected forward to 2015 using MP-2015.

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 benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. 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 LEOSSA are financed by through investment earnings. The County paid \$1,188,548 as benefits came due for the reporting period.

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

At June 30, 2019, the County reported a total pension liability of \$17,014,647. The total pension liability was measured as of December 31, 2018, based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing updated procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$1,259,105. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 414,929	\$ -
Changes in assumptions	608,945	683,751
County contributions subsequent to measurement date	601,431	-
Total	<u>\$ 1,625,305</u>	<u>\$ 683,751</u>

\$601,431 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 94,030
2021	94,030
2022	101,353
2023	62,793
2024	(12,083)
	<u>\$ 340,123</u>

NOTE 13. Law Enforcement Officers' Special Separation Allowance (Cont.)

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.64%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.64%) or 1-percentage-point higher (4.64%) than the current rate.

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	\$ 18,341,061	\$ 17,014,647	\$ 15,794,101

The County's changes in total pension liability for the LEOSSA were as follows:

Total Pension Liability as of December 31, 2017	\$ 17,179,631
Changes for the year:	
Service Cost	638,579
Interest	524,414
Changes in benefit terms	-
Difference between expected and actuarial experience	463,714
Changes of assumptions and other inputs	(623,177)
Benefits payments	(1,168,514)
Other	-
Net changes	(164,984)
Total Pension Liability as of December 31, 2018	\$ 17,014,647

Changes of assumptions and other inputs reflect a change in the discount rate from 3.16% at December 31, 2017 to 3.64% at December 31, 2018. The assumed inflation rate and assumed wage inflation rate remained consistent with the prior year at 2.50% and 1.0%, respectively.

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2014.

NOTE 14. Register of Deeds' Supplemental Pension Fund

Plan Description. Wake County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, cost-sharing multiple-employer defined benefit 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 (LERS) 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. Management of the plan is vested in the LERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The 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, or at www.osc.nc.gov.

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

NOTE 14. Register of Deeds' Supplemental Pension Fund (Cont.)

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by G.S. 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$92,330 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$2,061,005 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2018, the County's proportion was 12.44343%, which was an increase of .98925% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$275,876. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,167	\$ 94,072
Changes in assumptions	96,934	-
Net difference between projected and actual earnings on pension plan investments	328,507	-
Changes in proportion and differences between County contributions and proportionate share of contributions	31,028	258,822
County contributions subsequent to the measurement date	92,330	-
Total	<u>\$ 566,966</u>	<u>\$ 352,894</u>

\$92,330 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 20,503
2021	(46,590)
2022	96,810
2023	51,019
Thereafter	-
	<u>\$ 121,742</u>

NOTE 14. Register of Deeds Supplemental Pension Fund (Cont.)

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, (a) an investment rate of return of 3.75%, net of pension plan investment expense, including inflation, (b) projected salary increases ranging from 3.50% per year to 7.75% per year and (c) an inflation component of 3.00%.

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2019 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2016 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (1,624,988)	\$ (2,061,005)	\$ (2,428,709)

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

NOTE 15. Total Expense, Liabilities (Assets), and Deferred Outflows and Inflows of Resources of Related Pensions

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

	LGERS	LEOSSA	RODSPF	Total
Pension Expense	\$ 23,087,112	\$ 1,259,105	\$ 275,876	\$ 24,622,093
Pension Liability (Asset)	81,176,799	17,014,647	(2,061,005)	96,130,441
Proportionate share of the pension liability	3.42%	N/A	12.443%	
Deferred Outflows of Resources:				
Differences between expected and actual experience	12,523,651	414,929	18,167	12,956,747
Changes in assumptions	21,541,189	608,945	96,934	22,247,068
Net difference between projected and actual earnings on plan investments	11,143,160	-	328,507	11,471,667
Changes in proportion and differences between contributions and proportionate share of contributions	1,400,637	-	31,028	1,431,665
Benefit payments and administrative costs paid subsequent to the measurement date	18,416,964	601,431	92,330	19,110,725
Total Deferred Outflows of Resources	65,025,601	1,625,305	566,966	67,217,872
Deferred Inflows of Resources:				
Differences between expected and actual experience	420,231	-	94,072	514,303
Changes in assumptions	-	683,751	-	683,751
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	258,822	258,822
Total Deferred Inflows of Resources	420,231	683,751	352,894	1,456,876

NOTE 16. 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. For the fiscal year ended June 30, 2019, the County made contributions of \$104,922.

NOTE 17. Other Post-Employment Benefits (OPEB)

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. Employees hired before July 1, 2011 who retire from the North Carolina Local Government Employees' Retirement System under early, normal or disabled retirement conditions; remained continuously employed in a benefit eligible position; and were enrolled in the County's health insurance program prior to separation from the County may continue in the County's retiree health insurance program based date of hire and years of creditable service as described in the table below.

Years of Wake County Service at Date of Retirement	Monthly Wake County Contribution Percentage		
	Date Hired		
	Prior to May 15, 1994	Between May 15, 1994 - April 15, 1997	Between April 15, 1997 - June 30, 2011
Less than 5	Not Eligible	Not Eligible	Not Eligible
5-10 years	0%	Not Eligible	Not Eligible
10-19 years	100%	50%	Not Eligible
20 or more	100%	100%	100%

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. Medicare-eligible retirees are allowed to remain in the plan but must enroll in Medicare Parts A and B.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Membership in the plan included the following at June 30, 2017, the date of the latest actuarial valuation:

Retirees receiving benefits	1,090
Active plan members	2,031
Total	<u>3,121</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.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurements unless otherwise specified. The actuarial assumptions included a wage inflation rate of 3.5%, salary increases from 3.50% to 7.75%, discount rate of 3.89% and health care cost trends of 7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023 for Pre-Medicare and 5.50% for 2017 decreasing to an ultimate rate of 5.00% by 2020 for Medicare.

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

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

NOTE 17. Other Post-Employment Benefits (OPEB) (Cont.)

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits.

At June 30, 2019, the County reported a total OPEB liability of \$389,385,647. The total OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date. For the year ended June 30, 2019, the County recognized OPEB expense of \$11,887,343. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 108,557	\$ 240,590
Changes of assumptions or other inputs	-	46,587,322
County contributions subsequent to measurement date	9,254,687	-
Total	<u>\$ 9,363,244</u>	<u>\$ 46,827,912</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

\$9,254,687 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30:	
2020	\$ 12,070,516
2021	12,070,516
2022	12,070,516
2023	8,307,615
2024	2,200,192
Thereafter	-
Total	<u>\$ 46,719,355</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.89%) or 1-percentage point higher (4.89%) than the current discount rate.

	Discount Rate Sensitivity		
	1% Decrease (2.89%)	Current (3.89%)	1% Increase (4.89%)
Total OPEB Liability	\$ 467,219,251	\$ 389,385,647	\$ 328,992,608

NOTE 17. Other Post-Employment Benefits (OPEB) (Cont.)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current health care cost rates.

	Health Care Cost Trend Rate Sensitivity		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 321,784,751	\$ 389,385,647	\$ 478,027,850

The County's changes in the total OPEB liability were as follows:

Total OPEB liability as of June 30, 2017	\$ 397,934,783
Changes for the year:	
Service Cost at the end of the year	9,952,337
Interest on TOL and Cash Flows	14,005,022
Changes in benefit terms	-
Differences between expected and actuarial experience	132,574
Changes in assumptions or other inputs	(23,488,471)
Benefit payments	(9,150,598)
Net changes	(8,549,136)
Total OPEB liability as of June 30, 2018	<u>\$ 389,385,647</u>

NOTE 18. 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, 2019.

NOTE 19. 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 30 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 \$30.0 million. The landfill closure and postclosure liability of \$21,506,172 is included as a separate line item under the noncurrent liabilities in the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund at June 30, 2019. The liability represents a cumulative amount reported to date based on the following facilities.

The North Wake Unlined Landfill and the Feltonville Unlined Landfill have been closed for approximately 21 years and no additional closure costs are expected at these facilities. The County is currently responsible for monitoring these sites for an additional 9 years for post-closure care. The County continues to monitor groundwater conditions at the site. The County was required to develop a corrective action plan which included recommendations to remediation by air sparging by Monitored Natural Attenuation. In addition, enhanced anaerobic bioremediation is being implemented at the site. 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 Feltonville Construction and Demolition facilities stopped accepting waste in fiscal year 2004. Therefore, no further closure funds need to be reserved for fiscal year 2005 or beyond. Post-closure costs associated with the North Wake facility will be covered by the post-closure funds set aside for the adjacent Subtitle D and unlined landfill. Post-closure costs associated with the Feltonville 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 for approximately 11 years and no additional closure cost are expected at this facility. During calendar year 2015, the County took over operations of the North Wake landfill gas-to-energy (LFGTE) system, which was previously operated by an outside party. In doing so, the County has assumed operation and maintenance costs associated with the flare, gas wells and other system components. These associated costs have been added to the post-closure costs for the remaining post-closure period. The County will continue to monitor this facility for post-closure care for an additional 19 years.

The South Wake Subtitle Design Facility began operations in February 2008 and is in its second phase of five total phases. It is estimated to be at 22.32% capacity. During fiscal year 2018, Phase 1 reached capacity and was partially closed. In July 2015, the landfill began placing waste in the new 28-acre cell (Phase 2A). The closure and postclosure costs related to Phase 2A have been included in this year's estimates. The entire landfill is estimated to close June 2047. The County will recognize the remaining estimated cost of closure and post-closure care costs of \$6.5 million as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 20. Pollution Remediation Liability

During fiscal year 2010, the County received notification from the North Carolina Department of Environment Quality (NCDEQ) 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. NCDEQ issued a Facility Compliance Inspection Report requiring the County to implement corrective action to address five deficiencies. The County has completed the necessary corrective action in addressing all of the deficiencies. The property is divided into four areas. Areas A, B & C are managed under the jurisdiction of the Inactive Hazardous Site Pre-Regulatory Landfill Unit (PRLF), and the County has ceased all voluntary environmental assessment activities pertaining to these areas. Area D remains under the regulations of NCDEQ Solid Waste Section and is managed and paid for by the County. The County completed all work related to Area D in September 2015, and Area D now is compliant with NCDEQ Solid Waste post-closure monitoring requirements. At this time, the County is managing the necessary monitoring on an annual budgetary basis and does not anticipate the needs for additional reserves to be set aside. This will be continued to be monitored as required by NCDEQ. At June 30, 2019, no pollution remediation liabilities were included in accounts payable and accrued liabilities in the Solid Waste Construction Fund.

NOTE 21. 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:	<u>\$ 352,630,715</u>
Less:	
Inventories	340,717
Prepaid expenditures	1,163,458
Noncurrent receivables	73,796
Stabilization by State Statute	87,486,137
Register of deeds automation	673,240
Reappraisal reserve	3,457,951
LEO Special Separation allowance	2,527,767
Local ABC revenues	9,881,742
Behavioral health excess revenues	13,971,561
Insurance claims	4,000,000
Working capital	<u>229,054,346</u>
Remaining fund balance	<u><u>\$ -</u></u>

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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, 2019 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
<u>\$ 2,143,412</u>	<u>\$ 2,021,676</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,306,004</u>	<u>\$ 226,246,396</u>	<u>\$ -</u>	<u>\$ 13,418,067</u>

NOTE 21. Fund Balance (Cont.)

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, 2019, fund balance in the Major Facilities Fund totaled \$4,646,987 all of which is Restricted by Stabilization by State Statute.

Fiscal Year	Cary Sports Facilities*	NC Art Museum	NC Museum of Natural Sciences	PNC Arena**	St. Augustine's College Track	NC Ballet	Competitive Projects***	Total
2009	\$ -	\$ 1,000,000	\$ 1,900,000	\$ 1,500,000	\$ 300,000	\$ 100,000	\$ -	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
2014	1,000,000	1,000,000	200,000	1,500,000	100,000	-	-	3,800,000
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	-	-	-	-	2,000,000	4,700,000
2018	2,600,000	-	-	-	-	-	2,000,000	4,600,000
2019	2,000,000	-	-	-	-	-	2,000,000	4,000,000
Payments to Date	10,000,000	9,000,000	6,000,000	9,679,355	1,000,000	100,000	6,000,000	41,779,355
2020	3,000,000	-	-	-	-	-	2,000,000	5,000,000
2021	3,000,000	-	-	-	-	-	2,000,000	5,000,000
2022	3,000,000	-	-	-	-	-	2,000,000	5,000,000
2023	3,000,000	-	-	-	-	-	2,000,000	5,000,000
2024	3,000,000	-	-	-	-	-	2,000,000	5,000,000
Total	\$ 25,000,000	\$ 9,000,000	\$ 6,000,000	\$ 9,679,355	\$ 1,000,000	\$ 100,000	\$ 16,000,000	\$ 66,779,355

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

** Funding for PNC Arena moved to Section 1 of the Major Facilities model and is calculated prior to the 85% allocation for the City of Raleigh Convention Center and 15% in Uncommitted funds for Wake County projects.

***Section 3 of the Major Facilities Cash Flow Model includes a transfer to Major Facilities Capital Fund in FY20-FY24 funded by a City of Raleigh contribution.

NOTE 22. Stewardship, Compliance, and Accountability

The Capital Area Workforce Development Fund had a deficit fund balance of \$(368,989) as of June 30, 2019. 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 grant, the entire awarded amount will be received to cure the deficit in the fund.

NOTE 23. 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 24. Subsequent Event

At June 30, 2019, the County anticipates closing on its Series 2019A and 2019B General Obligation Bond Anticipation Notes on August 15, 2019. Series 2019A Note is 4.5-year agreement with Bank of America to provide up to \$548,000,000 short-term draw authorization for Schools capital projects to be appropriated in fiscal years 2020 and 2021. Series 2019B Note is 4.5-year agreement with SunTrust Bank to provide up to \$177,100,000 short-term draw authorization for Community College capital projects to be appropriated in fiscal years 2020 and 2021. Over the course of the 4.5-year term of both Notes, the County anticipates four take-out financings to occur, as appropriate, which will convert drawn amounts under both Notes to permanent bonds. Each Note will be issued under the respective \$548 million Schools and \$349 million Community College bond authorization from November 2018.

On July 3, 2019 the County received \$4,579,058 of loan proceeds requested under the 2017 Wells Fargo Installment Financing Agreement for the following capital expenditures which were incurred during fiscal year 2019: \$3,265,800 School system capital project expense and \$1,313,258 Community College capital project expense.

On July 3, 2019 the County received \$9,127,301 of loan proceeds requested under the 2018 Bank of America Installment Financing Agreement for the following capital expenditures which were incurred during fiscal year 2019: \$8,204,841 School system capital project expense and \$922,460 Community College capital project expense.

On October 30, 2019, the County closed on its Series 2019C General Obligation Parks, Greenways, Recreation, and Open Space Bonds ("The Bonds"), a \$36.86 million par bond issuance. Wells Fargo Bank, N.A. submitted the winning competitive bid for the Bonds at 2.01% total interest cost. The Bonds were amortized over 19-years with a level principal repayment structure, and represent the first bond issuance under the voter-authorized \$120 million Parks, Greenways, Recreation, and Open Space referendum in November 2018. Proceeds of the Bonds will fund, in whole or part, certain Parks, Greenways, Recreation, and Open Space projects for fiscal years 2020, 2021, and a portion of 2022. The next subsequent Parks, Greenways, Recreation, and Open Space bond issuance is projected in 2022.

NOTE 25. Discretely Presented Component Unit Disclosure

(1) Deposits

The deposits 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.

At June 30, 2019, the Board's deposits had a carrying amount of \$29,449,721 and a bank balance of \$28,397,919. All of the bank balance was either insured by federal depository insurance or collateralized under the pooling method.

(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 \$50,000, 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.

Required Supplementary Information

This section contains additional information required by generally accepted accounting principles.

- Schedule of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Changes in Total OPEB Liability and Related Ratios
- Schedule of the County's Proportionate Share of Net Pension Liability (Asset) and Schedule of Employer Contributions for the Local Governmental Employees' Retirement System
- Schedule of the County's Proportionate Share of Net Pension Liability (Asset) and Schedule of Employer Contributions for the Register of Deeds Supplemental Pension Fund

WAKE COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE - REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll

	Fiscal Year		
	2019	2018	2017
Total Pension Liability - beginning balance	\$ 17,179,631	\$ 16,124,717	\$ 16,478,270
Service Cost	638,579	537,880	570,747
Interest	524,414	601,201	568,041
Changes in benefit terms	-	-	-
Difference between expected and actual experience	463,714	58,031	-
Changes in assumptions and other inputs	(623,177)	956,913	(358,851)
Benefit payments	(1,168,514)	(1,099,111)	(1,133,490)
Other	-	-	-
Total Pension Liability - ending balance	\$ 17,014,647	\$ 17,179,631	\$ 16,124,717
	-	-	-
Covered payroll	\$ 23,882,915	\$ 22,378,641	\$ 21,685,204
Total Pension Liability as a percentage of covered payroll	71.24%	76.77%	74.36%

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

This schedule is intended to show 10 years of information, additional years' information will be displayed as it becomes available.

