



Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2010

***Wake County
North Carolina***

***Comprehensive Annual
Financial Report***

for the fiscal year ended June 30, 2010

Prepared by the Wake County Finance Department

**Wake County Board of
Commissioners**



Tony Gurley
Chair



Joe Bryan



Betty Lou Ward
Vice Chair



Lindy Brown



Stan Norwalk



James West



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Johnna Rogers

Joe Durham

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

Wake County North Carolina

Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010

Prepared by the Wake County Finance Department:

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

Susan McCullen, CPA, *Financial Services Director*

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

Mary Anne McIntire, *Investment Analyst*
Mary Ingram, *Contracts Coordinator*
Melissa England, *Contracts Manager*
Michelle Venditto, *Budget and Management Analyst*
Nicole Kreiser, *Debt and Capital Director*
Randall Lyons, *Budget and Management Analyst*
Renee Arrington, *Accountant*
Sandy Carrington, *Senior Accounting Technician*
Sara Warren, *Budget and Management Analyst*
Scott Hanner, *Buyer*
Sonya Hicks, *Senior Accounting Technician*
Tamara Williams, *Senior Accounting Technician*
Tom Wester, CLGPO, *Purchasing Director*
Tracey Aviles, *Senior Accounting Technician*
Velvadine Wallace, *Budget Application Administrator*

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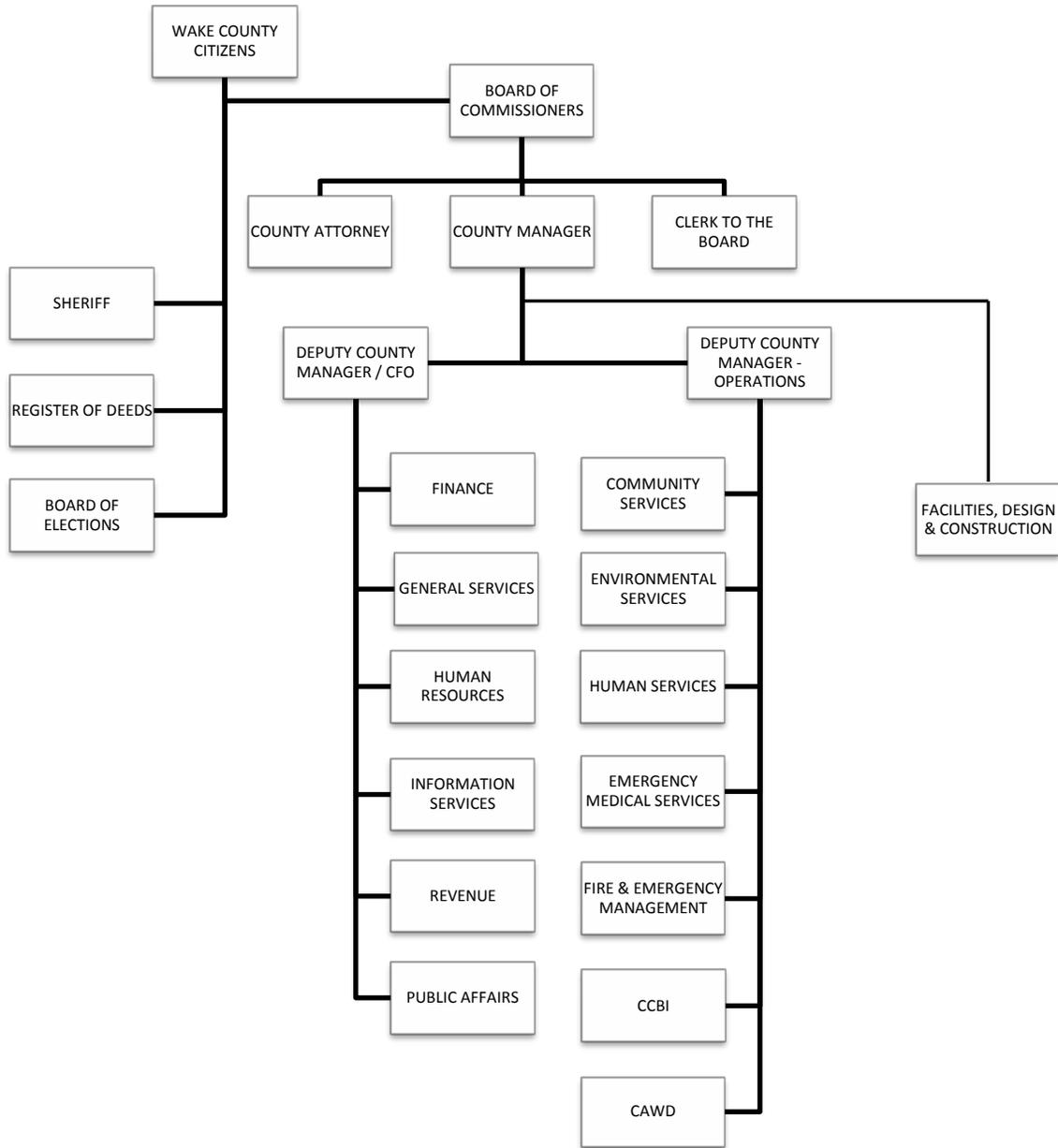
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WAKE COUNTY ORGANIZATION





November 18, 2010

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

Continuing Wake County's history as a county of fiscal strength and stability is a primary goal of the Wake County Board of Commissioners. This Comprehensive Annual Financial Report (financial statements) of Wake County, North Carolina, for the fiscal year ended June 30, 2010, reflects the achievement of that goal. Each year this document is prepared to provide details about how the County receives, spends and accounts for its money, as well as key indicators of its financial strength. The County's Finance Department prepares the financial statements and assumes all responsibility for the accuracy of the data, the completeness and fairness of the presentation, and all disclosures. Wake County officials believe the data and presentation are fair and accurate, and that everything necessary is included in this document to gain an understanding of the County's financial activities over the last fiscal year.

Wake County Government's financial statements have been audited by Cherry, Bekaert & Holland, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special

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

Wake County is required to present a Management's Discussion and Analysis (MD&A) section as an introduction to the financial information. This section immediately follows the auditor's opinion and provides an overview and analysis of the County's significant transactions in fiscal year 2010, to aid readers in understanding the financial impact and the relationship to the financial statements and schedules provided. This letter of transmittal is written to complement the MD&A.

FINANCIAL REPORTING ENTITY

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

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

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

PROFILE OF WAKE COUNTY

Wake County continues to beckon thousands of residents per year who seek to establish roots in one of the most desirable areas of the nation. Due to a

combination of positive quality of life factors and abundant employment opportunities, Wake County is continually highlighted in the pages of national publications as one of the best places to call home. Some of those accolades include:

- **#4 Smartest City (Raleigh, NC)**, U.S. Census Bureau, October 2010
- **#1 Housing Market for Investors (Raleigh, NC)**, Forbes, September 2010
- **#3 Best Place for College Students to Live (Raleigh-Cary, NC)**, American Institute for Economic Research, September 2010
- **#1 Top Public Schools in U.S. (Raleigh, NC)**, GreatSchools.org August 2010
- **#3 Most Innovative City (Raleigh, NC)**, Forbes, May 2010
- **#1 Quality of Life (Raleigh, NC)**, Portfolio.com/bizjournals, May 2010
- **#3 Area in Five-Year Jobs Growth (Raleigh-Cary, NC)**, Buffalo Business First February 2010
- **#1 Healthiest County in NC (Wake County, NC)**, University of Wisconsin Population Health Institute January 2010
- **#6 Most Notable High-Growth Areas in the U.S. (Wake Forest, NC)**, Gadberry Group, January 2010

Wake County surpassed Mecklenburg County in 2010 as the most-populous county in the state. Its 15 municipalities include Raleigh, the county seat and state capital. A mix of urban and rural areas and small towns distinguishes Wake from other counties and provides something for every lifestyle. Located in the north central section of the state on the Piedmont Plateau, Wake County is on a major industrial corridor approximately halfway between Washington, D.C., and Atlanta. North Carolina's beautiful mountains and serene beaches are each within easy driving distance. The County's topography is characterized by low, rolling hills in the northwest, changing gradually to level land in the southeast. The location, geography and climate make Wake County an enjoyable place to live, work, learn and play, while also contributing significantly to the economic viability of the region.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Diversity

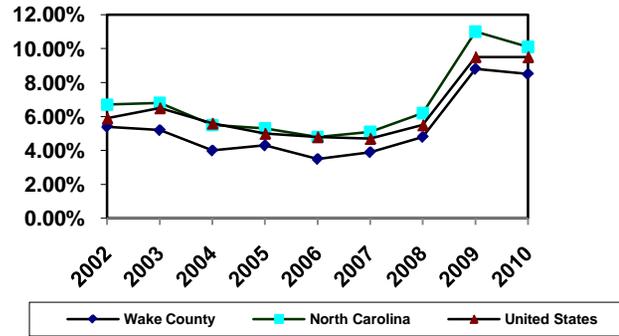
Wake County's economic diversity provides a strong foundation for the area's economy. On June 30, 2010, the unemployment rate was 8.5%, compared with 10.1% for the state and 9.5% for the nation. A sampling of the area's industry and services includes:

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

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

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

Unemployment Rates



Long-Term Planning

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

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

The Growth Issues Task Force consists of County Commissioners, County School Board members, and elected officials from 12 municipalities. Members of the Task Force work with municipalities and other organizations to gain support in reaching the goals outlined in the Task Force’s final report. The report can be viewed at www.wakegov.com/planning/growth.

Wake County broke ground on the new Justice Center in May 2010, one of five projects established in the County’s long-term Justice Facilities Master Plan. The Justice Center is expected to be completed in the summer of 2013.

The 577,000 square-foot facility is expected to meet the growing needs of the court system and other public services for the next 30 to 50 years. The last courthouse built in Wake County was completed in 1969. The Wake County Justice Center will efficiently accommodate growth in the County. It will have the capacity for 22 new criminal courtrooms, two court hearing rooms, as well as more space for required court support. The Clerk of Superior Court, District Attorney, Public Defender, Superior and District Court Judges, and Community Corrections will be housed in the new building. It will also house all of Wake County’s criminal courtrooms.

Wake County continued its commitment to mental health reform and will open a new mental health facility, WakeBrook Campus, in November 2010, with patients being accepted in January 2011. The facility will provide more space for the County’s crisis and assessment services, continue in-patient substance abuse services in a state-of-the-art, 16-bed hospital and provide two intermediate levels of residential care: a 16-bed detox unit and a 16-bed crisis unit.

Public Safety is a priority for Wake County. The County continues its work on the Hammond Road Detention Center, receiving an American Recovery and Reinvestment Act energy grant to help in the facility become LEED Certified, contributing to the positive effects of energy efficiency the facility for years to come. In addition, the County's Advanced Practice Paramedic Program (APP) received the Distinguished Program Excellence Award during the 96th Annual Awards Program at the International County Managers Association (ICMA) Conference in October 2010. The award recognizes local government programs that demonstrate innovation and excellence, and improve the community's quality of life. The APP program matches the most acute patients with the most highly-trained EMS paramedics who operate out of single-response vehicles to deliver care on-site until an ambulance arrives. Wake County introduced APP in 2009 and has 17 trained paramedics in the program.

Wake County continues to serve citizens with programs to help those in need. The Capital Area Workforce Development Board opened four new employment assistance centers in Wake County to provide facilities where job seekers can go in their own communities to look for jobs. These sites will increase the number of locations providing access to JobLink services. Additionally, Wake County Libraries teamed up with a number of organizations to provide on-going job assistance programs at the libraries.

Programming ranges from resume writing, to using technology to search for jobs. Each program is designed to help those who are unemployed to develop the skills necessary to find long-term employment.

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

Community Improvement Plan

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

In June 2009, Commissioners adopted a seven-year, \$902.4 million CIP for fiscal years 2010-16 in connection with Wake County's capital planning.

The current CIP totals \$902.4 million of initiatives to improve the capital infrastructure of the County, of which \$183 million is dedicated to the Wake County Public School System. The remaining \$719.4 million would be invested in several areas of capital need, including criminal justice (\$383 million), County building improvements (\$27 million), community college facilities (\$98 million), fire suppression (\$22.6 million), economic development (\$10 million), solid waste operations (\$21 million), investments in libraries (\$38.6 million), public safety (\$18.6 million), and automation (\$26 million). The entire FY2010-16 CIP can be viewed within the FY10 Budget Document at www.wakegov.com/budget/fy10/default.

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

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

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

At present, the two primary funding sources for the CIP are dedicated property tax revenue (policy to fund at 15.76 cents) and a percentage of the sales tax receipts to the capital program. The sales tax percentage is based upon legislation codified in the North Carolina General Statutes.

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

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

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

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

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

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

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

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

OTHER ACCOMPLISHMENTS

Wake County expanded its use of social media with YouTube, Facebook, Twitter and blogs. The County evaluated each type of social media and the benefits of communicating to citizens using these tools. The County first piloted each tool, and later expanded their use to other departments by process. The County currently has two YouTube channels, four Facebook pages, six twitter feeds and five external blogs, and will continue to pursue social media as a viable method of communication for both external and internal use.

Wake County opened the North Wake Landfill Park in July 2010 on the site of the now-closed North Wake Landfill. This one-of-a-kind facility will provide safe, recreational opportunities for park users; preserve the natural environment; and protect the public, as well as the landfill’s monitoring systems. The County worked with the North Wake Landfill Citizens Committee, which was formed in 2004 and tasked with recommending how the site would be used after the landfill was closed. The concept brought forth by the committee included an elementary school, athletic fields and community park facilities. The Committee’s efforts resulted in the development of the End Use Master Plan, of which the first portions are complete with a playground, picnic shelter, walking trail that connects to the existing greenway and restrooms. Work is currently underway on a Wake County EMS station that is expected to open by November 2010.

The 2010 Census was a collaborative effort between Wake County, and other municipal and County partners. To date, Wake County has had a successful participation rate of 76 percent – higher than the national average of 72 percent. Data collected in the Census will ultimately help the County as it plans for future growth.

Wake County was diligent in the onset of the H1N1 virus. Working with internal and external partners, such as physicians, news media, state of North Carolina and others, the County was able to successfully administer 51,112 H1N1 vaccines at more than 130 clinics from October 2009 to May 2010. The County also distributed over 22,650 doses to private medical care providers. Federal stimulus funds allowed the County to administer 6,261 doses of free seasonal flu vaccine at 21 school-based clinics around the County.

AWARDS AND ACKNOWLEDGMENTS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Wake County for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This marks the 26th consecutive year in which the County has received this recognition. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The GFOA award is valid for a period of one year.

Acknowledgments

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

Respectfully submitted,

David Cooke

David Cooke
County Manager

Johnna Rogers

Johnna Rogers
Deputy County Manager/
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Wake County
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



A stylized, handwritten signature in black ink, appearing to read "JEFFREY R. EMSWILER".

President

A stylized, handwritten signature in black ink, appearing to read "JEFFREY R. EMSWILER".

Executive Director



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wake County, North Carolina (the "County"), as of and for the year ended June 30, 2010, 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, 2010, 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 18, 2010 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 18, 2010

WAKE COUNTY, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2010

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, 2010. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages **IX – XIV** in the Introductory section of this report.

Financial Highlights for Wake County, North Carolina

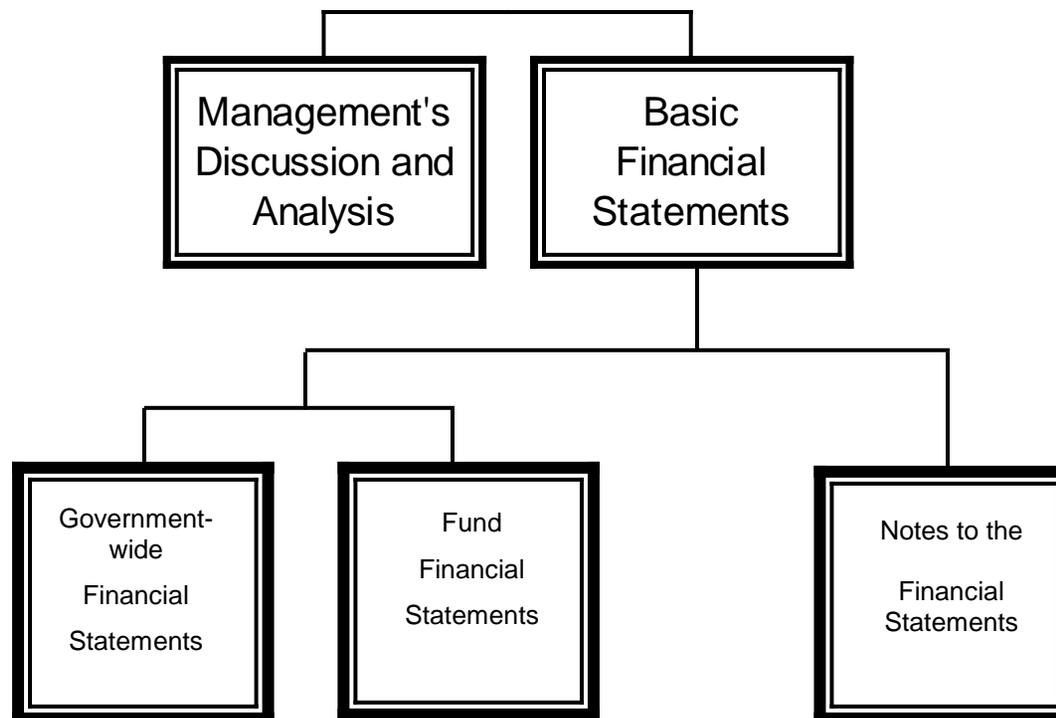
The County has maintained an “Aaa” bond rating from Moody’s Investors Service since 1973, an “AAA” rating from Standard & Poor’s Corporation since 1983, and an “AAA” rating from Fitch since 2000. These bond ratings are clear indications of the sound financial condition of The County. The County is one of the few counties in the country that maintains the highest financial rating from all three major rating agencies. This achievement is a key factor in keeping interest costs low on the County’s outstanding general obligation debt. These ratings were reaffirmed most recently in July 2010.

- In April 2010 Wake County reduced the General Fund budget for the second fiscal year in a row in response to continued revenue shortfalls in federal and state revenues, sales taxes, charges for services, and development-related revenues. County departments identified expected savings, with a minimum of 2% to be saved by each department. The County chose not to request reductions from either Wake County Public School System or Wake Technical Community College. In total, the General Fund expenditure and revenue adjustments resulted in overall reductions of \$16.6 million, a 2% decrease from the originally adopted FY 2010 operating budget.
- The County issued \$154.62 million Limited Obligation Bonds, Series 2009, in July 2009. These bonds were issued pursuant to the County’s capital plan for criminal justice facilities and funded the construction of Phase II of the Hammond Road Detention Center. In January 2010, the County issued \$148.86 million Limited Obligation Bonds, Series 2010. These bonds were issued pursuant to the County’s capital plan for criminal justice and funded construction of a new courthouse and related facilities.
- Wake County issued \$125.8 million in fixed-rate general obligation bonds in March 2010. \$100 million was issued to fund public school construction and \$25.8 million was for community college funding. In June 2010, Wake County issued \$34.91 million GO Public Improvement Bonds, Series 2010D to fund public school construction.

- Wake County issued \$383.42 million 2010 GO Refunding Bonds in May 2010 to refund portions of the 2003A, 2003B, 2004, 2005, 2007, and 2009A general obligation bond issuances with total present value savings of \$18.8 million.
- Subsequent to year end in August 2010, Wake County issued \$36 million in General Obligation Public Improvement Bonds, Series, 2010E and 2010F, for public school construction.
- On the government-wide statements, the liabilities of the County's governmental activities exceeded its assets at the close of the fiscal year by \$800.3 million (*net deficit*). The County's net deficit results from the general obligation debt the County has issued on the behalf of the school system to fund school capital outlay. Under North Carolina law, the County is responsible for providing capital funding for the School System. The County has chosen to meet its legal obligation to provide school capital funding by leveraging taxpayer dollars using a mixture of County funds, general obligation debt and various other debt instruments. The assets funded by the County are owned, utilized, and maintained by the School System. Since the County, as the issuing government, acquires no school capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the school-related debt exceeded \$1.76 billion dollars.
- As of the close of the 2010 fiscal year, the County's governmental funds reported combined ending fund balances of \$963.9 million, up \$303.2 million from the \$660.7 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, 2010, the County issued long-term bonds to finance capital expenditures for the school system and county capital programs, receiving premiums on the issuance of \$97.3 million. A total of \$472.8 million of bond proceeds were still on hand at June 30, 2010.
- 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 2010 fiscal year, the fund balances for the County's General Fund and the Debt Service Fund were both \$152 million; compared with \$156 million and \$151 million, respectively, in the prior fiscal year. The total fund balances of both funds compared as a percentage of expenditures in both funds was 19.27% of expenditures and transfers at the end of fiscal 2010, compared with a combined total of 22.43% at the end of the 2009 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 2010 was 53.4 cents and a portion of that is dedicated to capital and debt service. For the fiscal year 2010, the County transferred \$156.6 million from the General Fund to fund the Debt Service component of its capital model and a total of \$49.2 million to County capital, school capital outlay, and Wake Technical Community College capital outlay to fund those allocations.

