



Comprehensive Annual Financial Report  
for the fiscal year ended June 30, 2011

***Wake County  
North Carolina***

***Comprehensive Annual  
Financial Report***

***for the fiscal year ended June 30, 2011***

***Prepared by the Wake County Finance Department***

## Wake County Board of Commissioners



**Paul Coble**  
*Chair*



Joe Bryan



**Phil Matthews**  
*Vice Chair*



Tony Gurley



Ervin Portman



James West



Betty Lou Ward

*David Cooke*  
*Scott W. Warren*  
*Susan J. Banks*  
*Johnna Rogers*  
  
*Joe Durham*

*County Manager*  
*County Attorney*  
*Clerk to the Board*  
*Deputy County Manager/*  
*Chief Financial Officer*  
*Deputy County Manager*

# Wake County North Carolina

## Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011

Prepared by the Wake County Finance Department:

Johnna Rogers, *Deputy County Manager/  
Chief Financial Officer*

Susan McCullen, CPA, *Financial Services Director*

Amy Strange, *Fiscal and Policy Analyst*  
Angela Mason, *Information Technology Technician*  
Ann Marshall, *Accounting Technician*  
Ann Mattern, *Risk Management Specialist*  
Chad Balke, *Fiscal and Policy Analyst*  
Cindy Dean, *Senior Accounting Technician*  
David Nowell, *Buyer*  
Frances Gray, *Senior Accountant*  
Gregory Useem, *Budget and Policy Director*  
Jackie Forlines, CPP, *Financial Services Manager*  
John Stephenson, CPA, *Internal Audit Director*  
Karen Thiessen, *Senior Accountant*  
Kay Radford, CPA, *Internal Auditor*  
Kim Lorbacher, CPA, *Accounting & Reporting Manager*  
Loretta Alston, *Executive Secretary*  
Mark Matthews, *Fiscal and Policy Analyst*

Mary Anne McIntire, *Investment Analyst*  
Melissa England Carroll, *Contracts Manager*  
Michael Griffin, *Contracts Coordinator*  
Michelle Venditto, *Fiscal and Policy Analyst*  
Nicole Kreiser, *Debt and Capital Director*  
Rebecca Linthicum, *Fiscal and Policy Analyst*  
Sandy Carrington, *Senior Accounting Technician*  
Sara Warren, *Fiscal and Policy Analyst*  
Scott Hanner, *Buyer*  
Sheila Hopkins, *ERP Systems Manager*  
Sonya Hicks, *Senior Accounting Technician*  
Tamara Williams, *Senior Accounting Technician*  
Tom Wester, CLGPO, *Purchasing Director*  
Tracey Aviles, *Senior Accounting Technician*  
Velvadine Wallace, *Fiscal and Policy Analyst*  
William Spencer Phillips, *Senior Accountant*

# TABLE OF CONTENTS

## INTRODUCTORY SECTION:

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

## FINANCIAL SECTION:

Independent Auditors' Report	1
Management's Discussion and Analysis	2
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	17
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of Balance Sheet to Statement of Net Assets	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	23
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – General Fund	26
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Major Facilities Fund	27
Statement of Net Assets – Proprietary Funds	28
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	29
Statement of Cash Flows – Proprietary Funds	30
Statement of Fiduciary Net Assets	32
Statements of Changes in Fiduciary Net Assets – Fiduciary Funds	33
Notes to the Financial Statements	34
Required Supplementary Information:	
Required Supplementary Information-Law Enforcement Officers' Special Separation Allowance	69
Required Supplementary Information-Other Post-employment Benefits	70
General Fund:	
Comparative Balance Sheets	71
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	72
Statement of Revenues, Expenditures and Changes in Fund Balance - Detailed Budget and Actual	73

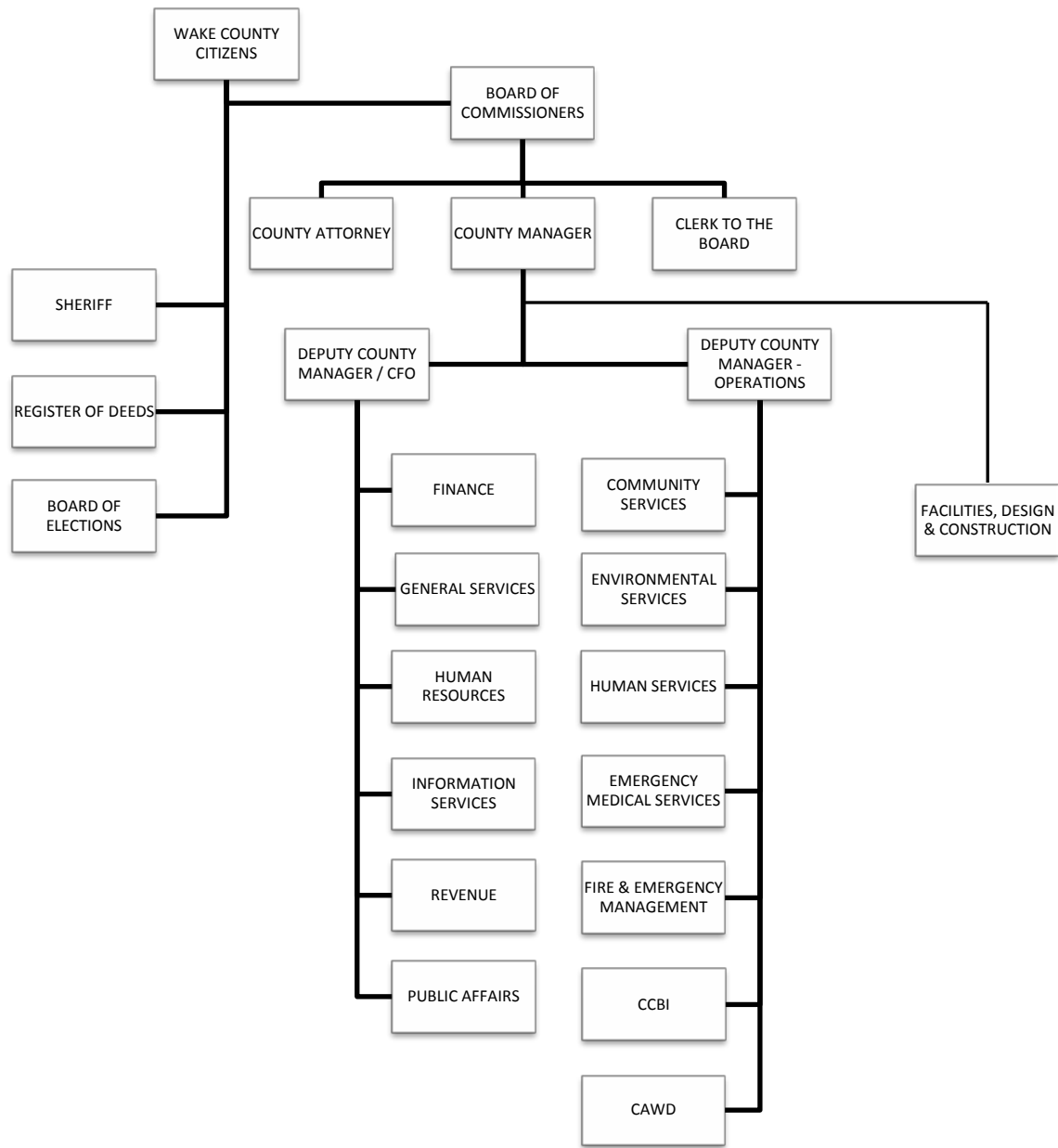
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Major Governmental Funds:	
Affordable Housing Fund, from Inception	80
Major Facilities Fund, Budget and Actual	81
Debt Service Fund, Budget and Actual	82
County Capital Projects Fund, from Inception	83
School Capital Fund, from Inception	84
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	86
Combining Balance Sheet – Nonmajor Special Revenue Funds	87
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	88
Combining Balance Sheet – Nonmajor Capital Project Funds	89
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Project Funds	90
Schedules of Revenues, Expenditures, and Changes in Fund Balances	
Grants Fund, from Inception	91
Sewer Districts Fund, from Inception	92
Capital Area Workforce Development Fund, from Inception	93
Fire Tax District Fund, Budget and Actual	94
Revaluation Reserve Fund, from Inception	95
Wake Community College Capital Projects Fund, from Inception	96
Fire Capital Project Fund, from Inception	97
Major Facilities Capital Trust Fund, from Inception	98
Budgetary Combining Balance Sheet, Solid Waste Operating and Capital Project Funds (Non-GAAP)	99
Solid Waste Operating Fund, Budget and Actual	100
Solid Waste Construction Fund, from Inception	102
Budgetary Combining Balance Sheet, South Wake Landfill Partnership Fund (Non-GAAP)	103
South Wake Landfill Partnership Fund, Budget and Actual	104
Budgetary Balance Sheet, Corporate Fleet Fund (Non-GAAP)	105
Corporate Fleet Fund, Budget and Actual	106
Agency Funds:	
Combining Statement of Changes in Assets and Liabilities	107
Capital Assets:	
Schedule of Governmental Capital Assets by Function and Category	109
General Obligation Indebtedness:	
Schedule of Changes in Governmental Long-term Debt	110
Schedule of Long-Term Debt Maturities and Annual Debt	
Service Requirements for Governmental Activities	111

## STATISTICAL SECTION:

Table 1 – Net Assets by Component – Last Ten Fiscal Years	112
Table 2 – Changes in Net Assets – Last Ten Fiscal Years	113
Table 3 – Fund Balance of Governmental Funds	
Last Ten Fiscal Years	115

Table 4 – Changes in Fund Balance of Governmental Funds Last Ten Fiscal Years	116
Table 5 – Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years	117
Table 6 – Direct and Overlapping Property Tax Rates Last Ten Fiscal Years	118
Table 7 – Principal Property Tax Payers Current Year and Nine Years Ago	119
Table 8 – Property Tax Levies and Collections Last Ten Fiscal Years	120
Table 9 – Schedule of Ad Valorem Taxes Receivable	121
Table 10 – Analysis of Current Tax Levy – Countywide Levy	122
Table 11 – Ratios of Outstanding Debt by Type Last Ten Fiscal Years	123
Table 12 – Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years	124
Table 13 – Direct and Overlapping Governmental Activities Debt	125
Table 14 – Legal Debt Margin Information Last Ten Fiscal Years	126
Table 15 – Demographic and Economic Statistics Last Ten Fiscal Years	127
Table 16 – Principal Employers – Current Year and Nine Years Ago	128
Table 17 – Full-time Equivalent County Government Employees by Function Last Ten Fiscal Years	129
Table 18 – Operating Indicators by Function Last Ten Fiscal Years	130
Table 19 – Capital Asset Statistics by Function Last Ten Fiscal Years	131

# WAKE COUNTY ORGANIZATION





November 18, 2011

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

Continuing Wake County's history as a county of fiscal strength and stability is a primary goal of the Wake County Board of Commissioners. This Comprehensive Annual Financial Report (financial statements) of Wake County, North Carolina, for the fiscal year ended June 30, 2011, reflects the achievement of that goal. Each year this document is prepared to provide details about how the County receives, spends and accounts for its money, as well as key indicators of its financial strength. The County's Finance Department prepares the financial statements and assumes all responsibility for the accuracy of the data, the completeness and fairness of the presentation, and all disclosures. Wake County officials believe the data and presentation are fair and accurate, and that everything necessary is included in this document to gain an understanding of the County's financial activities over the last fiscal year.

Wake County Government's financial statements have been audited by Cherry, Bekaert & Holland, L.L.P., 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, 2011, 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 unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

Wake County is required to present a Management's Discussion and Analysis (MD&A) section as an introduction to the financial information. This section immediately follows the auditor's opinion and provides an overview and analysis of the County's significant transactions in fiscal year 2011, to aid readers in understanding the financial impact and the relationship to the financial statements and schedules provided. This letter of transmittal is written to complement the MD&A.

#### **FINANCIAL REPORTING ENTITY**

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

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

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

## **PROFILE OF WAKE COUNTY**

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

- **#4 Metro in 10-Year Job Growth (Raleigh-Cary, NC)**, Business First, February 2011
- **#1 Housing Market for 2011 (Raleigh, NC)**, Builder Magazine, March 2011
- **#1 City for Families (Raleigh, NC)**, Forbes.com, June 2011
- **#7 In Small Business (Raleigh, NC)**, Bizjournals.com, April 2011
- **#3 Cleanest City (Raleigh, NC)**, Forbes, March 2011
- **#1 Healthiest County (Wake County, NC)**, Countyhealthrankings.org, March 2011
- **#1 Best Place for Business and Careers (Raleigh, NC)**, Forbes.com, June 2011
- **#1 Most Sustainable Mid-Sized Community (Raleigh, NC)** U.S. Department of Commerce, April 2011
- **#4 For Young Adults to Start a Career (Raleigh, NC)** American City Business Journals, June 2011

Wake County is the second-most populous county in the state, and poised to reach one million residents in the next two to three years. Its 12 municipalities include Raleigh, the county seat and state capital. A mix of urban and rural areas and small towns distinguishes Wake from other counties and provides something for every lifestyle. Located in the north central section of the state on the Piedmont Plateau, Wake County is on a major industrial corridor approximately halfway between Washington, D.C., and Atlanta. North Carolina's beautiful mountains and serene beaches are each within easy driving distance. The County's topography is characterized by low, rolling hills in the northwest, changing gradually to

level land in the southeast. The location, geography and climate make Wake County an enjoyable place to live, work, learn and play, while also contributing significantly to the economic viability of the region.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Economic Diversity**

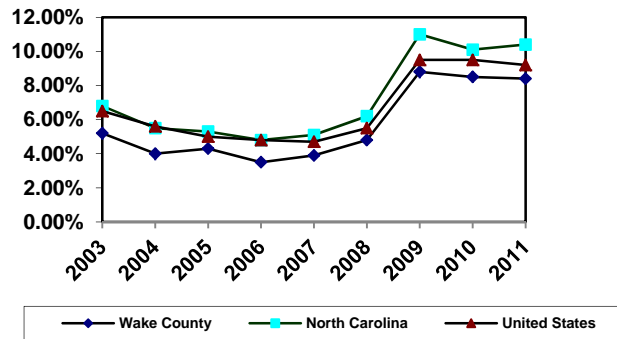
Wake County's economic diversity provides a strong foundation for the area's economy. On June 30, 2011, the unemployment rate was 8.4%, compared with 10.4% for the state and 9.2% for the nation. A sampling of the area's industry and services includes:

- manufacturing (including light manufacturing of pharmaceuticals, telecommunications equipment, electrical and machine parts, and electrical components)
- service industries
- many public and private institutions of higher education, including North Carolina State University, recognized as a national leader in research and technology
- state and local government, including the principal executive, legislative, judicial and regulatory offices of state government
- four general-care, not-for-profit hospitals with more than 1,450 patient beds.

Additionally, Research Triangle Park (RTP), straddled on the Wake and Durham county line, is a major source of employment and economic stimulus for the entire area. Organized in 1959, RTP today encompasses 7,000 acres set aside for research and research-oriented manufacturing. The combined annual salaries in RTP amount to more than \$2.7 billion. Since its founding, RTP has developed steadily in the Durham County portion. In 1990, Wake County began installing water/sewer lines in its portion to open 31 sites located on the south side for economic development.

To date, over 30 companies have located in the Wake County portion of RTP, occupying nearly 4.3 million sq. ft. of space for biotechnology and information technology purposes. Of the approximately 42,000 people currently employed in RTP, the Research Triangle Foundation estimates that 68 percent reside in Wake County, which adds significantly to the County's economy.

## Unemployment Rates



## Long-Term Planning

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

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

Wake County broke ground on the new Justice Center in May 2010, one of five projects established in the County's long-term Justice Facilities Master Plan. The steel frame of the building was completed in February 2011. The Justice Center project is ahead of schedule and expected to be completed in the spring of 2013. The 577,000 square-foot facility is expected to meet the growing needs of the court system and other public services for the next 30 to 50 years. The last courthouse built in Wake County was completed in 1969. The Wake County Justice Center will efficiently accommodate growth in the County. It will have the capacity for 22 new criminal

courtrooms, two court hearing rooms, as well as more space for required court support. The Clerk of Superior Court, District Attorney, Public Defender, Superior and District Court Judges, and Community Corrections will be housed in the new building. It will also house all of Wake County's criminal courtrooms.

Wake County continued its commitment to mental health reform and began to accept new patients to the recently-opened WakeBrook facility in January 2011. The facility provides more space for the County's crisis and assessment services, continue in-patient substance abuse services in a state-of-the-art, 16-bed hospital and provides two intermediate levels of residential care: a 16-bed detox unit and a 16-bed crisis unit.

Public Safety is a priority for Wake County. The County continues its work on the Hammond Road Detention Center, receiving an American Recovery and Reinvestment Act energy grant to help in the facility become Leadership in Energy and Environmental Design (LEED) Certified, contributing to the positive effects of energy efficiency the facility for years to come. In addition, the City/County Bureau of Identification was awarded with international accreditation by the Commission on Accreditation for Law Enforcement Agencies (CALEA). To receive CALEA accreditation, CCBI complied with several hundred standards originating from best practices in the field of law enforcement, and verified through independent, objective and professional assessors appointed by CALEA. The accreditation process ensures that CCBI met an established set of professional standards, and will assist in increasing the effectiveness and efficiency in the delivery of services to Wake County citizens.

Wake County continues to serve citizens with programs to help those in need. The Capital Area Workforce Development Board opened four new employment assistance/JobLink Access centers in Wake County to provide facilities where job seekers can go in their own communities to look for jobs. These sites will increase the number of locations providing access to JobLink services. Additionally, Wake County Libraries' efforts to team up with a number of organizations to provide on-going job assistance programs at the libraries resulted in an Award of Excellence from the National Association of Counties (NACo). Each year NACo recognizes outstanding government programs and services at its annual conference. Programming ranges from resume writing, to using technology to search for jobs. Each

program is designed to help those who are unemployed to develop the skills necessary to find long-term employment.

Wake County opened the expansion of the County's Animal Center in June 2010. The shelter expansion allows Wake County to fulfill its agreement to house animals from the city of Raleigh, town of Garner and town of Cary, offering consolidated sheltering countywide and providing high-quality care for cats, dogs and other pets from all municipalities and the unincorporated areas in the County for several years into the future. The expansion is approximately 5,400 square feet and includes the addition of 84 new dog holding units, 75 new cat holding units and building system improvements for the existing dog holding areas. This gives the shelter a total capacity of 218 dog kennels and 175 cat kennels, or approximately 17,100 animals per year.

### **Community Improvement Plan**

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

In June 2010, Commissioners adopted a seven-year, \$595.3 million CIP for fiscal years 2011-17 in connection with Wake County's capital planning.

The current CIP totals \$595.3 million of initiatives to improve the capital infrastructure of the County, of which \$210.6 million is dedicated to the Wake County Public School System. The remaining \$384.7 million would be invested in several areas of capital need, including criminal justice (\$37.3 million), County building improvements (\$28.6 million), community college facilities (\$51.7 million), fire/rescue (\$25.14 million), economic development (\$10.9 million), solid waste operations (\$21.7 million), investments in libraries (\$44.7 million), public safety (\$18.2 million), and automation (\$28.0 million). The entire FY2011-17 CIP can be viewed in the FY11 Budget Document at [www.wakegov.com/budget/pastbudgets/fy11](http://www.wakegov.com/budget/pastbudgets/fy11).

Several years ago, Wake County initiated a new capital funding program with an increased emphasis on debt financing to expand the County's ability to support capital projects. Two fundamental strategies are key to the success of the new program: 1) dedicating a funding stream specifically to capital, and 2) maintaining a financing ratio of 80% debt and 20% cash.

Dedicating annual revenue streams for a capital program requires a great deal of fiscal discipline. It also is essential for the success of the long-term capital program and to deliver quality services to the current and future residents of Wake County. This means setting aside a percentage of the property and sales tax proceeds each year to fund current and future capital payments. The dedicated stream of revenue is critical to the integrity of the capital financial model, as it ensures that funds are available to pay for additional debt service payments. Funding is set aside each year in debt service as it is incurred in the future years of the CIP planning period. A major part of the debt-based strategy was initiated when Wake County citizens passed bond referenda in November 2000 to support the use of general obligation bond funding for schools, jail facilities and open space. The support of this strategy continued when citizens passed bond referenda in October 2003 for schools and library construction. In 2006, voters again approved a record \$970 million bond for public school construction.

Bond referenda passed in 2004 supported Wake Technical Community College and open space. In July 2007 Wake Technical Community College opened the doors to its expansion site in North Raleigh. In August 2009, "Building D" was completed opened for classes as the third classroom building to be constructed on the 121-acre campus. The campus continued its expansion plans, breaking ground on "Building E" in September 2010, with plans to open in January 2012.

For FY2011 the two primary funding sources for the CIP are dedicated property tax revenue and a percentage of the sales tax receipts to the capital program. The sales tax percentage is based upon legislation codified in the North Carolina General Statutes.

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

source of revenues for the County, the dedication of property tax revenues represents a critical contribution to maintaining the integrity of the capital program.

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

Other funding sources used in the County's CIP are as follows: 1) transfers from other funds, 2) investment earnings, 3) fund balance appropriations and 4) lottery.

**Transfers from Other Funds:** In addition to the property and sales tax allocations, transfers from the Fire Tax District Fund will contribute to the capital investment model over the seven-year period.

**Investment Earnings:** Cash in the capital projects and debt service funds can be invested in money market securities. As bonds are sold, transfers from other funds occur, and actual expenditures occur at a slower pace than anticipated. The investment earnings in capital funds are used toward debt service. These earnings can be a viable funding source in the capital investment model as they pay for debt service projects funded by prior year CIPs. Beginning in fiscal year 2004, General Fund investment earnings were added to the model to leverage the variable-rate debt, as both are interest rate-sensitive.

**Fund Balance Appropriations:** Another source of revenue for capital expenditures is the fund balance in the capital projects funds. This is a one-time source and cannot be used as a recurring source of funding for the capital program.

**Lottery:** Lottery funds the County receives are used toward debt service payments that finance school building construction needs.

## **OTHER ACCOMPLISHMENTS**

The County strives to achieve a healthy environment for its residents now and in the future. Construction began on a major reclaimed water distribution project in Research Triangle Park. This project is a partnership between Wake and Durham counties, the town of Cary and the United States Environmental Protection Agency. In addition, the 86it Anti-Litter Movement launched in January 2011 to engage citizen participation and support for a litter-free community. Learn more about the movement and how to become an 86er at [www.86it.com](http://www.86it.com). Wake County also completed the Landfill Gas Collection and Control System at the South Wake Landfill in 2011. The system captures methane gas, a byproduct of landfills, and generates power that will be sold back to Progress Energy. The system is projected to bring in \$17 million throughout the next 15 to 20 years.

In spring 2011, a wave of tornadoes impacted the State of North Carolina. One storm cell spawned a tornado that touched down in Wake County no less than eight times, caused four deaths and impacted over 3,100 homes and business in excess of \$115 million in damages. The storm left hundreds temporarily homeless. During and immediately after the storm the Raleigh/Wake 911 center dispatched more than 1,800 emergency calls and answered more than 3,400 calls from residents. The initial response to the storm required more than 350 personnel from multiple County departments, to work in coordination with the state, FEMA, local towns and private partners. In the weeks following the storm, Wake County worked on locating housing for the displaced, business recovery, property repair, road clearing, debris clearing and mental health counseling were high priorities. Through a collaborative effort and coordinated communications, all of these needs were addressed.

The Human Services and Environmental Services Board adopted obesity as its major health priority and gathered leaders from more than 125 organizations for a countywide summit. Utilizing the Centers for Disease Control and Prevention's Winnable Battles model, Summit participants generated 14 action items which are being incorporated into a strategic plan to address obesity in Wake County.

Wake County continued to expand its use of social media with YouTube, Facebook, Twitter and blogs. The County evaluated each type of social media and the benefits of communicating to citizens using these tools. The

County first piloted each tool, and later expanded their use to other departments by process. The County currently has two YouTube channels, 10 Facebook pages, eight twitter feeds and five external blogs, and will continue to pursue social media as a viable method of communication for both external and internal use.

## **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, 2010. This marks the 27th consecutive year in which the County has received this recognition. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The GFOA award is valid for a period of one year.

### ***Acknowledgments***

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

Respectfully submitted,

***David Cooke***

David Cooke  
County Manager

***Johnna Rogers***

Johnna Rogers  
Deputy County Manager/  
Chief Financial Officer

# 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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wake County ABC Board (the "Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us; and our opinion, insofar as it relates to the amounts included for the Board is based solely on the reports 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2011, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison of the general and major facilities funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2011 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, comparative, combining and individual fund statements and schedules, and the statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The comparative, combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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.

CHERRY, BEKAERT & HOLLAND, L.L.P.

Raleigh, North Carolina  
November 18, 2011

# **WAKE COUNTY, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2011**

As the management of Wake County, North Carolina, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2011. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages **IX – XIV** in the Introductory section of this report.

## **Financial Highlights for Wake County, North Carolina**

The County has maintained an “Aaa” bond rating from Moody’s Investors Service since 1973, an “AAA” rating from Standard & Poor’s Corporation since 1983, and an “AAA” rating from Fitch since 2000. These bond ratings are clear indications of the sound financial condition of the County. The County is one of the few counties in the country that maintains the highest financial rating from all three major rating agencies. This achievement is a key factor in keeping interest costs low on the County’s outstanding general obligation debt. These ratings were reaffirmed most recently in March 2011.

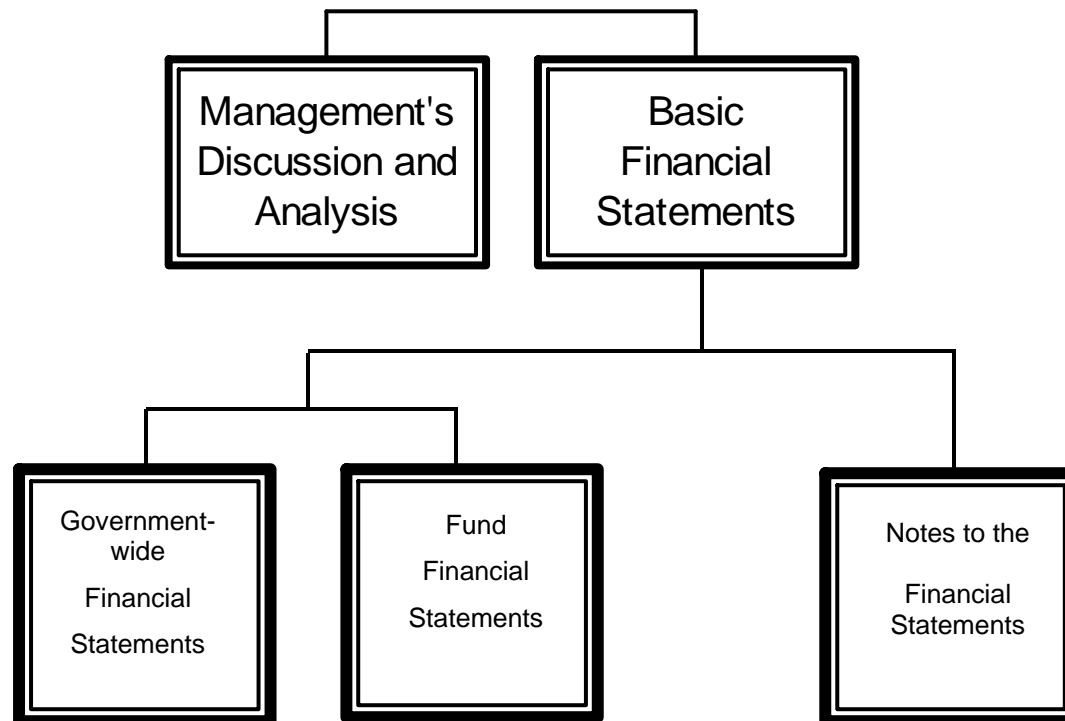
Subsequent to year end on August 4, 2011, Moody’s Investors Service notified the County that it had affirmed the County’s Aaa rating, but had placed the County on negative outlook. Moody’s stated that Wake County’s outlook was moved to negative with the group of issuers that Moody’s identified as indirectly linked to the US government rating based on identification of certain shared characteristics. Moody’s has contacted each unit to discuss the specific factors of the County’s credit profile and the County has provided Moody’s with additional information to substantiate reasons for the removal of the negative outlook placement. As of the date of this publication, the County has not received the results of this review. Wake County prides itself on its strong financial management and governance. The County maintains a seven-year capital plan developed within the context of debt policies and targets necessary to maintain its Aaa bond rating. The plan is funded through dedicated revenue sources and the County targets a ratio of 80 percent debt funding while 20 percent of capital projects are targeted as pay-as-you-go. The County also has a separate debt service fund. The County strictly adheres to its policy that the minimum fund balance in the debt service fund should be at least 19 percent of the following fiscal year’s debt service expenditures. The County’s repayment schedule meets the standards of Aaa rated counties. Wake County believes that it is clear that Wake County has relatively low linkages to the US sovereign credit rating and has requested that Moody’s affirm Wake County’s Aaa rating and change the County’s outlook from negative to stable.

- In August 2010, Wake County issued \$36 million in fixed-rate General Obligation Public Improvement Bonds, Series 2010E and 2010F for Wake Technical Community College construction.