WAKE COUNTY, NORTH CAROLINA

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

Schedule of Changes in Total OPEB Liability and Related Ratios

	Fiscal Year	
	2019	2018
Total OPEB Liability - beginning balance	\$ 397,934,783	\$ 425,174,365
Service Cost	9,952,337	11,423,301
Interest	14,005,022	12,677,243
Changes in benefit terms	-	-
Difference between expected and actual experience	132,574	(377,290)
Changes in assumptions and other inputs	(23,488,471)	(42,896,059)
Benefit payments	(9,150,598)	(8,066,777)
Other	-	-
Total OPEB Liability - ending balance	<u>\$ 389,385,647</u>	<u>\$ 397,934,783</u>
Covered payroll	<u>\$ 115,050,642</u>	<u>\$ 115,050,642</u>
Total OPEB liability as a percentage of covered payroll	338.45%	345.88%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of change in the discount rate of each period.

The following are the discount rates used in each period:

Fiscal Year	Rate
2018	3.56%
2019	3.89%

The amounts presented for each fiscal year were determined as of the prior June 30.

This scheduled is intended to show 10 years of information, additional years' information will be displayed as it becomes available.

WAKE COUNTY, NORTH CAROLINA

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

Last Six Fiscal Years

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)

Year Ended June 30 *	County's proportion of the net pension liability (asset)	County's proportionate share of the net pension liability (asset)	County's covered payroll	County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	3.13%	\$ 37,686,331	\$ 175,266,798	21.50%	94.35%
2015	2.99%	(17,635,411)	172,322,095	-10.23%	102.64%
2016	3.08%	13,836,947	180,851,503	7.65%	98.09%
2017	3.22%	68,369,961	192,564,149	35.51%	91.47%
2018	3.33%	50,868,898	206,650,926	24.62%	94.18%
2019	3.42%	81,176,799	220,301,451	36.85%	91.63%

Schedule of Employer Contributions

Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2014	\$ 12,228,225	\$ 12,228,225	-	\$ 172,322,095	7.10%
2015	12,860,971	12,860,971	-	180,851,503	7.11%
2016	13,119,915	13,119,915	-	192,564,149	6.81%
2017	14,309,333	14,309,333	-	206,650,926	6.92%
2018	16,773,603	16,773,603	-	220,301,451	7.61%
2019	18,416,964	18,416,964	-	234,775,167	7.84%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

This schedule is intended to show 10 years of information, additional years' information will be displayed as it becomes available.

WAKE COUNTY, NORTH CAROLINA

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND Last Six Fiscal Years

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)

Year Ended June 30 *	County's proportion of the net pension liability (asset)	County's proportionate share of the net pension liability (asset)	County's covered payroll	County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	11.18%	\$ (2,388,744)	\$ 123,821	-1929.19%	190.50%
2015	10.51%	(2,382,985)	127,567	-1868.03%	193.88%
2016	11.15%	(2,585,946)	131,075	-1972.88%	197.29%
2017	9.97%	(1,864,169)	135,158	-1379.25%	160.17%
2018	11.45%	(1,955,114)	145,882	-1340.20%	153.77%
2019	12.44%	(2,061,005)	141,474	-1456.81%	153.31%

Schedule of Employer Contributions

Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2014	\$ 85,839	\$ 85,839	\$ -	\$ 127,567	67.29%
2015	89,188	89,188	-	131,075	68.04%
2016	91,228	91,228	-	135,158	67.50%
2017	99,851	99,851	-	145,882	68.45%
2018	93,890	93,890	-	141,474	66.37%
2019	92,330	92,330	-	153,131	60.29%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

This schedule is intended to show 10 years of information, additional years' information will be displayed as it becomes available.

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND COMPARATIVE BALANCE SHEETS As of June 30, 2019 and 2018

	June 30, 2019	June 30, 2018
ASSETS		
Cash and investments - pooled equity	\$ 310,251,525	\$ 290,635,784
Cash and investments - cash equivalents	1,438,930	1,241,664
Cash and investments - restricted	7,048,357	6,349,320
Taxes receivable (net)	54,296,820	48,518,653
Accounts receivable (net)	16,917,634	14,597,022
Intergovernmental receivable (net)	21,277,501	22,204,845
Accrued interest receivable	91,131	48,042
Internal balances (due from other funds)	2,124,174	867,660
Prepaid expenditures	1,163,458	1,465,029
Inventories	340,717	347,861
Total assets	<u>\$ 414,950,247</u>	<u>\$ 386,275,880</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 50,752,412	\$ 49,680,435
Due to other governmental units	160,079	107,030
Total liabilities	<u>50,912,491</u>	<u>49,787,465</u>
DEFERRED INFLOWS OF RESOURCES	<u>11,407,041</u>	<u>18,874,805</u>
Fund balances:		
Non-spendable:		
Nonspendable inventories	340,717	347,861
Nonspendable prepaid expenditures	1,163,458	1,465,029
Noncurrent receivable	73,796	102,058
Restricted:		
Stabilization by state statute	87,486,137	77,084,432
Register of deed automation	673,240	879,263
Committed:		
Reappraisal reserve	3,457,951	3,619,442
LEO Special Separation Allowance	2,527,767	1,762,951
Future appropriations from local ABC revenues	9,881,742	6,688,420
Future appropriations for behavioral health	13,971,561	14,869,835
Future insurance claims	4,000,000	2,500,000
Working capital	229,054,346	208,294,319
Total fund balance	<u>352,630,715</u>	<u>317,613,610</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 414,950,247</u>	<u>\$ 386,275,880</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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018**

	2019			2018
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
Taxes	\$ 1,182,278,997	\$ 1,195,443,644	\$ 13,164,647	\$ 1,091,693,510
Intergovernmental	67,439,143	79,372,888	11,933,745	80,150,145
Charges for services	64,946,917	64,901,408	(45,509)	65,833,742
Licenses and permits	5,611,504	5,799,060	187,556	5,381,270
Investment earnings	1,220	309,578	308,358	132,282
Miscellaneous	325,597	1,600,649	1,275,052	517,335
Total revenues	1,320,603,378	1,347,427,227	26,823,849	1,243,708,284
EXPENDITURES:				
Current:				
General government	75,063,935	66,211,093	8,852,842	57,970,496
Human services	189,477,826	181,801,828	7,675,998	176,884,161
Education	501,319,244	501,319,244	-	452,197,000
Community development and cultural	37,860,685	37,277,208	583,477	34,939,538
Environmental services	13,463,448	13,191,047	272,401	11,917,505
Public safety	153,835,865	150,008,746	3,827,119	144,864,557
General services administration	29,864,555	29,807,677	56,878	28,545,345
Total expenditures	1,000,885,558	979,616,843	21,268,715	907,318,602
REVENUES OVER (UNDER) EXPENDITURES	319,717,820	367,810,384	48,092,564	336,389,682
OTHER FINANCING SOURCES (USES):				
Transfers in	7,723,505	7,723,505	-	2,834,014
Transfers out	(340,596,338)	(340,596,338)	-	(317,860,648)
Sale of assets and materials	35,500	79,554	44,054	73,825
Total other financing sources (uses)	(332,837,333)	(332,793,279)	44,054	(314,952,809)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(13,119,513)	35,017,105	48,136,618	21,436,873
APPROPRIATED FUND BALANCE	13,119,513	-	(13,119,513)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	35,017,105	\$ 35,017,105	21,436,873
FUND BALANCE AT BEGINNING OF YEAR		317,613,610		296,176,737
BUDGETARY FUND BALANCE		352,630,715		317,613,610
LESS: EXPENDITURES ASSOCIATED WITH CAPITAL LEASE INCEPTION & CAPITAL DONATIONS		(17,946)		(16,821)
ADD: PROCEEDS OF CAPITAL LEASES & CAPITAL DONATIONS		17,946		16,821
TOTAL LEASE INCEPTION AND PROCEEDS		-		-
FUND BALANCE AT END OF YEAR		\$ 352,630,715		\$ 317,613,610

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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
TAXES				
Ad valorem property tax - current	\$ 960,388,120	\$ 967,836,595	\$ 7,448,475	\$ 883,022,662
Ad valorem property tax - prior	2,140,000	2,486,665	346,665	2,304,205
Tax penalties, interest and other	2,460,000	2,486,454	26,454	2,477,426
Sales tax	200,303,874	202,550,087	2,246,213	185,587,183
Leased rental vehicle tax	2,550,000	3,815,391	1,265,391	3,449,435
Real property transfer tax	13,215,000	14,305,615	1,090,615	13,004,704
Payments in lieu of taxes	1,222,003	1,962,837	740,834	1,847,895
Total Taxes	<u>1,182,278,997</u>	<u>1,195,443,644</u>	<u>13,164,647</u>	<u>1,091,693,510</u>
LICENSES AND PERMITS				
Beer and wine licenses	72,000	106,614	34,614	88,494
Marriage licenses	202,500	169,670	(32,830)	176,655
Building and construction permits	3,480,000	4,060,178	580,178	3,504,855
Weapon permits	445,000	451,765	6,765	506,435
Other permits	1,412,004	1,010,833	(401,171)	1,104,831
Total Licenses and Permits	<u>5,611,504</u>	<u>5,799,060</u>	<u>187,556</u>	<u>5,381,270</u>

(Continued)

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive/(Negative)	Actual
INTERGOVERNMENTAL				
Federal and State:				
Human services	\$ 59,640,525	\$ 65,448,617	\$ 5,808,092	\$ 68,201,878
Payments in lieu of taxes	255,000	366,783	111,783	344,819
Public library	600,000	586,681	(13,319)	606,997
Public safety	150,338	255,900	105,562	251,449
Other federal and state	2,556,200	2,568,853	12,653	2,620,804
Total Federal and State	63,202,063	69,226,834	6,024,771	72,025,947
Local:				
ABC Board	4,000,000	9,880,884	5,880,884	8,000,000
Other local	237,080	265,170	28,090	124,198
Total Local	4,237,080	10,146,054	5,908,974	8,124,198
Total Intergovernmental	67,439,143	79,372,888	11,933,745	80,150,145

(Continued)

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive/(Negative)	Actual
CHARGES FOR SERVICES				
Environmental	\$ 362,000	\$ 345,802	\$ (16,198)	\$ 338,365
Client fees	1,142,747	1,416,262	273,515	1,271,170
Insurance	914,240	585,494	(328,746)	544,756
Medicaid fees	13,793,340	12,831,270	(962,070)	13,761,281
Medicare fees	44,650	51,111	6,461	46,356
Human services reimbursements	698,630	668,705	(29,925)	684,580
Inspection fees	963,800	1,018,313	54,513	970,911
Library fees	411,000	353,279	(57,721)	416,651
Parks & recreation fees	143,500	138,101	(5,399)	164,593
EMS fees	26,461,007	28,076,291	1,615,284	26,321,231
Facility use fees	315,212	191,387	(123,825)	206,048
Fire/Rescue fees	128,489	135,098	6,609	295,582
Sheriff fees	4,603,800	5,210,799	606,999	4,600,604
Planning fees	1,301,000	836,236	(464,764)	1,236,129
Court facility fees	1,015,000	1,022,250	7,250	1,041,301
Parking fees	1,300,000	1,157,627	(142,373)	1,214,199
Rental/lease income	285,869	261,489	(24,380)	279,038
Record fees	5,285,431	4,904,994	(380,437)	5,091,286
Reimbursements	2,508,902	1,807,054	(701,848)	3,620,543
Tax collection fees	975,000	997,145	22,145	945,888
Vending income	555,000	656,083	101,083	734,274
Other fees and charges	1,738,300	2,236,618	498,318	2,048,956
Total Charges for Services	64,946,917	64,901,408	(45,509)	65,833,742
INVESTMENT EARNINGS	1,220	309,578	308,358	132,282
OTHER MISCELLANEOUS	325,597	1,600,649	1,275,052	517,335
TOTAL REVENUES	1,320,603,378	1,347,427,227	26,823,849	1,243,708,284

(Continued)

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019						2018
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Variance Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
EXPENDITURES:							
GENERAL GOVERNMENT							
County commissioners	\$ 695,046	\$ 692,822	\$ 2,224	\$ -	\$ 692,822	\$ 2,224	\$ 605,316
County manager	1,930,975	1,886,707	44,268	-	1,886,707	44,268	1,366,475
County attorney	2,937,101	2,888,954	48,147	-	2,888,954	48,147	2,823,850
Board of elections	5,153,442	5,111,317	42,125	-	5,111,317	42,125	4,707,572
Budget & management services	1,057,782	1,056,808	974	760	1,057,568	214	940,388
Communications office	1,050,926	1,000,689	50,237	-	1,000,689	50,237	964,646
Facilities design & construction	1,670,316	1,666,699	3,617	-	1,666,699	3,617	1,580,518
Finance	3,005,097	2,785,067	220,030	25,260	2,810,327	194,770	2,660,276
Human resources	3,109,895	3,004,935	104,960	42,771	3,047,706	62,189	2,731,035
Information services	17,104,724	16,891,535	213,189	56,878	16,948,413	156,311	15,463,231
Register of deeds	3,653,148	3,016,446	636,702	233,777	3,250,223	402,925	2,939,025
Revenue	10,383,101	9,050,150	1,332,951	-	9,050,150	1,332,951	7,795,858
Quasi-governmental	813,994	783,742	30,252	22,455	806,197	7,797	775,610
Non-departmental	19,390,796	13,267,630	6,123,166	470,470	13,738,100	5,652,696	10,289,240
Public agencies	3,107,592	3,107,592	-	-	3,107,592	-	2,327,456
Total General Government	75,063,935	66,211,093	8,852,842	852,371	67,063,464	8,000,471	57,970,496
HUMAN SERVICES							
Human Services:							
Social services economic self sufficiency	51,614,634	51,169,286	445,348	52,173	51,221,459	393,175	51,597,944
Child welfare	31,418,984	30,637,050	781,934	42,904	30,679,954	739,030	30,133,760
Public health	29,277,504	28,836,051	441,453	18,613	28,854,664	422,840	27,278,870
Health clinics	20,067,345	19,316,066	751,279	21,066	19,337,132	730,213	18,319,084
Administration and operations	19,153,037	18,619,305	533,732	144,217	18,763,522	389,515	23,321,185
Total Human Services	151,531,504	148,577,758	2,953,746	278,973	148,856,731	2,674,773	150,650,843
Behavioral health - managed care	30,658,429	27,210,559	3,447,870	15,835	27,226,394	3,432,035	26,233,318
Housing	7,287,893	6,013,511	1,274,382	284,392	6,297,903	989,990	-
Total Human Services	189,477,826	181,801,828	7,675,998	579,200	182,381,028	7,096,798	176,884,161

Encumbrances are included for internal reporting purposes only.

(Continued)

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019						2018
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Variance Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
EDUCATION							
Wake County Public Schools:							
Current expense	\$ 474,937,921	\$ 474,937,921	\$ -	\$ -	\$ 474,937,921	\$ -	\$ 428,820,317
Capital outlay	71,961	71,961	-	-	71,961	-	1,191,669
Other restricted	909,362	909,362	-	-	909,362	-	899,014
Total Wake County Public Schools	475,919,244	475,919,244	-	-	475,919,244	-	430,911,000
Wake Technical College:							
Current expense	25,400,000	25,400,000	-	-	25,400,000	-	21,286,000
Total Wake Technical College	25,400,000	25,400,000	-	-	25,400,000	-	21,286,000
Total Education	501,319,244	501,319,244	-	-	501,319,244	-	452,197,000
COMMUNITY DEVELOPMENT AND CULTURAL							
Administration	889,196	845,310	43,886	-	845,310	43,886	654,602
Parks and recreation	3,291,996	3,262,108	29,888	13,400	3,275,508	16,488	3,037,190
Building inspections	5,567,706	5,532,277	35,429	22,617	5,554,894	12,812	5,005,252
Veterans services	295,061	289,236	5,825	-	289,236	5,825	280,255
Geographic information services	1,930,419	1,922,780	7,639	-	1,922,780	7,639	1,875,593
Public libraries	25,886,307	25,425,497	460,810	358,165	25,783,662	102,645	24,086,646
Total Community Development	37,860,685	37,277,208	583,477	394,182	37,671,390	189,295	34,939,538

Encumbrances are included for internal reporting purposes only.

