



# COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR END JUNE 30, 2020



2020





# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR END JUNE 30, 2020**

PREPARED BY THE WAKE COUNTY FINANCE DEPARTMENT



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR END JUNE 30, 2020**

## **INTRODUCTION**

The Introduction provides background and general information about the County.

# Wake County, North Carolina

## Board of County Commissioners



Greg Ford  
Chairman  
*District 6*



Vickie Adamson  
Vice Chair  
*District 7*



Sig Hutchinson  
*District 1*



Matt Calabria  
*District 2*



Jessica Holmes  
*District 3*



Susan Evans  
*District 4*



James West  
*District 5*

## County Administration

**County Manager:** David Ellis

**Chief Operating Officer:** Johnna Rogers

**Chief Information & Innovation Officer:** Bill Greeves

**County Attorney:** Scott Warren

**Chief Financial Officer:** Emily Lucas

**Chief Community Vitality Officer:** Derwick Paige



# Wake County North Carolina

## Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020

*Prepared by the Wake County Finance Department:*

*Emily Lucas, CPA, Chief Financial Officer*

*Angela Mason, Senior Accounting Technician  
Ann Mattern, Insurance/Risk Analyst  
Brittany Longdaue, Buyer  
Charles Williford, CPA, Internal Auditor  
Dawn Underwood, Buyer  
Hope McCullough, Senior Accountant  
Joanna Hale, Senior Accounting Technician  
John T. Stephenson, CPA, Internal Audit Director  
Karen Thiessen, Revenue Manager  
Kim Lorbacher, CPA, Controller  
Lauren Casey, Senior Accountant  
Mary Hutchings, Internal Auditor  
Melissa England Carroll, Assistant Purchasing Director  
Pam Harrington, Information Technology Analyst  
Pamela Wade, CPA, Internal Auditor, (I/T)  
Russ O'Melia, Senior Accountant  
Sandy Carrington, Accountant*

*Sarah Gould, CPA, Internal Auditor  
Seth Larson, CPA, Financial Services Manager  
Sheila Hopkins, Financial Systems Manager  
Sonya Hicks, Information Technology Analyst  
Spencer Phillips, Senior Accountant  
Tamara Williams, Accountant  
Todd Taylor, Debt Manager  
Tom Wester, CLGPO, Purchasing Director  
Tonya Love, Senior Accountant  
Tracey Aviles, Accountant  
Ty Stephens, Buyer  
Tymeeka Williams, Executive Assistant  
Wendi Brusseau, 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	VIII
GFOA Certificate of Achievement for Excellence in Financial Reporting	XV

## FINANCIAL SECTION:

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	22
Statement of Activities	24
Fund Financial Statements:	
Balance Sheet – Governmental Funds	25
Reconciliation of Balance Sheet to Statement of Net Position	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	28
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General Fund	31
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Major Facilities Fund	32
Statement of Net Position – Proprietary Funds	33
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	35
Statement of Cash Flows – Proprietary Funds	36
Statement of Fiduciary Net Position	38
Statement of Changes in Fiduciary Net Position	39
Notes to the Financial Statements	40
Required Supplementary Information:	
Law Enforcement Officers' Special Separation Allowance	84
Other Post-employment Benefits	85
Local Governmental Employees' Retirement System	86
Register of Deeds' Supplemental Pension Fund	88
Supplementary Information:	
General Fund:	
Comparative Balance Sheets	89
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	90



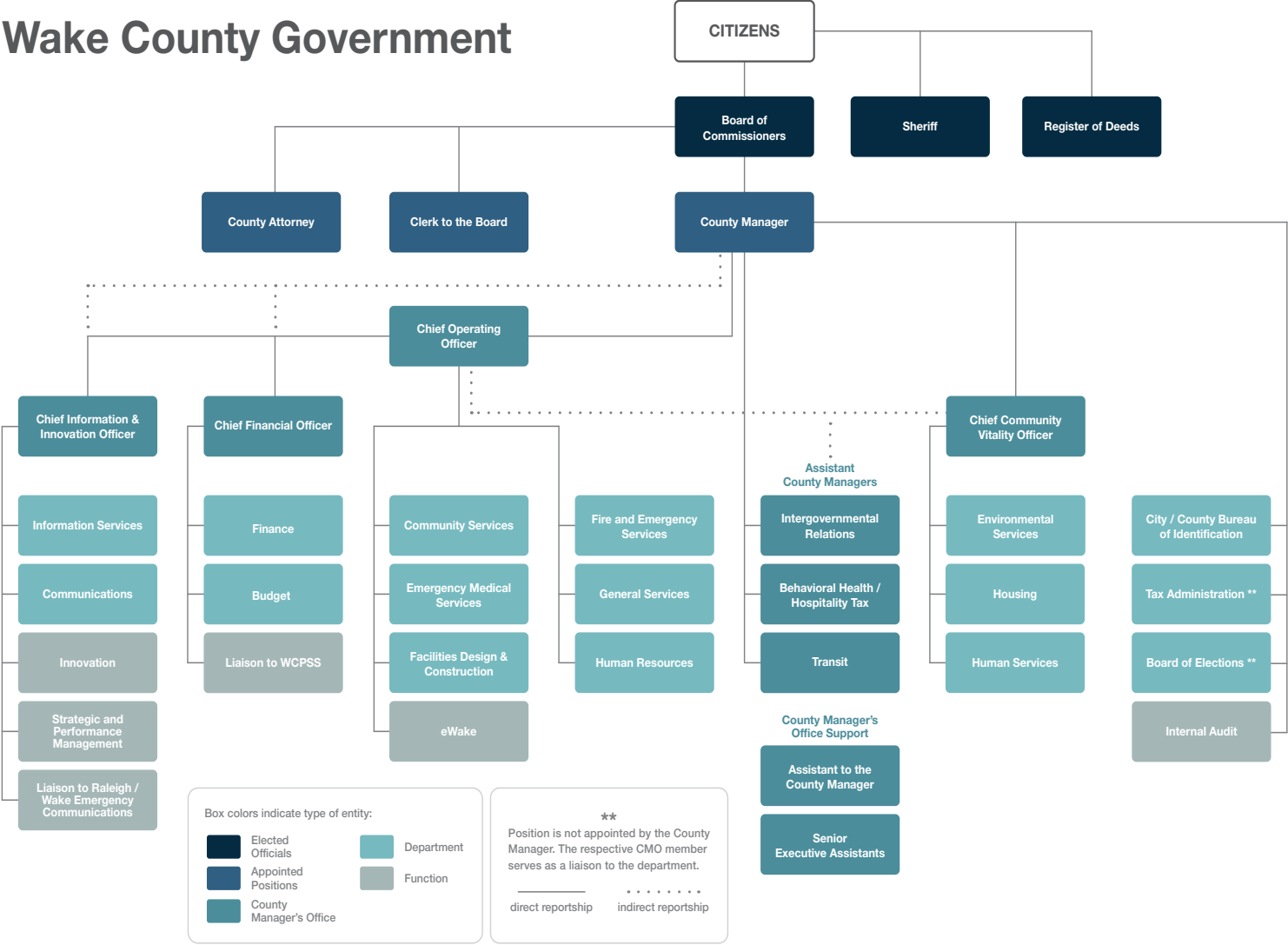
Statement of Revenues, Expenditures and Changes in Fund Balance - Detailed Budget and Actual	91
Schedules of Revenues, Expenditures and Changes in Fund Balances – Major Governmental Funds:	
Affordable Housing Fund, from Inception	98
Coronavirus Relief Funds (CRF) Fund, from Inception	99
Major Facilities Fund, Budget and Actual	100
Debt Service Fund, Budget and Actual	101
County Capital Projects Fund, from Inception	102
School Capital Fund, from Inception	103
Wake Community College Capital Projects Fund, from Inception	104
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	105
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	106
Combining Balance Sheet – Nonmajor Special Revenue Funds	107
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	108
Combining Balance Sheet – Nonmajor Capital Project Funds	109
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	110
Schedules of Revenues, Expenditures and Changes in Fund Balances:	
Grants Fund, from Inception	111
Capital Area Workforce Development Fund, from Inception	112
Fire Tax District Fund, Budget and Actual	113
Transportation Fund, Budget and Actual	114
Fire Capital Project Fund, from Inception	115
Major Facilities Capital Trust Fund, from Inception	116
Affordable Housing Capital Projects Fund	117
Budgetary Combining Balance Sheet, Solid Waste Operating and Capital Project Funds (Non-GAAP)	118
Solid Waste Operating Fund, Budget and Actual	119
Solid Waste Construction Fund, from Inception	120
Budgetary Combining Balance Sheet, South Wake Landfill Partnership Fund (Non-GAAP)	121
South Wake Landfill Partnership Fund, Budget and Actual	123
Budgetary Balance Sheet, Corporate Fleet Fund (Non-GAAP)	124
Corporate Fleet Fund, Budget and Actual	125
Fiduciary Funds:	
Combining Statement of Fiduciary Assets and Liabilities	126
Combining Statement of Changes in Fiduciary Net Position	127
Capital Assets:	
Schedule of Governmental Capital Assets by Function and Category	128
General Obligation Indebtedness:	
Schedule of Changes in Governmental Long-term Debt	129
Schedule of Long-Term Debt Maturities and Annual Debt Service Requirements for Governmental Activities	130

## **STATISTICAL SECTION:**

Table 1 – Net Position by Component – Last Ten Fiscal Years	131
Table 2 – Changes in Net Position – Last Ten Fiscal Years	132
Table 3 – Fund Balance of Governmental Funds Last Ten Fiscal Years	134
Table 4 – Changes in Fund Balance of Governmental Funds Last Ten Fiscal Years	135
Table 5 – Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years	136
Table 6 – Direct and Overlapping Property Tax Rates Last Ten Fiscal Years	137
Table 7 – Principal Property Tax Payers Current Year and Nine Years Ago	138
Table 8 – Property Tax Levies and Collections Last Ten Fiscal Years	139
Table 9 – Schedule of Ad Valorem Taxes Receivable	140
Table 10 – Analysis of Current Tax Levy – Countywide Levy	141
Table 11 – Ratios of Outstanding Debt by Type Last Ten Fiscal Years	142
Table 12 – Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years	143
Table 13 – Direct and Overlapping Governmental Activities Debt	144
Table 14 – Legal Debt Margin Information Last Ten Fiscal Years	145
Table 15 – Demographic and Economic Statistics Last Ten Fiscal Years	146
Table 16 – Principal Employers – Current Year and Nine Years Ago	147
Table 17 – Full-time Equivalent County Government Employees by Function Last Ten Fiscal Years	148
Table 18 – Operating Indicators by Function Last Ten Fiscal Years	149
Table 19 – Capital Asset Statistics by Function Last Ten Fiscal Years	150



# Wake County Government





November 23, 2020

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

Promoting a vision of a county that partners with all levels of government to empower, protect, and serve its citizens through a culture of respect, collaboration, and innovation is a key goal of the Wake County Board of Commissioners. A key objective of that goal is continuing the County's strong foundation of fiscal strength to maintain the County's Aaa bond ratings with the three major rating agencies. The Comprehensive Annual Financial Report (financial statements) of Wake County, North Carolina, for the fiscal year ended June 30, 2020, demonstrates the County's continued progress towards meeting that objective. The County, like all other local governments in North Carolina, is required by state law to publish a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Each year this document is prepared to fulfill that requirement, as well as to provide details about how the County receives, spends, and accounts for its resources and provide key indicators of the County's financial condition.

The County's Finance Department prepares the financial statements and assumes all responsibility for the accuracy of the data, the completeness and fairness of the presentation, and all disclosures. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's

assets from loss, theft, or misuse and help ensure that information is reliable for the preparation of this report. Because the cost of internal controls should not outweigh their benefits, the County's controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. Wake County officials believe the data and presentation are fair and accurate, and that everything necessary is included in this document to gain an understanding of the County's financial activities over the last fiscal year.

Wake County's financial statements have been audited by Elliott Davis, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with generally accepted accounting principles. The report of the independent auditor is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to satisfy the audit requirements imposed by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. The standards governing single audit engagements require the independent auditor to report not



only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements. This is to be done with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Report of Schedule of Expenditures of Federal and State Awards and Reports on Compliance and Internal Control.

Wake County is required to present a Management's Discussion and Analysis (MD&A) as an introduction to the financial information. This analysis immediately follows the auditor's opinion and provides an overview and analysis of the County's significant transactions in fiscal year 2020. The purpose of the MD&A is to aid readers in understanding the financial impacts and their relationships as detailed in the financial statements and schedules provided. This letter of transmittal is written to compliment and not supplant the MD&A.

## FINANCIAL REPORTING ENTITY

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

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

Proprietary funds are used to account for a government's continuing business-type organizations and activities. The Wake County Board of Alcoholic Beverage Control is a component unit of Wake County

and is presented as a proprietary fund. Most of the generally accepted accounting principles of proprietary funds are those applicable to similar private businesses.

## PROFILE OF WAKE COUNTY

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

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

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

The County is continually highlighted in national publications as one of the best places to call home. Some of those accolades from fiscal year 2020 include:

- **#5 Hottest Labor Market in the U.S. (Raleigh)**  
Wall Street Journal | March 2020
- **#4 Leading County for Wage Growth in the U.S.**  
Business Facilities | July 2019

- **#1 Best Counties to Live in North Carolina**  
Niche | January 2020
- **#1 Best City for Jobs in 2020 in the U.S. (Raleigh)**  
Glassdoor | February 2020
- **#2 Fastest-Growing U.S. Metro from 2018-2019 (Raleigh)**  
US Census | March 2020
- **Top 10 City Best-Positioned to Recover from Coronavirus (Raleigh/Durham)**  
Moody's Analytics/Forbes | May 2020
- **Top 25 Best Place to Retire in 2020 (Raleigh)**  
Forbes | August 2020
- **Top 2% for Best Small Cities in America (Apex/Holly Springs)**  
WalletHub | October 2019
- **#3 Best Place for Business and Careers (Raleigh)**  
Forbes | October 2019
- **Cities Where Women Are Most Successful (Cary)**  
SmartAsset, June 2020

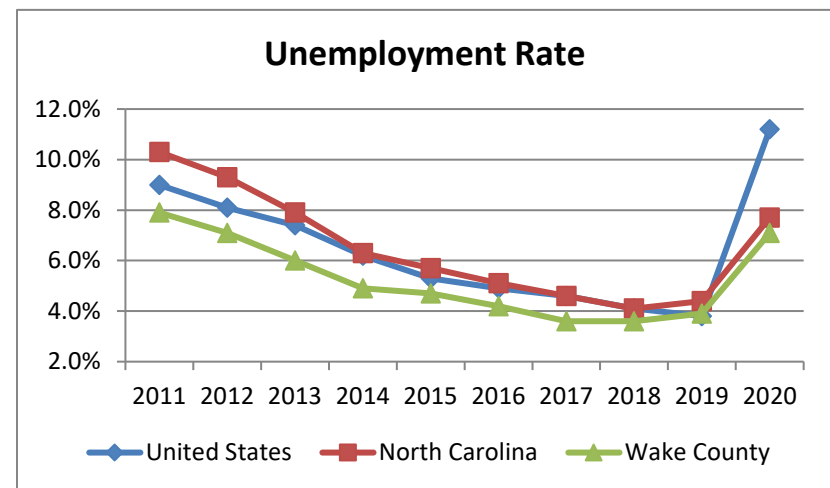
## FACTORS AFFECTING FINANCIAL CONDITION

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

At the same time, the County is navigating its strategic response to COVID-19, an unprecedented public health crisis impacting communities across the world.

## Unemployment Rates

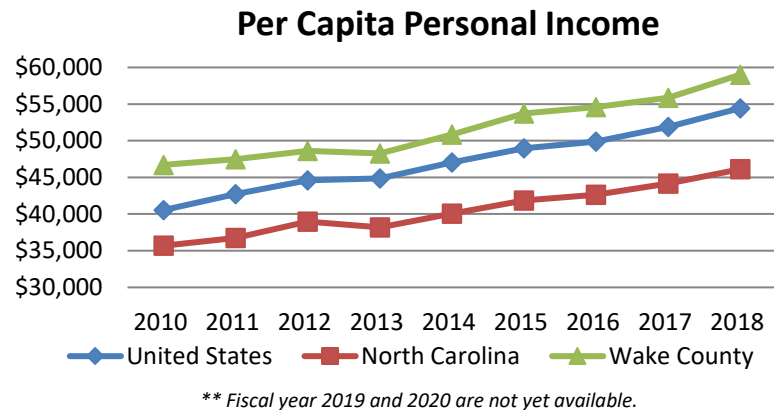
On June 30, 2020, the unemployment rate was 7.1%. Due to COVID-19, the rate climbed to 11.5% in May 2020. Wake County's rate is lower in June than the United States (11.2%) and the State of North Carolina (7.7%).





## Per Capita Personal Income

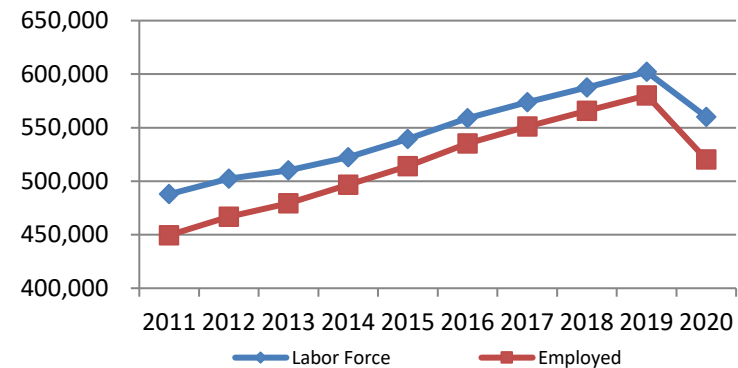
Our residents' per capita income, as reported by the U.S. Bureau of Economic Analysis, also shows continued increases and strength relative to the state and the nation. As information becomes available for fiscal year 2019 and 2020, we will be able to see what impacts COVID-19 had on the County's per capita income.



## Job Growth and Investment

Wake County continues to attract diverse companies creating new jobs. Wake County Economic Development reports that 77 different companies (20 new and 57 expanding) announced a total of 5,976 new jobs worth a total of \$450.9 million of new investments during 2020. In addition, prior announcements have met or exceeded hiring targets established. Such job announcements offset the decline of the labor force due to COVID-19. Under the Executive Orders mandated by the State to shut down certain businesses, Wake County experienced major decreases in the number employed. Continued shut down of public school has also shrunk the overall labor force due to parents having to stay at home with school aged children for remote learning.

## Labor Force and Number Employed



## Economic Diversity

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

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

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

- The Research Triangle Foundation of North Carolina manages Research Triangle Park with a focus on orchestrating industry, university and government collaboration to attract research, scientific and technology-based organizations to

support the creation of quality jobs and opportunities. RTP has more than 250 companies, collectively employing more than 50,000 people. Its top ten employers are IBM Corporation, Cisco Systems, GlaxoSmithKline, Fidelity Investments, RTI International, Credit Suisse, Lenovo, NetApp, Biogen, and the U.S. Environmental Protection Agency.

- Six public and private institutions of higher education are in Wake County, including North Carolina State University. The university has an enrollment of approximately 36,000 students and is engaged in graduate and undergraduate education, research, and extension programs. It employs approximately 9,000 employees. The university's unique research park, Centennial Campus, hosts more than 60 companies, government agencies, and research and academic units
- Wake County is also home to Wake Technical Community College, which is part of the North Carolina Community College System. The mission of Wake Tech is to provide education and training for the workforce. It serves over 70,000 students annually, with six campuses, three training centers, multiple community sites, and an array of online learning options.
- Three acute care hospital systems are in the County and employ over 15,000 employees.
- Wake County's population is highly educated. According to the United States Census Bureau, 51.8% of its adult population held a bachelor's degree or higher. Wake County's higher education level is consistently higher than state and national averages.

### **Long-Term Planning and Community Improvement Plan**

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

Wake County's capital funding program leverages debt financing to expand the County's ability to support capital projects. Three fundamental strategies are key to the success of the program: 1) dedicating a funding stream specifically to capital comprised of 18.76 cents of the County's property tax rate and a portion of sales tax revenue; 2) retiring 70% of bond principal within 10 years; and 3) adhering to the County's operating funds fund balance policy of maintaining a combined general fund and debt service fund total fund balance of at least 30% of general fund and debt service fund combined revenues. Dedicating annual revenue streams for a capital program requires a great deal of fiscal discipline. It also is essential for the success of the long-term capital program and to deliver quality services to the current and future residents of Wake County.

In North Carolina, counties are statutorily responsible for providing facilities for both public K-12 schools and community colleges. Wake County, home to the 15<sup>th</sup> largest school district in the nation with more than 160,000 students, and the State's largest community college, requires significant investment to maintain existing facilities and invest in additional facilities for enrollment growth. Accordingly, over 85% of the County's outstanding \$2.67 billion of debt is for education related capital costs.

During fiscal year 2020, the County expanded its debt market activity by obtaining additional funding needed for new education capital needs. This included issuing additional short-term installment notes to increase the draw authorization available and issuing refunding bonds to save on future interest costs. The County also issued General Obligation Bonds for the Parks, Greenways, Recreation and Open Space Program which will fund several planned projects. More information about the County's debt financed programs or other projects included in its Community Improvement Plan can be found on the Wake County website in the County's adopted budget.

### **COVID-19 Emergency Response Operations**

In the last quarter of fiscal year 2020, Wake County commenced the longest and largest emergency response operation in the County's history as the COVID-19 pandemic began to have unprecedented public health and economic impacts across the world. The extraordinary impact of the pandemic on county operations and revenues continues to be significant and unique. While the virus' full effect on the County's overall financial condition is not yet known, COVID-19 has drastically changed the County's revenue picture.

### **OTHER COUNTY GOALS AND ACCOMPLISHMENTS**

Wake County focuses on maintaining a high quality of life for its current and future residents. The County's population is growing by an average 67 people per day, and many of its goals and objectives center on the growing needs of the community. Despite the financial impacts of COVID-19 in FY20, Wake County continued to prioritize investments in education, public safety and quality of life for our residents.

In October 2019, the Board of Commissioners took steps to preserve open space, build greenways and ensure residents have access to

both. The Open Space and Greenways Request for Projects process allows local municipalities and nonprofit organizations to apply for county funds to develop greenways and acquire open space. Money from the \$120 million Parks, Greenways, Recreation and Open Space bond approved by voters in 2018 will be used to fund the projects, which will be chosen based on several factors.

In November 2019, the County moved forward with several other projects included in the Parks, Greenways, Recreation and Open Space bond. Commissioners appropriated \$22.7 million in funds authorized under the bond to begin work on the following projects:

- Beech Bluff County Park
- Kellam Wyatt Preserve
- Lake Myra County Park
- Renovations at several of the County's existing parks.

In October 2019, the County opened the new Cary Regional Library, a 23,450-square-foot library featuring 90,000 books, programming for all ages, 32 public computers and free Wi-Fi. The first floor houses the children's collection and a large children's program room, and the second floor features the Adult Services collection, a community meeting room and quiet study.

In June 2020, the Board of Commissioners adopted a \$1.47 billion budget for Fiscal Year 2021. The budget does not include a property tax increase, but it bolsters funding for Wake County Public Schools and maintains funding for community organizations despite reduced projected revenues due to COVID-19.

To address growing needs in a public-school system with more than 160,000 students, the fiscal year 2021 budget increased the County's operating investment in the Wake County Public School System by \$11.95 million to \$527.9 million. This brings estimated per pupil

spending to \$2,932, which ensures the County maintains the historic funding it provided to WCPSS in FY20.

## **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, 2020. This marks the 36<sup>th</sup> consecutive year in which the County has received this recognition. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The GFOA award is valid for a period of one year.

### **Sustained Professional Purchasing Award**

The Carolinas Association of Governmental Purchasing presented their annual award to Wake County for the fiscal year ended June 30, 2020. This is the 16th consecutive year that Wake County has received this prestigious designation. This award is presented to units of government that have demonstrated high standards in the purchasing profession. The criteria for the award include the use of technology, minority outreach, staff certification, customer and vendor training, and the use of recycled products. The award recognizes purchasing departments in North and South Carolina.

## **Acknowledgments**

We appreciate the assistance and dedication of the Finance Department staff throughout the year, especially during the preparation of this document. We would like to thank all members of the department who contributed to its preparation and the County's independent certified public accountants, Elliott Davis, PLLC, for their assistance. The cooperation of each County department is appreciated as we work together to conduct the County's financial operations. We also express our appreciation to the members of the Wake County Board of Commissioners for their continued support as the County continues to conduct its financial activities in a responsible, transparent, and progressive manner.

Respectfully submitted,

*David Ellis*

David Ellis  
County Manager

*Emily Lucas*

Emily Lucas, CPA  
Chief Financial Officer





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Wake County  
North Carolina**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR END JUNE 30, 2020**

## **FINANCIAL SECTION**

The Financial Section constitutes the core of the report. The independent auditor's report covers the basic financial statements, the notes to the financial statements, and required supplementary information. The required supplementary information includes the Management's Discussion and Analysis which provides a narrative introduction, overview, and an analysis of the basic statements that follow.



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Wake County, North Carolina (the County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wake County Board of Alcoholic Control (the Board), which represent one hundred percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Board were not audited in accordance with *Government Auditing Standards*.

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

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

## ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Major Facilities Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance, the Schedule of Changes in Total Other Post Employment Benefit Liability and Related Ratios, the Schedule of the County's Proportionate Share of Net Pension Liability (Asset) and Schedule of Employer Contributions for Local Governmental Employees' Retirement System, and the Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Employer Contributions for Register of Deeds Supplemental Pension Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The general fund and other funds' combining and individual fund financial statements, budgetary schedules, Schedule of Governmental Capital Assets by Function and Category, Schedule of Changes in Governmental Long-term Debt and Schedule of Long-term Debt Maturities and Annual Debt Service Requirements for Governmental Activities, the introductory section, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina

November 23, 2020



## MANAGEMENT'S DISCUSSION AND ANALYSIS



As the management of Wake County, North Carolina, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2020. We encourage readers to review the information presented here in conjunction with the letter of transmittal and the County's financial statements, which follow this overview.

Fiscal year 2020 was a unique and challenging year due to the COVID-19 pandemic. The County took the lead in this public health emergency by activating the Emergency Operations Center at the beginning of March. During the fourth quarter of the fiscal year, over 80 employees were redirected from their normal operations to provide critical services in response of the pandemic. Due to the Governor's Executive order, many staff were required to work from home. New and creative processes were developed to continue to serve the citizens of Wake County during this challenging time. The fiscal impact of the pandemic is still being identified with sales taxes, charges for services, and prepared food and beverage taxes being impacted the most.

In April 2020, Congress and the President approved the Coronavirus Aid, Relief and Economic Security (CARES) Act. The County received approximately \$194.0 million of the Coronavirus Relief Funds from the CARES Act. These fund are to be used for necessary expenditures due to the public health emergency with respect to COVID-19, expenditures not accounted for in the budget most recently approved as of March 27, 2020, and were incurred during the period beginning March 1 and ending on December 30, 2020. The County developed a funding plan that allowed the County to ensure the funds are being spent appropriately and align with Board goals. The County created a special revenue fund, the Coronavirus Relief Fund, to account for these funds. A few of the identified programs the County initiated include procuring the required PPE necessary for operations, setting up mass testing sites throughout the County and providing housing support for the homeless population and for those most impacted by the pandemic. The County also made available utility assistance, enhanced food assistance, and small business Loan programs, as well as, offering additional assistance to the local public school system for laptops needed to promote distance learning. For public facilities that remain open to the public, the County implemented social distancing and health screenings. A portion of this funding was also shared with our municipal partners.

### FINANCIAL HIGHLIGHTS FOR WAKE COUNTY, NORTH CAROLINA FOR THE YEAR ENDED JUNE 30, 2020:

- The County's governmental funds reported combined ending fund balances of \$915.9 million, compared with \$807.3 million at the end of the prior fiscal year.
- The combined General Fund and Debt Service Fund fund balances are measured together to assess the County's overall fiscal health. At the end of the 2020 fiscal year, the fund balances for the County's General Fund and Debt Service Fund were \$401.1 million and \$137.8 million, respectively, compared with each fund reporting fund balances of \$352.6 million and \$111.3 million, respectively, in the prior fiscal year. The total fund balance of both funds as a percentage of combined General Fund and Debt Service Fund revenues was 35.2% as of the end of fiscal year 2020 compared to 33.2% at the end of fiscal year 2019.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

- The County uses a long-term financial planning model for capital budgeting purposes. The debt component of the model helps evaluate the impact of capital funding decisions on the County's financial condition and to ensure policy targets are maintained. In accordance with the model, the County allocates a portion of property taxes specifically for debt service and cash funding of its capital program. The tax rate for fiscal year 2020 was 72.07 cents, of which 22.56 cents was dedicated to capital and debt service. In addition, a portion of sales tax is transferred to the Debt Service Fund for school capital and debt service. For fiscal year 2020, the County transferred from the General Fund the following amounts: \$297.6 million to fund debt service, \$38.4 million for Wake County Public School System capital projects, \$10.0 million for Wake Technical Community College capital projects, \$13.0 million for affordable housing capital projects, \$.3 million for grant matching requirements, and \$44.6 million to fund County capital projects.
- Wake County has maintained an "Aaa" rating from Moody's since 1973, an "AAA" rating from Standard & Poor's Global since 1983, and an "AAA" rating from Fitch Ratings since 2000. These bond ratings are clear indications of the sound financial condition of the County. The County is one of the few counties in the country that maintains the highest financial rating from all three major rating agencies. This achievement is a key factor in allowing the County to receive low interest rates on debt issued, ultimately reducing the cost of debt to the taxpayers. The ratings from each of the agencies were reaffirmed most recently in April 2020.
- In October 2019, the County issued \$36,860,000 par Series 2019C General Obligation (GO) Public Improvement Bonds for the Parks, Greenways, Recreation and Open Space Program. These proceeds will fund certain capital projects identified in the County's Adopted Greenway System Plan, the Park Facility Master Plan and the Comprehensive Parks & Recreation Master Plan for FY2020, FY2021 and a portion of projects for FY2022. This is the first of several planned issuances under the Parks, Greenways, Recreation and Open Space \$120 million bond order approved by taxpayers in November 2018.
- In April and May 2020, the County issued \$49,345,000 Series 2020A General Obligation Refunding Bonds and \$14,330,000 Series 2020B General Obligation Refunding Bonds. The 2020A bonds refunded the 2010A&B Public Improvement bonds and the 2020B bonds refunded the 2020F Public Improvement bonds, resulting in combined debt service savings of approximately \$6.8 million over the next nine years.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## OVERVIEW OF THE FINANCIAL STATEMENTS:

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

### Basic Financial Statements:

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

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

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

The government-wide financial statements are on Pages 22-24 of this report.

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Governmental Funds** – *Governmental funds* are used to account for the same functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. Governmental funds financial statements focus on the near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a current financial resources focus. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The **Budgetary Comparison Statements** are the next part of the fund financial statements that is presented. The County adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, management of the County, and decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether the County has provided the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the variance between the final budget and the actual results. The County's Major Facilities Fund also is included with the basic financial statements as an annually-budgeted major special revenue fund.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Proprietary Funds** – The County's business-type activities are reported in proprietary funds. Then County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for solid waste operations that are County funded as well as the South Wake Landfill Partnership that accounts for the activities associated with the South Wake landfill that is a partnership between the County and 11 municipalities within the County. The enterprise funds are consolidated into the business-type activities that are presented in the Statement of Net Position and the Statement of Activities. *Internal service funds* are used to account for goods or services provided to one department by another on a cost reimbursement basis. The County reports the activities associated with the Corporate Fleet Fund as an internal service fund. Because Corporate Fleet Fund activities are primarily related to governmental activities, it is consolidated primarily into the governmental activities that are presented in the Statement of Net Position and the Statement of Activities.

**Custodial Funds** – *Custodial funds* are used to account for assets the County holds on behalf of others. Wake County has three custodial funds that are used to account for taxes collected for and remitted to other municipalities within the County, funds held by Wake County Human Services on behalf of clients, and fines and forfeitures that are collected from citizens and disbursed to the school system under North Carolina law.

The final section of the basic financial statements is the **notes to the financial statements**. The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the basic financial statements, this report presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to law enforcement personnel and other post-employment benefits to employees.

The combining statements are presented immediately after the required supplementary information and are provided to show details about the County's non-major governmental funds, as well as enterprise funds. Budgetary information for each fund as required by the North Carolina General Statutes and detailed comparison statements, including encumbrances reported for internal reporting purposes for the County's General Fund and annually budgeted funds, can also be found in this section.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### GOVERNMENT-WIDE FINANCIAL ANALYSIS:

The County's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$(1,458.6) million as of June 30, 2020. Net position is reported in three general categories: net investment in capital assets of \$572.0 million, restricted amounts totaling \$296.0 million, and an unrestricted net deficit of \$(2,326.5) million.

One portion of Wake County's net position reflects its investment in capital assets (e.g., land, buildings, vehicles, and equipment), less any related debt still outstanding that was issued to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources. The capital assets cannot be used to liquidate these liabilities. The amount reported as invested in total capital assets increased from \$565.7 million in the prior year to \$571.9 million at June 30, 2020. This increase relates primarily to the County's governmental activities capital asset additions which includes library construction and the replacement of the 800mhz and CAD systems. The County's school and community college related debt is not included in this calculation as it is not considered capital related debt for Wake County.