- In March 2011, Wake County issued \$116.8 million in fixed-rate General Obligation Improvement Bonds, Series 2011. \$106.8 million was issued to fund public school construction and \$10 million was for open space.
- On the government-wide statements, the liabilities of the County's governmental activities exceeded its assets at the close of the fiscal year by \$854.4 million (*net deficit*). The County's net deficit results from the general obligation debt the County has issued on the behalf of the school system to fund school capital outlay. Under North Carolina law, the County is responsible for providing capital funding for the School System. The County has chosen to meet its legal obligation to provide school capital funding by leveraging taxpayer dollars using a mixture of County funds, general obligation debt and various other debt instruments. The assets funded by the County are owned, utilized, and maintained by the School System. Since the County, as the issuing government, acquires no school 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 exceeded \$1.763 billion dollars. In comparison, for fiscal year 2010, the Wake County Board of Education has total net assets of \$2.5 billion which reflects the capital assets of \$2.5 billion without the debt obligations for these assets.
- As of the close of the 2011 fiscal year, the County's governmental funds reported combined ending fund balances of \$898.2 million, down \$65.7 million from the \$963.9 million for the prior fiscal year. The County's governmental fund balance decreased because, during the fiscal year ended June 30, 2011, the County issued \$152.8 million in long-term bonds to finance capital expenditures for the school system and county capital programs, receiving premiums on the issuance of \$11.2 million, compared with total capital expenditures of \$277.3 million in the capital projects funds. A total of \$359.0 million of bond proceeds were still on hand at June 30, 2011, compared with \$472.8 million at the end of the prior fiscal year.
- The County measures its financial health and flexibility to meet operating needs as a ratio of fund balance as a percentage of expenditures, transferring significant resources from its General Fund into the Debt Service Fund to meet those future commitments. As a result, the combined General Fund and Debt Service Fund balances are measured together to assess the County's overall fiscal health. At the end of the 2011 fiscal year, the fund balances for the County's General Fund and the Debt Service Fund were \$159.4 million and \$166.2 million, respectively; compared with both funds reporting fund balance of \$152 million in the prior fiscal year. The total fund balances of both funds compared as a percentage of expenditures in both funds was 28.51% of expenditures and transfers at the end of fiscal 2011, compared with a combined total of 19.27% at the end of the 2010 fiscal year. The primary difference between the two fiscal years is the amount of refunding bonds issued during the prior fiscal year.
- The County uses a long-term financial planning model for capital budgeting purposes. The capital and debt component of the model help evaluate the impact of capital funding decisions on the County's financial condition and to ensure policy targets are maintained. In accordance with its financial model, the County allocates a portion of property taxes specifically for debt service and cash funding for its capital program. The tax rate for fiscal year 2011 was 53.4 cents and a portion of that is dedicated to capital and debt service. For the fiscal year 2011, the County transferred \$170.8 million from the General Fund to fund the Debt Service component of its capital model and a total of \$35.5 million to County capital, school capital outlay, and Wake Technical Community College capital outlay to fund those allocations.

## Overview of the Financial Statements

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



## Basic Financial Statements

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

The two government-wide statements report the County's net assets and how they have changed. Net assets reported on the *statement of net assets* are the difference between the County's total assets and total liabilities. *The statement of activities* presents information showing how the County's net assets have changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

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

The government-wide financial statements are on Pages **17 - 19** 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 statement; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The **fund financial statements** provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the 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 those 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 Assets 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 Statement** is the next part of the fund financial statements that is presented. The County adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County has provided the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the variance between the final budget and the actual results.

**Proprietary Funds** – For the fiscal year ended June 30, 2011, the County had three proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for solid waste operations that are County funded as well as the South Wake Landfill Partnership Fund that accounts for the activities associated with the South Wake landfill that is a partnership between the County and eleven municipalities within the County. The enterprise funds are consolidated into the business-type activities that are presented in the Statement of Net Assets and the Statement of Activities. *Internal service funds* are used to account for goods or services provided to one department by another on a cost reimbursement basis. During the fiscal year ended June 30, 2011, the County began reporting the activities associated with the Corporate Fleet Fund within an Internal Service Fund. Prior to 2011, the Corporate Fleet Fund was reported within the General 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 Assets and the Statement of Activities.

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

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

After the notes, this report presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to law enforcement personnel. Finally, combining statements are provided to show details about the County's non-

major governmental funds, as well as enterprise funds. Budgetary information for each fund as required by the North Carolina General Statutes and detailed comparison statements, including encumbrances reported for internal reporting purposes for the County's General Fund and annually budgeted funds, can also be found in this section.

### **Government-wide Financial Analysis**

The County's liabilities exceeded assets by \$813.4 million as of June 30, 2011. Net assets are reported in three general categories: invested in capital assets, net of related debt of \$371.0 million, restricted amounts totaling \$316.8 million, and unrestricted net deficit of \$1,501.2 million.

One portion of Wake County's net assets reflects its investment in capital assets (e.g., land, buildings, vehicles, and equipment); less any related debt still outstanding that was issued to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The amount reported as invested in total capital assets decreased from \$430.9 million in the prior year to \$370.9 million at June 30, 2011. The largest portion of the increase relates to the County's governmental activities. None of the County's school-related debt is included in this calculation as it is not considered capital related debt for Wake County.

The largest category of net assets is unrestricted net assets. This balance may be used to meet the government's ongoing obligations to citizens and creditors. At June 30, 2011, the unrestricted deficit of \$1,501.2 million is attributable primarily to the general obligation bonds issued by Wake County for the school system within the governmental activities. Even though the debt issued has been issued to finance capital outlay and construction for the School System, the Governmental Accounting Standards Board has determined that it is not capital debt for the County since it is not financing assets that are owned by the County. As a result, the school debt is reportable within the unrestricted category of net assets rather than as part of the category invested in capital assets, net of related debt. The breakdown of the unrestricted portion of net equity is defined as follows:

School System Debt	\$ (1,609,181,966)
All other unrestricted	<u>107,960,825</u>
Total unrestricted (Deficit)	<u>\$ (1, 501,221,141)</u>

The amount reported in the total unrestricted category increased from \$(1,630.0) million as of June 30, 2010 to \$(1,501.2) million as of June 30, 2011. This increase School Capital Fund expenses, which are treated as operating expenses, declined from \$128.1 million in the prior year to \$95.4 million during fiscal year 2011. This school debt, and the associated capital expenses, is not considered capital debt for the County since the School System, not the County, holds title to the assets purchased or constructed with the debt proceeds. Therefore, the debt, the capital expenses, and the associated bond proceeds are reported as part of the unrestricted component net assets.

### Wake County's Net Assets:

	June 30, 2011 Governmental Activities	June 30, 2010 Governmental Activities	June 30, 2011 Business-type Activities	June 30, 2010 Business-type Activities	June 30, 2011 Total	June 30, 2010 Total
Current and other assets	\$ 1,015,801,608	\$ 1,075,384,125	\$ 51,818,593	\$ 48,543,819	\$ 1,067,620,201	\$ 1,123,927,944
Capital assets	638,356,699	576,168,526	11,980,636	12,613,805	650,337,335	588,782,331
Total assets	1,654,158,307	1,651,552,651	63,799,229	61,157,624	1,717,957,536	1,712,710,275
Long-term liabilities/schools	1,763,979,035	1,760,974,309	-	-	1,763,979,035	1,760,974,309
Long-term liabilities/other	626,168,391	575,210,446	5,683,238	15,593,795	631,851,629	590,804,241
Other liabilities	118,396,037	115,633,201	17,128,539	5,251,466	135,524,576	120,884,667
Total liabilities	2,508,543,463	2,451,817,956	22,811,777	20,845,261	2,531,355,240	2,472,663,217
Net assets:						
Invested in capital assets, net of related debt	359,018,373	430,924,496	11,980,636	12,613,805	370,999,009	443,538,301
Restricted/various	313,308,968	420,636,893	3,515,460	5,874,703	316,824,428	426,511,596
Unrestricted	(1,526,712,497)	(1,651,826,694)	25,491,356	21,823,855	(1,501,221,141)	(1,630,002,839)
Total net assets	\$ (854,385,156)	\$ (800,265,305)	\$ 40,987,452	\$ 40,312,363	\$ (813,397,704)	\$ (759,952,942)

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 98.83%.
- Planning and management of revenues and expenditures through the use of financial models for the capital, debt service, and various operating budgets.
- Continued low cost of bonded debt that is a direct result of the County's high bond rating by each of the three major rating agencies. As noted earlier, we consider this unique achievement to be a key factor in keeping the interest costs low on the County's general obligation debt outstanding of \$1.991 billion at June 30, 2011.

## Wake County's Changes in Net Assets:

	For the Year Ended		For the Year Ended		For the Year Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
	Governmental	Governmental	Business-type	Business-type	Total	Total
	Activities	Activities	Activities	Activities	Total	Total
Revenues:						
Program revenues:						
Charges for services	\$ 61,818,669	\$ 60,878,296	\$ 22,512,763	\$ 22,886,642	\$ 84,331,432	\$ 83,764,938
Operating grants and contributions	157,524,209	147,233,127	1,621,434	1,390,303	159,145,643	148,623,430
General revenues:						
Property taxes	658,044,349	651,480,015	-	-	658,044,349	651,480,015
Sales taxes	114,034,923	104,384,663	-	-	114,034,923	104,384,663
Grants and contributions not restricted to specific programs	8,179,519	4,410,678	-	-	8,179,519	4,410,678
Other general revenues	51,642,316	48,401,565	1,466,675	1,765,830	53,108,991	50,167,395
Total revenues	1,051,243,985	1,016,788,344	25,600,872	26,042,775	1,076,844,857	1,042,831,119
Expenses:						
General administration	61,575,688	54,937,881	-	-	61,575,688	54,937,881
Human services	225,731,230	224,307,656	-	-	225,731,230	224,307,656
Education	457,469,350	472,748,721	-	-	457,469,350	472,748,721
Community development and cultural	62,457,707	20,597,071	-	-	62,457,707	20,597,071
Environmental services	10,700,438	8,604,359	-	-	10,700,438	8,604,359
Public safety	186,460,283	161,889,743	-	-	186,460,283	161,889,743
General services administration	24,364,454	25,927,613	-	-	24,364,454	25,927,613
Interest on long-term debt	77,008,686	106,695,047	-	-	77,008,686	106,695,047
Solid waste	-	-	24,521,783	24,673,638	24,521,783	24,673,638
Total expenses	1,105,767,836	1,075,708,091	24,521,783	24,673,638	1,130,289,619	1,100,381,729
Increase (decrease) in net assets before transfers	(54,523,851)	(58,919,747)	1,079,089	1,369,137	(53,444,762)	(57,550,610)
Transfers	404,000	404,000	(404,000)	(404,000)	-	-
Change in net assets	(54,119,851)	(58,515,747)	675,089	965,137	(53,444,762)	(57,550,610)
Net assets, beginning of year	(800,265,305)	(741,749,558)	40,312,363	39,347,226	(759,952,942)	(702,402,332)
Net assets, end of the year	\$ (854,385,156)	\$ (800,265,305)	\$ 40,987,452	\$ 40,312,363	\$ (813,397,704)	\$ (759,952,942)

**Governmental activities.** Governmental activities decreased the County's beginning net assets by \$54.1 million or more than 100% of the total decrease in the net assets of the County. As in prior fiscal years, the decrease is due primarily to increasing and continued capital spending in the school construction program. Since the School System, not the County, capitalizes these construction costs, they are included in the County's statement of changes as operating expenses within the education function. For the fiscal year ended June 30, 2011, these noncapital school capital expenditures incurred by the County in the School Capital Fund totaled \$95.4 million.

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

### **Financial Analysis of the County's Funds**

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's eight major funds, as defined by GAAP for the fiscal year ended June 30, 2011, were the General Fund, the Affordable Housing Fund, the Major Facilities Fund, the Debt Service Fund, the County Capital Projects Fund, the School Capital Fund, the Solid Waste Operating Fund, and the South Wake Landfill Partnership Fund, the last two of which are enterprise funds.

At June 30, 2011, the governmental funds of Wake County reported a consolidated fund balance of \$898.2 million, a decrease of \$65.7 million, from the prior fiscal year's balance of \$963.9 million. The fund balance of the County's General Fund increased by \$7.2 million during fiscal year 2011; this increase in the fund balance in the General Fund was substantially more than the amount planned of \$(4.3) million. The \$11.5 million difference between planned usage of fund balance and the increase in the fund balance of the General Fund resulted from property tax and sales tax collections for the year being higher than expected. Further, expenditures within the General Fund were less than anticipated due to the intentional effort to control all spending due to the uncertainty of sales tax revenues, this resulted in decreases of \$2.2 million in the Human Services department and \$2.1 million in the Public Safety departments. Within the General Administration departments, differences of \$2.8 million resulted from the County closing the Revaluation Reserve Fund into the General Fund from a non-major Special Revenue Fund as a result of accounting guidance changes.

The largest portion of the governmental fund balance decrease resulted from a net decrease in fund balance of \$(116.4) million in the County Capital Projects Fund. This decrease resulted primarily from bond proceeds that were spent down from \$260.8 million at the end of the fiscal year to \$140.9 million at the end of fiscal year 2011. These changes were in accordance with the County's capital improvement plan, which provides for capital needs for the county, the school system and the community college system by dedicating revenue sources to provide a stable financial model by which the County can meet its capital and debt service needs.

For the County Capital Project Fund, transfers into the fund from the General Fund were \$23.2 million, compared with \$22 million in the prior fiscal year. Of the total amount available for capital and debt service funding, the amount needed to maintain the County's target debt service balance at no less than 19% of the subsequent year's debt service is funded first with the remaining funds transferred to the capital fund for pay-as-you-go capital funding. As a result, the amount of transfers into the County's Capital Projects Fund can fluctuate from year to year as the Debt Service Fund's needs change.

**Governmental Funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. The General Fund is the chief operating fund of the County. At the end of the 2011 fiscal year, the total fund balance of the General Fund was \$159.4 million, compared with \$152.2 million at the end of the prior year. During the fiscal year, the Board of County Commissioners adopted a General Fund balance policy that required the County to maintain a total General Fund balance of at least fifteen percent (15%) and an amount committed for working capital of at least ten percent (10%) of the following fiscal year's General Fund adopted budget in order to provide the County with adequate working capital and investment income. For the fiscal year ended June 30, 2011, the General Fund balance was 16.75% of the adopted budget for fiscal year 2012, compared with 16.01% at the end of the prior fiscal year. For the fiscal year ended June 30, 2011, the amount committed to working capital was \$102.3 million, compared to \$92.8 million in the prior fiscal year.

#### **General Fund Budgetary Highlights:**

During the fiscal year ended June 30, 2011, the County revised its General Fund budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Actual revenues in the General Fund were less than the amounts projected in the final budget by \$2.0 million for fiscal year 2011. The revenue shortfalls occurred primarily in real property transfer taxes, intergovernmental revenues, and real estate record fees. The intergovernmental revenues shortfalls of \$4.9 million were more than offset by reduced expenditures as the State continued to reduce its budget. Real property transfer taxes and real estate record fees shortfalls show signs of a continued weak housing market, consistent with the nation's economy as a whole. Total taxes were actually greater than the final budgeted amount by \$2.4 million. The largest portion of this increase, \$2 million, was attributable to property tax collections. Sales tax collections were consistent with the amount budgeted.

Actual expenditures and transfers out in the General Fund were \$13.5 million less than budgeted amounts largely resulting from lower than projected spending by all of the County's departments, particularly Human Services and General Administration. In the Human Services department, the \$7 million budget difference primarily resulted from contract Medicaid payments to providers for Mental Health Local Management Entity and other federal and State program spending being lower than budgeted. The General Administration departmental budget was underspent by \$4.8 million; \$2.6 million of this difference was due to a change in accounting standards that required a non-major special revenue fund, the Revaluation Reserve Fund, be reported as other than a special revenue fund for the fiscal year ended June 30, 2011. During 2011, the Revaluation Reserve Fund was closed into the General Fund.

**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 assets in the proprietary fund statement of net assets for the Solid Waste Operating Fund at the end of the fiscal year amounted to \$25.6 million, a decrease of \$1.9 million from the \$27.5 million reported at the end of fiscal year 2010. In addition, the

South Wake Landfill Fund, reported a fund deficit of \$(55.6) thousand for the fiscal year 2011, down from the \$.2 million reported at the end of the prior fiscal year.

## Capital Asset and Debt Administration

### Wake County Capital Assets (net of Amortization and Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 92,901,383	\$ 78,180,352	\$ 1,875,253	\$ 1,875,253	\$ 94,776,636	\$ 80,055,605
Landfills	-	-	8,674,134	6,197,758	8,674,134	6,197,758
Buildings	262,105,975	265,945,610	796,898	826,101	262,902,873	266,771,711
Machinery and equipment	3,958,689	2,792,770	263,581	335,130	4,222,270	3,127,900
Vehicles and motorized equipment	12,792,863	12,669,294	-	-	12,792,863	12,669,294
Improvements other than Buildings	18,650,011	17,393,197	370,770	384,371	19,020,781	17,777,568
Infrastructure	11,396,408	6,863,539	-	-	11,396,408	6,863,539
Construction in progress	236,551,370	192,323,764	-	2,995,192	236,551,370	195,318,956
Total	<u>\$ 638,356,699</u>	<u>\$ 576,168,526</u>	<u>\$ 11,980,636</u>	<u>\$ 12,613,805</u>	<u>\$ 650,337,335</u>	<u>\$ 588,782,331</u>

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of June 30, 2011, totals \$650.3 million (net of accumulated depreciation). These assets include buildings, vehicles, equipment, infrastructure, as well as land and landfills.

Major capital asset transactions during 2011 fiscal year included continued construction of the justice center and the continuation of improvements to county buildings and automation improvements for various county computerized systems.

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

**Long-term Debt.** As of June 30, 2011, the County had total general obligation bonded debt outstanding of \$1.991 billion, \$1.763 billion of which was issued to help meet the capital outlay needs for the School System. In addition to general obligation bonded debt, the County also has outstanding limited obligation bonds, qualified zone academy bonds, capital leases, and installment purchases. A summary of total outstanding debt associated with governmental activities is shown below.

**Wake County's Outstanding Debt - Governmental Activities**

	2011	2010
General Obligation bonds (schools)	\$ 1,762,998,263	\$ 1,759,830,076
General Obligation bonds (other)	228,298,165	196,242,450
Capital leases	173,449	157,095
Notes payable	-	299,767
Limited obligation bonds	323,883,480	324,671,699
Qualified zoning academy bonds (schools)	980,772	1,144,233
Installment purchases	6,961,421	8,181,909
Total	<u>\$ 2,323,295,550</u>	<u>\$ 2,290,527,229</u>

Wake County's total general obligation debt increased by \$35.2 million or 1.8% during the fiscal year ended June 30, 2011. This planned increase occurred because the County issued additional general obligation bonds during the 2011 fiscal year in excess of debt service principal payments during the year.

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

## **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate in the Raleigh-Cary Metropolitan area in which the county is located was 8.4% (percent) at June 30, 2011, compared with 8.5% at the end of the previous fiscal year.
- The County has an eight year revaluation cycle for residential property. In the most recent revaluation at January 1, 2008 that was effective for fiscal year 2009, the total assessed value of property in the County continued to increase, although at a slower pace than experienced in the recent past. From fiscal year 2010 through fiscal year 2011, the total assessed value increased from \$119.2 billion to \$119.5 billion, an increase of .3%.
- Sales tax collections increased to \$114.0 million for the fiscal year ended June 30, 2011 from \$104.4 million in the prior fiscal year, a 9% increase. Likewise, property tax collections were up for the fiscal year by 1% over last year's collections and were in line with the amount budgeted by the County. Overall, property tax revenue growth over the past two fiscal years combined has totaled less than 3%. In contrast, the County's growth in property taxes once averaged between 5 and 6% each year prior to fiscal 2009. Large reductions in revenues from the prior year were seen in federal and state intergovernmental revenue as the state further reduced its budget and the federal government stimulus funds were spent down. Further changes at the state and federal levels are expected in the subsequent year as they continue struggling to balance their own budgets. Occupancy and prepared food and beverage taxes collections increased from the 2010 fiscal year by \$3 million or 9%.
- Wake County continues to grow but at a much slower rate than in the recent past, adding an estimated 31,000 to its population over the past year and more than 3,400 new children to its public school system.
- The average yield on investments was 1.27% for fiscal year 2011, compared to 2.20% for fiscal year 2010. As in prior years, the County has continued to utilize detailed cash flow planning which has allowed us to keep cash invested until it was needed for expenditure, maximizing the maturity on our investments and our earnings on our portfolio. The County realized investment earnings on all funds of \$7.3 million for the fiscal year ended June 30, 2011, on an average portfolio balance of more than \$564 million. This compares to 2010 earnings of \$10.8 million on an average portfolio balance of more than \$495 million.
- While the yield on investments fell significantly during fiscal year 2011, the County generally experienced a historically low interest rate on the variable rate portion of its debt portfolio. The variable rate is reset weekly by the remarketing agent based on the minimum rate of interest necessary to enable the remarketing agent to remarket all of the weekly rate bonds in the secondary market. The rate ranged from 0.06% to 0.34% during the period July 1, 2010 through June 30, 2011. Lower costs in this portion of the County's portfolio helped offset lower investment earnings as the County's unrestricted interest earnings are budgeted and posted in the Debt Service Fund.

Some of these factors and others were considered when management prepared Wake County's budget ordinance for the 2012 fiscal year.

## **Budget Highlights for the Fiscal Year Ending June 30, 2012**

**Governmental Activities:** The County approved an original budget of \$952.1 million for the General Fund budget for fiscal year 2012, which represents a \$.9 million increase over the original budget adopted for the fiscal year 2011 of \$951.2 million. The recommended budget for fiscal year 2011 maintained the current tax rate of 53.4. The 2012 original budget did not include an appropriation of fund balance. In the General Fund, original budgeted expenditures for Education increased by .3% or \$.9 million from the prior fiscal year's adopted budget. The County also funded several new commitments already in place, such as an expanded jail facility, additional mental health beds at WakeBrook, and the merger of Emergency Management Services with the County. In addition, County employees received a merit pay increase for the first time in three years.

**Business – type Activities:** For the 2012 fiscal year, the County's budgeted amounts were broken out into two funds, the Solid Waste Management Fund and the South Wake Landfill Partnership Fund. The total amount budgeted for business-type activities for fiscal year 2012 is substantially the same as the amount adopted for FY 2011.

## **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 Deputy County Manager/Chief Financial Officer, Wake County, North Carolina, 336 Fayetteville Street, Raleigh, NC 27602. 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.

***Wake County***

***Basic  
Financial Statements***

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF NET ASSETS

As of June 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Board of Alcoholic Control
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 544,515,312	\$ 32,364,352	\$ 576,879,664	\$ -
Cash and investments - reserved	3,136,122	16,995,561	20,131,683	-
Cash and investments - cash equivalents	823,821	750	824,571	15,730,514
Taxes receivable (net)	9,151,208	-	9,151,208	-
Accounts receivable (net)	66,041,808	2,273,255	68,315,063	1,957
Loans receivable	22,268,035	-	22,268,035	-
Accrued interest receivable	1,889,012	188,006	2,077,018	-
Prepaid items	5,475,922	-	5,475,922	25,814
Internal balances	3,331	(3,331)	-	-
Inventories	563,361	-	563,361	6,296,575
Net pension asset	894,774	-	894,774	-
Bond issuance costs	1,842,167	-	1,842,167	-
Deferred outflow of resources	190,150	-	190,150	-
Restricted assets:				
Cash and investments - cash equivalents with fiscal agent	359,006,585	-	359,006,585	-
Capital assets not being depreciated:				
Land	92,901,383	1,875,253	94,776,636	7,919,552
Construction in progress	236,551,370	-	236,551,370	-
Capital assets (net of accumulated depreciation):				
Landfills	-	8,674,134	8,674,134	-
Buildings	262,105,975	796,898	262,902,873	7,603,680
Improvements	18,650,011	370,770	19,020,781	165,415
Machinery and equipment	3,958,689	263,581	4,222,270	891,512
Vehicles and motorized equipment	12,792,863	-	12,792,863	-
Infrastructure	11,396,408	-	11,396,408	-
Total assets	1,654,158,307	63,799,229	1,717,957,536	38,635,019

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF NET ASSETS As of June 30, 2011

LIABILITIES	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Board of Alcoholic Control
Accounts payable and accrued liabilities	\$ 54,631,698	\$ 5,517,696	\$ 60,149,394	\$ 7,100,178
Due to other governmental units	11,912,526	-	11,912,526	-
Accrued interest payable	23,943,122	-	23,943,122	-
Unearned revenues	5,698,189	600	5,698,789	-
Housing loan deferred revenue	22,020,352	-	22,020,352	-
Derivative liability	190,150	-	190,150	-
Long term liabilities:				
Amounts due within one year:				
Capital leases	58,823	-	58,823	-
General obligation bonds - schools	107,795,292	-	107,795,292	-
General obligation bonds - other	17,034,708	-	17,034,708	-
Limited obligation bonds	6,185,000	-	6,185,000	-
Quality zoning academic bonds	163,461	-	163,461	-
Installment purchases	1,267,946	-	1,267,946	-
Compensated absences payable	11,161,131	56,401	11,217,532	-
Closure/post closure costs	-	506,955	506,955	-
Risk management liabilities	8,166,293	5,734	8,172,027	-
Amounts due beyond one year:				
Capital leases	114,626	-	114,626	-
General obligation bonds - schools	1,655,202,971	-	1,655,202,971	-
General obligation bonds - other	211,263,457	-	211,263,457	-
Limited obligation bonds	317,698,480	-	317,698,480	-
Quality zoning academic bonds	817,311	-	817,311	-
Installment purchases	5,693,475	-	5,693,475	-
Other post employment benefits	47,524,452	235,785	47,760,237	1,004,031
Construction reserves	-	961,529	961,529	-
Closure/post closure costs	-	15,527,077	15,527,077	-
Total liabilities	2,508,543,463	22,811,777	2,531,355,240	8,104,209
NET ASSETS				
Invested in capital assets, net of related debt	359,018,373	11,980,636	370,999,009	16,580,159
Restricted for:				
Stabilization by state statute	310,343,557	1,617,777	311,961,334	-
Register of deeds automation	455,638	-	455,638	-
Housing programs	2,509,773	-	2,509,773	-
White goods	-	1,897,683	1,897,683	-
Working capital	-	-	-	2,403,928
Unrestricted (See Note 1.P)	(1,526,712,497)	25,491,356	(1,501,221,141)	11,546,723
Total net assets (deficit)	\$ (854,385,156)	\$ 40,987,452	\$ (813,397,704)	\$ 30,530,810

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

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF ACTIVITIES For the Year Ended June 30, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit  Board of Alcoholic Control
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total	
				Governmental Activities	Business-type Activities		
<b>FUNCTIONS/PROGRAMS</b>							
<b>Primary Government:</b>							
Governmental activities:							
General administration	\$ 61,575,688	\$ 6,193,871	\$ 2,646,944	\$ (52,734,873)	\$ -	\$ (52,734,873)	
Human services	225,731,230	26,662,361	124,614,245	(74,454,624)	-	(74,454,624)	
Education	457,469,350	-	23,269,710	(434,199,640)	-	(434,199,640)	
Community development and cultural	62,457,707	2,916,663	668,917	(58,872,127)	-	(58,872,127)	
Environmental services	10,700,438	1,517,953	212,172	(8,970,313)	-	(8,970,313)	
Public safety	186,460,283	21,772,992	6,101,846	(158,585,445)	-	(158,585,445)	
General services admininstration	24,364,454	2,754,829	10,375	(21,599,250)		(21,599,250)	
Interest on long-term debt	77,008,686	-	-	(77,008,686)	-	(77,008,686)	
Total governmental activities	1,105,767,836	61,818,669	157,524,209	(886,424,958)	-	(886,424,958)	
Business-type activities:							
Solid Waste	24,521,783	22,512,763	1,621,434	-	(387,586)	(387,586)	
Total primary government	\$ 1,130,289,619	\$ 84,331,432	\$ 159,145,643	(886,424,958)	(387,586)	(886,812,544)	
<b>Component unit:</b>							
Board of Alcoholic Control	\$ 60,267,705	\$ 62,502,129	\$ -				\$ 2,234,424
General revenues:							
Property taxes				658,044,349	-	658,044,349	-
Sales taxes				114,034,923	-	114,034,923	-
Occupancy and prepared food taxes				33,137,525	-	33,137,525	-
Other taxes				7,070,086	-	7,070,086	-
Grants and contributions not restricted to specific programs				8,179,519	-	8,179,519	-
Unrestricted investment earnings				9,486,862	522,993	10,009,855	43,071
Other				1,947,843	943,682	2,891,525	26,698
Total general revenues				831,901,107	1,466,675	833,367,782	69,769
Transfers				404,000	(404,000)	-	-
Total general revenues and transfers				832,305,107	1,062,675	833,367,782	69,769
Change in net assets				(54,119,851)	675,089	(53,444,762)	2,304,193
Net assets (deficit), beginning of year				(800,265,305)	40,312,363	(759,952,942)	28,226,617
Net assets (deficit), end of year				\$ (854,385,156)	\$ 40,987,452	\$ (813,397,704)	\$ 30,530,810

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, 2011

	Major Funds						Nonmajor Funds	Total Governmental Funds
	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Other Governmental Funds	
<b>ASSETS</b>								
Cash and investments - pooled equity	\$ 142,314,388	\$ 6,415,434	\$ 4,396,382	\$ 139,866,644	\$ 61,070,067	\$ 158,876,530	\$ 30,403,067	\$ 543,342,512
Cash and investments - cash equivalents	823,171	50	600	-	-	-	-	823,821
Cash and investments - restricted	3,136,122	-	-	21,881,560	140,930,651	142,269,887	53,924,488	362,142,708
Taxes receivable (net)	8,950,645	-	-	-	-	-	200,563	9,151,208
Accounts receivable (net)	51,409,552	258,030	2,974,675	-	7,395,054	2,329,075	1,659,081	66,025,467
Prepaid expenditures	1,936,463	40,622	-	3,398,504	-	-	100,333	5,475,922
Loans receivable	-	22,020,352	-	-	247,683	-	-	22,268,035
Accrued interest receivable	27,244	139	16,738	1,123,796	-	605,135	111,484	1,884,536
Internal balances (interfund receivable)	605,859	-	-	-	-	-	-	605,859
Inventories	358,634	-	-	-	-	-	-	358,634
<b>TOTAL ASSETS</b>	<b>\$ 209,562,078</b>	<b>\$ 28,734,627</b>	<b>\$ 7,388,395</b>	<b>\$ 166,270,504</b>	<b>\$ 209,643,455</b>	<b>\$ 304,080,627</b>	<b>\$ 86,399,016</b>	<b>\$ 1,012,078,702</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 34,977,948	\$ 262,858	\$ 5,627,346	\$ 115,128	\$ 13,662,682	\$ 10,519	\$ 3,071,536	\$ 57,728,017
Due to other governmental units	80,296	-	83,334	-	-	11,748,500	-	11,912,130
Internal balances (interfund payable)	-	-	-	-	-	-	605,859	605,859
Deferred revenues	15,051,975	22,020,352	-	-	5,526,995	713,618	317,966	43,630,906
<b>Total Liabilities</b>	<b>50,110,219</b>	<b>22,283,210</b>	<b>5,710,680</b>	<b>115,128</b>	<b>19,189,677</b>	<b>12,472,637</b>	<b>3,995,361</b>	<b>113,876,912</b>

