

***Wake County***

***Basic***

***Financial Statements***



## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wake County, North Carolina (the "County"), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wake County ABC Board (the "Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us; and our opinion, insofar as it relates to the amounts included for the Board is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Board were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2009, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the general and major facilities funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 2, 2009 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the County. The comparative, combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. Such information has not been subjected to the auditing procedures in our audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Raleigh, North Carolina  
November 2, 2009

# **WAKE COUNTY, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2009**

As the management of Wake County, North Carolina, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2009. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages **IX – XIV** in the Introductory section of this report.

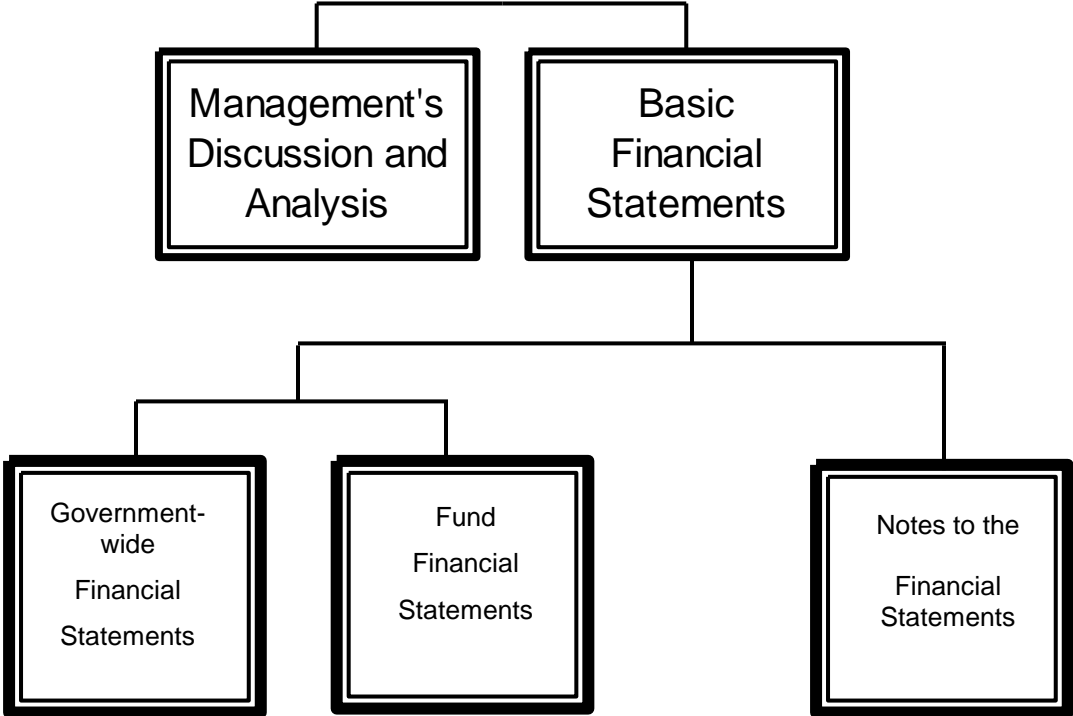
## **Financial Highlights for Wake County, North Carolina**

- The County has maintained an “Aaa” bond rating from Moody’s Investors Service since 1973, an “AAA” rating from Standard & Poor’s Corporation since 1983, and an “AAA” rating from Fitch for the ninth year in a row. This bond rating is a clear indication of the sound financial condition of The County. The County is one of the few counties in the country that maintains the highest financial rating from all three major rating agencies. This achievement is a key factor in keeping interest costs low on the County’s outstanding general obligation debt. These ratings were reaffirmed in February 2009.
- During fiscal 2009 in response to the deepening recession, the County reduced its General Fund budget by \$15.2 million or 1.6% of the total in response to projected revenue shortfalls. Because of the economic downturn, sales taxes, real property transfer taxes, as well as intergovernmental revenues fell short of projections. All County departments were required to propose reductions in their 2009 fiscal year budget due these shortfalls. Because of the conditions in the capital markets, the County also worked with the Wake County Public School System and Wake Technical Community College to delay their capital projects and made some one-time and recurring reductions in County construction projects as well.
- Wake County issued \$502 million in fixed-rate general obligation bonds in March 2009. \$300 million was issued to refund the short-term Bond Anticipation Notes that the County issued in October 2008 for Wake County Public School construction projects, Wake Community College, open space and libraries. \$100 million went for Wake County Public School construction. \$35 million funded additional Wake Community College construction projects. Finally, \$67 million refunded general obligation bonds issued in 1998, which should generate savings of approximately \$4.5 million.
- Wake County issued \$169 Million 2009 GO Refunding Bonds in May 2009. These bonds refunded portions of the 2001A, 2001B, and 2002 general obligation bond issuances with total savings of \$7.5 million.

- Subsequent to year end in July 2009, The County issued \$154.6 million in Limited Obligation Bonds. These bonds were issued in accordance with the County's capital plan for criminal justice needs and will be used to construct the Hammond Road Detention Center Phase II.
- On the government-wide statements, the liabilities of the County's governmental activities exceeded its assets at the close of the fiscal year by \$741.7 million (*net deficit*). The County's net deficit is impacted considerably by the general obligation debt the County has issued on the behalf of the school system to fund school capital outlay. Under North Carolina law, the County is responsible for providing capital funding for the School System. The County has chosen to meet its legal obligation to provide school capital funding by leveraging taxpayer dollars using a mixture of County funds and general obligation debt. The assets funded by the County are owned, utilized, and maintained by the School System. Since the County, as the issuing government, acquires no school capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the school-related debt exceeded \$1.68 billion dollars.
- As of the close of the 2009 fiscal year, the County's governmental funds reported combined ending fund balances of \$660.7 million, up \$151.0 million from the \$509.7 million for the prior fiscal year. The County's governmental fund balance increased by such a large amount because, during the fiscal year ended June 30, 2009, the County issued long-term bonds to finance capital expenditures for the school system and county capital programs, receiving premiums on the issuance of \$54.5 million. A total of \$149.8 million of bond proceeds were still on hand at June 30, 2009.
- The County measures its financial health and flexibility to meet operating needs as a ratio of fund balance as a percentage of expenditures, transferring significant resources from its General Fund into the Debt Service Fund to meet those future commitments. As a result, the combined General Fund and Debt Service Fund balances are measured together to assess the County's overall fiscal health. At the end of the 2009 fiscal year, the fund balance for the County's General Fund was \$156 million while the Debt Service Fund balance was \$151 million; compared with \$169 million and \$100 million, respectively, in the prior fiscal year. The total fund balances of both funds compared as a percentage of expenditures in both funds was 22.43% of expenditures and transfers at the end of fiscal 2009, compared with a combined total of 25.47% at the end of the 2008 fiscal year.
- The County uses a long-term financial planning model for capital budgeting purposes. The capital and debt component of the model help evaluate the impact of capital funding decisions on the County's financial condition and to ensure policy targets are maintained. In accordance with its financial model, the County allocates a portion of property taxes specifically for debt service and cash funding for its capital program. The tax rate for fiscal year 2009 was 53.4 cents with 15.76 cents of that dedicated to capital and debt service. For the fiscal year 2009, the County transferred \$144.7 million from the General Fund to fund the Debt Service component of its model and a total of \$55 million to County capital and school capital outlay to fund those allocations.

**Overview of the Financial Statements**

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



## Basic Financial Statements

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

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

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

The government-wide financial statements are on Pages **17 - 19** of this report.

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

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

**Governmental Funds** – Governmental funds are used to account for those same functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. Governmental funds financial statements focus on the near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Governmental funds are reported using an accounting method called *modified accrual accounting*

which provides a current financial resources focus. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The **Budgetary Comparison Statement** is the next part of the fund financial statements that is presented. The County adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County has provided the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the variance between the final budget and the actual results.

**Proprietary Funds** – For the fiscal year ended June 30, 2009, the County had two proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for solid waste operations that are County funded as well as the South Wake Landfill Partnership Fund that accounts for the activities associated with the South Wake landfill that is a partnership between the County and eleven municipalities within the County. These funds are consolidated into the business-type activities that are presented in the Statement of Net Assets and the Statement of Activities. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of the County. In fiscal year 2008, the County decided to begin accounting for all its risk management activities in the General Fund. Therefore, that fund was closed to the General Fund during that fiscal year.

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

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

After the notes, this report presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to law enforcement personnel. Finally, combining statements are provided to show details about the County's non-major governmental funds, as well as enterprise and internal service funds. Budgetary information for each fund as required by the North

Carolina General Statutes and detailed comparison statements, including encumbrances reported for internal reporting purposes for the County's General Fund and annually budgeted funds, can also be found in this section.

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

As noted earlier, the County's liabilities exceeded assets by \$702.4 million as of June 30, 2009. Net assets are reported in three categories: invested in capital assets, net of related debt of \$330.0 million, restricted for future capital needs of \$2.5 million, and unrestricted net deficit of (\$1,034.9) million.

The largest portion of Wake County's net assets reflects its investment in capital assets (e.g., land, buildings, vehicles, and equipment); less any related debt still outstanding that was issued to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The amount reported as invested in total capital assets decreased from \$368.6 million in the prior year to \$330.0 at June 30, 2009. The largest portion of the decrease relates to the County's governmental activities. For the fiscal year ended June 30, 2009 the amount invested in capital assets, net of related debt for governmental activities decreased by \$38.3 million to \$317.3 million. This component of net assets decreased because general obligation - other increased by more than capital assets during fiscal 2009. For a more complete discussion of capital asset changes during the fiscal year, refer to the Capital Asset and Debt Administration section of this Management Discussion and Analysis. None of the school-related debt is included in this calculation as it is not considered capital related debt for Wake County.

The other significant category of net assets is unrestricted net assets. This balance may be used to meet the government's ongoing obligations to citizens and creditors. At June 30, 2009, the unrestricted deficit of \$(1,034.9) million is attributable primarily to the general obligation bonds issued by Wake County for the school system within the governmental activities. Even though the debt issued has been issued to finance capital outlay and construction for the School System, the Governmental Accounting Standards Board has determined that it is not capital debt for the County since it is not financing assets that are owned by the County. As a result, the school debt is reportable within the unrestricted category of net assets rather than as part of the category invested in capital assets, net of related debt. The breakdown of the unrestricted portion of net equity is defined as follows:

School System Debt	\$(1,679,944,768)
All other unrestricted	<u>645,000,898</u>
Total unrestricted (Deficit)	<u>\$(1,034,943,870)</u>

The amount reported in the total unrestricted category further decreased from \$(850.9) million as of June 30, 2008 to \$(1,034.9) as of June 30, 2009. This decrease in the unrestricted category was the result of an increase in the County's school system debt outstanding from \$1.36 billion as of June 30, 2008 to 1.68 billion as of June 30, 2009. This school debt is not considered capital debt for the County since the School System, not the County, holds title to the assets purchased or constructed with the debt proceeds. Therefore, both the debt and the associated bond proceeds are reported as part of the unrestricted component net assets.

**Wake County's Net Assets:**

	<b>June 30, 2009</b>	<b>June 30, 2008</b>	<b>June 30, 2009</b>	<b>June 30, 2008</b>	<b>June 30, 2009</b>	<b>June 30, 2008</b>
	<b>Governmental</b>	<b>Governmental</b>	<b>Business-type</b>	<b>Business-type</b>	<b>Total</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>		
Current and other assets	\$ 767,949,689	\$ 648,606,943	\$ 46,814,254	\$ 47,429,549	\$ 814,763,943	\$ 696,036,492
Capital assets	515,774,369	485,513,672	12,714,646	13,000,011	528,489,015	498,513,683
<b>Total assets</b>	<b>1,283,724,058</b>	<b>1,134,120,615</b>	<b>59,528,900</b>	<b>60,429,560</b>	<b>1,343,252,958</b>	<b>1,194,550,175</b>
Long-term liabilities/schools	1,679,944,768	1,360,271,880	-	-	1,679,944,768	1,360,271,880
Long-term liabilities/other	233,161,217	153,225,485	14,659,557	17,293,634	247,820,774	170,519,119
Other liabilities	112,367,632	139,957,366	5,522,117	3,788,734	117,889,749	143,746,100
<b>Total liabilities</b>	<b>2,025,473,617</b>	<b>1,653,454,731</b>	<b>20,181,674</b>	<b>21,082,368</b>	<b>2,045,655,291</b>	<b>1,674,537,099</b>
Net assets:						
Invested in capital assets, net of related debt	317,257,114	355,571,204	12,714,646	13,000,011	329,971,760	368,571,215
Restricted/Bonds	2,569,777	2,363,349	-	-	2,569,777	2,363,349
Unrestricted	(1,061,576,450)	(877,268,669)	26,632,580	26,347,181	(1,034,943,870)	(850,921,488)
<b>Total net assets</b>	<b>\$ (741,749,559)</b>	<b>\$ (519,334,116)</b>	<b>\$ 39,347,226</b>	<b>\$ 39,347,192</b>	<b>\$ (702,402,333)</b>	<b>\$ (479,986,924)</b>

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 98.82%.
- Planning and management of revenues and expenditures through the use of financial models for the capital, debt service, and various operating budgets.
- Continued low cost of bonded debt that is a direct result of the County's high bond rating by each of the three major rating agencies. As noted earlier, we consider this unique achievement to be a key factor in keeping the interest costs low on the County's general obligation debt outstanding of \$1.8 billion at June 30, 2009.

## Wake County's Changes in Net Assets:

	For the Year Ended		For the Year Ended		For the Year Ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
Revenues:						
Program revenues:						
Charges for services	\$ 62,783,508	\$ 69,028,878	\$ 23,530,328	\$ 20,548,146	\$ 86,313,836	\$ 89,577,024
Operating grants and contributions	167,770,447	150,308,118	1,146,661	1,199,844	168,917,108	151,507,962
General revenues:						
Property taxes	640,238,154	579,083,019	-	-	640,238,154	579,083,019
Sales taxes	127,210,118	156,037,557	-	-	127,210,118	156,037,557
Grants and contributions not restricted to specific programs	5,125,653	6,066,813	-	-	5,125,653	6,066,813
Other general revenues	51,240,992	78,216,933	2,090,927	2,892,418	53,331,919	81,109,351
Total revenues	1,054,368,872	1,038,741,318	26,767,916	24,640,408	1,081,136,788	1,063,381,726
Expenses:						
General administration	55,488,240	47,969,041	-	-	55,488,240	47,969,041
Human services	244,176,508	240,798,504	-	-	244,176,508	240,798,504
Education	661,548,515	620,118,123	-	-	661,548,515	620,118,123
Community development and cultural	59,885,379	76,626,538	-	-	59,885,379	76,626,538
Environmental services	11,978,164	11,527,956	-	-	11,978,164	11,527,956
Public safety	143,763,181	121,072,942	-	-	143,763,181	121,072,942
General services administration	26,444,850	24,167,418	-	-	26,444,850	24,167,418
Interest on long-term debt	73,811,478	60,639,285	-	-	73,811,478	60,639,285
Solid waste	-	-	26,455,882	21,939,090	26,455,882	21,939,090
Total expenses	1,277,096,315	1,202,919,807	26,455,882	21,939,090	1,303,552,197	1,224,858,897
Increase (decrease) in net assets before transfers	(222,727,443)	(164,178,489)	312,034	2,701,318	(222,415,409)	(161,477,171)
Transfers	312,000	306,000	(312,000)	(306,000)	-	-
Change in net assets	(222,415,443)	(163,872,489)	34	2,395,318	(222,415,409)	(161,477,171)
Net assets, beginning of year	(519,334,116)	(355,461,627)	39,347,192	36,951,874	(479,986,924)	(318,509,753)
Net assets, end of the year	\$ (741,749,559)	\$ (519,334,116)	\$ 39,347,226	\$ 39,347,192	\$ (702,402,333)	\$ (479,986,924)

**Governmental activities.** Governmental activities decreased the County's beginning net assets by \$222.4 million or 100% of the total decrease in the net assets of the County. As in prior fiscal years, the decrease is due primarily to increasing and continued capital spending in the school construction program. Since the School System, not the County, capitalizes these construction costs, they are included in the County's statement of changes as operating expenses within the education function. For the fiscal year ended June 30, 2009, these school capital expenditures out of the School Capital Fund that the County could not capitalize totaled \$310.6 million.

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

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

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's eight major funds, as defined by GAAP for the fiscal year ended June 30, 2009, were the General Fund, the Affordable Housing Fund, the Major Facilities Fund, the Debt Service Fund, the County Capital Improvements Fund, the School Capital Fund, the Solid Waste Operating Fund, and the South Wake Landfill Partnership Fund, the last two of which are enterprise funds.

At June 30, 2009, the governmental funds of Wake County reported a combined fund balance of \$660.7 million, an increase of \$151.0 million, from the prior fiscal year's balance of \$509.7 million. The General Fund and the County Capital Project Fund balances each decreased by \$13 million and \$20 million, respectively. In the case of the General Fund, the actual use of fund balance equaled the amount planned: \$9 million in the original 2009 adopted budget plus the annual encumbrance roll forward of \$4 million. This roll forward, which was completed at the end of the fiscal 2008, increases the appropriated fund balance in the subsequent year's operating budget for the amount of the roll forward. For the County Capital Project Fund, transfers into the fund from the General Fund were only \$25 million, compared with \$42.8 million in the prior fiscal year. The County funds its debt service and its capital needs with a dedicated 15.76 cents of the 53.4 cents property tax rate. Of the total amount available for capital and debt service funding, the amount needed to maintain the County's target debt service balance at 19% is funded first with the remaining funds transferred to the capital fund for pay-as-you-go capital funding. As a result, the amount of transfers into the County's Capital Projects Fund can fluctuate from year to year as the Debt Service Fund's needs change. In addition, in accordance with its financial model, the County transferred increased amounts to both the School Capital and the Wake Community College Capital Funds in fiscal 2009, further reducing the amount available for County Capital Projects.

The largest portion of the governmental fund balance increase resulted from a net increase in fund balance of \$93.7 million in the School Capital Fund. The increase in the School Capital Fund resulted primarily from school bond proceeds that were still on hand at the end of the fiscal year of \$83 million. Similarly, the Wake Community College Capital Projects Fund, a nonmajor capital fund, also reported an increase in ending fund balance of \$40.3 million as a result of bonds issued during fiscal 2009 of \$57.2 million. Finally, the Debt Service Fund balance increased by \$50.7 million as a result of \$54.4 million in premiums earned on the bond issuances throughout the fiscal year. At June 30, 2009, \$32.6 million of these premiums were still on hand as restricted cash in the fund. These changes were all in accordance with the County's capital improvement plan, which provides for capital needs for the county, the school system and the community college system by dedicating revenue sources to provide a stable financial model by which the County can meet its capital and debt service needs.

**Governmental Funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the County. At the end of the 2009 fiscal year, the total fund balance of the General Fund was \$156 million, compared with \$169 million at the end of the prior year. At June 30, 2009, the General Fund's fund balance of \$156 million includes \$55.5 that has been reserved by State statute, \$2.5 that has been reserved for encumbrances, \$.9 million that is reserved for register of deeds automation, \$2 million that has been designated for fleet for subsequent fiscal years and \$94.5 million that has been designated for working capital. As a result, there is no undesignated fund balance in the County's General Fund.

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

During the fiscal year ended June 30, 2009, 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. Amendments to the General Fund in fiscal year 2009 were an exception in that the County decreased budgeted revenues and expenditures by \$15.2 million or 1.6% in response to projected revenue shortfalls. The County took several measures throughout the 2009 fiscal year to monitor and reduce its expenditures, requiring all departments to propose reductions in their 2009 budgets due to significant shortfalls.

Actual revenues in the General Fund were less than the amounts projected in the final budget by \$16 million for fiscal year 2009. The revenue shortfall occurred primarily in sales taxes, real property transfer taxes, and intergovernmental revenues. Total taxes were lower than budgeted by more than \$12 million. The largest portion of this reduction, \$10 million, was attributable to sales tax collections. Approximately half of the sales tax reduction was attributed to the economic downturn and its impact on consumer sales; the remaining half was attributable to the County's reduced sales tax allocation from the State to cover the County's portion of the Medicaid swap. While the County experienced a reduction in sales tax revenue, there was an offsetting reduction in Medicaid expenditures within the Human Services Department. During February 2009, the County reduced operating budgets because of the economic downturn. At that time, The County was understandably uncertain how much sales tax revenues would decrease. In hindsight, our forecast of the state of the local economy proved to be too optimistic and ending sales taxes were less than the revised budgeted amount. There was also a revenue shortfall in real property transfer taxes in the General Fund of almost \$2 million. This shortfall also resulted from the recession and its impact on housing sales. The decline in the volume of home sales and the prices of those sales that do occur directly impact this revenue source. The intergovernmental revenue shortfall was primarily due to the State's budget reductions. Because of the downturn, some State funding streams, primarily in Human Services, did not meet their budget targets for fiscal year 2009.

Actual expenditures and transfers out in the General Fund were \$16 million less than budgeted amounts largely resulting from lower than projected spending in Human Services and in General Administration. Several areas of Human Services were under spent, with the largest favorable variances being in the Clinical Services and Economic Self-Sufficiency areas. The Clinical Services area of Human Services under spent its budget by \$1 million because of improved centralized methods of drug inventory management that achieved significant savings for the County. There was also a \$4.4 million favorable expenditure variance within the Economic Self-Sufficiency area of Human Services as a result of the County using the State's estimate for the Medicaid match. Finally, General Administration within the General Fund was under spent by \$3.6 million. Almost \$2 million of this was due to the Finance Department's favorable variance for the estimates of future years' claims associated with workers compensations. Late in fiscal year 2008, the County brought a large amount of routine claims litigation work in house. As a result of this decision, the County's ultimate loss estimates and its future years' claims estimates for workers compensation declined by significant amounts at June 30, 2009.

