

DEBT SERVICE

Fund Summary - Debt Service

		FY 2006 Actual	FY 2007 Adopted Budget	FY 2007 Current Budget	FY 2008 Adopted Budget
Bond Principal	\$	70,480,946	71,522,353	70,480,946	71,557,438
Bond Interest		48,842,232	55,485,859	48,758,825	72,387,937
Bond Fees and Issuance Costs		926,336	877,700	1,182,001	1,877,341
Personnel Services		-	104,501	75,000	107,284
Reserved for Future Debt Service		-	2,078,587	2,049,228	-
Expenditure Totals	\$	120,249,514	130,069,000	122,546,000	145,930,000
Transfer from General Fund - Ad Valorem Tax	\$	95,271,000	102,866,000	95,271,000	99,986,000
Transfer from General Fund - Sales Tax		18,737,000	18,500,000	18,737,000	24,017,000
Transfer from Major Facilities Fund		991,000	991,000	991,000	991,000
Transfer from Fire Tax District		472,000	472,000	472,000	745,000
Interest Income		9,203,783	7,240,000	7,000,000	19,500,000
Appropriated Fund Balance		-	-	75,000	691,000
Revenue Totals	\$	124,674,783	130,069,000	122,546,000	145,930,000
Number of FTEs		-	1.0	1.0	1.0

Debt Service Expenditures by Entity

		FY 2006 Actual	FY 2007 Adopted Budget	FY 2007 Current Budget	FY 2008 Adopted Budget
Wake County Public School System	\$	105,064,894	113,655,148	107,102,252	128,889,977
Wake Technical Community College		3,459,539	3,976,317	3,458,551	3,830,266
Wake County Government		10,734,162	9,367,948	8,944,969	12,218,757
Five County Stadium		990,918	991,000	991,000	991,000
Reserved for Future Debt Service		-	2,078,587	2,049,228	-
Expenditure Totals	\$	120,249,513	130,069,000	122,546,000	145,930,000

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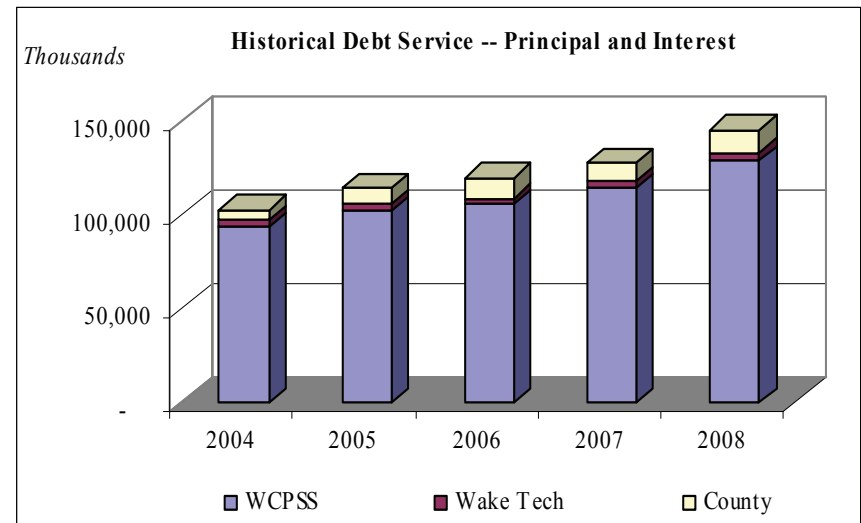
Wake County issues long-term debt under Constitutional and Legislative law to leverage taxpayer dollars to meet the capital needs of its citizens. Long-term capital planning, combined with a debt affordability model that assess the future impact of plan variables, is a strong management tool that is key to Wake County's continued success as a "AAA" government, as determined by the three rating agencies.

Debt service payments are made routinely for interest on long-term debt outstanding and to retire debt principal as it matures. Interest expenditures are annual costs that are directly proportional to the principal amount of debt outstanding. As of June 30, 2006 the outstanding general obligation principal indebtedness of the County totals \$1.4 million

In March 2007 the County issued \$555 million of general obligation bonds. The following table summarizes the purpose and amount of bonds issued, as well as a summary of bonds authorized but un-issued.