# WAKE COUNTY, NORTH CAROLINA

## BALANCE SHEET GOVERNMENTAL FUNDS As of June 30, 2011

	Major Funds						Nonmajor Funds	Total Governmental Funds
	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Other Governmental Funds	
Fund Balances:								
Non-spendable:								
Inventories	\$ 358,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 358,634
Noncurrent receivable	395,236	-	-	-	-	-	-	395,236
Restricted:								
Stabilization by state statute	53,231,845	3,547,724	1,677,715	4,522,300	119,140,087	124,001,198	3,264,687	309,385,556
Register of deeds automation	455,638	-	-	-	-	-	-	455,638
Housing programs	-	2,509,773	-	-	-	-	-	2,509,773
Committed:								
Revaluation reserve	2,628,106	-	-	-	-	-	-	2,628,106
Working capital	102,279,156	-	-	-	-	-	2,779,200	105,058,356
Assigned:								
Planned expenditures	103,244	393,920	-	14,270,826	61,872,945	167,606,792	71,522,122	315,769,849
Future capital projects	-	-	-	-	9,440,746	-	4,837,646	14,278,392
Debt service	-	-	-	147,362,250	-	-	-	147,362,250
Total Fund Balances	159,451,859	6,451,417	1,677,715	166,155,376	190,453,778	291,607,990	82,403,655	898,201,790
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 209,562,078</u>	<u>\$ 28,734,627</u>	<u>\$ 7,388,395</u>	<u>\$ 166,270,504</u>	<u>\$ 209,643,455</u>	<u>\$ 304,080,627</u>	<u>\$ 86,399,016</u>	<u>\$ 1,012,078,702</u>

## ***WAKE COUNTY, NORTH CAROLINA***

### **Reconciliation of the Balance Sheet to the Statement of Net Assets As of June 30, 2011**

Fund balances - Governmental Funds	\$ 898,201,790
------------------------------------	----------------

#### **Amounts reported for governmental activities in the Statement of Net Assets 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	629,084,394
---	-------------

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	16,807,137
---	------------

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(2,408,725,983)
--	-----------------

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 assets.	<u>10,247,506</u>
--	-------------------

Net assets (deficit) of governmental activities	<u><u>\$ (854,385,156)</u></u>
---	--------------------------------

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

### GOVERNMENTAL FUNDS

For the Year Ended June 30, 2011

	Major Funds						Total Nonmajor Funds	Total Governmental Funds
	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund		
<b>REVENUES:</b>								
Taxes	\$ 757,667,696	\$ -	\$ 33,027,707	\$ -	\$ 941	\$ -	\$ 20,294,005	\$ 810,990,349
Intergovernmental	122,958,437	4,885,169	-	23,269,710	3,379,338	-	11,211,130	165,703,784
Charges for services	56,520,256	293,067	-	-	13,482	-	417,679	57,244,484
Fines and forfeitures	-	-	-	-	-	-	9,249	9,249
Licenses and permits	3,031,172	-	-	-	-	-	-	3,031,172
Investment earnings	55,903	193	35,001	7,109,361	2,662	1,849,417	396,892	9,449,429
Miscellaneous	655,825	-	-	-	1,099,042	41,082	36,385	1,832,334
Total Revenues	940,889,289	5,178,429	33,062,708	30,379,071	4,495,465	1,890,499	32,365,340	1,048,260,801
<b>EXPENDITURES:</b>								
Current:								
General administration	43,477,576	-	-	276,682	15,190,316	-	157,583	59,102,157
Human services	212,006,433	5,028,988	-	-	-	-	8,116,191	225,151,612
Education	329,494,274	-	-	-	-	95,385,667	32,233,429	457,113,370
Community development and cultural	25,440,833	-	30,548,496	-	3,624,535	-	1,072,895	60,686,759
Environmental services	7,935,913	-	-	-	431,600	-	85,014	8,452,527
Public safety	87,090,515	-	-	-	130,424,853	-	21,513,330	239,028,698
General services administration	23,790,814	-	-	-	-	-	29,860	23,820,674
Debt service:								
Principal	-	-	-	118,987,473	-	-	-	118,987,473
Interest	-	-	-	84,194,136	-	-	-	84,194,136
Total Expenditures	729,236,358	5,028,988	30,548,496	203,458,291	149,671,304	95,385,667	63,208,302	1,276,537,406
REVENUES OVER (UNDER)								
EXPENDITURES	211,652,931	149,441	2,514,212	(173,079,220)	(145,175,839)	(93,495,168)	(30,842,962)	(228,276,605)

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

### GOVERNMENTAL FUNDS

For the Year Ended June 30, 2011

	Major Funds						Total	Total
	General	Affordable	Major	Debt	County	School	Total	Total
	Fund	Housing	Facilities	Service	Capital Projects	Capital	Nonmajor	Governmental
	Fund	Fund	Fund	Fund	Fund	Fund	Funds	Funds
OTHER FINANCING SOURCES (USES):								
Transfers in	\$ 4,601,749	\$ 650,000	\$ -	\$ 175,778,000	\$ 23,702,043	\$ 7,000,000	\$ 10,301,860	\$ 222,033,652
Transfers out	(209,192,860)	-	(2,981,831)	-	(4,950,000)	-	(6,504,961)	(223,629,652)
Bonds issued	-	-	-	-	10,000,000	106,800,000	36,000,000	152,800,000
Premiums on issuance	-	-	-	11,190,302	-	-	-	11,190,302
Capital leases, notes payable and installment purchases	139,713	-	-	-	-	-	-	139,713
Total Other Financing Sources (Uses)	(204,451,398)	650,000	(2,981,831)	186,968,302	28,752,043	113,800,000	39,796,899	162,534,015
NET CHANGE IN FUND BALANCES	7,201,533	799,441	(467,619)	13,889,082	(116,423,796)	20,304,832	8,953,937	(65,742,590)
Fund Balances at beginning of year	152,250,326	5,651,976	2,145,334	152,266,294	306,877,574	271,303,158	73,449,718	963,944,380
FUND BALANCES AT END OF YEAR	<u>\$ 159,451,859</u>	<u>\$ 6,451,417</u>	<u>\$ 1,677,715</u>	<u>\$ 166,155,376</u>	<u>\$ 190,453,778</u>	<u>\$ 291,607,990</u>	<u>\$ 82,403,655</u>	<u>\$ 898,201,790</u>

## 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, 2011

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

<b>Net change in fund balances - total governmental funds</b>	\$ (65,742,590)
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.	76,180,303
Depreciation expense for the fiscal year being reported, less depreciation in Corporate Fleet fund	(15,181,997)
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 assets. Also, governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(53,880,550)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,567,358
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.	(227,443)
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.	2,165,068
<b>Change in net assets of governmental activities</b>	<u><u>\$ (54,119,851)</u></u>

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 755,302,421	\$ 755,302,421	\$ 757,667,696	\$ 2,365,275
Licenses and permits	2,959,464	2,959,464	3,031,172	71,708
Intergovernmental	128,145,249	127,832,214	122,958,437	(4,873,777)
Charges for services	61,123,578	56,453,572	56,520,256	66,684
Investment earnings	58,954	73,392	55,903	(17,489)
Miscellaneous	318,334	318,834	655,825	336,991
Total Revenues	947,908,000	942,939,897	940,889,289	(2,050,608)
EXPENDITURES:				
Current:				
General administration	38,643,606	48,146,634	43,337,863	4,808,771
Human services	226,375,350	219,054,093	212,006,433	7,047,660
Education	329,494,274	329,494,274	329,494,274	-
Community development and cultural	25,708,754	25,585,052	25,440,833	144,219
Environmental services	7,859,965	7,837,120	7,935,913	(98,793)
General services administration	23,800,739	23,976,158	23,790,814	185,344
Public safety	90,144,452	88,493,922	87,090,515	1,403,407
Total Expenditures	742,027,140	742,587,253	729,096,645	13,490,608
REVENUES OVER EXPENDITURES	205,880,860	200,352,644	211,792,644	11,440,000
OTHER FINANCING SOURCES (USES):				
Transfers in	1,312,000	4,518,918	4,601,749	82,831
Transfers out	(209,192,860)	(209,192,860)	(209,192,860)	-
Total Other Financing Sources (Uses)	(207,880,860)	(204,673,942)	(204,591,111)	82,831
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,000,000)	(4,321,298)	7,201,533	11,522,831
APPROPRIATED FUND BALANCE	2,000,000	4,321,298	-	(4,321,298)
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER USES	\$ -	\$ -	7,201,533	\$ 7,201,533
FUND BALANCE AT BEGINNING OF YEAR			152,250,326	
LESS: EXPENDITURES ASSOCIATED WITH INCEPTION OF NOTE PAYABLES			(139,713)	
ADD: PROCEEDS OF NOTE PAYABLES			139,713	
TOTAL CAPITAL LEASE INCEPTIONS			-	
FUND BALANCE AT END OF YEAR			\$ 159,451,859	

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

# WAKE COUNTY, NORTH CAROLINA

## MAJOR FACILITIES FUND

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

#### BUDGET AND ACTUAL

For the Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Taxes:				
Occupancy tax	\$ 13,067,000	\$ 14,772,016	\$ 14,944,845	\$ 172,829
Prepared food tax	17,215,000	17,959,681	18,082,862	123,181
Total taxes	30,282,000	32,731,697	33,027,707	296,010
Investment earnings	-	-	35,001	35,001
Total Revenues	30,282,000	32,731,697	33,062,708	331,011
<b>EXPENDITURES:</b>				
Raleigh hold harmless - occupancy	680,000	680,000	680,000	-
Cary hold harmless - occupancy	634,000	724,825	724,825	-
Greater Raleigh Convention and Visitors Bureau	3,416,000	3,871,375	3,871,375	-
Centennial Authority operations 7%	1,773,000	1,920,848	1,920,753	95
Centennial - Debt service	5,209,000	5,208,756	5,208,756	-
Raleigh annual distribution - \$1M	1,000,000	1,000,000	1,000,000	-
Convention Center	12,471,000	14,144,062	14,142,787	1,275
North Carolina Museum of Art	1,000,000	1,000,000	1,000,000	-
Centennial Authority Facility Improvements	1,000,000	1,000,000	1,000,000	-
Green Square	900,000	900,000	900,000	-
St. Augustine's	100,000	100,000	100,000	-
Total Expenditures	28,183,000	30,549,866	30,548,496	1,370
REVENUES OVER EXPENDITURES	2,099,000	2,181,831	2,514,212	332,381
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Transfers out to General Fund	(908,000)	(990,831)	(990,831)	-
Transfers out to Debt Service Fund	(991,000)	(991,000)	(991,000)	-
Transfers out to Capital Improvement Fund	(1,000,000)	(1,000,000)	(1,000,000)	-
Appropriated fund balance	800,000	800,000	-	(800,000)
Total other financing sources (uses)	(2,099,000)	(2,181,831)	(2,981,831)	(800,000)
REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	(467,619)	\$ (467,619)
Fund Balance at beginning of year			2,145,334	
FUND BALANCE AT END OF YEAR			\$ 1,677,715	

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF NET ASSETS PROPRIETARY FUNDS As of June 30, 2011

	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	\$ 29,806,605	\$ 2,557,747	\$ 32,364,352
Cash and investments - reserved	9,984,832	7,010,729	16,995,561
Cash and investments - cash equivalents	-	750	750
Accounts receivable (net)	559,757	1,713,498	2,273,255
Internal balances (interfund receivable)	296,592	-	296,592
Accrued interest receivable	151,496	36,510	188,006
Inventories	-	-	-
Total current assets	40,799,282	11,319,234	52,118,516
Noncurrent assets:			
Capital assets not being depreciated:			
Land	1,875,253	-	1,875,253
Capital assets (net of accumulated depreciation):			
Landfills	8,674,134	-	8,674,134
Buildings	796,898	-	796,898
Machinery and equipment	263,581	-	263,581
Vehicles	-	-	-
Improvements	370,770	-	370,770
Total non-current assets	11,980,636	-	11,980,636
Total assets	52,779,918	11,319,234	64,099,152
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,516,245	4,001,451	5,517,696
Internal balances (interfund payable)	-	296,592	296,592
Unearned revenues	600	-	600
Total current liabilities	1,516,845	4,298,043	5,814,888
Noncurrent liabilities:			
Compensated absences	53,854	2,547	56,401
Other post employment benefits	173,737	62,048	235,785
Risk management liabilities	4,243	1,491	5,734
Construction reserves	-	961,529	961,529
Closure/postclosure care costs	9,984,832	6,049,200	16,034,032
Total noncurrent liabilities	10,216,666	7,076,815	17,293,481
Total liabilities	11,733,511	11,374,858	23,108,369
NET ASSETS			
Invested in capital assets	11,980,636	-	11,980,636
Restricted:			
Stabilization by state statute	1,617,777	-	1,617,777
White goods	1,897,683	-	1,897,683
Unrestricted	25,550,311	(55,624)	25,494,687
Total net assets	\$ 41,046,407	\$ (55,624)	\$ 40,990,783
Total net assets	\$ 41,046,407	\$ (55,624)	\$ 40,990,783
Adjustment to reflect the consolidation of the Corporate Fleet Fund balances related to Solid Waste	(3,331)	-	(3,331)
Net assets of business-type activities	\$ 41,043,076	\$ (55,624)	\$ 40,987,452

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 ASSETS PROPRIETARY FUNDS For the Year Ended June 30, 2011

	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
OPERATING REVENUES:			
Licenses and permits	\$ 8,800	\$ -	\$ 8,800
Charges for services	7,372,572	15,131,391	22,503,963
Miscellaneous	943,682	-	943,682
Total Operating Revenues	8,325,054	15,131,391	23,456,445
OPERATING EXPENSES:			
Cost of service	8,094,090	11,576,051	19,670,141
Administration	1,501,793	896,039	2,397,832
Partner rebates	-	1,817,310	1,817,310
Depreciation and amortization	633,169	-	633,169
Total Operating Expenses	10,229,052	14,289,400	24,518,452
OPERATING INCOME (LOSS)	(1,903,998)	841,991	(1,062,007)
NON-OPERATING REVENUES:			
Intergovernmental	1,621,434	-	1,621,434
Investment earnings	432,462	90,531	522,993
Total Non-Operating Revenues	2,053,896	90,531	2,144,427
Income (loss) before transfers	149,898	932,522	1,082,420
TRANSFERS:			
Transfers in	1,190,000	-	1,190,000
Transfers out	(404,000)	(1,190,000)	(1,594,000)
Total Transfers	786,000	(1,190,000)	(404,000)
CHANGE IN NET ASSETS	935,898	(257,478)	678,420
TOTAL NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	40,110,509	201,854	40,312,363
Adjustment to beginning net assets	-	-	-
TOTAL NET ASSETS, BEGINNING OF YEAR, RESTATED	40,110,509	201,854	40,312,363
TOTAL NET ASSETS, END OF YEAR	\$ 41,046,407	\$ (55,624)	\$ 40,990,783
Change in net assets	\$ 935,898	\$ (257,478)	\$ 678,420
Adjustment to reflect the consolidation of the Corporate Fleet Fund activities related to Solid waste	(3,331)	-	(3,331)
Change in net assets of business-type activities	\$ 932,567	\$ (257,478)	\$ 675,089

# WAKE COUNTY, NORTH CAROLINA

(Continued)

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended June 30, 2011

	Business-type Activities Enterprise		Governmental Activities Internal Service
	Major Funds		
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities Corporate Fleet Fund
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 7,571,064	\$ 15,062,075	\$ 22,633,139
Cash payments to suppliers for goods and services	(9,660,903)	(11,220,135)	(20,881,038)
Cash payments to employees for services	(884,291)	(185,476)	(1,069,767)
Other operating revenues	952,482	-	952,482
Net cash provided (used) by operating activities	(2,021,648)	3,656,464	1,634,816
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenue	1,615,742	-	1,615,742
Transfers in	1,190,000	-	1,190,000
Transfers out	(404,000)	(1,190,000)	(1,594,000)
Net cash provided (used) by noncapital financing activities	2,401,742	(1,190,000)	1,211,742
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Disposal of capital assets	-	-	-
Acquisition of capital assets	-	-	-
Net cash used by capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments	525,028	101,495	626,523

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, 2011

	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	\$ 905,122	\$ 2,567,959	\$ 3,473,081	\$ 1,172,800
Cash and cash equivalents at beginning of year	38,886,315	7,001,267	45,887,582	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 39,791,437</u>	<u>\$ 9,569,226</u>	<u>\$ 49,360,663</u>	<u>\$ 1,172,800</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (1,903,998)	\$ 841,991	\$ (1,062,007)	\$ 124,306
Adjustments to reconcile operating income/loss to net cash provided (used) by operating activities:				
Depreciation and amortization	633,169	-	633,169	2,941,605
(Increase)/decrease in accounts receivable	198,492	(69,316)	129,176	(16,340)
Increase in inventories	-	-	-	(204,727)
Increase/(decrease) in accounts payable and accrued liabilities	(949,311)	2,883,789	1,934,478	426,472
Total adjustments	<u>(117,650)</u>	<u>2,814,473</u>	<u>2,696,823</u>	<u>3,147,010</u>
Net cash provided (used) by operating activities	<u>\$ (2,021,648)</u>	<u>\$ 3,656,464</u>	<u>\$ 1,634,816</u>	<u>\$ 3,271,316</u>

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS As of June 30, 2011

	Separation Allowance	Agency Funds
ASSETS		
Cash and investments - pooled equity	\$ 1,876,408	\$ 1,275,018
Accounts receivable (net)	135	28,201
Accrued interest receivable	7,147	3,371
Total assets	1,883,690	1,306,590
LIABILITIES		
Other liabilities	43,700	1,266,646
Due to other governmental units	-	39,944
Total liabilities	43,700	\$ 1,306,590
NET ASSETS		
Held in trust for pension benefits	\$ 1,839,990	

## ***WAKE COUNTY, NORTH CAROLINA***

### **STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS**

**For the Year Ended June 30, 2011**

Additions:	Separation Allowance
Employer Contributions	<u>\$ 745,000</u>
Net investment income	<u>16,239</u>
Total additions	761,239
Deductions:	
Benefits	<u>1,070,099</u>
Net decrease	(308,860)
Net assets held in trust for pension benefits:	
Beginning of year	<u>2,148,850</u>
End of year	<u><u>\$ 1,839,990</u></u>

**Wake County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

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

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

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

**A. Reporting Entity**

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

**Discretely Presented Component Unit**

**Wake County Board of Alcoholic Control (ABC Board)**

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

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

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

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

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

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

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

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

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

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

The County reports the following major funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that these standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The County has the option of following subsequent private-sector guidance for the business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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

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

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

**D. Budgetary Data Control**

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

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

## **E. Deposits and Investments**

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

State law [G.S. 159-30(c)] authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT), a Securities and Exchange Commission registered (2a-7) mutual fund.

As required, the County's investments are stated at fair value as determined by quoted market prices. The NCCMT Cash Portfolio securities are valued at fair value, which is the NCCMT's share price. Except for the Pension Trust Fund and 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 and limited obligation bonds are classified as restricted assets within the governmental funds because their use is completely restricted to the purpose for which the bonds were originally issued. Money within the General fund set aside for tax revaluation and register of deeds automation are also classified as restricted assets because its use is restricted per North Carolina General Statutes.

## **F. Receivables and Payables**

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

## **G. Taxes Receivable Deferred Revenues**

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, 2010.

Ad valorem taxes collected within 30 days after the fiscal year end for the year ended June 30, 2011 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 revenues 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 revenue on the combined balance sheet. In addition, property taxes collected in advance of the fiscal year to which they apply are recorded as deferred revenues.

## **H. Allowances for Uncollectible Accounts**

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

## **I. Inventories and Prepaid Expenditures**

Inventories are valued at cost, using the weighted average method. The inventories of the General Fund and the Corporate Fleet Fund consist of expendable supplies and are recorded as expenditures when consumed. The inventories reported on the fund balance sheet are offset by a fund balance reserve, which indicates that it does not constitute a resource available for appropriation. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

## **J. Capital Assets**

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

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

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

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

## **K. Long-Term Debt**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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. Issuance costs are reported as a reduction of proceeds.

## **L. Compensated Absences**

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

The County's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

## **M. Net Assets/Fund Balances**

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets 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.

**M. Net Asset/Fund Balances  
(cont.)**

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

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

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

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.

Assigned Fund Balance – portion of fund balance that has been budgeted by the Board of Commissioners.

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

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

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

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

**M. Net Asset/Fund Balances  
(cont.)**

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

**N. Comparative  
Reclassifications**

Certain amounts presented in the prior year's data have been reclassified in order to be consistent with the current year's presentation.

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

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

The governmental fund balance sheet includes reconciliation between the fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains, “ long term liabilities, including bonds payable, are not due in the current period and therefore are not reported in the funds.” The details of this (\$2,408,725,983) difference are as follows:

Outstanding long-term debt payable (per Note 10)	\$	(2,381,981,133)
Add:		
Accrued interest payable		(23,943,122)
Payable to granting agency		(2,318,124)
Risk management liabilities		(2,546,717)
Less:		
Portion of internal service fund's compensated absences included in Note 10		47,210
Portion of internal service fund's other post employment benefits included in Note 10		173,736
Bond issuance costs (to be amortized over life of debt)		1,842,167
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	\$	<u><u>(2,408,725,983)</u></u>

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets 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 assets. Also, governmental funds report the effect of issuance costs, 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 (\$53,880,550) difference are as follows:

Debt issued or incurred:

General obligation debt - schools issued	\$ (106,800,000)
General obligation debt - other issued	(46,000,000)
Premiums on bond issuance - GO Bonds	(11,190,301)
Capital leases	(139,713)
Increases in other post employment benefit liability	(16,466,957)
Increases in other post employment benefit liability - Corporate Fleet Fund	182,626
Increases in compensated absences liability	(9,709,802)
Increases in compensated absences liability - Corporate Fleet Fund	85,983
Change in risk management liabilities	(2,546,717)
Interest expense accrual and other adjustments	(5,758,402)
Total Increases	<u>(198,343,283)</u>

Principal repayments:

General obligation debt - schools	101,690,230
General obligation debt - other	13,859,770
Refunded bonds	-
Installment purchase payments	1,220,488
Qualified zone academy bonds	163,461
Current year amortization of bond premiums - GO Bonds	13,216,399
Current year amortization of bond premiums - LOB Bonds	788,219
Notes payable payments	299,767
Capital lease payments	123,359
Decreases in other post employment benefit liability	2,431,891
Decreases in other post employment benefit liability - Corporate Fleet Fund	(8,890)
Decreases in compensated absences liability	10,716,812
Decreases in compensated absences liability - Corporate Fleet Fund	(38,773)
Total Decreases	<u>144,462,733</u>

Net adjustment to increase net changes in fund balances - total

governmental funds to arrive at changes in net assets of	
governmental activities	<u>\$ (53,880,550)</u>

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

Another element of that reconciliation states “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays increases exceeded the book value of capital asset decreases in fiscal year being reported.” The details of this \$76,180,303 difference are as follows:

Capital Asset Increases:	
Capital Asset Increases	\$ 11,373,221
Less acquisitions for the Corporate Fleet Fund	(4,226,380)
Net increase in construction in progress	<u>69,437,393</u>
Total Increases	<u>76,584,234</u>
Capital Asset Decreases:	
Capital asset disposals	(5,412,402)
Add disposals for the Corporate Fleet Fund	2,537,176
Accumulated depreciation related to capital asset disposals	4,913,564
Less accumulated depreciation related to capital asset disposals in the Corporate Fleet Fund	<u>(2,442,269)</u>
Total Decreases	<u>(403,931)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	
	<u><u>\$ 76,180,303</u></u>

## P. Unrestricted (deficit)

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

For school debt	\$ (1,609,181,966)
All other	<u>82,469,469</u>
Total unrestricted net assets	<u>\$ (1,526,712,497)</u>

Under North Carolina law, the County is responsible for providing capital funding for the Wake County Board of Education (the “School System”). The County has chosen to meet its legal obligation to provide school capital funding by using a mixture of County funds and general obligation debt. The assets funded by the County are owned, utilized and maintained by the school system. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the school-related debt less unspent bond proceeds was \$1,609,181,966. However, the entire amount of school debt outstanding is general obligation debt, which is collateralized by the full faith, credit, and taxing power of the County. The County is authorized and required by State law to levy ad valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year in which they become due.

## NOTE 2. Related Organizations

### Industrial Facilities and Pollution Control Financing Authority

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

### Wake County Housing Authority

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

### Wake County Hospital System, Inc.

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

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

**NOTE 3.**  
**Joint Ventures Without**  
**Equity Interest**

Wake Technical Community College

Technical and vocational training beyond the secondary level is provided by Wake Technical Community College, with some financial assistance from the County. The College is a part of the state-wide system of community colleges and technical institutes. The College has a twelve-member Board of Trustees, four of which are appointed by the County Board of Commissioners. The County has no responsibility for the designation of management and exercises no control over the operations of the College beyond its annual appropriation. The County has an ongoing financial responsibility for the College because of the statutory responsibilities to provide funding for the College's facilities. The County remitted \$15,991,050 to the College for operating purposes during the current year. In addition, the County made debt service payments of \$5,287,827 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, 2011. Complete financial statements for the College may be obtained at their administrative offices at 9101 Fayetteville Road, Raleigh, NC 27603.

Raleigh-Durham Airport Authority

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

Centennial Authority

The Centennial Authority is a local political subdivision of the State of North Carolina created pursuant to Section 4 of Chapter 458 of the 1995 Session Laws of North Carolina. The purpose of the Authority is to study, design, plan, construct, own, promote, finance and operate a regional facility in Wake County, North Carolina. The regional facility will consist of an arena, coliseum or other buildings or both, where sports, fitness, health recreational, entertainment or cultural activities can be conducted. In addition, the County remitted \$1,920,753 for operations, \$5,208,756 for debt service and \$1,000,000 for facility improvements from the Occupancy and Prepared Food/Beverage taxes for the Authority. The County does not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2011. Complete financial statements for the Authority may be obtained at their administrative offices at 1520 Blue Ridge Road, Suite 201, Raleigh, NC 27607.

Greater Raleigh Convention and Visitors Bureau

The Greater Raleigh Convention and Visitors Bureau (Bureau) was established in fiscal year 1992 in conjunction with a County occupancy tax levy to promote and solicit business, conventions, meetings and tourism in the County. The governing body of the Bureau is a twelve-member Board of Directors with six members appointed by the Raleigh City Council and six members appointed by the County Board of Commissioners. Funding is derived from the six (6) percent occupancy tax levied upon the rental of rooms, lodging or similar accommodations, and from a one (1) percent prepared food & beverage tax levied on all prepared foods and beverages sold by Wake County businesses. Monthly, the County is required to distribute to the Bureau a percentage of the tax collected with a minimum aggregate annual distribution of \$1,000,000. If tax revenues are not sufficient to fully fund the Bureau's minimum annual distributions, the County and City must fund the deficiency equally to ensure that the Bureau receives its minimum distribution of \$1,000,000 in any fiscal year. All unexpended funds of the Bureau revert to the County and City at the end of each fiscal year. The Bureau is a joint venture of equal equity interest between the County and the City of Raleigh. The Wake County Board of Commissioners and the Raleigh City Council must approve the budget and all amendments. The Bureau does not have any outstanding indebtedness except for a minor investment in capital assets, the only equity in the Bureau at year-end is for encumbrances, which will be expended, in the subsequent year. Based on this, no equity interest in the Bureau is recorded at June 30, 2011.

**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 \$433,756,555 and a bank balance of \$439,889,085. Of the bank balance, \$937,232 was covered by federal depository insurance and \$438,951,853 in interest-bearing deposits were covered by collateral held under the pooling method.

2. Investments

As of June 30, 2011, the County had the following investments and maturities.

Investment Type	Fair Value	Less Than		
		2 Years	2 - 3 Years	3 - 5 Years
U.S. Government Treasuries	\$ 9,993,350	\$ -	\$ 5,017,175	\$ 4,976,175
U.S. Government Agencies	376,274,367	336,073,892	20,192,625	20,007,850
Commercial paper	104,580,663	104,580,663	-	-
Certificates of Deposit	35,000,000	35,000,000	-	-
N.C. Capital Management Trust - Cash portfolio	388,994	388,994	-	-
Total fair value	<u>\$ 526,237,374</u>	<u>\$ 476,043,549</u>	<u>\$ 25,209,800</u>	<u>\$ 24,984,025</u>

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

*Credit Risk.* State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2011, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings and A1 by Moody's Investors Service. In addition, all of the County's long-term debt rating of A or better. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2011. The County's investments in US Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac) are rated aa+ by Standard & Poor's and aa+ by Moody's Investors Service.

*Concentration risk:* The County's informal investment policy limits the amount of investments to \$20 million that is allowed in any one issuer's name.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2011, all of the County's investments were in the County's name.

**NOTE 5.**  
**Receivables**

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

	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Non Major Funds	Totals
Property taxes	\$ 17,098,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 716,295	\$ 17,814,510
Accounts	17,133,778	-	-	-	31,200	-	-	17,164,978
Interest	27,243	139	16,738	1,123,796	-	605,135	111,484	1,884,535
Special assessments	12,715	-	-	-	-	-	-	12,715
Intergovernmental	41,945,934	235,548	-	-	4,094,429	2,329,075	1,513,352	50,118,338
Loans receivable	-	22,288,496	-	-	247,683	-	-	22,536,179
Other	<u>2,825,472</u>	<u>50,427</u>	<u>2,974,675</u>	<u>-</u>	<u>4,613,942</u>	<u>-</u>	<u>145,729</u>	<u>10,610,245</u>
Gross receivables	79,043,357	22,574,610	2,991,413	1,123,796	8,987,254	2,934,210	2,486,860	120,141,500
Less allowance for bad debts	<u>(18,655,916)</u>	<u>(296,089)</u>	<u>-</u>	<u>-</u>	<u>(1,344,517)</u>	<u>-</u>	<u>(515,732)</u>	<u>(20,812,254)</u>
Net total receivables	<u>\$ 60,387,441</u>	<u>\$ 22,278,521</u>	<u>\$ 2,991,413</u>	<u>\$ 1,123,796</u>	<u>\$ 7,642,737</u>	<u>\$ 2,934,210</u>	<u>\$ 1,971,128</u>	<u>\$ 99,329,246</u>

Accounts receivables of the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund are reported net of uncollectible amounts. Total uncollectible amounts related to receivables of the current period are \$170,603 and \$140,860, respectively.