Overview of the Financial Statements

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



Basic Financial Statements

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

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

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

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

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

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

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

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

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

Proprietary Funds – For the fiscal year ended June 30, 2010, 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.

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

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

After the notes, this report presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to law enforcement personnel. Finally, combining statements are provided to show details about the County's non-major governmental funds, as well as enterprise funds. Budgetary information for each fund as required by the North Carolina General Statutes and detailed comparison statements, including encumbrances reported for internal reporting purposes for the County's General Fund and annually budgeted funds, can also be found in this section.

Government-wide Financial Analysis

The County's liabilities exceeded assets by \$760.0 million as of June 30, 2010. Net assets are reported in three categories: invested in capital assets, net of related debt of \$59.2 million, restricted for future capital needs of \$283.0 million, and unrestricted net deficit of \$(1,102.2) million.

One portion of Wake County's net assets reflects its investment in capital assets (e.g., land, buildings, vehicles, and equipment); less any related debt still outstanding that was issued to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The amount reported as invested in total capital assets decreased from \$330.0 million in the prior year to \$59.2 million at June 30, 2010. The largest portion of the decrease relates to the County's governmental activities. For the fiscal year ended June 30, 2010 the amount invested in capital assets, net of related debt for governmental activities decreased by \$270.7 million to \$46.6 million. This component of net assets decreased so dramatically because limited obligation bonds were issued during the year and those proceeds were still on hand at June 30, 2010. Under generally accepted accounting standards, these proceeds are deducted from this component's calculation. For a more complete discussion of debt administration activity and changes during the fiscal year, refer to the Debt Administration section of this Management Discussion and Analysis. None of the County's school-related debt is included in this calculation as it is not considered capital related debt for Wake County.

Another 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, 2010, the unrestricted deficit of \$(1,102.2) million is attributable primarily to the general obligation bonds issued by Wake County for the school system within the governmental activities. Even though the debt issued has been issued to finance capital outlay and construction for the School System, the Governmental Accounting Standards Board has determined that it is not capital debt for the County since it is not financing assets that are owned by the County. As a result, the school debt is reportable within the unrestricted category of net assets rather than as part of the category invested in capital assets, net of related debt. The breakdown of the unrestricted portion of net equity is defined as follows:

School System Debt	\$(1,760,974,309)
All other unrestricted	<u>658,801,436</u>
Total unrestricted (Deficit)	<u>\$(1,102,172,873)</u>

The amount reported in the total unrestricted category further decreased from \$(1,034.9) million as of June 30, 2009 to \$(1,102.2) as of June 30, 2010. This decrease in the unrestricted category was the primarily the result of an increase in the County's school system debt outstanding from \$1.68 billion as of June 30, 2009 to \$1.76 billion as of June 30, 2010. 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:

	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
	Governmental	Governmental	Business-type	Business-type	Total	Total
	Activities	Activities	Activities	Activities		
Current and other assets	\$ 1,075,384,125	\$ 767,949,689	\$ 48,543,819	\$ 46,854,254	\$ 1,123,927,944	\$ 814,803,943
Capital assets	576,168,526	515,774,369	12,613,805	12,674,646	588,782,331	528,449,015
Total assets	1,651,552,651	1,283,724,058	61,157,624	59,528,900	1,712,710,275	1,343,252,958
Long-term liabilities/schools	1,760,974,309	1,679,944,768	-	-	1,760,974,309	1,679,944,768
Long-term liabilities/other	575,210,446	233,161,217	15,593,795	14,659,557	590,804,241	247,820,774
Other liabilities	115,633,201	112,367,632	5,251,466	5,522,117	120,884,667	117,889,749
Total liabilities	2,451,817,956	2,025,473,617	20,845,261	20,181,674	2,472,663,217	2,045,655,291
Net assets:						
Invested in capital assets, net of related debt	46,615,606	317,257,114	12,613,805	12,714,646	59,229,411	329,971,760
Restricted/Bonds	282,990,520	2,569,777	-	-	282,990,520	2,569,777
Unrestricted	(1,129,871,431)	(1,061,576,450)	27,698,558	26,632,580	(1,102,172,873)	(1,034,943,870)
Total net assets	\$ (800,265,305)	\$ (741,749,559)	\$ 40,312,363	\$ 39,347,226	\$ (759,952,942)	\$ (702,402,333)

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 98.69%.
- 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 \$2.3 Billion at June 30, 2010.

Wake County's Changes in Net Assets:

	For the Year Ended		For the Year Ended		For the Year Ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
Revenues:						
Program revenues:						
Charges for services	\$ 60,878,296	\$ 62,783,508	\$ 22,886,642	\$ 23,530,328	\$ 83,764,938	\$ 86,313,836
Operating grants and contributions	147,233,127	167,770,447	1,390,303	1,146,661	148,623,430	168,917,108
General revenues:						
Property taxes	651,480,015	640,238,154	-	-	651,480,015	640,238,154
Sales taxes	104,384,663	127,210,118	-	-	104,384,663	127,210,118
Grants and contributions not restricted to specific programs	4,410,678	5,125,653	-	-	4,410,678	5,125,653
Other general revenues	48,401,565	51,240,992	1,765,830	2,090,927	50,167,395	53,331,919
Total revenues	1,016,788,344	1,054,368,872	26,042,775	26,767,916	1,042,831,119	1,081,136,788
Expenses:						
General administration	54,937,881	55,488,240	-	-	54,937,881	55,488,240
Human services	224,307,656	244,176,508	-	-	224,307,656	244,176,508
Education	472,748,721	661,548,515	-	-	472,748,721	661,548,515
Community development and cultural	20,597,071	59,885,379	-	-	20,597,071	59,885,379
Environmental services	8,604,359	11,978,164	-	-	8,604,359	11,978,164
Public safety	161,889,743	143,763,181	-	-	161,889,743	143,763,181
General services administration	25,927,613	26,444,850	-	-	25,927,613	26,444,850
Interest on long-term debt	106,695,047	73,811,478	-	-	106,695,047	73,811,478
Solid waste	-	-	24,673,638	26,455,882	24,673,638	26,455,882
Total expenses	1,075,708,091	1,277,096,315	24,673,638	26,455,882	1,100,381,729	1,303,552,197
Increase (decrease) in net assets before transfers	(58,919,747)	(222,727,443)	1,369,137	312,034	(57,550,610)	(222,415,409)
Transfers	404,000	312,000	(404,000)	(312,000)	-	-
Change in net assets	(58,515,747)	(222,415,443)	965,137	34	(57,550,610)	(222,415,409)
Net assets, beginning of year	(741,749,559)	(519,334,116)	39,347,226	39,347,192	(702,402,333)	(479,986,924)
Net assets, end of the year	\$ (800,265,306)	\$ (741,749,559)	\$ 40,312,363	\$ 39,347,226	\$ (759,952,943)	\$ (702,402,333)

Governmental activities. Governmental activities decreased the County's beginning net assets by \$58.5 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, 2010, these noncapital school capital expenditures incurred by the County in the School Capital Fund totaled \$128 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, 2010, 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, 2010, the governmental funds of Wake County reported a consolidated fund balance of \$963.9 million, an increase of \$303.2 million, from the prior fiscal year's balance of \$660.7 million. The fund balance of the General Fund decreased by \$3.8 million during fiscal year 2010. In the case of the General Fund, the actual use of fund balance was substantially equal to the amount planned of \$2.4 million for the annual encumbrance roll forward. This roll forward, which was completed at the end of the fiscal 2009, increases the appropriated fund balance in the subsequent year's operating budget for the amount of the roll forward. Most of the remaining decrease in the fund balance of the General Fund resulted from a \$1 million accrual for worker's compensation and vehicle property losses still open at the end of the fiscal year.

The largest portion of the governmental fund balance increase resulted from a net increase in fund balance of \$254.1 million in the County Capital Projects Fund. This increase resulted primarily from bond proceeds that were still on hand at the end of the fiscal year of \$260.8 million. Similarly, the Wake Community College Capital Projects Fund, a nonmajor capital fund, also reported an increase in ending fund balance of \$26 million as a result of bonds issued during fiscal year 2010 of \$25.8 million. 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.

For the County Capital Project Fund, transfers into the fund from the General Fund were \$22 million, compared with \$25 million in the prior fiscal year. Of the total amount available for capital and debt service funding, the amount needed to maintain the County's target debt service balance at no less than 19% of the subsequent year's debt service is funded first with the remaining funds transferred to the capital fund for pay-as-you-go capital funding. As a result, the amount of transfers into the County's Capital Projects Fund can fluctuate from year to year as the Debt Service Fund's needs change.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. 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 2010 fiscal year, the total fund balance of the General Fund was \$152.3 million, compared with \$156.1 million at the end of the prior year. At June 30, 2010, the General Fund's fund balance of \$152.3 million includes \$53.1 million that has been reserved by State statute, \$2.7 million that has been reserved for encumbrances, \$.7 million that is reserved for register of deeds automation, \$2.0 million that has been designated for subsequent fiscal years expenditures and \$92.8 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, 2010, 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. As in the prior fiscal year, amendments to the General Fund in fiscal year 2010 were once again an exception as the County decreased budgeted revenues and expenditures by \$16.6 million or 2% in response to revenue shortfalls in the spring of 2010. County departments were asked to identify expected savings in response to revenue shortfalls. As the largest department with 46% of total county employees, Human Services took the largest dollar midyear reduction by far, reducing \$12.5 million or 5.3% from its amended 2010 budget.

Actual revenues in the General Fund were less than the amounts projected in the final budget by \$17 million for fiscal year 2010. The revenue shortfall occurred primarily in sales taxes and intergovernmental revenues. Total taxes were lower than the final budgeted amount by more than \$11 million. The largest portion of this reduction, \$9 million, was attributable to sales tax collections. In April 2010, the County reduced operating budgets because of the slowing economic recovery. Amid continued economic uncertainty, we reduced projected sales tax collections by \$9 million. In actuality, the fiscal year 2010 sales tax totals were ultimately \$18.2 million less than the amount originally adopted for fiscal year 2010. There were also revenue shortfalls of \$3 million in intergovernmental revenue resulting primarily from the State's budget reductions.

Actual expenditures and transfers out in the General Fund were \$16 million less than budgeted amounts largely resulting from lower than projected spending by all of the County's departments, particularly Human Services and General Services Administration. In the Human Services department, the underspent budget resulted in large part because of employee vacancies and temporary services which were eliminated between fiscal years 2009 and 2010. The General Services Administration departmental budget was underspent by \$2.4 million; this difference was due primarily to negotiated reductions in contracted services as a result of negotiated changes, some of which were related to decommissioned buildings.

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 \$27.5 million, an increase of .4 million from the \$27.1 million reported at the end of fiscal year 2009. In addition, the South Wake Landfill Fund, a new fund in fiscal 2008, reported a deficit of \$.5 million in fiscal year 2009, reported a fund balance of \$.2 million for the fiscal year 2010.

Capital Asset and Debt Administration

Wake County Capital Assets (net of Amortization and Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 78,180,352	\$ 60,761,317	\$ 1,875,253	\$ 1,875,253	\$ 80,055,605	\$ 62,636,570
Landfills	-	-	6,197,758	6,559,138	6,197,758	6,559,138
Buildings	265,945,610	240,414,105	826,101	855,304	266,771,711	241,269,409
Machinery and equipment	2,792,770	4,147,942	335,130	6,507	3,127,900	4,154,449
Vehicles and motorized equipment	12,669,294	13,785,545	-	-	12,669,294	13,785,545
Improvements other than Buildings	17,393,197	17,337,112	384,371	397,973	17,777,568	17,735,085
Infrastructure	6,863,539	7,086,208	-	-	6,863,539	7,086,208
Construction in progress	192,323,764	172,242,140	2,995,192	2,980,471	195,318,956	175,222,611
Total	<u>\$ 576,168,526</u>	<u>\$ 515,774,369</u>	<u>\$ 12,613,805</u>	<u>\$ 12,674,646</u>	<u>\$ 588,782,331</u>	<u>\$ 528,449,015</u>

Capital assets. The County’s investment in capital assets for its governmental and business-type activities as of June 30, 2010, totals \$588.8 million (net of accumulated depreciation). These assets include buildings, vehicles, equipment, infrastructure, as well as land and landfills.

Major capital asset transactions during 2010 fiscal year included continued improvements to county buildings and judicial facilities, construction for new judicial facilities and a mental health facility, 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, 2010, the County had total general obligation bonded debt outstanding of \$1.956 billion, \$1.760 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 limited obligation bonds, 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

	<u>2010</u>	<u>2009</u>
General Obligation bonds (schools)	\$ 1,759,830,076	\$ 1,678,637,074
General Obligation bonds (other)	196,242,450	188,832,222
Capital leases	157,095	328,068
Notes payable	299,767	-
Limited obligation bonds	324,671,699	-
Qualified zoning academy bonds (schools)	1,144,233	1,307,694
Installment purchases	<u>8,181,909</u>	<u>9,356,965</u>
 Total	 <u>\$ 2,290,527,229</u>	 <u>\$ 1,878,462,023</u>

Wake County's total general obligation debt increased by \$88.6 million or 4.7% during the fiscal year ended June 30, 2010. This planned increase occurred because the County issued additional general obligation bonds during the 2010 fiscal year in excess of debt service principal payments during the year.

The County issued limited obligation bonds for the first time in fiscal year 2010 totaling \$324.7 million. Both the limited obligation issues the County completed during the year were for criminal justice facilities and were in accordance with the County's capital plan. Since these bonds are not general obligation bonds, the County's taxing power is not pledged for payment on the bonds; instead, the facilities constructed with the bonds were pledged as collateral for the debt.

At the end of fiscal year 2010, the County had a long term liability for other post-employment benefits (OPEB) of \$33.6 million, compared with \$22.2 million in the prior fiscal year. Wake County has chosen not to fund the OPEB liability, which represents a healthcare obligation to certain retirees, instead paying benefits on a pay as you go basis. During fiscal year 2010, the County contributed \$3.5 million to cover promised healthcare costs for retirees, compared to \$3.9 million in the prior year. For both fiscal year 2009 and 2010, the OPEB payments amounted to less than 1% of the General Fund's total expenditures and transfers. The pay as you go funding method chosen by the County meets the obligations made to employees without requiring additional funding sources.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate in the Raleigh-Cary Metropolitan area in which the county is located was 8.5% (percent) at June 30, 2010, compared with 8.3% at the end of the previous fiscal year.
- The County has an eight year revaluation cycle for residential property. In the most recent revaluation at January 1, 2008 that was effective for fiscal year 2009, the total assessed value of property in the County continued to increase, although at a slower pace than experienced in the recent past. From fiscal year 2009 through fiscal year 2010, the total assessed value increased from \$116.6 billion to \$119.2 billion, an increase of 2.18%.
- As a result of the slowed economic growth, sales tax collections decreased to \$104.4 million for the fiscal year ended June 30, 2010 from \$127.2 million in the prior fiscal year, a 17.9% decrease. Other large reductions in revenues from the prior year were seen in federal and state intergovernmental revenue as the state reduced its budget. Further changes at the state level are expected in the subsequent year as the state continues struggling to balance its own budget. Changes in occupancy and prepared food and beverage taxes decreased from the 2009 fiscal year by \$.9 million or 2.85%.
- Wake County continues to grow but at a much slower rate than in the recent past, adding an estimated 43,000 to its population over the past year and more than 1,800 new children to its public school system.
- The average yield on investments was 2.20% for fiscal year 2010, compared to 1.70% for fiscal year 2009. Investment earnings were essentially flat between the two years. The County was able to maintain the same amount of interest earnings despite a lower portfolio balance because we were able to earn a slightly higher yield as a result of some of the competitive rates staff negotiated with depositories. 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 \$10.8 million for the fiscal year ended June 30, 2010, on an average portfolio balance of more than \$495 million. This compares to 2009 earnings of \$10.7 million on an average portfolio balance of \$633 million.
- While the yield on investments fell significantly during fiscal year 2010, 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 2011 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2011

Governmental Activities: The County approved an original budget of \$951.2 million for the General Fund budget for fiscal year 2011, which represents a \$2.4 million or 2.00% decrease over the original budget adopted for the fiscal year 2010 of \$953.60 million. The recommended budget for fiscal year 2011 maintained the current tax rate of 53.4 cents and eliminated 58 positions, 33 of which were vacant. The 2011 budget includes an appropriation of fund balance of \$2 million.

In the General Fund, original budgeted expenditures for Human Services decreased by .5% or \$1.3 million from the prior fiscal year's adopted budget. Development related service departments such as the Register of Deeds, Planning and Inspections, Environmental Services, and Geographic Information Services continued to face cuts that correlate with the decline in the housing and development market. Various other County operating departments proposed expenditure reductions that ranged up to 4%. The operating funds appropriations for the public schools and the community college located within the county remained the same as the budgeted amount for fiscal year 2010.

Business – type Activities: For the 2011 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 2011 is substantially the same as the amount adopted for FY 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 Deputy County Manager/Chief Financial Officer, Wake County, North Carolina, 336 Fayetteville Street, Raleigh, NC 27602. Additional information concerning Wake County can also be obtained by referring to the County's website at <http://www.wakegov.com>. Copies of financial statements and additional information concerning the Wake County Board of Alcoholic Control, a discretely presented component unit of the County, may be obtained at 225 Hillsborough St., Raleigh, NC 27602.

Wake County

Basic

Financial Statements

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS As of June 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Board of Alcoholic Control
ASSETS				
Cash and investments - pooled equity	\$ 472,358,060	\$ 30,505,056	\$ 502,863,116	\$ -
Cash and investments - reserved	-	15,381,776	15,381,776	-
Cash and investments - cash equivalents	2,125,766	750	2,126,516	18,121,472
Taxes receivable (net)	7,775,577	-	7,775,577	-
Accounts receivable (net)	86,540,303	2,364,701	88,905,004	986
Loans receivable	22,238,560	-	22,238,560	-
Accrued interest receivable	2,684,145	291,536	2,975,681	-
Prepaid items	5,039,772	-	5,039,772	-
Inventories	548,401	-	548,401	6,269,448
Net pension asset	1,122,217	-	1,122,217	-
Bond issuance costs	1,925,215	-	1,925,215	-
Deferred outflow of resources	252,918	-	252,918	-
Restricted assets:				
Cash and investments - cash equivalents with fiscal agent	472,773,191	-	472,773,191	-
Capital assets not being depreciated:				
Land	78,180,352	1,875,253	80,055,605	7,451,422
Construction in progress	192,323,764	2,995,192	195,318,956	-
Capital assets (net of accumulated depreciation):				
Landfills	-	6,197,758	6,197,758	-
Buildings	265,945,610	826,101	266,771,711	7,543,564
Improvements	17,393,197	384,371	17,777,568	-
Machinery and equipment	2,792,770	335,130	3,127,900	1,078,625
Vehicles and motorized equipment	12,669,294	-	12,669,294	-
Infrastructure	6,863,539	-	6,863,539	-
Total assets	1,651,552,651	61,157,624	1,712,710,275	40,465,517

WAKE COUNTY, NORTH CAROLINA

(Continued)

**STATEMENT OF NET ASSETS
As of June 30, 2010**

LIABILITIES	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Board of Alcoholic Control
Accounts payable and accrued liabilities	\$ 62,732,306	\$ 5,250,846	\$ 67,983,152	\$ 11,445,249
Due to other governmental units	7,080,672	-	7,080,672	-
Accrued interest payable	18,862,991	-	18,862,991	-
Unearned revenues	4,734,078	620	4,734,698	-
Housing loan deferred revenue	21,970,236	-	21,970,236	-
Derivative liability	252,918	-	252,918	-
Long term liabilities:				
Amounts due within one year:				
Capital leases	110,842	-	110,842	-
General obligation bonds - schools	101,605,715	-	101,605,715	-
General obligation bonds - other	13,944,285	-	13,944,285	-
Quality zoning academic bonds	163,461	-	163,461	-
Installment purchases	1,220,488	-	1,220,488	-
Notes payable	299,767	-	299,767	-
Compensated absences payable	12,168,141	57,979	12,226,120	-
Amounts due beyond one year:				
Capital leases	46,253	-	46,253	-
General obligation bonds - schools	1,658,224,361	-	1,658,224,361	-
General obligation bonds - other	182,298,165	-	182,298,165	-
Limited obligation bonds	324,671,699	-	324,671,699	-
Quality zoning academic bonds	980,772	-	980,772	-
Installment purchases	6,961,421	-	6,961,421	-
Other post employment benefits	33,489,385	154,040	33,643,425	793,651
Construction reserves	-	568,988	568,988	-
Closure/post closure costs	-	14,812,788	14,812,788	-
Total liabilities	2,451,817,956	20,845,261	2,472,663,217	12,238,900
NET ASSETS				
Invested in capital assets, net of related debt	46,615,606	12,613,805	59,229,411	16,073,611
Restricted for:				
Future capital needs	282,990,520	-	282,990,520	-
Working capital	-	-	-	2,297,787
Unrestricted (See Note 1.P)	(1,129,871,431)	27,698,558	(1,102,172,873)	9,855,219
Total net assets (deficit)	\$ (800,265,305)	\$ 40,312,363	\$ (759,952,942)	\$ 28,226,617