The largest category of the County's net position is reported as an unrestricted net deficit. This balance is to be used to meet the government's ongoing obligations to citizens and creditors. However, under North Carolina law, the County is responsible for providing capital funding for the Wake County Public School System (WCPSS) and Wake Technical Community College (WTCC). The County has chosen to meet its legal obligation to provide WCPSS and WTCC capital funding by using a mixture of County funds and debt. The assets funded by the County are owned, utilized, and maintained by WCPSS and WTCC. Since the County, as the issuing government, acquires no capital assets, the County has incurred a debt liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the school-related debt less unspent bond proceeds was \$1,948,813,618, and the outstanding balance of the community college-related debt less unspent bond proceeds was \$276,352,708. The County is authorized and required by State law to levy ad valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year in which they become due.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

School system debt	\$ (1,948,813,618)
Community college debt	(276,352,708)
All other unrestricted	<u>(101,290,446)</u>
 Total unrestricted (deficit)	 <u><u>\$ (2,326,456,772)</u></u>

Unrestricted net position is also significantly impacted by the County's other Post-Employment Benefits, which the County funds on a pay-as-you-go basis. The liability reported at June 30, 2020 and 2019 was \$415.8 million and \$389.4, respectively. Additional information regarding the County's Other Post-Employment Benefits can be found in Note 18.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### WAKE COUNTY'S NET POSITION

IN MILLIONS OF DOLLARS

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 1,194.0	\$ 915.8	\$ 62.3	\$ 61.4	\$ 1,256.3	\$ 977.2
Capital assets	860.4	858.7	26.2	26.5	886.6	885.2
Total assets	2,054.4	1,774.5	88.5	87.9	2,142.9	1,862.4
Deferred outflows of resources	83.2	76.2	0.4	0.4	83.6	76.6
Long-term liabilities/schools	1,686.8	1,572.3	-	-	1,686.8	1,572.3
Long-term liabilities/community colleges	217.5	238.6	-	-	217.5	238.6
Long-term liabilities/other	1,314.5	1,263.3	25.3	24.8	1,339.8	1,288.1
Other liabilities	283.8	117.8	5.8	7.4	289.6	125.2
Total liabilities	3,502.6	3,192.0	31.1	32.2	3,533.7	3,224.2
Deferred inflows of resources	151.2	150.7	0.2	0.2	151.4	150.9
Net position:						
Invested in capital assets	545.7	539.2	26.2	26.5	571.9	565.7
Restricted/various	280.6	360.6	15.4	9.2	296.0	369.8
Unrestricted	(2,342.5)	(2,391.8)	16.0	20.2	(2,326.5)	(2,371.6)
Total net position	\$ (1,516.2)	\$ (1,492.0)	\$ 57.6	\$ 55.9	\$ (1,458.6)	\$ (1,436.1)

The County funds the capital needs for both WCPSS and WTCC but does not carry the resulting assets on our financial statements; therefore, our statement of net position reports a net deficit. Despite this deficit reported in governmental activities, the County's finances continue to be strong. Our property tax collection rate is high with an overall collection percentage of 99.8%. Revenues and expenditures are planned and managed using financial models for the capital, debt service, and various operating budgets. The low cost of our bonded debt is a direct result of the County's triple-A bond rating by the three major rating agencies.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## WAKE COUNTY'S CHANGES IN NET POSITION

IN MILLIONS OF DOLLARS

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Revenues:						
Program revenues:						
Charges for services	\$ 85.3	\$ 91.8	\$ 29.9	\$ 28.4	\$ 115.2	\$ 120.2
Operating grants and contributions	128.4	94.8	2.3	2.3	130.7	97.1
General revenues:						
Property taxes	1,133.3	1,002.0	-	-	1,133.3	1,002.0
Sales taxes	209.3	202.6	-	-	209.3	202.6
Grants and contributions not restricted to specific programs	13.3	11.1	-	-	13.3	11.1
Other general revenues	85.4	101.0	2.3	3.5	87.7	104.5
Total revenues	1,655.0	1,503.3	34.5	34.2	1,689.5	1,537.5
Expenses:						
General government	102.2	97.7	-	-	102.2	97.7
Human services	230.2	201.5	-	-	230.2	201.5
Education	890.3	833.1	-	-	890.3	833.1
Community development and cultural	108.1	124.2	-	-	108.1	124.2
Environmental services	15.4	14.2	-	-	15.4	14.2
Public safety	205.9	200.1	-	-	205.9	200.1
General services administration	37.3	31.5	-	-	37.3	31.5
Interest on long-term debt	90.3	98.8	-	-	90.3	98.8
Solid waste	-	-	32.3	29.7	32.3	29.7
Total expenses	1,679.7	1,601.1	32.3	29.7	1,712.0	1,630.8
Increase (decrease) in net position before transfers	(24.7)	(97.8)	2.2	4.5	(22.5)	(93.3)
Transfers	0.5	0.5	(0.5)	(0.5)	-	-
Change in net position	(24.2)	(97.3)	1.7	4.0	(22.5)	(93.3)
Net position (deficit), beginning of year	(1,492.0)	(1,394.7)	55.9	51.9	(1,436.1)	(1,342.8)
Net position, end of the year	<u>\$ (1,516.2)</u>	<u>\$ (1,492.0)</u>	<u>\$ 57.6</u>	<u>\$ 55.9</u>	<u>\$ (1,458.6)</u>	<u>\$ (1,436.1)</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 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 ten major funds, as defined by GAAP for the fiscal year ended June 30, 2020, were the General Fund, Affordable Housing Fund, Coronavirus Relief Fund, Major Facilities Fund, Debt Service Fund, County Capital Projects Fund, School Capital Fund, Wake Community College Capital Fund, Solid Waste Operating Fund, and South Wake Landfill Partnership Fund, the last two of which are enterprise funds.

**Governmental Funds:** As of the end of the 2020 fiscal year, the County's total governmental funds reported combined ending fund balances of \$915.9 million, an increase of \$108.6 million from \$807.3 million for the prior fiscal year. The County's governmental fund balance increased during the fiscal year ended June 30, 2020 in large part because the County issued debt proceeds for Parks, Greenways, Recreation and Open Space capital needs, which will be expended in future years, planned savings in the Debt Service Fund and additional departmental savings in the General Fund.

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

At the end of the 2020 fiscal year, the fund balances for the County's General Fund and the Debt Service Fund were \$401.1 million and \$137.8 million, respectively, compared to fund balances of \$352.6 million and \$111.3 million respectively in the prior fiscal year. The total fund balances of both funds compared as a percentage of combined General Fund and Debt Service Fund combined revenues, transfers in and bond premiums was 35.2% as of the end of fiscal year 2020 compared to 33.2% in the prior fiscal year. The County's debt and capital model strategically uses fund balance in the Debt Service Fund for debt service expenditures, but in an amount that will not exceed the County's debt service guideline of maintaining a minimum fund balance no less than 19% in the Debt Service Fund of subsequent year debt service expenditures and the maintenance of a combined General Fund and Debt Service Fund balance of at least 30% of General Fund and Debt Service Fund combined revenues.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FUND BALANCE POLICY COMPLIANCE ANALYSIS

#### GENERAL FUND

	June 30, 2020	June 30, 2019	Increase (Decrease)
Non-spendable:			
Inventories/noncurrent receivables/prepaid expenses	\$ 1,490,879	\$ 1,577,971	\$ (87,092)
Restricted:			
Stabilization by State statute	75,098,435	87,486,137	(12,387,702)
Register of deeds automation	1,022,394	673,240	349,154
Committed:			
Revaluation reserve	2,639,517	3,457,951	(818,434)
LEO Separation Allowance	3,235,640	2,527,767	707,873
Future appropriations from excess ABC revenues	13,943,568	9,881,742	4,061,826
Future appropriations for behavioral health	14,220,119	13,971,561	248,558
Future insurance claims	2,557,750	4,000,000	(1,442,250)
Working capital	286,929,520	229,054,346	57,875,174
General fund balance	401,137,822	352,630,715	48,507,107
Subsequent Year's Adopted Budget	1,464,296,000	1,473,980,000	(9,684,000)
Fund Balance as a percentage of next year's budget (15% minimum)	27.39%	23.92%	3.47%
Working Capital	286,929,520	229,054,346	57,875,174
Working Capital as a percentage of next year's budget (10% minimum)	19.60%	15.54%	4.06%

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FUND BALANCE POLICY COMPLIANCE ANALYSIS

#### GENERAL FUND AND DEBT SERVICE

	June 30, 2020	June 30, 2019	Increase (Decrease)
General Fund Revenue, sales of assets & materials and transfers in	\$ 1,488,949,912	\$ 1,355,230,286	\$ 133,719,626
Debt Service Fund Revenue, transfers in, and premiums on bond issues	340,483,257	311,606,939	28,876,318
Combined revenue and transfers in	1,829,433,169	1,666,837,225	162,595,944
Less: General Fund transfers to Debt Service Fund	(297,629,000)	(269,419,000)	(28,210,000)
Combined General Fund and Debt Service Fund Revenue	\$ 1,531,804,169	\$ 1,397,418,225	\$ 134,385,944
Fund Balance			
General Fund	\$ 401,137,822	\$ 352,630,715	\$ 48,507,107
Debt Service	137,806,558	111,303,046	26,503,512
Combined Fund Balance	<u>\$ 538,944,380</u>	<u>\$ 463,933,761</u>	<u>\$ 75,010,619</u>
Fund Balance as a percentage of Current Year Revenues (30% minimum)	<u>35.2%</u>	<u>33.2%</u>	<u>2.0%</u>

The County Capital Project fund includes County buildings, libraries, criminal justice facilities, public safety stations, parks, greenways and open space, and major automation projects. At the end of the current fiscal year, total fund balance was \$114.4 million, an increase of \$35.6 million from the prior year in part due to the issuance of general obligation debt to fund various parks, greenways, recreation and open space (PGROS) projects. The School Capital fund had a decrease of \$20.7 million to \$158.5 million at the end of fiscal year 2020. This decrease is attributed to the continued use of debt issued in previous fiscal years to fund school construction. These changes were anticipated with the County's long-term capital and debt planning model.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Proprietary Funds:** The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position in the proprietary fund statement of net position for the Solid Waste Operating Fund at the end of fiscal year 2020 amounted to approximately \$16.0 million, a decrease of \$4.1 million from the \$20.1 million reported at the end of fiscal year 2019. This decrease resulted from an increase in assigned planned expenditures in the Solid Waste Construction Fund due to increased funding from the Solid Waste Operating fund that was not spent at the end of fiscal year 2020. Otherwise, the differences between the two fiscal years are minimal.

### GENERAL FUND BUDGETARY HIGHLIGHTS:

During the fiscal year ended June 30, 2020, the County revised its General Fund budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

The fund balance of the County's General Fund increased by \$48.5 million during the fiscal year ended June 30, 2020, a substantial amount more than the amount of usage planned of \$12.2 million. The total of \$60.7 million difference between planned usage of fund balance and the actual increase in the fund balance resulted from actual revenues in the General Fund that were \$27.8 million more than the amounts projected in the final budget and expenditures that were \$35.2 million less than anticipated. Property taxes were \$5.4 million higher than budgeted based on actual tax billed being slightly higher than estimates and the overall collection rate achieved of 99.80% exceeding the budgeted collection rate of 99.65%. Sales taxes were \$5.3 million higher than budgeted amount due to legislative changes that have occurred that increased the sales tax base and robust growth during the first six months of the fiscal year. Real property transfer taxes were higher than the budgeted amount by \$2.2 million due to continued residential growth in the County prior to the COVID-19 pandemic. Intergovernmental revenues for human services were \$2.2 million higher than budgeted amounts due mainly to increased funding from Medicaid for reimbursement of administrative costs. The County also received additional funding of \$8.1 million from the ABC Board to the County. This additional revenue from the ABC Board was committed as fund balance for future County needs.

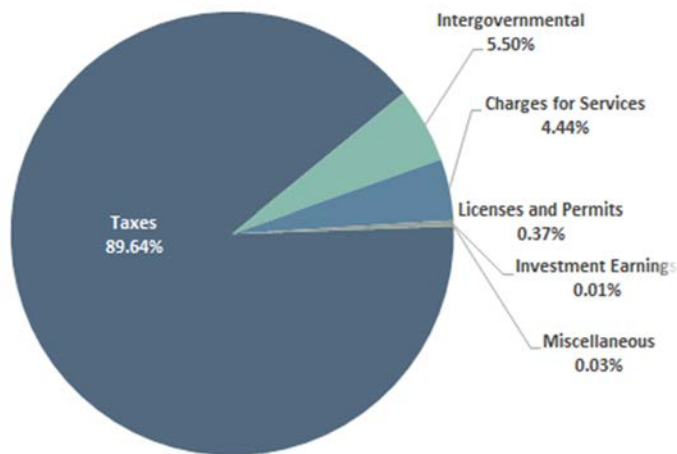
Actual expenditures were \$35.2 million less than budgeted amounts resulting from lower than projected spending by most County departments. In March 2020, the County imposed a 1.5% budget reduction exercise for all County departments and froze vacant positions, anticipating that revenues, particularly sales tax, would come in much lower than budgeted due to COVID-19 business curtailment and closures. Many County operations were halted or moved online due to the activation of the Emergency Operation Center and the Governor's Executive order put in place to slow the spread of the Coronavirus. Human Services expenditures were underspent by approximately \$14.7 million, the result of savings on the behavioral health care managed contract and as employees were redirected from regular operations to the COVID-19 response. Public Safety expenditures were under budget by approximately \$4.8 million, primarily due to salary savings in the EMS department.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

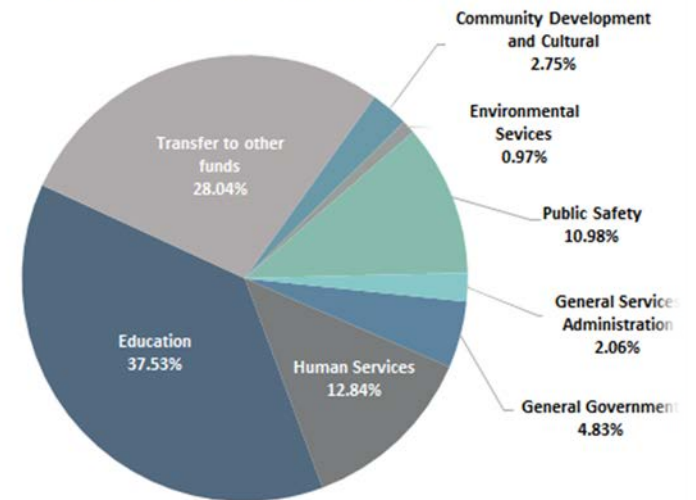
The County's general government departments' budgets were underspent by a total of \$11.0 million. Non-departmental costs were approximately \$6.4 million under budget due mainly from savings on the County's self-insurance plan. The savings from the self-insurance plan were committed by the Board to offset future health related costs. Approximately \$1.3 million in savings is attributable to lower than anticipated reappraisal costs and contract services in the Revenue Department. Other savings in the budget were related to lapsed salaries from vacant positions.

### Major Categories of Revenues and Expenditures in the County's General Fund

Where Does the Money Come From?



Where Does the Money Go?



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### CAPITAL ASSET AND DEBT ADMINISTRATION:

**Capital assets.** The County's investment in capital assets for governmental and business-type activities as of June 30, 2020, totals approximately \$886.6 million (net of amortization and depreciation).

Major capital asset additions during the 2020 fiscal year within Governmental Activities included several automation projects, library construction and improvements and the replacement of the 800mhz and CAD systems. Within the Business-type Activities, additions included the construction of several solid waste convenience centers and the landfill gas system project.

WAKE COUNTY CAPITAL ASSETS (net of Amortization and Depreciation)							
	Governmental Activities		Business-type Activities		Total		
	2020	2019	2020	2019	2020	2019	
Land	\$ 149,846,522	\$ 148,301,074	\$ 382,327	\$ 382,327	\$ 150,228,849	\$ 148,683,401	
Landfills	-	-	4,676,128	5,121,095	4,676,128	5,121,095	
Buildings	604,991,180	594,153,182	17,085,771	2,540,442	622,076,951	596,693,624	
Machinery and equipment	4,328,114	4,675,743	109,313	153,255	4,437,427	4,828,998	
Vehicles and motorized equipment	17,315,493	17,876,260	-	-	17,315,493	17,876,260	
Improvements other than Buildings	13,259,384	13,807,587	268,614	285,978	13,527,998	14,093,565	
Computer Software	8,498,213	9,105,074	-	-	8,498,213	9,105,074	
Infrastructure	14,995,493	15,503,253	-	-	14,995,493	15,503,253	
Intangibles	1,032,044	1,032,044	-	-	1,032,044	1,032,044	
Construction in progress	46,142,845	54,216,928	3,707,742	18,016,982	49,850,587	72,233,910	
Total	<u>\$ 860,409,288</u>	<u>\$ 858,671,145</u>	<u>\$ 26,229,895</u>	<u>\$ 26,500,079</u>	<u>\$ 886,639,183</u>	<u>\$ 885,171,224</u>	

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, 2020, the County had total general obligation bonded debt outstanding of approximately \$1.8 billion, of which \$1.4 billion and \$217.5 million was issued to help meet the capital needs for WCPSS and WTCC, respectively. In addition to general obligation bonded debt, the County also has outstanding capital leases, limited obligation bonds and installment purchases. The County also had direct placement bond anticipation notes and drawdown installment notes outstanding of \$36.1 million and \$239.2 million, respectively. These will be refinanced with permanent financing, either general obligation bonds or limited obligation bonds, in the future. A summary of total outstanding debt associated with governmental activities is shown below.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	2020	2019
General Obligation bonds (schools)*	\$ 1,411,464,963	\$ 1,572,250,188
General Obligation bonds (community college)*	217,498,213	238,601,173
General Obligation bonds (other)*	134,999,402	102,516,899
Limited obligation bonds*	620,426,297	646,149,796
Bond anticipation notes	36,078,529	-
Draw down installment notes	239,242,066	-
Installment purchases	3,719,115	4,427,115
Capital Leases	32,305	34,883
Total	<u>\$ 2,663,460,890</u>	<u>2,563,980,054</u>

*\*Includes premium on issuance cost.*

Wake County's total debt increased \$99.5 million during the fiscal year ended June 30, 2020. This increase occurred because the County issued, among other things, \$100.5 million in general obligation debt (excluding \$18.6 million in premiums) during the fiscal year, compared to the retirement of \$247.4 million in general obligation bonds (excluding \$21.2 million in premiums). The County also issued \$36.1 million direct placement bond anticipation notes and \$239.2 million in direct placement drawdown installment notes. These retirements and issuances were made in accordance with the County's long-term capital and debt planning model.

Additional information regarding the County's long-term debt can be found in Note 11 of the Basic Financial Statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES:

- The unemployment rate for Wake County was 7.1% at June 30, 2020, which is an increase of 3.2% from the prior year rate of 3.9%. This increase was attributed to the COVID-19 pandemic and the Executive order that was put in place that required businesses to close or curtail activity to limit social interaction.
- During 2017, the County Board of Commissioners voted to change the County's revaluation cycle from an eight-year cycle to a four-year cycle. The change in reappraisal cycles will allow the County to take advantage of the natural growth in the tax base sooner. Under the revised reappraisal schedule, the next cycle occurred in 2020 for property tax billings beginning July 1, 2020.
- Total sales tax collections continued to increase during the fiscal year ended June 30, 2020 to \$209.3 million, from \$202.5 million in the prior fiscal year, a 3.3% increase. Continued growth in sales, even throughout the pandemic, was the contributing factor of the increase.
- Wake County continues to grow, with a population of 1,111,761 people at June 30, 2020. The school system had a slight increase to the system rolls, with a total of 161,907 enrolled for the 2019-2020 school year. School enrollment is projected to be at 161,940 for the 2020-2021 school year.
- The average yield on investments was 1.46% for the fiscal year 2020, compared to 1.95% for the fiscal year 2019. As in the prior fiscal years, the County has continued to utilize detailed cash flow planning which has allowed us to keep funds invested until needed for expenditures, maximizing the maturity on our investments and earnings on our portfolio. The County realized investment earnings on all funds of \$15.0 million for the fiscal year ended June 30, 2020, on an average portfolio balance of more than \$902.2 million. This compares to fiscal year 2018 earnings of \$22.1 million on an average portfolio balance of more than \$794.0 million. The increase on the average portfolio balance for fiscal year 2020 is due to the receipt of approximately \$194.0 million the County received for Coronavirus Relief funds in April 2020. The County routinely holds investments until maturity to maximize earnings.

These factors and others were considered when management prepared Wake County's budget ordinance for the 2021 fiscal year.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Budget Highlights for the Fiscal Year Ending June 30, 2021:

**Governmental Activities.** The County approved an original budget of approximately \$1.46 billion for the General Fund for fiscal year 2021, which is the same as the original budget for the fiscal year 2020. With the long-term financial impact of the COVID-19 pandemic still unknown, many revenues were forecast with minimal or no growth. The County completed its four-year property tax revaluation process for the fiscal year 2021. Based on the revaluation the total tax base estimate was \$188.64 billion, an increase of 24% from the prior year tax base of \$152.63 billion. The General Fund budget included a property tax rate of 60.00 cents per \$100 of property valuation which is the revenue neutral rate from the previous year. Sales tax revenues are projected to decrease by 25.7% because of the economic impact of COVID-19. However, based on current collections in the past several months, the COVID-19 pandemic does not appear to have as much as a negative impact on sales tax as initially projected. On the expenditure side, the County increased General Fund operating support for WCPSS by \$11.9 million to \$527.9 million. To balance the fiscal year 2021 budget, County departments were asked to cut approximately 7% of their fiscal year 2020 budgets, therefore many expansion requests were not funded.

### REQUESTS FOR INFORMATION:

This report is designed to provide a general overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Financial Officer, Wake County, North Carolina, 301 S. McDowell Street, Raleigh, NC 27601. Additional information concerning Wake County can also be obtained by referring to the County's website at <http://www.wakegov.com>. Copies of financial statements and additional information concerning the Wake County Board of Alcoholic Control, a discretely presented component unit of the County, may be obtained at 1212 Wicker Drive, Raleigh, NC 27604.

# ***Basic Financial Statements***

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF NET POSITION

As of June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Board of Alcoholic Control
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 746,265,899	\$ 35,517,604	\$ 781,783,503	\$ -
Cash and investments - reserved	184,052,758	21,610,995	205,663,753	-
Cash and investments - cash equivalents	1,412,253	900	1,413,153	31,676,752
Taxes receivable (net)	63,333,155	104,236	63,437,391	-
Accounts receivable (net)	21,320,387	2,485,041	23,805,428	-
Intergovernmental receivable (net)	21,793,161	545,339	22,338,500	-
Loans receivable (net)	25,426,938	1,805,271	27,232,209	-
Special assessments	304,062	-	304,062	-
Accrued interest receivable	2,813,303	177,375	2,990,678	-
Prepaid items	1,478,792	1,400	1,480,192	266,045
Inventories	302,483	-	302,483	13,599,774
Restricted assets:				
Restricted cash equivalents	123,618,315	-	123,618,315	-
Net pension asset:				
ROD Supplemental Pension	1,917,781	-	1,917,781	-
Capital assets not being depreciated:				
Land	149,846,522	382,327	150,228,849	12,533,377
Construction in progress	46,142,845	3,707,742	49,850,587	-
Intangibles	1,032,044	-	1,032,044	-
Capital assets (net of accumulated depreciation)				
Landfills	-	4,676,128	4,676,128	-
Buildings	604,991,180	17,085,771	622,076,951	13,717,827
Improvements	13,259,384	268,614	13,527,998	313,007
Machinery and equipment	4,328,114	109,313	4,437,427	806,937
Vehicles and motorized equipment	17,315,493	-	17,315,493	433,093
Computer software	8,498,213	-	8,498,213	-
Infrastructure	14,995,493	-	14,995,493	-
Total assets	2,054,448,575	88,478,056	2,142,926,631	73,346,812
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
LGRS Pension	58,540,842	318,211	58,859,053	1,635,974
ROD Supplemental Pension	528,707	-	528,707	-
LEO Separation Allowance	2,873,299	-	2,873,299	122,202
Other post employment benefit	21,247,204	100,839	21,348,043	2,418,457
Total deferred outflows of resources	83,190,052	419,050	83,609,102	4,176,633

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF NET POSITION (continued)

As of June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Board of Alcoholic Control
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 78,191,049	\$ 4,459,365	\$ 82,650,414	\$ 14,558,369
Due to other governmental units	177,838,036	1,375,053	179,213,089	-
Accrued interest payable	27,837,939	-	27,837,939	-
Long term liabilities:				
Amounts due within one year:				
Capital leases	16,038	-	16,038	-
General obligation bonds - schools	121,705,274	-	121,705,274	-
General obligation bonds - community college	17,872,597	-	17,872,597	-
General obligation bonds - other	11,832,129	-	11,832,129	-
Limited obligation bonds	30,120,000	-	30,120,000	-
Installment purchases	717,000	-	717,000	-
Compensated absences payable	12,108,000	68,700	12,176,700	-
Closure/post closure costs	-	1,198,717	1,198,717	-
Risk management liabilities	3,254,537	1,308	3,255,845	-
Amounts due beyond one year:				
Total pension liability - LEOSSA	18,862,039	-	18,862,039	851,864
Net pension liability - LGERS	95,819,800	538,871	96,358,671	2,571,163
Total OPEB liability	413,789,940	1,963,843	415,753,783	9,372,145
Capital leases	16,267	-	16,267	-
Noncurrent bond anticipation notes	36,078,529	-	36,078,529	-
Noncurrent drawdown installment purchase	239,242,066	-	239,242,066	-
General obligation bonds - schools	1,289,759,689	-	1,289,759,689	-
General obligation bonds - community college	199,625,616	-	199,625,616	-
General obligation bonds - other	123,167,273	-	123,167,273	-
Limited obligation bonds	590,306,297	-	590,306,297	-
Installment purchases	3,002,115	-	3,002,115	-
Compensated absences payable	4,303,863	35,058	4,338,921	-
Construction reserves	-	1,102,994	1,102,994	-
Closure/post closure costs	-	20,412,278	20,412,278	-
Risk management liabilities	7,230,153	-	7,230,153	-
Total liabilities	3,502,696,246	31,156,187	3,533,852,433	27,353,541
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes and deposits	2,504,478	179	2,504,657	-
ROD Supplemental Pension	163,831	-	163,831	-
LEO Separation Allowance	507,532	-	507,532	19,093
Other post employment benefit	38,135,836	180,993	38,316,829	654,252
Unamortized gains on debt refundings	109,875,078	-	109,875,078	-
Total deferred inflows of resources	151,186,755	181,172	151,367,927	673,345
<b>NET POSITION</b>				
Net investment in capital assets	545,733,037	26,229,895	571,962,932	27,804,241
Restricted for:				
Stabilization by state statute	279,476,870	2,601,773	282,078,643	-
Register of deeds automation	1,022,394	-	1,022,394	-
White goods	-	4,287,880	4,287,880	-
Working capital	-	-	-	4,944,524
Planned expenditures	-	8,420,296	8,420,296	-
Unrestricted (See Note 1.P)	(2,342,476,675)	16,019,903	(2,326,456,772)	16,747,794
Total net position	\$ (1,516,244,374)	\$ 57,559,747	\$ (1,458,684,627)	\$ 49,496,559

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, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>FUNCTIONS/PROGRAMS</b>							
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 102,208,128	\$ 10,933,918	\$ 5,748,370	\$ (85,525,840)	\$ -	\$ (85,525,840)	\$ -
Human services	230,208,116	21,128,832	90,977,740	(118,101,544)	-	(118,101,544)	-
Education	890,269,328	12,917	28,993,589	(861,262,822)	-	(861,262,822)	-
Community development and cultural	108,144,635	8,047,851	957,523	(99,139,261)	-	(99,139,261)	-
Environmental services	15,390,675	3,032,784	124,557	(12,233,334)	-	(12,233,334)	-
Public safety	205,928,673	39,845,176	1,620,952	(164,462,545)	-	(164,462,545)	-
General services administration	37,301,467	2,346,382	3,850	(34,951,235)	-	(34,951,235)	-
Interest on long-term debt	90,319,011	-	-	(90,319,011)	-	(90,319,011)	-
Total governmental activities	1,679,770,033	85,347,860	128,426,581	(1,465,995,592)	-	(1,465,995,592)	-
Business-type activities:							
Solid waste	32,340,135	29,888,089	2,330,917	-	(121,129)	(121,129)	-
Total primary government	\$ 1,712,110,168	\$ 115,235,949	\$ 130,757,498	(1,465,995,592)	(121,129)	(1,466,116,721)	-
<b>Component unit:</b>							
Board of Alcoholic Control	\$ 166,592,894	\$ 167,799,107	\$ -				\$ 1,206,213
General revenues:							
Property taxes				1,133,252,950	-	1,133,252,950	-
Sales taxes				209,288,739	-	209,288,739	-
Occupancy and prepared food taxes				51,795,016	-	51,795,016	-
Other taxes				18,526,672	-	18,526,672	-
Grants and contributions not restricted to specific programs				13,341,756	-	13,341,756	-
Unrestricted investment earnings				14,346,490	737,072	15,083,562	281,390
Gain on sale of capital assets				274,220	-	274,220	-
Other				509,068	1,536,764	2,045,832	327
Total general revenues				1,441,334,911	2,273,836	1,443,608,747	281,717
Transfers				450,000	(450,000)	-	-
Total general revenues and transfers				1,441,784,911	1,823,836	1,443,608,747	281,717
Change in net position				(24,210,681)	1,702,707	(22,507,974)	1,487,930
Net position (deficit), beginning of year				(1,492,033,693)	55,857,040	(1,436,176,653)	48,008,629
Net position (deficit), end of year				\$ (1,516,244,374)	\$ 57,559,747	\$ (1,458,684,627)	\$ 49,496,559

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, 2020

	Major Funds								Nonmajor Funds	
	General Fund	Affordable Housing Fund	Coronavirus Relief Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS										
Cash and investments - pooled equity	\$ 370,932,390	\$ 3,640,454	\$ -	\$ 13,351,685	\$ 131,976,003	\$ 75,593,931	\$ 76,230,623	\$ 18,368,919	\$ 50,265,118	\$ 740,359,123
Cash and investments - cash equivalents	1,411,953	-	-	300	-	-	-	-	-	1,412,253
Cash and investments - restricted	7,301,386	-	176,751,372	-	2,243,790	43,107,448	78,125,386	141,691	-	307,671,073
Taxes receivable (net)	52,422,980	-	-	3,311,518	-	273,734	7,088,959	-	235,964	63,333,155
Accounts receivable (net)	12,484,377	-	-	-	-	62,787	4,457,594	3,341,894	909,988	21,256,640
Intergovernmental receivable (net)	17,565,717	891,365	-	-	846,656	-	-	-	2,471,036	21,774,774
Special assessments	-	-	-	-	-	304,062	-	-	-	304,062
Loans receivable (net)	-	25,426,938	-	-	-	-	-	-	-	25,426,938
Accrued interest receivable	29,416	142	-	41,802	2,549,671	-	24,800	-	149,133	2,794,964
Internal balances (due from other funds)	1,135,643	-	-	-	-	-	-	-	-	1,135,643
Prepaid expenditures	1,163,458	-	-	-	272,597	-	-	-	42,737	1,478,792
Inventories	262,048	-	-	-	-	-	-	-	-	262,048
Total assets	<u>\$ 464,709,368</u>	<u>\$ 29,958,899</u>	<u>\$ 176,751,372</u>	<u>\$ 16,705,305</u>	<u>\$ 137,888,717</u>	<u>\$ 119,341,962</u>	<u>\$ 165,927,362</u>	<u>\$ 21,852,504</u>	<u>\$ 54,073,976</u>	<u>\$ 1,187,209,465</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable and accrued liabilities	\$ 48,570,206	\$ 104,957	\$ 10,652,919	\$ 10,139,222	\$ 82,159	\$ 4,980,202	\$ 1,068	\$ -	\$ 3,237,444	\$ 77,768,177
Due to other governmental units	629,298	107	165,998,453	-	-	-	7,427,028	3,783,150	-	177,838,036
Internal balances (due to other funds)	-	-	-	-	-	-	-	-	1,135,643	1,135,643
Total liabilities	<u>49,199,504</u>	<u>105,064</u>	<u>176,651,372</u>	<u>10,139,222</u>	<u>82,159</u>	<u>4,980,202</u>	<u>7,428,096</u>	<u>3,783,150</u>	<u>4,373,087</u>	<u>256,741,856</u>
DEFERRED INFLOWS OF RESOURCES	<u>14,372,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>283</u>	<u>-</u>	<u>-</u>	<u>161,620</u>	<u>14,533,945</u>

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

(Continued)

# WAKE COUNTY, NORTH CAROLINA

## BALANCE SHEET

### GOVERNMENTAL FUNDS (continued)

As of June 30, 2020

	Major Funds								Nonmajor Funds	
	General Fund	Affordable Housing Fund	Coronavirus Relief Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:										
Non-spendable:										
Inventories	\$ 262,048	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 262,048
Prepaid expenditures	1,163,458	-	-	-	272,597	-	-	-	42,737	1,478,792
Noncurrent receivable	65,373	25,426,938	-	-	-	-	-	-	-	25,492,311
Restricted:										
Stabilization by state statute	75,098,435	4,426,897	100,000	3,353,320	3,396,327	21,220,062	158,499,266	3,341,894	8,250,241	277,686,442
Register of deeds automation	1,022,394	-	-	-	-	-	-	-	-	1,022,394
Committed:										
Reappraisal reserve	2,639,517	-	-	-	-	-	-	-	-	2,639,517
LEO Separation Allowance	3,235,640	-	-	-	-	-	-	-	-	3,235,640
Future appropriations from local ABC revenues	13,943,568	-	-	-	-	-	-	-	-	13,943,568
Future appropriations for behavioral heath	14,220,119	-	-	-	-	-	-	-	-	14,220,119
Future insurance claims	2,557,750	-	-	-	-	-	-	-	-	2,557,750
Working capital	286,929,520	-	-	-	-	-	-	-	2,906,568	289,836,088
Assigned:										
Planned expenditures	-	-	-	3,212,763	-	90,575,012	-	-	6,653,969	100,441,744
Future capital projects	-	-	-	-	-	2,566,403	-	14,727,460	31,685,754	48,979,617
Debt service	-	-	-	-	134,137,634	-	-	-	-	134,137,634
Total fund balances	401,137,822	29,853,835	100,000	6,566,083	137,806,558	114,361,477	158,499,266	18,069,354	49,539,269	915,933,664
Total liabilities, deferred inflows of resources, and fund balances	\$ 464,709,368	\$ 29,958,899	\$ 176,751,372	\$ 16,705,305	\$ 137,888,717	\$ 119,341,962	\$ 165,927,362	\$ 21,852,504	\$ 54,073,976	\$ 1,187,209,465