**Proprietary Funds.** The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets in the proprietary fund statement of net assets for the Solid Waste Operating Fund at the end of the fiscal year amounted to \$27.1 million, a decrease of .3 million from the \$27.4 million reported at the end of fiscal year 2008. In addition, the South Wake Landfill Fund, which opened in fiscal year 2008, is still in a start up phase. The County anticipates that the deficit will be cured over time as the landfill becomes more established.

### Capital Asset and Debt Administration

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

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 60,761,317	\$ 40,931,187	\$ 1,875,253	\$ 1,875,253	\$ 62,636,570	\$ 42,806,440
Landfills	-	-	6,559,138	5,964,190	6,559,138	5,964,190
Buildings	240,414,105	195,703,862	855,304	884,468	241,269,409	196,588,330
Machinery and equipment	4,147,942	4,203,619	6,507	-	4,154,449	4,203,619
Vehicles and motorized equipment	13,785,545	10,995,433	-	-	13,785,545	10,995,433
Improvements other than buildings	17,337,112	12,288,308	397,973	411,555	17,735,085	12,699,863
Infrastructure	7,086,208	7,308,570	-	-	7,086,208	7,308,570
Construction in progress	172,242,140	214,082,693	2,980,471	3,864,545	175,222,611	217,947,238
	<u>\$ 515,774,369</u>	<u>\$ 485,513,672</u>	<u>\$ 12,674,646</u>	<u>\$ 13,000,011</u>	<u>\$ 528,449,015</u>	<u>\$ 498,513,683</u>

**Capital assets.** The County’s investment in capital assets for its governmental and business-type activities as of June 30, 2009, totals \$528.4 million (net of accumulated depreciation). These assets include buildings, vehicles, equipment, infrastructure, as well as land and landfills.

Major capital asset transactions during 2009 fiscal year included the continuation of land acquisition for the county's Open Space Preservation Program, continued improvements to county buildings and judicial facilities, and continuation of automation improvements for various county computerized systems.

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

**Long-term Debt.** As of June 30, 2009, the County had total general obligation bonded debt outstanding of \$1.867 billion, \$1.679 billion of which was issued to help meet the capital outlay needs for the School System. In addition to capital leases, the County also has outstanding qualified zone academy bonds, and installment purchases. A summary of total outstanding debt associated with governmental activities is shown below.

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

	2009	2008
General Obligation bonds (schools)	\$ 1,678,637,074	\$ 1,313,544,450
General Obligation bonds (other)	188,832,222	121,050,550
Capital leases	328,068	419,418
Qualified zoning academy bonds (schools)	1,307,694	1,471,155
Installment purchases	9,356,965	8,472,500
<b>Total</b>	<b>\$ 1,878,462,023</b>	<b>\$ 1,444,958,073</b>

Wake County’s total general obligation debt increased by \$337.7 million or 23.5% during the fiscal year ended June 30, 2009. This planned increase occurred because the County issued additional general obligation bonds during the 2009 fiscal year in excess of debt service principal payments during the year.

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

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

- The unemployment rate in the County was 8.80% (percent) at June 30, 2009, compared with 4.8% at the end of the previous fiscal year.
- The County has an eight year revaluation cycle for residential property. In the most recent revaluation at January 1, 2008 that was effective for fiscal year 2009, the total assessed value of property in the County continued to increase. From fiscal year 2008 through fiscal year 2009, the total assessed value increased from \$83.1 billion to \$116.6 billion, an increase of 40.3%.
- As a result of the recession, sales tax collections decreased to \$127.2 million for the fiscal year ended June 30, 2009 from \$156 million in the prior fiscal year, a 7.2% decrease. Approximately half of this reduction was attributed to the economic downturn and its impact on consumer sales; the remaining half was attributable to the County's reduced sales tax allocation from the State to cover the County's portion of the Medicaid swap. While the County experienced a reduction in sales tax revenue, there was an offsetting reduction in Medicaid expenditures within the Human Services Department. Changes in occupancy and prepared food and beverage taxes were almost flat during the 2009 fiscal year with a decrease of \$.5 million from the prior fiscal year.
- Wake County continues to grow but at a slower rate than in the recent past, adding an estimated 36,000 to its population over the past year and more than 3,700 new children to its public school system.
- The average yield on investments was 1.70% for fiscal year 2009, compared to 4.40% for fiscal year 2008. Investment earnings decreased in fiscal year 2009 due to the economic recession and a steep decline in interest rates, despite the County's higher average portfolio balance. As in prior years, the County has continued to utilize detailed cash flow planning which has allowed us to keep cash invested until it was needed for expenditure, maximizing the maturity on our investments and our earnings on our portfolio. The County realized investment earnings on all funds of \$10.7 million for the fiscal year ended June 30, 2009, on an average portfolio balance of more than \$633 million. This compares to 2008 earnings of \$33.6 million on an average portfolio balance of \$764 million.
- While the yield on investments fell significantly during fiscal year 2009, the County generally experienced a historically low interest rate on the variable rate portion of its debt portfolio. Lower costs in this portion of the County's portfolio helped offset lower investment earnings as the County's unrestricted interest earnings are budgeted and posted in the Debt Service Fund.

Some of these factors and others were considered when management prepared Wake County's budget ordinance for the 2010 fiscal year.

## **Budget Highlights for the Fiscal Year Ending June 30, 2010**

**Governmental Activities:** The County approved an original budget of \$953.6 million for the General Fund budget for fiscal year 2010, which represents a \$30.8 million or 3.00% decrease over the original budget adopted for the fiscal year 2009 of \$984.4 million. The recommended budget for fiscal year 2010 maintained the current tax rate of 53.4 cents and eliminated almost 100 positions, the majority of which were vacant. The 2010 budget did not include any appropriation of fund balance.

In the General Fund, original budgeted expenditures for Human Services decreased by 5% or \$12 million from the prior fiscal year. Various other County operating departments proposed expenditure reductions ranging from a high percentage of 22% to low of 3%. The operating public schools appropriation decreased \$3 million (1%) from the final budget adopted for fiscal year 2009 with no significant change in school capital amounts.

**Business – type Activities:** For the 2010 fiscal year, the County’s budgeted amounts were broken out into two funds, the Solid Waste Management Fund and the South Wake Landfill Partnership Fund. The total amount budgeted for business-type activities for fiscal year 2010 decreased from \$28.9 million in fiscal year 2009 to \$28.1 million in fiscal year 2010.

## **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 Interim Director of Finance, Wake County, North Carolina, 336 Fayetteville Street, Raleigh, NC 27602. Additional information concerning Wake County can also be obtained by referring to the County’s website at <http://www.wakegov.com>. Copies of financial statements and additional information concerning the Wake County Board of Alcoholic Control, a discretely presented component unit of the County, may be obtained at 225 Hillsborough St., Raleigh, NC 27602.

**WAKE COUNTY, NORTH CAROLINA**

(Continued)

**STATEMENT OF NET ASSETS  
As of June 30, 2009**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Board of Alcoholic Control
<b>ASSETS</b>				
Cash and investments - pooled equity	\$ 507,630,370	\$ 29,516,464	\$ 537,146,834	\$ -
Cash and investments - reserved	-	14,490,163	14,490,163	-
Cash and investments - cash equivalents	1,860,524	750	1,861,274	16,202,482
Taxes receivable (net)	7,622,955	-	7,622,955	-
Accounts receivable (net)	75,003,070	2,592,221	77,595,291	2,827
Loans receivable	20,035,822	-	20,035,822	-
Accrued interest receivable	2,397,403	208,656	2,606,059	-
Prepaid items	1,870,943	6,000	1,876,943	-
Internal balances	200,000	-	200,000	-
Inventories	196,878	-	196,878	5,505,504
Net pension asset	1,140,270	-	1,140,270	-
Bond issuance costs	143,455	-	143,455	-
Restricted assets:				
Cash and investments - cash equivalents with fiscal agent	149,847,999	-	149,847,999	-
Capital assets not being depreciated:				
Land	60,761,317	1,875,253	62,636,570	7,518,762
Construction in progress	172,242,140	2,980,471	175,222,611	960,991
Capital assets (net of accumulated depreciation):				
Landfills	-	6,599,138	6,599,138	-
Buildings	240,414,105	855,304	241,269,409	5,289,794
Improvements	17,337,112	397,973	17,735,085	-
Machinery and equipment	4,147,942	6,507	4,154,449	975,574
Vehicles and motorized equipment	13,785,545	-	13,785,545	-
Infrastructure	7,086,208	-	7,086,208	-
<b>Total assets</b>	<b>1,283,724,058</b>	<b>59,528,900</b>	<b>1,343,252,958</b>	<b>36,455,934</b>

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF NET ASSETS As of June 30, 2009

LIABILITIES	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Board of Alcoholic Control
Accounts payable and accrued liabilities	\$ 48,528,617	\$ 5,521,397	\$ 54,050,014	\$ 6,988,410
Due to other governmental units	23,613,964	-	23,613,964	-
Accrued interest payable	17,239,758	-	17,239,758	-
Unearned revenues	3,217,794	720	3,218,514	-
Housing loan deferred revenue	19,767,499	-	19,767,499	-
Long term liabilities:				
Amounts due within one year:				
Capital leases	170,973	-	170,973	-
General obligation bonds - schools	96,404,757	-	96,404,757	-
General obligation bonds - other	12,825,243	-	12,825,243	-
Quality zoning academic bonds	163,461	-	163,461	-
Installment purchases	1,174,813	-	1,174,813	-
Compensated absences payable	12,487,632	53,829	12,541,461	-
Amounts due beyond one year:				
Capital leases	157,095	-	157,095	-
General obligation bonds - schools	1,582,232,317	-	1,582,232,317	-
General obligation bonds - other	176,006,979	-	176,006,979	-
Quality zoning academic bonds	1,144,233	-	1,144,233	-
Installment purchases	8,182,152	-	8,182,152	-
Other post employment benefits	22,156,330	115,565	22,271,895	600,804
Closure/post closure costs	-	14,490,163	14,490,163	-
Total liabilities	<u>2,025,473,617</u>	<u>20,181,674</u>	<u>2,045,655,291</u>	<u>7,589,214</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	317,257,114	12,714,646	329,971,760	14,745,121
Restricted for:				
Future capital needs	2,569,777	-	2,569,777	-
Working capital	-	-	-	2,286,193
Unrestricted (See Note 1.P)	<u>(1,061,576,450)</u>	<u>26,632,580</u>	<u>(1,034,943,870)</u>	<u>11,835,406</u>
Total net assets (deficit)	<u>\$ (741,749,559)</u>	<u>\$ 39,347,226</u>	<u>\$ (702,402,333)</u>	<u>\$ 28,866,720</u>

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit Board of Alcoholic Control
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total	
				Governmental Activities	Business-type Activities		
<b>FUNCTIONS/PROGRAMS</b>							
<b>Primary Government:</b>							
Governmental activities:							
General administration	\$ 55,488,240	\$ 5,631,031	\$ 2,754,167	\$ (47,103,042)	\$ -	\$ (47,103,042)	
Human services	244,176,508	27,828,734	128,697,447	(87,650,327)	-	(87,650,327)	
Education	661,548,515	-	28,570,960	(632,977,555)	-	(632,977,555)	
Community development and cultural	59,885,379	5,820,331	1,461,583	(52,603,465)	-	(52,603,465)	
Environmental services	11,978,164	2,686,474	2,861,388	(6,430,302)	-	(6,430,302)	
Public safety	143,763,181	17,649,225	3,372,852	(122,741,104)	-	(122,741,104)	
General services administration	26,444,850	3,167,713	52,050	(23,225,087)	-	(23,225,087)	
Interest on long-term debt	73,811,478	-	-	(73,811,478)	-	(73,811,478)	
<b>Total governmental activities</b>	<b>1,277,096,315</b>	<b>62,783,508</b>	<b>167,770,447</b>	<b>(1,046,542,360)</b>	<b>-</b>	<b>(1,046,542,360)</b>	
Business-type activities:							
Solid Waste	26,455,882	23,530,328	1,146,661	-	(1,778,893)	(1,778,893)	
<b>Total primary government</b>	<b>\$ 1,303,552,197</b>	<b>\$ 86,313,836</b>	<b>\$ 168,917,108</b>	<b>(1,046,542,360)</b>	<b>(1,778,893)</b>	<b>(1,048,321,253)</b>	
<b>Component unit:</b>							
Board of Alcoholic Control	\$ 56,719,324	\$ 59,441,015	\$ -				\$ 2,721,691
General revenues:							
Property taxes				640,238,154	-	640,238,154	-
Sales taxes				127,210,118	-	127,210,118	-
Occupancy and prepared food taxes				31,127,163	-	31,127,163	-
Other taxes				7,545,463	-	7,545,463	-
Grants and contributions not restricted to specific programs				5,125,653	-	5,125,653	-
Unrestricted investment earnings				15,900,340	1,229,967	17,130,307	246,843
Other				(3,331,974)	860,960	(2,471,014)	31,440
Transfers				312,000	(312,000)	-	-
<b>Total general revenues and transfers</b>				<b>824,126,917</b>	<b>1,778,927</b>	<b>825,905,844</b>	<b>278,283</b>
<b>Change in net assets</b>				<b>(222,415,443)</b>	<b>34</b>	<b>(222,415,409)</b>	<b>2,999,974</b>
Net assets (deficit), beginning of year				(519,334,116)	39,347,192	(479,986,924)	25,866,746
<b>Net assets (deficit), end of year</b>				<b>\$ (741,749,559)</b>	<b>\$ 39,347,226</b>	<b>\$ (702,402,333)</b>	<b>\$ 28,866,720</b>

**WAKE COUNTY, NORTH CAROLINA**

(continued)

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of June 30, 2009**

	Major Funds						Nonmajor	Total
	General	Affordable	Major	Debt	County	School	Other	
	Fund	Housing	Facilities	Service	Capital Projects	Capital	Governmental	
	Fund	Fund	Fund	Fund	Fund	Fund	Governmental	Funds
<b>ASSETS</b>								
Cash and investments - pooled equity	\$ 131,229,250	\$ 5,663,182	\$ 5,110,795	\$ 112,238,698	\$ 55,887,864	\$ 180,091,676	\$ 17,408,908	\$ 507,630,373
Cash and investments - cash equivalents	1,860,174	50	300	-	-	-	-	1,860,524
Cash and investments - restricted	-	-	-	32,571,932	2,347,363	83,122,612	31,806,091	149,847,998
Taxes receivable (net)	7,411,758	-	-	-	-	-	211,197	7,622,955
Accounts receivable (net)	56,301,107	125,784	2,473,268	4,672,983	4,947,686	5,174,611	1,307,631	75,003,070
Prepaid expenditures	293,394	11,635	-	86,333	-	-	1,479,580	1,870,942
Loans receivable	-	19,767,499	-	-	268,323	-	-	20,035,822
Accrued interest receivable	15,105	183	26,694	1,295,409	147,393	825,825	86,794	2,397,403
Internal balances (interfund receivable)	310,901	-	-	-	-	-	-	310,901
Inventories	196,878	-	-	-	-	-	-	196,878
<b>TOTAL ASSETS</b>	<b>\$ 197,618,567</b>	<b>\$ 25,568,333</b>	<b>\$ 7,611,057</b>	<b>\$ 150,865,355</b>	<b>\$ 63,598,629</b>	<b>\$ 269,214,724</b>	<b>\$ 52,300,201</b>	<b>\$ 766,776,866</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 31,004,350	\$ 98,794	\$ 4,914,653	\$ 93,431	\$ 6,962,454	\$ 4,691	\$ 4,163,925	\$ 47,242,298
Due to other governmental units	137,636	-	83,334	-	-	23,384,895	8,099	23,613,964
Internal balances (interfund payable)	-	-	-	-	-	-	110,901	110,901
Deferred revenues	10,391,766	19,767,499	-	-	3,852,974	713,618	379,741	35,105,598
<b>Total Liabilities</b>	<b>41,533,752</b>	<b>19,866,293</b>	<b>4,997,987</b>	<b>93,431</b>	<b>10,815,428</b>	<b>24,103,204</b>	<b>4,662,666</b>	<b>106,072,761</b>

# WAKE COUNTY, NORTH CAROLINA

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**As of June 30, 2009**

	Major Funds						Nonmajor	Total
	General	Affordable	Major	Debt	County	School	Other	
	Fund	Housing	Facilities	Service	Capital Projects	Capital	Governmental	Governmental
	Fund	Fund	Fund	Fund	Fund	Fund	Funds	Funds
Fund Balances:								
Reserved for inventories	\$ 196,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,878
Reserved for noncurrent receivable	498,413	-	-	-	-	-	-	498,413
Reserved for encumbrances	2,464,916	1,704,855	-	-	31,179,114	135,866,309	1,360,658	172,575,852
Reserved by State statute	55,509,394	137,602	2,499,962	6,054,725	1,510,428	6,000,436	1,523,477	73,236,024
Reserved for register of deeds automation	899,171	-	-	-	-	-	-	899,171
Unreserved:								
Designated for subsequent year's expenditures	-	-	-	-	-	-	-	-
Designated for subsequent year's expenditures - special revenue funds	-	3,859,583	113,108	-	-	-	1,412,415	5,385,106
Designated for subsequent year's expenditures - capital project funds	-	-	-	-	20,093,659	103,244,775	31,816,861	155,155,295
Designated for subsequent years' debt service	-	-	-	144,717,199	-	-	-	144,717,199
Designated for county fleet	2,000,000	-	-	-	-	-	-	2,000,000
Designated for working capital	94,516,043	-	-	-	-	-	-	94,516,043
Designated for working capital - special revenue funds	-	-	-	-	-	-	270,256	270,256
Undesignated - special revenue funds	-	-	-	-	-	-	2,625,745	2,625,745
Undesignated - capital project funds	-	-	-	-	-	-	8,628,123	8,628,123
<b>Total Fund Balances</b>	<b>156,084,815</b>	<b>5,702,040</b>	<b>2,613,070</b>	<b>150,771,924</b>	<b>52,783,201</b>	<b>245,111,520</b>	<b>47,637,535</b>	<b>660,704,105</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 197,618,567</b>	<b>\$ 25,568,333</b>	<b>\$ 7,611,057</b>	<b>\$ 150,865,355</b>	<b>\$ 63,598,629</b>	<b>\$ 269,214,724</b>	<b>\$ 52,300,201</b>	<b>\$ 766,776,866</b>

## **WAKE COUNTY, NORTH CAROLINA**

### **Reconciliation of the Balance Sheet to the Statement of Net Assets As of June 30, 2009**

Fund balances - Governmental Funds	\$ 660,704,105
<b>Amounts reported for governmental activities in the Statement of Net Assets are different because:</b>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	515,774,369
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	13,260,576
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,931,488,609)</u>
Net assets (deficit) of governmental activities	<u><u>\$ (741,749,559)</u></u>

**WAKE COUNTY, NORTH CAROLINA**

(Continued)

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

**GOVERNMENTAL FUNDS**

**For the Year Ended June 30, 2009**

	Major Funds						Total Nonmajor Funds	Total Governmental Funds
	General	Affordable	Major	Debt	County	School		
	Fund	Housing Fund	Facilities Fund	Service Fund	Capital Projects Fund	Capital Fund		
<b>REVENUES:</b>								
Taxes	\$ 754,461,002	\$ -	\$ 31,066,532	\$ -	\$ 16,699	\$ -	\$ 20,427,424	\$ 805,971,657
Intergovernmental	126,339,064	2,400,419	-	15,384,671	5,040,089	13,186,290	10,606,083	172,956,616
Charges for services	57,555,463	108,156	-	-	3,547,299	-	386,562	61,597,480
Licenses and permits	3,640,114	-	-	-	-	-	-	3,640,114
Investment earnings	55,305	45,978	201,489	9,663,930	949,306	4,662,698	453,586	16,032,292
Miscellaneous	781,494	-	-	-	516,148	-	3,250	1,300,892
<b>Total Revenues</b>	<b>942,832,442</b>	<b>2,554,553</b>	<b>31,268,021</b>	<b>25,048,601</b>	<b>10,069,541</b>	<b>17,848,988</b>	<b>31,876,905</b>	<b>1,061,499,051</b>
<b>EXPENDITURES:</b>								
Current:								
General administration	43,018,801	-	-	226,546	13,486,478	-	601,914	57,333,739
Human services	232,200,918	3,534,594	-	-	-	-	9,524,790	245,260,302
Education	327,218,550	-	-	-	-	310,606,242	23,483,952	661,308,744
Community development and cultural	24,114,579	-	30,800,493	-	16,123,672	-	1,359,522	72,398,266
Environmental services	8,169,186	-	-	-	646,136	-	91,097	8,906,419
Public safety	87,861,446	-	-	-	43,895,413	-	21,673,822	153,430,681
General services administration	28,382,448	-	-	-	-	-	19,883	28,402,331
Debt service:								
Principal	-	-	-	94,944,496	-	-	-	94,944,496
Interest	-	-	-	58,677,460	-	-	-	58,677,460
<b>Total Expenditures</b>	<b>750,965,928</b>	<b>3,534,594</b>	<b>30,800,493</b>	<b>153,848,502</b>	<b>74,151,699</b>	<b>310,606,242</b>	<b>56,754,980</b>	<b>1,380,662,438</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>191,866,514</b>	<b>(980,041)</b>	<b>467,528</b>	<b>(128,799,901)</b>	<b>(64,082,158)</b>	<b>(292,757,254)</b>	<b>(24,878,075)</b>	<b>(319,163,387)</b>