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010

	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		
FUNCTIONS/PROGRAMS							
Primary Government:							
Governmental activities:							
General administration	\$ 54,937,881	\$ 6,670,497	\$ 2,188,124	\$ (46,079,260)	\$ -	\$ (46,079,260)	
Human services	224,307,656	30,212,823	127,235,785	(66,859,048)	-	(66,859,048)	
Education	472,748,721	-	12,818,821	(459,929,900)	-	(459,929,900)	
Community development and cultural	20,597,071	1,923,791	2,020,859	(16,652,421)	-	(16,652,421)	
Environmental services	8,604,359	1,457,700	259,591	(6,887,068)	-	(6,887,068)	
Public safety	161,889,743	17,949,739	2,700,697	(141,239,307)	-	(141,239,307)	
General services administration	25,927,613	2,663,746	9,250	(23,254,617)	-	(23,254,617)	
Interest on long-term debt	106,695,047	-	-	(106,695,047)	-	(106,695,047)	
Total governmental activities	<u>1,075,708,091</u>	<u>60,878,296</u>	<u>147,233,127</u>	<u>(867,596,668)</u>	<u>-</u>	<u>(867,596,668)</u>	
Business-type activities:							
Solid Waste	<u>24,673,638</u>	<u>22,886,642</u>	<u>1,390,303</u>	<u>-</u>	<u>(396,693)</u>	<u>(396,693)</u>	
Total primary government	<u>\$ 1,100,381,729</u>	<u>\$ 83,764,938</u>	<u>\$ 148,623,430</u>	<u>(867,596,668)</u>	<u>(396,693)</u>	<u>(867,993,361)</u>	
Component unit:							
Board of Alcoholic Control	<u>\$ 60,668,965</u>	<u>\$ 59,747,146</u>	<u>\$ -</u>				<u>\$ (921,819)</u>
General revenues:							
Property taxes				651,480,015	-	651,480,015	-
Sales taxes				104,384,663	-	104,384,663	-
Occupancy and prepared food taxes				30,282,509	-	30,282,509	-
Other taxes				7,633,811	-	7,633,811	-
Grants and contributions not restricted to specific programs				4,410,678	-	4,410,678	-
Unrestricted investment earnings				14,450,011	1,144,867	15,594,878	69,362
Other				(3,964,766)	620,963	(3,343,803)	212,354
Transfers				404,000	(404,000)	-	-
Total general revenues and transfers				<u>809,080,921</u>	<u>1,361,830</u>	<u>810,442,751</u>	<u>281,716</u>
Change in net assets				<u>(58,515,747)</u>	<u>965,137</u>	<u>(57,550,610)</u>	<u>(640,103)</u>
Net assets (deficit), beginning of year				<u>(741,749,558)</u>	<u>39,347,226</u>	<u>(702,402,332)</u>	<u>28,866,720</u>
Net assets (deficit), end of year				<u>\$ (800,265,305)</u>	<u>\$ 40,312,363</u>	<u>\$ (759,952,942)</u>	<u>\$ 28,226,617</u>

WAKE COUNTY, NORTH CAROLINA

(continued)

**BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2010**

	Major Funds						Nonmajor	Total Governmental Funds
	General	Affordable	Major	Debt	County	School	Other	
	Fund	Housing Fund	Facilities Fund	Service Fund	Capital Projects Fund	Capital Fund	Governmental Funds	
ASSETS								
Cash and investments - pooled equity	\$ 135,465,106	\$ 5,572,059	\$ 4,617,731	\$ 90,524,736	\$ 58,820,967	\$ 148,043,008	\$ 29,314,455	\$ 472,358,062
Cash and investments - cash equivalents	2,125,416	50	300	-	-	-	-	2,125,766
Cash and investments - restricted	-	-	-	44,213,234	260,859,375	121,845,215	45,855,367	472,773,191
Taxes receivable (net)	7,568,377	-	-	-	-	-	207,200	7,775,577
Accounts receivable (net)	54,741,174	245,888	2,627,819	12,818,821	5,770,638	8,197,541	2,138,423	86,540,304
Prepaid expenditures	157,497	12,794	-	3,361,982	-	-	1,507,499	5,039,772
Loans receivable	-	21,970,236	-	-	268,323	-	-	22,238,559
Accrued interest receivable	20,661	228	29,321	1,509,091	-	939,974	184,870	2,684,145
Internal balances (interfund receivable)	747,320	-	-	-	-	-	-	747,320
Inventories	548,401	-	-	-	-	-	-	548,401
TOTAL ASSETS	\$ 201,373,952	\$ 27,801,255	\$ 7,275,171	\$ 152,427,864	\$ 325,719,303	\$ 279,025,738	\$ 79,207,814	\$ 1,072,831,097
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 37,182,407	\$ 179,043	\$ 5,046,503	\$ 161,570	\$ 13,658,344	\$ 103,237	\$ 4,678,298	\$ 61,009,402
Due to other governmental units	91,614	-	83,334	-	-	6,905,725	-	7,080,673
Internal balances (interfund payable)	-	-	-	-	-	-	747,320	747,320
Deferred revenues	11,849,605	21,970,236	-	-	5,183,385	713,618	332,478	40,049,322
Total Liabilities	49,123,626	22,149,279	5,129,837	161,570	18,841,729	7,722,580	5,758,096	108,886,717

WAKE COUNTY, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2010

	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	\$ 548,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 548,401
Reserved for noncurrent receivable	464,289	-	-	-	-	-	-	464,289
Reserved for encumbrances	2,661,814	1,863,255	-	-	237,155,066	89,172,758	2,260,917	333,113,810
Reserved by State statute	53,068,635	258,910	2,145,334	17,689,894	855,576	9,137,515	1,787,665	84,943,529
Reserved for register of deeds automation	662,715	-	-	-	-	-	-	662,715
Unreserved:								
Designated for subsequent year's expenditures	2,000,000	-	-	3,327,732	-	-	-	5,327,732
Designated for subsequent year's expenditures - special revenue funds	-	3,529,811	-	-	-	-	2,294,535	5,824,346
Designated for subsequent year's expenditures - capital project funds	-	-	-	-	68,866,932	172,992,885	63,785,051	305,644,868
Designated for subsequent years' debt service	-	-	-	131,248,668	-	-	-	131,248,668
Designated for working capital	92,844,472	-	-	-	-	-	-	92,844,472
Designated for working capital - special revenue funds	-	-	-	-	-	-	3,183,941	3,183,941
Undesignated - special revenue funds	-	-	-	-	-	-	137,609	137,609
Total Fund Balances	152,250,326	5,651,976	2,145,334	152,266,294	306,877,574	271,303,158	73,449,718	963,944,380
TOTAL LIABILITIES AND FUND BALANCES	\$ 201,373,952	\$ 27,801,255	\$ 7,275,171	\$ 152,427,864	\$ 325,719,303	\$ 279,025,738	\$ 79,207,814	\$ 1,072,831,097

WAKE COUNTY, NORTH CAROLINA

Reconciliation of the Balance Sheet to the Statement of Net Assets As of June 30, 2010

Fund balances - Governmental Funds	\$ 963,944,380
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	576,168,526
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	14,467,222
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(2,354,845,433)</u>
Net assets (deficit) of governmental activities	<u><u>\$ (800,265,305)</u></u>

WAKE COUNTY, NORTH CAROLINA

(Continued)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010**

	Major Funds							Total Governmental Funds
	General	Affordable	Major	Debt	County	School	Total	
	Fund	Housing Fund	Facilities Fund	Service Fund	Capital Projects Fund	Capital Fund	Nonmajor Funds	
REVENUES:								
Taxes	\$ 742,217,699	\$ -	\$ 30,243,986	\$ -	\$ 1,517	\$ -	\$ 20,399,438	\$ 792,862,640
Intergovernmental	120,834,844	3,015,339	-	12,818,821	2,458,138	-	12,516,666	151,643,808
Charges for services	57,744,310	263,707	-	-	7,121	-	45,334	58,060,472
Licenses and permits	2,511,430	-	-	-	-	-	-	2,511,430
Investment earnings	83,491	94	131,765	8,508,087	137,177	4,336,533	1,252,861	14,450,008
Miscellaneous	1,493,579	-	-	-	80,833	8,099	6,864	1,589,375
Total Revenues	924,885,353	3,279,140	30,375,751	21,326,908	2,684,786	4,344,632	34,221,163	1,021,117,733
EXPENDITURES:								
Current:								
General administration	40,751,251	-	-	460,500	21,044,849	-	56,208	62,312,808
Human services	213,267,221	4,083,204	-	-	-	-	10,875,631	228,226,056
Education	330,516,774	-	-	-	-	128,062,994	13,812,973	472,392,741
Community development and cultural	24,236,237	-	27,945,446	-	2,351,219	-	790,492	55,323,394
Environmental services	7,762,038	-	-	-	184,086	-	161,366	8,107,490
Public safety	84,794,013	-	-	-	66,723,077	-	22,686,981	174,204,071
General services administration	24,880,503	-	-	-	-	-	14,699	24,895,202
Debt service:								
Principal	-	-	-	110,568,516	-	-	-	110,568,516
Interest	-	-	-	77,807,693	-	-	-	77,807,693
Total Expenditures	726,208,037	4,083,204	27,945,446	188,836,709	90,303,231	128,062,994	48,398,350	1,213,837,971
REVENUES OVER (UNDER) EXPENDITURES	198,677,316	(804,064)	2,430,305	(167,509,801)	(87,618,445)	(123,718,362)	(14,177,187)	(192,720,238)

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2010

	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	\$ 2,568,223	\$ 754,000	\$ -	\$ 158,726,957	\$ 32,669,077	\$ 15,000,000	\$ 16,485,015	\$ 226,203,272
Transfers out	(205,384,972)	-	(2,898,041)	(10,549,077)	(3,407,182)	-	(3,560,000)	(225,799,272)
Bonds issued	-	-	-	-	-	134,910,000	25,800,000	160,710,000
Limited obligation bonds issued	-	-	-	2,169,077	301,310,923	-	-	303,480,000
Refunding bonds issued	-	-	-	383,420,000	-	-	-	383,420,000
Premiums on issuance	-	-	-	84,919,825	11,140,000	-	1,264,355	97,324,180
Payment to refunded bond escrow agent	-	-	-	(449,682,612)	-	-	-	(449,682,612)
Capital leases, notes payable and installment purchases	304,944	-	-	-	-	-	-	304,944
Total Other Financing Sources (Uses)	(202,511,805)	754,000	(2,898,041)	169,004,170	341,712,818	149,910,000	39,989,370	495,960,512
NET CHANGE IN FUND BALANCES	(3,834,489)	(50,064)	(467,736)	1,494,369	254,094,373	26,191,638	25,812,183	303,240,274
Fund Balances at beginning of year	156,084,815	5,702,040	2,613,070	150,771,925	52,783,201	245,111,520	47,637,535	660,704,106
FUND BALANCES AT END OF YEAR	\$ 152,250,326	\$ 5,651,976	\$ 2,145,334	\$ 152,266,294	\$ 306,877,574	\$ 271,303,158	\$ 73,449,718	\$ 963,944,380

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, 2010

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

Net change in fund balances - total governmental funds	\$ 303,240,274
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.	80,748,044
Depreciation expense for the fiscal year being reported	(20,353,887)
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.	(423,356,824)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,224,699
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>(18,053)</u>
Change in net assets of governmental activities	<u><u>\$ (58,515,747)</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 759,595,300	\$ 753,250,361	\$ 742,217,699	\$ (11,032,662)
Licenses and permits	4,116,219	2,962,055	2,511,430	(450,625)
Intergovernmental	125,745,977	124,263,483	120,834,844	(3,428,639)
Charges for services	62,026,882	60,519,743	57,744,310	(2,775,433)
Investment earnings	58,954	63,335	83,491	20,156
Miscellaneous	678,668	853,552	1,493,579	640,027
Total Revenues	<u>952,222,000</u>	<u>941,912,529</u>	<u>924,885,353</u>	<u>(17,027,176)</u>
EXPENDITURES:				
Current:				
General administration	42,231,699	41,729,707	40,446,307	1,283,400
Human services	227,552,152	223,378,866	213,267,221	10,111,645
Education	330,516,774	330,516,774	330,516,774	-
Community development and cultural	25,058,504	24,899,463	24,236,237	663,226
Environmental services	8,012,025	7,860,392	7,762,038	98,354
General services administration	27,020,958	27,286,180	24,880,503	2,405,677
Public safety	86,823,873	86,182,273	84,794,013	1,388,260
Total Expenditures	<u>747,215,985</u>	<u>741,853,655</u>	<u>725,903,093</u>	<u>15,950,562</u>
REVENUES OVER EXPENDITURES	<u>205,006,015</u>	<u>200,058,874</u>	<u>198,982,260</u>	<u>(1,076,614)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,378,000	2,561,182	2,568,223	7,041
Transfers out	(206,384,015)	(205,384,972)	(205,384,972)	-
Total Other Financing Sources (Uses)	<u>(205,006,015)</u>	<u>(202,823,790)</u>	<u>(202,816,749)</u>	<u>7,041</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(2,764,916)	(3,834,489)	(1,069,573)
APPROPRIATED FUND BALANCE	-	2,764,916	-	(2,764,916)
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ -</u>	<u>(3,834,489)</u>	<u>\$ (3,834,489)</u>
FUND BALANCE AT BEGINNING OF YEAR			156,084,815	
LESS: EXPENDITURES ASSOCIATED WITH INCEPTION OF NOTE PAYABLES			(304,944)	
ADD: PROCEEDS OF NOTE PAYABLES			304,944	
TOTAL CAPITAL LEASE INCEPTIONS			-	
FUND BALANCE AT END OF YEAR			<u>\$ 152,250,326</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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES:				
Taxes:				
Occupancy tax	\$ 13,806,000	\$ 13,806,305	\$ 12,976,863	\$ (829,442)
Prepared food tax	18,674,000	18,680,736	17,267,123	(1,413,613)
Total taxes	32,480,000	32,487,041	30,243,986	(2,243,055)
Investment earnings	-	-	131,765	131,765
Total Revenues	32,480,000	32,487,041	30,375,751	(2,111,290)
EXPENDITURES:				
Raleigh hold harmless - occupancy	680,000	680,000	680,000	-
Cary hold harmless - occupancy	670,000	670,000	629,382	40,618
Greater Raleigh Convention and Visitors Bureau	3,595,000	3,595,000	3,394,139	200,861
Centennial Authority operations 7%	1,907,000	1,907,000	1,771,291	135,709
Centennial - Debt service	5,208,000	5,208,000	5,207,934	66
Raleigh annual distribution - \$1M	1,000,000	1,000,000	1,000,000	-
Convention Center	13,987,000	13,987,000	12,462,700	1,524,300
North Carolina Museum of Art	1,000,000	1,000,000	1,000,000	-
Centennial Authority Facility Improvements	1,000,000	1,000,000	1,000,000	-
Green Square	700,000	700,000	700,000	-
St. Augustine's	100,000	100,000	100,000	-
Unallocated	500,000	574,000	-	574,000
Total Expenditures	30,347,000	30,421,000	27,945,446	2,475,554
REVENUES OVER EXPENDITURES	2,133,000	2,066,041	2,430,305	364,264
OTHER FINANCING SOURCES AND (USES):				
Transfers out to General Fund	(974,000)	(907,041)	(907,041)	-
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	832,000	832,000	-	(832,000)
Total other financing sources (uses)	(2,133,000)	(2,066,041)	(2,898,041)	(832,000)
REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	(467,736)	\$ (467,736)
Fund Balance at beginning of year			2,613,070	
FUND BALANCES AT END OF YEAR			\$ 2,145,334	

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS PROPRIETARY FUNDS As of June 30, 2010

	Business-type Activities		
	Enterprise		
	Major Funds		Total Business-type Activities
Solid Waste Operating Fund	South Wake Landfill Partnership Fund		
ASSETS			
Current assets:			
Cash and investments - pooled equity	\$ 28,037,967	\$ 2,467,089	\$ 30,505,056
Cash and investments - reserved	10,848,348	4,533,428	15,381,776
Cash and investments - cash equivalents	-	750	750
Accounts receivable (net)	720,519	1,644,182	2,364,701
Due from other funds	328,630	-	328,630
Accrued interest receivable	244,062	47,474	291,536
Total current assets	<u>40,179,526</u>	<u>8,692,923</u>	<u>48,872,449</u>
Noncurrent assets:			
Capital assets not being depreciated:			
Land	1,875,253	-	1,875,253
Construction in progress	2,995,192	-	2,995,192
Capital assets (net of accumulated depreciation):			
Landfills	6,197,758	-	6,197,758
Buildings	826,101	-	826,101
Machinery and equipment	335,130	-	335,130
Improvements	384,371	-	384,371
Total non-current assets	<u>12,613,805</u>	<u>-</u>	<u>12,613,805</u>
Total assets	<u>52,793,331</u>	<u>8,692,923</u>	<u>61,486,254</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,653,742	3,597,104	5,250,846
Due to other funds	-	328,630	328,630
Unearned revenues	620	-	620
Total current liabilities	<u>1,654,362</u>	<u>3,925,734</u>	<u>5,580,096</u>
Noncurrent liabilities:			
Compensated absences	54,954	3,025	57,979
Other post employment benefits	125,158	28,882	154,040
Construction reserves	-	568,988	568,988
Closure/postclosure care costs	10,848,348	3,964,440	14,812,788
Total noncurrent liabilities	<u>11,028,460</u>	<u>4,565,335</u>	<u>15,593,795</u>
Total liabilities	<u>12,682,822</u>	<u>8,491,069</u>	<u>21,173,891</u>
NET ASSETS			
Invested in capital assets	12,613,805	-	12,613,805
Unrestricted	27,496,704	201,854	27,698,558
Total net assets	<u>\$ 40,110,509</u>	<u>\$ 201,854</u>	<u>\$ 40,312,363</u>

WAKE COUNTY, NORTH CAROLINA

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

PROPRIETARY FUNDS

For the Year Ended June 30, 2010

	Business-type Activities		
	Enterprise		
	Major Funds		
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities
OPERATING REVENUES:			
Licenses and permits	\$ 2,700	\$ -	\$ 2,700
Charges for services	7,310,615	15,573,327	22,883,942
Miscellaneous	620,963	-	620,963
Total Operating Revenues	<u>7,934,278</u>	<u>15,573,327</u>	<u>23,507,605</u>
OPERATING EXPENSES:			
Cost of service	9,028,522	10,988,420	20,016,942
Administration	1,411,550	876,881	2,288,431
Partner rebates	-	1,906,141	1,906,141
Depreciation and amortization	462,124	-	462,124
Total Operating Expenses	<u>10,902,196</u>	<u>13,771,442</u>	<u>24,673,638</u>
OPERATING INCOME (LOSS)	(2,967,918)	1,801,885	(1,166,033)
NON-OPERATING REVENUES:			
Intergovernmental	1,390,303	-	1,390,303
Investment earnings	986,145	158,722	1,144,867
Total Non-Operating Revenues	<u>2,376,448</u>	<u>158,722</u>	<u>2,535,170</u>
Income (loss) before transfers	(591,470)	1,960,607	1,369,137
TRANSFERS:			
Transfers in	1,287,183	-	1,287,183
Transfers out	(404,000)	(1,287,183)	(1,691,183)
Total Transfers	<u>883,183</u>	<u>(1,287,183)</u>	<u>(404,000)</u>
CHANGE IN NET ASSETS	291,713	673,424	965,137
TOTAL NET ASSETS, BEGINNING OF YEAR	<u>39,818,796</u>	<u>(471,570)</u>	<u>39,347,226</u>
TOTAL NET ASSETS, END OF YEAR	<u>\$ 40,110,509</u>	<u>\$ 201,854</u>	<u>\$ 40,312,363</u>

WAKE COUNTY, NORTH CAROLINA

(Continued)

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2010**

	Business-type Activities		
	Enterprise		
	Major Funds		
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 7,374,457	\$ 16,097,663	\$ 23,472,120
Cash payments to suppliers for goods and services	(10,335,923)	(12,197,097)	(22,533,020)
Cash payments to employees for services	(802,708)	(200,531)	(1,003,239)
Other operating revenues	623,663	-	623,663
Net cash provided (used) by operating activities	<u>(3,140,511)</u>	<u>3,700,035</u>	<u>559,524</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenue	1,023,977	-	1,023,977
Transfers in	1,287,183	-	1,287,183
Transfers out	(404,000)	(1,287,183)	(1,691,183)
Net cash provided (used) by noncapital financing activities	<u>1,907,160</u>	<u>(1,287,183)</u>	<u>619,977</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(361,283)	-	(361,283)
Net cash used by capital and related financing activities	<u>(361,283)</u>	<u>-</u>	<u>(361,283)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments	950,739	111,248	1,061,987

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended June 30, 2010

	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	\$ (643,895)	\$ 2,524,100	\$ 1,880,205
Cash and cash equivalents at beginning of year	39,530,210	4,477,167	44,007,377
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 38,886,315	\$ 7,001,267	\$ 45,887,582
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (2,967,918)	\$ 1,801,885	\$ (1,166,033)
Adjustments to reconcile operating income/loss to net cash provided (used) by operating activities:			
Depreciation and amortization	462,124	-	462,124
Decrease in accounts receivable	63,842	524,336	588,178
Decrease in prepaid items	2,500	3,500	6,000
Increase/(decrease) in accounts payable and accrued liabilities	(701,059)	1,370,314	669,255
Total adjustments	(172,593)	1,898,150	1,725,557
Net cash provided (used) by operating activities	\$ (3,140,511)	\$ 3,700,035	\$ 559,524

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS As of June 30, 2010

	Separation Allowance	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and investments - pooled equity	\$ 2,180,087	\$ 1,125,704
Accounts receivable (net)	135	30,542
Accrued interest receivable	<u>13,843</u>	<u>3,388</u>
Total assets	<u>2,194,065</u>	<u>1,159,634</u>
LIABILITIES		
Other liabilities	45,215	1,121,909
Due to other governmental units	<u>-</u>	<u>37,725</u>
Total liabilities	<u>45,215</u>	<u>\$ 1,159,634</u>
NET ASSETS		
Held in trust for pension benefits	<u>\$ 2,148,850</u>	

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS

For the Year Ended June 30, 2010

Additions:	Separation Allowance
Employer Contributions	\$ 745,000
Net investment income	50,881
Total additions	795,881
Deductions:	
Benefits	1,085,801
Net increase	(289,920)
Net assets held in trust for pension benefits:	
Beginning of year	2,438,770
End of year	\$ 2,148,850

**Wake County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2010**

**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 \$304,944. This amount represents the expenditures associated with the inception of notes payables 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, 2009.