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



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

### **Reconciliation of the Balance Sheet to the Statement of Net Position As of June 30, 2020**

Fund balances - governmental funds	\$ 915,933,664
<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>	
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	850,871,965
Taxes and other receivables will be collected after year-end, but are not available to pay for current-period expenditures and therefore are deferred in the funds	12,029,467
Net pension assets from the ROD Supplemental Retirement fund resulting from contributions greater than the amount of annual required contributions are not financial resources and therefore not reported in the funds	1,917,781
Contributions to the LGERS Pension plan, ROD Supplemental Retirement fund and Other post employment benefits in the fiscal year are deferred outflows of resources on the Statement of Net Position	32,108,800
Long-term liabilities, including bonds payable, other post employment benefits, pension liabilities and deferred portion of advanced refundings are not due and payable in the current period and therefore are not reported in the funds.	(3,354,126,164)
Pension related deferrals for the LGERS Pension plan, ROD Supplemental Retirement fund and the LEO Special Separation fund, as well as, deferrals related to Other post-employment benefits	12,096,882
An internal service fund is used by management to charge the costs of fleet to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	12,923,231
Net position of governmental activities	<u><u>\$ (1,516,244,374)</u></u>

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

# WAKE COUNTY, NORTH CAROLINA

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

### GOVERNMENTAL FUNDS

For the Year Ended June 30, 2020

	Major Funds									
	General Fund	Affordable Housing Fund	Coronavirus Relief Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES:</b>										
Taxes	\$ 1,332,107,627	\$ -	\$ -	\$ 51,795,016	\$ -	\$ 48	\$ -	\$ -	\$ 26,951,035	\$ 1,410,853,726
Intergovernmental	81,695,115	4,597,798	27,995,268	-	14,893,589	1,671,594	-	-	13,431,373	144,284,737
Charges for services	66,015,258	264,673	-	-	12,917	5,152,114	-	-	4,552,248	75,997,210
Licenses and permits	5,568,944	-	-	-	-	-	-	-	-	5,568,944
Investment earnings	216,311	2,515	33,416	154,892	12,977,062	-	102,631	-	820,319	14,307,146
Miscellaneous	514,218	-	100,000	-	-	338,206	-	-	3,537	955,961
Total Revenues	1,486,117,473	4,864,986	28,128,684	51,949,908	27,883,568	7,161,962	102,631	-	45,758,512	1,651,967,724
<b>EXPENDITURES:</b>										
Current:										
General government	69,504,390	-	28,028,684	-	950,878	21,887,665	-	-	98,519	120,470,136
Human services	184,968,436	3,342,254	-	-	-	-	-	-	18,090,993	206,401,683
Education	540,535,537	-	-	-	-	-	288,385,625	47,248,166	-	876,169,328
Community development and cultural	39,588,644	-	-	47,630,812	-	20,713,518	-	-	3,547,475	111,480,449
Environmental services	13,984,228	-	-	-	-	-	-	-	49,403	14,033,631
Public safety	158,231,525	-	-	-	-	15,323,260	-	-	31,318,968	204,873,753
General services administration	29,727,232	-	-	-	-	-	-	-	5,411	29,732,643
Debt service:										
Principal	-	-	-	-	193,181,554	-	-	-	-	193,181,554
Interest	-	-	-	-	104,928,259	-	-	-	-	104,928,259
Total Expenditures	1,036,539,992	3,342,254	28,028,684	47,630,812	299,060,691	57,924,443	288,385,625	47,248,166	53,110,769	1,861,271,436
REVENUES OVER (UNDER) EXPENDITURES	449,577,481	1,522,732	100,000	4,319,096	(271,177,123)	(50,762,481)	(288,282,994)	(47,248,166)	(7,352,257)	(209,303,712)

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

(Continued)

# WAKE COUNTY, NORTH CAROLINA

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

### GOVERNMENTAL FUNDS (continued)

For the Year Ended June 30, 2020

	Major Funds									
	General Fund	Affordable Housing Fund	Coronavirus Relief Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	Total Nonmajor Funds	Total Governmental Funds
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfers in	\$ 2,800,427	\$ -	\$ -	\$ -	\$ 298,862,221	\$ 44,604,000	\$ 38,381,000	\$ 10,033,000	\$ 17,085,812	\$ 411,766,460
Transfers out	(403,902,813)	-	-	(2,400,000)	(1,539,898)	-	(919,604)	-	(2,554,146)	(411,316,461)
Bonds issued	-	-	-	-	-	36,860,000	-	-	-	36,860,000
Bond anticipation notes issued	-	-	-	-	-	-	20,517,978	15,560,551	-	36,078,529
Drawdown installment notes issued	-	-	-	-	-	-	209,584,700	29,657,365	-	239,242,065
Refunding bonds issued	-	-	-	-	63,675,000	-	-	-	-	63,675,000
Payment to refunded escrow agent	-	-	-	-	(77,054,156)	-	-	-	-	(77,054,156)
Premiums on issuance	-	-	-	-	13,737,468	4,866,000	-	-	-	18,603,468
Capital lease proceeds	16,203	-	-	-	-	-	-	-	-	16,203
Financing agreement proceeds	2,498,956	-	-	-	-	-	-	-	-	2,498,956
Capital lease	(16,203)	-	-	-	-	-	-	-	-	(16,203)
Sale of assets and materials	32,012	-	-	-	-	8,325	-	-	50,774	91,111
Financing agreement	(2,498,956)	-	-	-	-	-	-	-	-	(2,498,956)
Total Other Financing Sources (Uses)	(401,070,374)	-	-	(2,400,000)	297,680,635	86,338,325	267,564,074	55,250,916	14,582,440	317,946,016
NET CHANGE IN FUND BALANCES	48,507,107	1,522,732	100,000	1,919,096	26,503,512	35,575,844	(20,718,920)	8,002,750	7,230,183	108,642,304
Fund Balances at beginning of year	352,630,715	28,331,103	-	4,646,987	111,303,046	78,785,633	179,218,186	10,066,604	42,309,086	807,291,360
FUND BALANCES AT END OF YEAR	\$ 401,137,822	\$ 29,853,835	\$ 100,000	\$ 6,566,083	\$ 137,806,558	\$ 114,361,477	\$ 158,499,266	\$ 18,069,354	\$ 49,539,269	\$ 915,933,664

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

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

### **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2020**

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

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 108,642,304</b>
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.	32,650,629
Depreciation expense for the fiscal year being reported, less depreciation in Corporate Fleet Fund	(29,814,199)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(112,245,113)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,703,357
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.	(59,100,646)
Contributions to the LGERS Pension plan, ROD Supplemental Retirement fund, LEO Separation Allowance and Other post employment benefits in the current fiscal year are not included on the Statement of Activities	32,108,800
An internal service fund is used by management to charge the costs of the County's fleet of vehicles to individual funds. The net revenue of the internal service fund is reported within the governmental activities.	<u>844,187</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ (24,210,681)</u></b>

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

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 1,317,810,303	\$ 1,317,810,303	\$ 1,332,107,627	\$ 14,297,324
Intergovernmental	70,426,048	70,879,410	81,695,115	10,815,705
Charges for services	63,977,063	63,968,546	66,015,258	2,046,712
Licenses and permits	5,342,342	5,342,342	5,568,944	226,602
Investment earnings	5,220	5,220	216,311	211,091
Miscellaneous	339,763	354,763	514,218	159,455
Total Revenues	1,457,900,739	1,458,360,584	1,486,117,473	27,756,889
EXPENDITURES:				
Current:				
General government	79,925,207	80,542,869	69,504,390	11,038,479
Human services	199,019,707	199,619,191	184,968,436	14,650,755
Education	540,535,537	540,535,537	540,535,537	-
Community development and cultural	41,466,136	41,860,318	39,588,644	2,271,674
Environmental services	14,359,874	14,452,031	13,984,228	467,803
Public safety	162,126,873	163,041,968	158,231,525	4,810,443
General services administration	31,643,853	31,659,353	29,727,232	1,932,121
Total Expenditures	1,069,077,187	1,071,711,267	1,036,539,992	35,171,275
REVENUES OVER EXPENDITURES	388,823,552	386,649,317	449,577,481	62,928,164
OTHER FINANCING SOURCES (USES):				
Transfers in	2,769,604	2,800,427	2,800,427	-
Transfers out	(403,902,813)	(403,902,813)	(403,902,813)	-
Capital lease proceeds	-	-	16,203	16,203
Financing agreement proceeds	-	-	2,498,956	2,498,956
Capital lease	-	-	(16,203)	(16,203)
Sale of assets and materials	40,000	40,000	32,012	(7,988)
Financing agreement	-	-	(2,498,956)	(2,498,956)
Total Other Financing Sources (Uses)	(401,093,209)	(401,062,386)	(401,070,374)	(7,988)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(12,269,657)	(14,413,069)	48,507,107	62,920,176
APPROPRIATED FUND BALANCE	12,269,657	14,413,069	-	(14,413,069)
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ -	48,507,107	\$ 48,507,107
FUND BALANCE AT BEGINNING OF YEAR			352,630,715	
FUND BALANCE AT END OF YEAR			\$ 401,137,822	

# 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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Occupancy tax	\$ 30,019,000	\$ 28,501,000	\$ 23,331,207	\$ (5,169,793)
Prepared food tax	32,241,000	32,509,000	28,463,809	(4,045,191)
Investment earnings	-	-	154,892	154,892
Total Revenues	62,260,000	61,010,000	51,949,908	(9,060,092)
EXPENDITURES:				
Raleigh hold harmless - occupancy	680,000	680,000	680,000	-
Cary hold harmless - occupancy	1,468,000	1,492,500	1,134,060	358,440
Greater Raleigh Convention and Visitors Bureau	7,589,000	7,710,000	5,917,552	1,792,448
Centennial Authority operations 7%	3,626,000	3,668,500	3,034,038	634,462
Centennial - debt service	868,000	868,000	868,000	-
Raleigh annual distribution - \$1M	1,000,000	1,000,000	1,000,000	-
Convention Center	33,684,000	34,162,500	26,997,162	7,165,338
Centennial Authority facility improvements	5,000,000	5,000,000	5,000,000	-
Cary sports venue	-	3,000,000	3,000,000	-
Unallocated	3,945,000	1,028,500	-	1,028,500
Total Expenditures	57,860,000	58,610,000	47,630,812	10,979,188
REVENUES OVER EXPENDITURES	4,400,000	2,400,000	4,319,096	1,919,096
OTHER FINANCING SOURCES (USES):				
Transfers out to General Fund	(1,400,000)	(1,400,000)	(1,400,000)	-
Transfers out to Capital Improvement Fund	(3,000,000)	(1,000,000)	(1,000,000)	-
Total Other Financing Sources (Uses)	(4,400,000)	(2,400,000)	(2,400,000)	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	1,919,096	\$ 1,919,096
FUND BALANCE AT BEGINNING OF YEAR			4,646,987	
FUND BALANCE AT END OF YEAR			\$ 6,566,083	

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

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of June 30, 2020

	Business-Type Activities		Governmental Activities
	Enterprise		Internal Service
	Major Funds		
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Corporate Fleet Fund
		Total Business-type Activities	
<b>ASSETS</b>			
Current assets:			
Cash and investments - pooled equity	\$ 30,919,082	\$ 4,598,522	\$ 35,517,604
Cash and investments - reserved	9,358,241	12,252,754	21,610,995
Cash and investments - cash equivalents	-	900	900
Taxes receivable (net)	104,236	-	104,236
Accounts receivable (net)	385,963	2,099,078	2,485,041
Intergovernmental receivable (net)	545,339	-	545,339
Loan receivable	1,805,271	-	1,805,271
Internal balance (due from other funds)	500,021	160,477	660,498
Prepaid expenses	1,400	-	1,400
Accrued interest receivable	125,155	52,220	177,375
Inventories	-	-	-
Total current assets	43,744,708	19,163,951	62,908,659
Noncurrent assets:			
Capital assets not being depreciated:			
Land	382,327	-	382,327
Construction in progress	3,707,742	-	3,707,742
Capital assets (net of accumulated depreciation):			
Landfills	4,676,128	-	4,676,128
Buildings	17,085,771	-	17,085,771
Machinery and equipment	109,313	-	109,313
Vehicles	-	-	-
Improvements	268,614	-	268,614
Total non-current assets	26,229,895	-	26,229,895
Total assets	69,974,603	19,163,951	89,138,554
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	344,973	74,077	419,050

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

(Continued)



# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS (continued) As of June 30, 2020

	Business-Type Activities		Governmental Activities
	Enterprise		Internal Service
	Major Funds		
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Corporate Fleet Fund
		Total Business-type Activities	
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,545,550	\$ 2,913,815	\$ 4,459,365
Due to other governmental units	-	1,375,053	1,375,053
Internal balances (due to other funds)	160,477	500,021	660,498
Compensated absences	62,000	6,700	68,700
Closure/postclosure care costs	684,359	514,358	1,198,717
Risk management liabilities	974	334	1,308
Total current liabilities	<u>2,453,360</u>	<u>5,310,281</u>	<u>7,763,641</u>
Noncurrent liabilities:			
Net pension liability - LGERS	454,821	84,050	538,871
Total OPEB Liability	1,472,882	490,961	1,963,843
Compensated absences	24,855	10,203	35,058
Construction reserves	-	1,102,994	1,102,994
Closure/postclosure care costs	8,673,882	11,738,396	20,412,278
Total noncurrent liabilities	<u>10,626,440</u>	<u>13,426,604</u>	<u>24,053,044</u>
Total liabilities	<u>13,079,800</u>	<u>18,736,885</u>	<u>31,816,685</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>135,924</u>	<u>45,248</u>	<u>181,172</u>
<b>NET POSITION</b>			
Net investment in capital assets	26,229,895	-	26,229,895
Restricted:			
Stabilization by state statute	2,145,878	455,895	2,601,773
White goods	4,287,880	-	4,287,880
Planned expenditures	8,420,296	-	8,420,296
Unrestricted	<u>16,019,903</u>	<u>-</u>	<u>16,019,903</u>
Total net position	<u>\$ 57,103,852</u>	<u>\$ 455,895</u>	<u>\$ 57,559,747</u>
			<u>\$ 12,923,231</u>

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

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS For the Year Ended June 30, 2020

	Business-type Activities Enterprise			Governmental Activities Internal Service
	Major Funds			
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities	Corporate Fleet Fund
OPERATING REVENUES:				
Licenses and permits	\$ 8,900	\$ -	\$ 8,900	\$ -
Charges for services	9,992,784	19,886,405	29,879,189	9,456,222
Miscellaneous	1,536,764	-	1,536,764	995
Total Operating Revenues	11,538,448	19,886,405	31,424,853	9,457,217
OPERATING EXPENSES:				
Cost of service	9,922,243	14,442,039	24,364,282	3,642,429
Administration	2,601,988	812,674	3,414,662	1,674,558
Partner rebates	-	3,623,569	3,623,569	-
Depreciation and amortization	965,067	-	965,067	3,687,785
Total Operating Expenses	13,489,298	18,878,282	32,367,580	9,004,772
OPERATING INCOME (LOSS)	(1,950,850)	1,008,123	(942,727)	452,445
NON-OPERATING REVENUES:				
Intergovernmental	2,330,917	-	2,330,917	-
Investment earnings	568,685	168,387	737,072	72,760
Sale of assets and materials	-	-	-	318,982
Total Non-Operating Revenues	2,899,602	168,387	3,067,989	391,742
INCOME (LOSS) BEFORE TRANSFERS	948,752	1,176,510	2,125,262	844,187
TRANSFERS:				
Transfers in	1,336,879	-	1,336,879	-
Transfers out	(450,000)	(1,336,879)	(1,786,879)	-
Total Transfers	886,879	(1,336,879)	(450,000)	-
CHANGE IN NET POSITION	1,835,631	(160,369)	1,675,262	844,187
TOTAL NET POSITION, BEGINNING OF YEAR	55,268,221	616,264	55,884,485	12,079,044
TOTAL NET POSITION, END OF YEAR	\$ 57,103,852	\$ 455,895	\$ 57,559,747	\$ 12,923,231

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, 2020

	Business-type Activities		Governmental Activities
	Enterprise		Internal Service
	Major Funds		
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities
			Corporate Fleet Fund
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 9,663,316	\$ 20,747,237	\$ 30,410,553
Cash payments to suppliers for goods and services	(13,567,718)	(17,049,955)	(30,617,673)
Cash payments to employees for services	(1,451,398)	(259,990)	(1,711,388)
Cash received from other operating revenues	1,545,664	-	1,545,664
Net cash provided (used) by operating activities	(3,810,136)	3,437,292	(372,844)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenue	2,330,917	-	2,330,917
Transfers in	1,336,879	-	1,336,879
Transfers out	(450,000)	(1,336,879)	(1,786,879)
Net cash provided (used) by noncapital financing activities	3,217,796	(1,336,879)	1,880,917
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(694,883)	-	(694,883)
Proceeds from sale of assets and materials	-	-	-
Net cash used by capital and related financing activities	(694,883)	-	(694,883)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments	860,640	102,084	962,724

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

(Continued)

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (continued) For the Year Ended June 30, 2020

	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	\$ (426,583)	\$ 2,370,884	\$ 1,944,301
Cash and cash equivalents at beginning of year	40,703,906	14,481,292	55,185,198
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 40,277,323</u>	<u>\$ 16,852,176</u>	<u>\$ 57,129,499</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (1,950,850)	\$ 1,008,123	\$ (942,727)
Adjustments to reconcile operating income/loss to net cash provided (used) by operating activities:			
Depreciation and amortization	965,067	-	965,067
(Increase)/Decrease in accounts receivable, taxes receivable and intergovernmental receivables	(329,468)	860,832	531,364
Decrease in inventories	-	-	-
Increase in deferred outflows of resources	(13,475)	(8,604)	(22,079)
Increase/(decrease) in accounts payable, accrued liabilities and due to other governmental units	(880,098)	(549,307)	(1,429,405)
Increase/(Decrease) in noncurrent liabilities	(1,566,735)	2,136,967	570,232
Increase/(Decrease) in deferred inflows of resources	(34,577)	(10,719)	(45,296)
Total adjustments	<u>(1,859,286)</u>	<u>2,429,169</u>	<u>569,883</u>
Net cash provided (used) by operating activities	<u>\$ (3,810,136)</u>	<u>\$ 3,437,292</u>	<u>\$ (372,844)</u>

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

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

### **STATEMENT OF FIDUCIARY NET POSITION**

#### **FIDUCIARY FUNDS**

**As of June 30, 2020**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and investments - pooled equity	\$ 518,968
Accounts receivable (net)	4,798,941
Accrued interest receivable	<u>1,503</u>
Total assets	<u>\$ 5,319,412</u>
<b>LIABILITIES</b>	
Accounts payable	26,729
Due to other governmental units	<u>4,812,594</u>
Total liabilities	<u>\$ 4,839,323</u>
<b>NET POSITION</b>	
Restricted for individuals, organizations, and other governments	<u>480,089</u>
Total net position	<u><u>\$ 480,089</u></u>

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

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

**For the Year Ended June 30, 2020**

	<u>Custodial Funds</u>
Additions:	
Contributions - clients	\$ 4,644,221
Tax collections for other governments	550,620,722
Net investment income	81,601
Miscellaneous	<u>1,333</u>
Total additions	<u>555,347,877</u>
 Deductions:	
Administrative	1,457
Benefits	29,619,508
Payments of tax to other governments	<u>525,706,030</u>
Total deductions	<u>555,326,995</u>
 Net increase/(decrease) in fiduciary net position	20,882
 Net position - beginning	<u>459,207</u>
 Net position - ending	<u><u>\$ 480,089</u></u>

**Wake County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2020**

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

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

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

**A. Reporting Entity**

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

Discretely Presented Component Unit

Wake County Board of Alcoholic Control (ABC Board)

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

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

The Statement of Net Position and the Statement of Activities, which are the government-wide statements, report information on all of the nonfiduciary activities of the County and its component unit. Eliminations have been made to minimize the double counting of internal activities. Interfund activities between the governmental activities and the business-type activities have not been eliminated. The County's governmental activities, which are supported primarily by taxes and intergovernmental revenues, are reported separately from its business-type activities, which rely on charges for services for support. Likewise, the County is reported separately from the ABC Board, a legally separate component unit for which the County is financially accountable.

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

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

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

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



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

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

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

In the governmental funds statements, intergovernmental revenues and charges for services of the current fiscal period are susceptible to accrual and thus counted as revenue for the current fiscal period if received within 45 days of year-end. Property taxes and investment earnings are treated as revenue for the current fiscal period if received within 30 days of year-end. With the exception of sales tax distributions, revenues collected beyond these dates are not susceptible to accrual because generally they are either not available or not measurable until received in cash. Sales tax distributions are accrued and treated as revenue for the current fiscal period if received within 90 days of year-end. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

**The County reports the following major funds:**

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

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

Coronavirus Relief Funds (CRF) Fund- The Coronavirus Relief Funds (CRF) Fund is for the collection and disbursement of US Treasury funds that were allocated to help governments deal with COVID-19. All unspent funds are due back to the US Treasury on December 30, 2020 and are listed as a liability, with the exception of any donations.

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

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

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

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

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

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

South Wake Landfill Partnership Fund – The South Wake Landfill Partnership Fund accounts for one Subtitle D Landfill and the East Wake Transfer Station. These facilities are operated in partnership with 11 other local governments within Wake County through an Interlocal Agreement.

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

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

Additionally, the County reports the following fund types:

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

Custodial Funds - Custodial funds are used to account for assets held by the County as a custodian for individuals, private organizations, other governments, and/or other funds. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County maintains three custodial funds: the Municipal Tax Fund, which collects and disburses the taxes for municipalities in the County; the Human Services Fund, which accounts for moneys deposited with County departments for the benefit of certain individuals; and the Fines and Forfeitures Fund, which accounts for moneys received from the court system for disbursement to the Wake County Public School System.

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

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

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

**D. Budgetary Data Control**

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

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

**E. Deposits and Investments**

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

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

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

**E. Deposits and Investments (Cont.)**

As required, the County's investments are stated at fair value as determined by quoted market prices. The NCCMT Cash Portfolio, a SEC-registered 2a7 external investment pool, is measured at amortized cost, which is the NCCMT's share price. Except for unspent bond proceeds, the County pools moneys from several funds to facilitate disbursement and investment and maximize investment income. Income from pooled moneys is allocated to participating funds based on the funds' respective share of total pooled cash and investments. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

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

**F. Interfund Receivables and Payables**

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

**G. Deferred Outflows/Inflows of Resources**

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

**H. Taxes Receivable - Deferred Inflows of Resources**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], ad valorem taxes for property other than vehicles are levied on July 1, the beginning of the fiscal year, and are due on September 1 (lien date); however, no penalties or interest are assessed until the following January 6. Property taxes on certain registered motor vehicles are assessed and collected throughout the year. The taxes are based on the assessed values as of January 1, 2019.

Ad valorem taxes collected within 30 days after the fiscal year end for the year ended June 30, 2020 and prior years are accrued within the funds because the amounts are considered measurable and available. The remaining ad valorem taxes receivable are not accrued, as the amount is not considered available. These taxes receivable are significantly past due and are not considered to be an available resource to finance the operations of the subsequent year. GAAP states that property taxes, which are measurable but not available, should be initially recorded as deferred inflows of resources under the modified accrual basis of accounting. The receivable amount is reduced by an allowance for uncollectible taxes and an amount equal to the net receivable is shown as deferred inflows of resources on the combined balance sheet. In addition, property taxes collected in advance of the fiscal year to which they apply are recorded as deferred inflows of resources.

**I. Allowances for Uncollectible Accounts**

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

**J. Inventories and Prepaid Expenditures**

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

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

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

**K. Capital Assets**

Capital assets that are purchased or constructed are recorded at historical cost. Donated capital assets received prior to July 1, 2015 are recorded at estimated market value at the time of donation. Donated capital assets received on or after to July 1, 2015 are recorded at acquisition value at the time of donation. The County defines capital assets as assets with an individual cost of more than \$5,000, and an estimated useful life of more than two years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

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

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

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

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

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

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

**M. Compensated Absences**

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

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

**N. Net Position/Fund Balances**

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

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Committed for Future Insurance Claims - portion of fund balance that is committed by the Board of Commissioners to offset future health insurance claims. Once management determines that the additional funding is required the Board will approve the appropriation.

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

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

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

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

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

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

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

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

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

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

Wake County has adopted policies to maintain a AAA bond rating on general obligation debt. One important policy related to the County's fiscal health is that the County will maintain a fund balance position that rating agencies deem is adequate to meet the County's needs and challenges. Therefore, the County has adopted the following fund balance policies.

*General Fund* - Management will maintain a total General Fund fund balance of at least 15% and an amount committed for working capital of at least 10% of the following fiscal year's General Fund adopted budget in order to provide the County with adequate working capital and investment income. Management is expected to manage the budget so that revenue shortfalls and expenditure increases do not impact the County's amount committed for working capital. If a catastrophic economic event occurs that results in a deviation of 5% or more from total budgeted revenue or expenditures, the amount committed for working capital can be reduced by Board action. At that time, the Board also will adopt a plan on how to return committed for working capital back to the required level for fiscal health.

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

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

**O. Defined Benefit Pension Plan**

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

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

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

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

The governmental fund balance sheet includes reconciliation between the fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains, “long term liabilities, including bonds payable, are not due in the current period and therefore are not reported in the funds.” The details of this \$(3,354,126,164) difference are as follows:

Outstanding long-term debt payable (per Note 10)	\$ (3,208,344,532)
Less:	
Accrued interest payable	(27,837,939)
Payable to granting agency	(2,290,535)
Risk management liabilities	(6,729,041)
Other financing agreement	(1,298,956)
Add:	
Portion of internal service fund's compensated absences included in Note 10	83,476
Portion of internal service fund's total OPEB liability included in Note 10	1,767,459
Portion of internal service fund's net pension employment benefits included in Note 10	398,982
Unamortized portion of deferred inflow of resources related to advanced debt refundings (to be amortized over life of debt)	<u>(109,875,078)</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (3,354,126,164)</u>



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

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states “the issuance of long-term debt such as bonds and leases provide current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued while these amounts are deferred and amortized in the statement of activities.” The details of this \$(112,245,113) difference are as follows:

Debt issued or incurred:	
GO bonds issued	\$ (36,860,000)
GO refunding bonds issued	(63,675,000)
GO bond anticipation notes issued	(36,078,529)
Drawdown installment notes issued	(239,242,065)
Capital leases	(16,203)
Other Financing Agreements Issued	(2,498,956)
Premiums on bond issuance - GO Bonds	(5,050,247)
Premiums on refunding bond issuance - GO Bonds	(13,553,221)
Increases in compensated absences liability	(13,848,552)
Increases in compensated absences liability - Corporate Fleet Fund	59,967
Change in risk management liabilities	(1,507,450)
Change in deferred portion of advanced debt refundings	(9,418,493)
Interest expense accrual and other adjustments	1,478,329
Total Increases	<u>(420,210,420)</u>
Principal repayments:	
General obligation debt - schools	143,879,078
General obligation debt - community college	18,533,517
General obligation debt - other	8,477,405
Limited obligation bonds	20,005,000
Installment purchase payments	708,000
Capital leases	18,781
Other Financing Agreements	1,200,000
Refunded GO Bonds	76,465,000
Current year amortization of bond premiums - GO Bonds	21,189,150
Current year amortization of bond premiums - LOB Bonds	5,715,499
Decreases in compensated absences liability	11,827,973
Decreases in compensated absences liability - Corporate Fleet Fund	(54,096)
Total Decreases	<u>307,965,307</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (112,245,113)</u>

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

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

Another element of that reconciliation states “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays increases exceeded the book value of capital asset decreases in fiscal year being reported.” The details of this \$32,650,629 difference are as follows:

Capital Asset Increases:	
Capital asset increases	\$ 43,680,298
Less acquisitions for the Corporate Fleet Fund	(2,819,714)
Increase in construction in progress	<u>27,322,504</u>
Total Increases	<u>68,183,088</u>
Capital Asset Decreases:	
Capital asset disposals	(3,782,345)
Add disposals for the Corporate Fleet Fund	2,437,028
Decrease in construction in progress	(35,396,587)
Accumulated depreciation related to capital asset disposals	3,416,257
Less accumulated depreciation related to capital asset disposals in the Corporate Fleet Fund	<u>(2,206,812)</u>
Total Decreases	<u>(35,532,459)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 32,650,629</u>

**Q. Unrestricted (deficit)**

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

For school debt	\$ (1,948,813,618)
For community college debt	(276,352,708)
All other	<u>(126,717,384)</u>
Total unrestricted net position	<u>\$ (2,351,883,710)</u>

Under North Carolina law, the County is responsible for providing capital funding for the Wake County Board of Education (School System) and Wake Technical Community College (College). The County has chosen to meet its legal obligation to provide school capital funding by using a mixture of County funds and debt. The assets funded by the County are owned, utilized and maintained by the School System or the College. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the school-related debt less unspent bond proceeds was \$1,948,813,618, and the outstanding balance of the community college-related debt less unspent bond proceeds was \$276,352,708. For additional information regarding the County's debt see Note 1.M. and Note 10.

**NOTE 2. Related Organizations**

**Industrial Facilities and Pollution Control Financing Authority**

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

**Wake County Housing Authority**

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

**Wake County Hospital System, Inc.**

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

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

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

**Wake Technical Community College**

Technical and vocational training beyond the secondary level is provided by Wake Technical Community College, with some financial assistance from the County. The College is part of the state-wide system of community colleges. The College has a twelve-member Board of Trustees, four of which are appointed by the County Board of Commissioners. The College is reported as a component unit of the State. The County has no responsibility for the designation of management and exercises no control over the operations of the College beyond its annual appropriation. The County has an ongoing financial responsibility for the College because of the statutory responsibilities to provide funding for the College's facilities. The County remitted \$24,580,436 to the College for operating purposes during the current year. In addition, the County made debt service payments of \$18,533,517 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, 2020. Complete financial statements for the College may be obtained at their administrative offices at 9101 Fayetteville Road, Raleigh, NC 27603.

**Raleigh-Durham Airport Authority**

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

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

Centennial Authority

The Centennial Authority is a local political subdivision of the State of North Carolina created pursuant to Section 4, Chapter 458 of the 1995 Session Laws of North Carolina. The purpose of the Authority is to study, design, plan, construct, own, promote, finance and operate a regional facility in Wake County, North Carolina. The Authority is reported as a component unit of the State. The regional facility will consist of an arena, coliseum or other buildings or both, where sports, fitness, health, recreational, entertainment, or cultural activities can be conducted. In addition, the County remitted \$3,034,038 for operations, \$868,000 for debt service, and \$5,000,000 for facility improvements from the occupancy and prepared food and beverage taxes for the Authority. The County does not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2020. Complete financial statements for the Authority may be obtained at their administrative offices at 1520 Blue Ridge Road, Suite 201, Raleigh, NC 27607.

Greater Raleigh Convention and Visitors Bureau

The Greater Raleigh Convention and Visitors Bureau was established in fiscal year 1992 in conjunction with a County occupancy tax levy to promote and solicit business, conventions, meetings and tourism in the County. The governing body of the Bureau is a twelve-member Board of Directors, with six members appointed by the Raleigh City Council and six members appointed by the County Board of Commissioners. The Bureau is a joint venture of equal equity interest between the County and the City of Raleigh.

Funding is derived from the six percent occupancy tax levied upon the rental of rooms, lodging or similar accommodations, and from a one percent prepared food and beverage tax levied on all prepared foods and beverages sold by Wake County businesses. Monthly, the County is required to distribute to the Bureau a percentage of the tax collected with a minimum aggregate annual distribution of \$1,000,000. If tax revenues are not sufficient to fully fund the Bureau's minimum annual distributions, the County and City must fund the deficiency equally to ensure that the Bureau receives its minimum distribution of \$1,000,000 in any fiscal year. At the end of each fiscal year, unexpended funds and tax collections in excess of budget, revert to the Bureau's restricted fund balance. The Bureau may make use of the restricted fund balance to supplement their yearly budget. This budget and any amendments must be approved by the Bureau's Board of Directors, the Wake County Commission and the Raleigh City Council. Any use of restricted fund balance not included in the yearly budget must be approved by the Bureau's board, Wake County Commission and Raleigh City Council. 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, 2020. Complete financial statements for the Bureau may be obtained at the Greater Raleigh Convention and Visitors Bureau, PO Box 1879, Raleigh, NC 27602.

**NOTE 4. Deposits and Investments**

1. Deposits

All of the County's deposits are either insured or collateralized using the Pooling Method. Under the Pooling Method, a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the pooling method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under pooling method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each pooling depository. The County has no policy regarding custodial credit risk for deposits.

At year-end, the County's deposits had a carrying amount of \$422,788,197 and a bank balance of \$424,827,076. Of the bank balance, \$2,100,000 was covered by federal depository insurance and \$422,727,076 in interest-bearing deposits was covered by collateral held under the pooling method.

**NOTE 4. Deposits and Investments (Cont.)**

2. Investments

As of June 30, 2020, the County had the following investments and maturities.

Investment Type	Valuation Measurement	Fair Value	Less Than	2 - 3 Years	3 - 5 Years
	Method		2 Years		
U.S. Government Treasuries	Fair Value - Level 1	\$ 267,103,550	\$ 267,103,550	\$ -	\$ -
U.S. Government Agencies	Fair Value - Level 1	170,625,103	120,254,103	-	50,371,000
Commercial paper	Fair Value - Level 2	99,692,763	99,692,763	-	-
Other - municipal bonds	Fair Value - Level 1	1,151,093	-	-	1,151,093
N.C. Capital Management Trust - Government portfolio	Amortized cost	151,636,986	151,636,986	-	-
Total fair value		<u>\$ 690,209,495</u>	<u>\$ 638,687,402</u>	<u>\$ -</u>	<u>\$ 51,522,093</u>

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

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

*Interest Rate Risk.* The County does not have a formal investment policy in place, but as a means of managing its exposure to fair value losses from increasing interest rates, the County has an informal investment policy that limits investment maturities to a maximum of five years. A maximum of 15% of the portfolio can be in the 2-3 year range and a maximum 10% of the portfolio can be in the 3-5 year range. At times, it may be necessary for investment maturities to exceed these ranges.