# WAKE COUNTY, NORTH CAROLINA

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

### GOVERNMENTAL FUNDS

For the Year Ended June 30, 2009

	Major Funds						Total Nonmajor Funds	Total Governmental Funds
	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund		
OTHER FINANCING SOURCES (USES):								
Transfers in	\$ 1,243,996	\$ 1,104,000	\$ -	\$ 146,664,000	\$ 25,023,000	\$ 30,000,000	\$ 11,219,760	\$ 215,254,756
Transfers out	(206,146,760)	-	(2,922,996)	-	(2,500,000)	-	(3,373,000)	(214,942,756)
Bonds issued	-	-	-	-	21,300,000	356,500,000	57,200,000	435,000,000
Refunding bonds issued	-	-	-	235,300,000	-	-	-	235,300,000
Premiums on issuance	-	-	-	54,456,200	-	-	-	54,456,200
Payment to refunded bond escrow agent	-	-	-	(256,895,981)	-	-	-	(256,895,981)
Capital leases and installment purchases	82,210	-	-	-	-	-	1,940,000	2,022,210
Total Other Financing Sources (Uses)	(204,820,554)	1,104,000	(2,922,996)	179,524,219	43,823,000	386,500,000	66,986,760	470,194,429
NET CHANGE IN FUND BALANCES	(12,954,040)	123,959	(2,455,468)	50,724,318	(20,259,158)	93,742,746	42,108,685	151,031,042
Fund Balances at beginning of year	169,038,855	5,578,081	5,068,538	100,047,606	73,042,359	151,368,774	5,528,850	509,673,063
FUND BALANCES AT END OF YEAR	\$ 156,084,815	\$ 5,702,040	\$ 2,613,070	\$ 150,771,924	\$ 52,783,201	\$ 245,111,520	\$ 47,637,535	\$ 660,704,105

# 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, 2009

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

<b>Net change in fund balances - total governmental funds</b>	\$ 151,031,042
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.	45,929,486
Depreciation expense for the fiscal year being reported	(15,668,789)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(401,339,297)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,374,308)
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.	<u>6,423</u>
<b>Change in net assets of governmental activities</b>	<u><u>\$ (222,415,443)</u></u>

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 780,051,000	\$ 766,792,559	\$ 754,461,002	\$ (12,331,557)
Licenses and permits	5,492,337	3,954,337	3,640,114	(314,223)
Intergovernmental	125,702,263	131,269,566	126,339,064	(4,930,502)
Charges for services	61,520,163	55,628,818	57,555,463	1,926,645
Investment earnings	623,544	498,544	55,305	(443,239)
Miscellaneous	768,079	768,079	781,494	13,415
Total Revenues	<u>974,157,386</u>	<u>958,911,903</u>	<u>942,832,442</u>	<u>(16,079,461)</u>
EXPENDITURES:				
Current:				
General administration	50,383,603	46,486,731	42,936,591	3,550,140
Human services	240,317,749	241,843,902	232,200,918	9,642,984
Education	333,225,000	327,218,550	327,218,550	-
Community development and cultural	25,801,529	25,198,969	24,114,579	1,084,390
Environmental services	9,574,470	8,519,782	8,169,186	350,596
General services administration	29,146,602	29,196,860	28,382,448	814,412
Public safety	90,000,047	88,864,715	87,861,446	1,003,269
Total Expenditures	<u>778,449,000</u>	<u>767,329,509</u>	<u>750,883,718</u>	<u>16,445,791</u>
REVENUES OVER EXPENDITURES	<u>195,708,386</u>	<u>191,582,394</u>	<u>191,948,724</u>	<u>366,330</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,297,000	1,297,000	1,243,996	(53,004)
Transfers out	(205,911,000)	(206,146,760)	(206,146,760)	-
Total Other Financing Sources (Uses)	<u>(204,614,000)</u>	<u>(204,849,760)</u>	<u>(204,902,764)</u>	<u>(53,004)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(8,905,614)	(13,267,366)	(12,954,040)	313,326
APPROPRIATED FUND BALANCE	<u>8,905,614</u>	<u>13,267,366</u>	<u>-</u>	<u>(13,267,366)</u>
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ -</u>	<u>(12,954,040)</u>	<u>\$ (12,954,040)</u>
FUND BALANCE AT BEGINNING OF YEAR			169,038,855	
LESS: EXPENDITURES ASSOCIATED WITH CAPITAL LEASE INCEPTION			(82,210)	
ADD: PROCEEDS OF CAPITAL LEASES			82,210	
TOTAL CAPITAL LEASE INCEPTIONS			<u>-</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 156,084,815</u>	

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

# WAKE COUNTY, NORTH CAROLINA

## MAJOR FACILITIES FUND

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

#### BUDGET AND ACTUAL

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Occupancy tax	\$ 15,400,000	\$ 15,400,000	\$ 13,484,795	\$ (1,915,205)
Prepared food tax	17,400,000	17,400,000	17,581,737	181,737
Total taxes	32,800,000	32,800,000	31,066,532	(1,733,468)
Investment earnings	-	-	201,489	201,489
Total Revenues	32,800,000	32,800,000	31,268,021	(1,531,979)
<b>EXPENDITURES:</b>				
Raleigh hold harmless - occupancy	680,000	680,000	680,000	-
Cary hold harmless - occupancy	747,000	747,000	654,103	92,897
Greater Raleigh Convention and Visitors Bureau	3,982,000	3,982,000	3,517,313	464,687
Centennial Authority operations 7%	1,892,000	1,892,000	1,817,438	74,562
Centennial - Debt service	5,209,000	5,209,000	5,208,725	275
Raleigh annual distribution - \$1M	1,000,000	1,000,000	1,000,000	-
Convention Center	13,814,000	13,814,000	13,122,914	691,086
North Carolina Museum of Art	1,000,000	1,000,000	1,000,000	-
Carolina Ballet	100,000	200,000	100,000	100,000
Centennial Authority Facility Improvements	1,000,000	1,500,000	1,500,000	-
Green Square	-	1,900,000	1,900,000	-
St. Augustine's	-	300,000	300,000	-
Unallocated	400,000	400,000	-	400,000
Total Expenditures	29,824,000	32,624,000	30,800,493	1,823,507
REVENUES OVER EXPENDITURES	2,976,000	176,000	467,528	291,528
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Transfers out to General Fund	(985,000)	(985,000)	(931,996)	53,004
Transfers out to Debt Service Fund	(991,000)	(991,000)	(991,000)	-
Transfers out to Capital Improvement Fund	(1,000,000)	(1,000,000)	(1,000,000)	-
Appropriated fund balance	-	2,800,000	-	(2,800,000)
Total other financing sources (uses)	(2,976,000)	(176,000)	(2,922,996)	(2,746,996)
REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	(2,455,468)	\$ (2,455,468)
Fund Balance at beginning of year			5,068,538	
FUND BALANCES AT END OF YEAR			\$ 2,613,070	

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF NET ASSETS PROPRIETARY FUNDS As of June 30, 2009

	Business-type Activities		
	Enterprise		
	Major Funds		Total Business-type Activities
Solid Waste Operating Fund	South Wake Landfill Partnership Fund		
<b>ASSETS</b>			
Current assets:			
Cash and investments - pooled equity	\$ 28,031,555	\$ 1,484,909	\$ 29,516,464
Cash and investments - reserved	11,498,655	2,991,508	14,490,163
Cash and investments - cash equivalents	-	750	750
Accounts receivable (net)	423,703	2,168,518	2,592,221
Due from other funds	322,962	-	322,962
Prepaid expenditures	2,500	3,500	6,000
Accrued interest receivable	208,656	-	208,656
<b>Total current assets</b>	<b>40,488,031</b>	<b>6,649,185</b>	<b>47,137,216</b>
Noncurrent assets:			
Capital assets not being depreciated:			
Land	1,875,253	-	1,875,253
Construction in progress	2,980,471	-	2,980,471
Capital assets (net of accumulated depreciation):			
Landfills	6,599,138	-	6,599,138
Buildings	855,304	-	855,304
Machinery and equipment	6,507	-	6,507
Improvements	397,973	-	397,973
<b>Total non-current assets</b>	<b>12,714,646</b>	<b>-</b>	<b>12,714,646</b>
<b>Total assets</b>	<b>53,202,677</b>	<b>6,649,185</b>	<b>59,851,862</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	1,734,373	3,787,024	5,521,397
Due to other funds	-	322,962	322,962
Unearned revenues	720	-	720
<b>Total current liabilities</b>	<b>1,735,093</b>	<b>4,109,986</b>	<b>5,845,079</b>
Noncurrent liabilities:			
Compensated absences	53,829	-	53,829
Other post employment benefits	96,304	19,261	115,565
Closure/postclosure care costs	11,498,655	2,991,508	14,490,163
<b>Total noncurrent liabilities</b>	<b>11,648,788</b>	<b>3,010,769</b>	<b>14,659,557</b>
<b>Total liabilities</b>	<b>13,383,881</b>	<b>7,120,755</b>	<b>20,504,636</b>
<b>NET ASSETS</b>			
Invested in capital assets	12,714,646	-	12,714,646
Unrestricted	27,104,150	(471,570)	26,632,580
<b>Total net assets</b>	<b>\$ 39,818,796</b>	<b>\$ (471,570)</b>	<b>\$ 39,347,226</b>

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

### PROPRIETARY FUNDS

For the Year Ended June 30, 2009

	Business-type Activities		
	Enterprise		
	Major Funds		
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities
OPERATING REVENUES:			
Licenses and permits	\$ 9,300	\$ -	\$ 9,300
Charges for services	7,206,032	16,314,996	23,521,028
Miscellaneous	860,844	116	860,960
Total Operating Revenues	<u>8,076,176</u>	<u>16,315,112</u>	<u>24,391,288</u>
OPERATING EXPENSES:			
Cost of service	9,782,399	11,505,739	21,288,138
Administration	1,421,630	916,640	2,338,270
Partner rebates	-	2,385,145	2,385,145
Depreciation and amortization	444,329	-	444,329
Total Operating Expenses	<u>11,648,358</u>	<u>14,807,524</u>	<u>26,455,882</u>
OPERATING INCOME (LOSS)	(3,572,182)	1,507,588	(2,064,594)
NON-OPERATING REVENUES:			
Intergovernmental	1,146,661	-	1,146,661
Investment earnings	1,228,484	1,483	1,229,967
Total Non-Operating Revenues	<u>2,375,145</u>	<u>1,483</u>	<u>2,376,628</u>
Income (loss) before transfers	(1,197,037)	1,509,071	312,034
TRANSFERS:			
Transfers in	856,719	-	856,719
Transfers out	(312,000)	(856,719)	(1,168,719)
Total Transfers	<u>544,719</u>	<u>(856,719)</u>	<u>(312,000)</u>
CHANGE IN NET ASSETS	(652,318)	652,352	34
TOTAL NET ASSETS, BEGINNING OF YEAR	<u>40,471,114</u>	<u>(1,123,922)</u>	<u>39,347,192</u>
TOTAL NET ASSETS, END OF YEAR	<u>\$ 39,818,796</u>	<u>\$ (471,570)</u>	<u>\$ 39,347,226</u>

**WAKE COUNTY, NORTH CAROLINA**

(Continued)

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2009**

	Business-type Activities		
	Enterprise		
	Major Funds		
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 8,920,627	\$ 15,941,047	\$ 24,861,674
Cash payments to suppliers for goods and services	(16,261,835)	(10,396,046)	(26,657,881)
Cash payments to employees for services	(973,919)	(213,862)	(1,187,781)
Other operating revenues	870,144	116	870,260
Net cash provided (used) by operating activities	<u>(7,444,983)</u>	<u>5,331,255</u>	<u>(2,113,728)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Intergovernmental revenue	1,146,661	-	1,146,661
Transfers in	856,719	-	856,719
Transfers out	(312,000)	(856,719)	(1,168,719)
Net cash provided by noncapital financing activities	<u>1,691,380</u>	<u>(856,719)</u>	<u>834,661</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	<u>(158,964)</u>	<u>-</u>	<u>(158,964)</u>
Net cash used by capital and related financing activities	<u>(158,964)</u>	<u>-</u>	<u>(158,964)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received on investments	<u>1,445,630</u>	<u>1,781</u>	<u>1,447,411</u>

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended June 30, 2009

	Business-type Activities		
	Enterprise		
	Major Funds		
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities
Net increase (decrease) in cash and cash equivalents	\$ (4,466,937)	\$ 4,476,317	\$ 9,380
Cash and cash equivalents at beginning of year	43,997,147	850	43,997,997
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 39,530,210</b>	<b>\$ 4,477,167</b>	<b>\$ 44,007,377</b>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (3,572,182)	\$ 1,507,588	\$ (2,064,594)
Adjustments to reconcile operating income/loss to net cash provided (used) by operating activities:			
Depreciation and amortization	444,329	-	444,329
(Increase)/decrease in accounts receivable	1,714,595	(373,949)	1,340,646
(Increase)/decrease in prepaid items	(2,500)	(3,500)	(6,000)
Increase/(decrease) in accounts payable and accrued liabilities	(6,029,225)	4,201,116	(1,828,109)
Total adjustments	(3,872,801)	3,823,667	(49,134)
Net cash provided (used) by operating activities	<b>\$ (7,444,983)</b>	<b>\$ 5,331,255</b>	<b>\$ (2,113,728)</b>

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS As of June 30, 2009

	Separation Allowance	Agency Funds
	<u>                    </u>	<u>                    </u>
ASSETS		
Cash and investments - pooled equity	\$ 2,426,126	\$ 1,616,445
Accounts receivable (net)	135	20,051
Accrued interest receivable	<u>12,509</u>	<u>4,320</u>
Total assets	<u>2,438,770</u>	<u>1,640,816</u>
LIABILITIES		
Other liabilities	-	1,597,321
Due to other governmental units	<u>-</u>	<u>43,495</u>
Total liabilities	<u>-</u>	<u>\$ 1,640,816</u>
NET ASSETS		
Held in trust for employee's pension benefits (Schedule of Funding Progress on page 61)	<u>\$ 2,438,770</u>	

# WAKE COUNTY, NORTH CAROLINA

## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS

For the Year Ended June 30, 2009

Additions:	Separation Allowance
Employer Contributions	\$ 697,000
Net investment income	69,864
Total additions	766,864
Deductions:	
Benefits	934,027
Net increase	(167,163)
Net assets held in trust for pension benefits:	
Beginning of year	2,605,933
End of year	\$ 2,438,770

**Wake County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2009**

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

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

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

**A. Reporting Entity**

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

Discretely Presented Component Unit

Wake County Board of Alcoholic Control (ABC Board)

The members of the ABC Board's governing board are appointed by the County Board of Commissioners. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The ABC Board has a June 30 year-end. The financial statement may be obtained at 225 Hillsborough St., Raleigh, NC 27602.

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

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

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

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

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

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

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

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

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

The County reports the following major funds:

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

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

Major Facilities Fund – The Major Facility Fund accounts for the accumulation of revenues to be spent on the construction of major facilities in accordance with an interlocal agreement between Wake County and other local governments located within the County.

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

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

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

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

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

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

Fiduciary Fund Types

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

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

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

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

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

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

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

**D. Budgetary Data Control**

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

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

Amounts reported as general administration expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund differ from the amounts reported in the General Fund Statement of Revenues, Expenditures, and changes in Fund Balances-Budget and Actual by \$82,210. This amount represents the expenditures associated with the inception of capital leases that are not required to be budgeted by the County under the NC law.

**E. Deposits and Investments**

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

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

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

**F. Receivables and Payables**

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

**G. Taxes Receivable  
Deferred Revenues**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], ad valorem taxes for property other than vehicles are levied on July 1, the beginning of the fiscal year and are due on September 1 (lien date); however, no penalties or interest are assessed until the following January 6. Property taxes on certain registered motor vehicles are assessed and collected throughout the year. The taxes are based on the assessed values as of January 1, 2008.

Ad valorem taxes collected within 30 days after the fiscal year end for the year ended June 30, 2009 and prior years are accrued within the funds because the amounts are considered measurable and available. The remaining ad valorem taxes receivable are not accrued, as the amount is not considered available. These taxes receivable are significantly past due and are not considered to be an available resource to finance the operations of the subsequent year. GAAP states that property taxes, which are measurable but not available, should be initially recorded as deferred revenues under the modified accrual basis of accounting. The receivable amount is reduced by an allowance for uncollectible taxes and an amount equal to the net receivable is shown as deferred revenue on the combined balance sheet. In addition, property taxes collected in advance of the fiscal year to which they apply are recorded as deferred revenues.

**H. Allowances for  
Uncollectible  
Accounts**

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

**I. Inventories and Prepaid  
Expenditures**

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

**J. Capital Assets**

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

Depreciation is computed using the straight-line method. Any interest incurred during the construction phase of proprietary fund type capital assets is reflected in the capitalized value of the asset being constructed. Capital assets are depreciated on the following basis:

Buildings	40 years
Vehicles and Motorized Equipment	5 years
Machinery and Equipment	3 years
Improvements	40 years
Infrastructure	20-50 years

**K. Long-Term Debt**

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

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

**L. Compensated Absences**

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

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

**M. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

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

**N. Comparative  
Reclassifications**

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

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

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

The governmental fund balance sheet includes reconciliation between the fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains, “ long term liabilities, including bonds payable, are not due in the current period and therefore are not reported in the funds.” The details of this (\$1,931,488,609) difference are as follows:

Outstanding long-term debt payable (per Note 10)	\$ (1,913,105,985)
Add:	
Accrued interest payable	(17,239,758)
Payable to granting agency	(1,286,321)
Less:	
Bond issuance costs (to be amortized over life of debt)	<u>143,455</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>\$ (1,931,488,609)</u></u>

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states “the issuance of long term debt such as bonds and leases provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued while these amounts are deferred and amortized in the statement of activities.” The details of this (\$401,339,297) difference are as follows:

Debt issued or incurred:

General obligation debt - schools issued	\$	(356,500,000)
General obligation debt - other issued		(78,500,000)
Refunding bonds issued		(235,300,000)
Premiums on bond issuance		(54,456,200)
Installment purchases		(1,940,000)
Capital lease financing		(82,210)
Increases in other post employment benefit liability		(14,590,572)
Compensated absences increases		(11,640,570)
Interest expense accrual and other adjustments		(1,730,677)
Total Increases		<u>(754,740,229)</u>

Principal repayments:

General obligation debt - schools		83,445,236
General obligation debt - other		10,279,764
Refunded bonds		238,800,000
Installment purchase payments		1,055,535
Qualified zone academy bonds		163,461
Current year amortization of bond premiums		4,613,179
Capital lease payments		173,560
Decreases in other post employment benefit liability		3,869,961
Compensated absences, decreases		11,000,236
Total Decreases		<u>353,400,932</u>

Net adjustment to increase net changes in fund balances - total

governmental funds to arrive at changes in net assets of governmental activities	\$	<u>(401,339,297)</u>
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**O. Reconciliation of  
Government-wide and  
Fund Financial  
Statements (Cont.)**

Another element of that reconciliation states “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays increases exceeded the book value of capital asset decreases in fiscal year being reported.” The details of this \$45,929,486 difference are as follows:

Capital Asset Aquisitions:	
Capital Asset Increases	\$ 92,392,058
Net increase in construction in progress	<u>47,383,211</u>
Total Increases	139,775,269
Capital Asset Disposals:	
Capital asset decreases	(99,315,474)
Accumulated depreciation related to capital asset disposals	<u>5,469,691</u>
Total Decreases	<u>(93,845,783)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 45,929,486</u></u>

**P. Unrestricted (deficit)**

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

For school debt	\$	(1,679,944,768)
All other		<u>618,368,318</u>
Total unrestricted net assets	\$	<u>(1,061,576,450)</u>

Under North Carolina law, the County is responsible for providing capital funding for the Wake County Board of Education (the “School System”). The County has chosen to meet its legal obligation to provide school capital funding by using a mixture of County funds and general obligation debt. The assets funded by the County are owned, utilized and maintained by the school system. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the school-related debt was \$1,679,944,768. However, the entire amount of school debt outstanding is general obligation debt, which is collateralized by the full faith, credit, and taxing power of the County. The County is authorized and required by State law to levy ad valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year in which they become due.

**NOTE 2.  
Related Organizations**

**Industrial Facilities and Pollution Control Financing Authority**

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

**Wake County Housing Authority**

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

**Wake County Hospital System, Inc.**

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

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

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

Wake Technical Community College

Technical and vocational training beyond the secondary level is provided by Wake Technical Community College, with some financial assistance from the County. The College is a part of the state-wide system of community colleges and technical institutes. The College has a twelve-member Board of Trustees, four of which are appointed by the County Board of Commissioners. The County has no responsibility for the designation of management and exercises no control over the operations of the College beyond its annual appropriation. The County has an ongoing financial responsibility for the College because of the statutory responsibilities to provide funding for the College's facilities. The County remitted \$16,718,550 to the College for operating purposes during the current year. In addition, the County made debt service payments of \$3,041,124 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, 2009. Complete financial statements for the College may be obtained at their administrative offices at 9101 Fayetteville Road, Raleigh, NC 27603.