Ad valorem taxes collected within 30 days after the fiscal year end for the year ended June 30, 2010 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.

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

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

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

K. Long-Term Debt

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

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

L. Compensated Absences

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

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

M. 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.

M. Fund Equity (cont.)

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 (\$2,354,845,433) difference are as follows:

Outstanding long-term debt payable (per Note 10)	\$	(2,336,184,755)
Add:		
Accrued interest payable		(18,862,991)
Payable to granting agency		(1,722,902)
Less:		
Bond issuance costs (to be amortized over life of debt)		<u>1,925,215</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	\$	<u><u>(2,354,845,433)</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 (\$423,356,824) difference are as follows:

Debt issued or incurred:

General obligation debt - schools issued	\$ (134,910,000)
General obligation debt - other issued	(25,800,000)
Refunding bonds issued	(383,420,000)
Limited obligation bonds issued	(303,480,000)
Premiums on bond issuance - GO Bonds	(75,606,281)
Premiums on bond issuance - LOB Bonds	(21,717,899)
Notes payable issued	(304,944)
Increases in other post employment benefit liability	(14,791,998)
Compensated absences increases	(11,915,106)
Interest expense accrual and other adjustments	(278,054)
Total Increases	<u>(972,224,282)</u>

Principal repayments:

General obligation debt - schools	96,653,654
General obligation debt - other	12,576,346
Refunded bonds	412,900,000
Installment purchase payments	1,175,056
Qualified zone academy bonds	163,461
Current year amortization of bond premiums - GO Bonds	9,003,051
Current year amortization of bond premiums - LOB Bonds	526,200
Notes payable payments	5,177
Capital lease payments	170,973
Decreases in other post employment benefit liability	3,458,943
Compensated absences, decreases	12,234,597
Total Decreases	<u>548,867,458</u>

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (423,356,824)</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 \$80,748,044 difference are as follows:

Capital Asset Aquisitions:	
Capital Asset Increases	\$ 38,299,682
Net increase in construction in progress	<u>62,312,856</u>
Total Increases	100,612,538
Capital Asset Disposals:	
Capital asset decreases	(24,246,689)
Accumulated depreciation related to capital asset disposals	<u>4,382,195</u>
Total Decreases	<u>(19,864,494)</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>\$ 80,748,044</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	\$ (1,760,974,309)
All other	<u>658,801,436</u>
Total unrestricted net assets	<u>\$ (1,102,172,873)</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 \$1,760,974,309. 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 \$17,013,550 to the College for operating purposes during the current year. In addition, the County made debt service payments of \$2,218,076 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, 2010. 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 \$1,771,291 for operations, \$5,207,934 for debt service and \$1,000,000 for facility improvements from the Occupancy and Prepared Food/Beverage taxes for the Authority. The County does not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2010. 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, 2010.

**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 \$640,463,560 and a bank balance of \$622,115,086. Of the bank balance, \$1,602,096 was covered by federal depository insurance and \$620,512,990 in interest-bearing deposits were covered by collateral held under the pooling method.

2. Investments

As of June 30, 2010, the County had the following investments and maturities.

Investment Type	Fair Value	Less Than		
		2 Years	2 - 3 Years	3 - 5 Years
U.S. Government Agencies	\$ 325,610,475	\$ 145,403,380	\$ 170,180,495	\$ 10,026,600
Certificates of Deposit	30,000,000	30,000,000	-	-
N.C. Capital Management Trust -Cash portfolio	376,355	376,355	-	-
Total fair value	<u>\$ 355,986,830</u>	<u>\$ 175,779,735</u>	<u>\$ 170,180,495</u>	<u>\$ 10,026,600</u>

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

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2010, 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, 2010. 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, 2010, 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	\$ 18,158,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 740,000	\$ 18,898,370
Accounts	12,773,313	-	-	-	1,501,886	-	-	14,275,199
Interest	20,661	228	29,321	1,509,091	-	939,974	184,870	2,684,145
Special assessments	13,804	-	-	-	-	-	-	13,804
Intergovernmental	43,964,191	223,416	-	-	1,000,000	8,197,541	1,869,052	55,254,200
Loans receivable	-	22,242,396	-	-	268,323	-	-	22,510,719
Other	6,161,806	50,418	2,627,819	12,818,821	4,613,269	-	269,371	26,541,504
Gross receivables	81,092,145	22,516,458	2,657,140	14,327,912	7,383,478	9,137,515	3,063,293	140,177,941
Less allowance for bad debts	(18,761,933)	(300,106)	-	-	(1,344,517)	-	(532,800)	(20,939,356)
Net total receivables	<u>\$ 62,330,212</u>	<u>\$ 22,216,352</u>	<u>\$ 2,657,140</u>	<u>\$ 14,327,912</u>	<u>\$ 6,038,961</u>	<u>\$ 9,137,515</u>	<u>\$ 2,530,493</u>	<u>\$ 119,238,585</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 \$168,679 and \$113,875, respectively.

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

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

	General Fund	Affordable Housing Fund	County Capital Project Fund	School Capital Fund	Non Major Funds	Total
Unavailable:						
Taxes receivable	\$ 6,317,194	\$ -	\$ -	\$ -	\$ 207,200	\$ 6,524,394
Other receivables	3,384,912	-	3,435,702	-	-	6,820,614
Total Unavailable	9,702,106	-	3,435,702	-	207,200	13,345,008
Unearned:						
Housing loans receivable	-	21,970,236	-	-	-	21,970,236
Loans receivable	-	-	247,683	-	-	247,683
Prepaid taxes not yet earned	2,104,016	-	-	-	45,278	2,149,294
Prepaid loans not yet earned	-	-	-	-	80,000	80,000
Prepaid revenues not yet earned	43,483	-	1,500,000	-	-	1,543,483
Other cash deferred revenues	-	-	-	713,618	-	713,618
Total Unearned	2,147,499	21,970,236	1,747,683	713,618	125,278	26,704,314
Total Deferred revenues	\$ 11,849,605	\$ 21,970,236	\$ 5,183,385	\$ 713,618	\$ 332,478	\$ 40,049,322

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.

NOTE 6.
Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 60,761,317	\$ 18,280,345	\$ (861,310)	\$ 78,180,352
Construction in progress	<u>172,242,140</u>	<u>59,726,779</u>	<u>(39,645,155)</u>	<u>192,323,764</u>
Total capital assets, not being depreciated	<u>233,003,457</u>	<u>78,007,124</u>	<u>(40,506,465)</u>	<u>270,504,116</u>
Capital assets, being depreciated:				
Buildings	308,915,332	42,771,904	(5,061,436)	346,625,800
Improvements Other than Buildings	20,715,938	609,517	-	21,325,455
Machinery and equipment	34,247,069	663,454	(90,410)	34,820,113
Vehicles and motorized equipment	32,574,949	3,895,296	(3,923,137)	32,547,108
Infrastructure	<u>10,939,755</u>	<u>-</u>	<u>-</u>	<u>10,939,755</u>
Total capital assets being depreciated	<u>407,393,043</u>	<u>47,940,171</u>	<u>(9,074,983)</u>	<u>446,258,231</u>
Less accumulated depreciation for:				
Buildings	68,501,227	12,803,278	(624,315)	80,680,190
Improvements Other than Buildings	3,378,826	553,432	-	3,932,258
Machinery and equipment	30,099,127	2,017,748	(89,532)	32,027,343
Vehicles and motorized equipment	18,789,404	4,756,760	(3,668,350)	19,877,814
Infrastructure	<u>3,853,547</u>	<u>222,669</u>	<u>-</u>	<u>4,076,216</u>
Total accumulated depreciation	<u>124,622,131</u>	<u>\$ 20,353,887</u>	<u>\$ (4,382,197)</u>	<u>140,593,821</u>
Total capital assets, being depreciated, net	<u>282,770,912</u>			<u>305,664,410</u>
Governmental activities capital assets, net	<u>\$ 515,774,369</u>			<u>\$ 576,168,526</u>

NOTE 6. (Cont.)
Capital Assets

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,875,253	\$ -	\$ -	\$ 1,875,253
Construction in progress	2,980,471	14,721	-	2,995,192
Total capital assets, not being depreciated/amortized	<u>4,855,724</u>	<u>14,721</u>	<u>-</u>	<u>4,870,445</u>
Capital assets, being depreciated/amortized:				
Landfills	36,160,688	-	-	36,160,688
Buildings	1,166,846	-	-	1,166,846
Improvements	544,003	-	-	544,003
Machinery and equipment	24,963	346,562	-	371,525
Vehicles and motorized equipment	11,573	-	-	11,573
Total capital assets being depreciated/amortized	<u>37,908,073</u>	<u>346,562</u>	<u>-</u>	<u>38,254,635</u>
Less accumulated depreciation/amortization for:				
Landfills	29,561,550	401,380	-	29,962,930
Buildings	311,542	29,203	-	340,745
Improvements	146,030	13,602	-	159,632
Machinery and equipment	18,456	17,939	-	36,395
Vehicles and motorized equipment	11,573	-	-	11,573
Total accumulated depreciation/amortization	<u>30,049,151</u>	<u>\$ 462,124</u>	<u>\$ -</u>	<u>30,511,275</u>
Total capital assets, being depreciated/amortized, net	<u>7,858,922</u>			<u>7,743,360</u>
Business-type activities capital assets, net	<u>\$ 12,714,646</u>			<u>\$ 12,613,805</u>

NOTE 6. (Cont.)
Capital Assets

Depreciation and amortization expenses were charged to functions as follows:

Governmental activities:	
General administration	\$ 3,299,193
Human services	2,005,243
Education	355,980
Community development and cultural	2,905,095
Environmental services	257,836
Public safety	8,181,455
General services administration	<u>3,349,085</u>
 Total depreciation expense -	
Governmental activities	<u>20,353,887</u>
 Business-type activities:	
Environmental services - solid waste	<u>462,124</u>
 Total depreciation and amortization	<u><u>\$ 20,816,011</u></u>

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

For the 2010 fiscal year, the construction in progress expenditures for governmental activities were as follows:

Construction in Progress:	Expended At June 30, 2010
Automation	\$ 24,770,772
Community Capital Projects	750,000
County Buildings	21,756,445
Criminal Justice	51,026,546
Libraries	6,382,796
Open Space	16,716,579
Parks	4,417,814
Public Safety	27,055,812
Water/Wastewater	37,376,378
Program-wide Projects	<u>2,070,622</u>
Total	<u><u>\$ 192,323,764</u></u>

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

Internal balances in the governmental funds, as of June 30, 2010 are \$747,320. 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, 2010 are \$328,630. 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 2010 to fund debt service payments, capital improvements, economic developments and the County match for State and Federal Grant Programs. The \$404,000 transferred from the Solid Waste Operating Fund is to cover administrative expenses incurred by the County's General Fund on behalf of the solid waste program. The \$1,287,183 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	\$ 156,595,957	\$ 22,000,000	\$ 15,000,000	\$ 11,685,015	\$ -	\$ 205,384,972
Major Facilities Fund	907,041	-	991,000	-	-	1,000,000	-	2,898,041
Debt Service Fund	-	-	-	10,549,077	-	-	-	10,549,077
Capital Improvements Fund	1,257,182	650,000	-	-	-	1,500,000	-	3,407,182
Other Governmental Funds	-	-	1,140,000	120,000	-	2,300,000	-	3,560,000
Solid Waste Operating Fund	404,000	-	-	-	-	-	-	404,000
South Wake Partnership Fund	-	-	-	-	-	-	1,287,183	1,287,183
Total transfers in	<u>\$ 2,568,223</u>	<u>\$ 754,000</u>	<u>\$ 158,726,957</u>	<u>\$ 32,669,077</u>	<u>\$ 15,000,000</u>	<u>\$ 16,485,015</u>	<u>\$ 1,287,183</u>	<u>\$ 227,490,455</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.

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 at locations in flood zones. The County purchases commercial excess insurance for claims in excess of its self-insured retention and for other insurance and bonds to cover specific risks and officials, respectively. Settled claims have not exceeded this commercial coverage in any year since the fund was established in 1990. The County elects not to distribute claims and insurance coverage expenses to the County departments except for deductibles on auto and property claims. Administrative costs and actuarially determined assets to pay ultimate losses and scheduled premiums are covered by the General Fund.

The County's property and liability coverage at June 30, 2010 are as follows:

Property Coverage	Liability
<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 \$6,814,902 reported in the General Fund at June 30, 2010 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 2010 and 2009 are as follows:

Changes in the Fund's Claims Liability

	2010	2009
Beginning of fiscal year liability	\$ 5,707,272	\$ 6,538,695
Workers' Compensation changes in estimates	799,341	(534,408)
Property and liability changes in estimates	124,635	(549,609)
Dental benefits changes in estimates	(1,522)	5,594
Self-insured group medical changes in estimates	185,176	247,000
Balance at fiscal year-end	<u>\$ 6,814,902</u>	<u>\$ 5,707,272</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, 2010, the net book value of the assets acquired through capital leases is \$43,987. The net present value of the future minimum lease payments at June 30, 2010 is \$157,095 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, 2010 were \$2,474,387. The future minimum lease payments for non-cancelable operating leases are \$8,438,068 as detailed below.

At June 30, 2010, 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
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>165,042</u>	<u>\$ 8,438,068</u>
Less: amount representing interest	<u>(7,947)</u>	
Net present value of the future minimum lease payments	<u>\$ 157,095</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, 2010 was \$352,259.

**NOTE 10.
Long-term Debt**

General Obligation Bonds:

The general obligation bonds reported in Governmental Activities are collateralized by the full faith, credit and taxing power of the County. The County has issued both fixed and variable rate bonds. The fixed rate bonds bear interest at rates varying from 3.00 percent to 5.40 percent. The variable rate is reset weekly by the remarketing agent based on the minimum rate of interest necessary to enable the remarketing agent to remarket all of the weekly rate bonds in the secondary market. The rate ranged from 0.12% to 0.55% during the period July 1, 2009 through June 30, 2010. 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, 2010 are comprised of the following:

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%.	\$ 300,000
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 5.10%.	5,700,000
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%.	17,000,000
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%.	24,000,000
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 0.26% at June 30, 2010. 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, 2010. 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%.	1,200,000
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%	4,700,000
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%.	40,000,000
2004A Variable Rate School Bonds of \$67,000,000 due in periodic installments of \$29,000,000 to \$38,000,000 beginning April 1, 2018 through April 1, 2019, interest is variable with a rate of 0.26% at June 30, 2010. 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 0.28% at June 30, 2010. The maximum interest rate cannot exceed 12%.	57,000,000

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

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%.	\$ 72,440,000
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%.	32,675,000
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%	7,500,000
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%.	161,000,000
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 0.28% at June 30, 2010. 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, 2010. The maximum interest rate cannot exceed 12%.	50,000,000
2009A Public Improvement Bonds of \$135,000,000 due in periodic installments of \$6,000,000 to \$24,000,000 beginning March 1, 2012 through March 1, 2026, interest of 4.00 to 5.00%.	48,000,000
2009B Public Improvement Bonds of \$300,000,000 due in periodic installments of \$7,000,000 to \$26,000,000 beginning March 1, 2010 through March 1, 2025, interest of 4.00 to 5.00%.	284,000,000
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%.	58,745,000
2009D Refunding Bonds of \$168,980,000 due in annual installments of \$6,545,000 to \$36,945,000 beginning February 1, 2012 through February 1, 2018 interest of 3.00 to 4.00%.	168,980,000
2010A Public Improvement Bonds of \$86,295,000 due in periodic installments of \$6,635,000 to \$6,675,000 beginning April 1, 2011 through April 1, 2023, interest of 2.00 to 5.00%.	86,295,000
2010B Public Improvement Recovery Zone Economic Development Bonds of \$39,505,000 due in periodic installments of \$6,330,000 to \$6,635,000 beginning April 1, 2024 through April 1, 2029, interest of 4.80 to 5.40%.	39,505,000
2010C Refunding Bonds of \$383,420,000 due in periodic installments of \$100,000 to \$56,780,000 beginning March 1, 2013 through March 1, 2026, interest of 2.00 to 5.00%.	383,420,000
2010D Public Improvement Qualified School Construction Bonds of \$34,910,000 due June 1, 2027, interest at 5.10%. Annual payments are required to be made into a sinking fund held by US Bank. The deposits and the interest earned on those deposits will be used to make the principal payment in June 2027.	34,910,000
Total general obligation bonds outstanding	<u>\$ 1,794,370,000</u>

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

Limited Obligation Bonds:

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

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

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2010 are as follows:

Year Ending	Principal	Interest	Total
June 30			
2011	\$ 115,550,000	\$ 78,533,665	\$ 194,083,665
2012	116,840,000	77,100,082	193,940,082
2013	116,925,000	71,421,212	188,346,212
2014	114,290,000	65,955,162	180,245,162
2015	114,080,000	60,785,263	174,865,263
2016-2020	643,890,000	216,567,440	860,457,440
2021-2025	477,690,000	87,772,879	565,462,879
2026-2029	95,105,000	8,317,002	103,422,002
	<u>\$ 1,794,370,000</u>	<u>\$ 666,452,705</u>	<u>\$ 2,460,822,705</u>

The annual requirements to amortize capital leases, installment purchases, limited obligation bonds, notes payable and Qualified Zone Academy debt outstanding as of June 30, 2010 are as follows:

June 30	Principal	Interest	Total
2011	\$ 1,794,558	\$ 14,295,373	\$ 16,089,931
2012	7,645,117	14,318,121	21,963,238
2013	13,631,412	14,016,442	27,647,854
2014	13,678,493	13,560,653	27,239,146
2015	13,725,189	13,076,709	26,801,898
2016-2020	62,603,235	57,836,515	120,439,750
2021-2025	60,700,000	43,536,519	104,236,519
2026-2030	60,700,000	28,596,375	89,296,375
2031-2035	60,700,000	13,595,950	74,295,950
2036-2037	18,085,000	1,193,350	19,278,350
	<u>\$ 313,263,004</u>	<u>\$ 214,026,007</u>	<u>\$ 527,289,011</u>

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

The County is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the County may have outstanding to 8 percent of the appraised value of property subject to taxation less property valued for abatement. At June 30, 2010, such statutory limit of the County was \$9,532,660,016 providing a legal debt margin of \$7,425,483,631. Authorized but unissued general obligation bonds as of June 30, 2010 totaled \$391,870,000. Of this amount \$315,290,000 was for authorized but unissued new general obligation bonds and \$76,580,000 was for authorized but unissued refunding bonds.

Qualified Zone Academy Bonds:

In 2003, the County issued \$3,002,077 of Qualified Zone Academy Bonds as authorized by State Law [G.S. 16A-20]. These are installment financing agreements that are secured by the fixtures and improvements at Needham Broughton High School. The County is obligated to make annual debt service fund payments of \$163,461 through December 2016. The scheduled payments by the County assume projected 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.

Recovery Zone Economic Development Bonds

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

Qualified School Construction Bonds

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

Advance Refundings:

In May 2010, the County issued \$383,420,000 of general obligation refunding bonds to provide resources that were then placed in an irrevocable trust for generating resources for all future debt service payments associated with \$412,900,000 of 2010 refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column on the County's statement of net assets. The net carrying amount of the old debt exceeded the reacquisition price by \$29,480,000. This advance refunding was undertaken to reduce the total debt service payments over the next fifteen years by \$25,794,432 and resulted in an economic gain of \$18,761,044.

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, 2010, there were 16 series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$593 million.