*Credit Risk.* The County has no formal policy regarding credit risk but has an informal investment policy that limits the County's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2020, the County's investments in US Treasuries and US Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac) are rated AA+ by Standard & Poor's, AAA by Fitch Ratings, and Aaa by Moody's Investors Service. The County's investments in Commercial Paper were rated A-1 or A-1+ by Standard & Poor's, P-1 by Moody's Investors Service and F-1 or F-1+ by Fitch Ratings. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2020.

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

*Custodial Credit Risk:* For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no formal policy on custodial credit risk. At June 30, 2020, all of the County's investments were in the County's name.

**NOTE 5. Receivables**

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

Taxes and accounts receivables of the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund are reported net of uncollectible amounts. Total uncollectible amounts related to receivables of the current period are \$97,478 and \$762, respectively.

The loan receivable balance for Affordable Housing is a collection of loans made for the purpose of housing affordability. The entire net balance of \$25,426,938 is considered nonspendable and it is not expected to be collected in the subsequent fiscal year.

	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Project Fund	School Capital Fund	Wake Tech Capital Fund	Non Major Funds	Totals
Taxes:									
Property taxes	\$ 8,024,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 688,733	\$ 8,713,559
Sales	48,065,377	-	-	-	273,734	7,088,959	-	83,436	55,511,506
Prepared food & occupancy	-	-	3,311,518	-	-	-	-	-	3,311,518
Accounts	74,943,118	-	-	-	62,787	4,457,594	3,341,894	909,987	83,715,380
Intergovernmental	17,565,717	891,365	-	846,656	2,628,185	-	-	2,471,036	24,402,959
Special Assessments	-	-	-	-	304,062	-	-	-	304,062
Loans receivable	-	31,192,047	-	-	-	-	-	-	31,192,047
Interest	29,416	142	41,802	2,549,671	-	24,800	-	149,133	2,794,964
Gross receivables	148,628,454	32,083,554	3,353,320	3,396,327	3,268,768	11,571,353	3,341,894	4,302,325	209,945,995
Less allowance for bad debts	(66,125,964)	(5,765,109)	-	-	(2,628,185)	-	-	(536,204)	(75,055,462)
Net total receivables	<u>\$ 82,502,490</u>	<u>\$ 26,318,445</u>	<u>\$ 3,353,320</u>	<u>\$ 3,396,327</u>	<u>\$ 640,583</u>	<u>\$ 11,571,353</u>	<u>\$ 3,341,894</u>	<u>\$ 3,766,121</u>	<u>\$ 134,890,533</u>

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

	General Fund	County Capital Projects Fund	Non Major Funds	Total
<b>Unavailable:</b>				
Taxes receivable	\$ 3,726,145	\$ -	\$ 152,529	\$ 3,878,674
Other receivables	8,149,789	283	721	8,150,793
<b>Total Unavailable</b>	<b>11,875,934</b>	<b>283</b>	<b>153,250</b>	<b>12,029,467</b>
<b>Unearned:</b>				
Prepaid property taxes not yet earned	2,443,755	-	8,370	2,452,125
Prepaid rent not yet earned	-	-	-	-
Deposits on account	52,353	-	-	52,353
<b>Total Unearned</b>	<b>2,496,108</b>	<b>-</b>	<b>8,370</b>	<b>2,504,478</b>
<b>Total deferred inflows of resources</b>	<b>\$ 14,372,042</b>	<b>\$ 283</b>	<b>\$ 161,620</b>	<b>\$ 14,533,945</b>

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

**NOTE 6. Capital Assets**

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 148,301,074	\$ 1,578,748	\$ (33,300)	\$ 149,846,522
Construction in progress	54,216,928	27,322,504	(35,396,587)	46,142,845
Intangibles	1,032,044	-	-	1,032,044
Total capital assets, not being depreciated	203,550,046	28,901,252	(35,429,887)	197,021,411
Capital assets, being depreciated:				
Buildings	810,909,559	31,675,703	(336,700)	842,248,562
Improvements other than buildings	21,923,621	-	-	21,923,621
Machinery and equipment	33,583,121	2,148,748	(238,456)	35,493,413
Vehicles and motorized equipment	52,947,526	6,134,963	(3,173,889)	55,908,600
Computer Software	25,315,880	2,142,136	-	27,458,016
Infrastructure	23,827,100	-	-	23,827,100
Total capital assets being depreciated	968,506,807	42,101,550	(3,749,045)	1,006,859,312
Less accumulated depreciation for:				
Buildings	216,756,377	20,765,041	(264,036)	237,257,382
Improvements other than buildings	8,116,034	548,203	-	8,664,237
Machinery and equipment	28,907,378	2,496,377	(238,456)	31,165,299
Vehicles and motorized equipment	35,071,266	6,435,606	(2,913,765)	38,593,107
Computer software	16,210,806	2,748,997	-	18,959,803
Infrastructure	8,323,847	507,760	-	8,831,607
Total accumulated depreciation	313,385,708	\$ 33,501,984	\$ (3,416,257)	343,471,435
Total capital assets, being depreciated, net	655,121,099			663,387,877
Governmental activities capital assets, net	\$ 858,671,145			\$ 860,409,288

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 382,327	\$ -	\$ -	\$ 382,327
Construction in progress	18,016,982	694,883	(15,004,123)	3,707,742
Total capital assets, not being depreciated/amortized	18,399,309	694,883	(15,004,123)	4,090,069
Capital assets, being depreciated/amortized:				
Landfills	35,596,682	-	-	35,596,682
Buildings	3,363,470	15,004,123	-	18,367,593
Improvements	588,689	-	-	588,689
Machinery and equipment	1,204,757	-	-	1,204,757
Total capital assets being depreciated/amortized	40,753,598	15,004,123	-	55,757,721
Less accumulated depreciation/amortization for:				
Landfills	30,475,587	444,967	-	30,920,554
Buildings	823,028	458,794	-	1,281,822
Improvements	302,711	17,364	-	320,075
Machinery and equipment	1,051,502	43,942	-	1,095,444
Total accumulated depreciation/amortization	32,652,828	\$ 965,067	\$ -	33,617,895
Total capital assets, being depreciated/amortized, net	8,100,770			22,139,826
Business-type activities capital assets, net	\$ 26,500,079			\$ 26,229,895

Depreciation and amortization expenses were charged to functions as follows:

Governmental activities:	
General administration	\$ 5,049,723
Human services	3,239,876
Education	863,422
Community development and cultural	3,408,449
Environmental services	700,531
Public safety	16,387,116
General services administration	3,852,867
Total depreciation expense - Governmental activities	33,501,984
Business-type activities:	
Environmental services - solid waste	965,067
Total depreciation and amortization	\$ 34,467,051



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

As of June 30, 2020 fiscal year, the construction in progress balance for governmental activities was made up of the following projects:

**Construction in Progress:**

	Expended At June 30, 2020
Document Management Projects	\$ 3,188,775
CAD System Replacement	7,553,167
Other Automation Projects	3,549,388
Judicial Facilities	2,096,213
Libraries	2,719,532
Open Space Preservation	1,021,081
Water/Wastewater	371,864
800MHZ Radio Communications System	25,614,825
Public Safety	28,000
	<u>\$ 46,142,845</u>

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

As of June 30, 2020, internal balances total \$1,135,643 in the governmental funds. This represents amounts due to the General Fund by non-major governmental funds for their share of cash and investments pooled equity. Internal balances in the business-type activities funds, as of June 30, 2020 are \$660,498. This represents amounts owed to the Solid Waste Operating Fund from the South Wake Landfill Partnership Fund for the County's share of the South Wake Landfill partnership rebates and amounts owed to the South Wake Landfill Partnership Fund from the Solid Waste Operating Fund for the County's portion of tipping fees owed at June 30, 2020.

The County's General Fund transferred funds during fiscal year 2020 to fund debt service payments, capital improvements, economic developments and the County match for State and federal grant programs. The \$450,000 transferred from the Solid Waste Operating Fund is to cover expenses incurred by the General Fund on behalf of the solid waste program. The \$1,186,879 transferred from the South Wake Landfill Partnership Fund to the Solid Waste Operating Fund is for expenses incurred in the Solid Waste Operating Fund on behalf of the South Wake Landfill Fund.

	General Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Tech Capital Fund	Other Governmental Funds	Solid Waste Operating Fund	Solid Waste Capital Fund	Total Transfers out
General Fund	\$ -	\$ 297,629,000	\$ 44,604,000	\$ 38,381,000	\$ 10,033,000	\$ 13,255,813	\$ -	\$ -	\$ 403,902,813
Major Facilities Fund	1,400,000	-	-	-	-	1,000,000	-	-	2,400,000
Debt Service Fund	-	-	-	-	-	1,539,898	-	-	1,539,898
School Capital Fund	919,604	-	-	-	-	-	-	-	919,604
Other Governmental Funds	30,823	1,233,221	-	-	-	1,290,101	-	-	2,554,145
Solid Waste Operating Fund	450,000	-	-	-	-	-	-	-	450,000
South Wake Partnership Fund	-	-	-	-	-	-	1,186,879	150,000	1,336,879
Total transfers in	<u>\$ 2,800,427</u>	<u>\$ 298,862,221</u>	<u>\$ 44,604,000</u>	<u>\$ 38,381,000</u>	<u>\$ 10,033,000</u>	<u>\$ 17,085,812</u>	<u>\$ 1,186,879</u>	<u>\$ 150,000</u>	<u>\$ 413,103,339</u>

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

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

The County's group medical coverage is self-insured and administered by an outside provider. There is no lifetime limit for in-network services and no lifetime limit for out-of-network services for each covered employee/dependent's medical costs. The cost of providing medical coverage to participating employees and dependents is charged to benefiting funds as premiums. These premiums are an estimate of expected average claims per individual. The County also provides self-insured dental coverage to employees and dependents.

The County is self-insured with a retention of \$1,250,000 for workers' compensation claims and \$1,000,000 for liability claims. The County maintains commercial excess workers' compensation and liability insurance and other insurance and bonds to cover specific risks and individuals. The County maintains a high-deductible policy for property coverage, with a deductible of \$100,000 per occurrence, and \$500,000 flood deductible per occurrence for locations in flood zones. Separate NFIP Flood Insurance is purchased for high risk locations. Claims have not exceeded commercial coverage in any year since the fund was established in 1990. The County distributes claims expenditures to County departments but does not distribute insurance or bonding costs. Administrative costs, actuarially determined assets to pay ultimate losses, and insurance premiums are covered by the General Fund.

The County's coverage limits, subject to the retentions and deductibles described above, at June 30, 2020 are as follows:

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

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

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

The claims liability of \$10,485,998 at June 30, 2020 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability is actuarially determined and includes an estimate for claims incurred but not reported. This entire amount is accrued and reported in the government-wide statements in the applicable governmental or business-type activities. A portion of the liability is considered due and payable and is reported in the General Fund in the fund financial statements. Changes in the fund's claims liability amount during fiscal years 2019 and 2020 are as follows:

**Changes in Claims Liability**

	Workers' compensation	Property and liability	Self-insured group medical	Dental benefits	Total
<b>Balance, as of June 30, 2018</b>	\$ 5,462,628	\$ 2,211,110	\$ 2,539,000	\$ 110,000	\$ 10,322,738
Claims incurred, fiscal year 2019	1,258,195	880,846	42,474,166	2,305,005	46,918,212
Payments and changes in estimates, fiscal year 2019	<u>(1,413,456)</u>	<u>(438,798)</u>	<u>(42,543,166)</u>	<u>(2,309,005)</u>	<u>(46,704,425)</u>
<b>Balance, as of June 30, 2019</b>	5,307,367	2,653,158	2,470,000	106,000	10,536,525
Claims incurred, fiscal year 2020	829,311	975,753	41,020,998	2,297,081	45,123,143
Payments and changes in estimates, fiscal year 2020	<u>(1,191,525)</u>	<u>(501,066)</u>	<u>(41,206,998)</u>	<u>(2,274,081)</u>	<u>(45,173,670)</u>
<b>Balance, as of June 30, 2020</b>	<u>\$ 4,945,153</u>	<u>\$ 3,127,845</u>	<u>\$ 2,284,000</u>	<u>\$ 129,000</u>	<u>\$ 10,485,998</u>
<b>Amount reported in General Fund</b>	<u>\$ 1,323,737</u>	<u>\$ 295,717</u>	<u>\$ 2,045,000</u>	<u>\$ 90,000</u>	<u>\$ 3,754,454</u>

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

The County leases certain equipment under lease agreements that are classified as capital leases for accounting purposes in accordance with GAAP. Obligations of these lease agreements are accounted for in the governmental and business-type activities of the government-wide statements. At June 30, 2020, the net book value of the assets acquired through capital leases is \$21,830. The net present value of the future minimum lease payments at June 30, 2020 is \$32,305 for governmental activities, as detailed below.

The County also leases buildings, office facilities and various equipment under non-cancelable operating leases. The total costs for all operating lease expenditures for the year ended June 30, 2020 were \$3,402,965. The future minimum lease payments for non-cancelable operating leases are \$21,369,789, as detailed below.

At June 30, 2020, future minimum lease payments due under capital leases and operating leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

Year Ending June 30	Capital Leases - Governmental	Operating Leases
2021	\$ 16,221	\$ 2,188,114
2022	11,474	2,132,106
2023	4,384	2,178,263
2024	427	2,224,575
2025	-	2,272,680
2026-2030	-	6,786,099
2031-2035	-	3,306,219
2036-2040	-	83,210
2041-2045	-	62,508
2046-2050	-	62,505
2051-2055	-	61,505
2056-2060	-	12,005
Total minimum lease payments	32,506	\$ 21,369,789
Less: amount representing interest	(201)	
Net present value of the future minimum lease payments	\$ 32,305	

The County leases office space under operating lease agreements with terms generally less than one year. Minimum future rentals on non-cancelable leases with terms in excess of one year are not material to the County's financial statements. Rental revenue for the year ended June 30, 2020 was \$321,378.

**NOTE 10. Short-term debt and liquidity**

During fiscal year 2020 the County entered into a short-term financing agreement for the purpose of licensing software. The agreement allowed for financing for up to 18 months with no interest. The County's final payment is due June 30, 2021.

<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
\$ -	\$2,498,956	\$1,200,000	\$ 1,298,956

**NOTE 11. Long-term Debt**

## General Obligation Bonds:

The general obligation bonds reported in Governmental Activities are publicly offered debt obligations collateralized by the full faith, credit and taxing power of the County. The County's general obligation outstanding are fixed rate and bear interest at rates varying from 2.00% to 5.10%. 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, 2020 are comprised of the following:

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%.	263,475,000
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%.	1,895,000
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%.	61,500,000
2012A School Bonds of \$96,790,000 due in periodic installments of \$4,990,000 to \$5,100,000 beginning February 1, 2013 through February 1, 2031, interest of 3.00 to 5.00%.	56,100,000
2012B Refunding Bonds of \$75,290,000 due in periodic installments of \$5,260,000 to \$27,845,000 beginning February 1, 2018 through February 1, 2021 interest of 5.00%.	5,260,000

**NOTE 11. Long-term Debt (Cont.)**

2013A School Bonds of \$51,165,000 due in periodic installments of \$2,565,000 to \$2,700,000 beginning May 1, 2014 through May 1, 2032, interest of 2.50 to 5.00%.	32,400,000
2013B Public Improvement Bonds of \$125,250,000 due in periodic installments of \$6,000,000 to \$6,600,000 beginning May 1, 2014 through May 1, 2032, interest of 3.00 to 5.00%.	79,200,000
2014 Public Improvement Bonds of \$345,240,000 due in periodic installments of \$18,170,000 to \$18,180,000 beginning September 1, 2016 through September 1, 2034, interest of 3.25 to 5.00%.	272,550,000
2015 Public Improvement Bonds of \$94,000,000 due in periodic installments of \$4,900,000 to \$4,950,000 beginning April 1, 2017 through April 1, 2035, interest of 3.00 to 5.00%.	74,250,000
2016A Refunding Bonds of \$162,895,000 due in periodic installments of \$9,340,000 to \$27,055,000 beginning March 1, 2017 through March 1, 2026, interest of 5.00%.	90,130,000
2017A Public Improvement Bonds of 33,700,000 due in periodic installments of \$1,685,000 beginning March 1, 2018 through March 1, 2037 interest of 3.00 to 5.00%.	28,645,000
2017B School Bonds of \$82,415,000 due in periodic installments of \$4,120,000 to \$4,125,000 beginning March 1, 2018 through March 1, 2037, interest of 3.00 to 5.00%.	70,040,000
2018A Public Improvement Bonds of \$197,745,000 due in periodic installments of \$10,405,000 to \$10,455,000 beginning March 1, 2019 through March 1, 2037, interest of 3.00 to 5.00%	176,885,000
2019A Public Improvement Bonds of \$151,055,000 due in periodic installments of \$7,950,000 to \$7,955,000 beginning March 1, 2020 through March 1, 2038, interest of 3.00 to 5.00%.	143,100,000
2019B Refunding Bonds of \$113,940,000 due in periodic installments of \$5,200,000 to \$24,520,000 beginning March 1, 2020 through March 1, 2025, interest of 5.00%.	89,815,000
2019C Parks Greenways Recreation Open Space Bonds of \$36,860,000 due in periodic installments of \$1,940,000 beginning November1, 2020 through November 1, 2038, interest of 2.00 to 5.00%	36,860,000
2020A Refunding Bonds of \$49,345,000 due in periodic installments of \$695,000 to \$6,210,000 beginning April 1, 2021 through April 1, 2029, interest of 5.00%.	49,345,000
2020B Refunding Bonds of \$14,330,000 due in periodic installments of \$340,000 to \$1,875,000 beginning August 1, 2021 through August 1, 2029, interest of 5.00%	14,330,000
Total general obligation bonds outstanding	<u><u>\$ 1,580,690,000</u></u>

**NOTE 11. Long-term Debt (Cont.)**

General Obligation Bond Anticipation Notes:

General Obligation Bond Anticipation Notes serviced by the General Fund and payable at June 30, 2020 are comprised of the following:

Series 2019A General Obligation Bond Anticipation Note with Bank of America: Up to \$548,000,000 for full debt appropriation for fiscal years 2020 and 2021 for Public Schools. Interest payable monthly at 79% of one-month LIBOR plus 44 bp. Remaining authorization (aggregate authorization minus retired authorization minus currently outstanding) at June 30, 2020 is \$528,499,349. Note expires February 29, 2024.	\$ 20,517,978
Series 2019B General Obligation Bond Anticipation Note with STI Institutional & Government Inc: Up to \$177,100,000 for full debt appropriation for fiscal years 2020 and 2021 for Community College. Interest payable monthly at 79% of one-month LIBOR plus 25 bp. Remaining authorization (aggregate authorization minus retired authorization minus currently outstanding) at June 30, 2020 is \$162,456,015. Note expires February 29, 2024.	<u>15,560,551</u>
	<u>\$ 36,078,529</u>

Drawdown Installment Notes:

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

Drawdown Installment Notes:

Drawdown installment notes serviced by the General Fund and payable at June 30, 2020 are comprised of the following:

Series 2017 Drawdown Installment Note with Wells Fargo Bank: Up to \$389,666,000 for full debt appropriation for fiscal years 2017 and 2018 for Public Schools and Community College. Interest payable monthly at 70% of one-month LIBOR plus 40 bp. Remaining authorization (aggregate authorization minus retired authorization minus currently outstanding) at June 30, 2020 is \$23,772,821. Note expires February 28, 2021. Collateralized by Barton Pond Elementary School (Raleigh, NC).	\$ 41,238,712
Series 2018 Drawdown Installment Note with Bank of America: Up to \$385,000,000 aggregate authorization for full debt appropriation for fiscal year 2019 for Public Schools and Community College. Interest payable monthly at 70% of one-month LIBOR plus 47 bp. Remaining authorization (aggregate authorization minus retired authorization minus currently outstanding) at June 30, 2020 is \$120,031,450. Note expires August 15, 2022. Collateralized by Neuse River Middle School (Raleigh, NC) and Fuquay-Varina High School (Fuquay-Varina, NC).	<u>198,003,353</u>
	<u>\$ 239,242,065</u>

**NOTE 11. Long-term Debt (Cont.)**

Limited Obligation Bonds:

The limited obligation bonds reported in Governmental Activities are publicly offered debt obligations 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. These are considered collateralized debt issued under N.C.G.S. 160A-20, the annual debt service of which is subject to annual board appropriation. Each respective debt agreement identifies property pledged as collateral and contains specific defined events of default, termination events, and acceleration clauses. If there is an event of default under a particular agreement entered into pursuant to N.C.G.S. 160A-20, the lender under such agreement may accelerate the County's payment obligation under the agreement's specific terms. As a remedy in the event of County non-payment of a particular agreement, the lender under such agreement may elect to foreclose on the collateralized property pledged under the agreement. Under N.C.G.S. 160A-20, no deficiency judgment may be rendered against the County for the breach of an agreement entered into under such statute. Principal and interest requirements will be provided by an appropriation in the Debt Service Fund in the year in which they become due.

Limited Obligation Bonds serviced by the General Fund and payable at June 30, 2020 are comprised of the following:

2016 Refunding Limited Obligation Bonds of \$191,835,000, due in annual installments of \$5,245,000 to \$11,585,000 beginning in December 2019 through December 2036; interest of 3.00% to 5.00%, collateralized by the Criminal Justice Center.	185,960,000
2018A Limited Obligation Bonds of \$155,290,000, due in annual installments of \$8,170,000 to \$8,175,000 beginning in August 2019 through August 2037; interest of 3.00% to 5.00%, collateralized by Apex High School, Apex, NC.	147,115,000
2019 Limited Obligation Bonds of \$196,805,000, due in annual installments of \$10,355,000 to \$10,360,000 beginning in September 2020 through September 2038; interest of 4.00 to 5.00%, collateralized by Willow Springs High School (Fuquay-Varina, NC) and Parkside Elementary School (Morrisville, NC).	196,805,000
Total limited obligation bonds outstanding	<u>\$ 529,880,000</u>

Installment Purchase Financings:

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

Installment purchase financing serviced by the General Fund and payable at June 30, 2020 are comprised of the following:

2013 Installment Purchase	\$ 255,000
2014 Installment Purchase	630,000
2015 Installment Purchase	661,000
2016 Installment Purchase	1,263,359
2017 Installment Purchase	909,756
Total installment purchase financings outstanding	<u>\$ 3,719,115</u>



**NOTE 11. Long-term Debt (Cont.)**

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2020 are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 151,410,000	\$ 69,405,741	\$ 220,815,741
2022	163,910,000	62,276,506	226,186,506
2023	162,665,000	54,048,756	216,713,756
2024	159,440,000	46,088,381	205,528,381
2025	158,880,000	38,243,131	197,123,131
2026-2030	450,555,000	108,501,301	559,056,301
2031-2035	269,800,000	34,858,631	304,658,631
2036-2040	64,030,000	3,514,533	67,544,533
	<u>\$ 1,580,690,000</u>	<u>\$ 416,936,980</u>	<u>\$ 1,997,626,980</u>

The annual requirements to amortize capital leases, installment purchases and limited obligation bond debt outstanding as of June 30, 2020 are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 30,853,038	\$ 24,723,170	\$ 55,576,208
2022	30,825,457	23,204,197	54,029,654
2023	30,758,384	21,686,374	52,444,758
2024	30,693,426	20,170,338	50,863,764
2025	30,528,000	18,655,974	49,183,974
2026-2030	150,308,115	70,714,308	221,022,423
2031-2035	147,815,000	35,308,156	183,123,156
2036-2040	81,850,000	5,711,225	87,561,225
	<u>\$ 533,631,420</u>	<u>\$ 220,173,742</u>	<u>\$ 753,805,162</u>

The County is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the County may have outstanding to eight percent of the appraised value of property subject to taxation less property valued for abatement. At June 30, 2020, such statutory limit of the County was \$12,453,867,323 providing a legal debt margin of \$9,084,085,309. Authorized but unissued general obligation bonds as of June 30, 2020 totaled \$980,140,000 as follows.

Purpose	Date Approved	Original Authorized	Bonds Issued	Authorized and Unissued <sup>1</sup>
Schools	11/6/2018	\$ 548,000,000	\$ -	\$ 548,000,000
Community College	11/6/2018	349,000,000	-	349,000,000
Parks, Greenways, Recreation and Open Space	11/6/2018	120,000,000	36,860,000	83,140,000
Total				<u>\$ 980,140,000</u>

<sup>1</sup>Excludes nominal unissued balances of prior GO authorizations for School, Community College, and GO Refunding purposes. Under the prior GO authorizations, the County successfully issued debt and fully funded all projects or purposes intended by each respective authorization. The County does not intend to issue additional GO bonds under the remaining prior authorizations, which solely exist because of the premium-based bond structure of prior GO bond issuances related to these authorizations.

**NOTE 11. Long-term Debt (Cont.)**

**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. As of June 30, 2020, the amount of 2010D bonds outstanding was \$34,910,000.

**Defeased Debt:**

In 2020 and prior years, the County has defeased various general obligation and limited obligation bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the County's government-wide financial statements. As of June 30, 2020, the amount of defeased debt outstanding was \$34,985,000.

**Conduit Debt Obligations:**

Wake County Industrial Facilities and Pollution Control Financing Authority has used industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from the payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State of North Carolina, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2020, there were 12 series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$507.9 million.

**Current Refundings:**

In April of 2020, the County issued \$49,345,000 of Series 2020A general obligation refunding bonds to provide resources that were then placed in an irrevocable trust for generating resources for all future debt service payments associated with \$59,410,000 of the general obligation 2010A and 2010B serial bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column on the County's Statement of Net Position. The net carrying amount of the old debt exceeded the reacquisition price by \$10,065,000. The current refunding was undertaken to reduce future debt service payments over the next nine years by \$5,508,915 and resulted in an economic gain of \$5,258,447.

In May of 2020, the County issued \$14,330,000 of Series 2020B general obligation refunding bonds to provide resources that were then placed in an irrevocable trust for generating resources for all future debt service payments associated with \$17,055,000 of the general obligation 2010F BAB and 2010F RZEDB serial bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column on the County's Statement of Net Position. The net carrying amount of the old debt exceeded the reacquisition price by \$2,725,000. The current refunding was undertaken to reduce future debt service payments over the next nine years by \$1,362,720 and resulted in an economic gain of \$1,294,726.

**Debt Related to Capital Activities:**

Of the total Governmental Activities debt listed, only \$358,325,682 relates to assets the County holds title. Unspent cash related to the debt amounts to \$43,649,431.

**NOTE 11. Long-term Debt (Cont.)**

Changes In Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
<b>Governmental activities:</b>					
General obligation bonds	\$ 1,727,510,000	\$ 100,535,000	\$ 247,355,000	\$ 1,580,690,000	\$ 151,410,000
Plus: Premiums on issuance	185,858,260	18,603,468	21,189,150	183,272,578	N/A
Total general obligation bonds payable	1,913,368,260	119,138,468	268,544,150	1,763,962,578	151,410,000
Limited obligation bonds	549,885,000	-	20,005,000	529,880,000	30,120,000
Plus: Premiums on issuance	96,261,796	-	5,715,499	90,546,297	N/A
Total limited obligation bonds payable	646,146,796	-	25,720,499	620,426,297	30,120,000
Direct Placement Bond Anticipation Notes	-	36,078,529	-	36,078,529	-
Direct Placement Drawdown Installment Notes	-	239,242,066	-	239,242,066	-
Direct Placement Installment Purchases	4,427,115	-	708,000	3,719,115	717,000
Capital leases	34,883	16,203	18,781	32,305	16,038
Total OPEB Liability	387,546,356	39,969,866	13,726,282	413,789,940	-
Total pension liability (LEOSSA)	17,014,647	3,058,634	1,211,242	18,862,039	-
Net pension liability (LGERS)	80,722,947	15,096,853	-	95,819,800	-
Compensated absences	14,391,284	13,848,552	11,827,973	16,411,863	12,108,000
Total Governmental Activities	<u>\$ 3,063,652,288</u>	<u>\$ 466,449,171</u>	<u>\$ 321,756,927</u>	<u>\$ 3,208,344,532</u>	<u>\$ 194,371,038</u>
<b>Business-type activities:</b>					
Landfill	\$ 21,506,172	\$ 1,960,518	\$ 1,855,695	\$ 21,610,995	\$ 1,198,717
Total OPEB Liability	1,839,291	189,697	65,145	1,963,843	-
Net pension liability (LGERS)	453,852	85,019	-	538,871	-
Compensated absences	94,164	78,924	69,330	103,758	68,700
Construction Reserve	855,985	250,000	2,991	1,102,994	-
Total Business-type Activities	<u>\$ 24,749,464</u>	<u>\$ 2,564,158</u>	<u>\$ 1,993,161</u>	<u>\$ 25,320,461</u>	<u>\$ 1,267,417</u>

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

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

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6.00% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 8.99% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$22,850,847 for the year ended June 30, 2020.

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

**NOTE 13. Multiple-Employer Pension Plan Obligations (Cont.)***Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2020, the County reported a liability of \$96,358,671 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing updated procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the County's proportion was 3.53%, which was an increase of .11% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$43,832,671. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,499,045	\$ -
Changes of assumptions	15,704,866	-
Net difference between projected and actual earnings on pension plan investments	2,350,323	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,453,972	-
County contributions subsequent to the measurement date	22,850,847	-
Total	<u>\$ 58,859,053</u>	<u>\$ -</u>

\$22,850,847 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 17,767,424
2022	5,767,275
2023	9,643,328
2024	2,830,179
Thereafter	-
	<u>\$ 36,008,206</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, (a) an investment rate of return of 7.00%, net of pension plan investment expense, including inflation, (b) projected salary increases ranging from 3.50% per year to 8.10% per year and (c) an inflation component of 3.00%.

**NOTE 13. Multiple-Employer Pension Plan Obligations (Cont.)**

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns, and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

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

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

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

**NOTE 13. Multiple-Employer Pension Plan Obligations (Cont.)**

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 220,389,901	\$ 96,358,671	\$ (6,736,408)

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

**Supplemental Retirement Income Plan**

Plan Description. Wake County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The plan provides retirement benefits to all employees of the County who are employed at least half time. Article 5 of the G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County's total payroll in fiscal year 2020 was \$252,078,873. The County's contributions were calculated using the base salary amount of \$252,309,623. The County made contributions amounting to \$12,615,661. Employees made voluntary contributions of \$5,974,840.

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

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

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

All full-time County law enforcement officers are covered by the LEOSSA. At December 31, 2018, the Valuation Date, the LEOSSA's membership consisted of:

Retirees receiving benefits	63
Active plan members	402
Total	465

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

The LEOSSA has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73 and does not issue a standalone financial report.

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

Actuarial Assumptions. The entry age normal actuarial cost method was used in the December 31, 2018 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, (a) projected salary increases ranging from 3.50% to 7.35%, (b) discount rate of 3.26% and (c) an inflation component of 2.50%.

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

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

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the LEOSSA are financed by through investment earnings. The County paid \$1,211,242 as benefits came due for the reporting period.

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

At June 30, 2020, the County reported a total pension liability of \$18,862,039. The total pension liability was measured as of December 31, 2019, based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing updated procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$1,655,265. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,396,718	\$ -
Changes in assumptions	856,564	507,532
County contributions subsequent to measurement date	620,017	-
Total	<u>\$ 2,873,299</u>	<u>\$ 507,532</u>

\$620,017 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 437,988
2022	445,311
2023	406,751
2024	331,875
2025	123,825
	<u>\$ 1,745,750</u>



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

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.26%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.26%) or 1-percentage-point higher (4.26%) than the current rate.

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	20,303,647	18,862,039	17,532,005

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

Total Pension Liability as of December 31, 2018	\$ 17,014,647
Changes for the year:	
Service Cost	617,730
Interest	597,289
Changes in benefit terms	-
Difference between expected and actuarial experience	1,325,314
Changes of assumptions and other inputs	518,301
Benefits payments	(1,211,242)
Other	-
Net changes	1,847,392
Total Pension Liability as of December 31, 2019	\$ 18,862,039

Changes of assumptions and other inputs reflect a change in the discount rate from 3.64% at December 31, 2018 to 3.26% at December 31, 2019. The assumed inflation rate and assumed wage inflation rate remained consistent with the prior year at 2.50% and 1.0%, respectively.

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2014.

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

Plan Description. Wake County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds who is retired under the Local Governmental Employees' Retirement System (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. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

**NOTE 15. Register of Deeds' Supplemental Pension Fund (Cont.)**

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by G.S. 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$112,557 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$1,917,781 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2019, the County's proportion was 9.71422%, which was a decrease of 2.72921% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$104,933. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 92,479
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	19,623	-
Changes in proportion and differences between County contributions and proportionate share of contributions	396,527	71,352
County contributions subsequent to the measurement date	112,557	-
Total	<u>\$ 528,707</u>	<u>\$ 163,831</u>

\$112,557 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 23,521
2022	151,119
2023	115,564
2024	(37,885)
Thereafter	-
	<u>\$ 252,319</u>

**NOTE 15. Register of Deeds Supplemental Pension Fund (Cont.)**

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, (a) an investment rate of return of 3.75%, net of pension plan investment expense, including inflation, (b) projected salary increases ranging from 3.50% per year to 7.75% per year and (c) an inflation component of 3.00%.

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns, and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2020 is 2.39%.