**NOTE 5. Receivables  
(cont.)**

At the end of the current period, the various components of deferred revenue were as follows:

	General Fund	Affordable Housing Fund	County Capital Project Fund	School Capital Fund	Non Major Funds	Total
<b>Unavailable:</b>						
Taxes receivable	\$ 7,510,506	\$ -	\$ -	\$ -	\$ 200,563	\$ 7,711,069
Other receivables	4,901,344	-	3,299,952			8,201,296
<b>Total Unavailable</b>	<b>12,411,850</b>	<b>-</b>	<b>3,299,952</b>	<b>-</b>	<b>200,563</b>	<b>15,912,365</b>
<b>Unearned:</b>						
Housing loans receivable	-	22,020,352	-	-	-	22,020,352
Loans receivable	-	-	227,043	-	-	227,043
Prepaid taxes not yet earned	2,640,125	-	-	-	57,403	2,697,528
Prepaid loans not yet earned	-	-	-	-	60,000	60,000
Prepaid revenues not yet earned	-	-	2,000,000	-	-	2,000,000
Other cash deferred revenues	-	-	-	713,618	-	713,618
<b>Total Unearned</b>	<b>2,640,125</b>	<b>22,020,352</b>	<b>2,227,043</b>	<b>713,618</b>	<b>117,403</b>	<b>27,718,541</b>
<b>Total Deferred revenues</b>	<b>\$ 15,051,975</b>	<b>\$ 22,020,352</b>	<b>\$ 5,526,995</b>	<b>\$ 713,618</b>	<b>\$ 317,966</b>	<b>\$ 43,630,906</b>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

**NOTE 6.**  
**Capital Assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 78,180,352	\$ 14,721,031	\$ -	\$ 92,901,383
Construction in progress	192,323,764	74,776,705	(30,549,099)	236,551,370
Total capital assets, not being depreciated	<u>270,504,116</u>	<u>89,497,736</u>	<u>(30,549,099)</u>	<u>329,452,753</u>
Capital assets, being depreciated:				
Buildings	346,625,800	6,091,262	-	352,717,062
Improvements Other than Buildings	21,325,455	1,924,367	-	23,249,822
Machinery and equipment	34,820,113	3,092,020	(1,264,302)	36,647,831
Vehicles and motorized equipment	32,547,108	5,104,184	(4,148,099)	33,503,193
Infrastructure	10,939,755	5,650,144	-	16,589,899
Total capital assets being depreciated	<u>446,258,231</u>	<u>21,861,977</u>	<u>(5,412,401)</u>	<u>462,707,807</u>
Less accumulated depreciation for:				
Buildings	80,680,190	9,930,897	-	90,611,087
Improvements Other than Buildings	3,932,258	667,553	-	4,599,811
Machinery and equipment	32,027,343	1,817,377	(1,155,578)	32,689,142
Vehicles and motorized equipment	19,877,814	4,590,501	(3,757,985)	20,710,330
Infrastructure	4,076,216	1,117,275	-	5,193,491
Total accumulated depreciation	<u>140,593,821</u>	<u>\$ 18,123,603</u>	<u>\$ (4,913,563)</u>	<u>153,803,861</u>
Total capital assets, being depreciated, net	<u>305,664,410</u>			<u>308,903,946</u>
Governmental activities capital assets, net	<u>\$ 576,168,526</u>			<u>\$ 638,356,699</u>

**NOTE 6. (Cont.)**  
**Capital Assets**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,875,253	\$ -	\$ -	\$ 1,875,253
Construction in progress	2,995,192	-	(2,995,192)	-
Total capital assets, not being depreciated/amortized	<u>4,870,445</u>	<u>-</u>	<u>(2,995,192)</u>	<u>1,875,253</u>
Capital assets, being depreciated/amortized:				
Landfills	36,160,688	2,995,192	-	39,155,880
Buildings	1,166,846	-	-	1,166,846
Improvements	544,003	-	-	544,003
Machinery and equipment	371,525	-	-	371,525
Vehicles and motorized equipment	11,573	-	-	11,573
Total capital assets being depreciated/amortized	<u>38,254,635</u>	<u>2,995,192</u>	<u>-</u>	<u>41,249,827</u>
Less accumulated depreciation/amortization for:				
Landfills	29,962,930	518,816	-	30,481,746
Buildings	340,745	29,203	-	369,948
Improvements	159,632	13,601	-	173,233
Machinery and equipment	36,395	71,549	-	107,944
Vehicles and motorized equipment	11,573	-	-	11,573
Total accumulated depreciation/amortization	<u>30,511,275</u>	<u>\$ 633,169</u>	<u>\$ -</u>	<u>31,144,444</u>
Total capital assets, being depreciated/amortized, net	<u>7,743,360</u>			<u>10,105,383</u>
Business-type activities capital assets, net	<u>\$ 12,613,805</u>			<u>\$ 11,980,636</u>

**NOTE 6. (Cont.)**  
**Capital Assets**

Depreciation and amortization expenses were charged to functions as follows:

Governmental activities:

General administration	\$ 3,098,925
Human services	1,877,974
Education	355,980
Community development and cultural	2,308,623
Environmental services	1,149,883
Public safety	6,191,804
General services administration	<u>3,140,414</u>

Total depreciation expense -

Governmental activities	<u>18,123,603</u>
-------------------------	-------------------

Business-type activities:

Environmental services - solid waste	<u>633,169</u>
--------------------------------------	----------------

Total depreciation and amortization	<u><u>\$ 18,756,772</u></u>
-------------------------------------	-----------------------------

**NOTE 6. (Cont.)**  
**Capital Assets**

For the 2011 fiscal year, the construction in progress expenditures for governmental activities were as follows:

<b>Construction in Progress:</b>	
	Expended At June 30, 2011
Automation	\$ 25,249,875
County Buildings	27,500,380
Criminal Justice	111,662,454
Libraries	2,415,688
Open Space	6,033,614
Parks	4,163,498
Public Safety	27,795,030
Water/Wastewater	31,730,831
Total	<u>\$ 236,551,370</u>

**NOTE 7.**  
**Interfund**  
**Receivables/Payables and**  
**Transfers**

Internal balances in the governmental funds, as of June 30, 2011 are \$605,859. This represents amounts due to the General Fund by a non-major government fund for their share of cash and investments pooled equity. Internal balances in the business-type activities funds, as of June 30, 2011 are \$296,592. 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 rebate.

The County's General Fund transferred funds during fiscal year 2011 to fund debt service payments, capital improvements, economic developments and the County match for State and Federal Grant Programs. The \$404,000 transferred from the Solid Waste Operating Fund is to cover administrative expenses incurred by the County's General Fund on behalf of the solid waste program. The \$1,190,000 transferred from the South Wake Landfill Partnership Fund to the Solid Waste Operating Fund is for the County's share of the prior year partnership rebate and to cover administrative expenses incurred in the Solid Waste Operating Fund on behalf of the South Wake Landfill Fund.

Interfund transfers:

	General Fund	Affordable Housing Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Other Governmental Funds	Solid Waste Operating Fund	Corporate Fleet Fund	Total Transfers out
General Fund	\$ -	\$ -	\$ 170,847,000	\$ 23,215,000	\$ 7,000,000	\$ 6,130,860	\$ -	\$ 2,000,000	\$ 209,192,860
Major Facilities Fund	990,831	-	991,000	-	-	1,000,000	-	-	2,981,831
Capital Improvements Fund	-	650,000	2,800,000	-	-	1,500,000	-	-	4,950,000
Other Governmental Funds	3,206,918	-	1,140,000	487,043	-	1,671,000	-	-	6,504,961
Solid Waste Operating Fund	404,000	-	-	-	-	-	-	-	404,000
South Wake Partnership Fund	-	-	-	-	-	-	1,190,000	-	1,190,000
Total transfers in	<u>\$ 4,601,749</u>	<u>\$ 650,000</u>	<u>\$ 175,778,000</u>	<u>\$ 23,702,043</u>	<u>\$ 7,000,000</u>	<u>\$ 10,301,860</u>	<u>\$ 1,190,000</u>	<u>\$ 2,000,000</u>	<u>\$ 225,223,652</u>

**NOTE 8.**  
**Risk Management**

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

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

The County's group medical coverage is self-insured and administered by an outside provider. The County also provides self-insured dental to its employees and dependents. There is no limit for in-network services and no lifetime limit for out-of-network services for each covered employee/dependent's medical costs. The cost of providing medical coverage to participating employees and dependents is charged to benefiting funds as premiums. These premiums are an estimate of expected average claims per individual. The County is self-insured to a retention of \$600,000 for each workers' compensation claim and \$1,000,000 for liability claims. The County has a high-deductible policy for property. The deductible is \$100,000 for each property damage claim and \$500,000 for flood property claims at locations in flood zones. The County purchases commercial excess insurance for claims in excess of its self-insured retention and for other insurance and bonds to cover specific risks and officials, respectively. Settled claims have not exceeded this commercial coverage in any year since the fund was established in 1990. The County elects not to distribute claims and insurance coverage expenses to the County departments except for deductibles on auto and property claims. Administrative costs and actuarially determined assets to pay ultimate losses and scheduled premiums are covered by the General Fund.

The County's coverage limits, subject to the retentions and deductibles described above, at June 30, 2011 are as follows:

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

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

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

The claims liability of \$8,172,027 at June 30, 2011 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability is actuarially determined and includes an estimate for claims incurred but not reported. This entire amount is accrued and reported in the government-wide statements in the applicable governmental or business-type activities. A portion of the liability is considered current and is reported in the General fund in the fund financial statements. Changes in the fund's claims liability amount during fiscal years 2010 and 2011 are as follows:

**Changes in Claims Liability**

	Workers' compensation	Property and Liability	Self-insured group medical	Dental Benefits	Total
Balance, as of June 30, 2009	\$ 3,000,504	\$ 466,985	\$ 1,951,700	\$ 288,082	\$ 5,707,271
Changes in estimates, fiscal year 2010	799,341	124,635	185,176	(1,522)	1,107,630
Balance, as of June 30, 2010	3,799,845	591,620	2,136,876	286,560	6,814,901
Changes in estimates, fiscal year 2011	1,220,585	4,218	126,595	5,728	1,357,126
Balance, as of June 30, 2011	<u>\$ 5,020,430</u>	<u>\$ 595,838</u>	<u>\$ 2,263,471</u>	<u>\$ 292,288</u>	<u>\$ 8,172,027</u>
Current portion of liability	<u>\$ 3,760,302</u>	<u>\$ 446,283</u>	<u>\$ 1,333,352</u>	<u>\$ 75,397</u>	<u>\$ 5,615,334</u>

**NOTE 9.  
Capital Lease Obligations  
and Operating Leases**

The County leases certain equipment under lease agreements that are classified as capital leases for accounting purposes in accordance with GAAP. Obligations of these lease agreements are accounted for in the governmental activities of the government-wide statements. At June 30, 2011, the net book value of the assets acquired through capital leases is \$134,129. The net present value of the future minimum lease payments at June 30, 2011 is \$173,449 as detailed below.

The County also leases buildings and office facilities as well as various equipment under non-cancelable operating leases. The total costs for all operating lease expenditures for the year ended June 30, 2011 were \$3,233,781. The future minimum lease payments for non-cancelable operating leases are \$6,807,272 as detailed below.

At June 30, 2011, future minimum lease payments due under capital leases and operating leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

Year Ending June 30	Capital Leases	Operating Leases
2012	\$ 65,300	\$ 2,288,363
2013	46,716	2,196,388
2014	38,403	896,275
2015	24,674	748,490
2016	13,003	677,756
Total minimum lease payments	188,096	<u>\$ 6,807,272</u>
Less: amount representing interest	<u>(14,647)</u>	
Net present value of the future minimum lease payments	<u>\$ 173,449</u>	

**NOTE 9. (Cont.)  
Capital Lease Obligations  
and Operating Leases**

The County leases office space under operating lease agreements with terms generally less than one year. Minimum future rentals on non-cancelable lease with terms in excess of one year are not material to the County's financial statements. Rental revenue for the year ended June 30, 2011 was \$175,656.

**NOTE 10.  
Long-term Debt**

General Obligation Bonds:

The general obligation bonds reported in Governmental Activities are collateralized by the full faith, credit and taxing power of the County. The County has issued both fixed and variable rate bonds. The fixed rate bonds bear interest at rates varying from 3.00 percent to 5.40 percent. The variable rate is reset weekly by the remarketing agent based on the minimum rate of interest necessary to enable the remarketing agent to remarket all of the weekly rate bonds in the secondary market. The rate ranged from 0.06% to 0.34% during the period July 1, 2010 through June 30, 2011. 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, 2011 are comprised of the following:

2002 Public Improvement Bonds of \$188,000,000 due in annual installments of \$8,500,000 to \$34,000,000 through March 2019, interest of 4.00 to 4.75%.	\$ 8,500,000
2003A Public Improvement Bonds of \$122,890,000 due in annual installments of \$8,000,000 to \$17,555,000 through April 2015, interest of 3.00 to 5.00%.	16,000,000
2003B Public Improvement Bonds of \$55,000,000 due in periodic installments of \$10,000,000 to \$30,000,000 beginning in April 2016 through April 2018, interest is variable with a rate of 0.06% at June 30, 2011. The maximum amount of interest cannot exceed 12%.	55,000,000
2003C Public Improvement Bonds of \$45,000,000 due in annual installments of \$13,000,000 to \$32,000,000 beginning in April 2019 through April 2020, interest is variable with a rate of 0.06% at June 30, 2011. The maximum amount of interest cannot exceed 12%.	45,000,000
2003A Refunding Bonds of \$83,145,000 due in annual installments of \$945,000 to \$16,100,000 beginning February 1, 2004 through February 1, 2011 interest of 3.00 to 5.00%.	800,000
2004 Public Improvement Bonds of \$130,000,000 due in annual installments of \$10,000,000 beginning March 1, 2005 through March 1, 2017, interest of 3.00 to 5.00%.	30,000,000
2004A Variable Rate School Bonds of \$67,000,000 due in periodic installments of \$29,000,000 to \$38,000,000 beginning April 1, 2018 through April 1, 2019, interest is variable with a rate of 0.21% at June 30, 2011. The maximum interest rate cannot exceed 12%.	67,000,000
2004B Variable Rate School Bonds of \$57,000,000 due in periodic installments of \$17,000,000 to \$40,000,000 beginning April 1, 2020 through April 1, 2021, interest is variable with a rate of 0.06% at June 30, 2011. The maximum interest rate cannot exceed 12%.	57,000,000
2004 Refunding Bonds of \$114,380,000 due in annual installments of \$2,865,000 to \$23,870,000 beginning March 1, 2007 through March 1, 2015 interest of 4.00 to 5.00%.	48,945,000
2005 Refunding Bonds of \$33,020,000 due in annual installments of \$50,000 to \$22,290,000 beginning February 1, 2006 through February 1, 2017 interest of 3.00 to 5.00%.	32,580,000

**NOTE 10. (Cont.)**  
**Long-term Debt**

2005 School Bonds of \$41,000,000 due in annual installments of \$1,500,000 to \$6,000,000 through May 2023, interest of 3.25 to 5.00%	\$ 6,000,000
2007 Public Improvement Bonds of \$455,000,000 due in periodic installments of \$23,000,000 to \$35,000,000 beginning March 1, 2009 through March 1, 2025, interest of 4.25 to 5.00%.	138,000,000
2007A Variable Rate School Bonds of \$50,000,000 due in periodic installments of \$13,000,000 to \$21,000,000 beginning March 1, 2024 through March 1, 2026, interest is variable with a rate of 0.06% at June 30, 2011. The maximum interest rate cannot exceed 12%.	50,000,000
2007B Variable Rate School Bonds of \$50,000,000 due in periodic installments of \$8,000,000 to \$21,000,000 beginning March 1, 2022 through March 1, 2024, interest is variable with a rate of 0.06% at June 30, 2011. The maximum interest rate cannot exceed 12%.	50,000,000
2009A Public Improvement Bonds of \$135,000,000 due in periodic installments of \$6,000,000 to \$24,000,000 beginning March 1, 2012 through March 1, 2026, interest of 4.00 to 5.00%.	48,000,000
2009B Public Improvement Bonds of \$300,000,000 due in periodic installments of \$7,000,000 to \$26,000,000 beginning March 1, 2010 through March 1, 2025, interest of 4.00 to 5.00%.	268,000,000
2009C Refunding Bonds of \$66,320,000 due in annual installments of \$7,575,000 to \$14,150,000 beginning March 1, 2010 through March 1, 2015 interest of 4.00 to 5.00%.	51,560,000
2009D Refunding Bonds of \$168,980,000 due in annual installments of \$6,545,000 to \$36,945,000 beginning February 1, 2012 through February 1, 2018 interest of 3.00 to 4.00%.	168,980,000
2010A Public Improvement Bonds of \$86,295,000 due in periodic installments of \$6,635,000 to \$6,675,000 beginning April 1, 2011 through April 1, 2023, interest of 2.00 to 5.00%.	79,620,000
2010B Public Improvement Recovery Zone Economic Development Bonds of \$39,505,000 due in periodic installments of \$6,330,000 to \$6,635,000 beginning April 1, 2024 through April 1, 2029, interest of 4.80 to 5.40%.	39,505,000
2010C Refunding Bonds of \$383,420,000 due in periodic installments of \$100,000 to \$56,780,000 beginning March 1, 2013 through March 1, 2026, interest of 2.00 to 5.00%.	383,420,000
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%	18,945,000
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%	116,800,000
Total general obligation bonds outstanding	<u>\$ 1,831,620,000</u>

**NOTE 10. (Cont.)**  
**Long-term Debt**

Limited Obligation Bonds:

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

2009 Limited obligation bonds of \$154,620,000, due in annual installments of \$6,180,000 through \$6,185,000 June 2036; interest of 4.75% to 5.00%, collateralized by the Hammond Road Detention Center	\$ 154,620,000
2010 Limited obligation bonds of \$148,860,000, due in annual installments of \$5,950,000 through \$5,955,000 January 2037; interest of 2.50% to 5.00%, collateralized by the Criminal Justice Center	148,860,000
Total limited obligation bonds outstanding	<u><u>\$ 303,480,000</u></u>

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2011 are as follows:

Year Ending June 30	Principal	Interest	Total
2012	\$ 124,830,000	\$ 83,662,822	\$ 208,492,822
2013	124,970,000	77,734,770	202,704,770
2014	122,335,000	71,956,395	194,291,395
2015	122,125,000	66,464,695	188,589,695
2016	140,655,000	60,755,353	201,410,353
2017-2021	650,410,000	208,490,399	858,900,399
2022-2026	459,605,000	77,230,795	536,835,795
2027-2031	86,690,000	7,176,940	93,866,940
	<u><u>\$ 1,831,620,000</u></u>	<u><u>\$ 653,472,169</u></u>	<u><u>\$ 2,485,092,169</u></u>

The annual requirements to amortize capital leases, installment purchases, limited obligation bonds, notes payable and Qualified Zone Academy debt outstanding as of June 30, 2011 are as follows:

June 30	Principal	Interest	Total
2012	\$ 7,675,231	\$ 14,322,967	\$ 21,998,198
2013	13,662,772	14,020,042	27,682,814
2014	13,707,865	13,562,961	27,270,826
2015	13,748,714	13,077,858	26,826,572
2016	12,873,467	12,572,104	25,445,571
2017-2021	61,882,593	55,163,832	117,046,425
2022-2026	60,700,000	40,562,519	101,262,519
2027-2031	60,700,000	25,601,531	86,301,531
2032-2036	60,695,000	10,565,600	71,260,600
2037	5,950,000	293,300	6,243,300
	<u><u>\$ 311,595,642</u></u>	<u><u>\$ 199,742,714</u></u>	<u><u>\$ 511,338,356</u></u>

**NOTE 10. (Cont.)**  
**Long-term Debt**

The County is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the County may have outstanding to 8 percent of the appraised value of property subject to taxation less property valued for abatement. At June 30, 2011, such statutory limit of the County was \$9,562,849,731 providing a legal debt margin of \$7,180,564,089. Authorized but unissued general obligation bonds as of June 30, 2011 totaled \$239,070,000. Of this amount \$162,490,000 was for authorized but unissued new general obligation bonds and \$76,580,000 was for authorized but unissued refunding bonds.

**Qualified Zone Academy Bonds:**

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

**Recovery Zone Economic Development Bonds – Wake County Public Schools**

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

**Qualified School Construction Bonds – Wake County Public Schools**

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

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

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

**Conduit Debt Obligations:**

Wake County Industrial Facilities and Pollution Control Financing Authority (the "Authority") has used industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from the payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State of North Carolina, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2011, there were 16 series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$599 million.

#### Interest Rate Swap:

As part of the acquisition by the County of an 85% interest in Five County Stadium pursuant to an Interlocal Agreement dated December 19, 2002, the County assumed the obligations of the Town of Zebulon under an Installment Financing Agreement (“Original Agreement”) dated as of February 1, 1999. Effective April 20, 2004, the County entered into an Amended and Restated Installment Financing Agreement (“Amended Agreement”) and pay-fixed, receive-variable interest rate swap (“Swap”) for the purpose of refinancing the Original Agreement. The initial principal amount of the Amended Agreement was \$9,000,000 and the initial notional amount of the Swap was \$9,000,000. The notional value of the swap and the principal amount of the associated debt decline annually. The final maturity of the Amended Agreement and Swap is August 1, 2015. The interest rate on the Amended Agreement is 60.45% of one-month LIBOR plus 1.12%. Under the Swap, the County receives 60.45% of one-month LIBOR plus 1.12% (the same as the interest rate on the Amended Agreement) and pays 3.78%, effectively converting the Amended Agreement from variable-rate to fixed-rate. At June 30, 2011, the swap had a fair value to the County of (\$190,150). Fair value was estimated by the counterparty using mark to market valuations. As of June 30, 2011, the County was not exposed to credit risk because the swap had a negative fair value. The swap counterparty, Bank of America, at June 30, 2011 was rated “A2” by Moody’s Investors Service, “A+” by Standard and Poor’s, and “A+” by Fitch Ratings. Since the variable interest rate the County pays on the Amended Agreement and the variable interest rate the counterparty pays to the County on the swap are based on the same calculation, the net interest rate is the 3.78% fixed swap rate and there is no interest rate or basis risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The swap may also be terminated if either party’s credit rating on its long-term unsubordinated debt falls to “Baa1” or lower by Moody’s Investors Service, “BBB+” or lower by Standard and Poor’s, and “BBB+” or lower by Fitch Ratings, or such rating is withdrawn or suspended. Termination could result in the County being required to make or being entitled to receive an unanticipated termination payment.

Swap payments and associated debt – Using the variable interest rate as of June 30, 2011 (0.085%) and assuming the rate remains the same for the term of the agreement, debt service requirements of the Amended Agreement debt and net swap payments would be as follows:

Amended Variable Rate Installment Purchase Agreement				
	Principal	Variable Rate Interest	Interest Rate Swaps, Net	Total
2012	\$ 857,038	\$ 3,012	\$ 130,950	\$ 991,000
2013	889,893	2,274	98,833	991,000
2014	924,631	1,493	64,876	991,000
2015	960,407	688	29,905	991,000
2016	77,694	33	1,443	79,170
Total	<u>\$ 3,709,663</u>	<u>\$ 7,500</u>	<u>\$ 326,007</u>	<u>\$ 4,043,170</u>

**NOTE 10. (Cont.)**  
**Long-term Debt**

Changes In Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
<b>Governmental activities:</b>					
General obligation bonds	\$ 1,794,370,000	\$ 152,800,000	\$ 115,550,000	\$ 1,831,620,000	\$ 124,830,000
Plus: Premiums on issuance	<u>161,702,526</u>	<u>11,190,301</u>	<u>13,216,399</u>	<u>159,676,428</u>	<u>N/A</u>
Total general obligation bonds payable	1,956,072,526	163,990,301	128,766,399	1,991,296,428	124,830,000
Limited obligation bonds	303,480,000	-	-	303,480,000	6,185,000
Plus: Premiums on issuance	<u>21,191,699</u>	<u>-</u>	<u>788,219</u>	<u>20,403,480</u>	<u>N/A</u>
Total limited obligation bonds payable	324,671,699	-	788,219	323,883,480	6,185,000
Qualified Zone Academy Bonds	1,144,233	-	163,461	980,772	163,461
Installment Purchases	8,181,909	-	1,220,488	6,961,421	1,267,946
Notes payable	299,767	-	299,767	-	-
Capital leases	157,095	139,713	123,359	173,449	58,823
Other post-employment benefits	33,489,385	16,466,959	2,431,892	47,524,452	-
Compensated absences	<u>12,168,141</u>	<u>9,709,802</u>	<u>10,716,812</u>	<u>11,161,131</u>	<u>11,161,131</u>
Total Governmental Activities	<u>\$ 2,336,184,755</u>	<u>\$ 190,306,775</u>	<u>\$ 144,510,397</u>	<u>\$ 2,381,981,133</u>	<u>\$ 143,666,361</u>
<b>Business-type activities:</b>					
Landfill	\$ 14,812,788	\$ 2,084,760	\$ 863,516	\$ 16,034,032	506,955
Other post-employment benefits	154,040	93,810	12,065	235,785	-
Compensated absences	<u>57,979</u>	<u>40,780</u>	<u>42,358</u>	<u>56,401</u>	<u>56,401</u>
Total Business-type Activities	<u>\$ 15,024,807</u>	<u>\$ 2,219,350</u>	<u>\$ 917,939</u>	<u>\$ 16,326,218</u>	<u>\$ 563,356</u>

**NOTE 11.  
Additional Social Welfare  
Expenditures**

The following amount was paid on behalf of the County by the State from Federal and State funds. The human services payments were disbursed directly to vendors and individual recipients. For the year ended June 30, 2011 this amount, which is not included in the financial statements because the County has no primary responsibility beyond making eligibility determinations, is approximately \$563 million.

**NOTE 12.  
Compliance Audits of Federal  
and State Assisted Programs**

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

**NOTE 13.  
Multiple-Employer Pension  
Plan Obligations**

Local Governmental Employees' Retirement System

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

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.82% and 6.35%, respectively, of annual covered payroll. The contribution requirements of members and of Wake County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2009, 2010, and 2011 were \$8,658,698, \$8,458,208 and \$11,034,875 respectively. The contributions made by the County equaled the required contributions for each year.

Supplemental Retirement Income Plan

Plan Description. Wake County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The plan provides retirement benefits to all employees of the County who are employed at least half time. Article 5 of the G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County's total payroll in fiscal year 2011 was \$171,818,867. The County's contributions were calculated using the base salary amount of \$174,085,598. The County made contributions amounting to \$8,593,913. Employees made voluntary contributions of \$4,071,039.

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

**NOTE 14.**  
**Law Enforcement Officers'**  
**Special Separation Allowance**

Plan Description. Wake County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County's financial statements as a pension trust fund and a separate report is not issued.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2010, the Separation Allowance's membership consisted of:

Retirees receiving benefits	55
Active plan members	375
Total	<u>430</u>

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

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

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the fiscal year ended June 30, 2011, the County contributed \$745,000, or 4.0% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed by the General Fund.

The annual required contribution for the fiscal year ended June 30, 2011 was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) a 5.00% investment rate of return and (b) projected salary increases ranging from 4.5% per year to 12.3% per year. (B) Included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level percent of pay on an open basis. The remaining amortization period at December 31, 2009 was 20 years.

Funded Status and Funding Progress. As of December 31 2010, the most recent actuarial valuation date, the plan was 15.49 percent funded. The actuarial accrued liability for benefits was \$10,699,329, and the actuarial value of assets was \$1,657,751 resulting in an unfunded actuarial accrued liability (UAAL) of \$9,041,578. The covered payroll (annual payroll of active employees covered by the plan) was \$18,662,735, and the ratio of the UAAL to the covered payroll was 48.45 percent.

**NOTE 14. (Cont.)  
Law Enforcement Officers'  
Special Separation Allowance**

Trend Information:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (asset)</u>
June 30, 2009	\$ 690,577	100.93%	\$ (1,140,270)
June 30, 2010	763,053	97.63%	(1,122,217)
June 30, 2011	972,443	76.61%	(894,774)

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

Annual required contribution	\$ 965,832
Interest on net pension obligation	(56,111)
Adjustment to annual required contribution	<u>62,722</u>
Annual pension cost	972,443
Contributions made	<u>745,000</u>
Decrease in net pension obligation	227,443
Net pension obligation (asset), beginning of year	<u>(1,122,217)</u>
Net pension asset, end of year	<u><u>\$ (894,774)</u></u>

**NOTE 15.  
Register of Deeds'  
Supplemental  
Pension Fund**

Plan Description. Wake County also contributes to the Registers of Deeds' Supplemental Pension Fund (FUND), a non-contributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds who is retired under the Local Governmental Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three (93%) of the amount in the fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the Department of State Treasurer in administering the Fund. For the fiscal year ended June 30, 2011 the County's actual and required contributions were \$84,948.

**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, 2011 the County made contributions to the State for death benefits of \$133,097. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .07 percent and .14 percent of covered payroll, respectively. The contributions to the Death Trust are not separated between the post-employment benefit amount and the other benefit amount, as the amounts cannot be reasonably estimated.

**NOTE 17.**  
**Other Post-Employment Benefits**

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

Membership in the plan included the following at December 31, 2009, the date of the latest actuarial valuation:

Retirees receiving benefits	714
Active plan members	3,826
Total	<u>4,540</u>

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

The current ARC rate is 9.29% of annual covered payroll. For the current year, the County contributed \$2,443,957 or 1.4% of annual covered payroll. The County's medical coverage is self-insured, which is administered by an outside provider. There were no contributions made by employees, except for dependent coverage for retirees in the amount of \$561,095.

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

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

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

Annual required contribution	\$ 16,289,306
Interest on net OPEB obligation	1,513,954
Adjustment to annual required contribution	<u>(1,242,491)</u>
Annual OPEB cost	16,560,769
Contributions made	<u>2,443,957</u>
Increase in net OPEB obligation	14,116,812
Net OPEB liability, beginning of year	<u>33,643,425</u>
Net OPEB liability, end of year	<u>\$ 47,760,237</u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
2009	\$ 14,666,675	26.5%	\$ 22,271,895
2010	14,846,383	23.4%	33,643,425
2011	16,560,769	14.8%	47,760,237

As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits, and thus, the unfunded actuarial accrued liability (UAAL) was \$192,103,016. The covered payroll (annual payroll of active employees covered by the plan) was \$175,306,115, and the ratio of the UAAL to the covered payroll was 139.1%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.50 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent for pre-Medicare and 9.00 to 5.00 percent for post-Medicare, each over 7 years. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009 was 30 years.