(Continued)

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019					2018	
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Variance Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
ENVIRONMENTAL SERVICES							
Environmental services	\$ 13,463,448	\$ 13,191,047	\$ 272,401	\$ 92,157	\$ 13,283,204	\$ 180,244	\$ 11,917,505
Total Environmental Services	13,463,448	13,191,047	272,401	92,157	13,283,204	180,244	11,917,505
GENERAL SERVICES ADMINISTRATION							
General services administration	29,864,555	29,807,677	56,878	65,500	29,873,177	(8,622)	28,545,345
Total General Services Administration	29,864,555	29,807,677	56,878	65,500	29,873,177	(8,622)	28,545,345
PUBLIC SAFETY							
Sheriff Department:							
Sheriff	45,854,768	45,332,187	522,581	12,950	45,345,137	509,631	42,847,137
Detention	52,173,211	50,482,862	1,690,349	3,996	50,486,858	1,686,353	50,833,633
Total Sheriff Department	98,027,979	95,815,049	2,212,930	16,946	95,831,995	2,195,984	93,680,770
CCBI	6,521,095	6,417,190	103,905	8,714	6,425,904	95,191	6,094,939
Emergency medical services	44,783,186	43,622,371	1,160,815	126,194	43,748,565	1,034,621	40,925,777
Fire services	2,742,742	2,535,876	206,866	8,146	2,544,022	198,720	2,543,636
Public safety communications	1,760,863	1,618,260	142,603	-	1,618,260	142,603	1,619,435
Total Public Safety	153,835,865	150,008,746	3,827,119	160,000	150,168,746	3,667,119	144,864,557
TOTAL EXPENDITURES	1,000,885,558	979,616,843	21,268,715	2,143,410	981,760,253	19,125,305	907,318,602

Encumbrances are included for internal reporting purposes only.

(Continued)

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES OVER EXPENDITURES	\$ 319,717,820	\$ 367,810,384	\$ 48,092,564	\$ 336,389,682
OTHER FINANCING SOURCES (USES):				
Transfers in	7,723,505	7,723,505	-	2,834,014
Transfers out	(340,596,338)	(340,596,338)	-	(317,860,648)
Sale of assets & materials	35,500	79,554	44,054	73,825
Total other financing sources (uses)	(332,837,333)	(332,793,279)	44,054	(314,952,809)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(13,119,513)	35,017,105	48,136,618	21,436,873
APPROPRIATED FUND BALANCE	13,119,513	-	(13,119,513)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	35,017,105	\$ 35,017,105	21,436,873
FUND BALANCE AT BEGINNING OF YEAR		317,613,610		296,176,737
FUND BALANCE AT END OF YEAR		352,630,715		317,613,610
LESS: EXPENDITURES ASSOCIATED WITH CAPITAL LEASE INCEPTION & CAPITAL DONATIONS		(17,946)		(16,821)
ADD: PROCEEDS OF CAPITAL LEASES & CAPITAL DONATIONS		17,946		16,821
TOTAL LEASE INCEPTIONS		-		-
FUND BALANCE AT END OF YEAR		\$ 352,630,715		\$ 317,613,610

WAKE COUNTY, NORTH CAROLINA

AFFORDABLE HOUSING FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (NON-GAAP BASIS) BUDGET AND ACTUAL From Project Inception Through June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 33,726,557	\$ 23,750,411	\$ 5,023,672	\$ 28,774,083
Charges for services	3,827,287	3,220,044	517,825	3,737,869
Investment earnings	210,326	250,386	6,658	257,044
Total Revenues	37,764,170	27,220,841	5,548,155	32,768,996
EXPENDITURES:				
Human Services				
County funded	6,853,966	1,189,498	1,038,942	2,228,440
Housing and community revitalization	29,517,854	19,906,861	5,157,839	25,064,700
Home grants	4,488,552	1,258,057	1,258,984	2,517,041
HOPWA grants	2,452,060	1,371,354	611,962	1,983,316
Total Expenditures	43,312,432	23,725,770	8,067,727	31,793,497
REVENUES OVER (UNDER) EXPENDITURES	(5,548,262)	3,495,071	(2,519,572)	975,499
OTHER FINANCING SOURCES (USES):				
Transfers in	5,548,262	5,548,262	-	5,548,262
Total Other Financing Sources (Uses)	5,548,262	5,548,262	-	5,548,262
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ 9,043,333	(2,519,572)	\$ 6,523,761
FUND BALANCE AT BEGINNING OF YEAR (Non-GAAP)			9,043,333	
FUND BALANCE AT END OF YEAR (Non-GAAP)			\$ 6,523,761	
Reconciling items for GAAP presentation:				
Fund balance at beginning of year (GAAP)			30,526,359	
Adjustments to loans			800,586	
Payments received on loan balances			(944,855)	
Change in estimate of loan portfolio allowance			468,585	
Total reconciling items:			30,850,675	
FUND BALANCE AT END OF YEAR (GAAP basis)			\$ 28,331,103	

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, 2019

	2019		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Taxes:			
Occupancy tax	\$ 29,573,000	\$ 29,328,077	\$ (244,923)
Prepared food tax	31,085,000	30,961,199	(123,801)
Total taxes	60,658,000	60,289,276	(368,724)
Investment earnings	-	276,388	276,388
Total Revenues	60,658,000	60,565,664	(92,336)
EXPENDITURES:			
Raleigh hold harmless - occupancy	680,000	680,000	-
Cary hold harmless - occupancy	1,446,000	1,433,904	12,096
Greater Raleigh Convention and Visitors Bureau	7,478,000	7,416,769	61,231
Centennial Authority operations 7%	3,524,000	3,502,702	21,298
Centennial - Debt service	5,208,000	5,208,208	(208)
Raleigh annual distribution - \$1M	1,000,000	1,000,000	-
Convention Center	31,384,000	31,150,540	233,460
Centennial Authority Facility Improvements	2,000,000	2,000,000	-
Cary Sports Venue	2,000,000	2,000,000	-
Unallocated	1,538,000	-	1,538,000
Total Expenditures	56,258,000	54,392,123	1,865,877
REVENUES OVER EXPENDITURES	4,400,000	6,173,541	1,773,541
OTHER FINANCING SOURCES (USES):			
Transfers out to General Fund	(1,400,000)	(1,400,000)	-
Transfers out to Capital Improvement Fund	(3,000,000)	(3,000,000)	-
Total Other Financing Sources (Uses)	(4,400,000)	(4,400,000)	-
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	1,773,541	\$ 1,773,541
FUND BALANCE AT BEGINNING OF YEAR		2,873,446	
FUND BALANCE AT END OF YEAR		\$ 4,646,987	

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, 2019**

	2019		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Intergovernmental	\$ 12,783,013	\$ 11,283,484	\$ (1,499,529)
Charges for services	-	14,295	14,295
Investment earnings	9,980,221	18,466,725	8,486,504
Total Revenues	22,763,234	29,764,504	7,001,270
EXPENDITURES:			
Debt service - principal	190,623,984	190,431,750	192,234
Debt service - interest	100,521,525	98,286,385	2,235,140
Miscellaneous	499,491	1,090,765	(591,274)
Total Expenditures	291,645,000	289,808,900	1,836,100
REVENUES (UNDER) EXPENDITURES	(268,881,766)	(260,044,396)	8,837,370
OTHER FINANCING SOURCES (USES):			
Transfers in	270,329,936	270,329,936	-
Transfers out	(8,875,000)	(8,875,000)	-
Refunding bonds issued	-	113,940,000	113,940,000
Payment to refunded escrow agent	-	(124,534,612)	(124,534,612)
Premiums on issuance	-	11,512,499	11,512,499
Total Other Financing Sources (Uses)	261,454,936	262,372,823	917,887
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(7,426,830)	2,328,427	9,755,257
APPROPRIATED FUND BALANCE	7,426,830	-	(7,426,830)
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	2,328,427	\$ 2,328,427
FUND BALANCE AT BEGINNING OF YEAR		108,974,619	
FUND BALANCE AT END OF YEAR		\$ 111,303,046	

WAKE COUNTY, NORTH CAROLINA

COUNTY CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended June 30, 2019

	Actual			
	Project Authorization	Prior Years	Actual	Total To Date
REVENUES:				
Taxes	\$ -	\$ 4,918	\$ 17	\$ 4,935
Intergovernmental	16,759,544	17,163,041	450,000	17,613,041
Charges for services	29,893,516	11,173,436	15,697,343	26,870,779
Investment earnings	14,246,160	14,551,090	-	14,551,090
Miscellaneous	674,791	652,922	24,200	677,122
Total Revenues	61,574,011	43,545,407	16,171,560	59,716,967
EXPENDITURES:				
Capital projects:				
Automation CIP	61,904,334	33,347,936	10,901,398	44,249,334
Community capital projects	840,000	-	498,000	498,000
County building improvements	76,485,660	44,069,151	19,913,671	63,982,822
Criminal justice CIP	333,378,600	329,077,034	1,362,010	330,439,044
Public libraries CIP	56,161,660	11,721,919	27,205,756	38,927,675
Open space	13,237,026	7,006,549	3,918,323	10,924,872
Parks and recreation CIP	14,008,752	7,228,025	4,861,746	12,089,771
Public safety CIP	61,091,059	31,916,014	9,768,889	41,684,903
Economic development	24,464,623	19,487,224	1,145,953	20,633,177
Program wide projects	358,000	-	-	-
Total Expenditures	641,929,714	483,853,852	79,575,746	563,429,598
REVENUES UNDER EXPENDITURES	(580,355,703)	(440,308,445)	(63,404,186)	(503,712,631)
OTHER FINANCING SOURCES (USES):				
Transfers in	227,858,386	192,599,419	37,059,000	229,658,419
Transfers out	(85,000)	(85,000)	-	(85,000)
Bonds issued	45,280,248	45,250,042	-	45,250,042
Limited obligation bonds issued	293,644,021	293,644,021	-	293,644,021
Premiums on issuance	11,140,000	11,140,000	-	11,140,000
Sale of assets and materials	2,518,048	2,886,057	4,725	2,890,782
Total Other Financing Sources (Uses)	580,355,703	545,434,539	37,063,725	582,498,264
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 105,126,094	(26,340,461)	\$ 78,785,633
FUND BALANCE AT BEGINNING OF YEAR			105,126,094	
FUND BALANCE AT END OF YEAR			\$ 78,785,633	

WAKE COUNTY, NORTH CAROLINA

SCHOOL CAPITAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended June 30, 2019

			Actual	
	Project Authorization	Prior Years	Actual	Total To Date
REVENUES:				
Intergovernmental	\$ 20,971,782	\$ 34,504,150	\$ -	\$ 34,504,150
Investment earnings	68,538,737	69,225,259	258,733	69,483,992
Miscellaneous	4,328	4,328	-	4,328
Total Revenues	89,514,847	103,733,737	258,733	103,992,470
EXPENDITURES:				
Wake County Public Schools	2,813,229,381	2,050,289,436	311,167,364	2,361,456,800
Total Expenditures	2,813,229,381	2,050,289,436	311,167,364	2,361,456,800
REVENUES UNDER EXPENDITURES	(2,723,714,534)	(1,946,555,699)	(310,908,631)	(2,257,464,330)
OTHER FINANCING SOURCES (USES):				
Transfers in	370,609,310	356,499,533	22,023,000	378,522,533
Transfers out	(49,078,393)	(43,204,888)	(5,873,505)	(49,078,393)
Bonds issued	1,300,933,773	1,531,426,040	141,020,873	1,672,446,913
Bond anticipation notes issued	778,195,520	322,591,382	52,143,339	374,734,721
Repayment of bond anticipation notes	-	(280,554,171)	(94,180,550)	(374,734,721)
Drawdown installment notes issued	304,054,324	113,927,168	151,191,912	265,119,080
Repayment of drawdown installment notes	-	(111,431,377)	(153,687,702)	(265,119,079)
Limited obligation bonds issued	19,000,000	151,831,356	185,137,613	336,968,969
Premiums on issuance	-	40,766,497	56,956,396	97,722,893
Sale of assets and materials	-	-	99,600	99,600
Total Other Financing Sources (Uses)	2,723,714,534	2,081,851,540	354,830,976	2,436,682,516
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 135,295,841	43,922,345	\$ 179,218,186
FUND BALANCE AT BEGINNING OF YEAR			135,295,841	
FUND BALANCE AT END OF YEAR			\$ 179,218,186	

WAKE COUNTY, NORTH CAROLINA

WAKE COMMUNITY COLLEGE CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 2019

		Actual		
	Project Authorization	Prior Years	Actual	Total To Date
REVENUES:				
Investment earnings	\$ 265,187	\$ 607,119	\$ -	\$ 607,119
Total Revenues	265,187	607,119	-	607,119
EXPENDITURES:				
Wake Technical College	360,644,934	232,369,521	20,647,570	253,017,091
Total Expenditures	360,644,934	232,369,521	20,647,570	253,017,091
REVENUES UNDER EXPENDITURES	(360,379,747)	(231,762,402)	(20,647,570)	(252,409,972)
OTHER FINANCING SOURCES (USES):				
Transfers in	43,180,239	44,783,478	-	44,783,478
Transfers out	(1,946,150)	(1,946,150)	-	(1,946,150)
Bonds issued	196,521,286	192,867,280	10,034,127	202,901,407
Bond anticipation notes issued	115,158,197	35,876,110	1,185,381	37,061,491
Repayment of bond anticipation notes	-	(27,715,873)	(9,345,618)	(37,061,491)
Drawdown installment notes issued	4,967,001	4,448,434	12,101,158	16,549,592
Repayment of drawdown installment notes	-	(3,458,644)	(13,090,948)	(16,549,592)
Limited obligation bonds issued	2,310,926	3,458,644	11,667,387	15,126,031
Premiums on issuance	188,248	188,248	1,423,562	1,611,810
Total Other Financing Sources (Uses)	360,379,747	248,501,527	13,975,049	262,476,576
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 16,739,125	(6,672,521)	\$ 10,066,604
FUND BALANCE AT BEGINNING OF YEAR			16,739,125	
FUND BALANCE AT END OF YEAR			\$ 10,066,604	

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 grants, donations and forfeiture funds, in a multi-year fund.

The ***Capital Area Workforce Development Fund*** accounts for U.S. Department of Labor grant activities conducted within the Workforce Innovation and Opportunity Act 2014.

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.

The ***Transportation Fund*** accounts for the revenues received from charges for services, Medicaid reimbursements, as well as State and local funding to provide access options and support transportation for elderly, disabled, or disadvantaged clients.

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.

The ***Major Facilities Capital Trust Fund*** accounts for identified projects through Wake County's allocation from the Major Facilities Fund.

The ***Housing Affordability and Community Revitalization Capital Fund*** accounts for projects focused on preserving and increasing affordable housing in Wake County.

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of June 30, 2019

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
ASSETS			
Cash and investments - pooled equity	\$ 7,437,295	\$ 35,371,073	\$ 42,808,368
Taxes receivable (net)	103,657	26,915	130,572
Accounts receivable (net)	2,129,294	-	2,129,294
Intergovernmental receivable (net)	2,968,071	-	2,968,071
Loans receivable (net)	-	62,399	62,399
Accrued interest receivable	46,633	364,970	411,603
Total assets	<u>\$ 12,684,950</u>	<u>\$ 35,825,357</u>	<u>\$ 48,510,307</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,470,047	\$ 1,490,044	\$ 3,960,091
Internal balances (due to other funds)	2,124,174	-	2,124,174
Total liabilities	<u>4,594,221</u>	<u>1,490,044</u>	<u>6,084,265</u>
DEFERRED INFLOWS OF RESOURCES	<u>116,956</u>	<u>-</u>	<u>116,956</u>
Fund balances:			
Restricted:			
Stabilization by state statute	1,811,692	11,880,264	13,691,956
Committed:			
Working capital	3,821,043	-	3,821,043
Assigned:			
Planned expenditures	2,710,027	4,349,395	7,059,422
Future capital projects	-	18,105,654	18,105,654
Unassigned	(368,989)	-	(368,989)
Total fund balances	<u>7,973,773</u>	<u>34,335,313</u>	<u>42,309,086</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,684,950</u>	<u>\$ 35,825,357</u>	<u>\$ 48,510,307</u>

WAKE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2019

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
REVENUES:			
Taxes	\$ 26,452,844	\$ -	\$ 26,452,844
Intergovernmental	13,453,541	-	13,453,541
Charges for services	4,357,973	55,132	4,413,105
Fines and forfeitures	54	-	54
Investment earnings	187,876	962,888	1,150,764
Miscellaneous	3,300	1,301	4,601
Total Revenues	44,455,588	1,019,321	45,474,909
EXPENDITURES:			
General government	73,132	-	73,132
Human services	16,354,359	1,019,704	17,374,063
Community development and cultural	26,406	3,171,426	3,197,832
Environmental services	20,120	-	20,120
Public safety	25,603,598	6,059,268	31,662,866
General services administration	12,101	-	12,101
Total Expenditures	42,089,716	10,250,398	52,340,114
REVENUES OVER (UNDER) EXPENDITURES	2,365,872	(9,231,077)	(6,865,205)
OTHER FINANCING SOURCES (USES):			
Transfers in	871,338	24,732,000	25,603,338
Transfers out	(2,543,936)	-	(2,543,936)
Sale of assets and materials	43,957	-	43,957
Total Other Financing Sources (Uses)	(1,628,641)	24,732,000	23,103,359
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	737,231	15,500,923	16,238,154
FUND BALANCE AT BEGINNING OF YEAR	7,236,542	18,834,390	26,070,932
FUND BALANCE AT END OF YEAR	\$ 7,973,773	\$ 34,335,313	\$ 42,309,086