Raleigh-Durham Airport Authority

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

Centennial Authority

The Centennial Authority is a local political subdivision of the State of North Carolina created pursuant to Section 4 of Chapter 458 of the 1995 Session Laws of North Carolina. The purpose of the Authority is to study, design, plan, construct, own, promote, finance and operate a regional facility in Wake County, North Carolina. The regional facility will consist of an arena, coliseum or other buildings or both, where sports, fitness, health recreational, entertainment or cultural activities can be conducted. In addition, the County remitted \$1,817,438 for operations, \$5,208,725 for debt service and \$1,500,000 for facility improvements from the Occupancy and Prepared Food/Beverage taxes for the Authority. The County does not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2009. Complete financial statements for the Authority may be obtained at their administrative offices at 1520 Blue Ridge Road, Suite 201, Raleigh, NC 27607.

Greater Raleigh Convention and Visitors Bureau

The Greater Raleigh Convention and Visitors Bureau (Bureau) was established in fiscal year 1992 in conjunction with a County occupancy tax levy to promote and solicit business, conventions, meetings and tourism in the County. The governing body of the Bureau is a twelve-member Board of Directors with six members appointed by the Raleigh City Council and six members appointed by the County Board of Commissioners. Funding is derived from the six (6) percent occupancy tax levied upon the rental of rooms, lodging or similar accommodations, and from a one (1) percent prepared food & beverage tax levied on all prepared foods and beverages sold by Wake County businesses. Monthly, the County is required to distribute to the Bureau a percentage of the tax collected with a minimum aggregate annual distribution of \$1,000,000. If tax revenues are not sufficient to fully fund the Bureau's minimum annual distributions, the County and City must fund the deficiency equally to ensure that the Bureau receives its minimum distribution of \$1,000,000 in any fiscal year. All unexpended funds of the Bureau revert to the County and City at the end of each fiscal year. The Bureau is a joint venture of equal equity interest between the County and the City of Raleigh. The Wake County Board of Commissioners and the Raleigh City Council must approve the budget and all amendments. The Bureau does not have any outstanding indebtedness except for a minor investment in capital assets, the only equity in the Bureau at year-end is for encumbrances, which will be expended, in the subsequent year. Based on this, no equity interest in the Bureau is recorded at June 30, 2009.

**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 \$223,482,953 and a bank balance of \$228,913,157. Of the bank balance, \$903,704 was covered by federal depository insurance and \$228,009,453 in interest-bearing deposits were covered by collateral held under the pooling method.

**2. Investments**

As of June 30, 2009, the County had the following investments and maturities.

<b>Investment Type</b>	<b>Fair Value</b>	<b>Less Than</b>		
		<b>2 Years</b>	<b>2 - 3 Years</b>	<b>3 - 5 Years</b>
U.S. Government Treasuries	\$ 79,487,995	\$ 79,487,995	\$ -	\$ -
U.S. Government Agencies	354,245,965	287,955,090	35,325,225	30,965,650
Certificates of Deposit	50,000,000	50,000,000	-	-
N.C. Capital Management Trust -Cash portfolio	171,928	171,928	-	-
<b>Total fair value</b>	<b>\$ 483,905,888</b>	<b>\$ 417,615,013</b>	<b>\$ 35,325,225</b>	<b>\$ 30,965,650</b>

*Interest Rate Risk.* As a means of managing its exposure to fair value losses from increasing interest rates, the County has an informal investment policy that limits investment maturities to a maximum of five years. A maximum of \$90 million or 15% of the portfolio can be in the 2-3 year range and a maximum of \$60 million or 10% of the portfolio can be in the 3-5 year range, at times it may be necessary for investment maturities to exceed these ranges.

*Credit Risk.* State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2009, the County had no investments in commercial paper. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2009. The County's investments in US Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2009, all of the County's investments were in the County's name.

**NOTE 5.  
Receivables**

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

	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Non Major Funds	Totals
Property taxes	\$ 18,809,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 754,274	\$ 19,563,659
Accounts	11,771,194	-	-	-	1,168,345	-	-	12,939,539
Interest	15,105	183	26,694	1,295,409	147,393	825,825	86,794	2,397,403
Special assessments	18,620	-	-	-	-	-	-	18,620
Intergovernmental	45,456,881	103,612	-	-	510,589	5,174,611	985,845	52,231,538
Loans receivable	-	20,089,206	-	-	268,323	-	-	20,357,529
Other	6,709,276	50,118	2,473,268	4,672,983	4,613,269	-	321,786	18,840,700
Gross receivables	82,780,461	20,243,119	2,499,962	5,968,392	6,707,919	6,000,436	2,148,699	126,348,988
Less allowance for bad debts	(19,052,491)	(349,653)	-	-	(1,344,517)	-	(543,077)	(21,289,738)
Net total receivables	<u>\$ 63,727,970</u>	<u>\$ 19,893,466</u>	<u>\$ 2,499,962</u>	<u>\$ 5,968,392</u>	<u>\$ 5,363,402</u>	<u>\$ 6,000,436</u>	<u>\$ 1,605,622</u>	<u>\$ 105,059,250</u>

Accounts receivables of the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund are reported net of uncollectible amounts. Total uncollectible amounts related to receivables of the current period are \$185,716 and \$116,346, respectively.

**NOTE 5. (Cont.)  
Receivables**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that that have been received but not yet earned. At the end of the current period, the various components of deferred revenue were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Taxes receivable (General Fund)	\$ 5,433,363	\$ -
Taxes receivable (Special District Fund)	211,197	-
Housing loans receivable (Affordable Housing Fund)	-	19,767,499
Loans receivable (Capital Improvements Fund)	-	268,323
Prepaid taxes not yet earned (cash)	-	2,135,853
Prepaid loans not yet earned (cash)	-	100,000
Prepaid revenues not yet earned (cash)	-	-
Other cash deferred revenues (School Capital Fund)	-	713,618
Other deferred revenues	6,475,745	-
	<u>\$ 12,120,305</u>	<u>\$ 22,985,293</u>

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

Capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 40,931,187	\$ 19,830,130	\$ -	\$ 60,761,317
Construction in progress	214,082,693	47,383,211	(89,223,764)	172,242,140
Total capital assets, not being depreciated	<u>255,013,880</u>	<u>67,213,341</u>	<u>(89,223,764)</u>	<u>233,003,457</u>
Capital assets, being depreciated:				
Buildings	258,857,042	57,472,581	(7,414,291)	308,915,332
Improvements Other than Buildings	14,813,784	5,902,154	-	20,715,938
Machinery and equipment	32,896,406	1,902,755	(552,092)	34,247,069
Vehicles and motorized equipment	27,415,838	7,284,438	(2,125,327)	32,574,949
Infrastructure	10,939,755	-	-	10,939,755
Total capital assets being depreciated	<u>344,922,825</u>	<u>72,561,928</u>	<u>(10,091,710)</u>	<u>407,393,043</u>
Less accumulated depreciation for:				
Buildings	63,153,180	8,466,017	(3,117,970)	68,501,227
Improvements Other than Buildings	2,525,476	853,350	-	3,378,826
Machinery and equipment	28,692,787	1,958,432	(552,092)	30,099,127
Vehicles and motorized equipment	16,420,405	4,168,628	(1,799,629)	18,789,404
Infrastructure	3,631,185	222,362	-	3,853,547
Total accumulated depreciation	<u>114,423,033</u>	<u>\$ 15,668,789</u>	<u>\$ (5,469,691)</u>	<u>124,622,131</u>
Total capital assets, being depreciated, net	<u>230,499,792</u>			<u>282,770,912</u>
Governmental activities capital assets, net	<u>\$ 485,513,672</u>			<u>\$ 515,774,369</u>

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,875,253	\$ -	\$ -	\$ 1,875,253
Construction in progress	3,864,545	152,255	(1,036,329)	2,980,471
Total capital assets, not being depreciated/amortized	<u>5,739,798</u>	<u>152,255</u>	<u>(1,036,329)</u>	<u>4,855,724</u>
Capital assets, being depreciated/amortized:				
Landfills	35,124,359	1,036,329	-	36,160,688
Buildings	1,166,846	-	-	1,166,846
Improvements	544,003	-	-	544,003
Machinery and equipment	18,254	6,709	-	24,963
Vehicles and motorized equipment	11,573	-	-	11,573
Total capital assets being depreciated/amortized	<u>36,865,035</u>	<u>1,043,038</u>	<u>-</u>	<u>37,908,073</u>
Less accumulated depreciation/amortization for:				
Landfills	29,160,169	401,381	-	29,561,550
Buildings	282,378	29,164	-	311,542
Improvements	132,448	13,582	-	146,030
Machinery and equipment	18,254	202	-	18,456
Vehicles and motorized equipment	11,573	-	-	11,573
Total accumulated depreciation/amortization	<u>29,604,822</u>	<u>\$ 444,329</u>	<u>\$ -</u>	<u>30,049,151</u>
Total capital assets, being depreciated/amortized, net	<u>7,260,213</u>			<u>7,858,922</u>
Business-type activities capital assets, net	<u>\$ 13,000,011</u>			<u>\$ 12,714,646</u>

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

Depreciation and amortization expenses were charged to functions as follows:

Governmental activities:

General administration	\$ 3,490,144
Human services	1,573,995
Education	355,489
Community development and cultural	2,130,117
Environmental services	256,549
Public safety	4,685,878
General services administration	<u>3,176,617</u>

Total depreciation expense -

Governmental activities	<u>15,668,789</u>
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Business-type activities:

Environmental services - solid waste	<u>444,329</u>
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Total depreciation and amortization	<u><u>\$ 16,113,118</u></u>
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**NOTE 6. (Cont.)**  
**Capital Assets**

For the 2009 fiscal year, the construction in progress expenditures for governmental activities were as follows:

<b>Construction in Progress:</b>	
	Expended At June 30, 2009
Automation	\$ 22,788,158
Community Capital Projects	500,000
County Buildings	11,079,182
Criminal Justice	60,514,804
Libraries	5,259,188
Open Space	16,716,577
Parks	4,402,524
Public Safety	27,766,505
Water/Wastewater	21,216,342
Program-wide Projects	1,998,860
	<hr/>
Total	\$ 172,242,140
	<hr/> <hr/>

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

Internal balances in the governmental funds, as of June 30, 2009 are \$310,901. This represents amounts due to the General Fund by a non-major government fund for their share of cash and investments pooled equity and amounts due to the General Fund from the Human Services Agency fund for reimbursements of expenditures. Internal balances in the business-type activities funds, as of June 30, 2009 are \$322,962. This represents amounts owed to the the Solid Waste Operating Fund from the South Wake Landfill Partnership Fund for the County's share of the South Wake Landfill partnership rebate.

The County's General Fund transferred funds during fiscal year 2009 to fund debt service payments, capital improvements, the risk management program, economic developments and the County match for State and Federal Grant Programs. The \$312,000 transferred from the Solid Waste Operating Fund is to cover administrative expenses incurred by the County's General Fund on behalf of the solid waste program. The \$856,719 transferred from the South Wake Landfill Partnership Fund to the Solid Waste Operating Fund is to cover administrative expenses incurred in the Solid Waste Operating Fund on behalf of the South Wake Landfill Fund.

Interfund transfers:

	General Fund	Affordable Housing Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Other Governmental Funds	Solid Waste Operating Fund	Total Transfers out
General Fund	\$ -	\$ 104,000	\$ 144,738,000	\$ 25,023,000	\$ 30,000,000	\$ 6,281,760	\$ -	\$ 206,146,760
Major Facilities Fund	931,996	-	991,000	-	-	1,000,000	-	2,922,996
Capital Improvements Fund	-	1,000,000	-	-	-	1,500,000	-	2,500,000
Other Governmental Funds	-	-	935,000	-	-	2,438,000	-	3,373,000
Solid Waste Operating Fund	312,000	-	-	-	-	-	-	312,000
South Wake Partnership Fund	-	-	-	-	-	-	856,719	856,719
Total transfers in	<u>\$ 1,243,996</u>	<u>\$ 1,104,000</u>	<u>\$ 146,664,000</u>	<u>\$ 25,023,000</u>	<u>\$ 30,000,000</u>	<u>\$ 11,219,760</u>	<u>\$ 856,719</u>	<u>\$ 216,111,475</u>

**NOTE 8.  
Risk Management**

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

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

In fiscal year 2008, the County began accounting for and finances both its uninsured and insured risks of loss in the General Fund. Prior to fiscal year 2008 this function was accounted for and financed in a Risk Management Fund (internal service fund). Effective August 1, 2005, the County's group medical coverage went from fully insured to self-insured which is administered by an outside provider. The County also provides self-insured dental to its employees and dependents. There is no limit for in-network services and a \$1,000,000 lifetime limit for out-of-network services for each covered employee/dependent's medical costs. The cost of providing medical coverage to participating employees and dependents is charged to benefiting funds as premiums. These premiums are an estimate of expected average claims per individual. The County is self-insured up to a maximum of \$600,000 for each workers' compensation claim and up to \$1,000,000 for other liability claims. The County has a high-deductible policy for property. The deductible is \$100,000 for each property damage claim and \$500,000 for flood property claims. The County purchases commercial excess insurance for claims in excess of its self-insured retention and for other insurance and bonds to cover specific risks and officials, respectively. Settled claims have not exceeded this commercial coverage in any year since the fund was established in 1990. The County elects not to distribute claims and insurance coverage expenses to the County departments except for deductibles on auto and property claims. Administrative costs and actuarially determined assets to pay ultimate losses and scheduled premiums are covered by the General Fund.

The County's property and liability coverage at June 30, 2009 are as follows:

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

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

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

The claims liability of \$5,707,272 reported in the General Fund at June 30, 2009 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. Changes in the fund's claims liability amount in fiscal years 2009 and 2008 are as follows:

**Changes in the Fund's Claims Liability**

	2009	2008
Beginning of fiscal year liability	\$ 6,538,695	\$ 6,360,999
Workers' Compensation changes in estimates	(534,408)	4,415
Property and liability changes in estimates	(549,609)	616,093
Dental benefits changes in estimates	5,594	27,488
Self-insured group medical changes in estimates	247,000	(470,300)
Balance at fiscal year-end	<u>\$ 5,707,272</u>	<u>\$ 6,538,695</u>

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

The County leases certain equipment under lease agreements that are classified as capital leases for accounting purposes in accordance with GAAP. Obligations of these lease agreements are accounted for in the governmental activities of the government-wide statements. At June 30, 2009, the net book value of the assets acquired through capital leases is \$80,228. The net present value of the future minimum lease payments at June 30, 2009 is \$328,068 as detailed below.

The County also leases buildings and office facilities as well as various equipment under non-cancelable operating leases. The total costs for all operating lease expenditures for the year ended June 30, 2009 were \$2,429,899. The future minimum lease payments for non-cancelable operating leases are \$10,851,498 as detailed below.

At June 30, 2009, future minimum lease payments due under capital leases and operating leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

Year Ending June 30	Capital Leases	Operating Leases
2010	\$ 185,202	\$ 2,413,430
2011	116,223	2,308,552
2012	30,340	2,288,363
2013	11,756	2,196,388
2014	6,723	896,275
2015	-	748,490
Total minimum lease payments	<u>350,244</u>	<u>\$ 10,851,498</u>
Less: amount representing interest	(22,176)	
Present value of net minimum lease payments	<u>\$ 328,068</u>	

The county leases office space under operating lease agreements with terms generally less than one year. Minimum future rentals on non-cancelable lease with terms in excess of one year are not material to the County's financial statements. Rental revenue for the year ended June 30, 2009 was \$307,756.

**NOTE 10.  
Long-term Debt**

General Obligation Bonds:

The general obligation bonds reported in Governmental Activities are collateralized by the full faith, credit and taxing power of the County. The County has issued both fixed and variable rate bonds. The fixed rate bonds bear interest at rates varying from 3.00 percent to 5.25 percent. The variable rate is reset weekly by the remarketing agent based on the minimum rate of interest necessary to enable the remarketing agent to remarket all of the weekly rate bonds in the secondary market. The rate ranged from 0.25% to 7.90% during the period July 1, 2008 through June 30, 2009. 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, 2009 are comprised of the following:

2000 School Bonds of \$24,000,000 due in annual installments of \$1,000,000 to \$4,000,000 through February 2015; interest of 5.2% to 5.25%.	\$ 1,000,000
2001 Criminal Justice Facility Bonds of \$8,000,000 due in annual installments of \$300,000 to \$1,200,000 through August 2017, interest of 4.4% to 4.75%.	600,000
2001 School Bonds of \$150,000,000 due in annual installments of \$5,700,000 to \$22,800,000 through August 2017, interest of 4.5% to 5.25%.	11,400,000
2002 Public Improvement Bonds of \$188,000,000 due in annual installments of \$8,500,000 to \$34,000,000 through March 2019, interest of 4.00 to 4.75%.	25,500,000
2003A Public Improvement Bonds of \$122,890,000 due in annual installments of \$8,000,000 to \$17,555,000 through April 2015, interest of 3.00 to 5.00%.	48,000,000
2003B Public Improvement Bonds of \$55,000,000 due in periodic installments of \$10,000,000 to \$30,000,000 beginning in April 2016 through April 2018, interest is variable with a rate of 0.25% at June 30, 2009. The maximum amount of interest cannot exceed 12%.	55,000,000
2003C Public Improvement Bonds of \$45,000,000 due in annual installments of \$13,000,000 to \$32,000,000 beginning in April 2019 through April 2020, interest is variable with a rate of 0.28% at June 30, 2009. The maximum amount of interest cannot exceed 12%.	45,000,000
2003A Refunding Bonds of \$83,145,000 due in annual installments of \$945,000 to \$16,100,000 beginning February 1, 2004 through February 1, 2011 interest of 3.00 to 5.00%.	19,900,000
2003B Criminal Justice Facilities Bonds of \$8,000,000 due in annual installments of \$400,000 to \$550,000 beginning February 1, 2004 through February 1, 2022, interest of 3.00 to 5.00%	6,000,000
2004 Public Improvement Bonds of \$130,000,000 due in annual installments of \$10,000,000 beginning March 1, 2005 through March 1, 2017, interest of 3.00 to 5.00%.	80,000,000

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

2004A Variable Rate School Bonds of \$67,000,000 due in periodic installments of \$29,000,000 to \$38,000,000 beginning April 1, 2018 through April 1, 2019, interest is variable with a rate of 0.55% at June 30, 2009. The maximum interest rate which cannot exceed 12%.	\$ 67,000,000
2004B Variable Rate School Bonds of \$57,000,000 due in periodic installments of \$17,000,000 to \$40,000,000 beginning April 1, 2020 through April 1, 2021, interest is variable with a rate of 0.25% at June 30, 2009. The maximum interest rate cannot exceed 12%.	57,000,000
2004 Refunding Bonds of \$114,380,000 due in annual installments of \$2,865,000 to \$23,870,000 beginning March 1, 2007 through March 1, 2015 interest of 4.00 to 5.00%.	84,410,000
2005 Refunding Bonds of \$33,020,000 due in annual installments of \$50,000 to \$22,290,000 beginning February 1, 2006 through February 1, 2017 interest of 3.00 to 5.00%.	32,760,000
2005 School Bonds of \$41,000,000 due in annual installments of \$1,500,000 to \$6,000,000 through May 2023, interest of 3.25 to 5.00%	36,500,000
2007 Public Improvement Bonds of \$455,000,000 due in periodic installments of \$23,000,000 to \$35,000,000 beginning March 1, 2009 through March 1, 2025, interest of 4.25 to 5.00%.	432,000,000
2007A Variable Rate School Bonds of \$50,000,000 due in periodic installments of \$13,000,000 to \$21,000,000 beginning March 1, 2024 through March 1, 2026, interest is variable with a rate of 0.30% at June 30, 2009. The maximum interest rate cannot exceed 12%.	50,000,000
2007B Variable Rate School Bonds of \$50,000,000 due in periodic installments of \$8,000,000 to \$21,000,000 beginning March 1, 2022 through March 1, 2024, interest is variable with a rate of 0.28% at June 30, 2009. The maximum interest rate cannot exceed 12%.	50,000,000
2009A Public Improvement Bonds of \$135,000,000 due in periodic installments of \$6,000,000 to \$24,000,000 beginning March 1, 2012 through March 1, 2026, interest of 4.00 to 5.00%.	135,000,000
2009B Public Improvement Bonds of \$300,000,000 due in periodic installments of \$7,000,000 to \$26,000,000 beginning March 1, 2010 through March 1, 2025, interest of 4.00 to 5.00%.	300,000,000
2009C Refunding Bonds of \$66,320,000 due in annual installments of \$7,575,000 to \$14,150,000 beginning March 1, 2010 through March 1, 2015 interest of 4.00 to 5.00%.	66,320,000
2009D Refunding Bonds of \$168,980,000 due in annual installments of \$6,545,000 to \$36,945,000 beginning February 1, 2012 through February 1, 2018 interest of 3.00 to 4.00%.	<u>168,980,000</u>
Total general obligation bonds outstanding	<u><u>\$ 1,772,370,000</u></u>

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

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2009 are as follows:

June 30	Principal	Interest	Total
2010	\$ 109,230,000	\$ 75,236,231	\$ 184,466,231
2011	108,875,000	74,600,613	183,475,613
2012	110,205,000	69,443,182	179,648,182
2013	110,190,000	64,096,063	174,286,063
2014	110,010,000	58,963,763	168,973,763
2015-2019	617,710,000	215,582,787	833,292,787
2020-2024	483,150,000	88,694,848	571,844,848
2025-2027	123,000,000	6,385,936	129,385,936
	<u>\$ 1,772,370,000</u>	<u>\$ 653,003,423</u>	<u>\$ 2,425,373,423</u>

The annual requirements to amortize capital leases, installment purchase and Qualified Zone Academy debt outstanding as of June 30, 2009 are as follows:

June 30	Principal	Interest	Total
2010	\$ 1,509,248	\$ 364,583	\$ 1,873,831
2011	1,494,791	310,061	1,804,852
2012	1,460,118	258,851	1,718,969
2013	1,491,412	208,973	1,700,385
2014	1,538,494	156,858	1,695,352
2015-2019	3,498,664	215,145	3,713,809
	<u>\$ 10,992,727</u>	<u>\$ 1,514,471</u>	<u>\$ 12,507,198</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 8 percent of the appraised value of property subject to taxation less property valued for abatement. At June 30, 2009, such statutory limit of the County was \$9,328,842,040 providing a legal debt margin of \$7,031,307,381. Authorized but unissued general obligation bonds as of June 30, 2009 totaled \$514,500,000. Of this amount \$476,000,000 was for authorized but unissued new general obligation bonds and \$38,500,000 was for authorized but unissued refunding bonds.