**NOTE 18.  
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:	\$ 159,451,859
Less:	
Inventories	358,634
Noncurrent receivables	395,236
Stabilization by State Statute	53,231,845
Register of deeds automation	455,638
Revaluation reserve	2,628,106
Working capital	102,279,156
Subsequent year's expenditures	103,244
Remaining fund balance	\$ -

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. These amounts are included in the Stabilization by State Statute amount in restricted fund balance. Amounts outstanding at June 30, 2011 are as follows:

General Fund	Major Funds					Nonmajor Funds
	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Other Governmental Funds
\$ 3,109,168	\$ 3,248,933	\$ -	\$ -	\$ 117,024,345	\$ 121,066,988	\$ 3,092,976

**NOTE 19.  
Commitments and  
Contingencies**

The County is a party to some pending civil actions which are being vigorously defended. The County Attorney estimates that the potential liability resulting from such litigation not covered by insurance or barred by sovereign immunity is not material and would not have a substantial adverse effect on the financial position of the County as of June 30, 2011.

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

The County owns six solid waste landfills which are accounted for in the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund. State and Federal laws and regulations require the County to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The current estimate of closure and postclosure maintenance and monitoring costs is approximately \$21.0 million. The landfill closure and postclosure liability of \$16,034,032 is included as a line item under the noncurrent liabilities in the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund at June 30, 2011. The liability represents a cumulative amount reported to date based on the following facilities.

The North Wake Unlined Landfill and the Feltonsville Unlined Landfill have been closed for approximately thirteen years and no additional closure costs are expected at these facilities. The County is currently responsible for monitoring these sites for an additional 17 years for post-closure care. In fiscal year 2009 the County detected a small amount of groundwater contamination during its assessment process. The County has developed a Corrective Action Plan which addresses this issue. The preliminary estimates of the costs associated with the corrective action plan are included in the post-closure estimates for these facilities.

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

The North Wake Subtitle Design Facility has been closed since May 2008. Bids were received and a contract was awarded for closure of the facility in May 2008. The closure construction was successfully completed in 2009. Therefore no further closure funds need to be reserved for fiscal year 2010 or beyond. The County will continue to monitor this facility for post-closure care for an additional 27 years.

The South Wake Subtitle Design Facility began operations in February 2008 and is in its first phase of five total phases. At June 30, 2011, Phase 1 is estimated to be 58% full and will close in or around June, 2013. The entire landfill is estimated to close June 2037. The County will recognize the remaining estimated cost of closure and post-closure care costs of \$4.2 million as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**NOTE 21.**  
**Pollution Remediation**  
**Liability**

During fiscal year 2010, the County received notification from the North Carolina Department of Environment and Natural Resources Division of Waste Management (NCDENR) regarding post closure activities associated with the closed East Wake Landfill. Groundwater contamination and other volatile compounds have been detected at levels above the State groundwater standards. The County has signed a contract with an Engineering firm to perform a site assessment of the land in question. Prior to the completion of the site assessment, the County is not able to reasonably estimate the entire costs of clean up that may be required. Clean-up activities may include ground water monitoring, landfill gas monitoring and final cap repair. The County may be able to recover a portion of the costs associated with this project related to a certain parcel of land, at this time the amount of recoveries is not known so it was not included in the pollution remediation liability. At June 30, 2011, \$67,083 of pollution remediation liabilities were included in accounts payable and accrued liabilities in the Solid Waste Operating Fund.

**NOTE 22.**  
**Comparative**  
**Data/Reclassifications**

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. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

**NOTE 23.  
Stewardship, Compliance and  
Accountability**

Within the General fund, the environmental services department was over-budget by \$98,793. This was driven largely by increased workload in the animal control and animal shelter operations. Some of this workload generated additional revenues totaling approximately \$70,000 in the Environmental Health and Safety Division. Environmental Services staff is conducting a thorough review of spending patterns in the animal control and animal shelter operations and will be working cooperatively with the Budget Office to address any FY 2012 budgetary concerns. After the initial review, a working group will meet monthly to review spending trends and make operational changes earlier in the fiscal year while there is still time to proactively address potential FY 2012 budget concerns.

**NOTE 24.  
Subsequent Events**

Subsequent to year-end, on August 4, 2011, Moody's Investors Service notified the County that it had affirmed the County's Aaa rating, but had placed the County on negative outlook. Moody's stated that Wake County's outlook was moved to negative with the group of issuers that Moody's identified as indirectly linked to the US government rating based on identification of certain shared characteristics. Moody's has contacted each unit to discuss the specific factors of the County's credit profile and the County has provided Moody's with additional information to substantiate reasons for the removal of the negative outlook placement. As of the date of this publication, the County has not received the results of this review

**NOTE 25.  
Discretely Presented  
Component Unit Disclosure**

**(1) Deposits and Investment**

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

Deposits: At June 30 2011, the Board's deposits had a carrying amount of \$15,266,429 and a bank balance of \$15,481,068. All of the bank balance was either insured by federal depository insurance, or collateralized under the pooling method.

Investments: State law [G.S. 159-30(c)] authorized the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances; and the North Carolina Capital Management Trust (NCCMT), an SEC registered (2a-7) money market mutual fund.

The NCCMT Cash Portfolio's securities are valued at fair value, which is the NCCMT's share price. This investment, valued at \$449,886, is included in cash and cash equivalents.

**(2) Risk Management**

The ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has property, general liability, auto liability, workers' compensation and employee health coverage. The ABC Board also has liquor legal liability coverage.

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

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

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

# WAKE COUNTY, NORTH CAROLINA

## LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE - REQUIRED SUPPLEMENTARY INFORMATION

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a) / c)
12/31/2001	\$ 2,749,482	\$ 5,736,108	\$ 2,986,626	47.93%	\$ 12,038,409	24.81%
12/31/2002	2,587,018	6,144,460	3,557,442	42.10%	12,471,841	28.52%
12/31/2003	3,142,240	6,410,126	3,267,886	49.02%	13,512,764	24.18%
12/31/2004	2,640,759	7,147,681	4,506,922	36.95%	14,453,419	31.18%
12/31/2005	2,599,117	7,091,401	4,492,284	36.65%	14,936,129	30.08%
12/31/2006	2,504,432	7,726,749	5,222,317	32.41%	15,690,512	33.28%
12/31/2007	2,406,714	8,506,194	6,099,480	28.29%	17,086,023	35.70%
12/31/2008	2,178,004	9,001,090	6,823,086	24.20%	18,008,068	37.89%
12/31/2009	1,938,530	11,387,164	9,448,634	17.02%	18,562,071	50.90%
12/31/2010	1,657,751	10,699,329	9,041,578	15.49%	18,662,735	48.45%

### Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2002	\$ 459,905	45.55%
2003	410,600	51.02%
2004	503,145	100.00%
2005	498,334	130.64%
2006	599,284	89.77%
2007	551,806	115.44%
2008	618,438	100.00%
2009	693,913	100.44%
2010	768,996	96.88%
2011	965,832	77.14%

Notes to the Required Schedules:

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

Valuation date	12/31/2010	Actuarial Assumptions:	
Actuarial cost method	Projected unit credit	Investment rate of return	5.00%
Amortization method	Level percent of pay open	Projected salary increases	4.25% to 7.85%
Remaining amortization period	20 years	Includes inflation at	3.00%
Asset Valuation method	Market Value	Cost of Living adjustments	None

# WAKE COUNTY, NORTH CAROLINA

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

### PAY AS YOU GO - ACTUARY METHOD

#### *Schedule of Funding Progress*

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

#### *Schedule of Employer Contributions*

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

Notes to the Required Schedules:

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

Valuation date	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay open
Remaining amortization period	30 years
Asset Valuation method	Market Value of Assets

Actuarial Assumptions:	
Investment rate of return	4.50%
Medical cost trend rate - pre-Medicare	10.5% - 5.00%
Medical cost trend rate - post-Medicare	9.00% - 5.00%
Year of ultimate trend rate	2017
Includes inflation at	3.75%

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND COMPARATIVE BALANCE SHEETS As of June 30, 2011 and 2010

	June 30, 2011	June 30, 2010
<b>ASSETS</b>		
Cash and investments - pooled equity	\$ 142,314,388	\$ 134,725,934
Cash and investments - cash equivalents	823,171	2,125,416
Cash and investments - restricted	3,136,122	739,172
Taxes receivable (net)	8,950,645	7,568,377
Accounts receivable (net)	51,409,552	54,741,174
Due from other funds	605,859	747,320
Prepaid expenditures	1,936,463	157,497
Accrued interest receivable	27,244	20,661
Inventories	358,634	548,401
<b>TOTAL ASSETS</b>	<b>\$ 209,562,078</b>	<b>\$ 201,373,952</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 34,977,948	\$ 37,182,407
Due to other governmental units	80,296	91,614
Deferred revenues	15,051,975	11,849,605
<b>Total Liabilities</b>	<b>50,110,219</b>	<b>49,123,626</b>
<b>Fund Balance:</b>		
<b>Non-spendable:</b>		
Inventories	358,634	548,401
Noncurrent receivable	395,236	464,289
<b>Restricted:</b>		
Stabilization by State statute	53,231,845	55,730,449
Register of deeds automation	455,638	662,715
<b>Committed:</b>		
Revaluation reserve	2,628,106	-
Working capital	102,279,156	92,844,472
<b>Assigned:</b>		
Planned expenditures	103,244	2,000,000
<b>Total Fund Balance</b>	<b>159,451,859</b>	<b>152,250,326</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 209,562,078</b>	<b>\$ 201,373,952</b>

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

#### BUDGET AND ACTUAL

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
Taxes	\$ 755,302,421	\$ 757,667,696	\$ 2,365,275	\$ 742,217,699
Licenses and permits	2,959,464	3,031,172	71,708	2,511,430
Intergovernmental	127,832,214	122,958,437	(4,873,777)	120,834,844
Charges for services	56,453,572	56,520,256	66,684	57,744,310
Investment earnings	73,392	55,903	(17,489)	83,491
Miscellaneous	318,834	655,825	336,991	1,493,579
Total Revenues	942,939,897	940,889,289	(2,050,608)	924,885,353
EXPENDITURES:				
Current:				
General administration	48,146,634	43,337,863	4,808,771	40,446,307
Human services	219,054,093	212,006,433	7,047,660	213,267,221
Education	329,494,274	329,494,274	-	330,516,774
Community development and cultural	25,585,052	25,440,833	144,219	24,236,237
Environmental services	7,837,120	7,935,913	(98,793)	7,762,038
General services administration	23,976,158	23,790,814	185,344	24,880,503
Public safety	88,493,922	87,090,515	1,403,407	84,794,013
Total Expenditures	742,587,253	729,096,645	13,490,608	725,903,093
REVENUES OVER EXPENDITURES	200,352,644	211,792,644	11,440,000	198,982,260
OTHER FINANCING SOURCES (USES)				
Transfers in	4,518,918	4,601,749	82,831	2,568,223
Transfers out	(209,192,860)	(209,192,860)	-	(205,384,972)
Total Other Financing Sources (Uses)	(204,673,942)	(204,591,111)	82,831	(202,816,749)
REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	(4,321,298)	7,201,533	11,522,831	(3,834,489)
APPROPRIATED FUND BALANCE	4,321,298	-	(4,321,298)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER USES	\$ -	7,201,533	\$ 7,201,533	(3,834,489)
FUND BALANCE, BEGINNING OF YEAR		152,250,326		156,084,815
BUDGETARY FUND BALANCE		159,451,859		152,250,326
LESS: EXPENDITURES ASSOCIATED WITH CAPITAL LEASE INCEPTION & CAPITAL DONATIONS		(139,713)		(304,944)
ADD: PROCEEDS OF CAPITAL LEASES & CAPITAL DONATIONS		139,713		304,944
TOTAL LEASE INCEPTION AND PROCEEDS		-		-
FUND BALANCE AT END OF YEAR		\$ 159,451,859		\$ 152,250,326

**WAKE COUNTY, NORTH CAROLINA**

(Continued)

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**DETAILED BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2011**  
**With Comparative Actual Amounts for the Year Ended June 30, 2010**

	2011			2010
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
TAXES				
Ad valorem property - current	\$ 621,638,000	\$ 626,214,309	\$ 4,576,309	\$ 618,624,418
Ad valorem property - prior	8,500,000	6,071,654	(2,428,346)	7,457,761
Tax penalties, interest and other	2,500,000	3,027,698	527,698	2,868,955
Sales	113,634,000	114,034,923	400,923	104,384,663
Leased rental vehicle tax	2,500,000	2,416,367	(83,633)	2,260,377
Real property transfer	5,300,000	4,652,739	(647,261)	5,371,917
Payments in lieu of taxes	1,230,421	1,250,006	19,585	1,249,608
Total Taxes	<u>755,302,421</u>	<u>757,667,696</u>	<u>2,365,275</u>	<u>742,217,699</u>
LICENSES AND PERMITS				
Beer and wine licenses	55,000	72,033	17,033	61,979
Marriage licenses	159,500	148,344	(11,156)	143,250
Building permits and inspections	2,744,964	2,810,795	65,831	2,306,201
Total Licenses and Permits	<u>2,959,464</u>	<u>3,031,172</u>	<u>71,708</u>	<u>2,511,430</u>

**WAKE COUNTY, NORTH CAROLINA**

(Continued)

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**DETAILED BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2011**  
**With Comparative Actual Amounts for the Year Ended June 30, 2010**

	2011			2010
	Budget	Actual	Variance Positive/(Negative)	Actual
INTERGOVERNMENTAL REVENUE				
Federal and State:				
Human services	\$ 116,499,279	\$ 111,169,949	\$ (5,329,330)	\$ 113,690,648
Payments in lieu of taxes	200,340	242,082	41,742	229,873
Public library	495,000	616,335	121,335	533,729
Public safety	1,249,971	1,070,372	(179,599)	1,242,503
Others	2,275,500	2,690,009	414,509	2,059,793
Total Federal and State	<u>120,720,090</u>	<u>115,788,747</u>	<u>(4,931,343)</u>	<u>117,756,546</u>
Local:				
Human services	-	1,200	1,200	39,873
Others	7,112,124	7,168,490	56,366	3,038,425
Total Local	<u>7,112,124</u>	<u>7,169,690</u>	<u>57,566</u>	<u>3,078,298</u>
Total Intergovernmental	<u>127,832,214</u>	<u>122,958,437</u>	<u>(4,873,777)</u>	<u>120,834,844</u>

# WAKE COUNTY, NORTH CAROLINA

(Continued)

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**DETAILED BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2011**  
**With Comparative Actual Amounts for the Year Ended June 30, 2010**

	2011			2010
	Budget	Actual	Variance Positive/(Negative)	Actual
<b>CHARGES FOR SERVICES</b>				
Environmental	\$ 349,866	\$ 433,825	\$ 83,959	\$ 360,458
Client Fees	1,784,661	1,408,616	(376,045)	1,557,003
Insurance	982,992	1,095,774	112,782	1,005,950
Medicaid Fees	21,962,874	21,626,598	(336,276)	25,209,344
Medicare Fees	212,545	207,527	(5,018)	180,002
HS Reimbursements	526,712	423,602	(103,110)	497,088
Inspection Fees	518,050	471,212	(46,838)	478,362
Library Fees	481,000	566,723	85,723	630,892
Parks & Recreation Fees	176,625	132,330	(44,295)	145,726
EMS Fees	13,048,254	13,203,182	154,928	10,555,328
Facility Use Fees	137,500	221,519	84,019	175,764
Fire/Rescue Fees	284,276	252,735	(31,541)	314,101
Sheriff Fees	3,196,000	3,970,571	774,571	3,720,787
Transportation Fees	391,983	682,600	290,617	562,962
Planning Fees	168,805	305,742	136,937	212,261
Court Facility Fees	1,710,085	1,562,199	(147,886)	1,697,410
Parking Fees	620,000	695,087	75,087	514,902
Rental/lease income	254,320	95,671	(158,649)	332,259
Real Estate Record Fees	5,243,800	4,509,516	(734,284)	4,389,912
Reimbursements	1,780,663	1,834,934	54,271	2,032,001
Tax Collection Fees	690,000	778,598	88,598	765,617
Vending Income	626,211	616,887	(9,324)	643,938
Other Fees and Charges	1,306,350	1,424,808	118,458	1,762,243
Total Charges for Services	<u>56,453,572</u>	<u>56,520,256</u>	<u>66,684</u>	<u>57,744,310</u>
 <b>INVESTMENT EARNINGS</b>	 <u>73,392</u>	 <u>55,903</u>	 <u>(17,489)</u>	 <u>83,491</u>
 <b>MISCELLANEOUS</b>				
Sale of materials and fixed assets	208,484	275,629	67,145	879,267
Other	<u>110,350</u>	<u>380,196</u>	<u>269,846</u>	<u>614,312</u>
Total Miscellaneous	<u>318,834</u>	<u>655,825</u>	<u>336,991</u>	<u>1,493,579</u>
 <b>TOTAL REVENUES</b>	 <u>942,939,897</u>	 <u>940,889,289</u>	 <u>(2,050,608)</u>	 <u>924,885,353</u>

# WAKE COUNTY, NORTH CAROLINA

(Continued)

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

#### DETAILED BUDGET AND ACTUAL

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011					2010
	Budget	Actual	Encumbrances	Total	Variance Budget vs. Actual Positive/(Negative)	Actual
EXPENDITURES:						
GENERAL ADMINISTRATION						
County commissioners	\$ 459,652	\$ 455,395	\$ -	\$ 455,395	\$ 4,257	\$ 447,861
County manager	1,457,188	1,370,085	5,645	1,375,730	87,103	1,303,100
County attorney	1,482,483	1,377,591	-	1,377,591	104,892	1,424,611
Board of elections	3,154,544	2,875,288	-	2,875,288	279,256	2,423,869
Facilities design & construction	1,094,273	1,031,827	-	1,031,827	62,446	1,066,336
Finance	2,955,371	2,608,596	57,700	2,666,296	346,775	2,902,107
Human resources	1,895,127	1,624,621	-	1,624,621	270,506	1,912,357
Information services	11,956,869	11,449,455	157,246	11,606,701	507,414	11,838,478
Register of deeds	2,944,046	2,829,984	4,733	2,834,717	114,062	2,720,665
Revenue	7,820,287	5,019,591	15,000	5,034,591	2,800,696	4,931,522
Non-departmental	10,743,061	10,511,697	90,016	10,601,713	231,364	7,137,301
Public agencies	2,183,733	2,183,733	-	2,183,733	-	2,338,100
Total General Administration	48,146,634	43,337,863	330,340	43,668,203	4,808,771	40,446,307
HUMAN SERVICES						
Medical examiner	195,000	187,500	-	187,500	7,500	204,200
Social services economic self sufficiency	33,124,410	32,180,962	-	32,180,962	943,448	31,380,020
Child welfare	20,997,224	21,137,762	-	21,137,762	(140,538)	20,377,937
Children youth and family	54,380,623	53,783,996	-	53,783,996	596,627	54,634,822
Public health	9,839,424	9,616,840	34,740	9,651,580	222,584	10,568,032
Health clinics	16,505,058	16,089,715	7,376	16,097,091	415,343	14,159,902
Behavioral health	16,790,713	16,646,753	-	16,646,753	143,960	16,296,285
Administration and operations	24,314,922	23,509,184	328,744	23,837,928	805,738	24,026,097
Local management entity	42,906,719	38,853,721	2,101,054	40,954,775	4,052,998	41,619,926
Total Human Services	219,054,093	212,006,433	2,471,914	214,478,347	7,047,660	213,267,221

Encumbrances are included for internal reporting purposes only.

# WAKE COUNTY, NORTH CAROLINA

(Continued)

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

#### DETAILED BUDGET AND ACTUAL

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011					2010
	Budget	Actual	Encumbrances	Total	Variance Budget vs. Actual Positive/(Negative)	Actual
EDUCATION						
Wake County Public Schools:						
Current expense	\$ 312,059,879	\$ 312,059,879	\$ -	\$ 312,059,879	\$ -	\$ 311,373,608
Capital outlay	1,443,345	1,443,345	-	1,443,345	-	2,129,616
Total Wake County Public Schools	313,503,224	313,503,224	-	313,503,224	-	313,503,224
Wake Technical College:						
Current expense	15,991,050	15,991,050	-	15,991,050	-	17,013,550
Total Wake Technical College	15,991,050	15,991,050	-	15,991,050	-	17,013,550
Total Education	329,494,274	329,494,274	-	329,494,274	-	330,516,774
COMMUNITY DEVELOPMENT AND CULTURAL						
Community Development:						
Administration	507,851	503,647	-	503,647	4,204	556,362
Parks and recreation	2,136,480	2,105,848	31,000	2,136,848	30,632	2,111,027
Building inspections	3,605,323	3,586,941	-	3,586,941	18,382	3,833,530
Veterans services	259,609	252,871	-	252,871	6,738	255,210
Geographic information services	1,599,665	1,575,744	6,813	1,582,557	23,921	1,582,447
Public libraries	17,476,124	17,415,782	6,989	17,422,771	60,342	15,897,661
Total Community Development and Cultural	25,585,052	25,440,833	44,802	25,485,635	144,219	24,236,237

# WAKE COUNTY, NORTH CAROLINA

(Continued)

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**DETAILED BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2011**  
**With Comparative Actual Amounts for the Year Ended June 30, 2010**

	2011					2010
	Budget	Actual	Encumbrances	Total	Variance Budget vs. Actual Positive/(Negative)	Actual
EXPENDITURES:						
ENVIRONMENTAL SERVICES						
Environmental services	\$ 7,837,120	\$ 7,935,913	\$ -	\$ 7,935,913	\$ (98,793)	\$ 7,762,038
Total Environmental Services	7,837,120	7,935,913	-	7,935,913	(98,793)	7,762,038
GENERAL SERVICES ADMINISTRATION						
General services administration	23,976,158	23,790,814	66,269	23,857,083	185,344	24,880,503
Total General Services Administration	23,976,158	23,790,814	66,269	23,857,083	185,344	24,880,503
PUBLIC SAFETY						
Sheriff Department:						
Sheriff	31,710,912	31,735,835	72,352	31,808,187	(24,923)	32,092,015
Detention	28,946,990	28,066,816	48,535	28,115,351	880,174	28,203,321
Total Sheriff Department	60,657,902	59,802,651	120,887	59,923,538	855,251	60,295,336
CCBI	4,175,713	4,162,994	-	4,162,994	12,719	4,003,218
Emergency medical services	20,641,870	20,315,381	54,662	20,370,043	326,489	17,764,050
Fire and emergency management	1,984,957	1,879,964	20,294	1,900,258	104,993	1,774,070
Public safety communications	1,033,480	929,525	-	929,525	103,955	957,339
Total Public Safety	88,493,922	87,090,515	195,843	87,286,358	1,403,407	84,794,013
TOTAL EXPENDITURES	742,587,253	729,096,645	3,109,168	732,205,813	13,490,608	725,903,093

# 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, 2011**  
**With Comparative Actual Amounts for the Year Ended June 30, 2010**

	2011			2010
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES OVER EXPENDITURES	\$ 200,352,644	\$ 211,792,644	\$ 11,440,000	\$ 198,982,260
OTHER FINANCING SOURCES (USES)				
Transfers in	4,518,918	4,601,749	82,831	2,568,223
Transfers out	(209,192,860)	(209,192,860)	-	(205,384,972)
Total Other Financing Sources (Uses)	(204,673,942)	(204,591,111)	82,831	(202,816,749)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(4,321,298)	7,201,533	11,522,831	(3,834,489)
APPROPRIATED FUND BALANCE	4,321,298	-	(4,321,298)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	7,201,533	\$ 7,201,533	(3,834,489)
FUND BALANCE, BEGINNING OF YEAR, RESTATED		152,250,326		156,084,815
BUDGETARY FUND BALANCE		159,451,859		152,250,326
LESS: EXPENDITURES ASSOCIATED WITH INCEPTION OF CAPITAL LEASES AND NOTE PAYABLES		(139,713)		(304,944)
ADD: PROCEEDS OF CAPITAL LEASES AND NOTE PAYABLES		139,713		304,944
TOTAL LEASE INCEPTIONS		-		-
FUND BALANCE AT END OF YEAR		\$ 159,451,859		\$ 152,250,326

# WAKE COUNTY, NORTH CAROLINA

## AFFORDABLE HOUSING FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

#### BUDGET AND ACTUAL

From Project Inception Through June 30, 2011

	Project	Actual		
	Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 20,969,861	\$ 11,398,825	\$ 4,885,169	\$ 16,283,994
Charges for services	2,030,492	1,462,075	293,067	1,755,142
Investment earnings	-	251,430	193	251,623
Miscellaneous	102,526	46,868	-	46,868
Total Revenues	23,102,879	13,159,198	5,178,429	18,337,627
EXPENDITURES:				
Human Services				
County funded	11,937,900	7,848,550	699,858	8,548,408
Housing and community revitalization	13,529,110	8,046,224	2,502,214	10,548,438
Home grant	5,520,915	1,367,353	257,027	1,624,380
Homeless prevention grants	582,164	149,561	358,165	507,726
HOPWA grants	2,043,422	-	1,211,724	1,211,724
Total Expenditures	33,613,511	17,411,688	5,028,988	22,440,676
REVENUES OVER (UNDER) EXPENDITURES	(10,510,632)	(4,252,490)	149,441	(4,103,049)
OTHER FINANCING SOURCES:				
Transfers in	10,510,632	9,904,466	650,000	10,554,466
REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ -	\$ 5,651,976	799,441	\$ 6,451,417
Fund Balance at beginning of year			5,651,976	
FUND BALANCE AT END OF YEAR			\$ 6,451,417	

# WAKE COUNTY, NORTH CAROLINA

## MAJOR FACILITIES FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN APPROPRIATED FUND BALANCE

For the Year Ended June 30, 2011

	2011	
	Budget	Actual
<b>REVENUES:</b>		
Taxes:		
Occupancy tax	\$ 14,772,016	\$ 14,944,845
Prepared food tax	17,959,681	18,082,862
Total taxes	32,731,697	33,027,707
Investment earnings	-	35,001
Total Revenues	32,731,697	33,062,708
<b>EXPENDITURES:</b>		
Raleigh hold harmless - occupancy	680,000	680,000
Cary hold harmless - occupancy	724,825	724,825
Greater Raleigh Convention and Visitors Bureau	3,871,375	3,871,375
Centennial Authority operations 7%	1,920,848	1,920,753
Centennial - Debt service	5,208,756	5,208,756
Raleigh annual distribution - \$1M	1,000,000	1,000,000
Convention Center	14,144,062	14,142,787
NC Museum of Art	1,000,000	1,000,000
Centennial Authority Facility Improvements	1,000,000	1,000,000
Green Square	900,000	900,000
St. Augustine's	100,000	100,000
Total Expenditures	30,549,866	30,548,496
REVENUES OVER EXPENDITURES	2,181,831	2,514,212
<b>OTHER FINANCING USES:</b>		
Transfers out to General Fund	(990,831)	(990,831)
Transfers out to Debt Service Fund	(991,000)	(991,000)
Transfers out to Capital Improvement Fund	(1,000,000)	(1,000,000)
Total other financing uses	(2,981,831)	(2,981,831)
REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	(800,000)	(467,619)
Appropriated fund balance	800,000	
REVENUES AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER FINANCING USES	\$ -	(467,619)
Fund Balance at beginning of year		2,145,334
FUND BALANCES AT END OF YEAR		\$ 1,677,715

# 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, 2011

	2011	
	Budget	Actual
<b>REVENUES:</b>		
Intergovernmental	\$ 10,000,000	\$ 23,269,710
Investment earnings	10,880,268	7,109,361
Total revenues	20,880,268	30,379,071
<b>EXPENDITURES:</b>		
Debt service - principal	118,987,479	118,987,473
Debt service - interest	91,445,352	84,194,136
Future appropriated reserves	-	-
Miscellaneous	317,169	276,682
Total expenditures	210,750,000	203,458,291
REVENUES UNDER EXPENDITURES	(189,869,732)	(173,079,220)
<b>OTHER FINANCING SOURCES:</b>		
Transfers in	175,778,000	175,778,000
Premiums on issuance	10,764,000	11,190,302
Total Other Financing Sources (Uses)	186,542,000	186,968,302
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(3,327,732)	13,889,082
APPROPRIATED FUND BALANCE	3,327,732	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	\$ -	13,889,082
Fund Balance at beginning of year		152,266,294
FUND BALANCES AT END OF YEAR		\$ 166,155,376

# WAKE COUNTY, NORTH CAROLINA

## COUNTY CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE

#### BUDGET AND ACTUAL

From Project Inception Through June 30, 2011

	Actual			
	Project Authorization	Prior Years	Current Year	Total To Date
<b>REVENUES:</b>				
Taxes	\$ 612,910	\$ 614,561	\$ 941	\$ 615,502
Intergovernmental	19,927,914	13,005,935	3,379,338	16,385,273
Charges for services	10,626,204	7,572,239	13,482	7,585,721
Investment earnings	39,275,498	41,486,112	2,662	41,488,774
Miscellaneous	689,945	765,625	1,099,042	1,864,667
Total Revenues	71,132,471	63,444,472	4,495,465	67,939,937
<b>EXPENDITURES - CAPITAL PROJECTS:</b>				
Capital projects:				
Automation CIP	26,092,306	16,774,748	4,056,145	20,830,893
Community capital projects	1,905,000	1,155,000	500,000	1,655,000
County building improvements	43,550,873	24,946,226	11,134,171	36,080,397
Criminal justice CIP	381,368,268	119,057,618	126,809,494	245,867,112
Public libraries CIP	17,939,749	7,466,054	349,004	7,815,058
Open space	5,703,439	3,045,690	1,682,286	4,727,976
Parks and recreation CIP	5,406,446	2,932,771	364,910	3,297,681
Public safety CIP	20,100,421	14,380,638	3,615,359	17,995,997
Water and sewer	30,787,069	18,617,881	431,600	19,049,481
Economic development	5,299,716	3,382,386	728,335	4,110,721
Program wide projects	5,851,622	2,070,622	-	2,070,622
Total Expenditures	544,004,909	213,829,634	149,671,304	363,500,938
REVENUES UNDER EXPENDITURES	(472,872,438)	(150,385,162)	(145,175,839)	(295,561,001)
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Transfers in	163,067,643	139,365,600	23,702,043	163,067,643
Transfers out	(13,357,182)	(8,407,182)	(4,950,000)	(13,357,182)
Bonds issued	10,757,425	13,853,395	10,000,000	23,853,395
Limited obligation bonds issued	301,310,923	301,310,923	-	301,310,923
Premiums on issuance	11,093,629	11,140,000	-	11,140,000
Total Other Financing Sources and (Uses)	472,872,438	457,262,736	28,752,043	486,014,779
REVENUES AND OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES	\$ -	\$ 306,877,574	(116,423,796)	\$ 190,453,778
Fund Balance at beginning of year			306,877,574	
FUND BALANCE AT END OF YEAR			\$ 190,453,778	

# WAKE COUNTY, NORTH CAROLINA

## SCHOOL CAPITAL FUND

### SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE

#### BUDGET AND ACTUAL

From Project Inception Through June 30, 2011

	Project	Actual		
	Authorization	Prior Years	Current Year	Total To Date
<b>REVENUES:</b>				
Intergovernmental	\$ 24,669,528	\$ 34,573,666	\$ -	\$ 34,573,666
Lottery proceeds	16,000,000	16,613,874	-	16,613,874
Investment earnings	29,159,760	74,807,882	1,849,417	76,657,299
Miscellaneous	-	12,427	41,082	53,509
Total Revenues	69,829,288	126,007,849	1,890,499	127,898,348
<b>EXPENDITURES - CAPITAL PROJECTS:</b>				
Wake County Public Schools	1,694,767,785	1,371,655,983	95,385,667	1,467,041,650
TOTAL EXPENDITURES	1,694,767,785	1,371,655,983	95,385,667	1,467,041,650
REVENUES UNDER EXPENDITURES	(1,624,938,497)	(1,245,648,134)	(93,495,168)	(1,339,143,302)
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Bonds issued	1,491,395,421	1,325,251,307	106,800,000	1,432,051,307
Transfers in	116,853,266	202,862,750	7,000,000	209,862,750
Transfers out	(11,162,765)	(11,162,765)	-	(11,162,765)
Total Other Financing Sources and (Uses)	1,597,085,922	1,516,951,292	113,800,000	1,630,751,292
REVENUES AND OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES	(27,852,575)	271,303,158	20,304,832	291,607,990
Fund Balance Appropriated	27,852,575	-	-	-
REVENUES, OTHER SOURCES AND FUND BALANCE				
APPROPRIATED OVER EXPENDITURES AND OTHER USES	\$ -	\$ 271,303,158	20,304,832	\$ 291,607,990
Fund Balance at beginning of year			271,303,158	
FUND BALANCE AT END OF YEAR			\$ 291,607,990	

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

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

The ***Sewer Districts Fund*** accounts for the revenues and expenditures to connect six subdivisions to municipal or public utility wastewater systems. During fiscal year 2011 this fund was closed and the remaining balance was transferred to the General Fund.