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS As of June 30, 2019

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Transportation	Total
ASSETS					
Cash and investments - pooled equity	\$ 3,486,578	\$ -	\$ 3,950,717	\$ -	\$ 7,437,295
Taxes receivable (net)	-	-	103,657	-	103,657
Accounts receivable (net)	15,875	258,030	6,730	1,848,659	2,129,294
Intergovernmental receivable (net)	417,331	1,216,472	209,255	1,125,013	2,968,071
Accrued interest receivable	17,401	-	43,561	(14,329)	46,633
Total assets	<u>\$ 3,937,185</u>	<u>\$ 1,474,502</u>	<u>\$ 4,313,920</u>	<u>\$ 2,959,343</u>	<u>\$ 12,684,950</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 314,714	\$ 1,085,154	\$ 129,674	\$ 940,505	\$ 2,470,047
Internal balances (due to other funds)	-	758,337	-	1,365,837	2,124,174
Total liabilities	<u>314,714</u>	<u>1,843,491</u>	<u>129,674</u>	<u>2,306,342</u>	<u>4,594,221</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>116,956</u>	<u>-</u>	<u>116,956</u>
Fund balances:					
Restricted:					
Stabilization by state statute	912,444	-	246,247	653,001	1,811,692
Committed:					
Working capital	-	-	3,821,043	-	3,821,043
Assigned:					
Planned expenditures	2,710,027	-	-	-	2,710,027
Unassigned	-	(368,989)	-	-	(368,989)
Total fund balances	<u>3,622,471</u>	<u>(368,989)</u>	<u>4,067,290</u>	<u>653,001</u>	<u>7,973,773</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,937,185</u>	<u>\$ 1,474,502</u>	<u>\$ 4,313,920</u>	<u>\$ 2,959,343</u>	<u>\$ 12,684,950</u>

WAKE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended June 30, 2019

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Transportation	Total
REVENUES:					
Taxes	\$ -	\$ -	\$ 26,452,844	\$ -	\$ 26,452,844
Intergovernmental	3,641,991	7,144,945	-	2,666,605	13,453,541
Charges for services	110,050	51,998	-	4,195,925	4,357,973
Fines and forfeitures	54	-	-	-	54
Investment earnings	44,453	-	171,074	(27,651)	187,876
Miscellaneous	3,300	-	-	-	3,300
Total Revenues	<u>3,799,848</u>	<u>7,196,943</u>	<u>26,623,918</u>	<u>6,834,879</u>	<u>44,455,588</u>
EXPENDITURES:					
General government	73,132	-	-	-	73,132
Human services	2,810,803	7,377,053	-	6,166,503	16,354,359
Community development and cultural	26,406	-	-	-	26,406
Environmental services	20,120	-	-	-	20,120
Public safety	1,026,630	-	24,576,968	-	25,603,598
General services administration	12,101	-	-	-	12,101
Total Expenditures	<u>3,969,192</u>	<u>7,377,053</u>	<u>24,576,968</u>	<u>6,166,503</u>	<u>42,089,716</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(169,344)</u>	<u>(180,110)</u>	<u>2,046,950</u>	<u>668,376</u>	<u>2,365,872</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	871,338	-	-	-	871,338
Transfers out	-	-	(2,543,936)	-	(2,543,936)
Sale of assets and materials	-	-	-	43,957	43,957
Total Other Financing Sources (Uses)	<u>871,338</u>	<u>-</u>	<u>(2,543,936)</u>	<u>43,957</u>	<u>(1,628,641)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>701,994</u>	<u>(180,110)</u>	<u>(496,986)</u>	<u>712,333</u>	<u>737,231</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>2,920,477</u>	<u>(188,879)</u>	<u>4,564,276</u>	<u>(59,332)</u>	<u>7,236,542</u>
FUND BALANCE AT END OF YEAR	<u>\$ 3,622,471</u>	<u>\$ (368,989)</u>	<u>\$ 4,067,290</u>	<u>\$ 653,001</u>	<u>\$ 7,973,773</u>

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECT FUNDS

As of June 30, 2019

	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Affordable Housing Capital Projects Fund	Total
ASSETS				
Cash and investments - pooled equity	\$ 8,834,915	\$ 12,157,277	\$ 14,378,881	\$ 35,371,073
Taxes receivable (net)	25,942	973	-	26,915
Loans receivable (net)	-	62,399	-	62,399
Accrued interest receivable	90,777	125,667	148,526	364,970
Total assets	<u>\$ 8,951,634</u>	<u>\$ 12,346,316</u>	<u>\$ 14,527,407</u>	<u>\$ 35,825,357</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,119,577	\$ 370,467	\$ -	\$ 1,490,044
Total liabilities	<u>1,119,577</u>	<u>370,467</u>	<u>-</u>	<u>1,490,044</u>
Fund balances:				
Restricted:				
Stabilization by state statute	2,973,776	7,378,100	1,528,388	11,880,264
Assigned:				
Planned expenditures	2,342,815	2,006,580	-	4,349,395
Future capital projects	2,515,466	2,591,169	12,999,019	18,105,654
Total fund balances	<u>7,832,057</u>	<u>11,975,849</u>	<u>14,527,407</u>	<u>34,335,313</u>
Total liabilities and fund balances	<u>\$ 8,951,634</u>	<u>\$ 12,346,316</u>	<u>\$ 14,527,407</u>	<u>\$ 35,825,357</u>

WAKE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECT FUNDS

For the Year Ended June 30, 2019

	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Affordable Housing Capital Projects Fund	Total
REVENUES:				
Charges for services	\$ 30,500	\$ 24,632	\$ -	\$ 55,132
Investment earnings	284,256	355,521	323,111	962,888
Miscellaneous	-	1,301	-	1,301
Total Revenues	<u>314,756</u>	<u>381,454</u>	<u>323,111</u>	<u>1,019,321</u>
EXPENDITURES:				
Capital Projects:				
Human services	-	-	1,019,704	1,019,704
Community development and cultural	-	3,171,426	-	3,171,426
Public safety	<u>6,059,268</u>	<u>-</u>	<u>-</u>	<u>6,059,268</u>
Total Expenditures	<u>6,059,268</u>	<u>3,171,426</u>	<u>1,019,704</u>	<u>10,250,398</u>
REVENUES (UNDER)				
EXPENDITURES	(5,744,512)	(2,789,972)	(696,593)	(9,231,077)
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>6,508,000</u>	<u>3,000,000</u>	<u>15,224,000</u>	<u>24,732,000</u>
Total Other Financing Sources (Uses)	<u>6,508,000</u>	<u>3,000,000</u>	<u>15,224,000</u>	<u>24,732,000</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	763,488	210,028	14,527,407	15,500,923
FUND BALANCES AT BEGINNING OF YEAR	<u>7,068,569</u>	<u>11,765,821</u>	<u>-</u>	<u>18,834,390</u>
FUND BALANCES AT END OF YEAR	<u>\$ 7,832,057</u>	<u>\$ 11,975,849</u>	<u>\$ 14,527,407</u>	<u>\$ 34,335,313</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, 2019

	Project Authorization	Actual		
		Prior Years	Actual	Total To Date
REVENUES:				
Intergovernmental	\$ 30,952,918	\$ 26,299,165	\$ 3,641,991	\$ 29,941,156
Charges for services	1,308,735	1,267,914	110,050	1,377,964
Fines and forfeitures	62,045	62,427	54	62,481
Investment earnings	70,360	57,252	44,453	101,705
Miscellaneous	842,991	47,069	3,300	50,369
Total Revenues	33,237,049	27,733,827	3,799,848	31,533,675
EXPENDITURES:				
General administration	802,592	655,751	73,132	728,883
Human services	22,522,510	17,093,022	2,810,803	19,903,825
Community development	725,256	420,068	26,406	446,474
Public safety	10,491,895	7,400,611	1,026,630	8,427,241
Environmental services	662,595	368,550	20,120	388,670
General services administration	217,521	189,330	12,101	201,431
Total Expenditures	35,422,369	26,127,332	3,969,192	30,096,524
REVENUES OVER (UNDER) EXPENDITURES	(2,185,320)	1,606,495	(169,344)	1,437,151
OTHER FINANCING SOURCES (USES):				
Transfers in	2,184,545	1,313,207	871,338	2,184,545
Sale of assets and materials	775	775	-	775
Total Other Financing Sources (Uses)	2,185,320	1,313,982	871,338	2,185,320
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	\$ -	\$ 2,920,477	701,994	\$ 3,622,471
FUND BALANCE AT BEGINNING OF YEAR			2,920,477	
FUND BALANCE AT END OF YEAR			\$ 3,622,471	

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, 2019

	Project Authorization	Actual		
		Prior Years	Actual	Total To Date
REVENUES:				
Intergovernmental	\$ 21,515,109	\$ 10,699,209	\$ 7,144,945	\$ 17,844,154
Charges for services	245,626	195,129	51,998	247,127
Miscellaneous	2,490	6,589	-	6,589
Total Revenues	21,763,225	10,900,927	7,196,943	18,097,870
EXPENDITURES:				
Title I - Adult	3,726,929	1,812,766	1,846,890	3,659,656
Title I - Dislocated Workers	2,719,579	1,363,302	1,256,579	2,619,881
Title I - Youth	4,511,264	2,915,235	1,611,277	4,526,512
Statewide activities	1,991,846	444,756	1,225,969	1,670,725
Dislocated Worker - supplemental	175,461	152,340	-	152,340
WIOA administration	2,376,180	1,036,760	577,501	1,614,261
AmeriCorps	664,901	475,728	-	475,728
National emergency grants	2,139,804	1,850,911	-	1,850,911
Special grants	386,000	361,925	24,031	385,956
YouthBuild	1,080,000	238,068	364,039	602,107
Wake Tech DOL Grants	1,991,261	438,015	470,767	908,782
Total Expenditures	21,763,225	11,089,806	7,377,053	18,466,859
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	\$ -	\$ (188,879)	(180,110)	\$ (368,989)
FUND BALANCE AT BEGINNING OF YEAR			(188,879)	
FUND BALANCE AT END OF YEAR			\$ (368,989)	

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, 2019

	2019		
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
Taxes - ad valorem property	\$ 26,280,000	\$ 26,452,844	\$ 172,844
Investment earnings	15,000	171,074	156,074
Total Revenues	26,295,000	26,623,918	328,918
EXPENDITURES:			
Public Safety:			
Rural/Municipal fire districts	24,992,064	24,576,968	415,096
Total Expenditures	24,992,064	24,576,968	415,096
REVENUES OVER EXPENDITURES	1,302,936	2,046,950	744,014
OTHER FINANCING SOURCES (USES):			
Transfers out	(2,543,936)	(2,543,936)	-
Total Other Financing Sources (Uses)	(2,543,936)	(2,543,936)	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,241,000)	(496,986)	744,014
APPROPRIATED FUND BALANCE	1,241,000	-	(1,241,000)
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	(496,986)	\$ (496,986)
FUND BALANCE AT BEGINNING OF YEAR		4,564,276	
FUND BALANCE AT END OF YEAR		\$ 4,067,290	

WAKE COUNTY, NORTH CAROLINA

TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 2019

	2019		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Intergovernmental	\$ 3,112,306	\$ 2,666,605	\$ (445,701)
Charges for services	5,635,540	4,195,925	(1,439,615)
Investment earnings	-	(27,651)	(27,651)
Miscellaneous	118,000	-	(118,000)
Total Revenues	8,865,846	6,834,879	(2,030,967)
EXPENDITURES:			
Human services	9,344,686	6,166,503	3,178,183
Total Expenditures	9,344,686	6,166,503	3,178,183
REVENUES OVER EXPENDITURES	(478,840)	668,376	1,147,216
OTHER FINANCING SOURCES (USES):			
Sale of assets and materials	20,000	43,957	23,957
Total Other Financing Sources (Uses)	20,000	43,957	23,957
REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(458,840)	712,333	1,171,173
APPROPRIATED FUND BALANCE	458,840	-	(458,840)
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	712,333	\$ 712,333
FUND BALANCE AT BEGINNING OF YEAR		(59,332)	
FUND BALANCE AT END OF YEAR		\$ 653,001	

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, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Charges for services	\$ 259,959	\$ 357,521	\$ 30,500	\$ 388,021
Investment earnings	72,000	401,733	284,256	685,989
Total Revenues	331,959	759,254	314,756	1,074,010
EXPENDITURES:				
Capital projects:				
Fire and rescue CIP	23,806,615	12,463,758	6,059,268	18,523,026
Total Expenditures	23,806,615	12,463,758	6,059,268	18,523,026
REVENUES UNDER EXPENDITURES	(23,474,656)	(11,704,504)	(5,744,512)	(17,449,016)
OTHER FINANCING SOURCES (USES)				
Transfers in	22,938,142	18,090,111	6,508,000	24,598,111
Transfers out	(2,331,000)	(2,331,000)	-	(2,331,000)
Installment purchases issued	2,861,642	2,861,642	-	2,861,642
Sale of assets and materials	5,872	152,320	-	152,320
Total Other Financing Sources (Uses)	23,474,656	18,773,073	6,508,000	25,281,073
REVENUES AND OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES	\$ -	\$ 7,068,569	763,488	\$ 7,832,057
FUND BALANCE AT BEGINNING OF YEAR			7,068,569	
FUND BALANCE AT END OF YEAR			\$ 7,832,057	

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, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Charges for services	\$ 7,008,556	\$ 7,007,383	\$ 24,632	\$ 7,032,015
Investment earnings	120,697	433,915	355,521	789,436
Miscellaneous	495,000	677,009	1,301	678,310
Total Revenues	7,624,253	8,118,307	381,454	8,499,761
EXPENDITURES:				
Capital projects:				
Community development and cultural	28,731,708	14,721,137	3,171,426	17,892,563
Total Expenditures	28,731,708	14,721,137	3,171,426	17,892,563
REVENUES UNDER EXPENDITURES	(21,107,455)	(6,602,830)	(2,789,972)	(9,392,802)
OTHER FINANCING SOURCES (USES)				
Transfers in	21,802,455	19,063,651	3,000,000	22,063,651
Transfers out	(1,295,000)	(1,295,000)	-	(1,295,000)
Installment purchases issued	600,000	600,000	-	600,000
Total Other Financing Sources (Uses)	21,107,455	18,368,651	3,000,000	21,368,651
REVENUES AND OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES	\$ -	\$ 11,765,821	210,028	\$ 11,975,849
FUND BALANCE AT BEGINNING OF YEAR			11,765,821	
FUND BALANCE AT END OF YEAR			\$ 11,975,849	

WAKE COUNTY, NORTH CAROLINA

**AFFORDABLE HOUSING CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Project Inception Through June 30, 2019**

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 323,111	\$ 323,111
Total Revenues	-	-	323,111	323,111
EXPENDITURES:				
Capital projects:				
Homeless Services	2,399,967	-	1,019,704	1,019,704
Reserved for future projects	12,824,033	-	-	-
Total Expenditures	15,224,000	-	1,019,704	1,019,704
REVENUES UNDER EXPENDITURES	(15,224,000)	-	(696,593)	(696,593)
OTHER FINANCING SOURCES (USES)				
Transfers in	15,224,000	-	15,224,000	15,224,000
Total Other Financing Sources (Uses)	15,224,000	-	15,224,000	15,224,000
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	\$ -	\$ -	14,527,407	\$ 14,527,407
FUND BALANCE AT BEGINNING OF YEAR			-	
FUND BALANCE AT END OF YEAR			\$ 14,527,407	

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, 2019 and 2018

	Solid Waste Operating Fund	Solid Waste Capital Project	June 30, 2019	June 30, 2018
ASSETS				
Cash and investments - pooled equity	\$ 24,374,384	\$ 5,234,215	\$ 29,608,599	\$ 30,358,935
Cash and investments - reserved	11,095,307	-	11,095,307	11,819,282
Taxes receivable (net)	80,338	28,033	108,371	166,084
Accounts receivable (net)	230,441	-	230,441	428,102
Intergovernmental receivable (net)	540,215	-	540,215	504,464
Internal balance (due from other funds)	327,064	-	327,064	684,737
Prepaid expenses	1,400	-	1,400	1,400
Accrued interest receivable	351,138	65,972	417,110	235,099
Total assets	<u>\$ 37,000,287</u>	<u>\$ 5,328,220</u>	<u>\$ 42,328,507</u>	<u>\$ 44,198,103</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,570,829	\$ 869,979	\$ 2,440,808	\$ 3,528,391
Internal balance (due to other funds)	145,317	-	145,317	147,162
Closure/post-closure care reserves	11,095,307	-	11,095,307	11,819,282
Total liabilities	<u>12,811,453</u>	<u>869,979</u>	<u>13,681,432</u>	<u>15,494,835</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>76,072</u>	<u>-</u>	<u>76,072</u>	<u>70,315</u>
Fund balances:				
Non-spendable:				
Prepaid expenditures	1,400	-	1,400	1,400
Restricted:				
Stabilization by state statute	1,605,268	772,660	2,377,928	6,032,023
White goods	3,907,503	-	3,907,503	3,487,275
Assigned:				
Planned expenditures	2,305,723	-	2,305,723	-
Future capital projects	-	3,685,581	3,685,581	3,801,594
Unassigned	16,292,868	-	16,292,868	15,310,661
Total fund balances	<u>24,112,762</u>	<u>4,458,241</u>	<u>28,571,003</u>	<u>28,632,953</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,000,287</u>	<u>\$ 5,328,220</u>	<u>\$ 42,328,507</u>	<u>\$ 44,198,103</u>