Interest Rate Swap:

As part of the acquisition by the County of an 85% interest in Five County Stadium pursuant to an Interlocal Agreement dated December 19, 2002, the County assumed the obligations of the Town of Zebulon under an Installment Financing Agreement (“Original Agreement”) dated as of February 1, 1999. Effective April 20, 2004, the County entered into an Amended and Restated Installment Financing Agreement (“Amended Agreement”) and pay-fixed, receive-variable interest rate swap (“Swap”) for the purpose of refinancing the Original Agreement. The initial principal amount of the Amended Agreement was \$9,000,000 and the initial notional amount of the Swap was \$9,000,000. The notional value of the swap and the principal amount of the associated debt decline annually. The final maturity of the Amended Agreement and Swap is August 1, 2015. The interest rate on the Amended Agreement is 60.45% of one-month LIBOR plus 1.12%. Under the Swap, the County receives 60.45% of one-month LIBOR plus 1.12% (the same as the interest rate on the Amended Agreement) and pays 3.78%, effectively converting the Amended Agreement from variable-rate to fixed-rate. At June 30, 2010, the swap had a fair value to the County of (\$252,918). Fair value was estimated by the counterparty using mark to market valuations. As of June 30, 2010, the County was not exposed to credit risk because the swap had a negative fair value. The swap counterparty, Bank of America, at June 30, 2010 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. The swap may also be terminated if either party’s credit rating on its long-term unsubordinated debt falls to “Baa1” or lower by Moody’s Investors Service, “BBB+” or lower by Standard and Poor’s, and “BBB+” or lower by Fitch Ratings, or such rating is withdrawn or suspended. Termination could result in the County being required to make or being entitled to receive an unanticipated termination payment.

Swap payments and associated debt –Using the variable interest rate as of June 30, 2010 (0.273%) 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
2011	\$ 825,113	\$ 23,668	\$ 142,219	\$ 991,000
2012	857,038	19,116	114,846	991,000
2013	889,893	14,387	86,720	991,000
2014	924,631	9,476	56,893	991,000
2015	960,407	4,374	26,219	991,000
2016	77,694	212	1,264	79,170
Total	\$ 4,534,776	\$ 71,233	\$ 428,161	\$ 5,034,170

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

Changes In Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 1,772,370,000	\$ 544,130,000	\$ 522,130,000	\$ 1,794,370,000	\$ 115,550,000
Plus: Premiums on issuance	95,099,296	75,606,281	9,003,051	161,702,526	N/A
Total general obligation bonds payable	1,867,469,296	619,736,281	531,133,051	1,956,072,526	115,550,000
Limited obligation bonds	-	303,480,000	-	303,480,000	-
Plus: Premiums on issuance	-	21,717,899	526,200	21,191,699	N/A
Total limited obligation bonds payable	-	325,197,899	526,200	324,671,699	-
Qualified Zone Academy Bonds	1,307,694	-	163,461	1,144,233	163,461
Installment Purchases	9,356,965	-	1,175,056	8,181,909	1,220,488
Notes payable	-	304,944	5,177	299,767	299,767
Capital leases	328,068	-	170,973	157,095	110,842
Other post-employment benefits	22,156,330	14,791,998	3,458,943	33,489,385	-
Compensated absences	12,487,632	11,915,106	12,234,597	12,168,141	12,168,141
Total Governmental Activities	<u>\$ 1,913,105,985</u>	<u>\$ 971,946,228</u>	<u>\$ 548,867,458</u>	<u>\$ 2,336,184,755</u>	<u>\$ 129,512,699</u>
Business-type activities:					
Landfill	\$ 14,490,163	\$ 1,646,617	\$ 1,323,992	\$ 14,812,788	N/A
Other post-employment benefits	115,565	54,385	15,910	154,040	-
Compensated absences	53,829	51,563	47,413	57,979	57,979
Total Business-type Activities	<u>\$ 14,659,557</u>	<u>\$ 1,752,565</u>	<u>\$ 1,387,315</u>	<u>\$ 15,024,807</u>	<u>\$ 57,979</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, 2010 this amount, which is not included in the financial statements because the County has no primary responsibility beyond making eligibility determinations, is approximately \$546 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, 2008, 2009, and 2010 were \$8,228,082, \$8,658,698 and \$8,458,208 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 2010 was \$175,096,505. The County's contributions were calculated using the base salary amount of \$174,603,226. The County made contributions amounting to \$8,707,989. Employees made voluntary contributions of \$4,136,595.

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, 2009, the Separation Allowance's membership consisted of:

Retirees receiving benefits	57
Active plan members	<u>375</u>
Total	<u><u>432</u></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, 2010, the County contributed \$745,000, or 4.01% 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, 2010 was determined as part of the December 31, 2008 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 open basis. The remaining amortization period at December 31, 2008 was 20 years.

Funded Status and Funding Progress. As of December 31 2009, the most recent actuarial valuation date, the plan was 17.02 percent funded. The actuarial accrued liability for benefits was \$11,387,164, and the actuarial value of assets was \$1,938,530, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,448,634. The covered payroll (annual payroll of active employees covered by the plan) was \$18,562,071, and the ratio of the UAAL to the covered payroll was 50.90 percent

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

Trend Information:

Fiscal Year Ended	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation (asset)
June 30, 2008	\$ 615,112	100.54%	\$ (1,133,847)
June 30, 2009	690,577	100.93%	(1,140,270)
June 30, 2010	763,053	97.63%	(1,122,217)

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	\$ 768,996
Interest on net pension obligation	(82,670)
Adjustment to annual required contribution	<u>76,727</u>
Annual pension cost	763,053
Contributions made	<u>745,000</u>
Decrease in net pension obligation	18,053
Net pension obligation (asset), beginning of year	<u>(1,140,270)</u>
Net pension asset, end of year	<u><u>\$ (1,122,217)</u></u>

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

Plan Description. Wake County also contributes to the Registers of Deeds' Supplemental Pension Fund (FUND), a non-contributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds who is retired under the Local Governmental Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish 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, 2010 the county's actual and required contributions were \$80,020.

**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, 2010 the County made contributions to the State for death benefits of \$136,049. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .07 percent and .14 percent of covered payroll, respectively. The contributions to the Death Trust are not separated between the post-employment benefit amount and the other benefit amount, as the amounts cannot be reasonably estimated..

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

Plan Description. In addition to providing pension benefits, Wake County has elected to provide healthcare benefits, as a single-employer defined benefit plan to retirees of the County. As of April 15, 2007, this plan provides postemployment healthcare benefits to retirees of the County, provided that they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of creditable service with the County. Prior to April 15, 2007, employees qualified for similar level of benefits after at least five years of creditable service with the County depending on date of hire. Retirees are eligible to receive the same benefits as active County employees. The County pays the costs of coverage for these benefits as incurred on a pay-as-you-go basis. Also, retirees can purchase coverage for their dependents at the County's group rates.

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

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

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

The current ARC rate is 8.53% of annual covered payroll. For the current year , the County contributed \$3,474,853 or 2% of annual covered payroll. The County's medical coverage is self insured, which is administered by an outside provider. There were no contributions made by employees, except for dependant coverage for retirees in the amount of \$537,243.

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	1,002,235
Adjustment to annual required contribution	<u>(822,527)</u>
Annual OPEB cost	14,846,383
Contributions made	<u>3,474,853</u>
Increase in net OPEB obligation	11,371,530
Net OPEB liability, beginning of year	<u>22,271,895</u>
Net OPEB liability, end of year	<u><u>\$ 33,643,425</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
2008	\$ 14,918,567	23.0%	\$ 11,485,163
2009	14,666,675	26.5%	22,271,895
2010	14,846,383	23.4%	33,643,425

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

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

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

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

**NOTE 18.
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, 2010.

**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 \$21.0 million. The landfill closure and postclosure liability of \$14,812,788 is included in accounts payable and accrued liabilities in the Solid Waste Operating fund and the South Wake Landfill Partnership fund at June 30, 2010. 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 twelve 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 has been closed since May 2008. Bids were received and a contract was awarded for closure of the facility in May 2008. The closure construction was successfully completed in 2009. Therefore no further closure funds need to be reserved for fiscal year 2010 or beyond. The County will continue to monitor this facility for post-closure care for an additional 28 years.

The South Wake Subtitle Design Facility began operations in February 2008 and is in its first phase of five total phases. At June 30, 2010; Phase 1 is estimated to be 40% 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 \$6.2 million as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**NOTE 20.
Pollution Remediation
Liability**

During fiscal year 2010, the County received a letter from the North Carolina Department of Environment and Natural Resources Division of Waste Management (NCDENR) regarding post closure activities associated with the closed East Wake Landfill. Groundwater contamination and other volatile compounds have been detected at levels above the State groundwater standards. The County has signed a contract with an Engineering firm to perform a site assessment of the land in question. Prior to the completion of the site assessment, the County is not able to reasonably estimate the entire costs of clean up that may be required. Clean-up activities may include ground water monitoring, landfill gas monitoring and final cap repair. The County may be able to recover a portion of the costs associated with this project related to a certain parcel of land, at this time the amount of recoveries is not known so it was not included in the pollution remediation liability. At June 30, 2010, \$33,100 of pollution remediation liabilities were included in accounts payable and accrued liabilities in the Solid Waste Operating Fund.

**NOTE 21.
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 22.
Subsequent Events**

The County issued \$18,945,000 of General Obligation Public Improvement Bonds, Series 2010E in August 2010. The bonds are due in annual installments of \$1,890,000 to \$1,895,000 beginning August 1, 2011 through August 1, 2020, interest at 2.50% to 4.00%.

The County issued \$17,055,000 of General Obligation Public Improvement Bonds, Series 2010F in August 2010. The bonds are due in annual installments of \$1,895,000 beginning August 1, 2021 through August 1, 2029, interest at 4.15% to 5.40%.

**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 2010, the Board's deposits had a carrying amount of \$17,653,314 and a bank balance of \$17,626,864. All of the bank balance was either insured by federal depository insurance, or collateralized under the pooling method.

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

The NCCMT Cash Portfolio's securities are valued at fair value, which is the NCCMT's share price. This investment, valued at \$449,334, is included in cash and cash equivalents.

NOTE 23.
Discretely Presented
Component Unit Disclosure
(cont.)

(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)
12/31/2000	\$ 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%
12/31/2009	1,938,530	11,387,164	9,448,634	17.02%	18,562,071	50.90%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
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%
2010	768,996	96.88%

Notes to the Required Schedules:

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

Valuation date	12/31/2009	Actuarial Assumptions:	
Actuarial cost method	Projected unit credit	Investment rate of return	5.00%
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	93.1%
12/31/2008	-	179,179,404	179,179,404	0.00%	171,841,892	104.3%
12/31/2009	-	192,103,016	192,103,016	0.00%	175,306,115	109.6%

Schedule of Employer Contributions

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

Notes to the Required Schedules:

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

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

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

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND COMPARATIVE BALANCE SHEETS As of June 30, 2010 and 2009

	June 30, 2010	June 30, 2009
ASSETS		
Cash and investments - pooled equity	\$ 135,465,106	\$ 131,229,250
Cash and investments - cash equivalents	2,125,416	1,860,174
Taxes receivable (net)	7,568,377	7,411,758
Accounts receivable (net)	54,741,174	56,301,107
Due from other funds	747,320	310,901
Prepaid expenditures	157,497	293,394
Accrued interest receivable	20,661	15,105
Inventories	548,401	196,878
	<u>201,373,952</u>	<u>197,618,567</u>
TOTAL ASSETS	<u>\$ 201,373,952</u>	<u>\$ 197,618,567</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 37,182,407	\$ 31,004,350
Due to other governmental units	91,614	137,636
Deferred revenues	11,849,605	10,391,766
	<u>49,123,626</u>	<u>41,533,752</u>
Total Liabilities	<u>49,123,626</u>	<u>41,533,752</u>
Fund Balance:		
Reserved for inventories	548,401	196,878
Reserved for noncurrent receivable	464,289	498,413
Reserved for encumbrances	2,661,814	2,464,916
Reserved by State statute	53,068,635	55,509,394
Reserved for register of deeds automation	662,715	899,171
Unreserved:		
Designated for county fleet	-	2,000,000
Designated for subsequent year expenditures	2,000,000	-
Designated for working capital	92,844,472	94,516,043
	<u>152,250,326</u>	<u>156,084,815</u>
Total Fund Balance	<u>152,250,326</u>	<u>156,084,815</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 201,373,952</u>	<u>\$ 197,618,567</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, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009**

	2010		Variance	2009
	Budget	Actual	Positive/(Negative)	Actual
REVENUES:				
Taxes	\$ 753,250,361	\$ 742,217,699	\$ (11,032,662)	\$ 754,461,002
Licenses and permits	2,962,055	2,511,430	(450,625)	3,640,114
Intergovernmental	124,263,483	120,834,844	(3,428,639)	126,339,064
Charges for services	60,519,743	57,744,310	(2,775,433)	57,555,463
Investment earnings	63,335	83,491	20,156	55,305
Miscellaneous	853,552	1,493,579	640,027	781,494
Total Revenues	<u>941,912,529</u>	<u>924,885,353</u>	<u>(17,027,176)</u>	<u>942,832,442</u>
EXPENDITURES:				
Current:				
General administration	41,729,707	40,446,307	1,283,400	42,936,591
Human services	223,378,866	213,267,221	10,111,645	232,200,918
Education	330,516,774	330,516,774	-	327,218,550
Community development and cultural	24,899,463	24,236,237	663,226	24,114,579
Environmental services	7,860,392	7,762,038	98,354	8,169,186
General services administration	27,286,180	24,880,503	2,405,677	28,382,448
Public safety	86,182,273	84,794,013	1,388,260	87,861,446
Total Expenditures	<u>741,853,655</u>	<u>725,903,093</u>	<u>15,950,562</u>	<u>750,883,718</u>
REVENUES OVER EXPENDITURES	<u>200,058,874</u>	<u>198,982,260</u>	<u>(1,076,614)</u>	<u>191,948,724</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,561,182	2,568,223	7,041	1,243,996
Transfers out	<u>(205,384,972)</u>	<u>(205,384,972)</u>	-	<u>(206,146,760)</u>
Total Other Financing Sources (Uses)	<u>(202,823,790)</u>	<u>(202,816,749)</u>	<u>7,041</u>	<u>(204,902,764)</u>
REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	<u>(2,764,916)</u>	<u>(3,834,489)</u>	<u>(1,069,573)</u>	<u>(12,954,040)</u>
APPROPRIATED FUND BALANCE	<u>2,764,916</u>	<u>-</u>	<u>(2,764,916)</u>	<u>-</u>
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATE FUND BALANCE UNDER EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>(3,834,489)</u>	<u>\$ (3,834,489)</u>	<u>(12,954,040)</u>
FUND BALANCE, BEGINNING OF YEAR, RESTATED		<u>156,084,815</u>		<u>169,038,855</u>
BUDGETARY FUND BALANCE		<u>152,250,326</u>		<u>156,084,815</u>
LESS: EXPENDITURES ASSOCIATED WITH CAPITAL LEASE INCEPTION & CAPITAL DONATIONS		<u>(304,944)</u>		<u>(82,210)</u>
ADD: PROCEEDS OF CAPITAL LEASES & CAPITAL DONATION; TOTAL LEASE INCEPTION AND PROCEEDS		<u>304,944</u>		<u>82,210</u>
FUND BALANCE AT END OF YEAR		<u>\$ 152,250,326</u>		<u>\$ 156,084,815</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, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009**

	2010			2009
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
TAXES				
Ad valorem property - current	\$ 619,044,000	\$ 618,624,418	\$ (419,582)	\$ 608,367,019
Ad valorem property - prior	8,850,000	7,457,761	(1,392,239)	7,429,562
Tax penalties, interest and other	2,663,000	2,868,955	205,955	2,727,666
Sales	113,663,127	104,384,663	(9,278,464)	127,210,118
Leased rental vehicle tax	2,500,000	2,260,377	(239,623)	2,290,891
Real property transfer	5,300,000	5,371,917	71,917	5,169,856
Payments in lieu of taxes	1,230,234	1,249,608	19,374	1,265,890
Total Taxes	<u>753,250,361</u>	<u>742,217,699</u>	<u>(11,032,662)</u>	<u>754,461,002</u>
LICENSES AND PERMITS				
Beer and wine licenses	55,000	61,979	6,979	57,795
Marriage licenses	145,000	143,250	(1,750)	141,675
Building permits and inspections	2,762,055	2,306,201	(455,854)	3,440,644
Total Licenses and Permits	<u>2,962,055</u>	<u>2,511,430</u>	<u>(450,625)</u>	<u>3,640,114</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, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009**

	2010			2009
	Budget	Actual	Variance Positive/(Negative)	Actual
INTERGOVERNMENTAL REVENUE				
Federal and State:				
Human services	\$ 115,114,522	\$ 112,287,408	\$ (2,827,114)	\$ 116,027,981
Payments in lieu of taxes	200,340	229,873	29,533	204,775
Public library	495,000	533,729	38,729	639,878
Public safety	1,049,971	1,242,503	192,532	1,334,277
Others	4,176,592	3,463,033	(713,559)	4,794,292
Total Federal and State	<u>121,036,425</u>	<u>117,756,546</u>	<u>(3,279,879)</u>	<u>123,001,203</u>
Local:				
Human services	115,056	39,873	(75,183)	97,664
Others	3,112,002	3,038,425	(73,577)	3,240,197
Total Local	<u>3,227,058</u>	<u>3,078,298</u>	<u>(148,760)</u>	<u>3,337,861</u>
Total Intergovernmental	<u>124,263,483</u>	<u>120,834,844</u>	<u>(3,428,639)</u>	<u>126,339,064</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, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009**

	2010		Variance Positive/(Negative)	2009
	Budget	Actual		Actual
CHARGES FOR SERVICES				
Environmental	\$ 306,000	\$ 360,458	\$ 54,458	\$ 369,899
Client Fees	1,621,783	1,557,003	(64,780)	1,647,631
Insurance	963,835	1,005,950	42,115	1,013,014
Medicaid Fees	26,599,192	25,209,344	(1,389,848)	24,414,429
Medicare Fees	170,067	180,002	9,935	114,684
HS Reimbursements	574,174	497,088	(77,086)	898,740
Inspection Fees	512,926	478,362	(34,564)	636,703
Library Fees	668,000	630,892	(37,108)	735,465
Parks & Recreation Fees	117,249	145,726	28,477	140,600
EMS Fees	11,378,275	10,555,328	(822,947)	10,115,391
Facility Use Fees	137,500	175,764	38,264	154,458
Fire/Rescue Fees	275,890	314,101	38,211	295,762
Sheriff Fees	3,712,500	3,720,787	8,287	4,332,351
Transportation Fees	361,747	562,962	201,215	574,459
Planning Fees	492,853	212,261	(280,592)	400,420
Court Facility Fees	2,000,000	1,697,410	(302,590)	1,963,094
Parking Fees	963,183	514,902	(448,281)	693,795
Rental/lease income	469,116	332,259	(136,857)	287,757
Real Estate Record Fees	4,615,600	4,389,912	(225,688)	4,895,341
Reimbursements	2,248,659	2,032,001	(216,658)	1,776,668
Tax Collection Fees	690,000	765,617	75,617	728,212
Vending Income	628,950	643,938	14,988	661,686
Other Fees and Charges	1,012,244	1,762,243	749,999	704,904
Total Charges for Services	<u>60,519,743</u>	<u>57,744,310</u>	<u>(2,775,433)</u>	<u>57,555,463</u>
INVESTMENT EARNINGS	<u>63,335</u>	<u>83,491</u>	<u>20,156</u>	<u>55,305</u>
MISCELLANEOUS				
Sale of materials and fixed assets	755,465	879,267	123,802	579,063
Other	98,087	614,312	516,225	202,431
Total Miscellaneous	<u>853,552</u>	<u>1,493,579</u>	<u>640,027</u>	<u>781,494</u>
TOTAL REVENUES	<u>941,912,529</u>	<u>924,885,353</u>	<u>(17,027,176)</u>	<u>942,832,442</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, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009**