The ***Capital Area Workforce Development Fund*** accounts for the federal Department of Labor grant activities conducted within the Job Training Partnership Act (JTPA) and the Workforce Development Act of 1998.

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

The ***Revaluation Reserve Fund*** accounts for the expenditures necessary for periodic property tax revaluations required under State law and the financing resources, which are primarily operating transfers from the General Fund. During fiscal year 2011, to comply with new GASB standards, this fund was closed and the balance was transferred to a new sub-fund of the General Fund.

### **Capital Project Funds**

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

The ***Wake Community College Capital Projects Fund*** accounts for the construction and renovation of building projects for the Community College financed with bonds authorized and issued by the County. It was established in fiscal year 2004, prior to that these projects had been accounted for as part of the School Capital Fund.

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

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

# WAKE COUNTY, NORTH CAROLINA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of June 30, 2011

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
<b>ASSETS</b>			
Cash and investments - pooled equity	\$ 7,508,730	\$ 22,894,337	\$ 30,403,067
Cash and investments - restricted cash	-	53,924,488	53,924,488
Taxes receivable, net	200,563	-	200,563
Accounts receivable, net	1,545,752	113,329	1,659,081
Prepaid expenditures	100,333	-	100,333
Accrued interest receivable	24,285	87,199	111,484
<b>TOTAL ASSETS</b>	<b>\$ 9,379,663</b>	<b>\$ 77,019,353</b>	<b>\$ 86,399,016</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 846,840	\$ 2,224,696	\$ 3,071,536
Due to other funds	605,859	-	605,859
Deferred revenues	257,966	60,000	317,966
<b>Total Liabilities</b>	<b>1,710,665</b>	<b>2,284,696</b>	<b>3,995,361</b>
Fund Balances:			
Restricted:			
Stabilization by State statute	2,555,709	708,978	3,264,687
Committed:			
Working capital	2,779,200	-	2,779,200
Assigned:			
Planned expenditures	2,334,089	69,188,033	71,522,122
Future capital projects	-	4,837,646	4,837,646
<b>Total Fund Balances</b>	<b>7,668,998</b>	<b>74,734,657</b>	<b>82,403,655</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,379,663</b>	<b>\$ 77,019,353</b>	<b>\$ 86,399,016</b>

# WAKE COUNTY, NORTH CAROLINA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2011

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
<b>REVENUES:</b>			
Taxes	\$ 20,294,005	\$ -	\$ 20,294,005
Intergovernmental	11,211,130	-	11,211,130
Charges for services	397,679	20,000	417,679
Fines and forfeitures	9,249	-	9,249
Investment earnings	100,709	296,183	396,892
Miscellaneous	36,385	-	36,385
Total Revenues	32,049,157	316,183	32,365,340
<b>EXPENDITURES</b>			
General administration	157,583	-	157,583
Human services	8,116,191	-	8,116,191
Community development	37,400	1,035,495	1,072,895
Environmental services	85,014	-	85,014
Public safety	18,462,725	3,050,605	21,513,330
General services administration	29,860	-	29,860
Education	-	32,233,429	32,233,429
Total Expenditures	26,888,773	36,319,529	63,208,302
REVENUES OVER (UNDER) EXPENDITURES	5,160,384	(36,003,346)	(30,842,962)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	973,860	9,328,000	10,301,860
Transfers out	(6,504,961)	-	(6,504,961)
Bonds issued	-	36,000,000	36,000,000
Total Other Financing Sources (Uses)	(5,531,101)	45,328,000	39,796,899
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(370,717)	9,324,654	8,953,937
Fund Balances at beginning of year	8,039,715	65,410,003	73,449,718
FUND BALANCES AT END OF YEAR	\$ 7,668,998	\$ 74,734,657	\$ 82,403,655

# WAKE COUNTY, NORTH CAROLINA

## COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS As of June 30, 2011

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Total
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 2,324,905	\$ -	\$ 5,183,825	\$ 7,508,730
Taxes receivable, net	-	-	200,563	200,563
Accounts receivable, net	395,995	1,149,757	-	1,545,752
Prepaid expenditures	99,487	846	-	100,333
Accrued interest receivable	4,541	-	19,744	24,285
<b>TOTAL ASSETS</b>	<b>\$ 2,824,928</b>	<b>\$ 1,150,603</b>	<b>\$ 5,404,132</b>	<b>\$ 9,379,663</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 318,657	\$ 515,051	\$ 13,132	\$ 846,840
Due to other funds	-	605,859	-	605,859
Deferred revenues	-	-	257,966	257,966
<b>Total Liabilities</b>	<b>318,657</b>	<b>1,120,910</b>	<b>271,098</b>	<b>1,710,665</b>
Fund Balances:				
Restricted:				
Stabilization by State statute	2,506,271	29,693	19,745	2,555,709
Committed:				
Working capital	-	-	2,779,200	2,779,200
Assigned:				
Planned expenditures	-	-	2,334,089	2,334,089
<b>Total Fund Balances</b>	<b>2,506,271</b>	<b>29,693</b>	<b>5,133,034</b>	<b>7,668,998</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,824,928</b>	<b>\$ 1,150,603</b>	<b>\$ 5,404,132</b>	<b>\$ 9,379,663</b>

# WAKE COUNTY, NORTH CAROLINA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended June 30, 2011

	Grants Fund	Sewer Districts	Capital Area Workforce Development	Fire Tax District	Revaluation Reserve	Total
<b>REVENUES:</b>						
Taxes	\$ -	\$ -	\$ -	\$ 20,294,005	\$ -	\$ 20,294,005
Intergovernmental	4,941,890	-	6,269,240	-	-	11,211,130
Charges for services	367,549	-	30,130	-	-	397,679
Fines and forfeitures	9,249	-	-	-	-	9,249
Investment earnings	20,132	1,267	-	75,476	3,834	100,709
Miscellaneous	-	-	10,346	26,039	-	36,385
Total Revenues	<u>5,338,820</u>	<u>1,267</u>	<u>6,309,716</u>	<u>20,395,520</u>	<u>3,834</u>	<u>32,049,157</u>
<b>EXPENDITURES:</b>						
General administration	61,813	-	-	-	95,770	157,583
Human services	1,754,791	-	6,361,400	-	-	8,116,191
Community development	37,400	-	-	-	-	37,400
Environmental services	85,014	-	-	-	-	85,014
Public safety	1,351,402	-	-	17,111,323	-	18,462,725
General services administration	29,860	-	-	-	-	29,860
Total Expenditures	<u>3,320,280</u>	<u>-</u>	<u>6,361,400</u>	<u>17,111,323</u>	<u>95,770</u>	<u>26,888,773</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,018,540</u>	<u>1,267</u>	<u>(51,684)</u>	<u>3,284,197</u>	<u>(91,936)</u>	<u>5,160,384</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	123,860	-	-	-	850,000	973,860
Transfers out	<u>(487,043)</u>	<u>(601,776)</u>	<u>-</u>	<u>(2,811,000)</u>	<u>(2,605,142)</u>	<u>(6,504,961)</u>
Total other financing sources and uses	<u>(363,183)</u>	<u>(601,776)</u>	<u>-</u>	<u>(2,811,000)</u>	<u>(1,755,142)</u>	<u>(5,531,101)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>1,655,357</u>	<u>(600,509)</u>	<u>(51,684)</u>	<u>473,197</u>	<u>(1,847,078)</u>	<u>(370,717)</u>
Fund Balances at beginning of year	<u>850,914</u>	<u>600,509</u>	<u>81,377</u>	<u>4,659,837</u>	<u>1,847,078</u>	<u>8,039,715</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,506,271</u>	<u>\$ -</u>	<u>\$ 29,693</u>	<u>\$ 5,133,034</u>	<u>\$ -</u>	<u>\$ 7,668,998</u>

# WAKE COUNTY, NORTH CAROLINA

**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**As of June 30, 2011**

	Wake Community College Capital Projects Fund	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Total
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 14,571,024	\$ 7,216,275	\$ 1,107,038	\$ 22,894,337
Cash and investments - restricted	53,924,488	-	-	53,924,488
Accounts receivable, net	46,146	33,938	33,245	113,329
Accrued interest receivable	55,498	27,485	4,216	87,199
<b>TOTAL ASSETS</b>	<b>\$ 68,597,156</b>	<b>\$ 7,277,698</b>	<b>\$ 1,144,499</b>	<b>\$ 77,019,353</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,685,963	\$ 509,643	\$ 29,090	\$ 2,224,696
Deferred revenues	-	-	60,000	60,000
<b>Total Liabilities</b>	<b>1,685,963</b>	<b>509,643</b>	<b>89,090</b>	<b>2,284,696</b>
Fund Balances:				
Restricted:				
Stabilization by State statute	101,644	550,945	56,389	708,978
Assigned:				
Planned expenditures	66,809,549	2,052,752	325,732	69,188,033
Future capital projects	-	4,164,358	673,288	4,837,646
<b>Total Fund Balances</b>	<b>66,911,193</b>	<b>6,768,055</b>	<b>1,055,409</b>	<b>74,734,657</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 68,597,156</b>	<b>\$ 7,277,698</b>	<b>\$ 1,144,499</b>	<b>\$ 77,019,353</b>

# WAKE COUNTY, NORTH CAROLINA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECT FUNDS For the Year Ended June 30, 2011

	Wake Community College Capital Projects Fund	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Total
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 20,000	\$ 20,000
Investment earnings	208,111	67,548	20,524	296,183
Total Revenues	<u>208,111</u>	<u>67,548</u>	<u>40,524</u>	<u>316,183</u>
<b>EXPENDITURES:</b>				
Capital Projects:				
Community development and cultural	-	-	1,035,495	1,035,495
Public safety	-	3,050,605	-	3,050,605
Education	32,233,429	-	-	32,233,429
Total Expenditures	<u>32,233,429</u>	<u>3,050,605</u>	<u>1,035,495</u>	<u>36,319,529</u>
REVENUES (UNDER)				
EXPENDITURES	<u>(32,025,318)</u>	<u>(2,983,057)</u>	<u>(994,971)</u>	<u>(36,003,346)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	6,657,000	1,671,000	1,000,000	9,328,000
Bonds issued	<u>36,000,000</u>	<u>-</u>	<u>-</u>	<u>36,000,000</u>
Total other financing sources	<u>42,657,000</u>	<u>1,671,000</u>	<u>1,000,000</u>	<u>45,328,000</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	10,631,682	(1,312,057)	5,029	9,324,654
Fund Balances at beginning of year	<u>56,279,511</u>	<u>8,080,112</u>	<u>1,050,380</u>	<u>65,410,003</u>
FUND BALANCES AT END OF YEAR	<u>\$ 66,911,193</u>	<u>\$ 6,768,055</u>	<u>\$ 1,055,409</u>	<u>\$ 74,734,657</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, 2011

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
<b>REVENUES:</b>				
Intergovernmental	\$ 28,071,174	\$ 16,568,180	\$ 4,941,890	\$ 21,510,070
Charges for services	613,066	488,855	367,549	856,404
Fines and forfeitures	-	192	9,249	9,441
Investment earnings	16,502	30,058	20,132	50,190
Miscellaneous	223,892	146,778	-	146,778
Total Revenues	28,924,634	17,234,063	5,338,820	22,572,883
<b>EXPENDITURES:</b>				
General administration	1,195,658	749,079	61,813	810,892
Human services	20,320,548	12,274,612	1,754,791	14,029,403
Community development	304,812	206,010	37,400	243,410
Environmental services	426,215	252,852	85,014	337,866
Public safety	7,042,292	3,587,907	1,351,402	4,939,309
General services administration	75,112	39,163	29,860	69,023
Total Expenditures	29,364,637	17,109,623	3,320,280	20,429,903
REVENUES UNDER EXPENDITURES	(440,003)	124,440	2,018,540	2,142,980
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Transfers in	850,334	726,474	123,860	850,334
Transfers out	(487,043)	-	(487,043)	(487,043)
Total Other Financing Sources and Uses	363,291	726,474	(363,183)	363,291
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(76,712)	\$ 850,914	1,655,357	\$ 2,506,271
Fund balance appropriated	76,712		-	
REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES	\$ -		1,655,357	
Fund Balance at beginning of year			850,914	
FUND BALANCE AT END OF YEAR			\$ 2,506,271	

# WAKE COUNTY, NORTH CAROLINA

## SEWER DISTRICTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

#### BUDGET AND ACTUAL

From Project Inception Through June 30, 2011

	Project Authorization	Prior Years	Actual Current Year	Total To Date
<b>REVENUES:</b>				
Intergovernmental	\$ 575,014	\$ 355,874	\$ -	\$ 355,874
Charges for services	4,564,836	2,171,126	-	2,171,126
Investment earnings	404,711	690,264	1,267	691,531
Miscellaneous	-	89,485	-	89,485
Total Revenues	5,544,561	3,306,749	1,267	3,308,016
<b>EXPENDITURES:</b>				
Community development	5,924,854	5,924,856	-	5,924,856
REVENUES UNDER EXPENDITURES	(380,293)	(2,618,107)	1,267	(2,616,840)
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Proceeds of long-term debt	-	2,379,210	-	2,379,210
Transfers in	839,406	839,406	-	839,406
Transfers out	(601,776)	-	(601,776)	(601,776)
Total Other Financing Sources and Uses	237,630	3,218,616	(601,776)	2,616,840
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(142,663)	600,509	(600,509)	-
Fund balance appropriated	142,663	-	-	-
REVENUES, OTHER SOURCES, AND FUND BALANCE APPROPRIATED OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 600,509	(600,509)	\$ -
Fund Balance at beginning of year			600,509	
FUND BALANCE AT END OF YEAR			\$ -	

# 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, 2011

	Project	Actual		
	Authorization	Prior	Current	Total
REVENUES:		Years	Year	To Date
Intergovernmental	\$ 34,556,261	\$ 25,082,082	\$ 6,269,240	\$ 31,351,322
Charges for services	27,319	22,227	30,130	52,357
Miscellaneous	-	3,878	10,346	14,224
Total Revenues	34,583,580	25,108,187	6,309,716	31,417,903
EXPENDITURES:				
Title I - Adult	4,904,314	3,562,329	1,097,562	4,659,891
Title I - Dislocated Workers	6,827,740	4,465,024	2,123,712	6,588,736
Title I - Youth	6,586,053	4,864,305	1,083,966	5,948,271
Statewide Activities	2,886,931	1,936,092	655,094	2,591,186
Dislocated Worker - Supplemental	725,759	465,429	237,208	702,637
WIA Administration	3,814,384	1,874,995	833,351	2,708,346
Hurricane Katrina	825,000	667,359	-	667,359
Welfare-to-work Grant	4,048,265	4,010,087	454	4,010,541
Training Grants	2,590,952	2,507,168	-	2,507,168
AmeriCorps	1,248,352	562,990	330,053	893,043
Other County	2,751	(12,047)	-	(12,047)
Total Expenditures	34,460,501	24,903,731	6,361,400	31,265,131
REVENUES OVER (UNDER) EXPENDITURES	123,079	204,456	(51,684)	152,772
OTHER FINANCING SOURCES (USES):				
Transfers in	11,290	11,290	-	11,290
Transfers out	(134,369)	(134,369)	-	(134,369)
Total Other Financing Sources and Uses	(123,079)	(123,079)	-	(123,079)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 81,377	(51,684)	\$ 29,693
Fund balance at beginning of year			81,377	
FUND BALANCE AT END OF YEAR			\$ 29,693	

# 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, 2011

	2011	
	Budget	Actual
<b>REVENUES:</b>		
Taxes - ad valorem property	\$ 20,195,000	\$ 20,294,005
Investment earnings	-	75,476
Miscellaneous	9,000	26,039
Total Revenues	20,204,000	20,395,520
<b>EXPENDITURES:</b>		
Public Safety:		
Rural fire districts	17,435,000	17,111,323
Total Expenditures	17,435,000	17,111,323
REVENUES OVER EXPENDITURES	2,769,000	3,284,197
<b>OTHER FINANCING USES:</b>		
Transfers out	(2,811,000)	(2,811,000)
REVENUES OVER EXPENDITURES AND OTHER USES	(42,000)	473,197
Appropriated fund balance	42,000	-
REVENUES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	\$ -	473,197
Fund Balance at beginning of year		4,659,837
FUND BALANCE AT END OF YEAR		\$ 5,133,034

# WAKE COUNTY, NORTH CAROLINA

## REVALUATION RESERVE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

#### BUDGET AND ACTUAL

From Project Inception Through June 30, 2011

	Project Authorization	Prior Years	Actual Actual	Total To Date
<b>REVENUES:</b>				
Investment earnings	\$ 865,115	\$ 1,356,984	\$ 3,834	\$ 1,360,818
<b>EXPENDITURES:</b>				
General administration - Revaluation	15,415,918	15,320,149	95,770	15,415,919
REVENUES UNDER EXPENDITURES	(14,550,803)	(13,963,165)	(91,936)	(14,055,101)
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds of capital leases	-	10,243	-	10,243
Transfers in	16,650,000	15,800,000	850,000	16,650,000
Transfers out	(2,605,142)	-	(2,605,142)	(2,605,142)
Total Other Financing Sources and Uses	14,044,858	15,810,243	(1,755,142)	14,055,101
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(505,945)	1,847,078	(1,847,078)	-
Fund balance appropriated	505,945	-	-	-
REVENUES, OTHER SOURCES, AND FUND BALANCE APPROPRIATED OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 1,847,078	(1,847,078)	\$ -
Fund Balance at beginning of year			1,847,078	
FUND BALANCE AT END OF YEAR			\$ -	

# WAKE COUNTY, NORTH CAROLINA

**WAKE COMMUNITY COLLEGE CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**From Project Inception Through June 30, 2011**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ 1,334,556	\$ 208,111	\$ 1,542,667
Total Revenues	-	1,334,556	208,111	1,542,667
<b>EXPENDITURES - CAPITAL PROJECTS:</b>				
Wake Technical College	159,767,731	61,347,603	32,233,429	93,581,032
TOTAL EXPENDITURES	159,767,731	61,347,603	32,233,429	93,581,032
REVENUES UNDER EXPENDITURES	(159,767,731)	(60,013,047)	(32,025,318)	(92,038,365)
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	27,647,000	20,990,000	6,657,000	27,647,000
Bonds issued	130,856,376	94,038,203	36,000,000	130,038,203
Premiums on issuance	1,264,355	1,264,355	-	1,264,355
Total Other Financing Sources	159,767,731	116,292,558	42,657,000	158,949,558
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ -	\$ 56,279,511	10,631,682	\$ 66,911,193
Fund Balance at beginning of year			56,279,511	
FUND BALANCE AT END OF YEAR			\$ 66,911,193	

# 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, 2011

	Project Authorization	Prior Years	Actual Current Year	Total To Date
<b>REVENUES:</b>				
Investment earnings	\$ 660,678	\$ 726,051	\$ 67,548	\$ 793,599
Miscellaneous	87,071	87,071	-	87,071
Total Revenues	747,749	813,122	67,548	880,670
<b>EXPENDITURES:</b>				
Capital projects:				
Fire and rescue CIP	16,885,934	11,231,632	3,050,605	14,282,237
Total Expenditures	16,885,934	11,231,632	3,050,605	14,282,237
REVENUES UNDER EXPENDITURES	(16,138,185)	(10,418,510)	(2,983,057)	(13,401,567)
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	16,138,185	18,498,622	1,671,000	20,169,622
Total Other Financing Sources	16,138,185	18,498,622	1,671,000	20,169,622
REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ -	\$ 8,080,112	(1,312,057)	\$ 6,768,055
Fund Balance at beginning of year			8,080,112	
FUND BALANCE AT END OF YEAR			\$ 6,768,055	

# 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, 2011

	Project Authorization	Prior Years	Actual Current Year	Total To Date
<b>REVENUES:</b>				
Intergovernmental	\$ 3,900,000	\$ 3,942,100	\$ -	\$ 3,942,100
Charges for services	592,997	512,997	20,000	532,997
Investment earnings	516,319	522,093	20,524	542,617
Total Revenues	5,009,316	4,977,190	40,524	5,017,714
<b>EXPENDITURES:</b>				
Capital projects:				
Community development and cultural	44,840,619	42,839,000	1,035,495	43,874,495
REVENUES UNDER EXPENDITURES	(39,831,303)	(37,861,810)	(994,971)	(38,856,781)
<b>OTHER FINANCING SOURCES:</b>				
Installment purchases proceeds	600,000	599,842	-	599,842
Transfers in	39,231,303	38,312,348	1,000,000	39,312,348
Total Other Financing Sources	39,831,303	38,912,190	1,000,000	39,912,190
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ -	\$ 1,050,380	5,029	\$ 1,055,409
Fund Balance at beginning of year			1,050,380	
FUND BALANCE AT END OF YEAR			\$ 1,055,409	

## 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, 2011**

	Solid Waste Operating Fund	Solid Waste Capital Project	June 30, 2011
<b>ASSETS</b>			
Cash and investments - pooled equity	\$ 26,181,831	\$ 3,624,774	\$ 29,806,605
Cash and investments - reserved	9,984,832	-	9,984,832
Accounts receivable, net	525,656	34,101	559,757
Due from other funds	296,592	-	296,592
Prepaid expenditures	-	-	-
Accrued interest receivable	138,227	13,269	151,496
<b>TOTAL ASSETS</b>	<b>\$ 37,127,138</b>	<b>\$ 3,672,144</b>	<b>\$ 40,799,282</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,417,317	\$ 98,928	\$ 1,516,245
Deferred revenues	55,573	-	55,573
Closure/post-closure care reserves	9,984,832	-	9,984,832
<b>Total Liabilities</b>	<b>11,457,722</b>	<b>98,928</b>	<b>11,556,650</b>
Fund Balances:			
Restricted:			
Stabilization by state statute	927,797	689,980	1,617,777
White goods	1,897,683	-	1,897,683
Assigned:			
Planned expenditures	-	2,565,082	2,565,082
Future capital projects	-	318,154	318,154
Unassigned	22,843,936	-	22,843,936
<b>Total Fund Balances</b>	<b>25,669,416</b>	<b>3,573,216</b>	<b>29,242,632</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 37,127,138</b>	<b>\$ 3,672,144</b>	<b>\$ 40,799,282</b>

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

**WAKE COUNTY, NORTH CAROLINA**

(Continued)

**SOLID WASTE OPERATING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**For the Year Ended June 30, 2011**  
**With Comparative Actual Amounts for the Year Ended June 30, 2010**

	2011		2010
	Budget	Actual	Actual
<b>REVENUES:</b>			
Intergovernmental	\$ 472,358	\$ 1,546,434	\$ 1,390,303
Licenses and permits	8,500	8,800	2,700
Charges for services	7,378,400	7,371,649	7,312,542
Investment earnings	357,000	395,402	881,142
Miscellaneous	1,480,742	943,682	620,963
Total Revenues	<u>9,697,000</u>	<u>10,265,967</u>	<u>10,207,650</u>
<b>EXPENDITURES:</b>			
Cost of service	8,984,443	6,052,731	6,571,257
Administration	1,560,394	1,450,071	1,381,571
Total Expenditures	<u>10,544,837</u>	<u>7,502,802</u>	<u>7,952,828</u>
REVENUES OVER (UNDER) EXPENDITURES	(847,837)	2,763,165	2,254,822

# WAKE COUNTY, NORTH CAROLINA

## SOLID WASTE OPERATING FUND

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		2010
	Budget	Actual	Actual
<b>OTHER FINANCING SOURCES AND (USES):</b>			
Transfers In	\$ 1,190,000	\$ 1,190,000	\$ 1,287,183
Transfers out	(2,253,000)	(2,253,000)	(2,624,000)
Total Other Financing Sources and Uses	(1,063,000)	(1,063,000)	(1,336,817)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER SOURCES/(USES):	(1,910,837)	1,700,165	918,005
APPROPRIATED FUND BALANCE	1,910,837	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 1,700,165	\$ 918,005
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES:		\$ 1,700,165	\$ 918,005
Reconciling items:			
Compensated absences expenses		1,100	(1,125)
OPEB expenses		(48,579)	(28,854)
Risk management expenses		(4,243)	-
Net decrease in deferred revenue		923	(1,927)
Intergovernmental revenues - Construction fund		75,000	-
Investment earnings - Construction Fund		37,060	105,003
Expenditures - Construction Fund		(2,041,359)	(2,818,548)
Transfers in - Construction Fund		1,849,000	2,220,000
Acquisition of capital assets		-	361,283
Depreciation and depletion		(633,169)	(462,124)
Change in net assets		\$ 935,898	\$ 291,713

# 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, 2011**

	Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>REVENUES:</b>				
Intergovernmental	\$ 75,000	\$ -	\$ 75,000	\$ 75,000
Investment earnings	1,431,000	1,491,976	37,060	1,529,036
Miscellaneous	1,644,148	-	-	-
Total revenues	<u>3,150,148</u>	<u>1,491,976</u>	<u>112,060</u>	<u>1,604,036</u>
<b>EXPENDITURES:</b>				
Enterprise infrastructure	14,703,100	8,103,157	1,959,363	10,062,520
Future projects	417,982	-	-	-
Other	-	77,355	81,996	159,351
Total expenditures	<u>15,121,082</u>	<u>8,180,512</u>	<u>2,041,359</u>	<u>10,221,871</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(11,970,934)</u>	<u>(6,688,536)</u>	<u>(1,929,299)</u>	<u>(8,617,835)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers in	<u>11,970,934</u>	<u>10,342,051</u>	<u>1,849,000</u>	<u>12,191,051</u>
Total other financing sources and uses	<u>11,970,934</u>	<u>10,342,051</u>	<u>1,849,000</u>	<u>12,191,051</u>
REVENUES, OTHER SOURCES, AND APPROPRIATED FUND				
BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 3,653,515</u>	<u>(80,299)</u>	<u>\$ 3,573,216</u>
Fund Balance at the beginning of the year			<u>3,653,515</u>	
FUND BALANCE AT THE END OF THE YEAR			<u>\$ 3,573,216</u>	

# WAKE COUNTY, NORTH CAROLINA

**BUDGETARY COMBINING BALANCE SHEET**  
**SOUTH WAKE LANDFILL PARTNERSHIP FUND (NON-GAAP)**  
**MODIFIED ACCRUAL BASIS OF ACCOUNTING**  
**As of June 30, 2011**

	South Wake Landfill	East Wake Transfer Station	June 30, 2011
<b>ASSETS</b>			
Cash and investments - pooled equity	\$ 1,406,182	\$ 1,151,565	\$ 2,557,747
Cash and investments - reserved	6,049,200	961,529	7,010,729
Cash and investments - cash equivalents	450	300	750
Accounts receivable, net	481,838	1,231,660	1,713,498
Accrued interest receivable	7,428	29,082	36,510
<b>TOTAL ASSETS</b>	<b>\$ 7,945,098</b>	<b>\$ 3,374,136</b>	<b>\$ 11,319,234</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,590,298	\$ 2,411,152	\$ 4,001,450
Due to other funds	296,592	-	296,592
Deferred revenues	9,008	1,455	10,463
Construction reserves	-	961,529	961,529
Closure/post-closure care reserves	6,049,200	-	6,049,200
<b>Total Liabilities</b>	<b>7,945,098</b>	<b>3,374,136</b>	<b>11,319,234</b>
Fund Balances:			
Unassigned	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,945,098</b>	<b>\$ 3,374,136</b>	<b>\$ 11,319,234</b>