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

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

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (1,406,373)	\$ (1,917,781)	\$ (2,429,189)

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

**NOTE 16. Total Expense, Liabilities (Assets), and Deferred Outflows and Inflows of Resources of Related Pensions**

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

	LGERS	LEOSSA	RODSPF	Total
Pension Expense	\$ 43,832,671	\$ 1,655,265	\$ 104,933	\$ 45,592,869
Pension Liability (Asset)	96,358,671	18,862,039	(1,917,781)	113,302,929
Proportionate share of the pension liability	3.53%	N/A	9.714%	
Deferred Outflows of Resources:				
Differences between expected and actual experience	16,499,045	1,396,718	-	17,895,763
Changes in assumptions	15,704,866	856,564	-	16,561,430
Net difference between projected and actual earnings on plan investments	2,350,323	-	19,623	2,369,946
Changes in proportion and differences between contributions and proportionate share of contributions	1,453,972	-	396,527	1,850,499
Benefit payments and administrative costs paid subsequent to the measurement date	22,850,847	620,017	112,557	23,583,421
Total Deferred Outflows of Resources	58,859,053	2,873,299	528,707	62,261,059
Deferred Inflows of Resources:				
Differences between expected and actual experience	-	-	92,479	92,479
Changes in assumptions	-	507,532	-	507,532
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	71,352	71,352
Total Deferred Inflows of Resources	-	507,532	163,831	671,363

**NOTE 17. Post-Employment Benefits**

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

Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2020, the County made contributions of \$90,204.

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

Plan Description. In addition to providing pension benefits, Wake County has elected to provide healthcare benefits, as a single employer defined benefit plan to retirees of the County. Employees hired before July 1, 2011 who retire from the North Carolina Local Government Employees' Retirement System under early, normal or disabled retirement conditions; remained continuously employed in a benefit eligible position; and were enrolled in the County's health insurance program prior to separation from the County may continue in the County's retiree health insurance program based date of hire and years of creditable service as described in the table below. The plan does not issue a stand-alone financial report.

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

Employees hired on or after June 30, 2011 are not eligible to participate in the plan.

Retirees are eligible to receive the same benefits as active County employees. The County pays the costs of coverage for these benefits as incurred on a pay-as-you-go basis. Also, retirees can purchase coverage for their dependents at the County's group rates. Medicare-eligible retirees are allowed to remain in the plan but must enroll in Medicare Parts A and B.

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

Membership in the plan included the following at June 30, 2019, the date of the latest actuarial valuation:

Retirees receiving benefits	1,206
Active plan members	<u>1,679</u>
Total	<u><u>2,885</u></u>

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

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurements unless otherwise specified. The actuarial assumptions included a wage inflation rate of 3.5%, salary increases from 3.50% to 7.75%, discount rate of 3.50% and health care cost trends of 7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026 for Pre-Medicare and 5.00% for 2019 decreasing to an ultimate rate of 4.50% by 2021 for Medicare.

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

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

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

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

At June 30, 2020, the County reported a total OPEB liability of \$415,753,783. The total OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date. For the year ended June 30, 2020, the County recognized OPEB expense of \$14,696,528. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,524,269	\$ 172,240
Changes of assumptions or other inputs	-	38,144,589
County contributions subsequent to measurement date	8,823,774	-
Total	<u>\$ 21,348,043</u>	<u>\$ 38,316,829</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

\$8,823,774 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30:	
2021	\$ (9,617,253)
2022	(9,617,253)
2023	(5,854,352)
2024	(703,702)
2025	-
Total	<u>\$ (25,792,560)</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.50%) or 1-percentage point higher (4.50%) than the current discount rate.

	Discount Rate Sensitivity		
	1% Decrease (2.50%)	Current (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 498,278,803	\$ 415,753,783	\$ 351,594,541

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

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

	Health Care Cost Trend Rate Sensitivity		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 347,577,715	\$ 415,753,783	\$ 504,306,122

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

Total OPEB liability as of June 30, 2019	\$ 389,385,647
Changes for the year:	
Service Cost at the end of the year	9,304,353
Interest on TOL and Cash Flows	14,969,573
Changes in benefit terms	-
Differences between expected and actuarial experience	15,885,637
Changes in assumptions or other inputs	(4,576,095)
Benefit payments	(9,215,332)
Net changes	26,368,136
Total OPEB liability as of June 30, 2020	<u>\$ 415,753,783</u>

**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, 2020.

**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 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The current estimate of closure and postclosure maintenance and monitoring costs is approximately \$28.4 million. The landfill closure and postclosure liability of \$21,610,995 is included as a separate line item under the noncurrent liabilities in the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund at June 30, 2020. The liability represents a cumulative amount reported to date based on the following facilities.

The North Wake Unlined Landfill and the Feltonville Unlined Landfill have been closed for approximately 22 years and no additional closure costs are expected at these facilities. The County is currently responsible for monitoring these sites for an additional 8 years for post-closure care. The County continues to monitor groundwater conditions at the site. The County was required to develop a corrective action plan which included recommendations to remediation by air sparging by Monitored Natural Attenuation. In addition, enhanced anaerobic bioremediation is being implemented at the site. The estimates of the costs associated with the corrective action plan are included in the post-closure estimates for these facilities.

Both the North Wake and Feltonville Construction and Demolition facilities stopped accepting waste in fiscal year 2004. Therefore, no further closure funds need to be reserved for fiscal year 2005 or beyond. Post-closure costs associated with the North Wake facility will be covered by the post-closure funds set aside for the adjacent Subtitle D and unlined landfill. Post-closure costs associated with the Feltonville facility will be covered by the post-closure funds set aside for the adjacent unlined landfill.

The North Wake Subtitle Design Facility has been closed for approximately 12 years and no additional closure cost are expected at this facility. During calendar year 2015, the County took over operations of the North Wake landfill gas-to-energy (LFGTE) system, which was previously operated by an outside party. In doing so, the County has assumed operation and maintenance costs associated with the flare, gas wells and other system components. These associated costs have been added to the post-closure costs for the remaining post-closure period. The County will continue to monitor this facility for post-closure care for an additional 18 years.

The South Wake Subtitle Design Facility began operations in February 2008 and is in its second phase of five total phases. It is estimated to be at 24.66% capacity. During fiscal year 2018, Phase 1 reached capacity and was partially closed. In July 2015, the landfill began placing waste in the new 28-acre cell (Phase 2A). The closure and postclosure costs related to Phase 2A have been included in this year's estimates. The entire landfill is estimated to close June 2047. The County will recognize the remaining estimated cost of closure and post-closure care costs of \$4.8 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 Quality (NCDEQ) regarding post closure activities associated with the closed East Wake Landfill. Groundwater contamination and other volatile compounds have been detected at levels above the State groundwater standards. NCDEQ issued a Facility Compliance Inspection Report requiring the County to implement corrective action to address five deficiencies. The County has completed the necessary corrective action in addressing all the deficiencies. The property is divided into four areas. Areas A, B & C are managed under the jurisdiction of the Inactive Hazardous Site Pre-Regulatory Landfill Unit (PRLF), and the County has ceased all voluntary environmental assessment activities pertaining to these areas. Area D remains under the regulations of NCDEQ Solid Waste Section and is managed and paid for by the County. The County completed all work related to Area D in September 2015, and Area D now is compliant with NCDEQ Solid Waste post-closure monitoring requirements. At this time, the County is managing the necessary monitoring on an annual budgetary basis and does not anticipate the needs for additional reserves to be set aside. This will be continued to be monitored as required by NCDEQ. At June 30, 2020, no pollution remediation liabilities were included in accounts payable and accrued liabilities in the Solid Waste Construction Fund.



**NOTE 22. Fund Balance**

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total fund balance - General Fund:	<u>\$ 401,137,822</u>
Less:	
Inventories	262,048
Prepaid expenditures	1,163,458
Noncurrent receivables	65,373
Stabilization by State Statute	75,098,435
Register of deeds automation	1,022,394
Reappraisal reserve	2,639,517
LEO Special Separation allowance	3,235,640
Local ABC revenues	13,943,568
Behavioral health excess revenues	14,220,119
Insurance claims	2,557,750
Working capital	<u>286,929,520</u>
Remaining fund balance	<u><u>\$ -</u></u>

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

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. These amounts are included in the Stabilization by State Statute amount in restricted fund balance. Amounts outstanding at June 30, 2020 are as follows:

General Fund	Affordable Housing Fund	Major Funds			Nonmajor Funds
		Coronavirus Relief Funds (CRF) Fund	County Capital Projects Fund	School Capital Fund	Other Governmental Funds
<u>\$ 3,453,963</u>	<u>\$ 5,424,456</u>	<u>\$ 16,157,036</u>	<u>\$ 20,579,762</u>	<u>\$ 215,886,240</u>	<u>\$ 9,079,259</u>

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

The following schedule provides information regarding the funding for the 15% Uncommitted Funds, as defined in the Interlocal Agreement and Amendments, within the Major Facilities Fund. To the extent that current year revenues are not sufficient for funding these projects, the County anticipates appropriating fund balance. As of June 30, 2020, fund balance in the Major Facilities Fund totaled \$6,566,083 of which \$3,353,320 is Restricted by Stabilization by State Statute.

Fiscal Year	Cary Sports Facilities*	NC Art Museum	NC Museum of Natural Sciences	PNC Arena**	St. Augustine's College Track	NC Ballet	Competitive Projects***	Total
2009	\$ -	\$ 1,000,000	\$ 1,900,000	\$ 1,500,000	\$ 300,000	\$ 100,000	\$ -	4,800,000
2010	-	1,000,000	700,000	1,000,000	100,000	-	-	2,800,000
2011	-	1,000,000	900,000	1,000,000	100,000	-	-	3,000,000
2012	-	1,000,000	900,000	1,000,000	100,000	-	-	3,000,000
2013	400,000	1,000,000	800,000	1,679,355	100,000	-	-	3,979,355
2014	1,000,000	1,000,000	200,000	1,500,000	100,000	-	-	3,800,000
2015	1,000,000	1,000,000	200,000	1,000,000	100,000	-	-	3,300,000
2016	1,300,000	1,000,000	400,000	1,000,000	100,000	-	-	3,800,000
2017	1,700,000	1,000,000	-	-	-	-	2,000,000	4,700,000
2018	2,600,000	-	-	-	-	-	2,000,000	4,600,000
2019	2,000,000	-	-	-	-	-	2,000,000	4,000,000
2020	3,000,000	-	-	-	-	-	-	3,000,000
<b>Payments to Date</b>	<b>13,000,000</b>	<b>9,000,000</b>	<b>6,000,000</b>	<b>9,679,355</b>	<b>1,000,000</b>	<b>100,000</b>	<b>6,000,000</b>	<b>44,779,355</b>
2021	3,000,000	-	-	-	-	-	2,000,000	5,000,000
2022	3,000,000	-	-	-	-	-	2,000,000	5,000,000
2023	3,000,000	-	-	-	-	-	2,000,000	5,000,000
2024	3,000,000	-	-	-	-	-	2,000,000	5,000,000
2025	3,000,000	-	-	-	-	-	2,000,000	5,000,000
<b>Total</b>	<b>\$ 28,000,000</b>	<b>\$ 9,000,000</b>	<b>\$ 6,000,000</b>	<b>\$ 9,679,355</b>	<b>\$ 1,000,000</b>	<b>\$ 100,000</b>	<b>\$ 16,000,000</b>	<b>\$ 69,779,355</b>

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

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

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

**NOTE 23. Comparative Data**

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

**NOTE 24. Subsequent Event**

The 2019 novel coronavirus ("COVID-19") has adversely affected, and may continue to adversely affect global, national and local economic activity. It is unknown the extent to which COVID-19 may continue to have a destabilizing effect on financial and economic activity or how it may adversely affect the County's financial condition, demand for County services, and results of operations. In addition, COVID-19 may result in health or other governmental authorities requiring the closure of County or other business operations which could significantly disrupt the County's ability to provide services and procure needed supplies and materials. The full extent of the adverse impact of the COVID-19 outbreak on the County cannot be predicted at this time.

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

(1) Deposits

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

At June 30, 2020, the Board's deposits had a carrying amount of \$31,659,452 and a bank balance of \$31,386,212. All of the bank balance was either insured by federal depository insurance or collateralized under the pooling method.

(2) Risk Management

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

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

In accordance with G.S. 18B-700(i), each board member is bonded in the amount of \$50,000, secured by a corporate surety.

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



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR END JUNE 30, 2020**

## **REQUIRED SUPPLEMENTARY INFORMATION**

This section provides additional required data regarding the Law Enforcement Officers' Special Separation Allowance and Other Post – Employment Benefits, the Local Government Retirement System, and the Register of Deeds' Supplemental Pension Fund.

## ***Required Supplementary Information***

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

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

# WAKE COUNTY, NORTH CAROLINA

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

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

	Fiscal Year			
	2020	2019	2018	2017
Total Pension Liability - beginning balance	\$ 17,014,647	\$ 17,179,631	\$ 16,124,717	\$ 16,478,270
Service Cost	617,730	638,579	537,880	570,747
Interest	597,289	524,414	601,201	568,041
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	1,325,314	463,714	58,031	-
Changes in assumptions and other inputs	518,301	(623,177)	956,913	(358,851)
Benefit payments	(1,211,242)	(1,168,514)	(1,099,111)	(1,133,490)
Other	-	-	-	-
Total Pension Liability - ending balance	<u>\$ 18,862,039</u>	<u>\$ 17,014,647</u>	<u>\$ 17,179,631</u>	<u>\$ 16,124,717</u>
Covered payroll	<u>\$ 25,517,817</u>	<u>\$ 23,882,915</u>	<u>\$ 22,378,641</u>	<u>\$ 21,685,204</u>
Total Pension Liability as a percentage of covered payroll	73.92%	71.24%	76.77%	74.36%

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

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

# WAKE COUNTY, NORTH CAROLINA

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

### *Schedule of Changes in Total OPEB Liability and Related Ratios*

	Fiscal Year		
	2020	2019	2018
Total OPEB Liability - beginning balance	\$ 389,385,647	\$ 397,934,783	\$ 425,174,365
Service Cost	9,304,353	9,952,337	11,423,301
Interest	14,969,573	14,005,022	12,677,243
Changes in benefit terms	-	-	-
Difference between expected and actual experience	15,885,637	132,574	(377,290)
Changes in assumptions and other inputs	(4,576,095)	(23,488,471)	(42,896,059)
Benefit payments	(9,215,332)	(9,150,598)	(8,066,777)
Other	-	-	-
Total OPEB Liability - ending balance	<u>\$ 415,753,783</u>	<u>\$ 389,385,647</u>	<u>\$ 397,934,783</u>
Covered payroll	<u>\$ 104,126,454</u>	<u>\$ 115,050,642</u>	<u>\$ 115,050,642</u>
Total OPEB liability as a percentage of covered payroll	399.28%	338.45%	345.88%

### Notes to Schedule

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

The following are the discount rates used in each period:

Fiscal Year	Rate
2018	3.56%
2019	3.89%
2020	3.50%

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

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

# WAKE COUNTY, NORTH CAROLINA

## LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

*Last Seven Fiscal Years*

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

Year Ended June 30 *	County's proportion of the net pension liability (asset)	County's proportionate share of the net pension liability (asset)	County's covered payroll	County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	3.13%	\$ 37,686,331	\$ 175,266,798	21.50%	94.35%
2015	2.99%	(17,635,411)	172,322,095	(10.23)%	102.64%
2016	3.08%	13,836,947	180,851,503	7.65%	98.09%
2017	3.22%	68,369,961	192,564,149	35.51%	91.47%
2018	3.33%	50,868,898	206,650,926	24.62%	94.18%
2019	3.42%	81,176,799	220,301,451	36.85%	91.63%
2020	3.53%	96,358,671	234,775,167	41.04%	90.86%

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

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



# WAKE COUNTY, NORTH CAROLINA

## LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

*Last Seven Fiscal Years*

### Schedule of Employer Contributions

<u>Year Ended June 30</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>County's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2014	\$ 12,228,225	\$ 12,228,225	-	\$ 172,322,095	7.10%
2015	12,860,971	12,860,971	-	180,851,503	7.11%
2016	13,119,915	13,119,915	-	192,564,149	6.81%
2017	14,309,333	14,309,333	-	206,650,926	6.92%
2018	16,773,603	16,773,603	-	220,301,451	7.61%
2019	18,416,964	18,416,964	-	234,775,167	7.84%
2020	22,850,847	22,850,847	-	252,309,623	9.06%

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

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

# WAKE COUNTY, NORTH CAROLINA

## REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND Last Seven Fiscal Years

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

Year Ended June 30 *	County's proportion of the net pension liability (asset)	County's proportionate share of the net pension liability (asset)	County's covered payroll	County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	11.18%	\$ (2,388,744)	\$ 123,821	-1929.19%	190.50%
2015	10.51%	(2,382,985)	127,567	-1868.03%	193.88%
2016	11.15%	(2,585,946)	131,075	-1972.88%	197.29%
2017	9.97%	(1,864,169)	135,158	-1379.25%	160.17%
2018	11.45%	(1,955,114)	145,882	-1340.20%	153.77%
2019	12.44%	(2,061,005)	141,474	-1456.81%	153.31%
2020	9.71%	(1,917,781)	153,131	-1252.38%	164.11%

### Schedule of Employer Contributions

Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2014	\$ 85,839	\$ 85,839	\$ -	\$ 127,567	67.29%
2015	89,188	89,188	-	131,075	68.04%
2016	91,228	91,228	-	135,158	67.50%
2017	99,851	99,851	-	145,882	68.45%
2018	93,890	93,890	-	141,474	66.37%
2019	92,330	92,330	-	153,131	60.29%
2020	112,557	112,557	-	156,252	72.04%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.  
This schedule is intended to show 10 years of information, additional years' information will be displayed as it becomes available.



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR END JUNE 30, 2020**

## **GENERAL FUND COMPARATIVES AND DETAILED BUDGETS**

The General Fund is the County's chief operating fund. It accounts for the revenue and expenditures traditionally associated with operating governmental service functions.

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND COMPARATIVE BALANCE SHEETS As of June 30, 2020 and 2019

	June 30, 2020	June 30, 2019
<b>ASSETS</b>		
Cash and investments - pooled equity	\$ 370,932,390	\$ 310,251,525
Cash and investments - cash equivalents	1,411,953	1,438,930
Cash and investments - restricted	7,301,386	7,048,357
Taxes receivable (net)	52,422,980	54,296,820
Accounts receivable (net)	12,484,377	16,917,634
Intergovernmental receivable (net)	17,565,717	21,277,501
Accrued interest receivable	29,416	91,131
Internal balances (due from other funds)	1,135,643	2,124,174
Prepaid expenditures	1,163,458	1,163,458
Inventories	262,048	340,717
Total assets	<u>\$ 464,709,368</u>	<u>\$ 414,950,247</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 48,570,206	\$ 50,752,412
Due to other governmental units	629,298	160,079
Total liabilities	<u>49,199,504</u>	<u>50,912,491</u>
DEFERRED INFLOWS OF RESOURCES	<u>14,372,042</u>	<u>11,407,041</u>
Fund balances:		
Non-spendable:		
Nonspendable inventories	262,048	340,717
FB Prepaid expenditures	1,163,458	1,163,458
Noncurrent receivable	65,373	73,796
Restricted:		
Stabilization by state statute	75,098,435	87,486,137
Register of deed automation	1,022,394	673,240
Committed:		
Reappraisal reserve	2,639,517	3,457,951
LEO Special Separation Allowance	3,235,640	2,527,767
Future appropriations from local ABC revenues	13,943,568	9,881,742
Future appropriations for behavioral health	14,220,119	13,971,561
Future insurance claims	2,557,750	4,000,000
Working capital	286,929,520	229,054,346
Total fund balance	<u>401,137,822</u>	<u>352,630,715</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 464,709,368</u>	<u>\$ 414,950,247</u>

# WAKE COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2020**  
**With Comparative Actual Amounts for the Year Ended June 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
Taxes	\$ 1,317,810,303	\$ 1,332,107,627	\$ 14,297,324	\$ 1,195,443,644
Intergovernmental	70,879,410	81,695,115	10,815,705	79,372,888
Charges for services	63,968,546	66,015,258	2,046,712	64,901,408
Licenses and permits	5,342,342	5,568,944	226,602	5,799,060
Investment earnings	5,220	216,311	211,091	309,578
Miscellaneous	354,763	514,218	159,455	1,600,649
Total revenues	1,458,360,584	1,486,117,473	27,756,889	1,347,427,227
EXPENDITURES:				
Current:				
General government	80,542,869	69,504,390	11,038,479	66,211,093
Human services	199,619,191	184,968,436	14,650,755	181,801,828
Education	540,535,537	540,535,537	-	501,319,244
Community development and cultural	41,860,318	39,588,644	2,271,674	37,277,208
Environmental services	14,452,031	13,984,228	467,803	13,191,047
Public safety	163,041,968	158,231,525	4,810,443	150,008,746
General services administration	31,659,353	29,727,232	1,932,121	29,807,677
Total expenditures	1,071,711,267	1,036,539,992	35,171,275	979,616,843
REVENUES OVER (UNDER) EXPENDITURES	386,649,317	449,577,481	62,928,164	367,810,384
OTHER FINANCING SOURCES (USES):				
Transfers in	2,800,427	2,800,427	-	7,723,505
Transfers out	(403,902,813)	(403,902,813)	-	(340,596,338)
Capital lease proceeds	-	16,203	16,203	-
Financing agreement proceeds	-	2,498,956	2,498,956	-
Capital lease	-	(16,203)	(16,203)	-
Sale of assets and materials	40,000	32,012	(7,988)	79,554
Financing agreement	-	(2,498,956)	(2,498,956)	-
Total other financing sources (uses)	(401,062,386)	(401,070,374)	(7,988)	(332,793,279)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(14,413,069)	48,507,107	62,920,176	35,017,105
APPROPRIATED FUND BALANCE	14,413,069	-	(14,413,069)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	48,507,107	\$ 48,507,107	35,017,105
FUND BALANCE AT BEGINNING OF YEAR		352,630,715		317,613,610
FUND BALANCE AT END OF YEAR		\$ 401,137,822		\$ 352,630,715

# ***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, 2020**

**With Comparative Actual Amounts for the Year Ended June 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
TAXES				
Ad valorem property tax - current	\$ 1,092,117,300	\$ 1,096,611,968	\$ 4,494,668	\$ 967,836,595
Ad valorem property tax - prior	2,190,000	2,831,496	641,496	2,486,665
Tax penalties, interest and other	2,470,000	2,690,245	220,245	2,486,454
Sales tax	204,001,000	209,288,739	5,287,739	202,550,087
Leased rental vehicle tax	2,550,000	3,171,827	621,827	3,815,391
Real property transfer tax	13,260,000	15,354,797	2,094,797	14,305,615
Payments in lieu of taxes	1,222,003	2,158,555	936,552	1,962,837
Total Taxes	<u>1,317,810,303</u>	<u>1,332,107,627</u>	<u>14,297,324</u>	<u>1,195,443,644</u>
LICENSES AND PERMITS				
Beer and wine licenses	72,000	84,385	12,385	106,614
Marriage licenses	209,814	158,875	(50,939)	169,670
Building and construction permits	3,592,726	3,640,586	47,860	4,060,178
Weapon permits	510,000	594,535	84,535	451,765
Other permits	957,802	1,090,563	132,761	1,010,833
Total Licenses and Permits	<u>5,342,342</u>	<u>5,568,944</u>	<u>226,602</u>	<u>5,799,060</u>

(Continued)

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

## **GENERAL FUND**

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

#### **DETAILED BUDGET AND ACTUAL (continued)**

**For the Year Ended June 30, 2020**

**With Comparative Actual Amounts for the Year Ended June 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive/(Negative)	Actual
INTERGOVERNMENTAL				
Federal and State:				
Human services	\$ 62,524,713	\$ 64,737,981	\$ 2,213,268	\$ 65,448,617
Payments in lieu of taxes	255,000	393,585	138,585	366,783
Public library	600,000	596,449	(3,551)	586,681
Public safety	840,343	1,192,775	352,432	255,900
Other federal and state	2,527,700	2,461,439	(66,261)	2,568,853
Total Federal and State	66,747,756	69,382,229	2,634,473	69,226,834
Local:				
ABC Board	4,000,000	12,061,826	8,061,826	9,880,884
Other local	131,654	251,060	119,406	265,170
Total Local	4,131,654	12,312,886	8,181,232	10,146,054
Total Intergovernmental	70,879,410	81,695,115	10,815,705	79,372,888

(Continued)

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND

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

#### DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive/(Negative)	Actual
CHARGES FOR SERVICES				
Environmental	\$ 371,423	\$ 330,625	\$ (40,798)	\$ 345,802
Client fees	1,106,481	974,641	(131,840)	1,416,262
Insurance	504,838	462,709	(42,129)	585,494
Medicaid fees	11,333,362	12,677,446	1,344,084	12,831,270
Medicare fees	49,410	41,022	(8,388)	51,111
Human services reimbursements	775,733	770,960	(4,773)	668,705
Inspection fees	1,213,775	1,203,834	(9,941)	1,018,313
Library fees	111,000	117,854	6,854	353,279
Parks & recreation fees	89,000	50,241	(38,759)	138,101
EMS fees	27,083,474	26,968,635	(114,839)	28,076,291
Facility use fees	106,280	104,099	(2,181)	191,387
Fire/Rescue fees	108,439	141,345	32,906	135,098
Sheriff fees	4,589,300	5,492,262	902,962	5,210,799
Planning fees	853,157	1,004,224	151,067	836,236
Court facility fees	1,000,000	874,910	(125,090)	1,022,250
Parking fees	1,310,000	1,060,269	(249,731)	1,157,627
Rental/lease income	285,325	283,152	(2,173)	261,489
Record fees	5,347,210	6,088,595	741,385	4,904,994
Reimbursements	4,007,156	3,649,941	(357,215)	1,807,054
Tax collection fees	1,005,000	1,039,643	34,643	997,145
Vending income	624,177	472,386	(151,791)	656,083
Other fees and charges	2,094,006	2,206,465	112,459	2,236,618
Total Charges for Services	63,968,546	66,015,258	2,046,712	64,901,408
INVESTMENT EARNINGS	5,220	216,311	211,091	309,578
OTHER MISCELLANEOUS	354,763	514,218	159,455	1,600,649
TOTAL REVENUES	1,458,360,584	1,486,117,473	27,756,889	1,347,427,227

(Continued)



# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND

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

#### DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020					2019	
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Variance Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
EXPENDITURES:							
GENERAL GOVERNMENT							
County commissioners	\$ 742,190	\$ 707,548	\$ 34,642	\$ -	\$ 707,548	\$ 34,642	\$ 692,822
County manager	2,177,470	2,152,190	25,280	-	2,152,190	25,280	1,886,707
County attorney	3,168,888	3,100,478	68,410	-	3,100,478	68,410	2,888,954
Board of elections	8,347,874	7,525,332	822,542	55,090	7,580,422	767,452	5,111,317
Budget & management services	1,205,556	1,127,598	77,958	26,000	1,153,598	51,958	1,056,808
Communications office	1,113,493	1,110,717	2,776	-	1,110,717	2,776	1,000,689
Facilities design & construction	2,099,110	1,817,060	282,050	25,000	1,842,060	257,050	1,666,699
Finance	3,380,742	3,084,796	295,946	12,500	3,097,296	283,446	2,785,067
Human resources	3,874,447	3,668,649	205,798	6,932	3,675,581	198,866	3,004,935
Information services	20,764,418	19,522,489	1,241,929	138,950	19,661,439	1,102,979	16,891,535
Register of deeds	3,593,442	3,213,657	379,785	5,474	3,219,131	374,311	3,016,446
Revenue	-	-	-	-	-	-	9,050,150
Tax Administration	11,183,341	10,093,697	1,089,644	78,000	10,171,697	1,011,644	-
Quasi-governmental	835,742	732,721	103,021	-	732,721	103,021	783,742
Non-departmental	14,562,128	8,153,430	6,408,698	150,160	8,303,590	6,258,538	13,267,630
Public agencies	3,494,028	3,494,028	-	-	3,494,028	-	3,107,592
Total General Government	80,542,869	69,504,390	11,038,479	498,106	70,002,496	10,540,373	66,211,093
HUMAN SERVICES							
Human Services:							
Social services economic self sufficiency	54,140,256	53,661,848	478,408	10,811	53,672,659	467,597	51,169,286
Child welfare	33,715,437	31,425,998	2,289,439	106,010	31,532,008	2,183,429	30,637,050
Public health	30,901,957	29,602,559	1,299,398	22,635	29,625,194	1,276,763	28,836,051
Health clinics	20,714,619	19,392,899	1,321,720	90,163	19,483,062	1,231,557	19,316,066
Administration and operations	21,486,615	19,686,019	1,800,596	878,264	20,564,283	922,332	18,619,305
Total Human Services	160,958,884	153,769,323	7,189,561	1,107,883	154,877,206	6,081,678	148,577,758
Behavioral health - managed care	30,505,539	23,925,239	6,580,300	21,750	23,946,989	6,558,550	27,210,559
Housing	8,154,768	7,273,874	880,894	81,568	7,355,442	799,326	6,013,511
Total Human Services	199,619,191	184,968,436	14,650,755	1,211,201	186,179,637	13,439,554	181,801,828

Encumbrances are included for internal reporting purposes only.

(Continued)

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND

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

#### DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020						2019
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Variance Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
EDUCATION							
Wake County Public Schools:							
Current expense	\$ 513,103,536	\$ 513,103,536	\$ -	\$ -	\$ 513,103,536	\$ -	\$ 474,937,921
Capital outlay	1,931,961	1,931,961	-	-	1,931,961	-	71,961
Other restricted	919,604	919,604	-	-	919,604	-	909,362
Total Wake County Public Schools	515,955,101	515,955,101	-	-	515,955,101	-	475,919,244
Wake Technical College:							
Current expense	24,580,436	24,580,436	-	-	24,580,436	-	25,400,000
Total Wake Technical College	24,580,436	24,580,436	-	-	24,580,436	-	25,400,000
Total Education	540,535,537	540,535,537	-	-	540,535,537	-	501,319,244
COMMUNITY DEVELOPMENT AND CULTURAL							
Administration	924,499	900,380	24,119	-	900,380	24,119	845,310
Parks and recreation	3,431,096	3,359,383	71,713	7,050	3,366,433	64,663	3,262,108
Building inspections	6,060,510	6,003,962	56,548	38,733	6,042,695	17,815	5,532,277
Veterans services	306,551	305,472	1,079	-	305,472	1,079	289,236
Geographic information services	2,264,750	1,886,443	378,307	118,214	2,004,657	260,093	1,922,780
Public libraries	28,872,912	27,133,004	1,739,908	505,379	27,638,383	1,234,529	25,425,497
Total Community Development	41,860,318	39,588,644	2,271,674	669,376	40,258,020	1,602,298	37,277,208

Encumbrances are included for internal reporting purposes only.

(Continued)

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND

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

#### DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020					Variance	2019
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
ENVIRONMENTAL SERVICES							
Environmental services	\$ 14,452,031	\$ 13,984,228	\$ 467,803	\$ 38,124	\$ 14,022,352	\$ 429,679	\$ 13,191,047
Total Environmental Services	14,452,031	13,984,228	467,803	38,124	14,022,352	429,679	13,191,047
GENERAL SERVICES ADMINISTRATION							
General services administration	31,659,353	29,727,232	1,932,121	671,334	30,398,566	1,260,787	29,807,677
Total General Services Administration	31,659,353	29,727,232	1,932,121	671,334	30,398,566	1,260,787	29,807,677
PUBLIC SAFETY							
Sheriff Department:							
Sheriff	48,010,808	48,602,652	(591,844)	59,540	48,662,192	(651,384)	45,332,187
Detention	52,833,943	51,578,130	1,255,813	12,437	51,590,567	1,243,376	50,482,862
Total Sheriff Department	100,844,751	100,180,782	663,969	71,977	100,252,759	591,992	95,815,049
CCBI	7,196,733	7,108,656	88,077	-	7,108,656	88,077	6,417,190
Emergency medical services	50,716,009	46,824,980	3,891,029	293,844	47,118,824	3,597,185	43,622,371
Fire services	2,922,783	2,800,982	121,801	-	2,800,982	121,801	2,535,876
Public safety communications	1,361,692	1,316,125	45,567	-	1,316,125	45,567	1,618,260
Total Public Safety	163,041,968	158,231,525	4,810,443	365,821	158,597,346	4,444,622	150,008,746
TOTAL EXPENDITURES	1,071,711,267	1,036,539,992	35,171,275	3,453,962	1,039,993,954	31,717,313	979,616,843

Encumbrances are included for internal reporting purposes only.

(Continued)

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND

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

#### DETAILED BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES OVER EXPENDITURES	\$ 386,649,317	\$ 449,577,481	\$ 62,928,164	\$ 367,810,384
OTHER FINANCING SOURCES (USES):				
Transfers in	2,800,427	2,800,427	-	7,723,505
Transfers out	(403,902,813)	(403,902,813)	-	(340,596,338)
Sale of assets & materials	40,000	32,012	(7,988)	79,554
Capital lease proceeds	-	16,203	16,203	-
Short-term financing proceeds	-	2,498,956	2,498,956	-
Capital leases	-	(16,203)	(16,203)	-
Short-term financing	-	(2,498,956)	(2,498,956)	-
Total other financing sources (uses)	(401,062,386)	(401,070,374)	(7,988)	(332,793,279)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(14,413,069)	48,507,107	62,920,176	35,017,105
APPROPRIATED FUND BALANCE	14,413,069	-	(14,413,069)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	48,507,107	\$ 48,507,107	35,017,105
FUND BALANCE AT BEGINNING OF YEAR		352,630,715		317,613,610
FUND BALANCE AT END OF YEAR		\$ 401,137,822		\$ 352,630,715



**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR END JUNE 30, 2020**

# **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

This section provides detailed statements and schedules for major and nonmajor funds, as well as budget to actual statements for all funds other than the General Fund.