	2010				Variance	2009
	Budget	Actual	Encumbrances	Total	Budget vs. Actual Positive/(Negative)	Actual
EXPENDITURES:						
GENERAL ADMINISTRATION						
County commissioners	\$ 449,191	\$ 447,861	\$ -	\$ 447,861	\$ 1,330	\$ 492,180
County manager	1,330,196	1,303,100	12,497	1,315,597	27,096	1,506,802
County attorney	1,426,273	1,424,611	-	1,424,611	1,662	1,392,130
Board of elections	2,841,314	2,423,869	-	2,423,869	417,445	3,494,248
Budget and management services	683,476	622,262	50,000	672,262	61,214	718,302
Facilities design & construction	1,072,081	1,066,336	-	1,066,336	5,745	1,196,530
Finance	2,588,213	2,279,845	13,500	2,293,345	308,368	4,789,090
Human resources	1,985,163	1,912,357	-	1,912,357	72,806	1,833,306
Information services	12,025,466	11,838,478	136,873	11,975,351	186,988	12,697,085
Register of deeds	2,847,908	2,720,665	54,309	2,774,974	127,243	2,897,857
Revenue	4,946,837	4,931,522	-	4,931,522	15,315	4,598,947
Non-departmental	7,195,489	7,137,301	66,169	7,203,470	58,188	3,083,991
Public agencies	2,338,100	2,338,100	-	2,338,100	-	2,674,132
Total General Administration	41,729,707	40,446,307	333,348	40,779,655	1,283,400	41,374,600
HUMAN SERVICES						
Medical examiner	238,869	204,200	-	204,200	34,669	264,900
Human Service Administration	3,824,329	3,595,282	3,428	3,598,710	229,047	4,146,876
Adult Services	11,782,778	11,256,304	-	11,256,304	526,474	19,438,639
Child Welfare/Mental Health	23,749,275	22,792,513	-	22,792,513	956,762	25,445,139
Clinic Services	11,921,534	11,285,608	1,405	11,287,013	635,926	12,430,512
Community Health	14,229,736	13,832,158	50,577	13,882,735	397,578	8,870,486
Economic Self Sufficiency	21,829,961	21,126,814	2,396	21,129,210	703,147	33,307,076
Family Support	53,771,055	52,709,333	29,886	52,739,219	1,061,722	60,012,655
Local Managing Entity	7,883,146	7,301,147	-	7,301,147	581,999	9,382,934
Operations	13,901,906	12,310,332	13,650	12,323,982	1,591,574	13,450,418
Transportation	2,053,614	2,364,720	-	2,364,720	(311,106)	1,993,533
Behavioral Health	16,833,622	15,970,991	-	15,970,991	862,631	-
LME Purchases of Service	36,922,654	34,318,779	43,809	34,362,588	2,603,875	39,062,359
HS Housing	4,436,387	4,199,040	-	4,199,040	237,347	4,395,391
Total Human Services	223,378,866	213,267,221	145,151	213,412,372	10,111,645	232,200,918

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, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009**

	2010				Variance Budget vs. Actual Positive/(Negative)	2009
	Budget	Actual	Encumbrances	Total		Actual
EDUCATION						
Wake County Public Schools:						
Current expense	\$ 311,373,608	\$ 311,373,608	\$ -	\$ 311,373,608	\$ -	\$ 308,550,944
Capital outlay	2,129,616	2,129,616	-	2,129,616	-	1,949,056
Total Wake County Public Schools	313,503,224	313,503,224	-	313,503,224	-	310,500,000
Wake Technical College:						
Current expense	17,013,550	17,013,550	-	17,013,550	-	16,718,550
Total Wake Technical College	17,013,550	17,013,550	-	17,013,550	-	16,718,550
Total Education	330,516,774	330,516,774	-	330,516,774	-	327,218,550
COMMUNITY DEVELOPMENT AND CULTURAL						
Community Development:						
Administration	560,012	556,362	-	556,362	3,650	591,678
Parks and recreation	2,163,102	2,111,027	-	2,111,027	52,075	2,657,561
Building inspections	4,002,390	3,833,530	-	3,833,530	168,860	4,380,872
Veterans services	257,269	255,210	-	255,210	2,059	250,542
Geographic information services	1,644,360	1,582,447	8,000	1,590,447	61,913	1,660,633
Public libraries	16,272,330	15,897,661	148,533	16,046,194	374,669	16,135,284
Total Community Development and Cultural	24,899,463	24,236,237	156,533	24,392,770	663,226	25,676,570

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, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009**

	2010				Variance	2009
	Budget	Actual	Encumbrances	Total	Budget vs. Actual Positive/(Negative)	Actual
EXPENDITURES:						
ENVIRONMENTAL SERVICES						
Environmental services	\$ 7,860,392	\$ 7,762,038	\$ 48,500	\$ 7,810,538	\$ 98,354	\$ 8,169,186
Total Environmental Services	<u>7,860,392</u>	<u>7,762,038</u>	<u>48,500</u>	<u>7,810,538</u>	<u>98,354</u>	<u>8,169,186</u>
GENERAL SERVICES ADMINISTRATION						
General services administration	27,286,180	24,880,503	1,876,936	26,757,439	2,405,677	28,382,448
Total General Services Administration	<u>27,286,180</u>	<u>24,880,503</u>	<u>1,876,936</u>	<u>26,757,439</u>	<u>2,405,677</u>	<u>28,382,448</u>
PUBLIC SAFETY						
Sheriff Department:						
Sheriff	32,863,107	32,092,015	90,116	32,182,131	771,092	33,491,282
Detention	28,383,920	28,203,321	-	28,203,321	180,599	28,501,104
Total Sheriff Department	<u>61,247,027</u>	<u>60,295,336</u>	<u>90,116</u>	<u>60,385,452</u>	<u>951,691</u>	<u>61,992,386</u>
CCBI	4,072,633	4,003,218	-	4,003,218	69,415	4,296,977
Emergency medical services	17,994,755	17,764,050	8,268	17,772,318	230,705	18,711,889
Fire and emergency management	1,848,640	1,774,070	2,962	1,777,032	74,570	2,031,271
Public safety communications	1,019,218	957,339	-	957,339	61,879	828,923
Total Public Safety	<u>86,182,273</u>	<u>84,794,013</u>	<u>101,346</u>	<u>84,895,359</u>	<u>1,388,260</u>	<u>87,861,446</u>
TOTAL EXPENDITURES	<u>741,853,655</u>	<u>725,903,093</u>	<u>2,661,814</u>	<u>728,564,907</u>	<u>15,950,562</u>	<u>750,883,718</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, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009**

	2010			2009
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES OVER EXPENDITURES	\$ 200,058,874	\$ 198,982,260	\$ (1,076,614)	\$ 191,948,724
OTHER FINANCING SOURCES (USES)				
Transfers in	2,561,182	2,568,223	7,041	1,243,996
Transfers out	(205,384,972)	(205,384,972)	-	(206,146,760)
Total Other Financing Sources (Uses)	(202,823,790)	(202,816,749)	7,041	(204,902,764)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,764,916)	(3,834,489)	(1,069,573)	(12,954,040)
APPROPRIATED FUND BALANCE	2,764,916	-	(2,764,916)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER USES	\$ -	(3,834,489)	\$ (3,834,489)	(12,954,040)
FUND BALANCE, BEGINNING OF YEAR, RESTATED		156,084,815		169,038,855
BUDGETARY FUND BALANCE		152,250,326		156,084,815
LESS: EXPENDITURES ASSOCIATED WITH INCEPTION OF CAPITAL LEASES AND NOTE PAYABLES		(304,944)		(82,210)
ADD: PROCEEDS OF CAPITAL LEASES AND NOTE PAYABLES		304,944		82,210
TOTAL LEASE INCEPTIONS		-		-
FUND BALANCE AT END OF YEAR		\$ 152,250,326		\$ 156,084,815

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, 2010**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 16,490,795	\$ 8,931,415	\$ 3,015,339	\$ 11,946,754
Charges for services	1,713,715	1,198,369	263,707	1,462,076
Investment earnings	-	251,336	94	251,430
Miscellaneous	77,977	49,985	-	49,985
Total Revenues	18,282,487	10,431,105	3,279,140	13,710,245
EXPENDITURES:				
Human Services				
Other Programs	11,048,064	6,764,144	1,084,406	7,848,550
Mental health	-	-	-	-
Housing and community revitalization	11,510,806	6,790,860	1,350,274	8,141,134
Home grant	5,107,085	428,807	1,499,682	1,928,489
Homeless prevention grants	582,164	719	148,842	149,561
Total Expenditures	28,248,119	13,984,530	4,083,204	18,067,734
REVENUES UNDER EXPENDITURES	(9,965,632)	(3,553,425)	(804,064)	(4,357,489)
OTHER FINANCING SOURCES:				
Transfers in	9,965,632	9,255,465	754,000	10,009,465
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ -	\$ 5,702,040	(50,064)	\$ 5,651,976
Fund Balance at beginning of year			5,702,040	
FUND BALANCE AT END OF YEAR			\$ 5,651,976	

WAKE COUNTY, NORTH CAROLINA

MAJOR FACILITIES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN APPROPRIATED FUND BALANCE

For the Year Ended June 30, 2010

	2010	
	Budget	Actual
REVENUES:		
Taxes:		
Occupancy tax	\$ 13,806,305	\$ 12,976,863
Prepared food tax	18,680,736	17,267,123
Total taxes	32,487,041	30,243,986
Investment earnings	-	131,765
Total Revenues	32,487,041	30,375,751
EXPENDITURES:		
Raleigh hold harmless - occupancy	680,000	680,000
Cary hold harmless - occupancy	670,000	629,382
Greater Raleigh Convention and Visitors Bureau	3,595,000	3,394,139
Centennial Authority operations 7%	1,907,000	1,771,291
Centennial - Debt service	5,208,000	5,207,934
Raleigh annual distribution - \$1M	1,000,000	1,000,000
Convention Center	13,987,000	12,462,700
NC Museum of Art	1,000,000	1,000,000
Centennial Authority Facility Improvements	1,000,000	1,000,000
Green Square	700,000	700,000
St. Augustine's	100,000	100,000
Unallocated	574,000	-
Total Expenditures	30,421,000	27,945,446
REVENUES OVER EXPENDITURES	2,066,041	2,430,305
OTHER FINANCING SOURCES AND (USES):		
Transfers out to General Fund	(907,041)	(907,041)
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	832,000	-
Total other financing uses	(2,066,041)	(2,898,041)
REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	\$ -	(467,736)
Fund Balance at beginning of year		2,613,070
FUND BALANCES AT END OF YEAR		\$ 2,145,334

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, 2010**

	2010	
	Budget	Actual
REVENUES:		
Intergovernmental	\$ 10,000,000	\$ 12,818,821
Investment earnings	6,526,000	8,508,087
Total revenues	16,526,000	21,326,908
EXPENDITURES:		
Debt service - principal	110,566,894	110,568,516
Debt service - interest	85,031,976	77,807,693
Future appropriated reserves	-	-
Miscellaneous	255,130	460,500
Total expenditures	195,854,000	188,836,709
REVENUES UNDER EXPENDITURES	(179,328,000)	(167,509,801)
OTHER FINANCING SOURCES (USES):		
Transfers in	158,726,957	158,726,957
Transfers out	(10,549,077)	(10,549,077)
Limited obligation bonds issued	2,169,077	2,169,077
Refunded bonds issued	-	383,420,000
Premiums on issuance	8,380,000	84,919,825
Payment to refunded bond escrow agent	-	(449,682,612)
Total Other Financing Sources (Uses)	158,726,957	169,004,170
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES, BUDGETARY BASIS	(20,601,043)	1,494,369
APPROPRIATED FUND BALANCE	20,601,043	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	\$ -	1,494,369
Fund Balance at beginning of year		150,771,925
FUND BALANCES AT END OF YEAR		\$ 152,266,294

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, 2010**

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
REVENUES:				
Taxes	\$ 612,910	\$ 613,044	\$ 1,517	\$ 614,561
Intergovernmental	19,187,717	10,813,380	2,458,138	13,271,518
Charges for services	11,228,230	11,324,679	7,121	11,331,800
Investment earnings	47,952,326	49,299,155	137,177	49,436,332
Miscellaneous	239,945	723,213	80,833	804,046
Total Revenues	<u>79,221,128</u>	<u>72,773,471</u>	<u>2,684,786</u>	<u>75,458,257</u>
EXPENDITURES - CAPITAL PROJECTS:				
Capital projects:				
Automation CIP	24,530,313	14,696,062	4,268,170	18,964,232
Community capital projects	1,405,000	655,000	500,000	1,155,000
County building improvements	43,615,246	11,843,683	16,704,917	28,548,600
Criminal justice CIP	386,681,336	67,725,845	59,767,840	127,493,685
Public libraries CIP	18,128,212	6,050,467	1,415,587	7,466,054
Open space	14,582,831	14,308,653	38,367	14,347,020
Parks and recreation CIP	6,773,851	3,853,490	261,595	4,115,085
Public safety CIP	18,325,392	7,534,360	6,955,237	14,489,597
Water and sewer	33,978,545	21,621,491	184,086	21,805,577
Economic development	3,414,716	3,246,716	135,670	3,382,386
Program wide projects	2,295,064	1,998,860	71,762	2,070,622
Total Expenditures	<u>553,730,506</u>	<u>153,534,627</u>	<u>90,303,231</u>	<u>243,837,858</u>
REVENUES UNDER EXPENDITURES	<u>(474,509,378)</u>	<u>(80,761,156)</u>	<u>(87,618,445)</u>	<u>(168,379,601)</u>
OTHER FINANCING SOURCES AND (USES):				
Transfers in	152,787,972	120,118,895	32,669,077	152,787,972
Transfers out	(8,407,182)	(5,000,000)	(3,407,182)	(8,407,182)
Limited obligation bonds issued	319,034,959	18,425,462	301,310,923	319,736,385
Premiums on issuance	11,093,629	-	11,140,000	11,140,000
Total Other Financing Sources and (Uses)	<u>474,509,378</u>	<u>133,544,357</u>	<u>341,712,818</u>	<u>475,257,175</u>
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 52,783,201</u>	<u>254,094,373</u>	<u>\$ 306,877,574</u>
Fund Balance at beginning of year			<u>52,783,201</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 306,877,574</u>	

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, 2010**

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
REVENUES:				
Intergovernmental	\$ 24,669,529	\$ 34,573,666	\$ -	\$ 34,573,666
Lottery proceeds	9,000,000	16,613,874	-	16,613,874
Investment earnings	13,918,987	72,612,165	4,336,533	76,948,698
Miscellaneous	-	4,328	8,099	12,427
Total Revenues	<u>47,588,516</u>	<u>123,804,033</u>	<u>4,344,632</u>	<u>128,148,665</u>
EXPENDITURES - CAPITAL PROJECTS:				
Wake County Public Schools	<u>1,670,454,617</u>	<u>1,311,357,548</u>	<u>128,062,994</u>	<u>1,439,420,542</u>
TOTAL EXPENDITURES	<u>1,670,454,617</u>	<u>1,311,357,548</u>	<u>128,062,994</u>	<u>1,439,420,542</u>
REVENUES UNDER EXPENDITURES	<u>(1,622,866,101)</u>	<u>(1,187,553,515)</u>	<u>(123,718,362)</u>	<u>(1,311,271,877)</u>
OTHER FINANCING SOURCES AND (USES):				
Bonds issued	1,512,582,515	1,255,911,143	134,910,000	1,390,821,143
Transfers in	93,592,876	187,916,657	15,000,000	202,916,657
Transfers out	(11,162,765)	(11,162,765)	-	(11,162,765)
Appropriated fund balance	<u>27,853,475</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and (Uses)	<u>1,622,866,101</u>	<u>1,432,665,035</u>	<u>149,910,000</u>	<u>1,582,575,035</u>
REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 245,111,520</u>	26,191,638	<u>\$ 271,303,158</u>
Fund Balance at beginning of year			<u>245,111,520</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 271,303,158</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.

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of June 30, 2010

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
ASSETS			
Cash and investments - pooled equity	\$ 6,363,439	\$ 22,951,016	\$ 29,314,455
Cash and investments - restricted cash	-	45,855,367	45,855,367
Taxes receivable, net	207,200	-	207,200
Accounts receivable, net	2,103,348	35,075	2,138,423
Prepaid expenditures	1,507,499	-	1,507,499
Accrued interest receivable	39,126	145,744	184,870
TOTAL ASSETS	<u>\$ 10,220,612</u>	<u>\$ 68,987,202</u>	<u>\$ 79,207,814</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,181,099	\$ 3,497,199	\$ 4,678,298
Due to other funds	747,320	-	747,320
Deferred revenues	252,478	80,000	332,478
Total Liabilities	<u>2,180,897</u>	<u>3,577,199</u>	<u>5,758,096</u>
Fund Balances:			
Reserved for encumbrances	816,784	1,444,133	2,260,917
Reserved by State statute	1,606,846	180,819	1,787,665
Unreserved:			
Designated for subsequent years' expenditures	2,294,535	63,785,051	66,079,586
Designated for working capital	3,183,941	-	3,183,941
Undesignated	137,609	-	137,609
Total Fund Balances	<u>8,039,715</u>	<u>65,410,003</u>	<u>73,449,718</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,220,612</u>	<u>\$ 68,987,202</u>	<u>\$ 79,207,814</u>

WAKE COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010**

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
REVENUES:			
Taxes	\$ 20,399,438	\$ -	\$ 20,399,438
Intergovernmental	12,516,666	-	12,516,666
Charges for services	25,334	20,000	45,334
Investment earnings	183,094	1,069,767	1,252,861
Miscellaneous	6,864	-	6,864
Total Revenues	<u>33,131,396</u>	<u>1,089,767</u>	<u>34,221,163</u>
EXPENDITURES			
General administration	56,208	-	56,208
Human services	10,875,631	-	10,875,631
Community development	50,455	740,037	790,492
Environmental services	161,366	-	161,366
Public safety	17,984,756	4,702,225	22,686,981
General services administration	14,699	-	14,699
Education	-	13,812,973	13,812,973
Total Expenditures	<u>29,143,115</u>	<u>19,255,235</u>	<u>48,398,350</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,988,281</u>	<u>(18,165,468)</u>	<u>(14,177,187)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	995,015	15,490,000	16,485,015
Transfers out	(3,560,000)	-	(3,560,000)
Bonds issued	-	25,800,000	25,800,000
Premiums on issuances	-	1,264,355	1,264,355
Total Other Financing Sources (Uses)	<u>(2,564,985)</u>	<u>42,554,355</u>	<u>39,989,370</u>
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>1,423,296</u>	<u>24,388,887</u>	<u>25,812,183</u>
Fund Balances at beginning of year	<u>6,616,419</u>	<u>41,021,116</u>	<u>47,637,535</u>
FUND BALANCES AT END OF YEAR	<u>\$ 8,039,715</u>	<u>\$ 65,410,003</u>	<u>\$ 73,449,718</u>

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS As of June 30, 2010

	Grants Fund	Sewer Districts	Capital Area Workforce Development	Fire Tax District	Revaluation Reserve	Total
ASSETS						
Cash and investments - pooled equity	\$ 542,228	\$ 596,720	\$ -	\$ 3,389,067	\$ 1,835,424	\$ 6,363,439
Taxes receivable, net	-	-	-	207,200	-	207,200
Accounts receivable, net	679,606	-	1,423,742	-	-	2,103,348
Prepaid expenditures	92,847	-	2,275	1,412,377	-	1,507,499
Accrued interest receivable	2,164	3,789	-	21,519	11,654	39,126
TOTAL ASSETS	\$ 1,316,845	\$ 600,509	\$ 1,426,017	\$ 5,030,163	\$ 1,847,078	\$ 10,220,612
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 465,931	\$ -	\$ 597,320	\$ 117,848	\$ -	\$ 1,181,099
Due to other funds	-	-	747,320	-	-	747,320
Deferred revenues	-	-	-	252,478	-	252,478
Total Liabilities	465,931	-	1,344,640	370,326	-	2,180,897
Fund Balances:						
Reserved for encumbrances	774,784	-	-	42,000	-	816,784
Reserved by State statute	76,130	3,789	81,377	1,433,896	11,654	1,606,846
Unreserved:						
Designated for subsequent years' expenditures	-	459,111	-	-	1,835,424	2,294,535
Designated for working capital	-	-	-	3,183,941	-	3,183,941
Undesignated	-	137,609	-	-	-	137,609
Total Fund Balances	850,914	600,509	81,377	4,659,837	1,847,078	8,039,715
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,316,845	\$ 600,509	\$ 1,426,017	\$ 5,030,163	\$ 1,847,078	\$ 10,220,612

WAKE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended June 30, 2010

	Grants Fund	Sewer Districts	Capital Area Workforce Development	Fire Tax District	Revaluation Reserve	Total
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ 20,399,438	\$ -	\$ 20,399,438
Intergovernmental	5,417,510	-	7,099,156	-	-	12,516,666
Charges for services	19,741	-	5,593	-	-	25,334
Investment earnings	11,349	15,058	-	115,058	41,629	183,094
Miscellaneous	6,139	-	725	-	-	6,864
Total Revenues	<u>5,454,739</u>	<u>15,058</u>	<u>7,105,474</u>	<u>20,514,496</u>	<u>41,629</u>	<u>33,131,396</u>
EXPENDITURES:						
General administration	53,436	-	-	-	2,772	56,208
Human services	3,819,957	-	7,055,674	-	-	10,875,631
Community development	50,455	-	-	-	-	50,455
Environmental services	161,366	-	-	-	-	161,366
Public safety	1,377,290	-	-	16,607,466	-	17,984,756
General services administration	14,699	-	-	-	-	14,699
Total Expenditures	<u>5,477,203</u>	<u>-</u>	<u>7,055,674</u>	<u>16,607,466</u>	<u>2,772</u>	<u>29,143,115</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(22,464)</u>	<u>15,058</u>	<u>49,800</u>	<u>3,907,030</u>	<u>38,857</u>	<u>3,988,281</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	145,015	-	-	-	850,000	995,015
Transfers out	(120,000)	-	-	(3,440,000)	-	(3,560,000)
Total other financing sources and uses	<u>25,015</u>	<u>-</u>	<u>-</u>	<u>(3,440,000)</u>	<u>850,000</u>	<u>(2,564,985)</u>
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>2,551</u>	<u>15,058</u>	<u>49,800</u>	<u>467,030</u>	<u>888,857</u>	<u>1,423,296</u>
Fund Balances at beginning 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>
FUND BALANCES AT END OF YEAR	<u>\$ 850,914</u>	<u>\$ 600,509</u>	<u>\$ 81,377</u>	<u>\$ 4,659,837</u>	<u>\$ 1,847,078</u>	<u>\$ 8,039,715</u>