	March FY07 Bond Issue	Authorized and Unissued
Schools	500,000,000	695,000,000
Libraries	16,000,000	200,000
Open Space	26,000,000	-
Community College	13,000,000	27,000,000
Total	555,000,000	722,200,000

A common debt service management practice is to minimize the pressures for additional resources each year, the pattern of debt service payments for long-term debt in Wake County is designed so total annual debt service requirements do not vary materially from year to year. The budget for debt service payments for fiscal year 2008 totals \$145,930,000.



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SCHEDULE OF LONG-TERM DEBT MATURITIES AND ANNUAL DEBT SERVICE REQUIREMENTS FOR GOVERNMENTAL ACTIVITIES

As of June 30, 2006

BONDED DEBT Fiscal Year Ended June 30	PUBLIC SCHOOLS		OTHER		TOTAL	
	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest
2007	\$ 62,987,848	\$ 103,910,457	\$ 7,662,152	\$ 11,340,793	\$ 70,650,000	\$ 115,251,250
2008	62,856,970	100,924,230	7,748,030	11,074,700	70,605,000	111,998,930
2009	62,966,559	98,051,880	7,758,441	10,727,020	70,725,000	108,778,900
2010	62,905,920	95,036,465	7,749,080	10,367,047	70,655,000	105,403,512
2011	63,641,075	92,827,338	7,048,925	9,316,450	70,690,000	102,143,788
2012	64,665,092	90,890,809	6,884,908	8,821,582	71,550,000	99,712,391
2013	64,525,159	87,642,924	7,059,841	8,665,688	71,585,000	96,308,612
2014	64,159,142	84,358,832	7,305,858	8,592,281	71,465,000	92,951,113
2015	64,056,347	81,371,650	7,368,653	8,323,362	71,425,000	89,695,012
2016	67,529,972	81,941,465	5,760,028	6,402,583	73,290,000	88,344,048
2017-2021	289,595,185	319,248,381	8,564,815	9,318,328	298,160,000	328,566,709
2022-2023	9,500,000	10,097,500	550,000	574,063	10,050,000	10,671,563
Total Bonded Debt	939,389,269	1,246,301,931	81,460,731	103,523,897	1,020,850,000	1,349,825,828
OTHER LONG-TERM DEBT:						
Total capitalized leases, clean water revolving loans, installment purchases, and qualified zone academy bonds:						
2007	163,461	163,461	1,249,156	1,588,951	1,412,617	1,752,412
2008	163,461	163,461	1,007,935	1,296,860	1,171,396	1,460,321
2009	163,461	163,461	909,569	1,156,010	1,073,030	1,319,471
2010	163,461	163,461	933,841	1,140,651	1,097,302	1,304,112
2011	163,461	163,461	911,549	1,080,191	1,075,010	1,243,652
2012-2016	817,311	817,311	3,722,531	4,056,155	4,539,842	4,873,466
2017	163,461	163,461	-	-	163,461	163,461
Total Other Long-Term Debt	1,798,077	1,798,077	8,734,581	10,318,818	10,532,658	12,116,895
TOTAL LONG- TERM DEBT	\$ 941,187,346	\$ 1,248,100,008	\$ 90,195,312	\$ 113,842,715	\$ 1,031,382,658	\$ 1,361,942,723

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Legal Debt Margin Information Historical Information

	Fiscal Year					
	2001	2002	2003	2004	2005	2006
Assessed Value of Property	\$ 59,525,494,337	\$ 63,366,830,910	\$ 66,454,852,090	\$ 68,427,053,895	\$ 71,124,912,096	\$ 75,134,720,561
Debt Limit, 8% of Assessed Value (Statutory Limitation)	4,762,039,547	5,069,346,473	5,316,388,167	5,474,164,312	5,689,992,968	6,010,777,645
Amount of Debt Applicable to Limit						
General Obligation Bonds	637,515,000	782,130,000	926,625,000	1,123,210,000	1,049,485,000	1,020,850,000
General Obligation Commercial Paper	-	-	-	-	-	58,250,000
Less: Resources Restricted to Paying Principal	-	(21,797,140)	(39,601,655)	(52,003,056)	(59,356,526)	(63,781,795)
Total net debt applicable to limit	637,515,000	760,332,860	887,023,345	1,071,206,944	990,128,474	1,015,318,205
Legal Debt Margin	\$ 4,124,524,547	\$ 4,309,013,613	\$ 4,429,364,822	\$ 4,402,957,368	\$ 4,699,864,494	\$ 4,995,459,440
Total net debt applicable to limit as a percentage of debt limit	13.39%	15.00%	16.68%	19.57%	17.40%	16.89%

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