**Qualified Zone Academy Bonds:**

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

Conduit Debt Obligations:

Wake County Industrial Facilities and Pollution Control Financing Authority (the “Authority”) has used industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from the payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State of North Carolina, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2009, there were 16 series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$597 million.

Interest Rate Swap:

As part of the acquisition by the County of an 85% interest in Five County Stadium pursuant to an Interlocal Agreement dated December 19, 2002, the County assumed the obligations of the Town of Zebulon under an Installment Financing Agreement (“Original Agreement”) dated as of February 1, 1999. Effective April 20, 2004, the County entered into an Amended and Restated Installment Financing Agreement (“Amended Agreement”) and pay-fixed, receive-variable interest rate swap (“Swap”) for the purpose of refinancing the Original Agreement. The initial principal amount of the Amended Agreement was \$9,000,000 and the initial notional amount of the Swap was \$9,000,000. The notional value of the swap and the principal amount of the associated debt decline annually. The final maturity of the Amended Agreement and Swap is July 1, 2015. The interest rate on the Amended Agreement is 60.45% of one-month LIBOR plus 1.12%. Under the Swap, the County receives 60.45% of one-month LIBOR plus 1.12% (the same as the interest rate on the Amended Agreement) and pays 3.78%, effectively converting the Amended Agreement from variable-rate to fixed-rate. At June 30, 2009, the swap had a fair value to the County of \$30,737.41. Fair value was estimated by the counterparty using mark to market valuations. As of June 30, 2009, the County was exposed to credit risk because the swap had a positive fair value. The swap counterparty, Bank of America, at June 30, 2009 was rated “Aa3” by Moody’s Investors Service, “A+” by Standard and Poor’s, and “A+” by Fitch Ratings. Since the variable interest rate the County pays on the Amended Agreement and the variable interest rate the counterparty pays to the County on the swap are based on the same calculation, the net interest rate is the 3.78% fixed swap rate and there is no interest rate or basis risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. Termination could result in the County being required to make or being entitled to receive an unanticipated termination payment.

Swap payments and associated debt –Using the variable interest rate as of June 30, 2009 (0.3233%) and assuming the rate remains the same for the term of the agreement, debt service requirements of the Amended Agreement debt and net swap payments would be as follows:

	Amended Variable Rate Installment Purchase Agreement			
	Principal	Variable Rate Interest	Interest Rate Swaps, Net	Total
2010	\$ 794,376	\$ 33,184	\$ 163,440	\$ 991,000
2011	825,113	27,998	137,889	991,000
2012	857,038	22,613	111,349	991,000
2013	889,893	17,020	84,087	991,000
2014	924,631	11,209	55,160	991,000
2015-2016	1,038,101	5,425	26,645	1,070,171
Total	\$ 5,329,152	\$ 117,449	\$ 578,570	\$ 6,025,171

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

Changes In Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
<b>Governmental activities:</b>					
General obligation bonds	\$ 1,434,595,000	\$ 670,300,000	\$ 332,525,000	\$ 1,772,370,000	\$ 109,230,000
Plus: Premiums on issuance	45,256,275	54,456,200	4,613,179	95,099,296	N/A
Total general obligation bonds payable	1,479,851,275	724,756,200	337,138,179	1,867,469,296	109,230,000
Qualified Zone Academy Bonds	1,471,155	-	163,461	1,307,694	163,461
Installment Purchases	8,472,500	1,940,000	1,055,535	9,356,965	1,174,813
Capital leases	419,418	82,210	173,560	328,068	170,973
Other post-employment benefits	11,435,719	14,590,572	3,869,961	22,156,330	-
Compensated absences	11,847,298	11,640,570	11,000,236	12,487,632	12,487,632
Total Governmental Activities	<u>\$ 1,513,497,365</u>	<u>\$ 753,009,552</u>	<u>\$ 353,400,932</u>	<u>\$ 1,913,105,985</u>	<u>\$ 123,226,879</u>
<b>Business-type activities:</b>					
Landfill	\$ 17,192,967	\$ 2,819,910	\$ 5,522,714	\$ 14,490,163	N/A
Other post-employment benefits	49,444	76,103	9,982	115,565	-
Compensated absences	51,223	42,724	40,118	53,829	53,829
Total Business-type Activities	<u>\$ 17,293,634</u>	<u>\$ 2,938,737</u>	<u>\$ 5,572,814</u>	<u>\$ 14,659,557</u>	<u>\$ 53,829</u>

**NOTE 11.  
Additional Social Welfare  
Expenditures**

The following amount was paid on behalf of the County by the State from Federal and State funds. The human services payments were disbursed directly to vendors and individual recipients. For the year ended June 30, 2009 this amount, which is not included in the financial statements because the County has no primary responsibility beyond making eligibility determinations, is approximately \$599 million.

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

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

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

Local Governmental Employees' Retirement System

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

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.80% and 5.27%, respectively, of annual covered payroll. The contribution requirements of members and of Wake County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2007, 2008, and 2009 were \$7,671,139, \$8,228,082 and \$8,658,698 respectively. The contributions made by the County equaled the required contributions for each year.

Supplemental Retirement Income Plan

Plan Description. Wake County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The plan provides retirement benefits to all employees of the County who are employed at least half time. Article 5 of the G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County's total payroll in fiscal year 2009 was \$177,834,378. The County's contributions were calculated using the base salary amount of \$178,044,580. The County made contributions amounting to \$8,902,229. Employees made voluntary contributions of \$4,453,972.

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

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

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2008, the Separation Allowance's membership consisted of:

Retirees receiving benefits	53
Active plan members	<u>359</u>
Total	<u>412</u>

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

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

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the fiscal year ended June 30, 2009, the County contributed \$697,000, or 3.87% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed by the General Fund.

The annual required contribution for the fiscal year ended June 30, 2009 was determined as part of the December 31, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) a 7.25% investment rate of return and (b) projected salary increases ranging from 4.5% per year to 12.3% per year. (B) Included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level percent of pay on an closed basis. The remaining amortization period at December 31, 2007 was 20 years.

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

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (asset)
June 30, 2007	\$548,740	116.08%	(\$ 1,130,521)
June 30, 2008	\$615,112	100.54%	( 1,133,847)
June 30, 2009	\$690,577	100.93%	( 1,140,270)

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

Annual required contribution	\$ 693,913
Interest on net pension obligation	(82,204)
Adjustment to annual required contribution	<u>78,868</u>
Annual pension cost	690,577
Contributions made	<u>697,000</u>
Decrease in net pension obligation	(6,423)
Net pension obligation (asset), beginning of year	<u>(1,133,847)</u>
Net pension asset, end of year	<u><u>\$ (1,140,270)</u></u>

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

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

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three (93%) of the amount in the fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Funds assets may be used by the Department of State Treasurer in administering the Fund. For the fiscal year ended June 30, 2009 the county's actual and required contributions were \$75,552.

**NOTE 16.  
Post-Employment Benefits**

The County has elected to provide death benefits to employees through the Death Trust Plan for members of the Local Government Employees' Retirement System (Death Trust Plan), a multiple-employer State-administered cost-sharing plan funded on a one-year term cost basis. The beneficiaries of these employees' who die in active service after one year of contributing membership in the System, or who die within 180 days after termination of service or retirement and have at least one year of contributing membership in the system at the time of death are eligible to receive death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior 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, 2009 the County made contributions to the State for death benefits of \$137,441. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .07 percent and .14 percent of covered payroll, respectively. The contributions to the Death Trust are not separated between the post-employment benefit amount and the other benefit amount, as the amounts cannot be reasonably estimated..

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

Plan Description. In addition to providing pension benefits, Wake County has elected to provide health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five to twenty years of continuous service with the County, depending on date of hire. Retirees are eligible to receive the same benefits as active County employees. The County pays the costs of coverage for these benefits as incurred on a pay-as-you-go basis. Also, retirees can purchase coverage for their dependents at the County's group rates.

Membership in the plan included the following at December 31, 2008, the date of the latest actuarial valuation:

Retirees receiving benefits	699
Active plan members	<u>3,771</u>
Total	<u>4,470</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. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 8.53% of annual covered payroll. For the current year , the County contributed \$3,879,943 or 2% of annual covered payroll. The County's medical coverage is self insured, which is administered by an outside provider. There no contributions made by employees, except for dependant coverage for retirees in the amount of \$476,482.

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

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

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

Annual required contribution	\$ 14,666,675
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost	14,666,675
Contributions made	<u>3,879,943</u>
Increase in net OPEB obligation	10,786,732
Net OPEB liability, beginning of year	<u>11,485,163</u>
Net OPEB liability, end of year	<u><u>\$ 22,271,895</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
2009	\$ 14,666,675	26.5%	\$ 22,271,895

As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits, and thus, the unfunded actuarial accrued liability (UAAL) was \$179,179,404. The covered payroll (annual payroll of active employees covered by the plan) was \$171,841,892. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

In the December 31, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.50 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent over 7 years. The UAAL is being amortized as a level dollar percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008 was 30 years.

**NOTE 18.  
Commitments and  
Contingencies**

The County is a party to some pending civil actions which are being vigorously defended. The County Attorney estimates that the potential liability resulting from such litigation not covered by insurance or barred by sovereign immunity is not material and would not have a substantial adverse affect on the financial position of the County as of June 30, 2009.

**NOTE 19.  
Closure and Postclosure  
Landfill Costs**

The County owns six solid waste landfills which are accounted for in the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund. State and Federal laws and regulations require the County to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The current estimate of postclosure maintenance and monitoring costs is approximately \$27.2 million. The landfill closure and postclosure liability of \$14,490,163 is included in accounts payable and accrued liabilities in the Solid Waste Operating fund and the South Wake Landfill Partnership fund at June 30, 2009. The liability represents a cumulative amount reported to date based on the following facilities.

The North Wake Unlined Landfill and the Feltonsville Unlined Landfill have been closed for approximately eleven years and no additional closure costs are expected at these facilities. The County is currently responsible for monitoring these sites for an additional 19 years for post-closure care. In fiscal year 2009 the County detected a small amount of groundwater contamination during its assessment process. The County has developed a Corrective Action Plan which addresses this issue. The preliminary estimates of the costs associated with the corrective action plan are included in the post-closure estimates for these facilities.

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

The North Wake Subtitle Design Facility reached capacity in May 2008. Bids were received and a contract was awarded for closure of the facility in May 2008. As of June 30, 2009, the final closure was substantially complete and only the final payment to the contractor was recognized as a liability for closure costs. The County will continue to monitor this facility for post-closure care for an additional 29 years.

The South Wake Subtitle Design Facility began operations in February 2008 and is in its first phase of five total phases. Phase 1 is estimated to be 28% full and will close in or around June, 2013. The entire landfill is estimated to close June 2037. The County will recognize the remaining estimated cost of closure and post-closure care costs of \$7.1 million as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**NOTE 20.  
Comparative  
Data/Reclassifications**

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

**NOTE 21.  
Subsequent Events**

The County issued \$154,620,000 of Limited Obligation Bonds on July 23, 2009. The bonds consist of Serial Bonds and Term Bonds. The Serial Bonds are due in annual installments of \$180,000 to \$6,185,000 beginning June 1, 2012 through June 1, 2032, interest at 2.00% to 5.00%. The Term Bonds are due June 1, 2032 and June 1, 2036 in the amount of \$17,315,000 and \$24,735,000, respectively. Interest for the Term Bonds is 5.00%.

**NOTE 22.  
Stewardship, Compliance and  
Accountability**

The South Wake Landfill Partnership Fund had a deficit fund balance of (\$455,258) as of June 30, 2009. This fund accounts for the activities of the South Wake Landfill and the East Wake Transfer Station, which both opened in fiscal year 2008, and are still in their start up phase. The County anticipates that the deficit will be cured over time as the landfill and transfer station becomes more established.

**NOTE 23.  
Discretely Presented  
Component Unit Disclosure**

(1) Deposits and Investment

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

Deposits: At June 30 2009, the Board's deposits had a carrying amount of \$9,747,824 and a bank balance of \$10,919,564. All of the bank balance was either insured by federal depository insurance, or collateralized under the pooling method.

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

The NCCMT Cash Portfolio's securities are valued at fair value, which is the NCCMT's share price. This investment, valued at \$6,454,658, is included in cash and cash equivalents.

(2) Risk Management

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

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

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

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

# WAKE COUNTY, NORTH CAROLINA

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

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a) / c)
12/31/1999	\$ 2,560,685	\$ 3,546,264	\$ 985,579	72.21%	\$ 9,469,345	10.41%
12/31/2000	2,668,037	5,063,960	2,395,923	52.69%	11,270,100	21.26%
12/31/2001	2,749,482	5,736,108	2,986,626	47.93%	12,038,409	24.81%
12/31/2002	2,587,018	6,144,460	3,557,442	42.10%	12,471,841	28.52%
12/31/2003	3,142,240	6,410,126	3,267,886	49.02%	13,512,764	24.18%
12/31/2004	2,640,759	7,147,681	4,506,922	36.95%	14,453,419	31.18%
12/31/2005	2,599,117	7,091,401	4,492,284	36.65%	14,936,129	30.08%
12/31/2006	2,504,432	7,726,749	5,222,317	32.41%	15,690,512	33.28%
12/31/2007	2,406,714	8,506,194	6,099,480	28.29%	17,086,023	35.70%
12/31/2008	2,178,004	9,001,090	6,823,086	24.20%	18,008,068	37.89%

### Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2000	\$ 221,879	68.76%
2001	399,554	51.18%
2002	459,905	45.55%
2003	410,600	51.02%
2004	503,145	100.00%
2005	498,334	130.64%
2006	599,284	89.77%
2007	551,806	115.44%
2008	618,438	100.00%
2009	693,913	100.44%

Notes to the Required Schedules:

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

Valuation date	12/31/2008	Actuarial Assumptions:	
Actuarial cost method	Projected unit credit	Investment rate of return	7.25%
Amortization method	Level percent of pay open	Projected salary increases	4.5% to 12.3%
Remaining amortization period	20 years	Includes inflation at	3.75%
Asset Valuation method	Market Value	Cost of Living adjustments	None

# WAKE COUNTY, NORTH CAROLINA

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

### PAY AS YOU GO - ACTUARY METHOD

#### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a) / c)
7/1/2007	\$ -	\$ 157,412,725	\$ 157,412,725	0.00%	\$ 168,991,714	93.15%
12/31/2008	-	179,179,404	179,179,404	0.00%	171,841,892	104.27%

#### Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 14,918,567	23.0%
2009	14,666,675	26.5%

Notes to the Required Schedules:

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

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay open
Remaining amortization period	30 years
Asset Valuation method	Market Value of Assets

Actuarial Assumptions:	
Investment rate of return	4.50%
Medical cost trend rate	10.5% - 5.00%
Year of ultimate trend rate	2016
Includes inflation at	3.75%

# WAKE COUNTY, NORTH CAROLINA

## GENERAL FUND COMPARATIVE BALANCE SHEETS As of June 30, 2009 and 2008

	June 30, 2009	June 30, 2008
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and investments - pooled equity	\$ 131,229,250	\$ 136,309,294
Cash and investments - cash equivalents	1,860,174	2,667,099
Taxes receivable (net)	7,411,758	7,244,898
Accounts receivable (net)	56,301,107	72,390,226
Due from other funds	310,901	6,906,152
Prepaid expenditures	293,394	4,710
Accrued interest receivable	15,105	114,873
Inventories	196,878	403,686
	<u>                    </u>	<u>                    </u>
TOTAL ASSETS	<u>\$ 197,618,567</u>	<u>\$ 226,040,938</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 31,004,350	\$ 44,185,029
Due to other governmental units	137,636	125,950.00
Deferred revenues	10,391,766	12,691,104
	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>41,533,752</u>	<u>57,002,083</u>
Fund Balance:		
Reserved for inventories	196,878	403,686
Reserved for noncurrent receivable	498,413	551,624
Reserved for encumbrances	2,464,916	4,165,044
Reserved by State statute	55,509,394	75,875,610
Reserved for register of deeds automation	899,171	1,085,221
Unreserved:		
Designated for county fleet	2,000,000	2,000,000
Designated for subsequent year expenditures	-	8,905,614
Designated for working capital	94,516,043	76,052,056
	<u>                    </u>	<u>                    </u>
Total Fund Balance	<u>156,084,815</u>	<u>169,038,855</u>
	<u>                    </u>	<u>                    </u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 197,618,567</u>	<u>\$ 226,040,938</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, 2009  
With Comparative Actual Amounts for the Year Ended June 30, 2008**

	2009		2008
	Budget	Actual	Actual
REVENUES:			
Taxes	\$ 766,792,559	\$ 754,461,002	\$ 728,785,380
Licenses and permits	3,954,337	3,640,114	4,315,206
Intergovernmental	131,269,566	126,339,064	117,137,851
Charges for services	55,628,818	57,555,463	58,502,834
Investment earnings	498,544	55,305	786,388
Miscellaneous	768,079	781,494	459,591
Total Revenues	<u>958,911,903</u>	<u>942,832,442</u>	<u>909,987,250</u>
EXPENDITURES:			
Current:			
General administration	46,486,731	42,936,591	44,343,776
Human services	241,843,902	232,200,918	227,907,871
Education	327,218,550	327,218,550	318,292,265
Community development and cultural	25,198,969	24,114,579	24,213,002
Environmental services	8,519,782	8,169,186	9,260,260
General services administration	29,196,860	28,382,448	24,945,882
Public safety	88,864,715	87,861,446	85,585,277
Total Expenditures	<u>767,329,509</u>	<u>750,883,718</u>	<u>734,548,333</u>
REVENUES OVER EXPENDITURES	<u>191,582,394</u>	<u>191,948,724</u>	<u>175,438,917</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	1,297,000	1,243,996	8,480,711
Transfers out	(206,146,760)	(206,146,760)	(183,976,699)
Total Other Financing Sources (Uses)	<u>(204,849,760)</u>	<u>(204,902,764)</u>	<u>(175,495,988)</u>
REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	<u>(13,267,366)</u>	<u>(12,954,040)</u>	<u>(57,071)</u>
APPROPRIATED FUND BALANCE	<u>13,267,366</u>	<u>-</u>	<u>-</u>
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>(12,954,040)</u>	<u>(57,071)</u>
FUND BALANCE, BEGINNING OF YEAR, RESTATED		<u>169,038,855</u>	<u>169,095,926</u>
BUDGETARY FUND BALANCE		<u>156,084,815</u>	<u>169,038,855</u>
LESS: EXPENDITURES ASSOCIATED WITH CAPITAL LEASE INCEPTION & CAPITAL DONATIONS		(82,210)	(19,860)
ADD: PROCEEDS OF CAPITAL LEASES & CAPITAL DONATIONS		82,210	19,860
TOTAL LEASE INCEPTION AND PROCEEDS		<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR		<u>\$ 156,084,815</u>	<u>\$ 169,038,855</u>

**WAKE COUNTY, NORTH CAROLINA**

(Continued)

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DETAILED BUDGET AND ACTUAL  
For the Year Ended June 30, 2009  
With Comparative Actual Amounts for the Year Ended June 30, 2008**

	<u>2009</u>		<u>2008</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES:			
TAXES			
Ad valorem property - current	\$ 610,906,000	\$ 608,367,019	\$ 549,619,620
Ad valorem property - prior	6,200,000	7,429,562	7,044,579
Tax penalties, interest and other	2,065,000	2,727,666	2,732,893
Sales	137,100,559	127,210,118	156,066,106
Leased rental vehicle tax	2,500,000	2,290,891	2,623,409
Real property transfer	6,820,000	5,169,856	9,415,876
Payments in lieu of taxes	1,201,000	1,265,890	1,282,897
Total Taxes	<u>766,792,559</u>	<u>754,461,002</u>	<u>728,785,380</u>
LICENSES AND PERMITS			
Beer and wine licenses	55,000	57,795	57,220
Marriage licenses	154,000	141,675	145,685
Building permits and inspections	3,745,337	3,440,644	4,112,301
Total Licenses and Permits	<u>3,954,337</u>	<u>3,640,114</u>	<u>4,315,206</u>

**WAKE COUNTY, NORTH CAROLINA**

(Continued)

**GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 DETAILED BUDGET AND ACTUAL  
 For the Year Ended June 30, 2009  
 With Comparative Actual Amounts for the Year Ended June 30, 2008**