WAKE COUNTY, NORTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
As of June 30, 2010**

	Wake Community College Capital Projects Fund	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Total
ASSETS				
Cash and investments - pooled equity	\$ 12,952,380	\$ 8,801,955	\$ 1,196,681	\$ 22,951,016
Cash and investments - restricted	45,855,367	-	-	45,855,367
Accounts receivable, net	-	30,210	4,865	35,075
Accrued interest receivable	82,243	55,889	7,612	145,744
TOTAL ASSETS	\$ 58,889,990	\$ 8,888,054	\$ 1,209,158	\$ 68,987,202
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,610,479	\$ 807,942	78,778	3,497,199
Deferred revenues	-	-	80,000	80,000
Total Liabilities	2,610,479	807,942	158,778	3,577,199
Fund Balances:				
Reserved for encumbrances	-	1,133,122	311,011	1,444,133
Reserved by State statute	82,243	86,099	12,477	180,819
Unreserved:				
Designated for subsequent years' expenditures	56,197,268	6,860,891	726,892	63,785,051
Total Fund Balances	56,279,511	8,080,112	1,050,380	65,410,003
TOTAL LIABILITIES AND FUND BALANCES	\$ 58,889,990	\$ 8,888,054	\$ 1,209,158	\$ 68,987,202

WAKE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECT FUNDS For the Year Ended June 30, 2010

	Wake Community College Capital Projects Fund	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Total
REVENUES:				
Charges for services	\$ -	\$ -	\$ 20,000	\$ 20,000
Investment earnings	605,541	236,467	227,759	1,069,767
Total Revenues	<u>605,541</u>	<u>236,467</u>	<u>247,759</u>	<u>1,089,767</u>
EXPENDITURES:				
Capital Projects:				
Community development and cultural	-	-	740,037	740,037
Public safety	-	4,702,225	-	4,702,225
Education	13,812,973	-	-	13,812,973
Total Expenditures	<u>13,812,973</u>	<u>4,702,225</u>	<u>740,037</u>	<u>19,255,235</u>
REVENUES (UNDER)				
EXPENDITURES	<u>(13,207,432)</u>	<u>(4,465,758)</u>	<u>(492,278)</u>	<u>(18,165,468)</u>
OTHER FINANCING SOURCES:				
Transfers in	12,190,000	2,300,000	1,000,000	15,490,000
Bonds issued	25,800,000	-	-	25,800,000
Premiums on issuance	1,264,355	-	-	1,264,355
Total other financing sources	<u>39,254,355</u>	<u>2,300,000</u>	<u>1,000,000</u>	<u>42,554,355</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	26,046,923	(2,165,758)	507,722	24,388,887
Fund Balances at beginning of year	<u>30,232,588</u>	<u>10,245,870</u>	<u>542,658</u>	<u>41,021,116</u>
FUND BALANCES AT END OF YEAR	<u>\$ 56,279,511</u>	<u>\$ 8,080,112</u>	<u>\$ 1,050,380</u>	<u>\$ 65,410,003</u>

WAKE COUNTY, NORTH CAROLINA

GRANTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

From Project Inception Through June 30, 2010

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
REVENUES:				
Intergovernmental	\$ 25,734,107	\$ 12,943,282	\$ 5,417,510	\$ 18,360,792
Charges for services	388,066	487,324	19,741	507,065
Investment earnings	5,554	18,709	11,349	30,058
Miscellaneous	53,307	147,620	6,139	153,759
Total Revenues	<u>26,181,034</u>	<u>13,596,935</u>	<u>5,454,739</u>	<u>19,051,674</u>
EXPENDITURES:				
General administration	1,345,558	795,643	53,436	849,079
Human services	19,042,905	9,518,325	3,819,957	13,338,282
Community development	258,031	155,555	50,455	206,010
Environmental Services	378,015	91,486	161,366	252,852
Public Safety	6,031,649	2,864,558	1,377,290	4,241,848
General Services Administration	48,062	24,464	14,699	39,163
Total Expenditures	<u>27,104,220</u>	<u>13,450,031</u>	<u>5,477,203</u>	<u>18,927,234</u>
REVENUES UNDER EXPENDITURES	(923,186)	146,904	(22,464)	124,440
OTHER FINANCING SOURCES:				
Transfers in	846,474	701,459	145,015	846,474
Transfers out	(120,000)	-	(120,000)	(120,000)
Total Other Financing Sources and Uses	<u>726,474</u>	<u>701,459</u>	<u>25,015</u>	<u>726,474</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(196,712)	<u>\$ 848,363</u>	2,551	<u>\$ 850,914</u>
Fund balance appropriated	<u>196,712</u>		-	
REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES	<u>\$ -</u>		2,551	
Fund Balance at beginning of year			<u>848,363</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 850,914</u>	

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, 2010

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
REVENUES:				
Intergovernmental	\$ 575,014	355,874	\$ -	\$ 355,874
Charges for services	4,564,836	2,171,126	-	2,171,126
Investment earnings	404,711	675,206	15,058	690,264
Miscellaneous	-	89,485	-	89,485
Total Revenues	<u>5,544,561</u>	<u>3,291,691</u>	<u>15,058</u>	<u>3,306,749</u>
EXPENDITURES:				
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>(2,633,165)</u>	<u>15,058</u>	<u>(2,618,107)</u>
OTHER FINANCING SOURCES:				
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 EXPENDITURES	<u>\$ -</u>	<u>\$ 585,451</u>	<u>15,058</u>	<u>\$ 600,509</u>
Fund Balance at beginning of year			<u>585,451</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 600,509</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, 2010**

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 31,552,941	\$ 21,233,863	\$ 7,099,156	\$ 28,333,019
Charges for services	11,319	16,634	5,593	22,227
Miscellaneous	-	3,251	725	3,976
Total Revenues	<u>31,564,260</u>	<u>21,253,748</u>	<u>7,105,474</u>	<u>28,359,222</u>
EXPENDITURES:				
Title I - Adult	5,706,824	4,289,737	955,497	5,245,234
Title I - Dislocated Workers	8,820,271	6,225,674	2,323,061	8,548,735
Title I - Youth	5,095,328	2,942,634	1,921,671	4,864,305
Statewide Activities	2,568,974	1,458,022	709,280	2,167,302
Dislocated Worker - Supplemental	562,549	386,044	79,385	465,429
WIA Administration	3,254,104	1,259,734	734,018	1,993,752
Hurricane Katrina	825,000	667,359	-	667,359
Welfare-to-work Grant	1,186,234	1,179,617	-	1,179,617
Training Grants	2,590,952	2,507,168	-	2,507,168
AmeriCorps	828,194	230,228	332,762	562,990
Other County	2,751	(47,125)	-	(47,125)
Total Expenditures	<u>31,441,181</u>	<u>21,099,092</u>	<u>7,055,674</u>	<u>28,154,766</u>
REVENUES OVER (UNDER) EXPENDITURES	123,079	154,656	49,800	204,456
OTHER FINANCING SOURCES (USES):				
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>\$ 31,577</u>	<u>49,800</u>	<u>\$ 81,377</u>
Fund balance at beginning of year			<u>31,577</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 81,377</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, 2010**

	2010	
	Budget	Actual
REVENUES:		
Taxes - ad valorem property	\$ 20,285,000	\$ 20,399,438
Investment earnings	-	115,058
Miscellaneous	46,000	-
Total Revenues	<u>20,331,000</u>	<u>20,514,496</u>
EXPENDITURES:		
Public Safety:		
Rural fire districts	<u>16,891,000</u>	<u>16,607,466</u>
Total Expenditures	<u>16,891,000</u>	<u>16,607,466</u>
REVENUES OVER EXPENDITURES	3,440,000	3,907,030
OTHER FINANCING USES:		
Transfers out	<u>(3,440,000)</u>	<u>(3,440,000)</u>
REVENUES OVER EXPENDITURES AND OTHER USES	<u>\$ -</u>	467,030
Fund Balance at beginning of year		<u>4,192,807</u>
FUND BALANCE AT END OF YEAR		<u>\$ 4,659,837</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, 2010**

	Project Authorization	Actual		Total To Date
		Prior Years	Actual	
REVENUES:				
Investment earnings	\$ 771,289	\$ 1,315,355	\$ 41,629	\$ 1,356,984
EXPENDITURES:				
General administration - Revaluation	17,077,234	15,317,377	2,772	15,320,149
REVENUES UNDER EXPENDITURES	(16,305,945)	(14,002,022)	38,857	(13,963,165)
OTHER FINANCING SOURCES:				
Proceeds of capital leases	-	10,243	-	10,243
Transfers in	15,800,000	14,950,000	850,000	15,800,000
Total Other Financing Sources	15,800,000	14,960,243	850,000	15,810,243
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(505,945)	958,221	888,857	1,847,078
Fund balance appropriated	505,945	-	-	-
REVENUES, OTHER SOURCES, AND FUND BALANCE APPROPRIATED OVER (UNDER) EXPENDITURES	\$ -	\$ 958,221	888,857	\$ 1,847,078
Fund Balance at beginning of year			958,221	
FUND BALANCE AT END OF YEAR			\$ 1,847,078	

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, 2010**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Investment earnings	\$ -	\$ 729,015	\$ 605,541	\$ 1,334,556
Total Revenues	<u>-</u>	<u>729,015</u>	<u>605,541</u>	<u>1,334,556</u>
EXPENDITURES - CAPITAL PROJECTS:				
Wake Technical College	117,122,162	47,534,630	13,812,973	61,347,603
TOTAL EXPENDITURES	<u>117,122,162</u>	<u>47,534,630</u>	<u>13,812,973</u>	<u>61,347,603</u>
REVENUES UNDER EXPENDITURES	<u>(117,122,162)</u>	<u>(46,805,615)</u>	<u>(13,207,432)</u>	<u>(60,013,047)</u>
OTHER FINANCING SOURCES:				
Transfers in	22,254,355	8,800,000	12,190,000	20,990,000
Bonds issued	94,867,807	68,238,203	25,800,000	94,038,203
Premiums on issuance	-	-	1,264,355	1,264,355
Total Other Financing Sources	<u>117,122,162</u>	<u>77,038,203</u>	<u>39,254,355</u>	<u>116,292,558</u>
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 30,232,588</u>	26,046,923	<u>\$ 56,279,511</u>
Fund Balance at beginning of year			<u>30,232,588</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 56,279,511</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, 2010

	Project Authorization	Prior Years	Actual	
			Current Year	Total To Date
REVENUES:				
Investment earnings	\$ 366,044	\$ 489,584	\$ 236,467	\$ 726,051
Miscellaneous	87,071	87,071	-	87,071
Total Revenues	453,115	576,655	236,467	813,122
EXPENDITURES:				
Capital projects:				
Fire and rescue CIP	24,469,772	8,158,442	4,702,225	12,860,667
Total Expenditures	24,469,772	8,158,442	4,702,225	12,860,667
REVENUES UNDER EXPENDITURES	(24,016,657)	(7,581,787)	(4,465,758)	(12,047,545)
OTHER FINANCING SOURCES:				
Debt to be authorized	4,785,000	-	-	-
Installment purchases proceeds	1,620,000	1,620,000	-	1,620,000
Transfers in	17,611,657	16,207,657	2,300,000	18,507,657
Total Other Financing Sources	24,016,657	17,827,657	2,300,000	20,127,657
REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ -	\$ 10,245,870	(2,165,758)	\$ 8,080,112
Fund Balance at beginning of year			10,245,870	
FUND BALANCE AT END OF YEAR			\$ 8,080,112	

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, 2010

	Project Authorization	Prior Years	Actual	
			Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 3,900,000	\$ 3,942,100	\$ -	\$ 3,942,100
Charges for services	592,997	492,997	20,000	512,997
Investment earnings	631,618	294,334	227,759	522,093
Total Revenues	5,124,615	4,729,431	247,759	4,977,190
EXPENDITURES:				
Capital projects:				
Community development and cultural	43,840,619	42,098,963	740,037	42,839,000
REVENUES UNDER EXPENDITURES	(38,716,004)	(37,369,532)	(492,278)	(37,861,810)
OTHER FINANCING SOURCES AND (USES):				
Installment purchases proceeds	600,000	599,842	-	599,842
Transfers in	38,116,004	37,312,348	1,000,000	38,312,348
Total Other Financing Sources and (Uses)	38,716,004	37,912,190	1,000,000	38,912,190
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 542,658	507,722	\$ 1,050,380
Fund Balance at beginning of year			542,658	
FUND BALANCE AT END OF YEAR			\$ 1,050,380	

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, 2010**

	Solid Waste Operating Fund	Solid Waste Capital Project	June 30, 2010
ASSETS			
Cash and investments - pooled equity	\$ 23,990,553	\$ 4,047,414	\$ 28,037,967
Cash and investments - reserved	10,848,348	-	10,848,348
Accounts receivable, net	710,552	9,967	720,519
Due from other funds	328,630	-	328,630
Prepaid expenditures	-	-	-
Accrued interest receivable	223,254	20,808	244,062
TOTAL ASSETS	\$ 36,101,337	\$ 4,078,189	\$ 40,179,526
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,229,068	\$ 424,674	\$ 1,653,742
Deferred revenues	54,670	-	54,670
Closure/post-closure care reserves	10,848,348	-	10,848,348
Total Liabilities	12,132,086	424,674	12,556,760
Fund Balances:			
Reserved for encumbrances	61,836	1,295,449	1,357,285
Reserved by state statute	1,207,766	30,775	1,238,541
Unreserved:			
Designated for white goods	1,611,906	-	1,611,906
Designated for subsequent year's expenditures	1,849,000	2,327,291	4,176,291
Undesignated	19,238,743	-	19,238,743
Total Fund Balances	23,969,251	3,653,515	27,622,766
TOTAL LIABILITIES AND FUND BALANCES	\$ 36,101,337	\$ 4,078,189	\$ 40,179,526

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, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009**

	2010		2009
	Budget	Actual	Actual
REVENUES:			
Intergovernmental	\$ 852,196	\$ 1,390,303	\$ 1,146,661
Licenses and permits	8,500	2,700	9,300
Charges for services	7,038,659	7,312,542	7,225,951
Investment earnings	420,000	881,142	1,214,780
Miscellaneous	885,462	620,963	860,844
Total Revenues	<u>9,204,817</u>	<u>10,207,650</u>	<u>10,457,536</u>
EXPENDITURES:			
Cost of service	8,751,676	6,571,257	9,301,764
Administration	1,539,481	1,381,571	1,372,164
Total Expenditures	<u>10,291,157</u>	<u>7,952,828</u>	<u>10,673,928</u>
REVENUES OVER (UNDER) EXPENDITURES	(1,086,340)	2,254,822	(216,392)

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, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009**

	2010		2009
	Budget	Actual	Actual
OTHER FINANCING SOURCES AND (USES):			
Transfers In	1,287,183	1,287,183	856,719
Transfers out	(2,624,000)	(2,624,000)	(2,312,000)
Total Other Financing Sources and Uses	(1,336,817)	(1,336,817)	(1,455,281)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER SOURCES/(USES):	(2,423,157)	918,005	(1,671,673)
APPROPRIATED FUND BALANCE	2,423,157	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 918,005</u>	<u>\$ (1,671,673)</u>
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES:		\$ 918,005	\$ (1,671,673)
Reconciling items:			
Compensated absences expenses		(1,125)	(2,606)
OPEB expenses		(28,854)	(46,860)
Net decrease in deferred revenue		(1,927)	(19,919)
Investment earnings - Construction Fund		105,003	13,704
Expenditures - Construction Fund		(2,818,548)	(639,599)
Transfers in - Construction Fund		2,220,000	2,000,000
Acquisition of capital assets		361,283	158,964
Depreciation and depletion		(462,124)	(444,329)
Change in net assets		<u>\$ 291,713</u>	<u>\$ (652,318)</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, 2010**

	Project Authorization	Actual		Total to Date
		Prior Years	Curent Year	
REVENUES:				
Intergovernmental	\$ 75,000	\$ -	\$ -	\$ -
Investment earnings	-	1,386,973	105,003	1,491,976
Miscellaneous	2,366,339	-	-	-
Total revenues	<u>2,441,339</u>	<u>1,386,973</u>	<u>105,003</u>	<u>1,491,976</u>
EXPENDITURES:				
Enterprise Infrastructure	12,365,408	5,319,362	2,783,795	8,103,157
Future projects	417,982	-	-	-
Other	-	42,602	34,753	77,355
Total expenditures	<u>12,783,390</u>	<u>5,361,964</u>	<u>2,818,548</u>	<u>8,180,512</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(10,342,051)</u>	<u>(3,974,991)</u>	<u>(2,713,545)</u>	<u>(6,688,536)</u>
OTHER FINANCING SOURCES AND USES:				
Transfers in	<u>10,342,051</u>	<u>8,122,051</u>	<u>2,220,000</u>	<u>10,342,051</u>
Total other financing sources and uses	<u>10,342,051</u>	<u>8,122,051</u>	<u>2,220,000</u>	<u>10,342,051</u>
REVENUES, OTHER SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 4,147,060</u>	<u>(493,545)</u>	<u>\$ 3,653,515</u>
Fund Balance at the beginning of the year			<u>4,147,060</u>	
FUND BALANCE AT THE END OF THE YEAR			<u>\$ 3,653,515</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, 2010**

	South Wake Landfill	East Wake Transfer Station	June 30, 2010
ASSETS			
Cash and investments - pooled equity	\$ 1,839,042	\$ 628,047	\$ 2,467,089
Cash and investments - reserved	3,964,440	568,988	4,533,428
Cash and investments - cash equivalents	450	300	750
Accounts receivable, net	540,738	1,103,444	1,644,182
Accrued interest receivable	3,382	44,092	47,474
TOTAL ASSETS	\$ 6,348,052	\$ 2,344,871	\$ 8,692,923
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,829,534	\$ 1,767,570	\$ 3,597,104
Due to other funds	328,630	-	328,630
Deferred revenues	17,286	8,313	25,599
Construction reserves	-	568,988	568,988
Closure/post-closure care reserves	3,964,440	-	3,964,440
Total Liabilities	6,139,890	2,344,871	8,484,761
Fund Balances:			
Reserved for encumbrances	-	914	914
Reserved by state statute	526,834	1,139,223	1,666,057
Unreserved:			
Undesignated	(318,672)	(1,140,137)	(1,458,809)
Total Fund Balances	208,162	-	208,162
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,348,052	\$ 2,344,871	\$ 8,692,923

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, 2010**

	South Wake Landfill		East Wake Transfer Station		June 30, 2010	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:						
Charges of services	\$ 12,851,780	\$ 5,425,613	\$ 2,579,220	\$ 10,125,064	\$ 15,431,000	\$ 15,550,677
Investment earnings	-	2,514	-	156,208	-	158,722
Total Revenues	<u>12,851,780</u>	<u>5,428,127</u>	<u>2,579,220</u>	<u>10,281,272</u>	<u>15,431,000</u>	<u>15,709,399</u>
EXPENDITURES:						
Cost of service	7,721,401	7,412,318	3,331,682	3,576,102	11,053,083	10,988,420
Administration	532,870	130,758	778,085	733,477	1,310,955	864,235
Partner rebates	1,826,129	1,906,141	-	-	1,826,129	1,906,141
Total Expenditures	<u>10,080,400</u>	<u>9,449,217</u>	<u>4,109,767</u>	<u>4,309,579</u>	<u>14,190,167</u>	<u>13,758,796</u>
REVENUES UNDER EXPENDITURES	2,771,380	(4,021,090)	(1,530,547)	5,971,693	1,240,833	1,950,603
OTHER FINANCING USES:						
Transfers out	(1,131,555)	(1,131,555)	(155,628)	(155,628)	(1,287,183)	(1,287,183)
Intrafund transfers in	-	5,816,065	-	-	-	5,816,065
Intrafund transfers out	-	-	-	(5,816,065)	-	(5,816,065)
Total other financing sources/(uses)	<u>(1,131,555)</u>	<u>4,684,510</u>	<u>(155,628)</u>	<u>(5,971,693)</u>	<u>(1,287,183)</u>	<u>(1,287,183)</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,639,825	663,420	(1,686,175)	-	(46,350)	663,420
APPROPRIATED FUND BALANCE	<u>43,040</u>	<u>-</u>	<u>3,310.00</u>	<u>-</u>	<u>46,350</u>	<u>-</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 1,682,865</u>	<u>\$ 663,420</u>	<u>\$ (1,682,865)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 663,420</u>
Reconciliation from budgetary basis of modified accrual to full accrual basis:						
REVENUES AND OTHER FINANCING USES						
UNDER EXPENDITURES AND OTHER FINANCING USES						\$ 663,420
Reconciling items						
Net increase in deferred revenue						22,650
Compensated absences expenses						(3,025)
OPEB expenses						(9,621)
Change in net assets						<u>\$ 673,424</u>

WAKE COUNTY, NORTH CAROLINA

(Continued)