# WAKE COUNTY, NORTH CAROLINA

## AFFORDABLE HOUSING FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (NON-GAAP BASIS) BUDGET AND ACTUAL From Project Inception Through June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 41,090,818	\$ 27,664,620	\$ 5,641,923	\$ 33,306,543
Charges for services	4,121,256	3,737,869	264,673	4,002,542
Investment earnings	210,326	257,563	2,515	260,078
Miscellaneous	-	(519)	-	(519)
Total Revenues	45,422,400	31,659,533	5,909,111	37,568,644
EXPENDITURES:				
Human Services				
County funded	7,137,677	2,228,440	2,547,309	4,775,749
Housing and community revitalization	34,936,318	24,100,766	4,337,173	28,437,939
Home grants	5,495,956	2,371,512	448,055	2,819,567
HOPWA grants	3,400,711	1,983,316	673,438	2,656,754
Total Expenditures	50,970,662	30,684,034	8,005,975	38,690,009
REVENUES OVER (UNDER) EXPENDITURES	(5,548,262)	975,499	(2,096,864)	(1,121,365)
OTHER FINANCING SOURCES (USES):				
Transfers in	5,548,262	5,548,262	-	5,548,262
Total Other Financing Sources (Uses)	5,548,262	5,548,262	-	5,548,262
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ 6,523,761	(2,096,864)	\$ 4,426,897
FUND BALANCE AT BEGINNING OF YEAR (Non-GAAP)			6,523,761	
FUND BALANCE AT END OF YEAR (Non-GAAP)			\$ 4,426,897	
Reconciling items for GAAP presentation:				
Fund balance at beginning of year (GAAP)			28,331,103	
Adjustments to loans			4,494,556	
Payments received on loan balances			(1,044,125)	
Change in estimate of loan portfolio allowance			169,165	
Total reconciling items:			31,950,699	
FUND BALANCE AT END OF YEAR (GAAP basis)			\$ 29,853,835	

# WAKE COUNTY, NORTH CAROLINA

## CORONAVIRUS RELIEF FUNDS (CRF) FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (NON-GAAP BASIS) BUDGET AND ACTUAL From Project Inception Through June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 62,731,100	\$ -	\$ 27,995,268	\$ 27,995,268
Investment earnings	-	-	33,416	33,416
Miscellaneous	-	-	100,000	100,000
Total Revenues	62,731,100	-	28,128,684	28,128,684
EXPENDITURES:				
Public Health Emergency Response	22,431,500	-	10,163,110	10,163,110
Community Response	9,588,100	-	288,432	288,432
Continuity of Operations	23,698,500	-	17,577,142	17,577,142
Economic Recovery	7,013,000	-	-	-
Total Expenditures	62,731,100	-	28,028,684	28,028,684
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ -	100,000	\$ 100,000
FUND BALANCE AT BEGINNING OF YEAR (Non-GAAP)			-	
FUND BALANCE AT END OF YEAR (Non-GAAP)			\$ 100,000	

# 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, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Taxes:			
Occupancy tax	\$ 28,501,000	\$ 23,331,207	\$ (5,169,793)
Prepared food tax	32,509,000	28,463,809	(4,045,191)
Total taxes	61,010,000	51,795,016	(9,214,984)
Investment earnings	-	154,892	154,892
Total Revenues	61,010,000	51,949,908	(9,060,092)
EXPENDITURES:			
Raleigh hold harmless - occupancy	680,000	680,000	-
Cary hold harmless - occupancy	1,492,500	1,134,060	358,440
Greater Raleigh Convention and Visitors Bureau	7,710,000	5,917,552	1,792,448
Centennial Authority operations 7%	3,668,500	3,034,038	634,462
Centennial - Debt service	868,000	868,000	-
Raleigh annual distribution - \$1M	1,000,000	1,000,000	-
Convention Center	34,162,500	26,997,162	7,165,338
Centennial Authority Facility Improvements	5,000,000	5,000,000	-
Cary Sports Venue	3,000,000	3,000,000	-
Unallocated	1,028,500	-	1,028,500
Total Expenditures	58,610,000	47,630,812	10,979,188
REVENUES OVER EXPENDITURES	2,400,000	4,319,096	1,919,096
OTHER FINANCING SOURCES (USES):			
Transfers out to General Fund	(1,400,000)	(1,400,000)	-
Transfers out to Capital Improvement Fund	(1,000,000)	(1,000,000)	-
Total Other Financing Sources (Uses)	(2,400,000)	(2,400,000)	-
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	1,919,096	\$ 1,919,096
FUND BALANCE AT BEGINNING OF YEAR		4,646,987	
FUND BALANCE AT END OF YEAR		\$ 6,566,083	



# 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, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Intergovernmental	\$ 12,783,013	\$ 14,893,589	\$ 2,110,576
Charges for services	-	12,917	12,917
Investment earnings	14,484,766	12,977,062	(1,507,704)
Total Revenues	27,267,779	27,883,568	615,789
EXPENDITURES:			
Debt service - principal	193,425,754	193,181,554	244,200
Debt service - interest	106,822,685	104,928,259	1,894,426
Miscellaneous	1,014,266	950,878	63,388
Future appropriated reserves	25,095,457	-	25,095,457
Total Expenditures	326,358,162	299,060,691	27,297,471
REVENUES (UNDER) EXPENDITURES	(299,090,383)	(271,177,123)	27,913,260
OTHER FINANCING SOURCES (USES):			
Transfers in	298,862,221	298,862,221	-
Transfers out	(1,539,898)	(1,539,898)	-
Refunding bonds issued	-	63,675,000	63,675,000
Payment to refunded escrow agent	-	(77,054,156)	(77,054,156)
Premiums on issuance	-	13,737,468	13,737,468
Total Other Financing Sources (Uses)	297,322,323	297,680,635	358,312
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,768,060)	26,503,512	28,271,572
APPROPRIATED FUND BALANCE	1,768,060	-	(1,768,060)
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	26,503,512	\$ 26,503,512
FUND BALANCE AT BEGINNING OF YEAR		111,303,046	
FUND BALANCE AT END OF YEAR		\$ 137,806,558	

# WAKE COUNTY, NORTH CAROLINA

## COUNTY CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended June 30, 2020

	Actual			
	Project Authorization	Prior Years	Actual	Total To Date
REVENUES:				
Taxes	\$ -	\$ 4,935	\$ 48	\$ 4,983
Intergovernmental	16,078,885	14,470,597	1,671,594	16,142,191
Charges for services	31,916,884	25,333,849	5,152,114	30,485,963
Investment earnings	14,119,632	14,517,912	-	14,517,912
Miscellaneous	1,015,327	677,121	338,206	1,015,327
Total Revenues	63,130,728	55,004,414	7,161,962	62,166,376
EXPENDITURES:				
Capital projects:				
Automation CIP	69,196,186	42,106,595	11,456,184	53,562,779
Community capital projects	528,000	-	278,000	278,000
County building improvements	92,633,006	60,381,228	10,431,481	70,812,709
Criminal justice CIP	190,384,935	185,533,357	2,200,786	187,734,143
Public libraries CIP	51,375,307	34,141,324	11,435,123	45,576,447
Open space	8,992,407	6,783,102	815,319	7,598,421
Parks and recreation CIP	44,092,799	11,560,970	6,726,883	18,287,853
Public safety CIP	65,809,001	41,684,898	13,122,474	54,807,372
Economic development	15,622,206	6,203,115	1,458,193	7,661,308
Program wide projects	1,817,000	1,077,786	-	1,077,786
Total Expenditures	540,450,847	389,472,375	57,924,443	447,396,818
REVENUES UNDER EXPENDITURES	(477,320,119)	(334,467,961)	(50,762,481)	(385,230,442)
OTHER FINANCING SOURCES (USES):				
Transfers in	247,574,569	207,257,200	44,604,000	251,861,200
Transfers out	(85,000)	(85,000)	-	(85,000)
Bonds issued	64,804,149	42,139,991	36,860,000	78,999,991
Limited obligation bonds issued	148,860,000	148,860,000	-	148,860,000
Premiums on issuance	13,666,245	11,140,000	4,866,000	16,006,000
Capital lease proceeds	-	1,077,786	-	1,077,786
Sale of assets and materials	2,500,156	2,863,617	8,325	2,871,942
Total Other Financing Sources (Uses)	477,320,119	413,253,594	86,338,325	499,591,919
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 78,785,633	35,575,844	\$ 114,361,477
FUND BALANCE AT BEGINNING OF YEAR			78,785,633	
FUND BALANCE AT END OF YEAR			\$ 114,361,477	

# WAKE COUNTY, NORTH CAROLINA

## SCHOOL CAPITAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended June 30, 2020

			Actual	
	Project Authorization	Prior Years	Actual	Total To Date
REVENUES:				
Intergovernmental	\$ 20,971,782	\$ 34,504,150	\$ -	\$ 34,504,150
Investment earnings	68,105,414	69,483,992	102,631	69,586,623
Miscellaneous	4,328	4,328	-	4,328
Total Revenues	89,081,524	103,992,470	102,631	104,095,101
EXPENDITURES:				
Wake County Public Schools	3,117,423,030	2,361,456,799	288,385,625	2,649,842,424
Total Expenditures	3,117,423,030	2,361,456,799	288,385,625	2,649,842,424
REVENUES UNDER EXPENDITURES	(3,028,341,506)	(2,257,464,329)	(288,282,994)	(2,545,747,323)
OTHER FINANCING SOURCES (USES):				
Transfers in	435,480,047	378,522,533	38,381,000	416,903,533
Transfers out	(49,997,997)	(49,078,393)	(919,604)	(49,997,997)
Bonds issued	1,275,477,359	1,672,446,913	-	1,672,446,913
Bond anticipation notes issued	1,035,795,659	374,734,721	20,517,978	395,252,699
Repayment of bond anticipation notes	-	(374,734,721)	-	(374,734,721)
Drawdown installment notes issued	312,586,438	265,119,080	209,584,700	474,703,780
Repayment of drawdown installment notes	-	(265,119,080)	-	(265,119,080)
Limited obligation bonds issued	19,000,000	336,968,969	-	336,968,969
Premiums on issuance	-	97,722,893	-	97,722,893
Sale of assets and materials	-	99,600	-	99,600
Total Other Financing Sources (Uses)	3,028,341,506	2,436,682,515	267,564,074	2,704,246,589
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 179,218,186	(20,718,920)	\$ 158,499,266
FUND BALANCE AT BEGINNING OF YEAR			179,218,186	
FUND BALANCE AT END OF YEAR			\$ 158,499,266	

# WAKE COUNTY, NORTH CAROLINA

## WAKE COMMUNITY COLLEGE CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended June 30, 2020

	Actual			
	Project Authorization	Prior Years	Actual	Total To Date
REVENUES:				
Investment earnings	\$ 281,219	\$ 607,119	\$ -	\$ 607,119
Total Revenues	281,219	607,119	-	607,119
EXPENDITURES:				
Wake Technical College	311,598,433	107,394,594	47,248,166	154,642,760
Total Expenditures	311,598,433	107,394,594	47,248,166	154,642,760
REVENUES UNDER EXPENDITURES	(311,317,214)	(106,787,475)	(47,248,166)	(154,035,641)
OTHER FINANCING SOURCES (USES):				
Transfers in	45,341,128	35,442,157	10,033,000	45,475,157
Bonds issued	64,674,082	64,674,081	-	64,674,081
Bond anticipation notes issued	190,041,643	37,061,491	15,560,551	52,622,042
Repayment of bond anticipation notes	-	(37,061,491)	-	(37,061,491)
Drawdown installment notes issued	8,761,187	16,549,592	29,657,365	46,206,957
Repayment of drawdown installment notes	-	(16,549,592)	-	(16,549,592)
Limited obligation bonds issued	2,310,926	15,126,031	-	15,126,031
Premiums on issuance	188,248	1,611,810	-	1,611,810
Total Other Financing Sources (Uses)	311,317,214	116,854,079	55,250,916	172,104,995
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 10,066,604	8,002,750	\$ 18,069,354
FUND BALANCE AT BEGINNING OF YEAR			10,066,604	
FUND BALANCE AT END OF YEAR			\$ 18,069,354	

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

The ***Grants Fund*** accounts for the non-recurring revenues and expenditures, received from grants, donations and forfeiture funds, in a multi-year fund.

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

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

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

### **Capital Project Funds**

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

The ***Fire Capital Project Fund*** accounts for the acquisition of fire apparatus and equipment and renovations of fire facilities.

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

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

# WAKE COUNTY, NORTH CAROLINA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of June 30, 2020

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
<b>ASSETS</b>			
Cash and investments - pooled equity	\$ 6,670,488	\$ 43,594,630	\$ 50,265,118
Taxes receivable (net)	152,529	83,435	235,964
Accounts receivable (net)	909,988	-	909,988
Intergovernmental receivable (net)	2,471,036	-	2,471,036
Accrued interest receivable	13,829	135,304	149,133
Prepaid expenditures	42,737	-	42,737
Total assets	<u>\$ 10,260,607</u>	<u>\$ 43,813,369</u>	<u>\$ 54,073,976</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,014,845	\$ 1,222,599	\$ 3,237,444
Internal balances (due to other funds)	1,135,643	-	1,135,643
Total liabilities	<u>3,150,488</u>	<u>1,222,599</u>	<u>4,373,087</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>161,620</u>	<u>-</u>	<u>161,620</u>
Fund balances:			
Non-Spendable:			
FB Prepaid expenditures	42,737	-	42,737
Restricted:			
Stabilization by state statute	1,413,514	6,836,727	8,250,241
Committed:			
Working capital	2,906,568	-	2,906,568
Assigned:			
Planned expenditures	2,585,680	4,068,289	6,653,969
Future capital projects	-	31,685,754	31,685,754
Total fund balances	<u>6,948,499</u>	<u>42,590,770</u>	<u>49,539,269</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,260,607</u>	<u>\$ 43,813,369</u>	<u>\$ 54,073,976</u>

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

## **COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2020**

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
<b>REVENUES:</b>			
Taxes	\$ 26,951,035	\$ -	\$ 26,951,035
Intergovernmental	13,431,373	-	13,431,373
Charges for services	4,478,949	73,299	4,552,248
Investment earnings	115,699	704,620	820,319
Miscellaneous	2,973	564	3,537
Total Revenues	44,980,029	778,483	45,758,512
<b>EXPENDITURES:</b>			
General government	98,519	-	98,519
Human services	16,849,625	1,241,368	18,090,993
Community development and cultural	88,252	3,459,223	3,547,475
Environmental services	49,403	-	49,403
Public safety	26,660,850	4,658,118	31,318,968
General services administration	5,411	-	5,411
Total Expenditures	43,752,060	9,358,709	53,110,769
REVENUES OVER (UNDER) EXPENDITURES	1,227,969	(8,580,226)	(7,352,257)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	268,813	16,816,999	17,085,812
Transfers out	(2,554,146)	-	(2,554,146)
Sale of assets and materials	32,090	18,684	50,774
Total Other Financing Sources (Uses)	(2,253,243)	16,835,683	14,582,440
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,025,274)	8,255,457	7,230,183
FUND BALANCE AT BEGINNING OF YEAR	7,973,773	34,335,313	42,309,086
FUND BALANCE AT END OF YEAR	\$ 6,948,499	\$ 42,590,770	\$ 49,539,269

# WAKE COUNTY, NORTH CAROLINA

## COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS As of June 30, 2020

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Transportation	Total
<b>ASSETS</b>					
Cash and investments - pooled equity	\$ 3,547,857	\$ -	\$ 3,122,631	\$ -	\$ 6,670,488
Taxes receivable (net)	-	-	152,529	-	152,529
Accounts receivable (net)	3,454	105,462	-	801,072	909,988
Intergovernmental receivable (net)	418,945	1,679,678	200,760	171,653	2,471,036
Accrued interest receivable	4,067	-	9,911	(149)	13,829
Prepaid expenditures	42,737	-	-	-	42,737
Total assets	<u>\$ 4,017,060</u>	<u>\$ 1,785,140</u>	<u>\$ 3,485,831</u>	<u>\$ 972,576</u>	<u>\$ 10,260,607</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 423,805	\$ 632,784	\$ 55,166	\$ 903,090	\$ 2,014,845
Internal balances (due to other funds)	-	1,087,033	-	48,610	1,135,643
Total liabilities	<u>423,805</u>	<u>1,719,817</u>	<u>55,166</u>	<u>951,700</u>	<u>3,150,488</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>723</u>	<u>160,897</u>	<u>-</u>	<u>161,620</u>
Fund balances:					
Non-spendable:					
FB Prepaid expenditures	42,737	-	-	-	42,737
Restricted:					
Stabilization by state statute	964,838	64,600	363,200	20,876	1,413,514
Committed:					
Working capital	-	-	2,906,568	-	2,906,568
Assigned:					
Planned expenditures	2,585,680	-	-	-	2,585,680
Total fund balances	<u>3,593,255</u>	<u>64,600</u>	<u>3,269,768</u>	<u>20,876</u>	<u>6,948,499</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,017,060</u>	<u>\$ 1,785,140</u>	<u>\$ 3,485,831</u>	<u>\$ 972,576</u>	<u>\$ 10,260,607</u>



# WAKE COUNTY, NORTH CAROLINA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended June 30, 2020

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Transportation	Total
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ 26,951,035	\$ -	\$ 26,951,035
Intergovernmental	3,936,716	7,787,826	-	1,706,831	13,431,373
Charges for services	151,346	48,856	-	4,278,747	4,478,949
Investment earnings	18,034	-	92,847	4,818	115,699
Miscellaneous	2,973	-	-	-	2,973
Total Revenues	4,109,069	7,836,682	27,043,882	5,990,396	44,980,029
<b>EXPENDITURES:</b>					
General government	98,519	-	-	-	98,519
Human services	2,791,921	7,403,093	-	6,654,611	16,849,625
Community development and cultural	88,252	-	-	-	88,252
Environmental services	49,403	-	-	-	49,403
Public safety	1,342,769	-	25,318,081	-	26,660,850
General services administration	5,411	-	-	-	5,411
Total Expenditures	4,376,275	7,403,093	25,318,081	6,654,611	43,752,060
REVENUES OVER (UNDER) EXPENDITURES	(267,206)	433,589	1,725,801	(664,215)	1,227,969
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	268,813	-	-	-	268,813
Transfers out	(30,823)	-	(2,523,323)	-	(2,554,146)
Sale of assets and materials	-	-	-	32,090	32,090
Total Other Financing Sources (Uses)	237,990	-	(2,523,323)	32,090	(2,253,243)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(29,216)	433,589	(797,522)	(632,125)	(1,025,274)
FUND BALANCE AT BEGINNING OF YEAR	3,622,471	(368,989)	4,067,290	653,001	7,973,773
FUND BALANCE AT END OF YEAR	\$ 3,593,255	\$ 64,600	\$ 3,269,768	\$ 20,876	\$ 6,948,499

# WAKE COUNTY, NORTH CAROLINA

## COMBINING BALANCE SHEET

### NONMAJOR CAPITAL PROJECT FUNDS

As of June 30, 2020

	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Affordable Housing Capital Projects Fund	Total
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 7,245,613	\$ 9,757,857	\$ 26,591,160	\$ 43,594,630
Taxes receivable (net)	63,371	20,064	-	83,435
Accrued interest receivable	22,488	30,285	82,531	135,304
Total assets	<u>\$ 7,331,472</u>	<u>\$ 9,808,206</u>	<u>\$ 26,673,691</u>	<u>\$ 43,813,369</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,142,295	\$ 80,285	\$ 19	\$ 1,222,599
Total liabilities	<u>1,142,295</u>	<u>80,285</u>	<u>19</u>	<u>1,222,599</u>
Fund balances:				
Restricted:				
Stabilization by state statute	631,570	5,691,968	513,189	6,836,727
Assigned:				
Planned expenditures	2,073,097	1,995,192	-	4,068,289
Future capital projects	3,484,510	2,040,761	26,160,483	31,685,754
Total fund balances	<u>6,189,177</u>	<u>9,727,921</u>	<u>26,673,672</u>	<u>42,590,770</u>
Total liabilities and fund balances	<u>\$ 7,331,472</u>	<u>\$ 9,808,206</u>	<u>\$ 26,673,691</u>	<u>\$ 43,813,369</u>

# WAKE COUNTY, NORTH CAROLINA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECT FUNDS For the Year Ended June 30, 2020

	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Affordable Housing Capital Projects Fund	Total
<b>REVENUES:</b>				
Charges for services	\$ 48,051	\$ 25,248	\$ -	\$ 73,299
Investment earnings	118,504	185,483	400,633	704,620
Miscellaneous	-	564	-	564
Total Revenues	166,555	211,295	400,633	778,483
<b>EXPENDITURES:</b>				
Capital Projects:				
Human services	-	-	1,241,368	1,241,368
Community development and cultural	-	3,459,223	-	3,459,223
Public safety	4,658,118	-	-	4,658,118
Total Expenditures	4,658,118	3,459,223	1,241,368	9,358,709
REVENUES (UNDER) EXPENDITURES	(4,491,563)	(3,247,928)	(840,735)	(8,580,226)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	2,829,999	1,000,000	12,987,000	16,816,999
Sale of assets and materials	18,684	-	-	18,684
Total Other Financing Sources (Uses)	2,848,683	1,000,000	12,987,000	16,835,683
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,642,880)	(2,247,928)	12,146,265	8,255,457
FUND BALANCES AT BEGINNING OF YEAR	7,832,057	11,975,849	14,527,407	34,335,313
FUND BALANCES AT END OF YEAR	<u>\$ 6,189,177</u>	<u>\$ 9,727,921</u>	<u>\$ 26,673,672</u>	<u>\$ 42,590,770</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, 2020

		Actual		
	Project Authorization	Prior Years	Actual	Total To Date
REVENUES:				
Intergovernmental	\$ 36,393,143	\$ 29,505,305	\$ 3,936,716	\$ 33,442,021
Charges for services	1,389,235	1,377,964	151,346	1,529,310
Fines and forfeitures	62,045	62,481	-	62,481
Investment earnings	92,252	101,387	18,034	119,421
Miscellaneous	1,047,894	50,369	2,973	53,342
Total Revenues	38,984,569	31,097,506	4,109,069	35,206,575
EXPENDITURES:				
General administration	882,775	728,883	98,519	827,402
Human services	27,513,396	19,656,865	2,791,921	22,448,786
Community development	718,700	381,917	88,252	470,169
Public safety	10,998,292	7,867,444	1,342,769	9,210,213
Environmental services	626,350	385,670	49,403	435,073
General services administration	230,221	201,431	5,411	206,842
Total Expenditures	40,969,734	29,222,210	4,376,275	33,598,485
REVENUES OVER (UNDER) EXPENDITURES	(1,985,165)	1,875,296	(267,206)	1,608,090
OTHER FINANCING SOURCES (USES):				
Transfers in	2,315,213	2,046,400	268,813	2,315,213
Transfers out	(330,823)	(300,000)	(30,823)	(330,823)
Sale of assets and materials	775	775	-	775
Total Other Financing Sources (Uses)	1,985,165	1,747,175	237,990	1,985,165
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	\$ -	\$ 3,622,471	(29,216)	\$ 3,593,255
FUND BALANCE AT BEGINNING OF YEAR			3,622,471	
FUND BALANCE AT END OF YEAR			\$ 3,593,255	

# 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, 2020

	Project Authorization	Actual		
		Prior Years	Actual	Total To Date
REVENUES:				
Intergovernmental	\$ 22,078,871	\$ 11,032,724	\$ 7,787,826	\$ 18,820,550
Charges for services	295,446	247,127	48,856	295,983
Miscellaneous	2,490	6,589	-	6,589
Total Revenues	<u>22,376,807</u>	<u>11,286,440</u>	<u>7,836,682</u>	<u>19,123,122</u>
EXPENDITURES:				
Title I - Adult	3,642,863	1,767,451	1,875,406	3,642,857
Title I - Dislocated Workers	2,260,729	1,135,762	1,120,971	2,256,733
Title I - Youth	4,285,853	2,776,926	1,669,451	4,446,377
Statewide activities	2,230,616	1,252,930	825,660	2,078,590
Dislocated Worker - supplemental	175,461	152,340	-	152,340
WIOA administration	4,029,123	2,197,447	763,319	2,960,766
AmeriCorps	664,901	475,728	-	475,728
Special grants	386,000	385,956	-	385,956
YouthBuild	1,080,000	602,107	296,598	898,705
Wake Tech DOL Grants	1,991,261	908,782	511,680	1,420,462
US DOL Direct Grants	1,500,000	-	302,430	302,430
NC Department of Public Safety	130,000	-	37,578	37,578
Total Expenditures	<u>22,376,807</u>	<u>11,655,429</u>	<u>7,403,093</u>	<u>19,058,522</u>
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ (368,989)</u>	433,589	<u>\$ 64,600</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>(368,989)</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 64,600</u>	

# 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, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Taxes - ad valorem property	\$ 26,737,000	\$ 26,951,035	\$ 214,035
Investment earnings	51,000	92,847	41,847
Total Revenues	26,788,000	27,043,882	255,882
EXPENDITURES:			
Public Safety:			
Rural/Municipal fire districts	25,740,677	25,318,081	422,596
Total Expenditures	25,740,677	25,318,081	422,596
REVENUES OVER EXPENDITURES	1,047,323	1,725,801	678,478
OTHER FINANCING SOURCES (USES):			
Transfers out	(2,523,323)	(2,523,323)	-
Total Other Financing Sources (Uses)	(2,523,323)	(2,523,323)	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,476,000)	(797,522)	678,478
APPROPRIATED FUND BALANCE	1,476,000	-	(1,476,000)
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	(797,522)	\$ (797,522)
FUND BALANCE AT BEGINNING OF YEAR		4,067,290	
FUND BALANCE AT END OF YEAR		\$ 3,269,768	

# WAKE COUNTY, NORTH CAROLINA

## TRANSPORTATION FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Intergovernmental	\$ 3,619,354	\$ 1,706,831	\$ (1,912,523)
Charges for services	4,929,646	4,278,747	(650,899)
Investment earnings	-	4,818	4,818
Miscellaneous	118,000	-	(118,000)
Total Revenues	8,667,000	5,990,396	(2,676,604)
EXPENDITURES:			
Human services	9,269,816	6,654,611	2,615,205
Total Expenditures	9,269,816	6,654,611	2,615,205
REVENUES OVER EXPENDITURES	(602,816)	(664,215)	(61,399)
OTHER FINANCING SOURCES (USES):			
Sale of assets and materials	20,000	32,090	12,090
Total Other Financing Sources (Uses)	20,000	32,090	12,090
REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(582,816)	(632,125)	(49,309)
APPROPRIATED FUND BALANCE	582,816	-	(582,816)
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	(632,125)	\$ (632,125)
FUND BALANCE AT BEGINNING OF YEAR		653,001	
FUND BALANCE AT END OF YEAR		\$ 20,876	

# 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, 2020

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
REVENUES:				
Charges for services	\$ 242,956	\$ 371,017	\$ 48,051	\$ 419,068
Investment earnings	52,000	665,988	118,504	784,492
Total Revenues	294,956	1,037,005	166,555	1,203,560
EXPENDITURES:				
Capital projects:				
Fire and rescue CIP	20,964,641	13,665,355	4,658,118	18,323,473
Total Expenditures	20,964,641	13,665,355	4,658,118	18,323,473
REVENUES UNDER EXPENDITURES	(20,669,685)	(12,628,350)	(4,491,563)	(17,119,913)
OTHER FINANCING SOURCES (USES)				
Transfers in	21,700,688	21,344,962	2,829,999	24,174,961
Transfers out	(2,331,000)	(2,331,000)	-	(2,331,000)
Installment purchases issued	1,294,125	1,294,125	-	1,294,125
Sale of assets and materials	5,872	152,320	18,684	171,004
Total Other Financing Sources (Uses)	20,669,685	20,460,407	2,848,683	23,309,090
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 7,832,057	(1,642,880)	\$ 6,189,177
FUND BALANCE AT BEGINNING OF YEAR			7,832,057	
FUND BALANCE AT END OF YEAR			\$ 6,189,177	



# 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, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Charges for services	\$ 6,933,856	\$ 6,932,015	\$ 25,248	\$ 6,957,263
Investment earnings	697,002	789,436	185,483	974,919
Miscellaneous	678,874	678,310	564	678,874
Total Revenues	<u>8,309,732</u>	<u>8,399,761</u>	<u>211,295</u>	<u>8,611,056</u>
EXPENDITURES:				
Capital projects:				
Community development and cultural	30,494,509	17,792,563	3,459,223	21,251,786
Total Expenditures	<u>30,494,509</u>	<u>17,792,563</u>	<u>3,459,223</u>	<u>21,251,786</u>
REVENUES UNDER EXPENDITURES	<u>(22,184,777)</u>	<u>(9,392,802)</u>	<u>(3,247,928)</u>	<u>(12,640,730)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	22,879,777	22,063,651	1,000,000	23,063,651
Transfers out	(1,295,000)	(1,295,000)	-	(1,295,000)
Installment purchases issued	600,000	600,000	-	600,000
Total Other Financing Sources (Uses)	<u>22,184,777</u>	<u>21,368,651</u>	<u>1,000,000</u>	<u>22,368,651</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 11,975,849</u>	<u>(2,247,928)</u>	<u>\$ 9,727,921</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>11,975,849</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 9,727,921</u>	

# WAKE COUNTY, NORTH CAROLINA

## AFFORDABLE HOUSING CAPITAL PROJECTS FUND SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL From Project Inception Through June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Investment earnings	\$ -	\$ 323,111	\$ 400,633	\$ 723,744
Total Revenues	-	323,111	400,633	723,744
EXPENDITURES:				
Capital projects:				
Housing Operations	9,185,459	-	-	-
Equitable Housing and Support Services	15,200,574	-	-	-
Permanent Housing and Support Services	1,300,000	-	7,647	7,647
Homeless and Prevention Services	2,524,967	1,019,704	1,233,721	2,253,425
Total Expenditures	28,211,000	1,019,704	1,241,368	2,261,072
REVENUES UNDER EXPENDITURES	(28,211,000)	(696,593)	(840,735)	(1,537,328)
OTHER FINANCING SOURCES (USES)				
Transfers in	28,211,000	15,224,000	12,987,000	28,211,000
Total Other Financing Sources (Uses)	28,211,000	15,224,000	12,987,000	28,211,000
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 14,527,407	12,146,265	\$ 26,673,672
FUND BALANCE AT BEGINNING OF YEAR			14,527,407	
FUND BALANCE AT END OF YEAR			\$ 26,673,672	

# 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, 2020 and 2019

	Solid Waste Operating Fund	Solid Waste Capital Project	June 30, 2020	June 30, 2019
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 24,249,803	\$ 6,669,279	\$ 30,919,082	\$ 29,608,599
Cash and investments - reserved	9,358,241	-	9,358,241	11,095,307
Taxes receivable (net)	100,808	3,428	104,236	108,371
Accounts receivable (net)	385,963	-	385,963	230,441
Intergovernmental receivable (net)	545,339	-	545,339	540,215
Internal balance (due from other funds)	500,021	-	500,021	327,064
Prepaid expenses	1,400	-	1,400	1,400
Accrued interest receivable	103,875	21,280	125,155	417,110
Total assets	<u>\$ 35,245,450</u>	<u>\$ 6,693,987</u>	<u>\$ 41,939,437</u>	<u>\$ 42,328,507</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,494,981	\$ 50,566	\$ 1,545,547	\$ 2,440,808
Internal balance (due to other funds)	160,477	-	160,477	145,317
Closure/post-closure care reserves	9,358,241	-	9,358,241	11,095,307
Total liabilities	<u>11,013,699</u>	<u>50,566</u>	<u>11,064,265</u>	<u>13,681,432</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>96,035</u>	<u>-</u>	<u>96,035</u>	<u>76,072</u>
Fund balances:				
Non-spendable:				
Prepaid expenditures	1,400	-	1,400	1,400
Restricted:				
Stabilization by state statute	1,741,844	404,034	2,145,878	2,377,928
White goods	4,287,880	-	4,287,880	3,907,503
Assigned:				
Planned expenditures	2,180,909	6,239,387	8,420,296	2,305,723
Future capital projects	-	-	-	3,685,581
Unassigned	15,923,683	-	15,923,683	16,292,868
Total fund balances	<u>24,135,716</u>	<u>6,643,421</u>	<u>30,779,137</u>	<u>28,571,003</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,245,450</u>	<u>\$ 6,693,987</u>	<u>\$ 41,939,437</u>	<u>\$ 42,328,507</u>

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

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

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

### **SOLID WASTE OPERATING FUND**

**For the Year Ended June 30, 2020**

**With Comparative Actual Amounts for the Year Ended June 30, 2019**

	2020		2019
	Budget	Actual	Actual
REVENUES:			
Intergovernmental	\$ 2,428,189	\$ 2,330,917	\$ 2,278,073
Charges for services	9,829,393	9,971,945	9,527,501
Licenses and permits	7,500	8,900	8,600
Investment earnings	460,614	455,369	941,277
Miscellaneous	2,927,702	1,536,314	1,999,771
Total Revenues	15,653,398	14,303,445	14,755,222
EXPENDITURES:			
Cost of service	13,191,538	9,590,538	9,786,653
Administration	2,492,462	2,414,835	2,144,159
Total Expenditures	15,684,000	12,005,373	11,930,812
REVENUES OVER (UNDER) EXPENDITURES	(30,602)	2,298,072	2,824,410

(continued)

# WAKE COUNTY, NORTH CAROLINA

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

### SOLID WASTE OPERATING FUND (continued)

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		2019
	Budget	Actual	Actual
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,186,879	1,186,879	1,118,303
Transfers out	(3,462,000)	(450,000)	(450,000)
Total Other Financing Sources (Uses)	(2,275,121)	736,879	668,303
<b>APPROPRIATED FUND BALANCE</b>	2,305,723	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 3,034,951	\$ 3,492,713
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES:		\$ 3,034,951	\$ 3,492,713
Reconciling items:			
Compensated absences expenses		(6,132)	(9,057)
OPEB expenses		(21,030)	34,159
Risk management expenses		570	11,490
Pension expenses		(97,027)	(21,909)
Net increase/(decrease) in deferred revenue - charges for services		21,289	5,382
Investment earnings - Construction Fund		113,316	183,749
Expenditures - Construction Fund		(1,090,122)	(3,738,414)
Transfers In - Construction Fund		150,000	-
Acquisition of capital assets		694,883	4,530,242
Depreciation and depletion		(965,067)	(639,402)
Change in net position		\$ 1,835,631	\$ 3,848,953