	<u>2009</u>		<u>2008</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
INTERGOVERNMENTAL REVENUE			
Federal and State:			
Human services	\$ 121,158,155	\$ 116,027,981	\$ 108,071,872
Payments in lieu of taxes	200,340	204,775	214,114
Public library	600,000	639,878	638,311
Public safety	872,674	1,334,277	1,084,020
Others	5,180,397	4,794,292	3,870,265
Total Federal and State	<u>128,011,566</u>	<u>123,001,203</u>	<u>113,878,582</u>
Local:			
Human services	130,500	97,664	123,377
Others	3,127,500	3,240,197	3,135,892
Total Local	<u>3,258,000</u>	<u>3,337,861</u>	<u>3,259,269</u>
Total Intergovernmental	<u>131,269,566</u>	<u>126,339,064</u>	<u>117,137,851</u>

**WAKE COUNTY, NORTH CAROLINA**

(Continued)

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DETAILED BUDGET AND ACTUAL  
For the Year Ended June 30, 2009  
With Comparative Actual Amounts for the Year Ended June 30, 2008**

	2009		2008
	Budget	Actual	Actual
<b>CHARGES FOR SERVICES</b>			
Environmental	\$ 270,000	\$ 369,899	\$ 309,306
Client Fees	1,893,720	1,647,631	1,817,703
Insurance	1,155,628	1,013,014	996,346
Medicaid Fees	23,413,203	24,414,429	24,165,407
Medicare Fees	245,421	114,684	114,326
Pharmacy Fees	-	-	7,242
HS Reimbursements	936,327	898,740	795,476
Inspection Fees	825,976	636,703	900,985
Library Fees	678,000	735,465	716,091
Parks & Recreation Fees	121,477	140,600	137,641
EMS Fees	9,728,101	10,115,391	9,462,648
Facility Use Fees	-	154,458	75,641
Fire/Rescue Fees	272,721	295,762	313,097
Sheriff Fees	3,659,100	4,332,351	3,695,174
Transportation Fees	412,545	574,459	381,612
Planning Fees	570,147	400,420	956,039
Court Facility Fees	1,940,000	1,963,094	2,188,370
Parking Fees	1,053,500	693,795	913,896
Rental/lease income	476,916	287,757	434,985
Real Estate Record Fees	4,115,500	4,895,341	5,905,108
Reimbursements	1,657,088	1,776,668	1,748,698
Tax Collection Fees	640,410	728,212	1,020,008
Vending Income	553,308	661,686	601,125
Other Fees and Charges	1,009,730	704,904	845,910
Total Charges for Services	<u>55,628,818</u>	<u>57,555,463</u>	<u>58,502,834</u>
<b>INVESTMENT EARNINGS</b>	<u>498,544</u>	<u>55,305</u>	<u>786,388</u>
<b>MISCELLANEOUS</b>			
Sale of materials and fixed assets	729,485	579,063	473,345
Other	38,594	202,431	(13,754)
Total Miscellaneous	<u>768,079</u>	<u>781,494</u>	<u>459,591</u>
<b>TOTAL REVENUES</b>	<u>958,911,903</u>	<u>942,832,442</u>	<u>909,987,250</u>

# WAKE COUNTY, NORTH CAROLINA

(Continued)

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DETAILED BUDGET AND ACTUAL  
For the Year Ended June 30, 2009  
With Comparative Actual Amounts for the Year Ended June 30, 2008**

	2009				2008
	Budget	Actual	Encumbrances	Total	Actual
<b>EXPENDITURES:</b>					
<b>GENERAL ADMINISTRATION</b>					
County commissioners	\$ 504,200	\$ 492,180	\$ -	\$ 492,180	\$ 499,102
County manager	1,675,914	1,506,802	-	1,506,802	1,260,243
County attorney	1,419,344	1,392,130	-	1,392,130	1,229,238
Board of elections	3,645,890	3,494,248	-	3,494,248	2,527,518
Budget and management services	778,508	718,302	-	718,302	822,735
Facilities design & construction	1,207,663	1,196,530	-	1,196,530	1,197,039
Finance	6,671,360	4,789,090	38,620	4,827,710	8,840,479
Human resources	1,929,705	1,833,306	4,037	1,837,343	1,798,952
Information services	13,148,654	12,697,085	113,483	12,810,568	12,126,483
Planning	1,652,673	1,561,991	19,143	1,581,134	1,632,338
Register of deeds	3,162,418	2,897,857	70,427	2,968,284	2,797,645
Revenue	4,899,553	4,598,947	24,510	4,623,457	4,820,404
Non-departmental	3,115,149	3,083,991	-	3,083,991	1,575,989
Public agencies	2,675,700	2,674,132	-	2,674,132	3,215,611
<b>Total General Administration</b>	<b>46,486,731</b>	<b>42,936,591</b>	<b>270,220</b>	<b>43,206,811</b>	<b>44,343,776</b>
<b>HUMAN SERVICES</b>					
Medical examiner	270,000	264,900	-	264,900	234,800
Human Service Administration	4,432,105	4,146,876	13,664	4,160,540	4,785,423
Adult Services	19,823,772	19,438,639	-	19,438,639	18,995,502
Child Welfare/Mental Health	26,187,053	25,445,139	963	25,446,102	23,531,099
Clinic Services	13,497,673	12,430,512	1,158	12,431,670	12,388,615
Community Health	9,431,382	8,870,486	44,137	8,914,623	8,258,324
Economic Self Sufficiency	37,694,429	33,307,076	-	33,307,076	41,127,147
Family Support	60,690,380	60,012,655	12,566	60,025,221	53,998,423
Local Managing Entity	9,058,189	9,382,934	-	9,382,934	9,223,300
Operations	13,947,202	13,450,418	9,008	13,459,426	14,426,199
Transportation	2,112,324	1,993,533	-	1,993,533	1,167,742
LME Purchases of Service	39,911,069	39,062,359	841,979	39,904,338	35,756,456
HS Housing	4,788,324	4,395,391	-	4,395,391	4,014,841
<b>Total Human Services</b>	<b>241,843,902</b>	<b>232,200,918</b>	<b>923,475</b>	<b>233,124,393</b>	<b>227,907,871</b>

Encumbrances are included for internal reporting purposes only.

**WAKE COUNTY, NORTH CAROLINA**

(Continued)

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DETAILED BUDGET AND ACTUAL  
For the Year Ended June 30, 2009  
With Comparative Actual Amounts for the Year Ended June 30, 2008**

	2009				2008
	Budget	Actual	Encumbrances	Total	Actual
<b>EDUCATION</b>					
Wake County Public Schools:					
Current expense	\$ 308,550,944	\$ 308,550,944	\$ -	\$ 308,550,944	\$ 296,964,799
Capital outlay	1,949,056	1,949,056	-	1,949,056	3,779,301
Total Wake County Public Schools	310,500,000	310,500,000	-	310,500,000	300,744,100
Wake Technical College:					
Current expense	16,718,550	16,718,550	-	16,718,550	17,548,165
Total Wake Technical College	16,718,550	16,718,550	-	16,718,550	17,548,165
Total Education	327,218,550	327,218,550	-	327,218,550	318,292,265
<b>COMMUNITY DEVELOPMENT AND CULTURAL</b>					
Community Development:					
Administration	593,639	591,678	-	591,678	492,483
Veterans services	257,974	250,542	-	250,542	231,809
Public libraries	16,776,025	16,135,284	281,069	16,416,353	16,334,582
Geographic information services	1,756,789	1,660,633	29,860	1,690,493	1,678,518
Building inspections	2,963,426	2,818,881	4,742	2,823,623	2,726,371
Parks and recreation	2,851,116	2,657,561	14,297	2,671,858	2,749,239
Total Community Development and Cultural	25,198,969	24,114,579	329,968	24,444,547	24,213,002

**WAKE COUNTY, NORTH CAROLINA**

(Continued)

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DETAILED BUDGET AND ACTUAL  
For the Year Ended June 30, 2009  
With Comparative Actual Amounts for the Year Ended June 30, 2008**

	2009				2008
	Budget	Actual	Encumbrances	Total	Actual
EXPENDITURES:					
ENVIRONMENTAL SERVICES					
Environmental services	\$ 8,519,782	\$ 8,169,186	\$ 70,379	\$ 8,239,565	\$ 9,260,260
Total Environmental Services	<u>8,519,782</u>	<u>8,169,186</u>	<u>70,379</u>	<u>8,239,565</u>	<u>9,260,260</u>
GENERAL SERVICES ADMINISTRATION					
General services administration	29,196,860	28,382,448	814,406	29,196,854	24,945,882
Total General Services Administration	<u>29,196,860</u>	<u>28,382,448</u>	<u>814,406</u>	<u>29,196,854</u>	<u>24,945,882</u>
PUBLIC SAFETY					
Sheriff Department:					
Sheriff	34,256,627	33,491,282	39,339	33,530,621	31,632,432
Detention	28,366,419	28,501,104	2,009	28,503,113	27,575,952
Total Sheriff Department	<u>62,623,046</u>	<u>61,992,386</u>	<u>41,348</u>	<u>62,033,734</u>	<u>59,208,384</u>
CCBI	4,367,025	4,296,977	-	4,296,977	4,405,706
Emergency medical services	18,725,544	18,711,889	13,040	18,724,929	18,125,693
Fire and emergency management	2,127,765	2,031,271	-	2,031,271	2,773,954
Public safety communications	1,021,335	828,923	2,080	831,003	1,071,540
Total Public Safety	<u>88,864,715</u>	<u>87,861,446</u>	<u>56,468</u>	<u>87,917,914</u>	<u>85,585,277</u>
TOTAL EXPENDITURES	<u>767,329,509</u>	<u>750,883,718</u>	<u>2,464,916</u>	<u>753,348,634</u>	<u>734,548,333</u>

# 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, 2009  
With Comparative Actual Amounts for the Year Ended June 30, 2008**

	2009		2008
	Budget	Actual	Actual
REVENUES OVER EXPENDITURES	\$ 191,582,394	\$ 191,948,724	\$ 175,438,917
OTHER FINANCING SOURCES (USES)			
Transfers in	1,297,000	1,243,996	8,480,711
Transfers out	(206,146,760)	(206,146,760)	(183,976,699)
Total Other Financing Sources (Uses)	(204,849,760)	(204,902,764)	(175,495,988)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(13,267,366)	(12,954,040)	(57,071)
APPROPRIATED FUND BALANCE	13,267,366	-	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER USES	\$ -	(12,954,040)	(57,071)
FUND BALANCE, BEGINNING OF YEAR, RESTATED		169,038,855	169,095,926
BUDGETARY FUND BALANCE		156,084,815	169,038,855
LESS: EXPENDITURES ASSOCIATED WITH CAPITAL LEASE INCEPTIONS		(82,210)	(19,860)
ADD: PROCEEDS OF CAPITAL LEASES		82,210	19,860
TOTAL LEASE INCEPTIONS		-	-
FUND BALANCE AT END OF YEAR		\$ 156,084,815	\$ 169,038,855

# WAKE COUNTY, NORTH CAROLINA

**AFFORDABLE HOUSING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**From Project Inception Through June 30, 2009**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
<b>REVENUES:</b>				
Intergovernmental	\$ 17,847,117	\$ 11,178,641	\$ 2,400,419	\$ 13,579,060
Charges for services	1,592,909	1,222,149	108,156	1,330,305
Investment earnings	-	458,585	45,978	504,563
Miscellaneous	270,653	175,478	-	175,478
<b>Total Revenues</b>	<b>19,710,679</b>	<b>13,034,853</b>	<b>2,554,553</b>	<b>15,589,406</b>
<b>EXPENDITURES:</b>				
Human Services				
Other Programs	12,192,383	7,682,268	1,236,097	8,918,365
Mental health	1,428,664	1,357,134	-	1,357,134
Housing and community revitalization	11,581,461	7,275,911	1,984,811	9,260,722
Home grant	5,641,639	1,753,091	312,967	2,066,058
Homeless prevention grants	582,164	-	719	719
<b>Total Expenditures</b>	<b>31,426,311</b>	<b>18,068,404</b>	<b>3,534,594</b>	<b>21,602,998</b>
<b>REVENUES UNDER EXPENDITURES</b>	<b>(11,715,632)</b>	<b>(5,033,551)</b>	<b>(980,041)</b>	<b>(6,013,592)</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	11,715,632	10,611,632	1,104,000	11,715,632
<b>REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 5,578,081</b>	<b>123,959</b>	<b>\$ 5,702,040</b>
Fund Balance at beginning of year			5,578,081	
<b>FUND BALANCE AT END OF YEAR</b>			<b>\$ 5,702,040</b>	

# WAKE COUNTY, NORTH CAROLINA

## MAJOR FACILITIES FUND

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

For the Year Ended June 30, 2009

	2009	
	Budget	Actual
<b>REVENUES:</b>		
Taxes:		
Occupancy tax	\$ 15,400,000	\$ 13,484,795
Prepared food tax	17,400,000	17,581,737
Total taxes	32,800,000	31,066,532
Investment earnings	-	201,489
Total Revenues	32,800,000	31,268,021
<b>EXPENDITURES:</b>		
Raleigh hold harmless - occupancy	680,000	680,000
Cary hold harmless - occupancy	747,000	654,103
Greater Raleigh Convention and Visitors Bureau	3,982,000	3,517,313
Centennial Authority operations 7%	1,892,000	1,817,438
Centennial - Debt service	5,209,000	5,208,725
Raleigh annual distribution - \$1M	1,000,000	1,000,000
Convention Center	13,814,000	13,122,914
NC Museum of Art	1,000,000	1,000,000
Carolina Ballet	200,000	100,000
Centennial Authority Facility Improvements	1,500,000	1,500,000
Green Square	1,900,000	1,900,000
St. Augustine's	300,000	300,000
Unallocated	400,000	-
Total Expenditures	32,624,000	30,800,493
REVENUES OVER EXPENDITURES	176,000	467,528
<b>OTHER FINANCING SOURCES AND (USES):</b>		
Transfers out to General Fund	(985,000)	(931,996)
Transfers out to Debt Service Fund	(991,000)	(991,000)
Transfers out to Capital Improvement Fund	(1,000,000)	(1,000,000)
Appropriated fund balance	2,800,000	-
Total other financing uses	(176,000)	(2,922,996)
REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	\$ -	(2,455,468)
Fund Balance at beginning of year		5,068,538
FUND BALANCES AT END OF YEAR		\$ 2,613,070

# 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, 2009**

	2009	
	Budget	Actual
<b>REVENUES:</b>		
Intergovernmental	\$ -	\$ 15,384,671
Investment earnings	17,525,000	9,663,930
Total revenues	17,525,000	25,048,601
<b>EXPENDITURES:</b>		
Debt service - principal	96,038,575	94,944,496
Debt service - interest	82,790,005	58,677,460
Future appropriated reserves	1,747,220	-
Miscellaneous	208,200	226,546
Total expenditures	180,784,000	153,848,502
REVENUES UNDER EXPENDITURES	(163,259,000)	(128,799,901)
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	146,664,000	146,664,000
Refunded bonds issued	-	235,300,000
Premiums on issuance	16,595,000	54,456,200
Payment to refunded bond escrow agent	-	(256,895,981)
Total Other Financing Sources (Uses)	163,259,000	179,524,219
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES, BUDGETARY BASIS	\$ -	50,724,318
Fund Balance at beginning of year		100,047,606
FUND BALANCES AT END OF YEAR		\$ 150,771,924

# WAKE COUNTY, NORTH CAROLINA

**COUNTY CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
From Project Inception Through June 30, 2009**

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
<b>REVENUES:</b>				
Taxes	\$ -	\$ 596,346	\$ 16,699	\$ 613,045
Intergovernmental	15,389,549	6,543,291	5,040,089	11,583,380
Charges for services	10,933,230	7,777,444	3,547,299	11,324,743
Investment earnings	41,456,587	44,792,449	949,306	45,741,755
Miscellaneous	239,942	207,066	516,148	723,214
<b>Total Revenues</b>	<b>68,019,308</b>	<b>59,916,596</b>	<b>10,069,541</b>	<b>69,986,137</b>
<b>EXPENDITURES - CAPITAL PROJECTS:</b>				
Capital projects:				
Automation CIP	21,538,183	8,387,910	6,285,068	14,672,978
Community capital projects	1,905,000	755,000	900,000	1,655,000
County building improvements	35,085,275	4,551,119	7,201,410	11,752,529
Criminal justice CIP	88,029,751	29,651,779	38,074,066	67,725,845
Public libraries CIP	23,119,888	2,168,003	3,882,464	6,050,467
Open space	28,911,007	21,222,493	7,299,868	28,522,361
Parks and recreation CIP	6,413,062	3,058,866	794,624	3,853,490
Public safety CIP	15,589,137	1,713,013	5,821,347	7,534,360
Water and sewer	34,078,545	20,975,355	646,136	21,621,491
Economic development	3,246,716	-	3,246,716	3,246,716
Program wide projects	2,083,065	1,998,860	-	1,998,860
<b>Total Expenditures</b>	<b>259,999,629</b>	<b>94,482,398</b>	<b>74,151,699</b>	<b>168,634,097</b>
<b>REVENUES UNDER EXPENDITURES</b>	<b>(191,980,321)</b>	<b>(34,565,802)</b>	<b>(64,082,158)</b>	<b>(98,647,960)</b>
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Transfers in	127,312,096	102,289,096	25,023,000	127,312,096
Transfers out	(7,750,000)	(5,250,000)	(2,500,000)	(7,750,000)
Bonds issued	72,377,299	10,569,065	21,300,000	31,869,065
Appropriated fund balance	40,926	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>191,980,321</b>	<b>107,608,161</b>	<b>43,823,000</b>	<b>151,431,161</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ -</b>	<b>\$ 73,042,359</b>	<b>(20,259,158)</b>	<b>\$ 52,783,201</b>
Fund Balance at beginning of year			73,042,359	
<b>FUND BALANCE AT END OF YEAR</b>			<b>\$ 52,783,201</b>	

# WAKE COUNTY, NORTH CAROLINA

**SCHOOL CAPITAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
From Project Inception Through June 30, 2009**

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
<b>REVENUES:</b>				
Intergovernmental	\$ 24,669,529	\$ 30,215,759	\$ 4,357,908	\$ 34,573,667
Lottery proceeds	9,000,000	7,785,492	8,828,382	16,613,874
Investment earnings	8,000,000	67,949,467	4,662,698	72,612,165
Miscellaneous	-	4,328	-	4,328
Total Revenues	<u>41,669,529</u>	<u>105,955,046</u>	<u>17,848,988</u>	<u>123,804,034</u>
<b>EXPENDITURES - CAPITAL PROJECTS:</b>				
Wake County Public Schools	<u>1,688,038,097</u>	<u>1,000,751,307</u>	<u>310,606,242</u>	<u>1,311,357,549</u>
TOTAL EXPENDITURES	<u>1,688,038,097</u>	<u>1,000,751,307</u>	<u>310,606,242</u>	<u>1,311,357,549</u>
REVENUES UNDER EXPENDITURES	<u>(1,646,368,568)</u>	<u>(894,796,261)</u>	<u>(292,757,254)</u>	<u>(1,187,553,515)</u>
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Bonds issued	1,555,028,651	899,411,143	356,500,000	1,255,911,143
Transfers in	66,818,165	157,916,657	30,000,000	187,916,657
Transfers out	(11,162,765)	(11,162,765)	-	(11,162,765)
Appropriated fund balance	<u>35,684,517</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and (Uses)	<u>1,646,368,568</u>	<u>1,046,165,035</u>	<u>386,500,000</u>	<u>1,432,665,035</u>
REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 151,368,774</u>	93,742,746	<u>\$ 245,111,520</u>
Fund Balance at beginning of year			<u>151,368,774</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 245,111,520</u>	

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

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

The **Sewer Districts Fund** accounts for the revenues and expenditures to connect six subdivisions to municipal or public utility wastewater systems.

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

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

The **Revaluation Reserve Fund** accounts for the expenditures necessary for periodic property tax revaluations required under State law and the financing resources, which are primarily operating transfers from the General Fund.

### **Capital Project Funds**

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

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

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

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

The **State Bond Fund** accounts for the construction and renovation of school building projects financed with State bonds authorized and issued under the Public School Building Bond Act of 1996.