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

WAKE COUNTY, NORTH CAROLINA

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

SOLID WASTE OPERATING FUND

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		2018
	Budget	Actual	Actual
REVENUES:			
Intergovernmental	\$ 2,460,246	\$ 2,278,073	\$ 2,433,484
Charges for services	9,494,542	9,527,501	9,264,078
Licenses and permits	8,700	8,600	7,500
Investment earnings	251,099	941,277	413,098
Miscellaneous	2,154,110	1,999,771	2,287,402
Total Revenues	14,368,697	14,755,222	14,405,562
EXPENDITURES:			
Cost of service	12,381,189	9,786,653	8,523,870
Administration	2,459,820	2,144,159	1,942,877
Reserves	195,991	-	-
Total Expenditures	15,037,000	11,930,812	10,466,747
REVENUES OVER (UNDER) EXPENDITURES	(668,303)	2,824,410	3,938,815

(continued)

WAKE COUNTY, NORTH CAROLINA

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

SOLID WASTE OPERATING FUND (continued)

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		2018
	Budget	Actual	Actual
OTHER FINANCING SOURCES (USES):			
Transfers in	1,118,303	1,118,303	992,573
Transfers out	(450,000)	(450,000)	(953,460)
Total Other Financing Sources (Uses)	668,303	668,303	39,113
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE			
OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 3,492,713	\$ 3,977,928
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND OTHER SOURCES OVER (UNDER)		\$ 3,492,713	\$ 3,977,928
EXPENDITURES AND OTHER USES:			
Reconciling items:			
Compensated absences expenses		(9,057)	4,194
OPEB expenses		34,159	(25,915)
Risk management expenses		11,490	(5,341)
Pension expenses		(21,909)	(5,204)
Net increase/(decrease) in deferred revenue - charges for services		5,382	1,733
Miscellaneous revenues - Construction Fund		-	20,000
Investment earnings - Construction Fund		183,749	151,507
Expenditures - Construction Fund		(3,738,414)	(9,174,321)
Transfers In - Construction Fund		-	503,460
Acquisition of capital assets		4,530,242	8,161,506
Depreciation and depletion		(639,402)	(620,442)
Change in net position		\$ 3,848,953	\$ 2,989,105

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, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Investment earnings	\$ 1,793,960	\$ 1,979,485	\$ 183,749	\$ 2,163,234
Miscellaneous	918,206	35,276	-	35,276
Total Revenues	2,712,166	2,014,761	183,749	2,198,510
EXPENDITURES:				
Enterprise infrastructure	27,370,538	20,903,266	3,738,414	24,641,680
Total Expenditures	27,370,538	20,903,266	3,738,414	24,641,680
REVENUES OVER (UNDER) EXPENDITURES	(24,658,372)	(18,888,505)	(3,554,665)	(22,443,170)
OTHER FINANCING SOURCES AND USES:				
Transfers in	24,658,372	26,901,408	-	26,901,408
Total other financing sources and uses	24,658,372	26,901,408	-	26,901,408
REVENUES, AND OTHER SOURCES, OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 8,012,903	(3,554,665)	\$ 4,458,238
Fund Balance at the beginning of the year			8,012,903	
FUND BALANCE AT THE END OF THE YEAR			\$ 4,458,238	

WAKE COUNTY, NORTH CAROLINA

BUDGETARY COMBINING BALANCE SHEET SOUTH WAKE LANDFILL PARTNERSHIP FUND (NON-GAAP) MODIFIED ACCRUAL BASIS OF ACCOUNTING As of June 30, 2019 and 2018

	South Wake Landfill	East Wake Transfer Station	June 30, 2019	June 30, 2018
ASSETS				
Cash and investments - pooled equity	\$ 4,652,489	\$ (582,962)	\$ 4,069,527	\$ 4,165,767
Cash and investments - reserved	10,410,865	-	10,410,865	8,478,460
Cash and investments - cash equivalents	450	450	900	750
Accounts receivable (net)	645,712	2,329,358	2,975,070	2,460,824
Internal balance (due from other funds)	60,759	84,558	145,317	147,162
Accrued interest receivable	73,158	81,146	154,304	108,385
Total assets	<u>\$ 15,843,433</u>	<u>\$ 1,912,550</u>	<u>\$ 17,755,983</u>	<u>\$ 15,361,348</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 716,895	\$ 972,181	\$ 1,689,076	\$ 1,011,401
Due to other governmental units	3,322,056	-	3,322,056	2,993,882
Internal balance (due to other funds)	327,064	-	327,064	684,737
Construction reserves	-	855,985	855,985	1,164,701
Closure/post-closure care reserves	10,410,865	-	10,410,865	8,478,460
Total liabilities	<u>14,776,880</u>	<u>1,828,166</u>	<u>16,605,046</u>	<u>14,333,181</u>
DEFERRED INFLOWS OF RESOURCES	<u>63,887</u>	<u>82,990</u>	<u>146,877</u>	<u>24,107</u>
Fund balances:				
Restricted:				
Stabilization by state statue	843,516	1,394	844,910	770,427
Assigned:				
Planned expenditures	<u>159,150</u>	<u>-</u>	<u>159,150</u>	<u>233,633</u>
Total fund balances	<u>1,002,666</u>	<u>1,394</u>	<u>1,004,060</u>	<u>1,004,060</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,843,433</u>	<u>\$ 1,912,550</u>	<u>\$ 17,755,983</u>	<u>\$ 15,361,348</u>

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 AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	June 30, 2019						June 30, 2018
	South Wake Landfill		East Wake Transfer Station		Total		Total
	Budget	Actual	Budget	Actual	Budget	Actual	Actual
REVENUES:							
Charges for services	\$ 14,964,467	\$ 5,334,837	\$ 3,863,655	\$ 13,441,075	\$ 18,828,122	\$ 18,775,912	\$ 17,050,824
Investment earnings	65,000	209,327	-	174,397	65,000	383,724	198,475
Total Revenues	15,029,467	5,544,164	3,863,655	13,615,472	18,893,122	19,159,636	17,249,299
EXPENDITURES:							
Cost of service	9,013,532	9,042,585	4,533,581	4,343,161	13,547,113	13,385,746	11,825,964
Administration	188,514	192,050	585,858	578,116	774,372	770,166	752,143
Partner rebates	3,453,334	3,885,421	-	-	3,453,334	3,885,421	3,678,619
Total Expenditures	12,655,380	13,120,056	5,119,439	4,921,277	17,774,819	18,041,333	16,256,726
REVENUES OVER (UNDER) EXPENDITURES	2,374,087	(7,575,892)	(1,255,784)	8,694,195	1,118,303	1,118,303	992,573
OTHER FINANCING SOURCES (USES):							
Intrafund transfers in	-	8,490,566	-	-	-	8,490,566	7,142,249
Intrafund transfers out	-	-	-	(8,490,566)	-	(8,490,566)	(7,142,249)
Transfers out	(914,674)	(914,674)	(203,629)	(203,629)	(1,118,303)	(1,118,303)	(992,573)
Total Other Financing Sources (Uses)	(914,674)	7,575,892	(203,629)	(8,694,195)	(1,118,303)	(1,118,303)	(992,573)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 1,459,413	\$ -	\$ (1,459,413)	\$ -	\$ -	\$ -	\$ -
Reconciliation from budgetary basis of modified accrual to full accrual basis:							
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES						-	-
Reconciling items							
Net change in deferred revenue						122,770	(39,227)
Compensated absences expenses						(507)	(3,310)
OPEB expenses						11,308	(8,638)
Risk management expenses						13,103	(13,418)
Pension expenses						(4,195)	363
Change in net position						\$ 142,479	\$ (64,230)

WAKE COUNTY, NORTH CAROLINA

BUDGETARY BALANCE SHEET CORPORATE FLEET FUND (NON-GAAP) MODIFIED ACCRUAL BASIS OF ACCOUNTING As of June 30, 2019 and 2018

	June 30, 2019	June 30, 2018
ASSETS		
Cash and investments - pooled equity	\$ 3,762,325	\$ 3,780,466
Accounts receivable (net)	5,899	2,152
Intergovernmental receivable (net)	22,050	105,243
Accrued interest receivable	40,278	24,597
Inventories	78,864	71,427
TOTAL ASSETS	\$ 3,909,416	\$ 3,983,885
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 505,776	\$ 481,525
Fund Balances:		
Non-spendable:		
Inventories	78,864	71,427
Restricted:		
Stabilization by state statute	898,226	1,196,041
Assigned:		
Planned expenditures	197,836	861,642
Unassigned	2,228,714	1,373,250
Total Fund Balances	3,403,640	3,502,360
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,909,416	\$ 3,983,885

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)

As of June 30, 2019 and 2018

	2019		2018
	Budget	Actual	Actual
REVENUES:			
Charges for services	\$ 8,839,773	\$ 9,270,096	\$ 8,537,673
Miscellaneous	3,247	3,359	1,911
Investment earnings	20,000	103,924	50,815
Sale of assets and materials	632,368	574,048	741,751
Total Revenues	9,495,388	9,951,427	9,332,150
EXPENDITURES:			
Cost of service	9,564,935	8,522,129	7,542,830
Administration	1,748,542	1,528,018	1,438,296
Reserves	299,572	-	-
Total Expenditures	11,613,049	10,050,147	8,981,126
REVENUES UNDER EXPENDITURES	(2,117,661)	(98,720)	351,024
APPROPRIATED FUND BALANCE	2,117,661	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES	-	(98,720)	351,024
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES		\$ (98,720)	\$ 351,024
Reconciling items			
Compensated absences expenses		(8,138)	(855)
OPEB expenses		40,492	(31,099)
Risk management expenses		1,269	12,212
Pension expenses		(18,181)	1,889
Acquisition of capital assets		4,594,627	4,031,903
Disposal of capital assets		(96,311)	(179,884)
Depreciation of capital assets		(3,773,034)	(3,696,763)
Change in net position		\$ 642,004	\$ 488,427

WAKE COUNTY, NORTH CAROLINA

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES For the Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
MUNICIPAL TAX FUND				
ASSETS				
Cash and investments - pooled equity	\$ 16,178	\$ 541,846,575	\$ (541,837,182)	\$ 25,571
Accounts receivable	4,508,800	5,156,803	(4,753,647)	4,911,956
Total assets	<u>\$ 4,524,978</u>	<u>\$ 547,003,378</u>	<u>\$ (546,590,829)</u>	<u>\$ 4,937,527</u>
LIABILITIES				
Other liabilities	\$ 15,032	\$ 505,855,460	\$ (505,813,337)	\$ 57,155
Due to other governmental units	4,509,946	4,944,093	(4,573,667)	4,880,372
Total liabilities	<u>\$ 4,524,978</u>	<u>\$ 510,799,553</u>	<u>\$ (510,387,004)</u>	<u>\$ 4,937,527</u>
HUMAN SERVICES FUND				
ASSETS				
Cash and investments - pooled equity	\$ 333,838	\$ 2,595,109	\$ (2,639,832)	\$ 289,115
Accounts receivable	330	2,181	(330)	2,181
Accrued interest receivable	3,154	4,866	(3,155)	4,865
Total assets	<u>\$ 337,322</u>	<u>\$ 2,602,156</u>	<u>\$ (2,643,317)</u>	<u>\$ 296,161</u>
LIABILITIES				
Other liabilities	<u>\$ 337,322</u>	<u>\$ 7,302,612</u>	<u>\$ (7,343,773)</u>	<u>\$ 296,161</u>

WAKE COUNTY, NORTH CAROLINA

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES For the Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
FINES AND FORFEITURES				
ASSETS				
Cash and investments - pooled equity	\$ 199,771	\$ 2,962,240	\$ (3,034,355)	\$ 127,656
Accounts receivable	20,252	51,763	(20,251)	51,764
Accrued interest	1,250	1,319	(1,251)	1,318
Total assets	<u>\$ 221,273</u>	<u>\$ 3,015,322</u>	<u>\$ (3,055,857)</u>	<u>\$ 180,738</u>
LIABILITIES				
Other liabilities	<u>\$ 221,273</u>	<u>\$ 2,940,738</u>	<u>\$ (2,981,273)</u>	<u>\$ 180,738</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and investments - pooled equity	\$ 549,787	\$ 547,403,925	\$ (547,511,374)	\$ 442,338
Accounts receivable	4,529,382	5,210,747	(4,774,226)	4,965,903
Accrued interest receivable	4,404	6,184	(4,403)	6,185
Total assets	<u>\$ 5,083,573</u>	<u>\$ 552,620,856</u>	<u>\$ (552,290,003)</u>	<u>\$ 5,414,426</u>
LIABILITIES				
Other liabilities	\$ 573,627	\$ 516,098,810	\$ (516,138,383)	\$ 534,054
Due to other governmental units	4,509,946	4,944,093	(4,573,667)	4,880,372
Total liabilities	<u>\$ 5,083,573</u>	<u>\$ 521,042,903</u>	<u>\$ (520,712,050)</u>	<u>\$ 5,414,426</u>

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS BY FUNCTION AND CATEGORY As of June 30, 2019

Function	Land	Intangibles	Buildings	Improvements	Machinery and Equipment	Vehicles and Motorized Equipment	Computer Software	Infrastructure	Construction in progress	Total
General government	\$ 12,243,095	\$ -	\$ 64,130,277	\$ 3,171,116	\$ 6,647,179	\$ 530,727	\$ 23,434,627	\$ 340,990	\$ -	\$ 110,498,011
Human services	6,324,789	-	92,824,037	210,000	1,199,378	3,753,350	1,881,253	-	-	106,192,807
Education	1,336,910	-	30,878,188	3,947,902	-	-	-	-	-	36,163,000
Community development	103,714,804	1,032,044	104,103,416	2,425,452	1,441,529	154,232	-	369,318	-	213,240,795
Environmental services	17,145,437	-	4,979,210	-	219,341	458,044	-	22,500,778	-	45,302,810
Public safety	7,471,299	-	513,175,645	11,893,262	19,102,621	17,500,424	-	-	-	569,143,251
General services administration	64,740	-	818,786	275,889	4,973,073	30,550,749	-	616,014	-	37,299,251
Construction in progress	-	-	-	-	-	-	-	-	54,216,928	54,216,928
Total Governmental Capital Assets	<u>\$ 148,301,074</u>	<u>\$ 1,032,044</u>	<u>\$ 810,909,559</u>	<u>\$ 21,923,621</u>	<u>\$ 33,583,121</u>	<u>\$ 52,947,526</u>	<u>\$ 25,315,880</u>	<u>\$ 23,827,100</u>	<u>\$ 54,216,928</u>	<u>\$ 1,172,056,853</u>

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT

As of June 30, 2019

	Date of Issue	Interest Rate	Amount Issued	Debt Outstanding June 30, 2018	Net Additions (Retirements)	Debt Outstanding June 30, 2019
GENERAL OBLIGATION BONDS:						
2009A Public improvement bonds	04/01/09	4.00-5.00%	135,000,000	\$ 6,000,000	\$ (6,000,000)	\$ -
2009B Public improvement bonds	04/01/09	4.00-5.00%	300,000,000	150,000,000	(150,000,000)	-
2010A Public improvement bonds	03/30/10	3.00-5.00%	86,295,000	33,175,000	(6,635,000)	26,540,000
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	319,325,000	(22,640,000)	296,685,000
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	5,685,000	(1,895,000)	3,790,000
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	73,800,000	(6,150,000)	67,650,000
2012A School Bonds	02/08/12	3.00-5.00%	96,790,000	66,300,000	(5,100,000)	61,200,000
2012B Refunding	02/08/12	5.00%	75,290,000	58,700,000	(25,595,000)	33,105,000
2013A School Bonds	05/06/13	2.50-5.00%	51,165,000	37,800,000	(2,700,000)	35,100,000
2013B Public Improvement	05/07/13	3.00-5.00%	125,250,000	92,400,000	(6,600,000)	85,800,000
2014 Public Improvement	09/02/14	3.25-5.00%	345,240,000	308,890,000	(18,170,000)	290,720,000
2015 Public Improvement	04/15/15	3.00-5.00%	94,000,000	84,150,000	(4,950,000)	79,200,000
2016A Refunding	11/01/16	5.00%	162,895,000	126,525,000	(27,055,000)	99,470,000
2017A Public Improvement	03/01/17	3.00-5.00%	33,700,000	32,015,000	(1,685,000)	30,330,000
2017B School Bonds	03/01/17	3.00-5.00%	82,415,000	78,290,000	(4,125,000)	74,165,000
2018A Public Improvement	03/08/18	3.00-5.00%	197,745,000	197,745,000	(10,455,000)	187,290,000
2019A Public Improvement	01/30/19	3.00-5.00%	151,055,000	-	151,055,000	151,055,000
2019B Refunding	01/30/19	5.00%	113,940,000	-	113,940,000	113,940,000
Total General Obligation Bonds				1,762,270,000	(34,760,000)	1,727,510,000
OTHER LONG-TERM DEBT:						
Bond anticipation notes				50,197,448	(50,197,448)	-
Drawdown installment purchase				3,485,580	(3,485,580)	-
Limited obligation bonds				365,215,000	184,670,000	549,885,000
Installment purchase				5,306,359	(879,244)	4,427,115
Capitalized equipment leases				34,333	550	34,883
Other post-employment benefits				396,001,005	(8,454,649)	387,546,356
Net pension liability - LEOSSA				17,179,631	(164,984)	17,014,647
Net pension liability - LGERS				50,584,770	30,138,177	80,722,947
Compensated absences				13,368,906	1,022,378	14,391,284
Total other long-term debt				901,373,032	152,649,200	1,054,022,232
TOTAL GOVERNMENTAL LONG-TERM DEBT				\$ 2,663,643,032	\$ 117,889,200	\$ 2,781,532,232