# 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, 2020

		Actual		
	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES:				
Investment earnings	\$ 1,950,476	\$ 2,066,378	\$ 113,316	\$ 2,179,694
Miscellaneous	242,188	35,276	450	35,726
Total Revenues	2,192,664	2,101,654	113,766	2,215,420
EXPENDITURES:				
Enterprise infrastructure	31,408,105	24,427,953	1,090,586	25,518,539
Future projects	479,630	-	-	-
Total Expenditures	31,887,735	24,427,953	1,090,586	25,518,539
REVENUES OVER (UNDER) EXPENDITURES	(29,695,071)	(22,326,299)	(976,820)	(23,303,119)
OTHER FINANCING SOURCES AND USES:				
Transfers in	29,695,071	26,784,537	3,162,000	29,946,537
Total other financing sources and uses	29,695,071	26,784,537	3,162,000	29,946,537
REVENUES, AND OTHER SOURCES, OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 4,458,238	2,185,180	\$ 6,643,418
Fund Balance at the beginning of the year			4,458,238	
FUND BALANCE AT THE END OF THE YEAR			\$ 6,643,418	

# WAKE COUNTY, NORTH CAROLINA

## BUDGETARY COMBINING BALANCE SHEET SOUTH WAKE LANDFILL PARTNERSHIP FUND (NON-GAAP) MODIFIED ACCRUAL BASIS OF ACCOUNTING As of June 30, 2020 and 2019

	South Wake Landfill	East Wake Transfer Station	June 30, 2020	June 30, 2019
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 4,708,008	\$ (109,486)	\$ 4,598,522	\$ 4,069,527
Cash and investments - reserved	12,252,754	-	12,252,754	10,410,865
Cash and investments - cash equivalents	450	450	900	900
Accounts receivable (net)	424,713	1,674,365	2,099,078	2,975,070
Internal balance (due from other funds)	63,680	96,797	160,477	145,317
Accrued interest receivable	22,983	29,237	52,220	154,304
Total assets	<u>\$ 17,472,588</u>	<u>\$ 1,691,363</u>	<u>\$ 19,163,951</u>	<u>\$ 17,755,983</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,334,944	\$ 578,871	\$ 2,913,815	\$ 1,689,076
Due to other governmental units	1,375,053	-	1,375,053	3,322,056
Internal balance (due to other funds)	500,021	-	500,021	327,064
Construction reserves	-	1,102,994	1,102,994	855,985
Closure/post-closure care reserves	12,252,754	-	12,252,754	10,410,865
Total liabilities	<u>16,462,772</u>	<u>1,681,865</u>	<u>18,144,637</u>	<u>16,605,046</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>7,151</u>	<u>8,103</u>	<u>15,254</u>	<u>146,877</u>
Fund balances:				
Restricted:				
Stabilization by state statute	549,477	1,395	550,872	844,910
Assigned:				
Planned expenditures	453,188	-	453,188	159,150
Total fund balances	<u>1,002,665</u>	<u>1,395</u>	<u>1,004,060</u>	<u>1,004,060</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,472,588</u>	<u>\$ 1,691,363</u>	<u>\$ 19,163,951</u>	<u>\$ 17,755,983</u>

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

# WAKE COUNTY, NORTH CAROLINA

**SOUTH WAKE LANDFILL PARTNERSHIP FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**For the Year Ended June 30, 2020**  
**With Comparative Actual Amounts for the Year Ended June 30, 2019**

	June 30, 2020						June 30, 2019
	South Wake Landfill		East Wake Transfer Station		Total		Total
	Budget	Actual	Budget	Actual	Budget	Actual	Actual
REVENUES:							
Charges for services	\$ 16,662,825	\$ 5,238,248	\$ 4,237,175	\$ 14,779,778	\$ 20,900,000	\$ 20,018,026	\$ 18,775,912
Investment earnings	-	96,448	-	71,939	-	168,387	383,724
Total Revenues	16,662,825	5,334,696	4,237,175	14,851,717	20,900,000	20,186,413	19,159,636
EXPENDITURES:							
Cost of service	9,966,133	9,475,595	5,445,245	4,966,639	15,411,378	14,442,234	13,385,746
Administration	215,143	197,011	581,570	586,720	796,713	783,731	770,166
Partner rebates	3,355,030	3,623,569	-	-	3,355,030	3,623,569	3,885,421
Total Expenditures	13,536,306	13,296,175	6,026,815	5,553,359	19,563,121	18,849,534	18,041,333
REVENUES OVER (UNDER) EXPENDITURES	3,126,519	(7,961,479)	(1,789,640)	9,298,358	1,336,879	1,336,879	1,118,303
OTHER FINANCING SOURCES (USES):							
Intrafund transfers in	-	9,080,391	-	-	-	9,080,391	8,490,566
Intrafund transfers out	-	-	-	(9,080,391)	-	(9,080,391)	(8,490,566)
Transfers out	(1,118,912)	(1,118,912)	(217,967)	(217,967)	(1,336,879)	(1,336,879)	(1,118,303)
Total Other Financing Sources (Uses)	(1,118,912)	7,961,479	(217,967)	(9,298,358)	(1,336,879)	(1,336,879)	(1,118,303)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 2,007,607	\$ -	\$ (2,007,607)	\$ -	\$ -	\$ -	\$ -
Reconciliation from budgetary basis of modified accrual to full accrual basis:							
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES						-	-
Reconciling items							
Net change in deferred revenue						(131,621)	122,770
Compensated absences expenses						(3,462)	(507)
OPEB expenses						(6,935)	11,308
Risk management expenses						195	13,103
Pension expenses						(18,546)	(4,195)
Change in net position						\$ (160,369)	\$ 142,479



# WAKE COUNTY, NORTH CAROLINA

## BUDGETARY BALANCE SHEET CORPORATE FLEET FUND (NON-GAAP) MODIFIED ACCRUAL BASIS OF ACCOUNTING As of June 30, 2020 and 2019

	June 30, 2020	June 30, 2019
<b>ASSETS</b>		
Cash and investments - pooled equity	\$ 5,906,776	\$ 3,762,325
Accounts receivable (net)	50,516	5,899
Intergovernmental receivable (net)	31,618	22,050
Accrued interest receivable	18,339	40,278
Inventories	40,435	78,864
<b>TOTAL ASSETS</b>	<b>\$ 6,047,684</b>	<b>\$ 3,909,416</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 587,832	\$ 505,776
Fund Balances:		
Non-spendable:		
Inventories	40,435	78,864
Restricted:		
Stabilization by state statute	1,790,428	898,226
Assigned:		
Planned expenditures	350,328	197,836
Unassigned	3,278,661	2,228,714
<b>Total Fund Balances</b>	<b>5,459,852</b>	<b>3,403,640</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 6,047,684</b>	<b>\$ 3,909,416</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)**  
**As of June 30, 2020 and 2019**

	2020		2019
	Budget	Actual	Actual
<b>REVENUES:</b>			
Charges for services	\$ 9,674,081	\$ 9,456,222	\$ 9,270,096
Miscellaneous	3,247	995	3,359
Investment earnings	20,000	72,760	103,924
Sale of assets and materials	507,836	549,198	574,048
Total Revenues	10,205,164	10,079,175	9,951,427
<b>EXPENDITURES:</b>			
Cost of service	8,471,121	6,462,844	8,522,129
Administration	1,702,304	1,560,142	1,528,018
Reserves	858,710	-	-
Total Expenditures	11,032,135	8,022,986	10,050,147
REVENUES UNDER EXPENDITURES	(826,971)	2,056,189	(98,720)
APPROPRIATED FUND BALANCE	826,971	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES	-	2,056,189	(98,720)
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES		\$ 2,056,189	\$ (98,720)
Reconciling items			
Compensated absences expenses		(5,871)	(8,138)
OPEB expenses		(24,737)	40,492
Risk management expenses		701	1,269
Pension expenses		(83,808)	(18,181)
Acquisition of capital assets		2,819,714	4,594,627
Disposal of capital assets		(230,216)	(96,311)
Depreciation of capital assets		(3,687,785)	(3,773,034)
Change in net position		\$ 844,187	\$ 642,004

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

### **COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES CUSTODIAL FUNDS**

**As of June 30, 2020**

	Fines and Forfeitures	Human Services	Municipal Tax	Total
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 50,340	\$ 447,848	\$ 20,780	\$ 518,968
Accounts receivable (net)	33,535	6,854	4,758,552	4,798,941
Accrued interest receivable	156	1,347	-	1,503
Total assets	<u>84,031</u>	<u>456,049</u>	<u>4,779,332</u>	<u>5,319,412</u>
<b>LIABILITIES</b>				
Accounts payable	-	26,635	94	26,729
Due to other governmental units	<u>66,778</u>	<u>-</u>	<u>4,745,816</u>	<u>4,812,594</u>
Total liabilities	<u>66,778</u>	<u>26,635</u>	<u>4,745,910</u>	<u>4,839,323</u>
<b>FUND BALANCE</b>				
Restricted for individuals, organizations, and other governments	<u>17,253</u>	<u>429,414</u>	<u>33,422</u>	<u>480,089</u>
Total fund balance	<u>\$ 17,253</u>	<u>\$ 429,414</u>	<u>\$ 33,422</u>	<u>\$ 480,089</u>

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

## **COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS**

**For the Year Ended June 30, 2020**

	<u>Fines and Forfeitures</u>	<u>Human Services</u>	<u>Municipal Tax</u>	<u>Total</u>
<b>ADDITIONS</b>				
Contributions - clients	\$ 1,948,153	\$ 2,696,068	\$ -	\$ 4,644,221
Tax collections for other governments	-	-	550,620,722	550,620,722
Net investment income	2,261	4,694	74,646	81,601
Miscellaneous	<u>1,333</u>	<u>-</u>	<u>-</u>	<u>1,333</u>
Total additions	<u>1,951,747</u>	<u>2,700,762</u>	<u>550,695,368</u>	<u>555,347,877</u>
<b>DEDUCTIONS</b>				
Administrative	-	1,457	-	1,457
Benefits	2,115,232	2,530,053	24,974,223	29,619,508
Payments of tax to other governments	<u>-</u>	<u>-</u>	<u>525,706,030</u>	<u>525,706,030</u>
Total deductions	<u>2,115,232</u>	<u>2,531,510</u>	<u>550,680,253</u>	<u>555,326,995</u>
Change in net position	(163,485)	169,252	15,115	20,882
Net position - beginning	<u>180,738</u>	<u>260,162</u>	<u>18,307</u>	<u>459,207</u>
Net position - ending	<u>\$ 17,253</u>	<u>\$ 429,414</u>	<u>\$ 33,422</u>	<u>\$ 480,089</u>



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR END JUNE 30, 2020**

## **CAPITAL ASSETS**

The Capital Assets Section provides information about capital assets used in the operation of governmental funds.

# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS BY FUNCTION AND CATEGORY As of June 30, 2020

Function	Land	Intangibles	Buildings	Improvements	Machinery and Equipment	Vehicles and Motorized Equipment	Computer Software	Infrastructure	Construction in progress	Total
General government	\$ 12,243,095	\$ -	\$ 64,130,277	\$ 3,171,116	\$ 7,365,512	\$ 631,833	\$ 23,434,627	\$ 340,990	\$ -	\$ 111,317,450
Human services	6,324,789	-	92,824,037	210,000	1,215,803	3,991,582	1,881,253	-	-	106,447,464
Education	1,303,610	-	30,541,487	3,947,902	-	-	-	-	-	35,792,999
Community development	104,691,071	1,032,044	126,181,073	2,425,452	1,452,305	321,712	2,142,136	369,318	-	238,615,111
Environmental services	17,145,437	-	4,979,210	-	236,416	476,631	-	22,500,778	-	45,338,472
Public safety	8,073,780	-	522,773,692	11,893,262	20,130,926	19,664,090	-	-	-	582,535,750
General services administration	64,740	-	818,786	275,889	5,092,451	30,822,752	-	616,014	-	37,690,632
Construction in progress	-	-	-	-	-	-	-	-	46,142,845	46,142,845
Total Governmental Capital Assets	<u>\$ 149,846,522</u>	<u>\$ 1,032,044</u>	<u>\$ 842,248,562</u>	<u>\$ 21,923,621</u>	<u>\$ 35,493,413</u>	<u>\$ 55,908,600</u>	<u>\$ 27,458,016</u>	<u>\$ 23,827,100</u>	<u>\$ 46,142,845</u>	<u>\$ 1,203,880,723</u>



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR END JUNE 30, 2020**

## **LONG-TERM GOVERNMENTAL LIABILITIES**

This section provides information about changes in long-term governmental liabilities and the maturity schedules of outstanding debt.

# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT

As of June 30, 2020

	Date of Issue	Interest Rate	Amount Issued	Debt Outstanding June 30, 2019	Net Additions (Retirements)	Debt Outstanding June 30, 2020
GENERAL OBLIGATION BONDS:						
2010A Public improvement bonds	03/30/10	3.00-5.00%	\$ 86,295,000	\$ 26,540,000	\$ (26,540,000)	\$ -
2010B Public improvement recovery zone economic development bonds	03/30/10	4.80-5.30%	39,505,000	39,505,000	(39,505,000)	-
2010C Refunding	05/13/10	2.00-5.00%	383,420,000	296,685,000	(33,210,000)	263,475,000
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	3,790,000	(1,895,000)	1,895,000
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	67,650,000	(6,150,000)	61,500,000
2012A School Bonds	02/08/12	3.00-5.00%	96,790,000	61,200,000	(5,100,000)	56,100,000
2012B Refunding	02/08/12	5.00%	75,290,000	33,105,000	(27,845,000)	5,260,000
2013A School Bonds	05/06/13	2.50-5.00%	51,165,000	35,100,000	(2,700,000)	32,400,000
2013B Public Improvement	05/07/13	3.00-5.00%	125,250,000	85,800,000	(6,600,000)	79,200,000
2014 Public Improvement	09/02/14	3.25-5.00%	345,240,000	290,720,000	(18,170,000)	272,550,000
2015 Public Improvement	04/15/15	3.00-5.00%	94,000,000	79,200,000	(4,950,000)	74,250,000
2016A Refunding	11/01/16	5.00%	162,895,000	99,470,000	(9,340,000)	90,130,000
2017A Public Improvement	03/01/17	3.00-5.00%	33,700,000	30,330,000	(1,685,000)	28,645,000
2017B School Bonds	03/01/17	3.00-5.00%	82,415,000	74,165,000	(4,125,000)	70,040,000
2018A Public Improvement	03/08/18	3.00-5.00%	197,745,000	187,290,000	(10,405,000)	176,885,000
2019A Public Improvement	01/30/19	3.00-5.00%	151,055,000	151,055,000	(7,955,000)	143,100,000
2019B Refunding	01/30/19	5.00%	113,940,000	113,940,000	(24,125,000)	89,815,000
2019C Public Improvement	10/30/19	2.50-5.00%	36,860,000	-	36,860,000	36,860,000
2020A GO Refunding	04/29/20	5.00%	49,345,000	-	49,345,000	49,345,000
2020B GO Refunding	05/12/20	5.00%	14,330,000	-	14,330,000	14,330,000
Total General Obligation Bonds				\$ 1,727,510,000	\$ (146,820,000)	\$ 1,580,690,000
OTHER LONG-TERM DEBT:						
Bond anticipation notes				-	36,078,529	36,078,529
Drawdown installment purchase				-	239,242,066	239,242,066
Limited obligation bonds				549,885,000	(20,005,000)	529,880,000
Installment purchase				4,427,115	(708,000)	3,719,115
Capitalized equipment leases				34,883	(2,578)	32,305
Other post-employment benefits				387,546,356	26,243,584	413,789,940
Net pension liability - LEOSSA				17,014,647	1,847,392	18,862,039
Net pension liability - LGERS				80,722,947	15,096,853	95,819,800
Compensated absences				14,391,284	2,020,579	16,411,863
Total other long-term debt				1,054,022,232	299,813,425	1,353,835,657
TOTAL GOVERNMENTAL LONG-TERM DEBT				\$ 2,781,532,232	\$ 152,993,425	\$ 2,934,525,657



# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF LONG-TERM DEBT MATURITIES AND ANNUAL DEBT SERVICE REQUIREMENTS FOR GOVERNMENTAL ACTIVITIES As of June 30, 2020

BONDED DEBT Fiscal Year Ended June 30	PUBLIC SCHOOLS		COMMUNITY COLLEGE		OTHER		TOTAL	
	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest
2021	\$ 121,705,274	\$ 177,866,537	\$ 17,872,597	\$ 25,946,911	\$ 11,832,129	\$ 17,002,293	\$ 151,410,000	\$ 220,815,741
2022	135,885,314	186,133,989	16,527,714	23,976,989	11,496,971	16,075,529	163,909,999	226,186,507
2023	133,865,000	177,319,409	17,580,691	24,171,330	11,219,309	15,223,018	162,665,000	216,713,757
2024	130,966,470	167,826,040	17,369,975	23,135,763	11,103,554	14,566,578	159,439,999	205,528,381
2025	130,424,351	160,791,831	17,346,799	22,298,273	11,108,850	14,033,027	158,880,000	197,123,131
2026	88,952,367	113,105,025	14,054,843	18,192,911	7,387,790	9,778,646	110,395,000	141,076,582
2027	94,160,636	114,302,743	12,732,305	16,221,690	5,837,059	7,885,711	112,730,000	138,410,144
2028	59,349,618	75,269,276	12,778,324	15,746,237	5,837,059	7,620,320	77,965,001	98,635,833
2029	59,183,149	72,620,331	12,799,792	15,243,809	5,837,059	7,354,206	77,820,000	95,218,346
2030	53,595,203	64,512,706	12,212,738	14,116,638	5,837,059	7,086,052	71,645,000	85,715,396
2031-2035	211,358,723	239,056,276	35,208,451	39,053,212	23,232,827	26,549,143	269,800,001	304,658,631
2036-2039	48,848,511	51,593,411	4,051,489	4,274,896	11,130,000	11,676,225	64,030,000	67,544,532
Total Bonded Debt	1,268,294,616	1,600,397,574	190,535,718	242,378,659	121,859,666	154,850,748	1,580,690,000	1,997,626,981
<b>OTHER LONG-TERM DEBT:</b>								
Total limited obligation bonds, installment purchases and capitalized leases:								
2021	17,801,186	33,283,391	733,814	1,385,196	12,318,038	20,907,621	30,853,038	55,576,208
2022	17,801,186	32,393,332	733,814	1,348,506	12,290,457	20,287,816	30,825,457	54,029,654
2023	17,801,186	31,503,273	733,814	1,311,815	12,223,384	19,629,670	30,758,384	52,444,758
2024	17,801,186	30,613,213	733,814	1,275,124	12,158,426	18,975,426	30,693,426	50,863,763
2025	17,801,186	29,723,154	733,814	1,238,434	11,993,000	18,222,386	30,528,000	49,183,974
2026-2030	89,005,931	135,264,880	3,669,069	5,641,808	57,633,115	80,115,735	150,308,115	221,022,423
2031-2035	88,972,155	113,778,933	3,667,845	4,739,473	55,175,000	64,604,750	147,815,000	183,123,156
2036-2039	63,157,714	68,138,216	2,772,286	3,000,109	15,920,000	16,422,900	81,850,000	87,561,225
Total Other Long-Term Debt	330,141,730	474,698,392	13,778,270	19,940,465	189,711,420	259,166,304	533,631,420	753,805,161
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 1,598,436,346</b>	<b>\$ 2,075,095,966</b>	<b>\$ 204,313,988</b>	<b>\$ 262,319,124</b>	<b>\$ 311,571,086</b>	<b>\$ 414,017,052</b>	<b>\$ 2,114,321,420</b>	<b>\$ 2,751,432,142</b>

On the Statement of Net Assets as of June 30, 2020, the amounts reported as liabilities for general obligation bonds - schools, general obligation bonds - community college, general obligation bonds - other and limited obligation bonds also includes premiums on issuance of bonds of \$143,170,348, \$26,962,493, \$13,139,737 and \$90,546,297 respectively, which will be amortized over the life of its related debt.



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR END JUNE 30, 2020**

## **STATISTICAL SECTION**

The Statistical Section provides trends, statistical and demographic information about the County.

# ***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>131</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>136</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>142</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>146</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>148</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.	

# WAKE COUNTY, NORTH CAROLINA

TABLE 1

	Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)									
	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 475,499,631	\$ 501,015,238	\$ 481,647,900	\$ 514,397,874	\$ 516,347,191	\$ 498,217,507	\$ 501,195,521	\$ 517,404,228	\$ 539,201,799	\$ 545,733,037
Restricted	313,308,968	194,344,857	205,986,156	174,547,627	384,569,749	330,499,243	222,312,515	308,540,955	360,537,544	280,499,264
Unrestricted	(1,553,597,961)	(1,496,839,039)	(1,419,397,209)	(1,380,105,906)	(1,588,121,415)	(1,686,182,914)	(1,765,284,179)	(2,220,686,272)	(2,391,773,036)	(2,342,476,675)
Total governmental activities net position	(764,789,362)	(801,478,944)	(731,763,153)	(691,160,405)	(687,204,475)	(857,466,164)	(1,041,776,143)	(1,394,741,089)	(1,492,033,693)	(1,516,244,374)
Business-type activities										
Net investment in capital assets	13,711,534	13,633,543	13,026,721	12,753,655	13,031,162	14,569,010	15,068,176	22,609,239	26,500,079	26,229,895
Restricted	3,515,460	4,034,015	4,542,124	7,104,803	5,987,408	6,056,990	19,253,925	9,993,083	9,207,418	15,309,949
Unrestricted	25,491,356	27,223,180	26,240,199	24,955,038	27,946,413	24,872,362	15,962,641	19,263,466	20,149,543	16,019,903
Total business-type activities net position	42,718,350	44,890,738	43,809,044	44,813,496	46,964,983	45,498,362	50,284,742	51,865,788	55,857,040	57,559,747
Primary government										
Net investment in capital assets	489,211,165	514,648,781	494,674,621	527,151,529	529,378,353	512,786,517	516,263,697	540,013,467	565,701,878	571,962,932
Restricted	316,824,428	198,378,872	210,528,280	181,652,430	390,557,157	336,556,233	241,566,440	318,534,038	369,744,962	295,809,213
Unrestricted	(1,528,106,605)	(1,469,615,859)	(1,393,157,010)	(1,355,150,868)	(1,560,175,002)	(1,661,310,552)	(1,749,321,538)	(2,201,422,806)	(2,371,623,493)	(2,326,456,772)
Total primary government net position	\$ (722,071,012)	\$ (756,588,206)	\$ (687,954,109)	\$ (646,346,909)	\$ (640,239,492)	\$ (811,967,802)	\$ (991,491,401)	\$ (1,342,875,301)	\$ (1,436,176,653)	\$ (1,458,684,627)

# WAKE COUNTY, NORTH CAROLINA

TABLE 2

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 61,575,688	\$ 59,589,399	\$ 57,447,794	\$ 60,865,049	\$ 67,697,095	\$ 83,075,414	\$ 99,044,204	\$ 80,185,660	\$ 97,679,473	\$ 102,208,128
Human services	225,731,230	235,191,515	210,045,271	205,788,808	211,150,777	208,574,457	213,554,750	203,680,860	201,487,561	230,208,116
Education	457,469,350	467,744,519	423,906,638	455,501,432	555,325,661	744,326,523	797,456,473	782,647,207	833,134,178	890,269,328
Community development and cultural	62,457,707	72,248,767	73,419,595	77,962,399	82,956,045	90,192,355	90,601,804	94,338,763	124,181,812	108,144,635
Environmental services	10,261,353	8,560,310	8,647,932	9,853,941	8,376,306	25,539,274	11,323,588	12,658,925	14,174,144	15,390,675
Public safety	129,945,055	143,349,347	139,372,822	160,415,579	156,438,722	169,946,017	179,665,266	197,011,329	200,087,445	205,928,673
General services administration	24,364,454	21,913,044	23,127,651	27,622,029	26,171,169	27,303,740	28,182,737	23,328,303	31,530,790	37,301,467
Interest on long-term debt	72,727,338	92,679,977	66,354,069	65,867,422	70,672,162	114,306,796	88,754,145	63,623,613	98,784,457	90,319,011
Total governmental activities	1,044,532,175	1,101,276,878	1,002,321,772	1,063,876,659	1,178,787,937	1,463,264,576	1,508,582,967	1,457,474,660	1,601,059,860	1,679,770,033
Business-type activities:										
Solid waste	23,291,842	23,576,133	25,376,961	27,429,783	24,952,760	29,938,448	24,405,067	28,416,519	29,785,507	32,340,135
Total primary government expenses	1,067,824,017	1,124,853,011	1,027,698,733	1,091,306,442	1,203,740,697	1,493,203,024	1,532,988,034	1,485,891,179	1,630,845,367	1,712,110,168
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	6,193,871	7,396,357	7,831,642	7,145,238	9,352,103	9,789,639	8,064,187	9,154,064	9,242,462	10,933,918
Human services	26,662,361	25,935,891	21,954,285	20,072,420	17,306,740	20,285,322	24,154,518	21,611,239	22,295,355	21,128,832
Education	-	-	-	12,483	11,800	11,500	8,000	8,000	14,295	12,917
Community development and cultural	2,916,663	9,524,859	4,698,640	6,163,223	7,666,631	5,526,266	5,731,894	8,315,462	18,925,489	8,047,851
Environmental services	1,517,953	1,647,646	1,942,165	(254,415)	2,326,173	2,024,989	2,881,070	2,995,866	2,671,034	3,032,784
Public safety	21,772,992	29,494,441	32,543,421	31,253,703	32,842,889	34,945,056	35,528,506	39,273,674	36,052,746	39,845,176
General services administration	2,754,829	2,515,414	2,354,779	3,065,362	2,744,893	2,853,052	2,866,243	2,962,700	2,574,456	2,346,382
Operating grants and contributions:										
General government	2,646,944	3,365,340	1,883,518	1,892,488	1,798,846	16,409,314	1,282,965	5,152,979	1,724,895	5,748,370
Human services	124,614,245	119,719,778	120,556,434	101,438,548	101,650,078	106,066,571	109,785,997	82,565,794	79,199,832	90,977,740
Education	23,269,710	13,961,465	15,136,373	17,457,029	15,538,264	4,454,720	12,284,268	13,673,927	11,180,430	28,993,589
Community development and cultural	668,917	2,002,578	577,185	661,337	607,289	2,290,561	2,105,469	1,242,013	1,115,242	957,523
Environmental services	212,172	329,287	530,232	807,674	152,347	199,517	171,222	175,803	200,396	124,557
Public safety	6,101,846	3,084,164	782,594	1,389,125	1,871,402	1,859,644	1,113,285	1,557,629	1,347,853	1,620,952
General services administration	10,375	11,100	7,825	13,360	15,125	132,687	14,928	11,936	15,937	3,850
Total governmental activities program revenues	219,342,878	218,988,320	210,799,093	191,117,575	193,884,580	206,848,838	205,992,552	188,701,086	186,560,422	213,774,441
Business-type activities:										
Charges for services: solid waste	22,512,763	22,322,650	21,836,839	22,641,326	23,981,146	25,221,294	25,419,927	26,284,880	28,440,165	29,888,089
Operating grants and contributions: solid waste	1,621,434	1,688,916	1,601,437	1,638,999	1,760,881	1,964,590	2,097,102	2,433,484	2,278,073	2,330,917
Total business-type activities program revenues	24,134,197	24,011,566	23,438,276	24,280,325	25,742,027	27,185,884	27,517,029	28,718,364	30,718,238	32,219,006
Total primary government program revenues	243,477,075	242,999,886	234,237,369	215,397,900	219,626,607	234,034,722	233,509,581	217,419,450	217,278,660	245,993,447

# WAKE COUNTY, NORTH CAROLINA

TABLE 2

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (825,189,297)	\$ (882,288,558)	\$ (791,522,679)	\$ (872,759,084)	\$ (984,903,357)	\$ (1,256,415,738)	\$ (1,302,410,415)	\$ (1,268,773,574)	\$ (1,414,499,438)	\$ (1,465,995,592)
Business-type activities	842,355	435,433	(1,938,685)	(3,149,458)	789,267	(2,752,564)	3,111,962	301,845	932,731	(121,129)
Total primary government net expense	(824,346,942)	(881,853,125)	(793,461,364)	(875,908,542)	(984,114,090)	(1,259,168,302)	(1,299,298,453)	(1,268,471,729)	(1,413,566,707)	(1,466,116,721)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	658,044,349	666,196,637	675,565,832	704,500,482	763,304,541	836,704,096	873,850,162	916,010,246	1,001,983,686	1,133,252,950
Sales taxes	114,034,923	120,834,877	127,273,310	141,340,059	154,509,781	167,601,590	177,057,150	185,587,183	202,550,087	209,288,739
Occupancy and prepared food taxes	33,137,525	35,814,980	38,158,690	41,270,144	45,551,385	49,352,108	52,197,266	55,132,299	60,289,276	51,795,016
Other taxes	7,070,086	8,640,999	9,916,198	11,435,136	13,778,283	14,994,021	14,851,460	16,454,181	18,121,023	18,526,672
Grants and contributions										
not restricted to specific programs	8,179,519	9,500,462	5,294,595	9,977,509	7,510,466	8,708,612	8,753,474	9,235,090	11,140,276	13,341,756
Unrestricted investment earnings	9,486,862	3,778,383	2,517,197	2,239,488	1,717,475	5,157,359	4,320,332	9,524,439	20,572,770	14,346,490
Gain on sale of capital assets	-	-	-	-	-	-	855,639	748,511	474,029	274,220
Other	1,947,843	428,639	2,056,648	2,192,694	2,037,356	3,186,263	1,005,124	695,061	1,625,687	509,068
Transfers	404,000	404,000	456,000	406,320	450,000	450,000	450,000	450,000	450,000	450,000
Total governmental activities	832,305,107	845,598,977	861,238,470	913,361,832	988,859,287	1,086,154,049	1,133,340,607	1,193,837,010	1,317,206,834	1,441,784,911
Business-type activities:										
Unrestricted investment earnings	522,993	323,376	85,443	196,199	227,482	456,407	217,718	763,080	1,508,750	737,072
Other	943,682	1,817,578	1,227,548	4,364,031	1,584,738	1,279,536	1,906,700	2,307,430	1,999,771	1,536,764
Transfers	(404,000)	(404,000)	(456,000)	(406,320)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
Total business-type activities	1,062,675	1,736,954	856,991	4,153,910	1,362,220	1,285,943	1,674,418	2,620,510	3,058,521	1,823,836
Total primary government	\$ 9,020,840	\$ (34,517,194)	\$ 68,634,097	\$ 41,607,200	\$ 6,107,417	\$ (171,728,310)	\$ (164,283,428)	\$ (72,014,209)	\$ (93,301,352)	\$ (22,507,974)
<b>Change in Net Position</b>										
Government activities	\$ 7,115,810	\$ (36,689,581)	\$ 69,715,791	\$ 40,602,748	\$ 3,955,930	(170,261,689)	(169,069,808)	(74,936,564)	(97,292,604)	\$ (24,210,681)
Business-type activities	1,905,030	2,172,387	(1,081,694)	1,004,452	2,151,487	(1,466,621)	4,786,380	2,922,355	3,991,252	1,702,707
Total primary government	\$ 9,020,840	\$ (34,517,194)	\$ 68,634,097	\$ 41,607,200	\$ 6,107,417	\$ (171,728,310)	\$ (164,283,428)	\$ (72,014,209)	\$ (93,301,352)	\$ (22,507,974)

# WAKE COUNTY, NORTH CAROLINA

TABLE 3

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Non-spendable	\$ 753,870	\$ 680,079	\$ 660,291	\$ 1,147,817	\$ 1,141,838	\$ 1,087,851	\$ 1,028,455	\$ 1,914,948	\$ 1,577,971	\$ 1,490,879
Restricted	53,687,483	61,887,998	78,005,930	101,974,588	72,248,041	73,843,284	74,634,703	77,963,695	88,159,377	76,120,829
Committed	104,907,262	113,098,565	134,533,558	144,818,132	169,569,681	200,494,326	220,513,579	237,734,967	262,893,367	323,526,114
Assigned	103,244	31,602	400,000	5,772,283	2,679,506	1,134,000	-	-	-	-
Total General Fund	<u>\$ 159,451,859</u>	<u>\$ 175,698,244</u>	<u>\$ 213,599,779</u>	<u>\$ 253,712,820</u>	<u>\$ 245,639,066</u>	<u>\$ 276,559,461</u>	<u>\$ 296,176,737</u>	<u>\$ 317,613,610</u>	<u>\$ 352,630,715</u>	<u>\$ 401,137,822</u>
All Other Governmental Funds										
Non-spendable	\$ -	\$ -	\$ -	\$ 3,449,786	\$ 3,440,499	\$ 1,054,756	\$ 963,368	\$ 907,632	\$ 553,520	\$ 25,742,272
Restricted	258,663,484	131,303,935	127,044,720	72,133,426	311,803,693	256,655,959	147,124,422	229,381,219	271,479,941	202,588,007
Committed	2,779,200	2,830,720	2,904,480	2,977,920	3,063,680	3,460,568	3,756,640	3,998,730	3,821,043	2,906,568
Assigned	477,307,247	449,655,862	498,239,963	406,360,257	505,942,505	234,606,723	227,731,010	191,567,046	179,175,130	283,558,995
Unassigned	-	-	-	-	-	(17,712)	-	(248,211)	(368,989)	-
Total All Other Governmental Funds	<u>\$ 738,749,931</u>	<u>\$ 583,790,517</u>	<u>\$ 628,189,163</u>	<u>\$ 484,921,389</u>	<u>\$ 824,250,377</u>	<u>\$ 495,760,294</u>	<u>\$ 379,575,440</u>	<u>\$ 425,606,416</u>	<u>\$ 454,660,645</u>	<u>\$ 514,795,842</u>