# WAKE COUNTY, NORTH CAROLINA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of June 30, 2009

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
<b>ASSETS</b>			
Cash and investments - pooled equity	\$ 5,139,700	\$ 12,269,208	\$ 17,408,908
Cash and investments - restricted cash	-	31,806,091	31,806,091
Taxes receivable, net	211,197	-	211,197
Accounts receivable, net	1,307,631	-	1,307,631
Prepaid expenditures	1,479,580	-	1,479,580
Accrued interest receivable	22,957	63,837	86,794
<b>TOTAL ASSETS</b>	<b><u>\$ 8,161,065</u></b>	<b><u>\$ 44,139,136</u></b>	<b><u>\$ 52,300,201</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,154,004	\$ 3,009,921	\$ 4,163,925
Due to other governmental units	-	8,099	8,099
Due to other funds	110,901	-	110,901
Deferred revenues	279,741	100,000	379,741
<b>Total Liabilities</b>	<b><u>1,544,646</u></b>	<b><u>3,118,020</u></b>	<b><u>4,662,666</u></b>
Fund Balances:			
Reserved for encumbrances	848,363	512,295	1,360,658
Reserved by State statute	1,459,640	63,837	1,523,477
Unreserved:			
Designated for subsequent years' expenditures	1,412,415	31,816,861	33,229,276
Designated for working capital	270,256	-	270,256
Undesignated	2,625,745	8,628,123	11,253,868
<b>Total Fund Balances</b>	<b><u>6,616,419</u></b>	<b><u>41,021,116</u></b>	<b><u>47,637,535</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 8,161,065</u></b>	<b><u>\$ 44,139,136</u></b>	<b><u>\$ 52,300,201</u></b>

# WAKE COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2009**

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
<b>REVENUES:</b>			
Taxes	\$ 20,427,424	\$ -	\$ 20,427,424
Intergovernmental	10,606,083	-	10,606,083
Charges for services	341,562	45,000	386,562
Investment earnings	154,123	299,463	453,586
Miscellaneous	3,250	-	3,250
Total Revenues	<u>31,532,442</u>	<u>344,463</u>	<u>31,876,905</u>
<b>EXPENDITURES</b>			
General administration	601,914	-	601,914
Human services	9,524,790	-	9,524,790
Community development	40,016	1,319,506	1,359,522
Environmental services	91,097	-	91,097
Public safety	17,694,916	3,978,906	21,673,822
General services administration	19,883	-	19,883
Education	-	23,483,952	23,483,952
Total Expenditures	<u>27,972,616</u>	<u>28,782,364</u>	<u>56,754,980</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,559,826</u>	<u>(28,437,901)</u>	<u>(24,878,075)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,231,760	9,988,000	11,219,760
Transfers out	(3,373,000)	-	(3,373,000)
Bonds issued	-	57,200,000	57,200,000
Installment purchase proceeds	-	1,940,000	1,940,000
Total Other Financing Sources (Uses)	<u>(2,141,240)</u>	<u>69,128,000</u>	<u>66,986,760</u>
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,418,586	40,690,099	42,108,685
Fund Balances at beginning of year	<u>5,197,833</u>	<u>331,017</u>	<u>5,528,850</u>
FUND BALANCES AT END OF YEAR	<u>\$ 6,616,419</u>	<u>\$ 41,021,116</u>	<u>\$ 47,637,535</u>

# WAKE COUNTY, NORTH CAROLINA

## COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS As of June 30, 2009

	Grants Fund	Sewer Districts	Capital Area Workforce Development	Fire Tax District	Revaluation Reserve	Total
<b>ASSETS</b>						
Cash and investments - pooled equity	\$ 745,910	\$ 582,449	\$ -	\$ 2,858,037	\$ 953,304	\$ 5,139,700
Taxes receivable, net	-	-	-	211,197	-	211,197
Accounts receivable, net	755,796	-	551,835	-	-	1,307,631
Prepaid expenditures	74,056	-	-	1,405,524	-	1,479,580
Accrued interest receivable	419	3,002	-	14,617	4,919	22,957
<b>TOTAL ASSETS</b>	<b>\$ 1,576,181</b>	<b>\$ 585,451</b>	<b>\$ 551,835</b>	<b>\$ 4,489,375</b>	<b>\$ 958,223</b>	<b>\$ 8,161,065</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 727,818	\$ -	\$ 409,357	\$ 16,827	\$ 2	\$ 1,154,004
Due to other funds	-	-	110,901	-	-	110,901
Deferred revenues	-	-	-	279,741	-	279,741
<b>Total Liabilities</b>	<b>727,818</b>	<b>-</b>	<b>520,258</b>	<b>296,568</b>	<b>2</b>	<b>1,544,646</b>
Fund Balances:						
Reserved for encumbrances	848,363	-	-	-	-	848,363
Reserved by State statute	-	3,002	31,577	1,420,142	4,919	1,459,640
Unreserved:						
Designated for subsequent years' expenditures	-	459,113	-	-	953,302	1,412,415
Designated for working capital	-	-	-	270,256	-	270,256
Undesignated	-	123,336	-	2,502,409	-	2,625,745
<b>Total Fund Balances</b>	<b>848,363</b>	<b>585,451</b>	<b>31,577</b>	<b>4,192,807</b>	<b>958,221</b>	<b>6,616,419</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,576,181</b>	<b>\$ 585,451</b>	<b>\$ 551,835</b>	<b>\$ 4,489,375</b>	<b>\$ 958,223</b>	<b>\$ 8,161,065</b>

# WAKE COUNTY, NORTH CAROLINA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended June 30, 2009

	Grants Fund	Sewer Districts	Capital Area Workforce Development	Fire Tax District	Revaluation Reserve	Total
<b>REVENUES:</b>						
Taxes	\$ -	\$ -	\$ -	\$ 20,427,424	\$ -	\$ 20,427,424
Intergovernmental	6,055,847	-	4,550,236	-	-	10,606,083
Charges for services	336,247	-	5,315	-	-	341,562
Investment earnings	5,957	16,820	-	111,466	19,880	154,123
Miscellaneous	-	-	3,250	-	-	3,250
Total Revenues	<u>6,398,051</u>	<u>16,820</u>	<u>4,558,801</u>	<u>20,538,890</u>	<u>19,880</u>	<u>31,532,442</u>
<b>EXPENDITURES:</b>						
General administration	422,403	-	-	-	179,511	601,914
Human services	4,980,541	-	4,544,249	-	-	9,524,790
Community development	40,016	-	-	-	-	40,016
Environmental services	91,097	-	-	-	-	91,097
Public safety	1,911,570	-	-	15,783,346	-	17,694,916
General services administration	19,883	-	-	-	-	19,883
Total Expenditures	<u>7,465,510</u>	<u>-</u>	<u>4,544,249</u>	<u>15,783,346</u>	<u>179,511</u>	<u>27,972,616</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,067,459)</u>	<u>16,820</u>	<u>14,552</u>	<u>4,755,544</u>	<u>(159,631)</u>	<u>3,559,826</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	131,760	-	-	-	1,100,000	1,231,760
Transfers out	-	-	-	(3,373,000)	-	(3,373,000)
Total other financing sources and uses	<u>131,760</u>	<u>-</u>	<u>-</u>	<u>(3,373,000)</u>	<u>1,100,000</u>	<u>(2,141,240)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(935,699)</u>	<u>16,820</u>	<u>14,552</u>	<u>1,382,544</u>	<u>940,369</u>	<u>1,418,586</u>
Fund Balances at beginning of year	<u>1,784,062</u>	<u>568,631</u>	<u>17,025</u>	<u>2,810,263</u>	<u>17,852</u>	<u>5,197,833</u>
FUND BALANCES AT END OF YEAR	<u>\$ 848,363</u>	<u>\$ 585,451</u>	<u>\$ 31,577</u>	<u>\$ 4,192,807</u>	<u>\$ 958,221</u>	<u>\$ 6,616,419</u>

# WAKE COUNTY, NORTH CAROLINA

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS  
As of June 30, 2009**

	Wake Community College Capital Projects Fund	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	State School Bond	Total
<b>ASSETS</b>					
Cash and investments - pooled equity	\$ 1,601,239	\$ 10,020,423	\$ 639,447	\$ 8,099	\$ 12,269,208
Cash and investments - restricted	31,583,677	222,414	-	-	31,806,091
Accrued interest receivable	8,933	51,693	3,211	-	63,837
<b>TOTAL ASSETS</b>	<b>\$ 33,193,849</b>	<b>\$ 10,294,530</b>	<b>\$ 642,658</b>	<b>\$ 8,099</b>	<b>\$ 44,139,136</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,961,261	\$ 48,660	-	-	\$ 3,009,921
Due to other governmental units	-	-	-	8,099	8,099
Deferred revenues	-	-	100,000	-	100,000
<b>Total Liabilities</b>	<b>2,961,261</b>	<b>48,660</b>	<b>100,000</b>	<b>8,099</b>	<b>3,118,020</b>
Fund Balances:					
Reserved for encumbrances	-	494,055	18,240	-	512,295
Reserved by State statute	8,933	51,693	3,211	-	63,837
Unreserved:					
Designated for subsequent years' expenditures	21,595,532	9,700,122	521,207	-	31,816,861
Undesignated	8,628,123	-	-	-	8,628,123
<b>Total Fund Balances</b>	<b>30,232,588</b>	<b>10,245,870</b>	<b>542,658</b>	<b>-</b>	<b>41,021,116</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 33,193,849</b>	<b>\$ 10,294,530</b>	<b>\$ 642,658</b>	<b>\$ 8,099</b>	<b>\$ 44,139,136</b>

# WAKE COUNTY, NORTH CAROLINA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECT FUNDS For the Year Ended June 30, 2009

	Wake Community College Capital Projects Fund	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Total
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 45,000	\$ 45,000
Investment earnings	-	275,735	23,728	299,463
Total Revenues	-	275,735	68,728	344,463
<b>EXPENDITURES:</b>				
Capital Projects:				
Community development and cultural	-	-	1,319,506	1,319,506
Public safety	-	3,978,906	-	3,978,906
Education	23,483,952	-	-	23,483,952
Total Expenditures	23,483,952	3,978,906	1,319,506	28,782,364
REVENUES OVER (UNDER) EXPENDITURES	(23,483,952)	(3,703,171)	(1,250,778)	(28,437,901)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	6,550,000	2,438,000	1,000,000	9,988,000
Bonds issued	57,200,000	-	-	57,200,000
Installment purchase proceeds	-	1,940,000	-	1,940,000
Total other financing sources and uses	63,750,000	4,378,000	1,000,000	69,128,000
NET CHANGE IN FUND BALANCES	40,266,048	674,829	(250,778)	40,690,099
Fund Balances at beginning of year	(10,033,460)	9,571,041	793,436	331,017
FUND BALANCES AT END OF YEAR	\$ 30,232,588	\$ 10,245,870	\$ 542,658	\$ 41,021,116

# WAKE COUNTY, NORTH CAROLINA

## GRANTS FUND

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

#### BUDGET AND ACTUAL

From Project Inception Through June 30, 2009

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
<b>REVENUES:</b>				
Intergovernmental	\$ 19,555,742	\$ 6,879,934	\$ 6,055,847	\$ 12,935,781
Charges for services	78,766	151,076	336,247	487,323
Investment earnings	55	12,753	5,957	18,710
Miscellaneous	42,208	155,121	-	155,121
Total Revenues	19,676,771	7,198,884	6,398,051	13,596,935
<b>EXPENDITURES:</b>				
General administration	1,253,058	373,240	422,403	795,643
Human services	14,781,880	4,537,784	4,980,541	9,518,325
Community development	191,165	115,538	40,016	155,554
Environmental Services	353,015	390	91,097	91,487
Public Safety	3,841,824	952,988	1,911,570	2,864,558
General Services Administration	34,000	4,581	19,883	24,464
Total Expenditures	20,454,942	5,984,521	7,465,510	13,450,031
REVENUES UNDER EXPENDITURES	(778,171)	1,214,363	(1,067,459)	146,904
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	701,459	569,699	131,760	701,459
Total Other Financing Sources	701,459	569,699	131,760	701,459
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(76,712)	\$ 1,784,062	(935,699)	\$ 848,363
Fund balance appropriated	76,712		-	
REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES	\$ -		(935,699)	
Fund Balance at beginning of year			1,784,062	
FUND BALANCE AT END OF YEAR			\$ 848,363	

# WAKE COUNTY, NORTH CAROLINA

## SEWER DISTRICTS FUND

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

#### BUDGET AND ACTUAL

From Project Inception Through June 30, 2009

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
<b>REVENUES:</b>				
Intergovernmental	\$ 502,050	\$ 327,050	\$ -	\$ 327,050
Charges for services	4,286,814	2,171,126	-	2,171,126
Investment earnings	404,711	658,386	16,820	675,206
Miscellaneous	350,986	118,309	-	118,309
Total Revenues	<u>5,544,561</u>	<u>3,274,871</u>	<u>16,820</u>	<u>3,291,691</u>
<b>EXPENDITURES:</b>				
Community development	<u>6,383,967</u>	<u>5,924,856</u>	<u>-</u>	<u>5,924,856</u>
REVENUES UNDER EXPENDITURES	<u>(839,406)</u>	<u>(2,649,985)</u>	<u>16,820</u>	<u>(2,633,165)</u>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds of long-term debt	-	2,379,210	-	2,379,210
Transfers in	<u>839,406</u>	<u>839,406</u>	<u>-</u>	<u>839,406</u>
Total Other Financing Sources	<u>839,406</u>	<u>3,218,616</u>	<u>-</u>	<u>3,218,616</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 568,631</u>	<u>16,820</u>	<u>\$ 585,451</u>
Fund Balance at beginning of year			<u>568,631</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 585,451</u>	

# 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, 2009**

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
<b>REVENUES:</b>				
Intergovernmental	\$ 37,728,573	\$ 27,311,154	\$ 4,550,236	\$ 31,861,390
Charges for services	35,174	35,174	5,315	40,489
Miscellaneous	-	-	3,250	3,250
Total Revenues	<u>37,763,747</u>	<u>27,346,328</u>	<u>4,558,801</u>	<u>31,905,129</u>
<b>EXPENDITURES:</b>				
Title I - Adult	5,415,965	4,074,628	653,889	4,728,517
Title I - Dislocated Workers	9,547,868	6,956,408	1,089,325	8,045,733
Title I - Youth	6,849,787	4,462,771	1,232,321	5,695,092
Statewide Activities	2,856,612	1,882,332	524,255	2,406,587
Dislocated Worker - Supplemental	3,214,425	2,918,700	210,866	3,129,566
Dislocated Worker - Omnibus Funds	220,744	220,744	-	220,744
WIA Administration	3,986,354	1,845,257	617,918	2,463,175
Hurricane Katrina	825,000	667,359	-	667,359
Welfare-to-work Grant	1,186,234	1,179,617	-	1,179,617
Administrative - Omnibus Funds	51,729	51,729	-	51,729
USDOL Direct Grants	3,062,952	2,976,768	-	2,976,768
AmeriCorps	420,249	-	230,228	230,228
Other County	2,749	(30,089)	(14,553)	(44,642)
Total Expenditures	<u>37,640,668</u>	<u>27,206,224</u>	<u>4,544,249</u>	<u>31,750,473</u>
REVENUES OVER (UNDER) EXPENDITURES	123,079	140,104	14,552	154,656
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	11,290	11,290	-	11,290
Transfers out	<u>(134,369)</u>	<u>(134,369)</u>	<u>-</u>	<u>(134,369)</u>
Total Other Financing Sources and Uses	<u>(123,079)</u>	<u>(123,079)</u>	<u>-</u>	<u>(123,079)</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 17,025</u>	<u>14,552</u>	<u>\$ 31,577</u>
Fund balance at beginning of year			<u>17,025</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 31,577</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, 2009**

	2009	
	Budget	Actual
<b>REVENUES:</b>		
Taxes - ad valorem property	\$ 20,285,000	\$ 20,427,424
Investment earnings	-	111,466
Miscellaneous	27,000	-
Total Revenues	<u>20,312,000</u>	<u>20,538,890</u>
<b>EXPENDITURES:</b>		
Public Safety:		
Rural fire districts	<u>16,939,000</u>	<u>15,783,346</u>
Total Expenditures	<u>16,939,000</u>	<u>15,783,346</u>
REVENUES OVER EXPENDITURES	3,373,000	4,755,544
<b>OTHER FINANCING USES:</b>		
Transfers out	<u>(3,373,000)</u>	<u>(3,373,000)</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	1,382,544
Fund Balance at beginning of year		<u>2,810,263</u>
FUND BALANCE AT END OF YEAR		<u>\$ 4,192,807</u>

# WAKE COUNTY, NORTH CAROLINA

**REVALUATION RESERVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
From Project Inception Through June 30, 2009**

	Project Authorization	Actual		Total To Date
		Prior Years	Actual	
<b>REVENUES:</b>				
Investment earnings	\$ 771,289	\$ 1,295,475	\$ 19,880	\$ 1,315,355
<b>EXPENDITURES:</b>				
General administration - Revaluation	16,227,234	15,137,866	179,511	15,317,377
REVENUES UNDER EXPENDITURES	(15,455,945)	(13,842,391)	(159,631)	(14,002,022)
<b>OTHER FINANCING SOURCES:</b>				
Proceeds of capital leases	-	10,243	-	10,243
Transfers in	14,950,000	13,850,000	1,100,000	14,950,000
Total Other Financing Sources	14,950,000	13,860,243	1,100,000	14,960,243
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(505,945)	17,852	940,369	958,221
Fund balance appropriated	505,945	-	-	-
REVENUES, OTHER SOURCES, AND FUND BALANCE APPROPRIATED OVER (UNDER) EXPENDITURES	\$ -	\$ 17,852	940,369	\$ 958,221
Fund Balance at beginning of year			17,852	
FUND BALANCE AT END OF YEAR			\$ 958,221	

# WAKE COUNTY, NORTH CAROLINA

**WAKE COMMUNITY COLLEGE CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
From Project Inception Through June 30, 2009**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
<b>REVENUES:</b>				
Investment earnings	\$ 3,640,235	\$ 3,575,474	\$ -	\$ 3,575,474
Total Revenues	<u>3,640,235</u>	<u>3,575,474</u>	<u>-</u>	<u>3,575,474</u>
<b>EXPENDITURES - CAPITAL PROJECTS:</b>				
Wake Technical College	105,854,775	60,775,291	23,483,952	84,259,243
TOTAL EXPENDITURES	<u>105,854,775</u>	<u>60,775,291</u>	<u>23,483,952</u>	<u>84,259,243</u>
REVENUES UNDER EXPENDITURES	<u>(102,214,540)</u>	<u>(57,199,817)</u>	<u>(23,483,952)</u>	<u>(80,683,769)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	10,064,355	2,250,000	6,550,000	8,800,000
Bonds issued	92,150,185	44,916,357	57,200,000	102,116,357
Total Other Financing Sources	<u>102,214,540</u>	<u>47,166,357</u>	<u>63,750,000</u>	<u>110,916,357</u>
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ (10,033,460)</u>	40,266,048	<u>\$ 30,232,588</u>
Fund Balance at beginning of year			<u>(10,033,460)</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 30,232,588</u>	

# WAKE COUNTY, NORTH CAROLINA

## FIRE CAPITAL PROJECTS FUND

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

#### BUDGET AND ACTUAL

From Project Inception Through June 30, 2009

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
<b>REVENUES:</b>				
Charges for services	\$ 65,000	\$ -	\$ -	\$ -
Investment earnings	316,000	213,849	275,735	489,584
Miscellaneous	-	91,692	-	91,692
Total Revenues	<u>381,000</u>	<u>305,541</u>	<u>275,735</u>	<u>581,276</u>
<b>EXPENDITURES:</b>				
Capital projects:				
Fire and rescue CIP	<u>33,018,445</u>	<u>15,159,978</u>	<u>3,978,906</u>	<u>19,138,884</u>
Total Expenditures	<u>33,018,445</u>	<u>15,159,978</u>	<u>3,978,906</u>	<u>19,138,884</u>
REVENUES UNDER EXPENDITURES	<u>(32,637,445)</u>	<u>(14,854,437)</u>	<u>(3,703,171)</u>	<u>(18,557,608)</u>
<b>OTHER FINANCING SOURCES:</b>				
Debt to be authorized	3,185,000	-	-	-
Installment purchases proceeds	5,934,312	2,449,345	1,940,000	4,389,345
Transfers in	<u>23,518,133</u>	<u>21,976,133</u>	<u>2,438,000</u>	<u>24,414,133</u>
Total Other Financing Sources	<u>32,637,445</u>	<u>24,425,478</u>	<u>4,378,000</u>	<u>28,803,478</u>
REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 9,571,041</u>	674,829	<u>\$ 10,245,870</u>
Fund Balance at beginning of year			<u>9,571,041</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 10,245,870</u>	

# 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, 2009

	Project Authorization	Prior Years	Actual	
			Current Year	Total To Date
<b>REVENUES:</b>				
Intergovernmental	\$ 3,900,000	\$ 3,942,100	\$ -	\$ 3,942,100
Charges for services	642,997	497,997	45,000	542,997
Investment earnings	645,618	480,948	23,728	504,676
Total Revenues	<u>5,188,615</u>	<u>4,921,045</u>	<u>68,728</u>	<u>4,989,773</u>
<b>EXPENDITURES:</b>				
Capital projects:				
Community development and cultural	<u>43,483,615</u>	<u>41,422,451</u>	<u>1,319,506</u>	<u>42,741,957</u>
REVENUES UNDER EXPENDITURES	<u>(38,295,000)</u>	<u>(36,501,406)</u>	<u>(1,250,778)</u>	<u>(37,752,184)</u>
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Installment purchases proceeds	600,000	599,842	-	599,842
Transfers in	<u>37,695,000</u>	<u>36,695,000</u>	<u>1,000,000</u>	<u>37,695,000</u>
Total Other Financing Sources and (Uses)	<u>38,295,000</u>	<u>37,294,842</u>	<u>1,000,000</u>	<u>38,294,842</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 793,436</u>	<u>(250,778)</u>	<u>\$ 542,658</u>
Fund Balance at beginning of year			<u>793,436</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 542,658</u>	

**WAKE COUNTY, NORTH CAROLINA**

**STATE SCHOOL BOND FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
From Project Inception Through June 30, 2009**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
<b>REVENUES:</b>				
Intergovernmental:				
State	\$ 123,297,205	\$ 121,891,799	\$ -	\$ 121,891,799
<b>EXPENDITURES - CAPITAL PROJECTS:</b>				
Capital outlay	123,297,205	121,891,799	-	121,891,799
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance at beginning of year			-	
FUND BALANCES AT END OF YEAR			<u>\$ -</u>	