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF LONG-TERM DEBT MATURITIES AND ANNUAL DEBT SERVICE REQUIREMENTS FOR GOVERNMENTAL ACTIVITIES As of June 30, 2019

BONDED DEBT Fiscal Year Ended June 30	PUBLIC SCHOOLS		COMMUNITY COLLEGE		OTHER		TOTAL	
	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest
2020	\$ 143,879,078	\$ 208,585,581	\$ 18,533,517	\$ 27,795,749	\$ 8,477,405	\$ 12,665,821	\$ 170,890,000	\$ 249,047,151
2021	125,731,196	182,274,473	19,786,674	28,070,225	9,892,129	13,621,843	155,409,999	223,966,541
2022	135,358,096	185,707,839	19,489,933	26,841,352	9,556,972	12,792,079	164,405,001	225,341,270
2023	133,256,797	176,931,661	19,243,894	25,676,598	9,279,309	12,036,568	161,780,000	214,644,827
2024	132,256,479	169,459,940	17,009,967	22,591,192	9,163,554	11,477,128	158,430,000	203,528,260
2025	131,615,378	162,275,520	16,945,772	21,747,540	9,168,850	11,040,577	157,730,000	195,063,637
2026	90,035,414	114,427,818	13,601,796	17,627,317	5,447,790	6,883,196	109,085,000	138,938,331
2027	95,140,203	115,467,903	12,232,738	15,643,526	3,897,059	5,087,261	111,270,000	136,198,690
2028	60,230,203	76,259,936	12,232,738	15,150,751	3,897,059	4,918,870	76,360,000	96,329,557
2029	59,925,203	73,418,478	12,232,738	14,655,607	3,897,059	4,749,756	76,055,000	92,823,841
2030-2034	224,782,181	260,787,838	42,596,864	48,052,056	15,165,955	17,377,665	282,545,000	326,217,559
2035-2038	89,020,255	94,374,555	8,895,814	9,416,981	5,633,931	5,970,531	103,550,000	109,762,067
Total Bonded Debt	1,421,230,483	1,819,971,542	212,802,445	273,268,894	93,477,072	118,621,295	1,727,510,000	2,211,861,731
OTHER LONG-TERM DEBT:								
Total limited obligation bonds, installment purchases and capitalized leases:								
2020	8,013,432	21,208,441	161,568	663,882	12,553,694	21,863,133	20,728,694	43,735,456
2021	17,801,186	33,283,391	733,814	1,385,196	12,312,637	20,903,516	30,847,637	55,572,103
2022	17,801,186	32,393,332	733,814	1,348,506	12,285,056	20,283,711	30,820,056	54,025,549
2023	17,801,186	31,503,273	733,814	1,311,815	12,221,070	19,628,652	30,756,070	52,443,740
2024	17,801,186	30,613,213	733,814	1,275,124	12,158,426	18,976,722	30,693,426	50,865,059
2025-2029	89,005,931	139,715,176	3,669,069	5,825,261	58,301,359	83,664,348	150,976,359	229,204,785
2030-2034	88,981,780	118,002,058	3,668,220	4,918,505	55,815,000	67,638,450	148,465,000	190,559,013
2035-2038	80,949,275	89,187,948	3,505,725	3,876,058	26,670,000	28,132,750	111,125,000	121,196,756
Total Other Long-Term Debt	338,155,162	495,906,832	13,939,838	20,604,347	202,317,242	281,091,282	554,412,242	797,602,461
TOTAL LONG-TERM DEBT	\$ 1,759,385,645	\$ 2,315,878,374	\$ 226,742,283	\$ 293,873,241	\$ 295,794,314	\$ 399,712,577	\$ 2,281,922,242	\$ 3,009,464,192

On the Statement of Net Assets as of June 30, 2019, the amounts reported as liabilities for general obligation bonds - schools, general obligation bonds - community college, general obligation bonds - other and limited obligation bonds also includes premiums on issuance of bonds of \$151,019,704, \$25,798,727, \$9,039,829 and \$96,261,796 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>128</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>133</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>139</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>143</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>145</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.	

WAKE COUNTY, NORTH CAROLINA

TABLE 1

Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)										
	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 490,451,441	\$ 475,499,631	\$ 501,015,238	\$ 481,647,900	\$ 514,397,874	\$ 516,347,191	\$ 498,217,507	\$ 501,195,521	\$ 517,404,228	\$ 539,201,799
Restricted	420,636,893	313,308,968	194,344,857	205,986,156	174,547,627	384,569,749	330,499,243	222,312,515	308,540,955	360,537,544
Unrestricted	(1,682,993,506)	(1,553,597,961)	(1,496,839,039)	(1,419,397,209)	(1,380,105,906)	(1,588,121,415)	(1,686,182,914)	(1,765,284,179)	(2,220,686,272)	(2,391,773,036)
Total governmental activities net position	(771,905,172)	(764,789,362)	(801,478,944)	(731,763,153)	(691,160,405)	(687,204,475)	(857,466,164)	(1,041,776,143)	(1,394,741,089)	(1,492,033,693)
Business-type activities										
Net investment in capital assets	13,114,762	13,711,534	13,633,543	13,026,721	12,753,655	13,031,162	14,569,010	15,068,176	22,609,239	26,500,079
Restricted	5,874,703	3,515,460	4,034,015	4,542,124	7,104,803	5,987,408	6,056,990	19,253,925	9,993,083	9,207,418
Unrestricted	21,823,855	25,491,356	27,223,180	26,240,199	24,955,038	27,946,413	24,872,362	15,962,641	19,263,466	20,149,543
Total business-type activities net position	40,813,320	42,718,350	44,890,738	43,809,044	44,813,496	46,964,983	45,498,362	50,284,742	51,865,788	55,857,040
Primary government										
Net investment in capital assets	503,566,203	489,211,165	514,648,781	494,674,621	527,151,529	529,378,353	512,786,517	516,263,697	540,013,467	565,701,878
Restricted	426,511,596	316,824,428	198,378,872	210,528,280	181,652,430	390,557,157	336,556,233	241,566,440	318,534,038	367,439,239
Unrestricted	(1,661,169,651)	(1,528,106,605)	(1,469,615,859)	(1,393,157,010)	(1,355,150,868)	(1,560,175,002)	(1,661,310,552)	(1,749,321,538)	(2,201,422,806)	(2,371,623,493)
Total primary government net position	\$ (731,091,852)	\$ (722,071,012)	\$ (756,588,206)	\$ (687,954,109)	\$ (646,346,909)	\$ (640,239,492)	\$ (811,967,802)	\$ (991,491,401)	\$ (1,342,875,301)	\$ (1,436,176,653)

WAKE COUNTY, NORTH CAROLINA

TABLE 2

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
General government	\$ 54,937,881	\$ 61,575,688	\$ 59,589,399	\$ 57,447,794	\$ 60,865,049	\$ 67,697,095	\$ 83,075,414	\$ 99,044,204	\$ 80,185,660	\$ 97,679,473
Human services	224,307,656	225,731,230	235,191,515	210,045,271	205,788,808	211,150,777	208,574,457	213,554,750	203,680,860	201,487,561
Education	472,748,721	457,469,350	467,744,519	423,906,638	455,501,432	555,325,661	744,326,523	797,456,473	782,647,207	833,134,178
Community development and cultural	20,597,071	62,457,707	72,248,767	73,419,595	77,962,399	82,956,045	90,192,355	90,601,804	94,338,763	124,181,812
Environmental services	6,669,967	10,261,353	8,560,310	8,647,932	9,853,941	8,376,306	25,539,274	11,323,588	12,658,925	14,174,144
Public safety	125,402,922	129,945,055	143,349,347	139,372,822	160,415,579	156,438,722	169,946,017	179,665,266	197,011,329	200,087,445
General services administration	25,927,613	24,364,454	21,913,044	23,127,651	27,622,029	26,171,169	27,303,740	28,182,737	23,328,303	31,530,790
Interest on long-term debt	131,934,858	72,727,338	92,679,977	66,354,069	65,867,422	70,672,162	114,306,796	88,754,145	63,623,613	98,784,457
Total governmental activities	1,062,526,689	1,044,532,175	1,101,276,878	1,002,321,772	1,063,876,659	1,178,787,937	1,463,264,576	1,508,582,967	1,457,474,660	1,601,059,860
Business-type activities:										
Solid waste	24,172,681	23,291,842	23,576,133	25,376,961	27,429,783	24,952,760	29,938,448	24,405,067	28,416,519	29,785,507
Total primary government expenses	1,086,699,370	1,067,824,017	1,124,853,011	1,027,698,733	1,091,306,442	1,203,740,697	1,493,203,024	1,532,988,034	1,485,891,179	1,630,845,367
Program Revenues										
Governmental activities:										
Charges for services:										
General government	6,670,497	6,193,871	7,396,357	7,831,642	7,145,238	9,352,103	9,789,639	8,064,187	9,154,064	9,242,462
Human services	30,212,823	26,662,361	25,935,891	21,954,285	20,072,420	17,306,740	20,285,322	24,154,518	21,611,239	22,295,355
Education	-	-	-	-	12,483	11,800	11,500	8,000	8,000	14,295
Community development and cultural	1,923,791	2,916,663	9,524,859	4,698,640	6,163,223	7,666,631	5,526,266	5,731,894	8,315,462	18,925,489
Environmental services	1,457,700	1,517,953	1,647,646	1,942,165	(254,415)	2,326,173	2,024,989	2,881,070	2,995,866	2,671,034
Public safety	17,949,739	21,772,992	29,494,441	32,543,421	31,253,703	32,842,889	34,945,056	35,528,506	39,273,674	36,052,746
General services administration	2,663,746	2,754,829	2,515,414	2,354,779	3,065,362	2,744,893	2,853,052	2,866,243	2,962,700	2,574,456
Operating grants and contributions:										
General government	2,188,124	2,646,944	3,365,340	1,883,518	1,892,488	1,798,846	16,409,314	1,282,965	5,152,979	1,724,895
Human services	127,235,785	124,614,245	119,719,778	120,556,434	101,438,548	101,650,078	106,066,571	109,785,997	82,565,794	79,199,832
Education	12,818,821	23,269,710	13,961,465	15,136,373	17,457,029	15,538,264	4,454,720	12,284,268	13,673,927	11,180,430
Community development and cultural	2,020,859	668,917	2,002,578	577,185	661,337	607,289	2,290,561	2,105,469	1,242,013	1,115,242
Environmental services	259,591	212,172	329,287	530,232	807,674	152,347	199,517	171,222	175,803	200,396
Public safety	2,700,697	6,101,846	3,084,164	782,594	1,389,125	1,871,402	1,859,644	1,113,285	1,557,629	1,347,853
General services administration	9,250	10,375	11,100	7,825	13,360	15,125	132,687	14,928	11,936	15,937
Total governmental activities program revenues	208,111,423	219,342,878	218,988,320	210,799,093	191,117,575	193,884,580	206,848,838	205,992,552	188,701,086	186,560,422
Business-type activities:										
Charges for services: solid waste	22,886,642	22,512,763	22,322,650	21,836,839	22,641,326	23,981,146	25,221,294	25,419,927	26,284,880	28,440,165
Operating grants and contributions: solid waste	1,390,303	1,621,434	1,688,916	1,601,437	1,638,999	1,760,881	1,964,590	2,097,102	2,433,484	2,278,073
Total business-type activities program revenues	24,276,945	24,134,197	24,011,566	23,438,276	24,280,325	25,742,027	27,185,884	27,517,029	28,718,364	30,718,238
Total primary government program revenues	232,388,368	243,477,075	242,999,886	234,237,369	215,397,900	219,626,607	234,034,722	233,509,581	217,419,450	217,278,660

WAKE COUNTY, NORTH CAROLINA

TABLE 2

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Governmental activities	\$ (854,415,266)	\$ (825,189,297)	\$ (882,288,558)	\$ (791,522,679)	\$ (872,759,084)	\$ (984,903,357)	(1,256,415,738)	(1,302,410,415)	(1,268,773,574)	\$ (1,414,499,438)
Business-type activities	104,264	842,355	435,433	(1,938,685)	(3,149,458)	789,267	(2,752,564)	3,111,962	301,845	932,731
Total primary government net expense	(854,311,002)	(824,346,942)	(881,853,125)	(793,461,364)	(875,908,542)	(984,114,090)	(1,259,168,302)	(1,299,298,453)	(1,268,471,729)	(1,413,566,707)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	651,480,015	658,044,349	666,196,637	675,565,832	704,500,482	763,304,541	836,704,096	873,850,162	916,010,246	1,001,983,686
Sales taxes	104,384,663	114,034,923	120,834,877	127,273,310	141,340,059	154,509,781	167,601,590	177,057,150	185,587,183	202,550,087
Occupancy and prepared food taxes	30,282,509	33,137,525	35,814,980	38,158,690	41,270,144	45,551,385	49,352,108	52,197,266	55,132,299	60,289,276
Other taxes	7,633,811	7,070,086	8,640,999	9,916,198	11,435,136	13,778,283	14,994,021	14,851,460	16,454,181	18,121,023
Grants and contributions										
not restricted to specific programs	4,410,678	8,179,519	9,500,462	5,294,595	9,977,509	7,510,466	8,708,612	8,753,474	9,235,090	11,140,276
Unrestricted investment earnings	14,450,011	9,486,862	3,778,383	2,517,197	2,239,488	1,717,475	5,157,359	4,320,332	9,524,439	20,572,770
Gain on sale of capital assets	-	-	-	-	-	-	-	855,639	748,511	474,029
Other	(3,964,766)	1,947,843	428,639	2,056,648	2,192,694	2,037,356	3,186,263	1,005,124	695,061	1,625,687
Transfers	404,000	404,000	404,000	456,000	406,320	450,000	450,000	450,000	450,000	450,000
Total governmental activities	809,080,921	832,305,107	845,598,977	861,238,470	913,361,832	988,859,287	1,086,154,049	1,133,340,607	1,193,837,010	1,317,206,834
Business-type activities:										
Unrestricted investment earnings	1,144,867	522,993	323,376	85,443	196,199	227,482	456,407	217,718	763,080	1,508,750
Other	620,963	943,682	1,817,578	1,227,548	4,364,031	1,584,738	1,279,536	1,906,700	2,307,430	1,999,771
Transfers	(404,000)	(404,000)	(404,000)	(456,000)	(406,320)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
Total business-type activities	1,361,830	1,062,675	1,736,954	856,991	4,153,910	1,362,220	1,285,943	1,674,418	2,620,510	3,058,521
Total primary government	\$ (43,868,251)	\$ 9,020,840	\$ (34,517,194)	\$ 68,634,097	\$ 41,607,200	\$ 6,107,417	\$ (171,728,310)	\$ (164,283,428)	\$ (72,014,209)	\$ (93,301,352)
Change in Net Position										
Government activities	\$ (45,334,345)	\$ 7,115,810	\$ (36,689,581)	\$ 69,715,791	\$ 40,602,748	\$ 3,955,930	(170,261,689)	(169,069,808)	(74,936,564)	\$ (97,292,604)
Business-type activities	1,466,094	1,905,030	2,172,387	(1,081,694)	1,004,452	2,151,487	(1,466,621)	4,786,380	2,922,355	3,991,152
Total primary government	\$ (43,868,251)	\$ 9,020,840	\$ (34,517,194)	\$ 68,634,097	\$ 41,607,200	\$ 6,107,417	(171,728,310)	(164,283,428)	(72,014,209)	\$ (93,301,352)