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

# WAKE COUNTY, NORTH CAROLINA

## SOUTH WAKE LANDFILL PARTNERSHIP FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND APPROPRIATED FUND BALANCE

#### BUDGET AND ACTUAL (NON-GAAP BASIS)

For the Year Ended June 30, 2011

	South Wake Landfill		East Wake Transfer Station		June 30, 2011	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>REVENUES:</b>						
Charges of services	\$ 12,882,023	\$ 5,215,497	\$ 2,534,977	\$ 9,931,031	\$ 15,417,000	\$ 15,146,528
Investment earnings	-	33,038	-	57,493	-	90,531
Total Revenues	12,882,023	5,248,535	2,534,977	9,988,524	15,417,000	15,237,059
<b>EXPENDITURES:</b>						
Cost of service	7,987,178	7,963,536	3,323,285	3,612,515	11,310,463	11,576,051
Administration	151,994	129,534	940,494	732,326	1,092,488	861,860
Partner rebates	1,824,963	1,817,310	-	-	1,824,963	1,817,310
Total Expenditures	9,964,135	9,910,380	4,263,779	4,344,841	14,227,914	14,255,221
REVENUES UNDER EXPENDITURES	2,917,888	(4,661,845)	(1,728,802)	5,643,683	1,189,086	981,838
<b>OTHER FINANCING SOURCE (USES):</b>						
Transfers out	(1,066,757)	(1,066,757)	(123,243)	(123,243)	(1,190,000)	(1,190,000)
Intrafund transfers in	-	5,520,440	-	-	-	5,520,440
Intrafund transfers out	-	-	-	(5,520,440)	-	(5,520,440)
Total other financing sources/(uses)	(1,066,757)	4,453,683	(123,243)	(5,643,683)	(1,190,000)	(1,190,000)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,851,131	(208,162)	(1,852,045)	-	(914)	(208,162)
APPROPRIATED FUND BALANCE	-	-	914	-	914	-
REVENUES AND OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 1,851,131	\$ (208,162)	\$ (1,851,131)	\$ -	\$ -	\$ (208,162)

Reconciliation from budgetary basis of modified accrual to full accrual basis:

REVENUES AND OTHER FINANCING USES UNDER EXPENDITURES AND OTHER FINANCING USES	\$ (208,162)
Reconciling items	
Net increase in deferred revenue	(15,137)
Compensated absences expenses	478
Risk management expenses	(1,491)
OPEB expenses	(33,166)
Change in net assets	\$ (257,478)

## ***WAKE COUNTY, NORTH CAROLINA***

### **BUDGETARY BALANCE SHEET**

#### **CORPORATE FLEET FUND (NON-GAAP)**

#### **MODIFIED ACCRUAL BASIS OF ACCOUNTING**

**As of June 30, 2011**

	June 30, 2011
<b>ASSETS</b>	
Cash and investments - pooled equity	\$ 1,172,800
Accounts receivable, net	16,340
Accrued interest receivable	4,475
Inventories	204,727
<b>TOTAL ASSETS</b>	<b>\$ 1,398,342</b>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable and accrued liabilities	\$ 201,283
Fund Balances:	
Restricted:	
Stabilization by state statute	958,001
Unassigned	239,058
<b>Total Fund Balances</b>	<b>1,197,059</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,398,342</b>

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

# WAKE COUNTY, NORTH CAROLINA

## CORPORATE FLEET FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND APPROPRIATED FUND BALANCE

#### BUDGET AND ACTUAL (NON-GAAP BASIS)

For the Year Ended June 30, 2011

	2011	
	Budget	Actual
<b>REVENUES:</b>		
Charges of services	\$ 7,430,717	\$ 7,338,792
Investment earnings	40,000	37,431
Miscellaneous	500,612	622,563
Total Revenues	<u>7,971,329</u>	<u>7,998,786</u>
<b>EXPENDITURES:</b>		
Cost of service	8,661,393	7,589,067
Administration	1,261,923	1,212,660
Reserve for replacements	2,000,000	-
Total Expenditures	<u>11,923,316</u>	<u>8,801,727</u>
REVENUES UNDER EXPENDITURES	(3,951,987)	(802,941)
<b>OTHER FINANCING SOURCES:</b>		
Transfers in	2,000,000	2,000,000
Total other financing sources/(uses)	<u>2,000,000</u>	<u>2,000,000</u>
REVENUES OVER (UNDER)		
EXPENDITURES AND OTHER FINANCING USES	(1,951,987)	1,197,059
APPROPRIATED FUND BALANCE	<u>1,951,987</u>	<u>-</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER		
(UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ 1,197,059</u>
Reconciliation from budgetary basis of modified accrual to full accrual basis:		
REVENUES AND OTHER FINANCING USES		
UNDER EXPENDITURES AND OTHER FINANCING USES		\$ 1,197,059
Reconciling items		
Compensated absences expenses		(47,210)
OPEB expenses		(173,736)
Risk management expenses		(4,243)
Acquisition of capital assets		4,226,379
Disposal of capital assets		(94,907)
Depreciation of capital assets		<u>(2,941,605)</u>
Change in net assets		<u>\$ 2,161,737</u>

**WAKE COUNTY, NORTH CAROLINA**

(Continued)

**AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Year Ended June 30, 2011**

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<b>MUNICIPAL TAX FUND</b>				
ASSETS				
Cash and investments - pooled equity	\$ 315,633	\$ 1,781,360,337	\$ (1,781,300,037)	\$ 375,933
LIABILITIES				
Other Liabilities	\$ 315,633	\$ 357,450,377	\$ (357,390,077)	\$ 375,933
<b>HUMAN SERVICES FUND</b>				
ASSETS				
Cash and investments - pooled equity	\$ 588,874	\$ 3,467,429	\$ (3,604,706)	\$ 451,597
Accounts receivable	-	803	-	803
Accrued interest receivable	1,983	1,667	(1,983)	1,667
TOTAL ASSETS	\$ 590,857	\$ 3,469,899	\$ (3,606,689)	\$ 454,067
LIABILITIES				
Other liabilities	\$ 590,857	\$ 2,914,724	\$ (3,051,514)	\$ 454,067

## WAKE COUNTY, NORTH CAROLINA

### AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES For the Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<b>FINES AND FORFEITURES</b>				
ASSETS				
Cash and investments - pooled equity	\$ 180,321	\$ 12,100,609	\$ (11,877,379)	\$ 403,551
Accounts receivable	30,542	27,398	(30,542)	27,398
Accrued interest	1,145	1,537	(1,145)	1,537
TOTAL ASSETS	<u>\$ 212,008</u>	<u>\$ 12,129,544</u>	<u>\$ (11,909,066)</u>	<u>\$ 432,486</u>
LIABILITIES				
Other liabilities	\$ 212,008	\$ 5,729,770	\$ (5,509,292)	\$ 432,486
TOTAL LIABILITIES	<u>\$ 212,008</u>	<u>\$ 5,729,770</u>	<u>\$ (5,509,292)</u>	<u>\$ 432,486</u>
<b>DMV INTEREST PENALTIES</b>				
ASSETS				
Cash and investments - pooled equity	\$ 40,876	\$ 3,075,404	\$ (3,072,343)	\$ 43,937
Accrued interest	260	167	(260)	167
TOTAL ASSETS	<u>\$ 41,136</u>	<u>\$ 3,075,571</u>	<u>\$ (3,072,603)</u>	<u>\$ 44,104</u>
LIABILITIES				
Due to other governmental units	\$ 37,725	\$ 39,944	\$ (37,725)	\$ 39,944
Other liabilities	3,411	69,746	(68,997)	4,160
TOTAL LIABILITIES	<u>\$ 41,136</u>	<u>\$ 109,690</u>	<u>\$ (106,722)</u>	<u>\$ 44,104</u>
<b>TOTAL - ALL AGENCY FUNDS</b>				
ASSETS				
Cash and investments - pooled equity	\$ 1,125,704	\$ 1,800,003,779	\$ (1,799,854,465)	\$ 1,275,018
Accounts receivable	30,542	28,201	(30,542)	28,201
Accrued interest receivable	3,388	3,371	(3,388)	3,371
TOTAL ASSETS	<u>\$ 1,159,634</u>	<u>\$ 1,800,035,351</u>	<u>\$ (1,799,888,395)</u>	<u>\$ 1,306,590</u>
LIABILITIES				
Other liabilities	\$ 1,121,909	\$ 366,164,617	\$ (366,019,880)	\$ 1,266,646
Due to other governmental units	37,725	39,944	(37,725)	39,944
TOTAL LIABILITIES	<u>\$ 1,159,634</u>	<u>\$ 366,204,561</u>	<u>\$ (366,057,605)</u>	<u>\$ 1,306,590</u>

# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS BY FUNCTION AND CATEGORY As of June 30, 2011

Function	Land	Buildings	Improvements	Machinery and Equipment	Vehicles and Motorized Equipment	Infrastructure	Construction in progress	Total
General administration	\$ 10,172,473	\$ 64,438,770	\$ 5,738,932	\$ 11,774,429	\$ 233,440	\$ 166,474	\$ -	\$ 92,524,518
Human services	2,749,082	57,906,034	290,075	2,020,297	2,541,400	-	-	65,506,888
Education	270,700	10,160,682	3,947,902	-	-	-	-	14,379,284
Community development	73,088,081	93,755,961	716,715	2,361,588	140,816	1,546,444	-	171,609,605
Environmental services	2,316,016	2,632,863	-	80,049	-	14,876,981	-	19,905,909
Public safety	4,240,291	123,738,832	12,366,414	14,972,189	7,203,160	-	-	162,520,886
General services administration	64,740	83,920	189,784	5,439,279	23,384,377	-	-	29,162,100
Construction in progress	-	-	-	-	-	-	236,551,370	236,551,370
Total Governmental Capital Assets	<u>\$ 92,901,383</u>	<u>\$ 352,717,062</u>	<u>\$ 23,249,822</u>	<u>\$ 36,647,831</u>	<u>\$ 33,503,193</u>	<u>\$ 16,589,899</u>	<u>\$ 236,551,370</u>	<u>\$ 792,160,560</u>

# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT

As of June 30, 2011

	Date of Issue	Interest Rate	Amount Issued	Debt Outstanding June 30, 2010	Net Additions (Retirements)	Debt Outstanding June 30, 2011
GENERAL OBLIGATION BONDS:						
2001 Criminal justice facility bonds	02/01/01	4.40-4.75%	\$ 8,000,000	\$ 300,000	\$ (300,000)	\$ -
2001 School bonds	02/01/01	4.50-5.25%	150,000,000	5,700,000	(5,700,000)	-
2002 Public improvement bonds	03/01/02	4.00-4.75%	188,000,000	17,000,000	(8,500,000)	8,500,000
2003A Public improvement bonds	04/01/03	3.00-5.00%	122,890,000	24,000,000	(8,000,000)	16,000,000
2003B Public improvement bonds	04/08/03	variable	55,000,000	55,000,000	-	55,000,000
2003C Public improvement bonds	04/08/03	variable	45,000,000	45,000,000	-	45,000,000
2003 Criminal Justice Facilities	11/01/03	3.00-5.00%	8,000,000	4,700,000	(4,700,000)	-
Refunding series 2003A	11/01/03	3.00-5.00%	83,145,000	1,200,000	(400,000)	800,000
2004 Public improvement bonds	04/01/04	3.00-5.00%	130,000,000	40,000,000	(10,000,000)	30,000,000
School 2004A	04/21/04	variable	67,000,000	67,000,000	-	67,000,000
School 2004B	04/21/04	variable	57,000,000	57,000,000	-	57,000,000
Refunding series 2004	11/01/04	4.00-5.00%	114,380,000	72,440,000	(23,495,000)	48,945,000
Refunding series 2005	04/01/05	3.00-5.00%	33,020,000	32,675,000	(95,000)	32,580,000
2005 School bonds	11/01/05	3.25-5.00%	41,000,000	7,500,000	(1,500,000)	6,000,000
2007 Public improvement bonds	03/08/07	4.25-5.00%	455,000,000	161,000,000	(23,000,000)	138,000,000
School 2007A	03/08/07	variable	50,000,000	50,000,000	-	50,000,000
School 2007B	03/08/07	variable	50,000,000	50,000,000	-	50,000,000
2009A Public improvement bonds	04/01/09	4.00-5.00%	135,000,000	48,000,000	-	48,000,000
2009B Public improvement bonds	04/01/09	4.00-5.00%	300,000,000	284,000,000	(16,000,000)	268,000,000
2009C Refunding	04/01/09	4.00-5.00%	66,320,000	58,745,000	(7,185,000)	51,560,000
2009D Refunding	06/16/09	3.00-4.00%	168,980,000	168,980,000	-	168,980,000
2010A Public improvement bonds	03/30/10	3.00-5.00%	86,295,000	86,295,000	(6,675,000)	79,620,000
2010B Public improvement recovery zone economic development bonds	03/30/10	4.80-5.30%	39,505,000	39,505,000	-	39,505,000
2010C Refunding	05/13/10	2.00-5.00%	383,420,000	383,420,000	-	383,420,000
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	-	18,945,000	18,945,000
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	-	116,800,000	116,800,000
Total General Obligation Bonds				1,794,370,000	37,250,000	1,831,620,000
OTHER LONG-TERM DEBT:						
Limited obligation bonds				303,480,000	-	303,480,000
Qualified zone academy bonds				1,144,233	(163,461)	980,772
Installment purchase				8,181,909	(1,220,488)	6,961,421
Notes payable				299,767	(299,767)	-
Capitalized equipment leases				157,095	16,354	173,449
Other post-employment benefits				33,489,385	14,035,067	47,524,452
Compensated absences				12,168,141	(1,007,010)	11,161,131
Total other long-term debt				358,920,530	11,360,695	370,281,225
TOTAL GOVERNMENTAL LONG-TERM DEBT				\$ 2,153,290,530	\$ 48,610,695	\$ 2,201,901,225

# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF LONG-TERM DEBT MATURITIES AND ANNUAL DEBT SERVICE REQUIREMENTS FOR GOVERNMENTAL ACTIVITIES As of June 30, 2011

BONDED DEBT Fiscal Year Ended June 30	PUBLIC SCHOOLS		OTHER		TOTAL	
	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest
2012	\$ 107,795,292	\$ 175,194,213	\$ 17,034,708	\$ 33,298,609	\$ 124,830,000	\$ 208,492,822
2013	107,694,560	169,901,366	17,275,440	32,803,404	124,970,000	202,704,770
2014	105,617,982	162,838,434	16,717,018	31,452,961	122,335,000	194,291,395
2015	105,954,160	158,439,376	16,170,840	30,150,319	122,125,000	188,589,695
2016	124,484,375	172,022,292	16,170,625	29,388,061	140,655,000	201,410,353
2017	122,018,574	163,691,837	16,566,426	29,025,230	138,585,000	192,717,067
2018	124,497,650	160,312,659	14,167,350	25,841,681	138,665,000	186,154,340
2019	125,908,583	156,292,785	13,411,417	24,403,735	139,320,000	180,696,520
2020	113,315,755	138,436,881	13,574,245	23,914,942	126,890,000	162,351,823
2021	90,764,852	111,114,566	16,185,148	25,866,083	106,950,000	136,980,649
2022-2026	398,266,216	437,640,694	61,338,784	99,195,101	459,605,000	536,835,795
2027-2031	77,003,836	60,686,369	9,686,164	33,180,571	86,690,000	93,866,940
Total Bonded Debt	1,603,321,835	2,066,571,472	228,298,165	418,520,697	1,831,620,000	2,485,092,169

### OTHER LONG-TERM DEBT:

Total limited obligation bonds, qualified zone academy bonds, installment purchases, notes payable and capitalized leases:

2012	163,461	163,461	7,511,770	21,834,737	7,675,231	21,998,198
2013	163,461	163,461	13,499,311	27,519,353	13,662,772	27,682,814
2014	163,461	163,461	13,544,404	27,107,365	13,707,865	27,270,826
2015	163,461	163,461	13,585,253	26,663,111	13,748,714	26,826,572
2016	163,461	163,461	12,710,006	25,282,110	12,873,467	25,445,571
2017-2021	163,467	163,467	61,719,126	116,882,958	61,882,593	117,046,425
2022-2026	-	-	60,700,000	101,262,519	60,700,000	101,262,519
2027-2031	-	-	60,700,000	86,301,531	60,700,000	86,301,531
2032-2036	-	-	60,695,000	71,260,600	60,695,000	71,260,600
2037	-	-	5,950,000	6,243,300	5,950,000	6,243,300
Total Other Long-Term Debt	980,772	980,772	310,614,870	510,357,584	311,595,642	511,338,356
TOTAL LONG- TERM DEBT	\$ 1,604,302,607	\$ 2,067,552,244	\$ 538,913,035	\$ 928,878,281	\$ 2,143,215,642	\$ 2,996,430,525

On the Statement of Net Assets as of June 30, 2011, the amounts reported as liabilities for general obligation bonds - schools and limited obligation bonds also includes premiums on issuance of bonds of \$159,676,428 and \$20,403,480, 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><b><u>Page</u></b></i>
<i><b>Financial Trends</b></i>	<i><b>112</b></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><b>Revenue Capacity</b></i>	<i><b>117</b></i>
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
<i><b>Debt Capacity</b></i>	<i><b>123</b></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><b>Demographic and Economic Information</b></i>	<i><b>127</b></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><b>Operating Information</b></i>	<i><b>129</b></i>
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets, net of related debt	\$ 216,615,147	\$ 224,848,030	\$ 245,210,981	\$ 287,201,644	\$ 305,583,601	\$ 341,098,304	\$ 383,180,962	\$ 400,368,742	\$ 430,924,496	\$ 359,018,373
Restricted	199,258,332	206,378,890	267,010,816	311,224,704	195,212,913	375,528,175	259,041,104	248,373,467	420,636,893	313,308,968
Unrestricted	(368,363,073)	(467,398,531)	(618,357,680)	(734,764,608)	(760,281,992)	(1,069,683,919)	(1,161,556,182)	(1,390,491,768)	(1,651,826,694)	(1,526,712,497)
Total governmental activities net assets	47,510,406	(36,171,611)	(106,135,883)	(136,338,260)	(259,485,478)	(353,057,440)	(519,334,116)	(741,749,559)	(800,265,305)	(854,385,156)
Business-type activities										
Invested in capital assets, net of related debt	7,719,075	13,410,733	14,704,876	12,531,246	10,193,631	10,740,531	13,000,011	12,714,646	12,613,805	11,980,636
Restricted	2,228,625	1,946,614	3,620,987	2,125,055	2,956,199	5,835,136	5,536,792	6,115,191	5,874,703	3,515,460
Unrestricted	14,294,963	13,781,959	10,628,223	13,909,783	19,118,809	20,376,207	20,810,389	20,517,389	21,823,855	25,491,356
Total business-type activities net assets	24,242,663	29,139,306	28,954,086	28,566,084	32,268,639	36,951,874	39,347,192	39,347,226	40,312,363	40,987,452
Primary government										
Invested in capital assets, net of related debt	224,334,222	238,258,763	259,915,857	299,732,890	315,777,232	351,838,835	396,180,973	413,083,388	443,538,301	370,999,009
Restricted	201,486,957	208,325,504	270,631,803	313,349,759	198,169,112	381,363,311	264,577,896	254,488,658	426,511,596	316,824,428
Unrestricted	(354,068,110)	(453,616,572)	(607,729,457)	(720,854,825)	(741,163,183)	(1,049,307,712)	(1,140,745,793)	(1,369,974,379)	(1,630,002,839)	(1,501,221,141)
Total primary government net assets	\$ 71,753,069	\$ (7,032,305)	\$ (77,181,797)	\$ (107,772,176)	\$ (227,216,839)	\$ (316,105,566)	\$ (479,986,924)	\$ (702,402,333)	\$ (759,952,942)	\$ (813,397,704)

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>										
Governmental Activities:										
General administration	\$ 49,506,145	\$ 51,330,952	\$ 54,201,940	\$ 53,512,005	\$ 68,198,823	\$ 60,741,669	\$ 47,969,041	\$ 55,488,240	\$ 54,937,881	\$ 61,575,688
Human services	168,467,005	200,852,992	220,415,369	242,823,255	250,108,791	237,600,544	240,798,504	244,176,508	224,307,656	225,731,230
Education	358,038,338	385,545,985	404,812,302	389,668,265	496,720,211	523,605,091	620,118,123	661,548,515	472,748,721	457,469,350
Community development and cultural	35,922,466	31,479,090	46,704,583	45,969,169	55,385,595	48,468,336	76,626,538	59,885,379	20,597,071	62,457,707
Environmental services	22,250,937	13,390,447	7,990,415	8,233,369	8,145,774	11,976,377	11,527,956	11,978,164	8,604,359	10,700,438
Public safety	49,320,793	65,907,096	83,790,986	85,983,497	99,183,648	104,453,165	121,072,942	143,763,181	161,889,743	186,460,283
General services administration**	-	-	-	-	-	-	24,167,418	26,444,850	25,927,613	24,364,454
Interest on long-term debt	28,509,919	34,836,423	41,558,609	44,964,694	49,736,040	56,300,238	60,639,285	73,811,478	106,695,047	77,008,686
Total governmental activities	712,015,603	783,342,985	859,474,204	871,154,254	1,027,478,882	1,043,145,420	1,202,919,807	1,277,096,315	1,075,708,091	1,105,767,836
Business-type activities:										
Solid Waste	18,901,398	15,178,211	19,646,419	21,587,342	19,178,292	19,495,080	21,939,090	26,455,882	24,673,638	24,521,783
Total primary government expenses	730,917,001	798,521,196	879,120,623	892,741,596	1,046,657,174	1,062,640,500	1,224,858,897	1,303,552,197	1,100,381,729	1,130,289,619
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General administration	9,884,419	12,040,665	11,521,846	10,086,239	12,027,205	13,843,797	7,949,045	5,631,031	6,670,497	6,193,871
Human services	38,034,311	43,294,837	53,275,988	57,961,578	58,876,026	32,987,888	29,716,382	27,828,734	30,212,823	26,662,361
Education	27,610	-	-	-	-	-	-	-	-	-
Community development and cultural	3,965,162	4,227,622	3,895,261	5,403,582	7,017,247	5,330,038	4,600,087	5,820,331	1,923,791	2,916,663
Environmental services	1,389,196	2,549,316	(2,176,942)	3,165,264	2,546,631	2,915,815	3,023,674	2,686,474	1,457,700	1,517,953
Public safety	9,739,503	9,195,951	12,268,841	13,138,405	14,143,661	14,786,145	20,066,901	17,649,225	17,949,739	21,772,992
General Services Administration**	-	-	-	-	-	-	3,672,789	3,167,713	2,663,746	2,754,829
Operating grants and contributions:										
General Administration	17,348	14,340	777,190	174,869	2,416,522	629,564	2,163,578	2,754,167	2,188,124	2,646,944
Human Services	77,368,948	91,485,027	96,970,607	109,445,162	112,417,917	113,148,467	121,386,436	128,697,447	127,235,785	124,614,245
Education	13,771,225	11,086,572	8,211,083	1,603,647	8,218,405	7,000,000	20,013,316	28,570,960	12,818,821	23,269,710
Community development and cultural	841,326	880,610	593,876	1,955,922	2,435,970	650,276	3,529,978	1,461,583	2,020,859	668,917
Environmental services	99,222	332,663	329,378	184,143	358,126	100,675	520,728	2,861,388	259,591	212,172
Public Safety	984,854	1,703,912	2,304,421	2,037,432	5,145,585	5,210,495	2,690,382	3,372,852	2,700,697	6,101,846
General services administration**	-	-	-	-	-	-	3,700	52,050	9,250	10,375
Total governmental activities program revenues	156,123,124	176,811,515	187,971,549	205,156,243	225,603,295	196,603,160	219,336,996	230,553,955	208,111,423	219,342,878
Business-type activities:										
Charges for services: solid waste	21,186,855	18,845,829	18,221,208	19,390,570	20,528,263	20,624,752	20,548,146	23,530,328	22,886,642	22,512,763
Operating grants and contributions: solid waste	596,667	612,299	720,972	969,896	1,038,558	1,102,733	1,199,844	1,146,661	1,390,303	1,621,434
Total business-type activities program revenues	21,783,522	19,458,128	18,942,180	20,360,466	21,566,821	21,727,485	21,747,990	24,676,989	24,276,945	24,134,197
Total primary government program revenues	177,906,646	196,269,643	206,913,729	225,516,709	247,170,116	218,330,645	241,084,986	255,230,944	232,388,368	243,477,075

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (555,892,479)	\$ (606,531,470)	\$ (671,502,655)	\$ (665,998,011)	\$ (801,875,587)	\$ (846,542,260)	\$ (983,582,811)	\$ (1,046,542,360)	\$ (867,596,668)	\$ (886,424,958)
Business-type activities	2,882,124	4,279,917	(704,239)	(1,226,876)	2,388,529	2,232,405	(191,100)	(1,778,893)	(396,693)	(387,586)
Total primary government net expense	<u>(553,010,355)</u>	<u>(602,251,553)</u>	<u>(672,206,894)</u>	<u>(667,224,887)</u>	<u>(799,487,058)</u>	<u>(844,309,855)</u>	<u>(983,773,911)</u>	<u>(1,048,321,253)</u>	<u>(867,993,361)</u>	<u>(886,812,544)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes	373,575,036	383,894,617	429,529,325	446,187,553	468,502,179	514,897,471	579,083,019	640,238,154	651,480,015	658,044,349
Sales taxes	89,183,936	97,870,395	116,532,025	124,603,942	136,593,464	149,755,646	156,037,557	127,210,118	104,384,663	114,034,923
Occupancy and prepared food taxes	20,421,223	21,107,763	22,075,691	24,157,920	26,532,040	29,381,377	31,653,895	31,127,163	30,282,509	33,137,525
Other taxes	8,565,160	10,229,575	11,651,401	14,015,438	16,564,492	16,770,750	13,233,588	7,545,463	7,633,811	7,070,086
Grants and contributions										
not restricted to specific programs	12,481,572	4,020,888	5,586,138	4,038,667	5,704,166	5,433,654	6,066,813	5,125,653	4,410,678	8,179,519
Unrestricted investment earnings	15,018,122	10,651,187	8,328,643	14,142,548	18,525,606	35,453,214	31,454,984	15,900,340	14,450,011	9,486,862
Other	657,932	693,003	669,596	2,919,174	6,031,422	979,986	1,874,466	(3,331,974)	(3,964,766)	1,947,843
Transfers	3,799,298	196,000	200,000	200,000	275,000	298,200	306,000	312,000	404,000	404,000
Total governmental activities	<u>523,702,279</u>	<u>528,663,428</u>	<u>594,572,819</u>	<u>630,265,242</u>	<u>678,728,369</u>	<u>752,970,298</u>	<u>819,710,322</u>	<u>824,126,917</u>	<u>809,080,921</u>	<u>832,305,107</u>
Business-type activities:										
Unrestricted investment earnings	985,184	688,648	488,225	702,607	1,122,962	2,111,779	1,999,644	1,229,967	1,144,867	522,993
Other	23,507	124,078	230,794	336,267	466,064	637,251	892,774	860,960	620,963	943,682
Transfers	(145,000)	(196,000)	(200,000)	(200,000)	(275,000)	(298,200)	(306,000)	(312,000)	(404,000)	(404,000)
Total business-type activities	<u>863,691</u>	<u>616,726</u>	<u>519,019</u>	<u>838,874</u>	<u>1,314,026</u>	<u>2,450,830</u>	<u>2,586,418</u>	<u>1,778,927</u>	<u>1,361,830</u>	<u>1,062,675</u>
Total primary government	<u>\$ 524,565,970</u>	<u>\$ 529,280,154</u>	<u>\$ 595,091,838</u>	<u>\$ 631,104,116</u>	<u>\$ 680,042,395</u>	<u>\$ 755,421,128</u>	<u>\$ 822,296,740</u>	<u>\$ 825,905,844</u>	<u>\$ 810,442,751</u>	<u>\$ 833,367,782</u>
<b>Change in Net Assets</b>										
Government activities	\$ (32,190,200)	\$ (77,868,042)	\$ (76,929,836)	\$ (35,732,769)	\$ (123,147,218)	\$ (93,571,962)	\$ (163,872,489)	\$ (222,415,443)	\$ (58,515,747)	\$ (54,119,851)
Business-type activities	3,745,815	4,896,643	(185,220)	(388,002)	3,702,555	4,683,235	2,395,318	34	965,137	675,089
Total primary government	<u>(28,444,385)</u>	<u>(72,971,399)</u>	<u>(77,115,056)</u>	<u>(36,120,771)</u>	<u>(119,444,663)</u>	<u>(88,888,727)</u>	<u>(161,477,171)</u>	<u>(222,415,409)</u>	<u>(57,550,610)</u>	<u>(53,444,762)</u>

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Non-spendable	\$ 1,111,699	\$ 1,039,706	\$ 989,699	\$ 975,930	\$ 945,986	\$ 835,378	\$ 955,310	\$ 695,291	\$ 1,012,690	\$ 753,870
Restricted	43,662,716	49,865,820	56,881,671	61,797,234	66,241,285	69,629,069	81,125,875	58,873,481	56,393,164	53,687,483
Committed	62,856,175	71,465,704	73,363,349	78,028,147	80,686,087	89,740,505	78,052,056	94,516,043	92,844,472	104,907,262
Assigned	7,330,564	6,235,986	8,791,251	10,939,413	13,016,863	11,295,161	8,905,614	2,000,000	2,000,000	103,244
Unassigned	23,027,623	7,225,735	14,824,054	12,876,239	2,362,462	-	-	-	-	-
Total General Fund	<u>\$ 137,988,777</u>	<u>\$ 135,832,951</u>	<u>\$ 154,850,024</u>	<u>\$ 164,616,963</u>	<u>\$ 163,252,683</u>	<u>\$ 171,500,113</u>	<u>\$ 169,038,855</u>	<u>\$ 156,084,815</u>	<u>\$ 152,250,326</u>	<u>\$ 159,451,859</u>
All Other Governmental Funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	155,595,616	156,513,070	210,129,145	249,427,470	128,971,628	305,899,106	177,915,229	189,499,986	364,243,729	258,663,484
Committed	2,305,218	2,067,959	3,624,841	4,767,599	2,420,117	1,674,132	354,408	1,223,558	5,019,365	2,779,200
Assigned	257,684,248	319,996,231	376,519,447	185,469,399	108,827,367	292,834,006	172,398,031	313,895,746	442,430,960	477,307,247
Unassigned	-	-	-	-	(3,133,969)	-	(10,033,460)	-	-	-
Total All Other Governmental Funds	<u>\$ 415,585,082</u>	<u>\$ 478,577,260</u>	<u>\$ 590,273,433</u>	<u>\$ 439,664,468</u>	<u>\$ 237,085,143</u>	<u>\$ 600,407,244</u>	<u>\$ 340,634,208</u>	<u>\$ 504,619,290</u>	<u>\$ 811,694,054</u>	<u>\$ 738,749,931</u>