# 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, 2009**

	Solid Waste Operating Fund	Solid Waste Capital Project	June 30, 2009
<b>ASSETS</b>			
Cash and investments - pooled equity	\$ 23,238,802	\$ 4,792,753	\$ 28,031,555
Cash and investments - reserved	11,498,655	-	11,498,655
Accounts receivable, net	423,703	-	423,703
Due from other funds	322,962	-	322,962
Prepaid expenditures	2,500	-	2,500
Accrued interest receivable	208,656	-	208,656
<b>TOTAL ASSETS</b>	<b>\$ 35,695,278</b>	<b>\$ 4,792,753</b>	<b>\$ 40,488,031</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,088,680	\$ 645,693	\$ 1,734,373
Deferred revenues	56,697	-	56,697
Closure/post-closure care reserves	11,498,655	-	11,498,655
<b>Total Liabilities</b>	<b>12,644,032</b>	<b>645,693</b>	<b>13,289,725</b>
Fund Balances:			
Reserved for encumbrances	203,157	1,388,543	1,591,700
Reserved by state statute	901,124	-	901,124
Unreserved:			
Designated for white goods	1,406,948	-	1,406,948
Designated for subsequent year's expenditures	2,220,000	2,758,517	4,978,517
Undesignated	18,320,017	-	18,320,017
<b>Total Fund Balances</b>	<b>23,051,246</b>	<b>4,147,060</b>	<b>27,198,306</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 35,695,278</b>	<b>\$ 4,792,753</b>	<b>\$ 40,488,031</b>

**WAKE COUNTY, NORTH CAROLINA**

(Continued)

**SOLID WASTE OPERATING FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2009  
 With Comparative Actual Amounts for the Year Ended June 30, 2008**

	2009		2008
	Budget	Actual	Actual
<b>REVENUES:</b>			
Intergovernmental	\$ 910,000	\$ 1,146,661	\$ 1,199,844
Licenses and permits	14,000	9,300	8,500
Charges for services	7,050,900	7,225,951	18,613,980
Investment earnings	714,000	1,214,780	1,843,401
Miscellaneous	200,000	860,844	892,774
Total Revenues	<u>8,888,900</u>	<u>10,457,536</u>	<u>22,558,499</u>
<b>EXPENDITURES:</b>			
Cost of service	9,112,416	9,301,764	14,893,001
Administration	2,391,201	1,372,164	1,716,104
Total Expenditures	<u>11,503,617</u>	<u>10,673,928</u>	<u>16,609,105</u>
REVENUES OVER (UNDER) EXPENDITURES	(2,614,717)	(216,392)	5,949,394

# WAKE COUNTY, NORTH CAROLINA

**SOLID WASTE OPERATING FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)  
For the Year Ended June 30, 2009  
With Comparative Actual Amounts for the Year Ended June 30, 2008**

	2009		2008
	Budget	Actual	Actual
<b>OTHER FINANCING SOURCES AND (USES):</b>			
Transfers In	884,000	856,719	294,032
Transfers out	(2,312,000)	(2,312,000)	(2,141,000)
Total Other Financing Sources and Uses	(1,428,000)	(1,455,281)	(1,846,968)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER SOURCES/(USES):	(4,042,717)	(1,671,673)	4,102,426
APPROPRIATED FUND BALANCE	4,042,717	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ (1,671,673)</u>	<u>\$ 4,102,426</u>
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES:		\$ (1,671,673)	\$ 4,102,426
Reconciling items:			
Compensated absences expenses		(2,606)	(7,978)
OPEB expenses		(46,860)	(49,444)
Net decrease in deferred revenue		(19,919)	(1,066,455)
Investment earnings - Construction Fund		13,704	156,163
Expenditures - Construction Fund		(639,599)	(3,601,576)
Transfers in - Construction Fund		2,000,000	1,835,000
Acquisition of capital assets		158,964	2,576,853
Depreciation and depletion		(444,329)	(317,373)
Change in net assets		<u>\$ (652,318)</u>	<u>\$ 3,627,616</u>

# 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, 2009**

	Project Authorization	Actual		Total to Date
		Prior Years	Curent Year	
<b>REVENUES:</b>				
Intergovernmental	\$ 75,000	\$ -	\$ -	\$ -
Investment earnings	-	1,373,269	13,704	1,386,973
Miscellaneous	7,275,789	-	-	-
Total revenues	<u>7,350,789</u>	<u>1,373,269</u>	<u>13,704</u>	<u>1,386,973</u>
<b>EXPENDITURES:</b>				
Enterprise Infrastructure	11,698,332	4,619,972	592,112	5,212,084
Future projects	3,689,951	-	-	-
Other	-	17,836	47,487	65,323
Total expenditures	<u>15,388,283</u>	<u>4,637,808</u>	<u>639,599</u>	<u>5,277,407</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(8,037,494)</u>	<u>(3,264,539)</u>	<u>(625,895)</u>	<u>(3,890,434)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers in	<u>8,037,494</u>	<u>6,037,494</u>	<u>2,000,000</u>	<u>8,037,494</u>
Total other financing sources and uses	<u>8,037,494</u>	<u>6,037,494</u>	<u>2,000,000</u>	<u>8,037,494</u>
REVENUES, OTHER SOURCES, AND APPROPRIATED FUND				
BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 2,772,955</u>	1,374,105	<u>\$ 4,147,060</u>
Fund Balance at the beginning of the year			<u>2,772,955</u>	
FUND BALANCE AT THE END OF THE YEAR			<u>\$ 4,147,060</u>	

# WAKE COUNTY, NORTH CAROLINA

**BUDGETARY COMBINING BALANCE SHEET  
SOUTH WAKE LANDFILL PARTNERSHIP FUND (NON-GAAP)  
MODIFIED ACCRUAL BASIS OF ACCOUNTING  
As of June 30, 2009**

	South Wake Landfill	East Wake Transfer Station	June 30, 2009
<b>ASSETS</b>			
Cash and investments - pooled equity	\$ 1,699,011	\$ (214,102)	\$ 1,484,909
Cash and investments - reserved	2,991,508	-	2,991,508
Cash and investments - cash equivalents	450	300	750
Accounts receivable, net	820,986	1,347,532	2,168,518
Prepaid expenditures	3,500	-	3,500
	<u>5,515,455</u>	<u>1,133,730</u>	<u>6,649,185</u>
<b>TOTAL ASSETS</b>	<b>\$ 5,515,455</b>	<b>\$ 1,133,730</b>	<b>\$ 6,649,185</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,653,981	\$ 1,133,043	\$ 3,787,024
Due to other funds	322,962	-	322,962
Deferred revenues	2,262	687	2,949
Closure/post-closure care reserves	2,991,508	-	2,991,508
<b>Total Liabilities</b>	<b>5,970,713</b>	<b>1,133,730</b>	<b>7,104,443</b>
Fund Balances:			
Reserved for encumbrances	43,040	3,310	46,350
Reserved by state statute	822,224	1,346,845	2,169,069
Unreserved:			
Undesignated	(1,320,522)	(1,350,155)	(2,670,677)
<b>Total Fund Balances</b>	<b>(455,258)</b>	<b>-</b>	<b>(455,258)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,515,455</b>	<b>\$ 1,133,730</b>	<b>\$ 6,649,185</b>

# WAKE COUNTY, NORTH CAROLINA

**SOUTH WAKE LANDFILL PARTNERSHIP FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND APPROPRIATED FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
For the Year Ended June 30, 2009**

	South Wake Landfill		East Wake Transfer Station		June 30, 2009	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>REVENUES:</b>						
Charges of services	\$ 5,400,000	\$ 5,553,781	\$ 10,200,000	\$ 10,917,643	\$ 15,600,000	\$ 16,471,424
Investment earnings	-	-	-	1,483	-	1,483
Miscellaneous	-	116	-	-	-	116
Total Revenues	<u>5,400,000</u>	<u>5,553,897</u>	<u>10,200,000</u>	<u>10,919,126</u>	<u>15,600,000</u>	<u>16,473,023</u>
<b>EXPENDITURES:</b>						
Cost of service	7,980,100	8,092,240	3,437,207	3,413,499	11,417,307	11,505,739
Administration	577,947	115,126	810,657	782,253	1,388,604	897,379
Partner rebates	2,385,145	2,385,145	-	-	2,385,145	2,385,145
Total Expenditures	<u>10,943,192</u>	<u>10,592,511</u>	<u>4,247,864</u>	<u>4,195,752</u>	<u>15,191,056</u>	<u>14,788,263</u>
REVENUES UNDER EXPENDITURES	(5,543,192)	(5,038,614)	5,952,136	6,723,374	408,944	1,684,760
<b>OTHER FINANCING USES:</b>						
Transfers out	(758,386)	(734,522)	(125,614)	(122,197)	(884,000)	(856,719)
Intrafund transfers in	-	6,601,177	-	-	-	6,601,177
Intrafund transfers out	-	-	-	(6,601,177)	-	(6,601,177)
Total other financing sources/(uses)	<u>(758,386)</u>	<u>5,866,655</u>	<u>(125,614)</u>	<u>(6,723,374)</u>	<u>(884,000)</u>	<u>(856,719)</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(6,301,578)	828,041	5,826,522	-	(475,056)	828,041
APPROPRIATED FUND BALANCE	<u>475,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,056</u>	<u>-</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (5,826,522)</u>	<u>\$ 828,041</u>	<u>\$ 5,826,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 828,041</u>
Reconciliation from budgetary basis of modified accrual to full accrual basis:						
REVENUES AND OTHER FINANCING USES UNDER EXPENDITURES AND OTHER FINANCING USES						\$ 828,041
Reconciling items						
Net increase in deferred revenue						(156,428)
OPEB expenses						(19,261)
Change in net assets						<u>\$ 652,352</u>

**WAKE COUNTY, NORTH CAROLINA**

(Continued)

**AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Year Ended June 30, 2009**

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<b>MUNICIPAL TAX FUND</b>				
ASSETS				
Cash and investments - pooled equity	\$ 324,871	\$ 682,699,576	\$ (682,654,341)	\$ 370,106
LIABILITIES				
Other Liabilities	\$ 324,871	\$ 341,524,901	\$ (341,479,666)	\$ 370,106
<b>HUMAN SERVICES FUND</b>				
ASSETS				
Cash and investments - pooled equity	\$ 583,136	\$ 3,375,146	\$ (2,994,446)	\$ 963,836
Accounts receivable	7	422	(7)	422
Accrued interest receivable	2,019	2,869	(2,019)	2,869
<b>TOTAL ASSETS</b>	<b>\$ 585,162</b>	<b>\$ 3,378,437</b>	<b>\$ (2,996,472)</b>	<b>\$ 967,127</b>
LIABILITIES				
Due to other funds	\$ -	\$ 200,000	\$ -	\$ 200,000
Other liabilities	585,162	2,944,771	(2,762,806)	767,127
<b>TOTAL LIABILITIES</b>	<b>\$ 585,162</b>	<b>\$ 3,144,771</b>	<b>\$ (2,762,806)</b>	<b>\$ 967,127</b>

# WAKE COUNTY, NORTH CAROLINA

## AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES For the Year Ended June 30, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<b>FINES AND FORFEITURES</b>				
ASSETS				
Cash and investments - pooled equity	\$ 347,258	\$ 6,612,394	\$ (6,722,705)	\$ 236,947
Accounts receivable	15,141	19,629	(15,141)	19,629
Accrued interest	3,174	1,217	(3,174)	1,217
<b>TOTAL ASSETS</b>	<b>\$ 365,573</b>	<b>\$ 6,633,240</b>	<b>\$ (6,741,020)</b>	<b>\$ 257,793</b>
LIABILITIES				
Other liabilities	\$ 365,573	\$ 3,800,725	\$ (3,908,505)	\$ 257,793
<b>TOTAL LIABILITIES</b>	<b>\$ 365,573</b>	<b>\$ 3,800,725</b>	<b>\$ (3,908,505)</b>	<b>\$ 257,793</b>
 <b>DMV INTEREST PENALTIES</b>				
ASSETS				
Cash and investments - pooled equity	\$ 46,131	\$ 1,298,943	\$ (1,299,518)	\$ 45,556
Accrued interest	422	234	(422)	234
<b>TOTAL ASSETS</b>	<b>\$ 46,553</b>	<b>\$ 1,299,177</b>	<b>\$ (1,299,940)</b>	<b>\$ 45,790</b>
LIABILITIES				
Due to other governmental units	\$ 45,751	\$ 625,468	\$ (627,724)	\$ 43,495
Other liabilities	802	85,460	(83,967)	2,295
<b>TOTAL LIABILITIES</b>	<b>\$ 46,553</b>	<b>\$ 710,928</b>	<b>\$ (711,691)</b>	<b>\$ 45,790</b>
 <b>TOTAL - ALL AGENCY FUNDS</b>				
ASSETS				
Cash and investments - pooled equity	\$ 1,301,396	\$ 693,986,059	\$ (693,671,010)	\$ 1,616,445
Accounts receivable	15,148	20,051	(15,148)	20,051
Accrued interest receivable	5,615	4,320	(5,615)	4,320
<b>TOTAL ASSETS</b>	<b>\$ 1,322,159</b>	<b>\$ 694,010,430</b>	<b>\$ (693,691,773)</b>	<b>\$ 1,640,816</b>
LIABILITIES				
Other liabilities	\$ 1,276,408	\$ 348,555,857	\$ (348,234,944)	\$ 1,597,321
Due to other governmental units	45,751	625,468	(627,724)	43,495
<b>TOTAL LIABILITIES</b>	<b>\$ 1,322,159</b>	<b>\$ 349,181,325</b>	<b>\$ (348,862,668)</b>	<b>\$ 1,640,816</b>

# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS BY FUNCTION AND CATEGORY As of June 30, 2009

Function	Land	Buildings	Improvements	Machinery and Equipment	Vehicles and Motorized Equipment	Infrastructure	Construction in progress	Total
General administration	\$ 10,455,315	\$ 70,974,600	\$ 7,498,620	\$ 13,352,367	\$ 599,192	\$ 166,474	\$ -	\$ 103,046,568
Human services	2,568,685	42,912,007	-	1,736,111	2,654,014	-	-	49,870,817
Education	270,700	10,160,682	3,947,902	-	-	-	-	14,379,284
Community development	43,173,831	88,099,101	506,715	2,234,731	132,595	1,546,444	-	135,693,417
Environmental services	245,394	2,632,863	-	73,316	-	9,226,837	-	12,178,410
Public safety	3,982,652	94,052,159	8,572,917	11,527,869	5,970,752	-	-	124,106,349
General services administration	64,740	83,920	189,784	5,322,675	23,218,396	-	-	28,879,515
Construction in progress	-	-	-	-	-	-	172,242,140	172,242,140
Total Governmental Capital Assets	<u>\$ 60,761,317</u>	<u>\$ 308,915,332</u>	<u>\$ 20,715,938</u>	<u>\$ 34,247,069</u>	<u>\$ 32,574,949</u>	<u>\$ 10,939,755</u>	<u>\$ 172,242,140</u>	<u>\$ 640,396,500</u>

# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT

As of June 30, 2009

	Date of Issue	Interest Rate	Amount Issued	Debt Outstanding June 30, 2008	Net Additions (Retirements)	Debt Outstanding June 30, 2009
GENERAL OBLIGATION BONDS:						
1998 Public improvement	02/03/98	4.40-4.60%	159,000,000	\$ 79,000,000	\$ (79,000,000)	\$ -
2000 School bonds	02/01/00	5.20-5.75%	24,000,000	2,000,000	(1,000,000)	1,000,000
2001 Criminal justice facility bonds	02/01/01	4.40-4.75%	8,000,000	5,900,000	(5,300,000)	600,000
2001 School bonds	02/01/01	4.50-5.25%	150,000,000	76,900,000	(65,500,000)	11,400,000
2002 Public improvement bonds	03/01/02	4.00-4.75%	188,000,000	137,000,000	(111,500,000)	25,500,000
2003A Public improvement bonds	04/01/03	3.00-5.00%	122,890,000	56,000,000	(8,000,000)	48,000,000
2003B Public improvement bonds	04/08/03	variable	55,000,000	55,000,000	-	55,000,000
2003C Public improvement bonds	04/08/03	variable	45,000,000	45,000,000	-	45,000,000
2003 Criminal Justice Facilities	11/01/03	3.00-5.00%	8,000,000	6,400,000	(400,000)	6,000,000
Refunding series 2003A	11/01/03	3.00-5.00%	83,145,000	35,200,000	(15,300,000)	19,900,000
2004 Public improvement bonds	04/01/04	3.00-5.00%	130,000,000	90,000,000	(10,000,000)	80,000,000
School 2004A	04/21/04	variable	67,000,000	67,000,000	-	67,000,000
School 2004B	04/21/04	variable	57,000,000	57,000,000	-	57,000,000
Refunding series 2004	11/01/04	4.00-5.00%	114,380,000	96,360,000	(11,950,000)	84,410,000
Refunding series 2005	04/01/05	3.00-5.00%	33,020,000	32,835,000	(75,000)	32,760,000
2005 School bonds	11/01/05	3.25-5.00%	41,000,000	38,000,000	(1,500,000)	36,500,000
2007 Public improvement bonds	03/08/07	4.25-5.00%	455,000,000	455,000,000	(23,000,000)	432,000,000
School 2007A	03/08/07	variable	50,000,000	50,000,000	-	50,000,000
School 2007B	03/08/07	variable	50,000,000	50,000,000	-	50,000,000
2009A Public improvement bonds	04/01/09	4.00-5.00%	135,000,000	-	135,000,000	135,000,000
2009B Public improvement bonds	04/01/09	4.00-5.00%	300,000,000	-	300,000,000	300,000,000
2009C Refunding	04/01/09	4.00-5.00%	66,320,000	-	66,320,000	66,320,000
2009D Refunding	06/16/09	3.00-4.00%	168,980,000	-	168,980,000	168,980,000
Total General Obligation Bonds				<u>1,434,595,000</u>	<u>337,775,000</u>	<u>1,772,370,000</u>
OTHER LONG-TERM DEBT:						
Installment purchase				8,472,500	884,465	9,356,965
Qualified zone academy bonds				1,471,155	(163,461)	1,307,694
Capitalized equipment leases				419,418	(91,350)	328,068
Compensated absences				11,847,298	640,334	12,487,632
Other post-employment benefits				11,435,719	10,720,611	22,156,330
Total other long-term debt				<u>33,646,090</u>	<u>11,990,599</u>	<u>45,636,689</u>
TOTAL GOVERNMENTAL LONG-TERM DEBT				<u>\$ 1,468,241,090</u>	<u>\$ 349,765,599</u>	<u>\$ 1,818,006,689</u>

# WAKE COUNTY, NORTH CAROLINA

## SCHEDULE OF LONG-TERM DEBT MATURITIES AND ANNUAL DEBT SERVICE REQUIREMENTS FOR GOVERNMENTAL ACTIVITIES As of June 30, 2009

BONDED DEBT Fiscal Year Ended June 30	PUBLIC SCHOOLS		OTHER		TOTAL	
	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest
2010	\$ 96,404,757	\$ 163,296,743	\$ 12,825,243	\$ 21,169,488	\$ 109,230,000	\$ 184,466,231
2011	96,771,987	163,114,894	12,103,013	20,360,719	108,875,000	183,475,613
2012	97,411,865	159,179,092	12,793,135	20,469,090	110,205,000	179,648,182
2013	97,181,672	154,223,041	13,008,328	20,063,022	110,190,000	174,286,063
2014	96,376,582	148,896,952	13,633,418	20,076,811	110,010,000	168,973,763
2015	96,137,018	144,388,944	13,697,982	19,537,918	109,835,000	163,926,862
2016	115,460,467	159,394,599	12,839,533	18,067,472	128,300,000	177,462,071
2017	112,948,607	151,538,716	13,276,393	17,909,693	126,225,000	169,448,409
2018	116,903,736	150,181,782	9,396,264	13,417,450	126,300,000	163,599,232
2019	118,394,225	146,636,160	8,655,775	12,220,053	127,050,000	158,856,213
2020-2024	433,200,039	510,689,222	49,949,961	61,155,626	483,150,000	571,844,848
2025-2027	106,346,823	111,750,033	16,653,177	17,635,903	123,000,000	129,385,936
Total Bonded Debt	<u>1,583,537,778</u>	<u>2,163,290,178</u>	<u>188,832,222</u>	<u>262,083,245</u>	<u>1,772,370,000</u>	<u>2,425,373,423</u>
<b>OTHER LONG-TERM DEBT:</b>						
Total capitalized leases, installment purchases, and qualified zone academy bonds:						
2010	163,461	163,461	1,345,787	1,710,370	1,509,248	1,873,831
2011	163,461	163,461	1,331,330	1,641,391	1,494,791	1,804,852
2012	163,461	163,461	1,296,657	1,555,508	1,460,118	1,718,969
2013	163,461	163,461	1,327,951	1,536,924	1,491,412	1,700,385
2014	163,461	163,461	1,375,033	1,531,891	1,538,494	1,695,352
2015-2019	490,389	490,389	3,008,275	3,223,420	3,498,664	3,713,809
Total Other Long-Term Debt	<u>1,307,694</u>	<u>1,307,694</u>	<u>9,685,033</u>	<u>11,199,504</u>	<u>10,992,727</u>	<u>12,507,198</u>
<b>TOTAL LONG- TERM DEBT</b>	<u>\$ 1,584,845,472</u>	<u>\$ 2,164,597,872</u>	<u>\$ 198,517,255</u>	<u>\$ 273,282,749</u>	<u>\$ 1,783,362,727</u>	<u>\$ 2,437,880,621</u>

On the Statement of Net Assets as of June 30, 2009, the amounts reported as liabilities for general obligation bonds - schools also includes premiums on issuance of bonds of \$95,099,296 which will be amortized over the life of it's related debt.