# WAKE COUNTY, NORTH CAROLINA

TABLE 4

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Taxes	\$ 810,990,349	\$ 832,640,691	\$ 852,063,846	\$ 901,382,287	\$ 979,019,405	\$ 1,068,205,202	\$ 1,118,023,378	\$ 1,173,020,937	\$ 1,282,185,781	\$ 1,410,853,726
Intergovernmental	165,703,784	151,985,131	144,768,159	133,637,071	129,143,820	140,095,040	135,511,608	114,580,623	108,638,730	144,284,737
Charges for services	57,244,484	72,565,052	66,497,667	67,072,200	65,902,956	70,562,864	71,653,479	74,274,439	85,543,976	75,997,210
Fines and forfeitures	9,249	1,745	2,118	4,084	1,852	42,805	-	376	54	-
Licenses and permits	3,031,172	3,413,382	4,062,881	4,701,663	5,000,558	5,185,433	5,371,824	5,381,270	5,799,060	5,568,944
Investment earnings	9,449,429	3,765,433	2,515,686	2,223,705	1,704,516	5,128,545	4,307,934	9,473,624	20,468,846	14,307,146
Miscellaneous	665,896	335,487	1,303,583	2,099,348	1,770,877	(1,116,598)	1,001,799	693,150	1,629,450	955,961
Total revenues	1,047,094,363	1,064,706,921	1,071,213,940	1,111,120,358	1,182,543,984	1,288,103,291	1,335,870,022	1,377,424,419	1,504,265,897	1,651,967,724
<b>Expenditures</b>										
General government	59,102,157	57,101,602	53,933,135	54,502,188	63,700,606	76,489,586	76,915,004	75,318,980	98,208,006	120,470,136
Human services	225,151,612	226,219,076	203,945,270	193,958,543	208,304,473	206,528,545	213,132,353	197,901,887	205,974,447	206,401,683
Education	457,113,370	467,388,048	427,414,362	469,890,207	557,621,603	743,976,648	796,583,759	781,773,290	833,134,178	876,169,328
Community development and cultural	60,686,759	69,050,159	70,259,896	76,436,700	88,510,963	97,445,854	93,512,015	99,963,971	132,496,941	111,480,449
Environmental services	8,452,527	12,152,613	7,864,404	8,354,834	9,354,942	10,035,460	10,681,469	11,998,552	13,211,167	14,033,631
Public safety	239,028,698	209,183,377	172,509,821	145,519,662	147,823,266	162,428,708	166,933,080	188,317,280	192,802,511	204,873,753
General services administration	23,820,674	21,090,881	22,429,768	25,332,207	26,215,178	26,880,922	28,220,046	28,557,988	29,819,778	29,732,643
Debt service										
Principal	118,987,473	164,498,331	145,652,849	152,250,703	152,115,583	170,027,054	188,894,216	178,804,981	190,431,748	193,181,554
Interest	84,194,136	88,561,925	89,523,701	90,030,119	90,952,459	98,236,050	89,476,403	93,708,750	98,286,386	104,928,259
Total expenditures	1,276,537,406	1,315,246,012	1,193,533,206	1,216,275,163	1,344,599,073	1,592,048,827	1,664,348,345	1,656,345,679	1,794,365,162	1,861,271,436
Excess of revenues over (under) expenditures	(229,443,043)	(250,539,091)	(122,319,266)	(105,154,805)	(162,055,089)	(303,945,536)	(328,478,323)	(278,921,260)	(290,099,265)	(209,303,712)
<b>Other Financing Sources (Uses)</b>										
Transfers in	222,033,652	256,643,030	225,977,117	241,246,092	296,777,100	309,595,234	329,903,244	333,113,962	362,738,779	411,766,460
Transfers out	(223,629,652)	(257,912,346)	(225,521,117)	(240,839,772)	(296,452,100)	(309,145,234)	(329,742,244)	(332,663,962)	(362,288,779)	(411,316,461)
Refunding bonds issued	-	75,290,000	-	-	-	191,835,000	162,895,000	-	113,940,000	63,675,000
Refunding installment purchases issued	-	-	2,234,325	-	-	-	-	-	-	-
Payment to refunded escrow agent	-	(94,006,298)	(2,234,325)	-	-	(233,084,360)	(190,000,000)	-	(124,534,612)	(77,054,156)
Bonds issued and premiums	163,990,302	131,715,590	203,154,626	-	490,519,615	42,128,289	153,487,962	239,143,833	220,947,457	55,463,468
Bond anticipation notes issued	-	-	-	-	-	1,301,000	98,928,537	168,652,564	53,328,720	36,078,529
Repayment of bond anticipation notes	-	-	-	-	-	-	-	(218,684,653)	(103,526,168)	-
Drawdown installment notes issued	-	-	-	-	-	-	3,928,079	114,447,523	163,293,070	239,242,065
Repayment of drawdown installment notes	-	-	-	-	-	-	-	(114,890,022)	(166,778,650)	-
Limited obligation bonds issued	-	-	-	-	-	-	-	155,290,000	196,805,000	-
Capital leases and installment purchases issued/repaid	139,713	7,573	940,674	1,500,796	2,373,329	5,027	2,089,630	1,235,305	17,946	16,203
Capital leases	-	-	-	-	-	-	-	-	-	(16,203)
Financing agreement proceeds	-	-	-	-	-	-	-	-	-	2,498,956
Financing agreement	-	-	-	-	-	-	-	-	-	(2,498,956)
Sales of assets and materials	1,166,438	88,513	68,147	92,956	92,379	1,870,446	420,537	744,559	227,836	91,111
Total other financing sources (uses)	163,700,453	111,826,062	204,619,447	2,000,072	493,310,323	4,505,402	231,910,745	346,389,109	354,170,599	317,946,016
Net change in fund balances	\$ (65,742,590)	\$ (138,713,029)	\$ 82,300,181	\$ (103,154,733)	\$ 331,255,234	\$ (299,440,134)	\$ (96,567,578)	\$ 67,467,849	\$ 64,071,334	\$ 108,642,304
Debt service as a percentage of noncapital expenditures	16.93%	19.91%	20.65%	20.51%	18.34%	16.96%	16.86%	16.73%	16.40%	16.30%



**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>
2011	\$ 103,067,247,714	\$ 13,630,432,081	\$ 2,837,941,846	\$ 119,535,621,641	0.534	0.080	0.614
2012	104,028,407,900	13,698,928,311	2,828,064,440	120,555,400,651	0.534	0.080	0.614
2013	105,310,957,601	14,311,760,539	2,827,432,989	122,450,151,129	0.534	0.080	0.614
2014	107,096,246,490	17,429,308,807	2,900,935,929	127,426,491,226	0.534	0.080	0.614
2015	109,552,757,999	15,528,241,566	2,866,523,443	127,947,523,008	0.578	0.080	0.658
2016 <sup>2</sup>	112,361,475,069	16,280,183,297	3,309,341,549	131,950,999,915	0.6145	0.080	0.695
2017	120,471,086,726	17,897,487,797	3,469,182,180	141,837,756,703	0.6005	0.096	0.6965
2018	122,874,155,245	17,897,487,797	3,447,570,780	144,219,213,822	0.6150	0.096	0.7110
2019	126,482,475,772	18,690,880,426	3,454,215,945	148,627,572,143	0.6544	0.096	0.7504
2020	130,415,759,631	21,684,607,511	3,572,974,390	155,673,341,532	0.7207	0.096	0.8167

Notes:

\* Real estate reappraisal effective.

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

(2) A revaluation of real property is required by N.C. General Statutes at least every eight years. The last revaluation was completed tax year 2016 (for Fiscal Year 2017). Wake County's next revaluation will be completed for tax year 2020 (Fiscal Year 2021).

(3) Per \$100 of assessed value.

Source: Wake County Revenue Department

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

	2011	2012	2013	2014	2015	2016	2017 <sup>2</sup>	2018	2019	2020
<b>County District Rates</b>										
County-wide Rate <sup>1</sup>	\$ 0.5340	\$ 0.5340	\$ 0.5340	\$ 0.5340	\$ 0.5780	\$ 0.6145	\$ 0.6005	\$ 0.6150	\$ 0.6544	\$ 0.7207
Various Special Tax Districts	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0960	0.0960	0.0960	0.0960
Total average direct rate	0.6140	0.6140	0.6140	0.6140	0.6580	0.6945	0.6965	0.7110	0.7504	0.8167
<b>Municipality Rates</b>										
Town of Angier	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300
Town of Apex	0.3400	0.3400	0.3900	0.3900	0.3900	0.3900	0.3800	0.3800	0.4150	0.4150
Town of Cary	0.3300	0.3300	0.3300	0.3500	0.3500	0.3700	0.3500	0.3500	0.3500	0.3500
Town of Clayton	0.5400	0.5250	0.5250	0.5250	0.5250	0.5500	0.5500	0.5500	0.5800	0.5800
Town of Fuquay-Varina	0.3850	0.3850	0.3850	0.3850	0.3850	0.3850	0.4330	0.4325	0.4325	0.4325
Town of Garner	0.4900	0.4900	0.4900	0.4900	0.5000	0.5180	0.5180	0.5325	0.5325	0.5600
Town of Holly Springs	0.4150	0.4150	0.4350	0.4350	0.4350	0.4350	0.4330	0.4325	0.4325	0.4825
Town of Knightdale	0.4100	0.4100	0.4100	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300
Town of Morrisville	0.3670	0.3670	0.3670	0.3900	0.3900	0.4100	0.3900	0.3900	0.3900	0.3900
City of Raleigh	0.3740	0.3740	0.3830	0.3830	0.4040	0.4210	0.4180	0.4253	0.4382	0.4382
Town of Rolesville	0.4200	0.4400	0.4400	0.4400	0.4400	0.4400	0.4800	0.4800	0.4800	0.4800
Town of Wake Forest	0.5100	0.5100	0.5100	0.5100	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200
Town of Wendell	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900
Town of Zebulon	0.5000	0.5000	0.5130	0.5250	0.5250	0.5250	0.5750	0.5750	0.5920	0.5920

Notes:

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

(2) A revaluation of real property is required by N. C. General Statutes at least every eight years.

Revaluation was last completed for tax year 2016 (for Fiscal Year 2017).

Wake County's next revaluation will be completed for tax year 2020 (for Fiscal Year 2021).

Source: Wake County Department of Tax Administration

**WAKE COUNTY, NORTH CAROLINA**

TABLE 7

**Principal Property Tax Payers  
June 30, 2020  
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2020			Fiscal Year 2011		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Duke Energy Progress, Inc	\$ 2,229,193,401	1	1.43%	\$ 1,571,094,900	1	1.31%
SAS Institute, Inc	691,625,730	2	0.44%	473,069,966	4	0.40%
Highwoods Realty LP	597,252,278	3	0.38%	248,841,511	8	0.21%
Cisco Systems, Inc	452,169,677	4	0.29%	492,766,064	2	0.41%
CVM Holdings, LLC	390,227,519	5	0.25%	334,450,819	5	0.28%
WMCI Raleigh, LLC	327,066,054	6	0.21%			
Network Appliance, Inc	291,355,213	7	0.19%	242,527,026	10	0.20%
First Citizens Bank & Trust Co	278,709,874	8	0.18%			
GlaxoSmithKline	270,640,510	9	0.17%			
State Employees Credit Union	260,389,363	10	0.17%			
Novartis Vaccines & Diagnostics				491,415,325	3	0.41%
NC Eastern Municipal Power Agency				290,478,093	6	0.24%
Bellsouth Telephone Co				267,054,965	7	0.22%
Weeks Realty LP				248,405,759	9	0.21%
	<u>\$ 5,788,629,619</u>		<u>3.71%</u>	<u>\$ 4,660,104,428</u>		<u>3.89%</u>

Source: Wake County Department of Tax Administration

**WAKE COUNTY, NORTH CAROLINA**

TABLE 8

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

Fiscal Year	Taxes Levied for the			Collected within the			Collections in Subsequent Years	Total Collections to Date						
	Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Fiscal Year of the Levy		Percentage of Original Levy		Amount	Percentage of Adjusted Levy					
				Amount	Percentage of Original Levy									
2011	\$	661,292,534	\$	(4,849,315)	\$	656,443,219	\$	648,750,058	98.83%	\$	6,816,105	\$	655,566,163	99.87%
2012		665,819,212		(2,298,064)		663,521,148		657,541,978	99.10%		5,127,345		662,669,323	99.87%
2013		676,163,798		(2,306,621)		673,857,177		667,843,411	99.11%		5,220,257		673,063,668	99.88%
2014		702,953,904		(1,690,243)		701,263,661		697,580,105	99.47%		3,045,372		700,625,477	99.91%
2015		760,907,032		(664,952)		760,242,080		758,063,799	99.71%		1,962,311		760,026,110	99.97%
2016		833,221,749		(835,817)		832,385,932		831,114,362	99.85%		983,983		832,098,345	99.97%
2017		877,544,091		(7,317,373)		870,226,718		869,108,487	99.87%		780,215		869,888,702	99.96%
2018		914,686,233		(1,989,030)		912,697,203		911,681,836	99.89%		416,805		912,098,641	99.93%
2019		999,314,645		(1,372,951)		997,941,694		996,947,099	99.90%		-		996,947,099	99.90%
2020		1,130,623,568		(1,373,567)		1,129,250,001		1,126,999,613	99.80%		-		1,126,999,613	99.80%

Notes:

Taxes for the fiscal year ended June 30, 2020 at the collection rate of 99.80% are a composite of the following collections by category:

Vehicle taxes	99.28%
Real and personal property taxes	99.84%

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

Schedule of Ad Valorem Taxes Receivable  
As of June 30, 2020

Fiscal Year	Uncollected Balance June 30, 2019	Additions	Collections and Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 1,031,804,782	\$ 1,027,774,903	\$ 4,029,879
2018-2019	2,036,716	-	1,154,992	881,724
2017-2018	598,562	-	207,396	391,166
2016-2017	338,016	-	68,716	269,300
2015-2016	287,587	-	51,578	236,009
2014-2015	215,971	-	25,224	190,747
2013-2014	638,210	-	21,544	616,666
2012-2013	793,510	-	18,942	774,568
2011-2012	851,825	-	13,820	838,005
Total	<u>\$ 5,760,397</u>	<u>\$ 1,031,804,782</u>	<u>\$ 1,029,337,115</u>	8,228,064
Less allowance for uncollectable ad valorem taxes receivable				(3,764,643)
Ad valorem taxes receivable (net)				<u>\$ 4,463,421</u>
Reconciliation with revenues:				
Taxes - ad valorem - General Fund				\$ 1,022,402,743
Recycling fee - Solid Waste Operating Fund				8,833,102
Reconciling items:				
Prior year taxes collected				(30,650)
Interest and other costs				(1,457,767)
Rebates and releases				1,996,765
Deferred amounts				(1,908,546)
Accruals and prepaids				(498,532)
Total collections and credits				<u>\$ 1,029,337,115</u>
General Fund Taxes Receivable				\$ 4,362,613
Solid Waste Fund Accounts Receivable				<u>100,808</u>
				<u>\$ 4,463,421</u>

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

**Analysis of Current Tax Levy - Countywide Levy  
For the Year Ended June 30, 2020**

	County-wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate (General Fund)	\$ 150,063,132,398	0.72070	\$ 1,084,606,555	\$ 1,022,635,530	\$ 61,971,025
Motor vehicles taxed at prior year's rate	3,164,429,621	0.65440	18,275,178	-	18,275,178
Special Tax District levy	27,962,972,678	0.00096	26,864,721	24,510,303	2,354,418
Penalties	-		-	-	-
Total	<u>181,190,534,697</u>		<u>1,129,746,454</u>	<u>1,047,145,833</u>	<u>82,600,621</u>
Discoveries:					
Current year taxes	-		-	-	-
Prior year taxes	-		-	-	-
Penalties	-		877,114	877,114	-
Total	<u>-</u>		<u>877,114</u>	<u>877,114</u>	<u>-</u>
Abatements	(276,415,013)		(1,992,123)	(1,992,123)	-
Total property valuation	<u>\$ 180,914,119,684</u>				
Deferred Levy			618,556	618,556	-
Net levy			1,129,250,001	1,046,649,380	82,600,621
Uncollected taxes at June 30, 2020			2,250,388	1,657,138	593,250
Current year's taxes collected			<u>\$ 1,126,999,613</u>	<u>\$ 1,044,992,242</u>	<u>\$ 82,007,371</u>
Current levy collection percentage			99.80%	99.84%	99.28%

Includes Ad Valorem, Special District and NCVTS Vehicle Taxes.

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

Fiscal Year	Governmental Activities							Business-Type Activities		Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	General Obligation Bond Anticipation Notes	Drawdown Installment Notes	Limited Obligation Bonds	Installment Purchases	Qualified Zone Academy Bonds	Capital Leases	Total Governmental Activities	Capital Leases			
2011	\$ 1,991,296,438	\$ -	\$ -	\$ 323,883,480	\$ 6,961,421	\$ 980,772	\$ 173,449	\$ 2,323,295,560	\$ -	\$ 2,323,295,560	5.78%	2,500
2012	1,934,669,373	-	-	316,910,261	5,693,721	817,311	132,027	2,258,222,693	-	2,258,222,693	5.29%	2,371
2013	1,960,133,287	-	-	303,982,042	5,327,348	653,850	81,238	2,270,177,765	-	2,270,177,765	5.32%	2,328
2014	1,806,329,227	-	-	291,053,822	5,329,121	490,389	51,293	2,103,253,852	5,877	2,103,259,729	4.93%	2,106
2015	2,142,354,768	-	-	278,125,603	4,922,510	326,928	763,502	2,426,493,311	3,777	2,426,497,088	4.58%	2,414
2016	1,969,481,706	1,301,000	-	279,088,791	4,007,860	163,467	390,611	2,254,433,435	-	2,254,433,435	4.25%	2,201
2017	1,901,610,244	100,229,537	3,928,079	264,041,694	5,115,000	-	37,553	2,274,962,107	-	2,274,962,107	4.29%	2,173
2018	1,937,469,050	50,197,448	3,485,580	424,746,261	5,306,359	-	34,333	2,421,239,031	-	2,421,239,031	4.28%	2,258
2019	1,913,368,260	-	-	646,146,796 <sup>2</sup>	4,427,115	-	34,883	2,563,977,054	-	2,563,977,054	4.18%	2,347
2020	1,763,962,578 <sup>2</sup>	36,078,529	239,242,066	620,426,297	3,719,115	-	32,305	2,663,460,890	-	2,663,460,890	4.01%	2,396

**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. 2020 ratio is calculated using 2018 personal income.

(2) General Obligation Bonds and Limited Obligation Bonds include premiums on issuance of bonds of \$183,272,578 and \$90,546,297, respectively, which will be amortized over the life of the related debt.

**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 Bond Anticipation Notes</b>	<b>Total General Bonded Debt</b>		
2011	\$ 1,991,296,438	\$ -	\$ 1,991,296,438	1.67%	2,142.72
2012	1,934,669,373	-	1,934,669,373	1.60%	2,030.91
2013	1,960,133,287	-	1,960,133,287	1.60%	2,010.34
2014	1,806,329,227	-	1,806,329,227	1.42%	1,808.70
2015	2,142,354,768	-	2,142,354,768	1.67%	2,130.88
2016	1,969,481,706	1,301,000	1,970,782,706	1.49%	1,924.22
2017	1,901,610,244	100,229,537	2,001,839,781	1.42%	1,912.36
2018	1,937,469,050	50,197,448	1,987,666,498	1.38%	1,853.82
2019	1,913,368,260	-	1,913,368,260	1.29%	1,751.68
2020	1,763,962,578 <sup>3</sup>	36,078,529	1,800,041,107	1.16%	1,751.68

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

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

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

(3) General Obligation Bonds include premiums on issuance of bonds of \$183,272,578 which will be amortized over the life of its related debt.



**WAKE COUNTY, NORTH CAROLINA**

TABLE 13

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2020**

	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
<b>Municipality:</b>			
Apex	\$ 91,000,000	100%	\$ 91,000,000
Cary	108,728,914	100%	108,728,914
Garner	36,525,000	100%	36,525,000
Fuquay-Varina	23,295,000	100%	23,295,000
Holly Springs	18,745,000	100%	18,745,000
Knightdale	2,195,000	100%	2,195,000
Morrisville	26,742,739	100%	26,742,739
Raleigh	271,430,000	100%	271,430,000
Rolesville	3,074,500	100%	3,074,500
Wake Forest	25,110,000	100%	25,110,000
Wendell	-	100%	-
Zebulon	1,900,000	100%	1,900,000
<b>Overlapping debt</b>	<b>608,746,153</b>		<b>608,746,153</b>
<b>Direct debt</b>	<b>2,663,460,890</b>		<b>2,663,460,890</b>
<b>Total direct and overlapping debt</b>	<b>\$ 3,272,207,043</b>		<b>\$ 3,272,207,043</b>

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

# WAKE COUNTY, NORTH CAROLINA

TABLE 14

## Legal Debt Margin Information Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed Value of Property	\$ 119,535,621,641	\$ 120,555,400,651	\$ 122,450,151,129	\$ 127,426,491,226	\$ 127,947,523,008	\$ 131,950,999,915	\$ 141,411,010,294	\$ 144,219,213,822	\$ 148,627,572,143	\$ 155,673,341,532
Debt Limit, 8% of Assessed Value (Statutory Limitation)	\$ 9,562,849,731	\$ 9,644,432,052	\$ 9,796,012,090	\$ 10,194,119,298	\$ 10,235,801,841	\$ 10,556,079,993	\$ 11,312,880,824	\$ 11,537,537,106	\$ 11,890,205,771	\$ 12,453,867,323
Amount of Debt Applicable to Limit										
General Obligation Bonds	\$ 1,831,620,000	\$ 1,754,870,000	\$ 1,801,325,000	\$ 1,664,875,000	\$ 1,967,590,000	\$ 1,812,535,000	\$ 1,727,865,000	\$ 1,762,270,000	\$ 1,727,510,000	\$ 1,580,690,000
GO Bond Anticipation Notes	-	-	-	-	-	1,301,000	100,229,537	50,197,448	-	36,078,529
Other Long Term Debt	311,595,642	303,938,059	291,217,436	278,885,802	266,887,940	238,761,938	231,140,632	374,041,272	554,346,998	772,873,485
Bonds Authorized not Issued	239,070,000	65,700,000	145,450,000	950,450,000	511,210,000	509,909,000	294,865,463	147,152,552	1,017,000,000	980,140,000
Total net debt applicable to limit	2,382,285,642	2,124,508,059	2,237,992,436	2,894,210,802	2,745,687,940	2,562,506,938	2,354,100,632	2,333,661,272	3,298,856,998	3,369,782,014
Legal Debt Margin	\$ 7,180,564,089	\$ 7,519,923,993	\$ 7,558,019,654	\$ 7,299,908,496	\$ 7,490,113,901	\$ 7,993,573,055	\$ 8,958,780,192	\$ 9,203,875,834	\$ 8,591,348,773	\$ 9,084,085,309
Total net debt applicable to limit as a percentage of debt limit	24.91%	22.03%	22.85%	28.39%	26.82%	24.28%	20.81%	20.23%	27.74%	27.06%

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

**Demographic and Economic Statistics  
Last Ten Years**

<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 Enrollment<sup>4</sup></b>	<b>Unemployment Rate<sup>5</sup></b>
2011	900,933	\$ 43,320,456	\$ 46,615	143,289	7.9%
2012	929,070	46,320,314	48,626	146,687	7.1%
2013	952,143	47,064,181	48,285	149,508	6.0%
2014	974,289	50,257,552	50,835	153,039	4.9%
2015	998,691	53,028,913	53,625	155,000	4.7%
2016	1,024,198	56,592,270	54,549	156,644	4.2%
2017	1,046,791	60,216,950	56,162	158,374	3.6%
2018	1,072,203	64,461,643	59,014	160,429	3.6%
2019	1,092,305	*	*	160,471	3.9%
2020	1,111,761	*	*	161,907	7.1%

\* Information not yet available

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

(2) Bureau of Economic Analysis Regional, Economic Information System - Bureau of Economic Analysis March 2019.

(3) Bureau of Economic Analysis Regional Economic Account - computed using Census Bureau midyear population estimates available as of March 2019.

(4) North Carolina Department of Public Instruction. 2018-2020 Wake County Public Schools District Facts.

(5) Employment Security Commission of North Carolina; 2018-2020 - North Carolina Department of Commerce-Labor & Economic Analytics Division.

**WAKE COUNTY, NORTH CAROLINA**

TABLE 16

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

<b>Employer</b>	<b>2020</b>			<b>2011</b>		
	<b>Employees<sup>1</sup></b>	<b>Rank</b>	<b>Percentage of Total County Employment<sup>2</sup></b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Duke University & Health System	41,206	1	7.71%			
State of North Carolina	24,083	2	4.50%	24,739	1	5.86%
Wake County Public School System	17,000	3	3.18%	17,572	2	4.16%
Wal-Mart	16,200	4	3.03%			
WakeMed Health & Hospitals	9,773	5	1.83%	7,607	5	1.80%
North Carolina State University	9,019	6	1.69%	7,730	4	1.83%
Food Lion	8,600	7	1.61%			
Target	8,000	8	1.50%			
IBM Corporation	8,000	9	1.50%	10,500	3	2.49%
UNC Rex Healthcare	6,900	10	1.29%	4,800	7	1.14%
GlaxoSmithKline, Inc				4,900	6	1.16%
SAS Institute, Inc.				4,742	8	1.12%
Wake County Government				4,272	9	1.01%
Cisco Systems				3,800	10	0.90%
	<u>148,781</u>		<u>27.84%</u>	<u>90,662</u>		<u>21.47%</u>

(1) **Source:** Wake County Economic Development / Greater Raleigh Chamber of Commerce

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

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

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General government	271.80	304.25	305.25	314.25	324.50	340.50	359.50	371.75	388.75	413.75
Human services	1,782.80	1,751.10	1,644.03	1,465.10	1,571.87	1,591.60	1,627.30	1,657.37	1,699.33	1,748.00
Community development and cultural	304.00	304.00	312.00	321.50	327.50	350.50	358.50	370.50	395.00	408.50
Environmental services	118.00	117.00	120.00	124.00	134.00	138.00	145.00	154.00	161.00	166.00
Public safety	1,102.00	1,199.50	1,237.50	1,285.50	1,301.50	1,339.50	1,384.50	1,418.00	1,446.00	1,480.00
General services administration	134.00	137.00	142.50	140.00	141.00	143.00	143.00	144.00	144.00	150.00
Total	3,712.60	3,812.85	3,761.28	3,650.35	3,800.37	3,903.10	4,017.80	4,115.62	4,234.08	4,366.25

Operating Indicators By Function  
Last Ten Fiscal Years

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General Government</b>										
Registered voters	779,605	729,933	725,536	701,987	676,093	631,012	651,341	645,419	628,953	588,701
Taxable real estate parcels	442,980	434,150	421,932	412,438	406,596	401,352	392,989	381,677	367,323	361,082
Tax bills	*	*	*	*	*	*	*	1,164,651	1,153,607	1,128,643
Deeds and real estate documents recorded	202,289	156,980	166,102	183,096	170,421	163,046	148,233	208,162	179,048	164,279
<b>Human Services</b>										
Family medicaid recipients	121,027	121,314	120,314	107,084	98,185	89,815	81,379	76,116	73,839	68,373
Laboratory tests	*	*	*	*	*	*	180,000	163,837	235,000	*
School nurse health support services <sup>4</sup>	25,281	34,174	31,991	31,619	29,690	14,941	31,558	28,880	23,428	20,795
Families receiving maternal and child health case management services	6,515	5,893	5,875	*	6,151	6,008	6,300	4,402	4,328	5,817
Adult inpatient substance abuse services	*	*	*	*	*	*	*	336	484	687
Adult care home residents served through on-site inspections	2,058	2,593	2,504	2,548	2,648	2,538	2,373	2,381	2,861	2,932
Homeless sheltered at S. Wilmington St. Center	1,690	2,119	2,029	2,125	2,028	1,982	1,849	1,791	1,734	1,834
Persons testing for HIV/STD	15,085	17,540	17,398	17,715	18,958	17,919	20,364	21,107	22,420	15,597
Number of transportation trips provided	180,137	196,041	180,323	235,845	253,814	200,440	183,570	165,908	178,330	157,000
Food assistance for Household	36,979	30,820	33,188	34,596	38,071	39,235	38,585	*	85,892	77,068
<b>Education</b>										
Students attending public school <sup>1</sup>	161,907	160,471	160,429	159,549	157,180	155,184	152,384	149,508	146,687	142,997
Public school teachers <sup>1</sup>	10,739	10,647	10,616	10,733	10,357	10,598	10,563	9,810	9,810	9,342
Community college students-average semester <sup>2</sup>	43,511	40,672	38,800	38,800	41,566	35,080	34,427	33,338	32,236	31,559
Community college faculty <sup>2</sup>	2,369	2,284	2,251	2,261	2,251	2,305	1,329	1,921	1,344	1,315
<b>Community Development and Cultural</b>										
Libraries - circulation of youth services <sup>5</sup>	6,226,254	7,324,979	6,418,475	6,435,078	6,319,652	6,636,146	6,923,255	6,912,700	7,047,064	6,147,038
Libraries - circulation of adult services <sup>5</sup>	4,156,021	3,785,384	3,318,177	3,263,900	2,996,607	3,104,004	3,467,128	3,699,333	4,212,225	4,511,679
Park visitation	1,604,732	1,291,899	1,296,062	1,430,828	1,252,085	1,141,594	1,187,986	1,113,501	1,162,246	1,129,732
Residential permits issued -New, Addition, Alter <sup>3</sup>	1,909	1,429	846	1,041	1,521	1,347	1,367	1,239	716	369
Commercial permits issued -New, Addition, Alter <sup>3</sup>	136	161	105	338	219	200	157	136	167	81
Residential or Commercial-Accessory <sup>3</sup>	1,037	691	4,238	1,707	1,885	1,672	1,535	1,473	1,276	1,264
Trade Permits <sup>3</sup>	3,671	4,026	*	*	*	*	*	*	*	*
Inspections performed	69,543	65,489	66,631	62,047	59,639	53,664	53,517	44,329	35,510	35,537
<b>Environmental Services</b>										
Animal control service calls <sup>6</sup>	9,416	8,386	8,008	6,327	7,194	7,608	7,786	7,644	8,260	*
Animals impounded	9,320	10,965	10,619	10,616	10,906	11,621	11,632	13,805	15,517	16,162
Sanitation inspections	12,936	13,942	12,285	11,919	11,911	12,545	8,770	9,222	*	*
<b>Public Safety</b>										
Detention intake	24,998	28,952	28,667	28,086	34,801	36,350	36,847	38,070	*	32,849
Civil processes served	45,687	72,820	55,884	55,681	80,341	78,867	65,590	70,535	93,318	96,089
Pistol permits processed	39,749	18,843	16,171	20,658	18,141	20,216	18,304	35,883	21,163	17,525
Carry Conceal Permits - New and Renewal	9,778	10,060	*	*	*	*	*	*	*	*
Average daily jail population	1,238	1,201	1,198	1,170	1,176	1,155	1,297	1,306	1,227	1,279
Fire/medical incidents responded to by contracting fire departments	39,666	35,679	33,865	33,847	32,595	29,928	28,429	28,675	27,645	29,012
Wake EMS trips **	77,588	75,428	70,697	72,181	70,796	67,369	63,371	62,637	62,327	37,943
<b>Solid Waste</b>										
Tons received at South Wake Landfill	529,870	506,577	463,683	442,659	436,632	304,672	406,568	400,964	414,156	426,901
Tons received at East Wake Transfer Station	362,152	332,233	275,504	259,473	262,153	345,615	252,462	242,123	259,610	255,099
Household hazardous waste customers	*	*	*	*	*	43,509	36,996	29,560	30,863	27,566

\* Information not available.

(1) Wake County Public Schools.

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

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

(4) FY20: Decline due to transition to remote learning; COVID-19. Nurses were reallocated to COVID Mass Testing which are not included in count.

(5) Beginning FY20: Count of "Other Materials (Audio/Downloadable/Periodicals)" are now included.

(6) Beginning FY20: All services performed by Animal Control are now included.

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

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

<b>Function/Program</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>General Services Administration</b>										
Rentable square footage managed <sup>2</sup>	4,317,993	4,229,569	4,172,318	4,160,865	4,097,495	4,085,555	4,085,365	3,620,925	3,250,403	3,152,933
Total square footage managed <sup>1</sup>	5,015,468	4,922,390	4,862,126	4,850,071	4,783,365	4,770,797	4,770,597	4,238,952	3,848,929	3,318,877
<b>Human Services</b>										
Number of centers	13	14	22	22	22	22	22	22	22	22
<b>Education</b>										
Number of schools	191	191	183	177	177	171	170	165	163	163
<b>Community Development and Cultural</b>										
Libraries - branches	22	22	22	22	21	20	20	20	20	20
Volume of library books	1,889,923	1,755,925	1,586,209	1,476,330	1,393,462	1,323,870	1,534,418	1,520,704	1,479,940	1,544,261
Number of County Parks	10	10	10	9	9	8	8	8	8	8
Number of School Parks <sup>3</sup>	8	16	16	16	16	16	16	16	16	16
<b>Public Safety</b>										
Sheriff - Stations	9	9	9	9	9	9	9	9	9	5
Detention capacity	1,568	1,574	1,522	1,552	1,568	1,568	1,568	1,568	1,568	1,312
EMS - Stations	15	15	15	15	15	15	15	15	15	15

(1) Total Square footage managed added for comparative purposes

(2) In order to increase comparability, prior years' square footage been updated using same data source as FY19

(3) Board of Commissioner's approved JUA on June 15, 2020, redefining responsibility of multiple School Parks from Wake County to WCPSS and other partners



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR END JUNE 30, 2020**