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Taxes	\$ 485,189,732	\$ 514,161,092	\$ 580,295,091	\$ 609,308,349	\$ 647,548,590	\$ 710,275,214	\$ 779,282,089	\$ 805,971,657	\$ 792,862,640	\$ 810,990,349
Intergovernmental	105,804,714	109,444,008	113,838,108	118,587,529	133,663,332	131,862,575	156,374,930	172,956,616	151,643,808	165,703,784
Charges for services	55,829,622	69,059,260	80,177,453	84,974,746	90,286,022	66,353,660	63,848,042	61,597,480	58,060,472	57,244,484
Fines and forfeitures	-	-	-	-	-	-	-	-	-	9,249
Licenses and permits	2,296,153	2,229,574	2,541,490	3,826,961	4,455,484	3,966,854	4,317,114	3,640,114	2,511,430	3,031,172
Investment earnings	14,609,693	10,442,735	8,285,340	13,965,562	18,210,761	34,917,361	31,505,676	16,032,292	14,450,008	9,449,429
Miscellaneous	1,310,252	968,615	1,265,598	1,747,001	1,967,157	1,766,839	2,209,788	1,300,892	1,589,375	1,832,334
Total revenues	665,040,166	706,305,284	786,403,080	832,410,148	896,131,346	949,142,503	1,037,537,639	1,061,499,051	1,021,117,733	1,048,260,801
<b>Expenditures</b>										
General administration	46,325,340	52,727,040	54,531,419	54,503,193	67,496,914	69,670,869	62,616,556	57,333,739	62,312,808	59,102,157
Human services	168,052,098	199,717,806	218,390,386	242,728,896	251,447,674	237,426,103	239,200,024	245,260,302	228,226,056	225,151,612
Education	357,706,273	385,202,779	404,531,045	389,311,077	496,363,021	523,403,059	614,650,186	661,308,744	472,392,741	457,113,370
Community development and cultural	43,881,587	36,993,252	62,777,646	58,106,647	80,047,310	72,320,978	78,880,528	72,398,266	55,323,394	60,686,759
Environmental services	22,116,657	9,228,803	9,230,777	9,699,551	12,720,619	12,639,837	11,579,862	8,906,419	8,107,490	8,452,527
Public safety	59,223,035	78,959,634	91,279,148	101,784,936	111,963,564	117,581,846	137,019,013	153,430,681	174,204,071	239,028,698
General Services Administration**	-	-	-	-	-	-	24,950,463	28,402,331	24,895,202	23,820,674
Debt service										
Principal	44,096,211	51,900,000	61,348,461	70,642,456	70,480,946	71,522,353	71,574,931	94,944,496	110,568,516	118,987,473
Interest	29,081,649	35,429,497	41,094,397	44,964,694	49,736,040	52,747,094	66,048,503	58,677,460	77,807,693	84,194,136
Total expenditures	770,482,850	850,158,811	943,183,279	971,741,450	1,140,256,088	1,157,312,139	1,306,520,066	1,380,662,438	1,213,837,971	1,276,537,406
Excess of revenues over (under) expenditures	(105,442,684)	(143,853,527)	(156,780,199)	(139,331,302)	(244,124,742)	(208,169,636)	(268,982,427)	(319,163,387)	(192,720,238)	(228,276,605)
<b>Other Financing Sources (Uses)</b>										
Transfers in	149,890,005	163,007,957	148,219,664	140,916,584	147,675,732	163,553,933	201,112,793	215,254,756	223,203,272	222,033,652
Transfers out	(148,090,708)	(165,311,957)	(150,648,664)	(142,716,584)	(152,533,732)	(165,723,733)	(193,580,333)	(214,942,756)	(225,799,272)	(223,629,652)
Refunding bonds issued	-	26,890,000	(87,375,000)	147,400,000	41,000,000	-	-	235,300,000	383,420,000	-
Payment to refunded bond escrow agent	-	(26,495,000)	83,145,000	(151,425,000)	1,358,620	-	-	(256,895,981)	(449,682,612)	-
Bond proceeds and premiums	187,904,255	206,515,179	287,036,497	5,718,339	-	580,953,020	-	489,456,200	258,034,180	163,990,302
Limited obligation bonds issued	-	-	-	-	-	-	-	-	303,480,000	-
Proceeds of capital leases and installment purchases	35,700	83,700	150,384	523,937	2,680,517	955,950	1,619,860	2,022,210	304,944	139,713
Total other financing sources (uses)	189,739,252	204,689,879	280,527,881	417,276	40,181,137	579,739,170	9,152,320	470,194,429	492,960,512	162,534,015
Net change in fund balances	\$ 84,296,568	\$ 60,836,352	\$ 123,747,682	\$ (138,914,026)	\$ (203,943,605)	\$ 371,569,534	\$ (259,830,107)	\$ 151,031,042	\$ 300,240,274	\$ (65,742,590)
Debt service as a percentage of noncapital expenditures	9.78%	10.66%	11.33%	12.52%	11.19%	11.30%	10.95%	11.51%	16.63%	16.93%

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

**Assessed Value and Actual Value of Taxable Property<sup>1</sup>**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Service Companies</b>	<b>Total</b>	<b>*County-wide Tax Rate<sup>3</sup></b>	<b>Special Tax Districts Tax Rate<sup>3</sup></b>	<b>Average County Tax Rate<sup>3</sup></b>
2002	\$ 49,086,983,833	\$ 10,391,893,495	\$ 3,887,953,582	\$ 63,366,830,910	\$ 0.564	\$ 0.070	\$ 0.634
2003	51,858,523,059	10,521,444,050	4,074,884,981	66,454,852,090	0.564	0.090	0.654
2004	54,347,709,322	10,601,740,204	3,477,604,369	68,427,053,895	0.564	0.100	0.664
2005	56,733,308,581	10,954,988,975	3,436,614,540	71,124,912,096	0.604	0.100	0.704
2006	59,644,957,346	12,084,539,414	3,405,223,801	75,134,720,561	0.604	0.100	0.704
2007	62,996,405,923	12,506,221,915	3,341,976,693	78,844,604,531	0.604	0.100	0.704
2008	66,679,502,469	13,556,157,155	2,887,291,656	83,122,951,280	0.634	0.100	0.734
2009 <sup>2</sup>	99,568,342,254	14,058,926,692	2,983,256,554	116,610,525,500	0.678	0.100	0.778
2010	103,093,250,199	13,015,000,000	3,050,000,000	119,158,250,199	0.534	0.080	0.614
2011	103,067,247,714	13,630,432,081	2,837,941,846	119,535,621,641	0.534	0.080	0.614

Notes:

\* Real Estate reappraisal effective.

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

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

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

Source: Wake County Revenue Department

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009 <sup>2</sup>	2010	2011
<b>County Direct Rates</b>										
County-wide Rate <sup>1</sup>	\$ 0.564	\$ 0.564	\$ 0.604	\$ 0.604	\$ 0.604	\$ 0.634	\$ 0.678	\$ 0.534	\$ 0.534	\$ 0.534
Various Special Tax Districts	0.090	0.100	0.100	0.100	0.100	0.100	0.100	0.080	0.080	0.080
Total average direct rate	0.654	0.664	0.704	0.704	0.704	0.734	0.778	0.614	0.614	0.614
<b>Municipality Rates</b>										
Town of Angier				0.460	0.500	0.530	0.530	0.530	0.530	0.530
Town of Apex	0.400	0.400	0.400	0.400	0.400	0.400	0.400	0.340	0.340	0.340
Town of Cary	0.420	0.420	0.420	0.420	0.420	0.420	0.420	0.330	0.330	0.330
Town of Clayton						0.490	0.540	0.540	0.540	0.540
Town of Fuquay-Varina	0.490	0.520	0.520	0.520	0.520	0.520	0.520	0.385	0.385	0.385
Town of Garner	0.520	0.560	0.560	0.560	0.560	0.575	0.575	0.490	0.490	0.490
Town of Holly Springs	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.415	0.415	0.415
Town of Knightdale	0.440	0.460	0.480	0.500	0.500	0.500	0.500	0.400	0.400	0.410
Town of Morrisville	0.470	0.470	0.470	0.470	0.468	0.468	0.468	0.367	0.367	0.367
City of Raleigh	0.385	0.385	0.385	0.395	0.395	0.435	0.435	0.374	0.374	0.374
Town of Rolesville	0.485	0.485	0.485	0.485	0.485	0.485	0.515	0.420	0.420	0.420
Town of Wake Forest	0.520	0.520	0.530	0.540	0.540	0.540	0.550	0.510	0.510	0.510
Town of Wendell	0.540	0.540	0.540	0.540	0.540	0.540	0.540	0.490	0.490	0.490
Town of Zebulon	0.460	0.480	0.480	0.480	0.490	0.500	0.550	0.510	0.500	0.500

## Notes:

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

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

Source: Wake County Revenue Department

Principal Property Tax Payers  
June 30, 2011  
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2011			Fiscal Year 2002		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Progress Energy Carolinas, Inc.	\$ 1,571,094,900	1	1.31%			
Cisco Systems Inc	492,766,064	2	0.41%			
Novartis Vaccines & Diagnostics	491,415,325	3	0.41%			
SAS Institute Inc	473,069,966	4	0.40%	\$ 211,907,119	6	0.18%
CVM Holdings Inc	334,450,819	5	0.28%	170,805,503	7	0.14%
NC Eastern Municipal Power Agency	290,478,093	6	0.24%	377,734,679	3	0.32%
Bellsouth Tel Co	267,054,965	7	0.22%	385,137,193	2	0.32%
Highwoods Realty LP	248,841,511	8	0.21%	143,765,261	8	0.12%
Weeks Realty LP	248,405,750	9	0.21%	266,522,446	4	0.22%
Network Appliance Inc	242,527,026	10	0.20%			
Carolina Power & Light Co.				1,954,555,733	1	1.64%
Highwoods Realty LTD				143,765,261	8	0.12%
Midway Airlines Corp.				242,873,696	5	0.20%
Public Service Co of NC				142,689,436	9	0.12%
MCI Worldcom Network Services				134,489,635	10	0.11%
	<u>\$ 4,660,104,419</u>		<u>3.89%</u>	<u>\$ 4,174,245,962</u>		<u>3.49%</u>

Source: Wake County Revenue Department

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

Fiscal Year	Taxes Levied for the Fiscal Year		Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	(Original Levy)	Adjustments		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2002	\$ 371,311,309	\$ (4,175,679)	\$ 367,135,630	\$ 359,727,946	97.98%	\$ 5,467,744	\$ 365,195,690	99.47%
2003	388,161,413	(2,532,263)	385,629,150	377,914,460	98.00%	6,969,956	384,884,416	99.81%
2004	429,108,412	(2,841,221)	426,267,191	420,310,912	98.60%	5,259,507	425,570,419	99.84%
2005	447,296,073	(2,915,368)	444,380,705	438,197,505	98.61%	5,436,486	443,633,991	99.83%
2006	471,423,336	(4,606,253)	466,817,083	460,044,525	98.55%	5,935,150	465,979,675	99.82%
2007	518,390,324	(3,827,251)	514,563,073	507,081,845	98.55%	6,331,220	513,413,065	99.78%
2008	582,905,166	(4,123,930)	578,781,236	569,645,015	98.42%	7,630,003	577,275,018	99.74%
2009	649,942,150	(10,067,050)	639,875,100	630,648,211	98.56%	7,594,629	638,242,840	99.74%
2010	657,175,469	(7,643,046)	649,532,423	640,993,333	98.69%	5,731,855	646,725,188	99.57%
2011	661,292,534	(4,849,315)	656,443,219	648,750,058	98.83%	-	648,750,058	98.83%

Notes:

Taxes for the fiscal year ended June 30, 2011 at the collection rate of 98.69% are a composite of the following collections by category:

Vehicle taxes	89.39%
Real and personal property taxes	99.43%

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

**Schedule of Ad Valorem Taxes Receivable  
As of June 30, 2011**

<b>Fiscal Year</b>	<b>Uncollected Balance June 30, 2010</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2011</b>
2010-2011	\$ -	\$ 656,443,219	\$ 648,750,058	\$ 7,693,161
2009-2010	8,539,090	-	5,731,855	2,807,235
2008-2009	2,245,505	-	613,245	1,632,260
2007-2008	1,730,292	-	224,074	1,506,218
2006-2007	1,259,844	-	109,836	1,150,008
2005-2006	899,073	-	61,665	837,408
2004-2005	791,993	-	45,279	746,714
2003-2004	722,438	-	25,666	696,772
2002-2003	770,195	-	25,461	744,734
<b>Total</b>	<b>\$ 16,958,430</b>	<b>\$ 656,443,219</b>	<b>\$ 655,587,139</b>	<b>17,814,510</b>
Less allowance for uncollectable ad valorem taxes receivable				<u>(8,663,302)</u>
Ad valorem taxes receivable (net)				<u><u>\$ 9,151,208</u></u>
Reconcilement with revenues:				
Taxes - ad valorem - General Fund				\$ 632,285,963
Taxes - ad valorem - Fire Tax District Fund				20,294,005
Reconciling items:				
Interest collected				3,027,698
Other adjustments				<u>(20,527)</u>
Total collections and credits				<u><u>\$ 655,587,139</u></u>

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

Analysis of Current Tax Levy - Countywide Levy  
For the Year Ended June 30, 2011

	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	\$ 116,964,697,235	\$ 0.534	\$ 646,078,033	\$ 620,273,766	\$ 25,804,267
Motor vehicles taxed at prior year's rate	2,570,924,406	0.534	13,879,319	-	13,879,319
Penalties	-		-	-	-
Total	119,535,621,641		659,957,352	620,273,766	39,683,586
Discoveries:					
Current year taxes	-		-	-	-
Prior year taxes	-		-	-	-
Penalties	-		1,335,182	1,335,182	-
Total	-		1,335,182	1,335,182	-
Abatements	(956,354,494)		(5,106,933)	(4,541,210)	(565,723)
Total property valuation	\$ 118,579,267,147				
Deferred Levy			257,618	257,618	-
Net levy			656,443,219	617,325,356	39,117,863
Uncollected taxes at June 30, 2009			7,693,161	3,544,147	4,149,014
Current year's taxes collected			\$ 648,750,058	\$ 613,781,209	\$ 34,968,849
Current levy collection percentage			98.83%	99.43%	89.39%

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

Fiscal Year	Governmental Activities									Business- Type Activities			
	General Obligation Bonds	General Obligation Commercial Paper	Limited Obligation Bonds	Installment Purchases	Quality Zoning Academy Bonds	Clean Water Revolving Loans	Capital Leases	Notes Payable	Total Governmental Activities	Revenue Bonds	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
2002	\$ 782,130,000	\$ -	\$ -	\$ -	\$ -	\$ 1,189,604	\$ 86,536	\$ -	\$ 783,406,140	\$ 10,287,604	\$ 793,693,744	3.23%	1,166.92
2003	926,625,000	-	-	-	2,288,460	951,683	118,956	-	929,984,099	6,998,403	936,982,502	3.71%	1,336.53
2004	1,123,210,000	-	-	9,474,957	2,124,999	713,763	200,710	-	1,135,724,429	-	1,135,724,429	4.18%	1,571.25
2005	1,049,485,000	-	-	8,570,962	1,961,538	475,843	607,239	-	1,061,100,582	-	1,061,100,582	3.60%	1,408.06
2006	1,020,850,000	58,250,000	-	7,763,477	1,798,077	237,923	733,181	-	1,089,632,658	-	1,089,632,658	3.34%	1,377.17
2007	1,505,200,000	-	-	7,778,972	1,634,616	-	571,090	-	1,515,184,678	-	1,515,184,678	4.31%	1,825.46
2008	1,434,595,000	-	-	8,472,500	1,471,155	-	419,418	-	1,444,958,073	-	1,444,958,073	3.99%	1,667.75
2009	1,772,370,000	-	-	9,356,965	1,307,694	-	328,068	-	1,783,362,727	-	1,783,362,727	4.99%	1,987.67
2010	1,794,370,000	-	303,480,000	8,181,909	1,144,233	-	157,095	299,767	2,107,633,004	-	2,107,633,004	5.90%	2,339.39
2011	1,831,620,000	-	303,480,000	6,961,421	980,772	-	173,449	-	2,143,215,642	-	2,143,215,642	6.00%	2,297.95

**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. 2010 and 2011 ratios are calculated using 2009 personal income.

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

<b>General Bonded Debt Outstanding</b>					<b>Percentage of Actual Taxable Value of Property<sup>1</sup></b>	<b>Per Capita<sup>2</sup></b>
<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>General Obligation Commercial Paper</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total General Bonded Debt</b>		
2002	\$ 782,130,000	\$ -	\$ 216,000,000	\$ 566,130,000	0.89%	832.35
2003	926,625,000	-	20,000,000	906,625,000	1.36%	1,293.22
2004	1,123,210,000	-	403,600,000	719,610,000	1.05%	995.56
2005	1,049,485,000	-	718,510,000	330,975,000	0.47%	439.20
2006	1,020,850,000	58,250,000	718,500,000	360,600,000	0.48%	455.76
2007	1,505,200,000	-	1,058,390,000	446,810,000	0.57%	538.31
2008	1,434,595,000	-	911,000,000	523,595,000	0.63%	604.33
2009	1,772,370,000	-	514,500,000	1,257,870,000	1.08%	1,401.97
2010	1,794,370,000	-	391,870,000	1,402,500,000	1.18%	1,556.72
2011	1,831,620,000	-	-	1,831,620,000	1.53%	1,963.86

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

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

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

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2011**

	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
<b>Municipality:</b>			
Apex	\$ 23,890,000	100%	\$ 23,890,000
Cary	168,510,000	100%	168,510,000
Fuquay-Varina	8,640,000	100%	8,640,000
Garner	6,375,000	100%	6,375,000
Holly Springs	14,511,900 <sup>1</sup>	100%	14,511,900
Knightdale	6,747,588	100%	6,747,588
Morrisville	11,954,851	100%	11,954,851
Raleigh	222,485,001	100%	222,485,001
Rolesville	471,500	100%	471,500
Wake Forest	16,790,000 <sup>1</sup>	100%	16,790,000
Wendell	- <sup>1</sup>	100%	-
Zebulon	5,107,439 <sup>1</sup>	100%	5,107,439
<b>Overlapping debt</b>	<b>485,483,279</b>		<b>485,483,279</b>
<b>Direct debt</b>	<b>2,143,215,642</b>		<b>2,143,215,642</b>
<b>Total direct and overlapping debt</b>	<b>\$ 2,628,698,921</b>		<b>\$ 2,628,698,921</b>

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

<sup>1</sup> Overlapping debt provided by Form LGC 129 - Annual Principal and Interest Requirements for FY10-11

**Note:** Percentage of overlap based on assessed property values.

**Legal Debt Margin Information  
Last Ten Years**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed Value of Property	\$ 63,366,830,910	\$ 66,454,852,090	\$ 68,427,053,895	\$ 71,124,912,096	\$ 75,134,720,561	\$ 78,844,604,531	\$ 83,122,951,280	\$ 116,610,525,500	\$ 119,158,250,199	\$ 119,535,621,641
Debt Limit, 8% of Assessed Value (Statutory Limitation)	\$ 5,069,346,473	\$ 5,316,388,167	\$ 5,474,164,312	\$ 5,689,992,968	\$ 6,010,777,645	\$ 6,307,568,362	\$ 6,649,836,102	\$ 9,328,842,040	\$ 9,532,660,016	\$ 9,562,849,731
Amount of Debt Applicable to Limit										
General Obligation Bonds	\$ 782,130,000	\$ 926,625,000	\$ 1,123,210,000	\$ 1,049,485,000	\$ 1,020,850,000	\$ 1,505,200,000	\$ 1,434,595,000	\$ 1,772,370,000	\$ 1,794,370,000	\$ 1,831,620,000
General Obligation Commercial Paper	-	-	-	-	58,250,000	-	-	-	-	-
Other Long Term Debt	1,189,604	3,240,143	12,313,719	11,008,343	9,799,477	9,413,588	9,943,655	10,664,659	313,263,004	311,595,642
Bonds Authorized not Issued	216,000,000	20,000,000	403,600,000	718,510,000	718,500,000	1,058,390,000	911,000,000	514,500,000	391,870,000	239,070,000
Total net debt applicable to limit	999,319,604	949,865,143	1,539,123,719	1,779,003,343	1,807,399,477	2,573,003,588	2,355,538,655	2,297,534,659	2,499,503,004	2,382,285,642
Legal Debt Margin	\$ 4,070,026,869	\$ 4,366,523,024	\$ 3,935,040,593	\$ 3,910,989,625	\$ 4,203,378,168	\$ 3,734,564,774	\$ 4,294,297,447	\$ 7,031,307,381	\$ 7,033,157,012	\$ 7,180,564,089
Total net debt applicable to limit as a percentage of debt limit	19.71%	17.87%	28.12%	31.27%	30.07%	40.79%	35.42%	24.63%	26.22%	24.91%

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

**Demographic and Economic Statistics  
Last Ten Years**

<b>Year</b>	<b>Population Estimates<sup>1</sup></b>	<b>Personal Income<sup>2</sup> (thousands of dollars)</b>	<b>Per Capita Personal Income<sup>3</sup></b>	<b>School Employment<sup>4</sup></b>	<b>Unemployment Rate<sup>5</sup></b>
2002	680,159	\$ 24,608,879	\$ 36,166	101,397	5.6%
2003	701,058	25,260,035	36,016	104,373	5.3%
2004	722,817	27,164,020	37,566	108,620	4.4%
2005	753,589	29,470,723	39,095	113,547	4.1%
2006	791,214	32,581,446	41,089	119,306	3.6%
2007	830,029	35,134,837	42,242	128,072	3.5%
2008	866,410	36,190,313	41,691	134,002	4.6%
2009	897,214	35,727,859	39,821	137,706	8.4%
2010	900,933	*	*	139,599	8.5%
2011	932,665 ^	*	*	143,289	8.4% ^^

\* Information not yet available

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

(2) Bureau of Economic Analysis Regional, Economic Information System- Bureau of Economic Analysis April 2011.

(3) Bureau of Economic Analysis Regional Economic Account -computed using Census Bureau midyear population estimates available as of April 2010.

(4) North Carolina Department of Public Instruction. 1997-2009 Final Average Daily Membership 2008 Wake County Public Schools.

(5) Employment Security Commission of North Carolina. 2002-2011 Annual Average.

^ Projected by Wake County Planning

^^Wake County Public Affairs Office

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

<b>Employer</b>	<b>2011</b>			<b>2002</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
State of North Carolina	24,739	1	5.86%	23,230	1	6.40%
Wake County Public School Systems	17,572	2	4.16%	12,500	3	3.44%
International Business Machines (IBM)	10,500	3	2.49%	13,000	2	3.58%
North Carolina State University	7,730	4	1.83%	7,787	4	2.15%
WakeMed Health & Hospitals	7,607	5	1.80%	5,000	6	1.38%
GlaxoSmithKline, Inc.	4,900	6	1.16%	5,850	5	1.61%
Rex Healthcare	4,800	7	1.14%	3,779	8	1.04%
SAS Institute, Inc.	4,742	8	1.12%	3,600	9	0.99%
Wake County Government	4,272	9	1.01%			0.00%
Cisco Systems	3,800	10	0.90%			0.00%
Nortel				4,848	7	1.34%
Progress Energy				3,428	10	0.94%
	<u>90,662</u>		<u>21.47%</u>	<u>83,022</u>		<u>22.87%</u>

**Source:** Greater Raleigh Chamber of Commerce.

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

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General administration	353.00	365.00	381.00	392.60	419.10	474.05	330.00	327.00	294.00	308.80
Human services	1,372.47	1,491.84	1,581.67	1,645.42	1,666.32	1,782.67	1,609.00	1,604.00	1,623.00	1,782.80
Community development and cultural	239.50	240.88	240.38	247.00	275.00	300.00	255.00	254.00	287.50	304.00
Environmental services	105.00	100.00	98.00	104.00	106.00	115.00	124.00	111.00	112.00	118.00
Public safety	686.00	746.00	811.00	828.00	940.00	1,025.00	1,022.00	1,050.00	1,057.00	1,102.00
General services administration**	-	-	-	-	-	-	121.00	123.00	121.00	134.00
Total	2,755.97	2,943.72	3,112.05	3,217.02	3,406.42	3,696.72	3,461.00	3,469.00	3,494.50	3,749.60

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

# WAKE COUNTY, NORTH CAROLINA

TABLE 18

## Operating Indicators By Function Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Administration</b>										
Registered voters	588,701	575,146	569,222	542,763	508,218	506,186	486,456	432,176	413,657	398,454
Taxable real estate parcels	361,082	322,205	322,620	315,000	299,000	293,371	283,003	269,655	249,750	239,098
Tax bills	1,128,643	1,120,585	1,125,000	1,100,000	1,100,000	1,032,300	976,847	933,900	902,977	874,053
Deeds and real estate documents recorded	164,279	167,888	189,164	243,000	250,000	243,500	250,000	274,235	218,366	175,095
Acres of land being landscaped		711	661	661	645	645	617	580	551	514
<b>Human Services</b>										
Family medicaid recipients	68,373	64,595	54,904	48,408	45,300	*	41,409	36,687	*	*
Laboratory tests		178,068	192,753	202,375	200,228	239,180	228,300			
School nurse health support services	20,795	23,211	*	9,691	9,759	9,575	*	*	*	*
Families receiving maternal and child health case management services	5,817	4,844	5,424	2,544	2,534	3,137	*	*	*	*
Adult inpatient substance abuse services	687	641	847	861	808	800+	*	*	*	*
Adult care home residents served through on-site inspections	2,932	2,637	2,684	2,560	2,560	2500-3000	*	*	*	*
Homeless served - street outreach	N/A	241	476	389	389	201	*	*	*	*
Homeless sheltered at S. Wilmington St. Center	1,834	2,055	2,055	2,044	2,137	1,703	*	*	*	*
Persons testing for HIV/STD	15,597	10,619	10,861	21,492	12,056	1,280	*	*	*	*
Number of transportation trips provided	157,000	145,000	146,060	142,093	195,000	135,957	129,483			
Food assistance individuals	77,068	65,101	51,835	45,070	43,002	*	40,658	37,714	32,343	27,604
<b>Education</b>										
Students attending public school <sup>1</sup>	142,997	139,599	137,706	134,002	128,072	120,504	113,547	108,620	104,373	101,397
Public school teachers <sup>2</sup>	9,342	9,277	9,546	9,204	8,644	8,385	7,757	7,435	7,600	7,200
Community college students-average semester <sup>3</sup>	31,559	31,067	31,719	29,858	31,160	31,367	27,461	26,194	25,722	24,628
Community college faculty <sup>3</sup>	1,315	1,213	1,210	1,079	1,096	1,058	1,088	1,057	1,083	999
<b>Community Development and Cultural</b>										
Libraries - Circulation of youth services	6,147,038	6,322,332	5,883,351	5,523,734	4,805,095	4,284,910	3,903,455	3,571,214	3,291,782	3,272,332
Libraries - Circulation of adult services	4,511,679	5,030,294	4,569,145	4,866,561	4,453,517	4,061,217	3,364,907	3,057,416	2,875,264	2,875,264
Park visitation	1,129,732	1,046,997	987,059	1,003,605	914,278	822,835	805,999	744,481	684,868	773,181
Residential permits issued - new	369	277	279	851	1,353	1,703	1,857	1,666	1,322	1,534
Commercial permits issued - new	81	2	11	21	11	7	8	15	12	16
Building permits - additional, alterations	1264	1,307	1,258	1,639	1,289	1,226	1,181	1,241	1,087	1,169
Inspections performed	35,537	34,650	41,636	55,470	60,307	61,836	57,141	50,020	42,973	49,176
<b>Environmental Services</b>										
Animal control service calls	*	14,498	10,742	12,549	5,986	6,672	4,721	6,493	7,081	5,738
Animals impounded	16,162	12,040	11,232	11,318	10,276	10,368	6,361	8,896	8,714	7,763
Sanitation inspections	*	8,215	7,110	5,233	5,518	7,222	7,033	8,772	7,466	7,732
<b>Public Safety</b>										
Detention intake	32,849	35,519	31,789	31,833	31,513	*	32,269	28,000	*	*
Civil processes served	96,089	98,233	95,009	91,248	*	*	86,121	86,424	79,408	74,708
Pistol permits processed	17,525	15,309	20,768	12,793	10,167	*	10,271	10,170	12,430	10,617
Average daily jail population	1,279	1,341	1,366	1,237	1,222	*	1,193	1,138	890	752
Fire/medical incidents responded to by contracting fire departments	29,012	26,770	26,399	29,258	11,444	*	22,805	19,824	20,162	17,610
Wake EMS trips	37,943	30,434	29,283	29,132	27,369	24,849	23,266	22,310	21,448	19,676
<b>Solid Waste</b>										
Tons received at North Wake Landfill <sup>4</sup>	N/A	N/A	N/A	344,467	573,477	451,919	389,268	365,326	349,902	375,365
Tons received at South Wake Landfill <sup>5</sup>	426,901	439,069	463,126	70,669	N/A	N/A	N/A	N/A	N/A	N/A
Tons received at East Wake Transfer Station <sup>6</sup>	255,096	260,333	278,464	24,802	N/A	N/A	N/A	N/A	N/A	N/A
Household hazardous waste customers	27,566	24,449	14,471	12,423	11,679	12,088	8,975	7,470	*	*

\* Information not available.

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

(2) Wake County Public Schools.

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

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

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

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

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

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>General Administration</b>										
Rentable square footage	3,477,580	3,369,836	3,213,049	3,111,096	3,039,976	2,968,199	2,842,465	2,781,886	2,704,944	2,678,366
<b>Human Services</b>										
Number of centers	22	20	15	14	14	15	*	*	*	*
<b>Education</b>										
Number of schools	163	159	156	153	147	139	132	127	125	122
<b>Community Development and Cultural</b>										
Libraries - branches	20	20	19	19	19	17	17	17	17	17
Volume of library books	1,544,261	1,670,538	1,714,645	1,846,996	1,670,543	1,476,396	1,520,714	1,490,551	1,463,271	1,473,248
Number of County Parks	8	7	7	7	7	7	*	*	*	*
Number of School Parks	16	16	16	16	16	16	*	*	*	*
<b>Public Safety</b>										
Sheriff - Stations	7	5	5	5	5	5	4	4	3	2
Detention capacity	1312	1,312	1,312	1,312	1,312	1,312	1,312	896	896	896
EMS - Stations	15	15	15	15	15	15	15	17	11	11

\* Information not available.