WAKE COUNTY, NORTH CAROLINA

TABLE 3

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Non-spendable	\$ 1,012,690	\$ 753,870	\$ 680,079	\$ 660,291	\$ 1,147,817	\$ 1,141,838	\$ 1,087,851	\$ 1,028,455	\$ 1,914,948	\$ 1,577,971
Restricted	56,393,164	53,687,483	61,887,998	78,005,930	101,974,588	72,248,041	73,843,284	74,634,703	77,963,695	88,159,377
Committed	92,844,472	104,907,262	113,098,565	134,533,558	144,818,132	169,569,681	200,494,326	220,513,579	237,734,967	262,893,367
Assigned	2,000,000	103,244	31,602	400,000	5,772,283	2,679,506	1,134,000	-	-	-
Total General Fund	<u>\$ 152,250,326</u>	<u>\$ 159,451,859</u>	<u>\$ 175,698,244</u>	<u>\$ 213,599,779</u>	<u>\$ 253,712,820</u>	<u>\$ 245,639,066</u>	<u>\$ 276,559,461</u>	<u>\$ 296,176,737</u>	<u>\$ 317,613,610</u>	<u>\$ 352,630,715</u>
All Other Governmental Funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ 3,449,786	\$ 3,440,499	\$ 1,054,756	\$ 963,368	\$ 907,632	\$ 553,520
Restricted	364,243,729	258,663,484	131,303,935	127,044,720	72,133,426	311,803,693	256,655,959	147,124,422	229,381,219	271,479,941
Committed	5,019,365	2,779,200	2,830,720	2,904,480	2,977,920	3,063,680	3,460,568	3,756,640	3,998,730	3,821,043
Assigned	442,430,960	477,307,247	449,655,862	498,239,963	406,360,257	505,942,505	234,606,723	227,731,010	191,567,046	179,175,130
Unassigned	-	-	-	-	-	-	(17,712)	-	(248,211)	(368,989)
Total All Other Governmental Funds	<u>\$ 811,694,054</u>	<u>\$ 738,749,931</u>	<u>\$ 583,790,517</u>	<u>\$ 628,189,163</u>	<u>\$ 484,921,389</u>	<u>\$ 824,250,377</u>	<u>\$ 495,760,294</u>	<u>\$ 379,575,440</u>	<u>\$ 425,606,416</u>	<u>\$ 454,660,645</u>

WAKE COUNTY, NORTH CAROLINA

TABLE 4

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 792,862,640	\$ 810,990,349	\$ 832,640,691	\$ 852,063,846	\$ 901,382,287	\$ 979,019,405	\$ 1,068,205,202	\$ 1,118,023,378	\$ 1,173,020,937	\$ 1,282,185,781
Intergovernmental	151,643,808	165,703,784	151,985,131	144,768,159	133,637,071	129,143,820	140,095,040	135,511,608	114,580,623	108,638,730
Charges for services	58,060,472	57,244,484	72,565,052	66,497,667	67,072,200	65,902,956	70,562,864	71,653,479	74,274,439	85,543,976
Fines and forfeitures	-	9,249	1,745	2,118	4,084	1,852	42,805	-	376	54
Licenses and permits	2,511,430	3,031,172	3,413,382	4,062,881	4,701,663	5,000,558	5,185,433	5,371,824	5,381,270	5,799,060
Investment earnings	14,450,008	9,449,429	3,765,433	2,515,686	2,223,705	1,704,516	5,128,545	4,307,934	9,473,624	20,468,846
Miscellaneous	824,804	665,896	335,487	1,303,583	2,099,348	1,770,877	(1,116,598)	1,001,799	693,150	1,629,450
Total revenues	<u>1,020,353,162</u>	<u>1,047,094,363</u>	<u>1,064,706,921</u>	<u>1,071,213,940</u>	<u>1,111,120,358</u>	<u>1,182,543,984</u>	<u>1,288,103,291</u>	<u>1,335,870,022</u>	<u>1,377,424,419</u>	<u>1,504,265,897</u>
Expenditures										
General government	62,312,808	59,102,157	57,101,602	53,933,135	54,502,188	63,700,606	76,489,586	76,915,004	75,318,980	98,208,006
Human services	228,226,056	225,151,612	226,219,076	203,945,270	193,958,543	208,304,473	206,528,545	213,132,353	197,901,887	205,974,447
Education	472,392,741	457,113,370	467,388,048	427,414,362	469,890,207	557,621,603	743,976,648	796,583,759	781,773,290	833,134,178
Community development and cultural	55,323,394	60,686,759	69,050,159	70,259,896	76,436,700	88,510,963	97,445,854	93,512,015	99,963,971	132,496,941
Environmental services	8,107,490	8,452,527	12,152,613	7,864,404	8,354,834	9,354,942	10,035,462	10,681,469	11,998,552	13,211,167
Public safety	174,204,071	239,028,698	209,183,377	172,509,821	145,519,662	147,823,266	162,428,708	166,933,080	188,317,280	192,802,511
General services administration	24,895,202	23,820,674	21,090,881	22,429,768	25,332,207	26,215,178	26,880,922	28,220,046	28,557,988	29,819,778
Debt service										
Principal	110,568,516	118,987,473	164,498,331	145,652,849	152,250,703	152,115,583	170,027,054	188,894,216	178,804,981	190,431,748
Interest	77,807,693	84,194,136	88,561,925	89,523,701	90,030,119	90,952,459	98,236,050	89,476,403	93,708,750	98,286,386
Total expenditures	<u>1,213,837,971</u>	<u>1,276,537,406</u>	<u>1,315,246,012</u>	<u>1,193,533,206</u>	<u>1,216,275,163</u>	<u>1,344,599,073</u>	<u>1,592,048,827</u>	<u>1,664,348,345</u>	<u>1,656,345,679</u>	<u>1,794,365,162</u>
Excess of revenues over (under) expenditures	<u>(193,484,809)</u>	<u>(229,443,043)</u>	<u>(250,539,091)</u>	<u>(122,319,266)</u>	<u>(105,154,805)</u>	<u>(162,055,089)</u>	<u>(303,945,536)</u>	<u>(328,478,323)</u>	<u>(278,921,260)</u>	<u>(290,099,265)</u>
Other Financing Sources (Uses)										
Transfers in	223,203,272	222,033,652	256,643,030	225,977,117	241,246,092	296,777,100	309,595,234	329,903,244	333,113,962	362,738,779
Transfers out	(225,799,272)	(223,629,652)	(257,912,346)	(225,521,117)	(240,839,772)	(296,452,100)	(309,145,234)	(329,742,244)	(332,663,962)	(362,288,779)
Refunding bonds issued	383,420,000	-	75,290,000	-	-	-	191,835,000	162,895,000	-	113,940,000
Refunding installment purchases issued	-	-	-	2,234,325	-	-	-	-	-	-
Payment to refunded escrow agent	(449,682,612)	-	(94,006,298)	(2,234,325)	-	-	(233,084,360)	(190,000,000)	-	(124,534,612)
Bonds issued and premiums	258,034,180	163,990,302	131,715,590	203,154,626	-	490,519,615	42,128,289	153,487,962	239,143,833	220,947,457
Bond anticipation notes issued	-	-	-	-	-	-	1,301,000	98,928,537	168,652,564	53,328,720
Repayment of bond anticipation notes	-	-	-	-	-	-	-	-	(218,684,653)	(103,526,168)
Drawdown installment notes issued	-	-	-	-	-	-	-	3,928,079	114,447,523	163,293,070
Repayment of drawdown installment notes	-	-	-	-	-	-	-	-	(114,890,022)	(166,778,650)
Limited obligation bonds issued	303,480,000	-	-	-	-	-	-	-	155,290,000	196,805,000
Capital leases and installment purchases issued/repaid	304,944	139,713	7,573	940,674	1,500,796	2,373,329	5,027	2,089,630	1,235,305	17,946
Sales of assets and materials	764,571	1,166,438	88,513	68,147	92,956	92,379	1,870,446	420,537	744,559	227,836
Total other financing sources (uses)	<u>493,725,083</u>	<u>163,700,453</u>	<u>111,826,062</u>	<u>204,619,447</u>	<u>2,000,072</u>	<u>493,310,323</u>	<u>4,505,402</u>	<u>231,910,745</u>	<u>346,389,109</u>	<u>354,170,599</u>
Net change in fund balances	<u>\$ 300,240,274</u>	<u>\$ (65,742,590)</u>	<u>\$ (138,713,029)</u>	<u>\$ 82,300,181</u>	<u>\$ (103,154,733)</u>	<u>\$ 331,255,234</u>	<u>\$ (299,440,134)</u>	<u>\$ (96,567,578)</u>	<u>\$ 67,467,849</u>	<u>\$ 64,071,334</u>
Debt service as a percentage of noncapital expenditures	16.63%	16.93%	19.91%	20.65%	20.51%	18.34%	16.96%	16.86%	16.73%	16.40%

**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
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
2014	107,096,246,490	17,429,308,807	2,900,935,929	127,426,491,226	0.534	0.080	0.614
2015	109,552,757,999	15,528,241,566	2,866,523,443	127,947,523,008	0.578	0.080	0.658
2016 ²	112,361,475,069	16,280,183,297	3,309,341,549	131,950,999,915	0.6145	0.080	0.695
2017	120,471,086,726	17,470,741,388	3,469,182,180	141,411,010,294	0.6005	0.096	0.6965
2018	122,874,155,245	17,897,487,797	3,447,570,780	144,219,213,822	0.6150	0.096	0.7110
2019	126,482,475,772	18,690,880,426	3,454,215,945	148,627,572,143	0.6544	0.096	0.7504

Notes:

* Real estate reappraisal effective.

(1) All taxable property is subject to the County-wide tax. Most property in unincorporated areas also 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 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 2016 (for Fiscal Year 2017).

(3) Per \$100 of assessed value.

Source: Wake County Revenue Department

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

	2010	2011	2012	2013	2014	2015	2016	2017 ²	2018	2019
County Direct Rates										
County-wide Rate ¹	\$ 0.5340	\$ 0.5340	\$ 0.5340	\$ 0.5340	\$ 0.5340	\$ 0.5780	\$ 0.61450	\$ 0.60050	\$ 0.6150	\$ 0.6544
Various Special Tax Districts	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0960	0.0960	0.0960
Total average direct rate	0.6140	0.6140	0.6140	0.6140	0.6140	0.6580	0.69450	0.69650	0.71100	0.75040
Municipality Rates										
Town of Angier	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300
Town of Apex	0.3400	0.3400	0.3400	0.3900	0.3900	0.3900	0.3900	0.3800	0.3800	0.4150
Town of Cary	0.3300	0.3300	0.3300	0.3300	0.3500	0.3500	0.3700	0.3500	0.3500	0.3500
Town of Clayton	0.5400	0.5400	0.5250	0.5250	0.5250	0.5250	0.5500	0.5500	0.5500	0.5800
Town of Fuquay-Varina	0.3850	0.3850	0.3850	0.3850	0.3850	0.3850	0.3850	0.4330	0.4325	0.4325
Town of Garner	0.4900	0.4900	0.4900	0.4900	0.4900	0.5000	0.5180	0.5180	0.5325	0.5325
Town of Holly Springs	0.4150	0.4150	0.4150	0.4350	0.4350	0.4350	0.4350	0.4330	0.4325	0.4325
Town of Knightdale	0.4000	0.4100	0.4100	0.4100	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300
Town of Morrisville	0.3670	0.3670	0.3670	0.3670	0.3900	0.3900	0.4100	0.3900	0.3900	0.3900
City of Raleigh	0.3740	0.3740	0.3740	0.3830	0.3830	0.4040	0.4210	0.4180	0.4253	0.4382
Town of Rolesville	0.4200	0.4200	0.4400	0.4400	0.4400	0.4400	0.4400	0.4800	0.4800	0.4800
Town of Wake Forest	0.5100	0.5100	0.5100	0.5100	0.5100	0.5200	0.5200	0.5200	0.5200	0.5200
Town of Wendell	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900
Town of Zebulon	0.5000	0.5000	0.5000	0.5130	0.5250	0.5250	0.5250	0.5750	0.5750	0.5920

Notes:

- (1) All taxable property is subject to the County-wide tax. Most property in unincorporated areas also is 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 last completed for tax year 2016 (for Fiscal Year 2017).
Wake County's next revaluation will be completed for tax year 2020 (for Fiscal Year 2021).

Source: Wake County Revenue Department

WAKE COUNTY, NORTH CAROLINA

TABLE 7

**Principal Property Tax Payers
June 30, 2019
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Duke Progress Energy , Inc	\$ 2,118,251,980	1	1.43%	\$ 1,604,732,768	1	1.35%
SAS Institute Inc	661,429,325	2	0.45%	414,106,978	3	0.35%
Highwood Realty LP	570,922,375	3	0.38%			
Cisco Systems Inc	432,730,418	4	0.29%	512,891,145	2	0.43%
CVM Holdings LLC	390,207,026	5	0.26%	334,450,819	4	0.28%
WMCI Raleigh LLC	327,225,408	6	0.22%			
GlaxoSmithKline	289,049,524	7	0.19%			
Network Appliance Inc	274,186,861	8	0.18%			
First Citizens Bank	257,129,892	9	0.17%			
Mid America Apartments LP	246,835,021	10	0.17%			
NC Eastern Municipal Power Agency				327,026,213	5	0.27%
Weeks Realty				290,359,176	6	0.24%
Bellsouth Telephone				280,368,968	7	0.24%
Time Warner Entertainment				275,160,904	8	0.23%
G&I V LTD Partnership				241,493,575	9	0.20%
Novartis Vaccines & Diagnostics				213,070,334	10	0.18%
	<u>\$ 5,567,967,830</u>		<u>3.74%</u>	<u>\$ 4,493,660,880</u>		<u>3.77%</u>

Source: Wake County Revenue Department

WAKE COUNTY, NORTH CAROLINA

TABLE 8

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)			Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date						
	Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy	Amount	Percentage of Adjusted Levy								
2010	\$	657,175,469	\$	(7,643,046)	\$	649,532,423	\$	640,993,333	98.69%	\$	7,730,394	\$	648,723,727	99.88%
2011		661,292,534		(4,849,315)		656,443,219		648,750,058	98.83%		6,816,105		655,566,163	99.87%
2012		665,819,212		(2,298,064)		663,521,148		657,541,978	99.10%		5,127,345		662,669,323	99.87%
2013		676,163,798		(2,306,621)		673,857,177		667,843,411	99.11%		5,220,257		673,063,668	99.88%
2014		702,953,904		(1,690,243)		701,263,661		697,580,105	99.47%		3,045,372		700,625,477	99.91%
2015		760,907,032		(664,952)		760,242,080		758,063,799	99.71%		1,962,311		760,026,110	99.97%
2016		833,221,749		(835,817)		832,385,932		831,114,362	99.85%		983,983		832,098,345	99.97%
2017		877,544,091		(7,317,373)		870,226,718		869,108,487	99.87%		780,215		869,888,702	99.96%
2018		914,686,233		(1,989,030)		912,697,203		911,681,836	99.89%		416,805		912,098,641	99.93%
2019		999,314,645		(1,372,951)		997,941,694		996,947,099	99.90%		-		996,947,099	99.90%

Notes:

Taxes for the fiscal year ended June 30, 2019 at the collection rate of 99.90% are a composite of the following collections by category:

Vehicle taxes	99.46%
Real and personal property taxes	99.94%

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

**Schedule of Ad Valorem Taxes Receivable
As of June 30, 2019**

Fiscal Year	Uncollected Balance June 30, 2018	Additions	Collections and Credits	Uncollected Balance June 30, 2019
2018-2019	\$ -	\$ 907,887,631	\$ 905,850,915	\$ 2,036,716
2017-2018	1,487,747	-	889,185	598,562
2016-2017	510,933	-	172,917	338,016
2015-2016	361,465	-	73,878	287,587
2014-2015	254,971	-	39,000	215,971
2013-2014	665,188	-	26,978	638,210
2012-2013	811,659	-	18,149	793,510
2011-2012	867,036	-	15,211	851,825
2010-2011	888,263	-	11,207	877,056
Total	\$ 5,847,262	\$ 907,887,631	\$ 907,097,440	6,637,453
Less allowance for uncollectable ad valorem taxes receivable				(4,403,019)
Ad valorem taxes receivable (net)				<u>\$ 2,234,434</u>
Reconciliation with revenues:				
Taxes - ad valorem - General Fund				\$ 900,184,235
Recycling fee - Solid Waste Operating Fund				8,602,589
Reconciling items:				
Prior year taxes collected				(24,274)
Interest and other costs				(1,436,310)
Rebates and releases				2,039,024
Deferred amounts				(1,997,041)
Accruals and prepaids				(270,783)
Total collections and credits				<u>\$ 907,097,440</u>
General Fund Taxes Receivable				\$ 2,154,095
Solid Waste Fund Accounts Receivable				80,339
				<u>\$ 2,234,434</u>

Note: This schedule includes Ad Valorem Taxes in the General Fund and the Recycling Fee in the Solid Waste Fund.

**Analysis of Current Tax Levy - Countywide Levy
For the Year Ended June 30, 2019**

	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 (General Fund)	\$ 145,710,759,696	0.6544	\$ 956,800,163	\$ 899,285,609	\$ 57,514,554
Motor vehicles taxed at prior year's rate	2,916,812,447	0.6005	15,461,847	-	15,461,847
Special Tax District levy	27,391,845,508	0.0960	26,313,445	23,976,185	2,337,260
Penalties	-		-	-	-
Total	<u>176,019,417,651</u>		<u>998,575,455</u>	<u>923,261,794</u>	<u>75,313,661</u>
Discoveries:					
Current year taxes	-		-	-	-
Prior year taxes	-		-	-	-
Penalties	-		739,190	739,190	-
Total	<u>-</u>		<u>739,190</u>	<u>739,190</u>	<u>-</u>
Abatements	(316,377,598)		(2,070,375)	(2,070,375)	-
Total property valuation	<u>\$ 175,703,040,053</u>				
Deferred Levy			697,424	697,424	-
Net levy			997,941,694	922,628,033	75,313,661
Uncollected taxes at June 30, 2019			994,595	584,418	410,177
Current year's taxes collected			<u>\$ 996,947,099</u>	<u>\$ 922,043,615</u>	<u>\$ 74,903,484</u>
Current levy collection percentage			99.90%	99.94%	99.46%

Includes Ad Valorem, Special District and NCVTS Vehicle Taxes.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities									Business-Type Activities			
	General Obligation Bonds	General Obligation Bond Anticipation Notes	Drawdown Installment Notes	Limited Obligation Bonds	Installment Purchases	Qualified Zone Academy Bonds	Capital Leases	Notes Payable	Total Governmental Activities	Capital Leases	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
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	6.10%	\$ 2,526
2011	1,991,296,438	-	-	323,883,480	6,961,421	980,772	173,449	-	2,323,295,560	-	2,323,295,560	5.78%	2,500
2012	1,934,669,373	-	-	316,910,261	5,693,721	817,311	132,027	-	2,258,222,693	-	2,258,222,693	5.29%	2,371
2013	1,960,133,287	-	-	303,982,042	5,327,348	653,850	81,238	-	2,270,177,765	-	2,270,177,765	5.32%	2,328
2014	1,806,329,227	-	-	291,053,822	5,329,121	490,389	51,293	-	2,103,253,852	5,877	2,103,259,729	4.93%	2,106
2015	2,142,354,768	-	-	278,125,603	4,922,510	326,928	763,502	-	2,426,493,311	3,777	2,426,497,088	4.58%	2,414
2016	1,969,481,706	1,301,000	-	279,088,791	4,007,860	163,467	390,611	-	2,254,433,435	-	2,254,433,435	4.25%	2,201
2017	1,901,610,244	100,229,537	3,928,079	264,041,694	5,115,000	-	37,553	-	2,274,962,107	-	2,274,962,107	4.29%	2,173
2018	1,937,469,050	50,197,448	3,485,580	424,746,261	5,306,359	-	34,333	-	2,421,239,031	-	2,421,239,031	4.28%	2,258
2019	1,913,368,260 ²	-	-	646,146,796 ²	4,427,115	-	34,883	-	2,563,977,054	-	2,563,977,054	4.18%	2,347

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. 2018 and 2019 ratios are calculated using 2016 personal income.

(2) General Obligation Bonds and Limited Obligation Bonds include premiums on issuance of bonds of \$185,858,260 and \$96,261,796, respectively, which will be amortized over the life of the 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 Bond Anticipation Notes	Total General Bonded Debt		
2010	\$ 1,956,072,526	\$ -	\$ 1,956,072,526	1.64%	\$ 2,156.86
2011	1,991,296,438	-	1,991,296,438	1.67%	2,142.72
2012	1,934,669,373	-	1,934,669,373	1.60%	2,030.91
2013	1,960,133,287	-	1,960,133,287	1.60%	2,010.34
2014	1,806,329,227	-	1,806,329,227	1.42%	1,808.70
2015	2,142,354,768	-	2,142,354,768	1.67%	2,130.88
2016	1,969,481,706	1,301,000	1,970,782,706	1.49%	1,924.22
2017	1,901,610,244	100,229,537	2,001,839,781	1.42%	1,912.36
2018	1,937,469,050	50,197,448	1,987,666,498	1.38%	1,853.82
2019	1,913,368,260 ³	-	1,913,368,260	1.29%	1,751.68

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 and actual value data.

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

(3) General Obligation Bonds include premiums on issuance of bonds of \$185,858,260 which will be amortized over the life of its related debt.

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2019**

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Municipality:			
Apex	\$ 64,370,000	100%	\$ 64,370,000
Cary	102,501,927	100%	102,501,927
Fuquay-Varina	25,370,000	100%	25,370,000
Garner	30,390,000	100%	30,390,000
Holly Springs	19,825,000	100%	19,825,000
Knightdale	2,598,000	100%	2,598,000
Morrisville	26,210,000	100%	26,210,000
Raleigh	297,350,000	100%	297,350,000
Rolesville	3,474,494	100%	3,474,494
Wake Forest	27,050,000	100%	27,050,000
Wendell	-	100%	-
Zebulon	2,125,000	100%	2,125,000
Overlapping debt	601,264,421		601,264,421
Direct debt	2,563,977,054		2,563,977,054
Total direct and overlapping debt	\$ 3,165,241,475		\$ 3,165,241,475

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

Note: Percentage of overlap based on assessed property values.

WAKE COUNTY, NORTH CAROLINA

TABLE 14

Legal Debt Margin Information Last Ten Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed Value of Property	\$ 119,158,250,199	\$ 119,535,621,641	\$ 120,555,400,651	\$ 122,450,151,129	\$ 127,426,491,226	\$ 127,947,523,008	\$ 131,950,999,915	\$ 141,411,010,294	\$ 144,219,213,822	\$ 148,627,572,143
Debt Limit, 8% of Assessed Value (Statutory Limitation)	\$ 9,532,660,016	\$ 9,562,849,731	\$ 9,644,432,052	\$ 9,796,012,090	\$ 10,194,119,298	\$ 10,235,801,841	\$ 10,556,079,993	\$ 11,312,880,824	\$ 11,537,537,106	\$ 11,890,205,771
Amount of Debt Applicable to Limit										
General Obligation Bonds	\$ 1,794,370,000	\$ 1,831,620,000	\$ 1,754,870,000	\$ 1,801,325,000	\$ 1,664,875,000	\$ 1,967,590,000	\$ 1,812,535,000	\$ 1,727,865,000	\$ 1,762,270,000	\$ 1,727,510,000
GO Bond Anticipation Notes	-	-	-	-	-	-	1,301,000	100,229,537	50,197,448	-
Other Long Term Debt	313,263,004	311,595,642	303,938,059	291,217,436	278,885,802	266,887,940	238,761,938	231,140,632	374,041,272	554,346,998
Bonds Authorized not Issued	391,870,000	239,070,000	65,700,000	145,450,000	950,450,000	511,210,000	509,909,000	294,865,463	147,152,552	1,017,000,000
Total net debt applicable to limit	2,499,503,004	2,382,285,642	2,124,508,059	2,237,992,436	2,894,210,802	2,745,687,940	2,562,506,938	2,354,100,632	2,333,661,272	3,298,856,998
Legal Debt Margin	\$ 7,033,157,012	\$ 7,180,564,089	\$ 7,519,923,993	\$ 7,558,019,654	\$ 7,299,908,496	\$ 7,490,113,901	\$ 7,993,573,055	\$ 8,958,780,192	\$ 9,203,875,834	\$ 8,591,348,773
Total net debt applicable to limit as a percentage of debt limit	26.22%	24.91%	22.03%	22.85%	28.39%	26.82%	24.28%	20.81%	20.23%	27.74%

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 eight percent of the assessed 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 Enrollment⁴	Unemployment Rate⁵
2010	883,624	\$ 41,432,611	\$ 45,683	139,599	8.3%
2011	900,933	43,320,456	46,615	143,289	7.9%
2012	929,070	46,320,314	48,626	146,687	7.1%
2013	952,143	47,064,181	48,285	149,508	6.0%
2014	974,289	50,257,552	50,835	153,039	4.9%
2015	998,691	53,028,913	53,625	155,000	4.7%
2016	1,024,198	56,592,270	54,549	156,644	4.2%
2017	1,046,791	60,216,950	56,162	158,374	3.6%
2018	1,072,203	*	*	160,429	3.6%
2019	1,092,305	*	*	160,471	3.9%

* Information not yet available

(1) U.S. Census Bureau, previous calendar year

(2) Bureau of Economic Analysis Regional, Economic Information System - Bureau of Economic Analysis March 2018.

(3) Bureau of Economic Analysis Regional Economic Account - computed using Census Bureau midyear population estimates available as of March 2018.

(4) North Carolina Department of Public Instruction. 2018, 2019 Wake County Public Schools District Facts.

(5) Employment Security Commission of North Carolina; 2018, 2019 - North Carolina Department of Commerce-Labor & Economic Analytics Division.

WAKE COUNTY, NORTH CAROLINA

TABLE 16

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

Employer	2019			2010		
	Employees¹	Rank	Percentage of Total County Employment²	Employees	Rank	Percentage of Total County Employment
Duke University & Health System	38,591	1	6.54%			
State of North Carolina	24,083	2	4.08%	24,739	1	5.93%
Wake County Public School System	19,845	3	3.36%	16,755	2	4.01%
Wal-Mart	16,135	4	2.74%			
IBM Corporation	10,000	5	1.70%	10,800	3	2.59%
WakeMed Health & Hospitals	9,105	6	1.54%	7,100	5	1.70%
North Carolina State University	9,069	7	1.54%	7,500	4	1.80%
Target	8,000	8	1.36%			
UNC Rex Healthcare	7,400	9	1.25%	4,400	7	1.05%
SAS Institute, Inc.	5,632	10	0.95%	4,149	8	0.99%
GlaxoSmithKline, Inc				6,000	6	1.44%
Progress Energy						
Wake County Government				3,494	10	0.84%
Cisco Systems				4,000	9	0.96%
	<u>147,860</u>		<u>25.06%</u>	<u>88,937</u>		<u>21.31%</u>

(1) Data not yet available for current Fiscal Year. 2018 Figures used.

Source: Wake County Economic Development / Greater Raleigh Chamber of Commerce

(2) **Source** North Carolina Department of Commerce

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

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	294.00	271.80	304.25	305.25	314.25	324.50	340.50	359.50	371.75	388.75
Human services	1,623.00	1,782.80	1,751.10	1,644.03	1,465.10	1,571.87	1,591.60	1,627.30	1,657.37	1,699.33
Community development and cultural	287.50	304.00	304.00	312.00	321.50	327.50	350.50	358.50	370.50	395.00
Environmental services	112.00	118.00	117.00	120.00	124.00	134.00	138.00	145.00	154.00	161.00
Public safety	1,057.00	1,102.00	1,199.50	1,237.50	1,285.50	1,301.50	1,339.50	1,384.50	1,418.00	1,446.00
General services administration	121.00	134.00	137.00	142.50	140.00	141.00	143.00	143.00	144.00	144.00
Total	3,494.50	3,712.60	3,812.85	3,761.28	3,650.35	3,800.37	3,903.10	4,017.80	4,115.62	4,234.08

WAKE COUNTY, NORTH CAROLINA

TABLE 18

Operating Indicators By Function Last Ten Fiscal Years

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Registered voters	729,933	725,536	701,987	676,093	631,012	651,341	645,419	628,953	588,701	575,146
Taxable real estate parcels	434,150	421,932	412,438	406,596	401,352	392,989	381,677	367,323	361,082	322,205
Tax bills	*	*	*	*	*	*	1,164,651	1,153,607	1,128,643	1,120,585
Deeds and real estate documents recorded	156,980	166,102	183,096	170,421	163,046	148,233	208,162	179,048	164,279	167,888
Human Services										
Family medicaid recipients	121,314	120,314	107,084	98,185	89,815	81,379	76,116	73,839	68,373	64,595
Laboratory tests	*	*	*	*	*	180,000	163,837	235,000	*	178,068
School nurse health support services	34,174	31,991	31,619	29,690	14,941	31,558	28,880	23,428	20,795	23,211
Families receiving maternal and child health case management services	5,893	5,875	*	6,151	6,008	6,300	4,402	4,328	5,817	4,844
Adult inpatient substance abuse services	*	*	*	*	*	*	336	484	687	641
Adult care home residents served through on-site inspections	2,593	2,504	2,548	2,648	2,538	2,373	2,381	2,861	2,932	2,637
Homeless served - street outreach	*	*	*	*	*	*	*	*	*	241
Homeless sheltered at S. Wilmington St. Center	2,119	2,029	2,125	2,028	1,982	1,849	1,791	1,734	1,834	2,055
Persons testing for HIV/STD	17,540	17,398	17,715	18,958	17,919	20,364	21,107	22,420	15,597	10,619
Number of transportation trips provided	196,041	180,323	235,845	253,814	200,440	183,570	165,908	178,330	157,000	145,000
Food assistance for Household	30,820	33,188	34,596	38,071	39,235	38,585	*	85,892	77,068	65,101
Education										
Students attending public school ¹	160,471	160,429	159,549	157,180	155,184	152,384	149,508	146,687	142,997	139,599
Public school teachers ¹	10,647	10,616	10,733	10,357	10,598	10,563	9,810	9,810	9,342	9,277
Community college students-average semester ²	40,672	38,800	38,800	41,566	35,080	34,427	33,338	32,236	31,559	31,067
Community college faculty ²	2,284	2,251	2,261	2,251	2,305	1,329	1,921	1,344	1,315	1,213
Community Development and Cultural										
Libraries - circulation of youth services	7,324,979	6,418,475	6,435,078	6,319,652	6,636,146	6,923,255	6,912,700	7,047,064	6,147,038	6,322,332
Libraries - circulation of adult services	3,785,384	3,318,177	3,263,900	2,996,607	3,104,004	3,467,128	3,699,333	4,212,225	4,511,679	5,030,294
Park visitation	1,291,899	1,296,062	1,430,828	1,252,085	1,141,594	1,187,986	1,113,501	1,162,246	1,129,732	1,046,997
Residential permits issued -New, Addition, Alter ³	1,429	846	1,041	1,521	1,347	1,367	1,239	716	369	277
Commercial permits issued -New, Addition, Alter ³	161	105	338	219	200	157	136	167	81	2
Residential or Commercial-Accessory ³	691	4,238	1,707	1,885	1,672	1,535	1,473	1,276	1,264	1,307
Trade Permits ³	4,026	*	*	*	*	*	*	*	*	*
Inspections performed	65,489	66,631	62,047	59,639	53,664	53,517	44,329	35,510	35,537	34,650
Environmental Services										
Animal control service calls	8,386	8,008	6,327	7,194	7,608	7,786	7,644	8,260	*	14,498
Animals impounded	10,965	10,619	10,616	10,906	11,621	11,632	13,805	15,517	16,162	12,040
Sanitation inspections	13,942	12,285	11,919	11,911	12,545	8,770	9,222	*	*	8,215
Public Safety										
Detention intake	28,952	28,667	28,086	34,801	36,350	36,847	38,070	*	32,849	35,519
Civil processes served	72,820	55,884	55,681	80,341	78,867	65,590	70,535	93,318	96,089	98,233
Pistol permits processed	18,843	16,171	20,658	18,141	20,216	18,304	35,883	21,163	17,525	15,309
Carry Conceal Permits - New and Renewal	10,060	*	*	*	*	*	*	*	*	*
Average daily jail population	1,201	1,198	1,170	1,176	1,155	1,297	1,306	1,227	1,279	1,341
Fire/medical incidents responded to by contracting fire departments	35,679	33,865	33,847	32,595	29,928	28,429	28,675	27,645	29,012	26,770
Wake EMS trips **	75,428	70,697	72,181	70,796	67,369	63,371	62,637	62,327	37,943	30,434
Solid Waste										
Tons received at South Wake Landfill	506,577	463,683	442,659	436,632	304,672	406,568	400,964	414,156	426,901	439,069
Tons received at East Wake Transfer Station	332,233	275,504	259,473	262,153	345,615	252,462	242,123	259,610	255,099	260,333
Household hazardous waste customers	*	*	*	*	43,509	36,996	29,560	30,863	27,566	24,449

* Information not available.

(1) Wake County Public Schools.

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

(3) Permitting & Inspections implemented new software system in July 2018. Grouping of Permit and Inspection data now reported in alternate manner.

** Beginning in FY12 the County changed to a centralized billing model with all agencies in the Wake EMS System

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

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Services Administration										
Rentable square footage managed ²	4,229,569	4,172,318	4,160,865	4,097,495	4,085,555	4,085,365	3,620,925	3,250,403	3,152,933	3,174,948
Total square footage managed ¹	4,922,390	4,862,126	4,850,071	4,783,365	4,770,797	4,770,597	4,238,952	3,848,929	3,318,877	3,342,051
Human Services										
Number of centers	14	22	22	22	22	22	22	22	22	20
Education										
Number of schools	191	183	177	177	171	170	165	163	163	159
Community Development and Cultural										
Libraries - branches	22	22	22	21	20	20	20	20	20	20
Volume of library books	1,755,925	1,586,209	1,476,330	1,393,462	1,323,870	1,534,418	1,520,704	1,479,940	1,544,261	1,670,538
Number of County Parks	10	10	9	9	8	8	8	8	8	7
Number of School Parks	16	16	16	16	16	16	16	16	16	16
Public Safety										
Sheriff - Stations	9	9	9	9	9	9	9	9	5	5
Detention capacity	1,574	1,522	1,552	1,568	1,568	1,568	1,568	1,568	1,312	1,312
EMS - Stations	15	15	15	15	15	15	15	15	15	15

(1) Total Square footage managed added for comparative purposes

(2) In order to increase comparability, prior years' square footage been updated using same data source as fiscal year 2019.

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