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2010**

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
MUNICIPAL TAX FUND				
ASSETS				
Cash and investments - pooled equity	\$ 370,106	\$ 710,426,373	\$ (710,480,846)	\$ 315,633
LIABILITIES				
Other Liabilities	\$ 370,106	\$ 358,767,382	\$ (358,821,855)	\$ 315,633
HUMAN SERVICES FUND				
ASSETS				
Cash and investments - pooled equity	\$ 963,836	\$ 8,044,578	\$ (8,419,540)	\$ 588,874
Accounts receivable	422	1,232	(1,654)	-
Accrued interest receivable	2,869	1,983	(2,869)	1,983
TOTAL ASSETS	\$ 967,127	\$ 8,047,793	\$ (8,424,063)	\$ 590,857
LIABILITIES				
Due to other funds	\$ 200,000	-	\$ (200,000)	-
Other liabilities	767,127	7,722,243	(7,898,513)	590,857
TOTAL LIABILITIES	\$ 967,127	\$ 7,722,243	\$ (8,098,513)	\$ 590,857

WAKE COUNTY, NORTH CAROLINA

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES For the Year Ended June 30, 2010

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
FINES AND FORFEITURES				
ASSETS				
Cash and investments - pooled equity	\$ 236,947	\$ 7,572,590	\$ (7,629,216)	\$ 180,321
Accounts receivable	19,629	30,542	(19,629)	30,542
Accrued interest	1,217	1,145	(1,217)	1,145
TOTAL ASSETS	\$ 257,793	\$ 7,604,277	\$ (7,650,062)	\$ 212,008
LIABILITIES				
Other liabilities	\$ 257,793	\$ 2,581,902	\$ (2,627,687)	\$ 212,008
TOTAL LIABILITIES	\$ 257,793	\$ 2,581,902	\$ (2,627,687)	\$ 212,008
 DMV INTEREST PENALTIES				
ASSETS				
Cash and investments - pooled equity	\$ 45,556	\$ 1,118,887	\$ (1,123,567)	\$ 40,876
Accrued interest	234	260	(234)	260
TOTAL ASSETS	\$ 45,790	\$ 1,119,147	\$ (1,123,801)	\$ 41,136
LIABILITIES				
Due to other governmental units	\$ 43,495	\$ 37,725	\$ (43,495)	\$ 37,725
Other liabilities	2,295	582,317	(581,201)	3,411
TOTAL LIABILITIES	\$ 45,790	\$ 620,042	\$ (624,696)	\$ 41,136
 TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and investments - pooled equity	\$ 1,616,445	\$ 727,162,428	\$ (727,653,169)	\$ 1,125,704
Accounts receivable	20,051	31,774	(21,283)	30,542
Accrued interest receivable	4,320	3,388	(4,320)	3,388
TOTAL ASSETS	\$ 1,640,816	\$ 727,197,590	\$ (727,678,772)	\$ 1,159,634
LIABILITIES				
Other liabilities	\$ 1,597,321	\$ 369,653,844	\$ (370,129,256)	\$ 1,121,909
Due to other governmental units	43,495	37,725	(43,495)	37,725
TOTAL LIABILITIES	\$ 1,640,816	\$ 369,691,569	\$ (370,172,751)	\$ 1,159,634

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS BY FUNCTION AND CATEGORY As of June 30, 2010

Function	Land	Buildings	Improvements	Machinery and Equipment	Vehicles and Motorized Equipment	Infrastructure	Construction in progress	Total
General administration	\$ 10,172,473	\$ 63,501,530	\$ 5,738,932	\$ 11,041,522	\$ 272,629	\$ 166,474	\$ -	\$ 90,893,560
Human services	2,749,082	57,551,466	290,075	1,992,018	2,925,382	-	-	65,508,023
Education	270,700	10,160,682	3,947,902	-	-	-	-	14,379,284
Community development	60,437,672	88,956,508	716,715	2,360,106	132,595	1,546,444	-	154,150,040
Environmental services	245,394	2,632,863	-	80,049	-	9,226,837	-	12,185,143
Public safety	4,240,291	123,738,831	10,442,047	13,925,588	7,127,308	-	-	159,474,065
General services administration	64,740	83,920	189,784	5,420,830	22,089,194	-	-	27,848,468
Construction in progress	-	-	-	-	-	-	192,323,764	192,323,764
Total Governmental Capital Assets	<u>\$ 78,180,352</u>	<u>\$ 346,625,800</u>	<u>\$ 21,325,455</u>	<u>\$ 34,820,113</u>	<u>\$ 32,547,108</u>	<u>\$ 10,939,755</u>	<u>\$ 192,323,764</u>	<u>\$ 716,762,347</u>

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT

As of June 30, 2010

	Date of Issue	Interest Rate	Amount Issued	Debt Outstanding June 30, 2009	Net Additions (Retirements)	Debt Outstanding June 30, 2010
GENERAL OBLIGATION BONDS:						
2000 School bonds	02/01/00	5.20-5.75%	24,000,000	\$ 1,000,000	\$ (1,000,000)	\$ -
2001 Criminal justice facility bonds	02/01/01	4.40-4.75%	8,000,000	600,000	(300,000)	300,000
2001 School bonds	02/01/01	4.50-5.25%	150,000,000	11,400,000	(5,700,000)	5,700,000
2002 Public improvement bonds	03/01/02	4.00-4.75%	188,000,000	25,500,000	(8,500,000)	17,000,000
2003A Public improvement bonds	04/01/03	3.00-5.00%	122,890,000	48,000,000	(24,000,000)	24,000,000
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	6,000,000	(1,300,000)	4,700,000
Refunding series 2003A	11/01/03	3.00-5.00%	83,145,000	19,900,000	(18,700,000)	1,200,000
2004 Public improvement bonds	04/01/04	3.00-5.00%	130,000,000	80,000,000	(40,000,000)	40,000,000
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	84,410,000	(11,970,000)	72,440,000
Refunding series 2005	04/01/05	3.00-5.00%	33,020,000	32,760,000	(85,000)	32,675,000
2005 School bonds	11/01/05	3.25-5.00%	41,000,000	36,500,000	(29,000,000)	7,500,000
2007 Public improvement bonds	03/08/07	4.25-5.00%	455,000,000	432,000,000	(271,000,000)	161,000,000
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	(87,000,000)	48,000,000
2009B Public improvement bonds	04/01/09	4.00-5.00%	300,000,000	300,000,000	(16,000,000)	284,000,000
2009C Refunding	04/01/09	4.00-5.00%	66,320,000	66,320,000	(7,575,000)	58,745,000
2009D Refunding	06/16/09	3.00-4.00%	168,980,000	168,980,000	-	168,980,000
2010A Public improvement bonds	03/30/10	3.00-5.00%	86,295,000	-	86,295,000	86,295,000
2010B Public improvement recovery zone economic development bonds	03/30/10	4.80-5.30%	39,505,000	-	39,505,000	39,505,000
2010C Refunding	05/13/10	2.00-5.00%	383,420,000	-	383,420,000	383,420,000
2010D Public improvement qualified school construction bonds	06/09/10	5.10%	34,910,000	-	34,910,000	34,910,000
Total General Obligation Bonds				<u>1,772,370,000</u>	<u>22,000,000</u>	<u>1,794,370,000</u>
OTHER LONG-TERM DEBT:						
Limited obligation bonds				-	303,480,000	303,480,000
Qualified zone acadamy bonds				1,307,695	(163,462)	1,144,233
Installment purchase				9,356,965	(1,175,056)	8,181,909
Notes payable				-	299,767	299,767
Capitalized equipment leases				328,068	(170,973)	157,095
Other post-employment benefits				22,156,330	11,333,055	33,489,385
Compensated absences				12,487,632	(319,491)	12,168,141
Total other long-term debt				<u>45,636,690</u>	<u>313,283,840</u>	<u>358,920,530</u>
TOTAL GOVERNMENTAL LONG-TERM DEBT				<u>\$ 1,818,006,690</u>	<u>\$ 335,283,840</u>	<u>\$ 2,153,290,530</u>

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF LONG-TERM DEBT MATURITIES AND ANNUAL DEBT SERVICE REQUIREMENTS FOR GOVERNMENTAL ACTIVITIES As of June 30, 2010

BONDED DEBT Fiscal Year Ended June 30	PUBLIC SCHOOLS		OTHER		TOTAL	
	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest
	2011	\$ 101,605,715	\$ 171,357,227	\$ 13,944,285	\$ 22,726,438	\$ 115,550,000
2012	102,217,552	170,529,250	14,622,448	23,410,832	116,840,000	193,940,082
2013	102,071,102	165,416,657	14,853,898	22,929,555	116,925,000	188,346,212
2014	99,994,523	158,578,663	14,295,477	21,666,499	114,290,000	180,245,162
2015	100,330,701	154,404,545	13,749,299	20,460,718	114,080,000	174,865,263
2016	118,860,916	168,268,633	13,749,084	19,800,587	132,610,000	188,069,220
2017	116,395,115	160,219,351	14,144,885	19,539,883	130,540,000	179,759,234
2018	118,874,191	157,121,346	11,745,809	16,458,461	130,620,000	173,579,807
2019	120,285,124	153,382,645	10,989,876	15,122,642	131,275,000	168,505,287
2020	107,692,295	135,807,915	11,152,705	14,735,977	118,845,000	150,543,892
2021-2025	417,615,103	496,404,507	60,074,897	69,058,372	477,690,000	565,462,879
2026-2030	92,185,213	100,356,222	2,919,787	3,065,780	95,105,000	103,422,002
Total Bonded Debt	1,598,127,550	2,191,846,961	196,242,450	268,975,744	1,794,370,000	2,460,822,705

OTHER LONG-TERM DEBT:

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

2011	163,461	163,461	1,631,097	15,926,470	1,794,558	16,089,931
2012	163,461	163,461	7,481,656	21,799,777	7,645,117	21,963,238
2013	163,461	163,461	13,467,951	27,484,393	13,631,412	27,647,854
2014	163,461	163,461	13,515,032	27,075,685	13,678,493	27,239,146
2015	163,461	163,461	13,561,728	26,638,437	13,725,189	26,801,898
2016-2020	326,928	326,928	62,276,307	120,112,822	62,603,235	120,439,750
2021-2025	-	-	60,700,000	104,236,519	60,700,000	104,236,519
2026-2030	-	-	60,700,000	89,296,375	60,700,000	89,296,375
2031-2035	-	-	60,700,000	74,295,950	60,700,000	74,295,950
2036-2037	-	-	18,085,000	19,278,350	18,085,000	19,278,350
Total Other Long-Term Debt	1,144,233	1,144,233	312,118,771	526,144,778	313,263,004	527,289,011
TOTAL LONG- TERM DEBT	\$ 1,599,271,783	\$ 2,192,991,194	\$ 508,361,221	\$ 795,120,522	\$ 2,107,633,004	\$ 2,988,111,716

On the Statement of Net Assets as of June 30, 2010, the amounts reported as liabilities for general obligation bonds - schools and limited obligation bonds also includes premiums on issuance of bonds of \$161,702,526 and \$21,191,699, respectively, which will be amortized over the life of its related debt.

Statistical Section

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u><i>Page</i></u>
<i>Financial Trends</i>	<i>109</i>
<p>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</p>	
<i>Revenue Capacity</i>	<i>114</i>
<p>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</p>	
<i>Debt Capacity</i>	<i>120</i>
<p>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</p>	
<i>Demographic and Economic Information</i>	<i>124</i>
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</p>	
<i>Operating Information</i>	<i>126</i>
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</p>	

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities									
Invested in capital assets, net of related debt	\$ 216,615,147	\$ 224,848,030	\$ 245,210,981	\$ 271,213,100	\$ 290,775,463	\$ 309,808,523	\$ 355,571,204	\$ 317,257,114	\$ 46,615,606
Restricted	143,360,307	170,022,875	235,402,786	118,153,362	-	4,765,007	2,363,349	2,569,777	282,990,520
Unrestricted	(312,465,048)	(431,042,516)	(586,749,650)	(525,704,722)	(550,260,941)	(667,630,970)	(877,268,669)	(1,061,576,450)	(1,129,871,431)
Total governmental activities net assets	47,510,406	(36,171,611)	(106,135,883)	(136,338,260)	(259,485,478)	(353,057,440)	(519,334,116)	(741,749,559)	(800,265,305)
Business-type activities									
Invested in capital assets, net of related debt	7,719,075	13,410,733	14,704,876	12,531,246	10,193,631	10,740,531	13,000,011	12,714,646	12,613,805
Unrestricted	16,523,588	15,728,573	14,249,210	16,034,838	22,075,008	26,211,343	26,347,181	26,632,580	27,698,558
Total business-type activities net assets	24,242,663	29,139,306	28,954,086	28,566,084	32,268,639	36,951,874	39,347,192	39,347,226	40,312,363
Primary government									
Invested in capital assets, net of related debt	224,334,222	238,258,763	259,915,857	283,744,346	300,969,094	320,549,054	368,571,215	329,971,760	59,229,411
Restricted	143,360,307	170,022,875	235,402,786	118,153,362	-	4,765,007	2,363,349	2,569,777	282,990,520
Unrestricted	(295,941,460)	(415,313,943)	(572,500,440)	(509,669,884)	(528,185,933)	(641,419,627)	(850,921,488)	(1,034,943,870)	(1,102,172,873)
Total primary government net assets	\$ 71,753,069	\$ (7,032,305)	\$ (77,181,797)	\$ (107,772,176)	\$ (227,216,839)	\$ (316,105,566)	\$ (479,986,924)	\$ (702,402,333)	\$ (759,952,942)

Note: Accrual-basis financial information for the county government as a whole is available back to 2002 only, the year GASB Statement 34 was implemented.

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

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

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

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

Note: Accrual-basis financial information for the county government as a whole is only available to 2002, the year GASB Statement 34 was implemented.

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

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund									
Reserved	\$ 44,731,065	\$ 50,576,597	\$ 57,310,188	\$ 61,953,990	\$ 66,104,415	\$ 69,347,860	\$ 80,995,964	\$ 59,568,772	\$ 57,405,854
Unreserved									
Designated	70,186,739	77,701,690	82,154,600	88,967,560	93,702,950	102,152,253	88,042,891	96,516,043	94,844,472
Undesignated	23,070,973	7,554,664	15,385,236	13,695,413	3,445,318	-	-	-	-
Total General Fund	<u>\$ 137,988,777</u>	<u>\$ 135,832,951</u>	<u>\$ 154,850,024</u>	<u>\$ 164,616,963</u>	<u>\$ 163,252,683</u>	<u>\$ 171,500,113</u>	<u>\$ 169,038,855</u>	<u>\$ 156,084,815</u>	<u>\$ 152,250,326</u>
All Other Governmental Funds									
Reserved	\$ 155,595,616	\$ 156,513,070	\$ 210,129,145	\$ 249,427,470	\$ 128,971,628	\$ 305,899,106	\$ 176,322,876	\$ 187,837,566	\$ 362,326,890
Unreserved									
Designated									
Affordable Housing Fund	-	-	571,467	434,654	1,812,371	2,348,536	3,352,170	3,859,583	3,529,811
Major Facilities Fund*	-	-	-	-	-	5,890,935	2,086,687	113,108	-
Debt Service Fund	21,797,140	39,467,129	51,600,999	57,550,208	56,051,891	94,678,271	97,607,126	144,717,199	134,576,400
Capital Improvements Fund	62,738,171	91,973,212	110,307,300	82,236,977	44,458,601	73,659,702	58,296,181	20,093,659	68,866,932
School Capital Fund	157,211,533	179,763,937	208,315,508	40,272,397	-	108,815,211	-	103,244,775	172,992,885
Water, Wastewater, and Flood Control Fund	12,497,060	-	-	-	-	-	-	-	-
Nonmajor Special Revenue Funds	3,849,226	6,552,802	8,049,845	8,618,775	6,722,415	2,585,927	805,980	1,682,671	5,478,476
Nonmajor Capital Project Funds	1,329,323	1,215,677	1,322	520,195	-	3,734,108	9,553,041	31,816,861	63,785,051
Undesignated									
Nonmajor Special Revenue Funds	567,013	3,091,433	1,297,847	603,792	2,202,206	2,795,448	2,643,607	2,625,745	137,609
Nonmajor Capital Project Funds	-	-	-	-	(3,133,969)	-	(10,033,460)	8,628,123	-
Total All Other Governmental Funds	<u>\$ 415,585,082</u>	<u>\$ 478,577,260</u>	<u>\$ 590,273,433</u>	<u>\$ 439,664,468</u>	<u>\$ 237,085,143</u>	<u>\$ 600,407,244</u>	<u>\$ 340,634,208</u>	<u>\$ 504,619,290</u>	<u>\$ 811,694,054</u>

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues									
Taxes	\$ 485,189,732	\$ 514,161,092	\$ 580,295,091	\$ 609,308,349	\$ 647,548,590	\$ 710,275,214	\$ 779,282,089	\$ 805,971,657	\$ 792,862,640
Licenses and permits	2,296,153	2,229,574	2,541,490	3,826,961	4,455,484	3,966,854	4,317,114	172,956,616	151,643,808
Intergovernmental	105,804,714	109,444,008	113,838,108	118,587,529	133,663,332	131,862,575	156,374,930	61,597,480	58,060,472
Charges for services	55,829,622	69,059,260	80,177,453	84,971,746	90,286,022	66,353,660	63,848,042	3,640,114	2,511,430
Investment earnings	14,609,693	10,442,735	8,285,340	13,965,562	18,210,761	34,917,361	31,505,676	16,032,292	14,450,008
Miscellaneous	1,310,252	968,615	1,265,598	1,747,001	1,967,157	1,766,839	2,209,788	1,300,892	1,589,375
Total revenues	<u>665,040,166</u>	<u>706,305,284</u>	<u>786,403,080</u>	<u>832,407,148</u>	<u>896,131,346</u>	<u>949,142,503</u>	<u>1,037,537,639</u>	<u>1,061,499,051</u>	<u>1,021,117,733</u>
Expenditures									
General administration	46,325,340	52,727,040	54,531,419	54,503,193	67,496,914	69,670,869	62,616,556	57,333,739	62,312,808
Human services	168,052,098	199,717,806	218,390,386	242,728,896	251,447,674	237,426,103	239,200,024	245,260,302	228,226,056
Education	357,706,273	385,202,779	404,531,045	389,311,077	496,363,021	523,403,059	614,650,186	661,308,744	472,392,741
Community development and cultural	43,881,587	36,993,252	62,777,646	58,106,647	80,047,310	72,320,978	78,880,528	72,398,266	55,323,394
Environmental services	22,116,657	9,228,803	9,230,777	9,699,551	12,720,619	12,639,837	11,579,862	8,906,419	8,107,490
Public safety	59,223,035	78,959,634	91,279,148	101,784,936	111,963,564	117,581,846	137,019,013	153,430,681	174,204,071
General Services Administration**	-	-	-	-	-	-	24,950,463	28,402,331	24,895,202
Debt service									
Principal	44,096,211	51,900,000	61,348,461	70,642,456	70,480,946	71,522,353	71,574,931	94,944,496	110,568,516
Interest	29,081,649	35,429,497	41,094,397	44,964,694	49,736,040	52,747,094	66,048,503	58,677,460	77,807,693
Total expenditures	<u>770,482,850</u>	<u>850,158,811</u>	<u>943,183,279</u>	<u>971,741,450</u>	<u>1,140,256,088</u>	<u>1,157,312,139</u>	<u>1,306,520,066</u>	<u>1,380,662,438</u>	<u>1,213,837,971</u>
Excess of revenues over (under) expenditures	<u>(105,442,684)</u>	<u>(143,853,527)</u>	<u>(156,780,199)</u>	<u>(139,334,302)</u>	<u>(244,124,742)</u>	<u>(208,169,636)</u>	<u>(268,982,427)</u>	<u>(319,163,387)</u>	<u>(192,720,238)</u>
Other Financing Sources (Uses)									
Transfers in	149,890,005	163,007,957	148,219,664	140,916,584	147,675,732	163,553,933	201,112,793	215,254,756	226,203,272
Transfers out	(148,090,708)	(165,311,957)	(150,648,664)	(142,716,584)	(152,533,732)	(165,723,733)	(193,580,333)	(214,942,756)	(225,799,272)
Refunding bonds issued	-	26,890,000	(87,375,000)	147,400,000	41,000,000	-	-	235,300,000	383,420,000
Payment to refunded bond escrow agent	-	(26,495,000)	83,145,000	(151,425,000)	1,358,620	-	-	(256,895,981)	(449,682,612)
Bond proceeds and premiums	187,904,255	206,515,179	287,036,497	5,718,339	-	580,953,020	-	489,456,200	258,034,180
Limited obligation bonds issued	-	-	-	-	-	-	-	-	303,480,000
Proceeds of capital leases and installment purchases	35,700	83,700	150,384	523,937	2,680,517	955,950	1,619,860	2,022,210	304,944
Total other financing sources (uses)	<u>189,739,252</u>	<u>204,689,879</u>	<u>280,527,881</u>	<u>417,276</u>	<u>40,181,137</u>	<u>579,739,170</u>	<u>9,152,320</u>	<u>470,194,429</u>	<u>495,960,512</u>
Net change in fund balances	<u>\$ 84,296,568</u>	<u>\$ 60,836,352</u>	<u>\$ 123,747,682</u>	<u>\$ (138,917,026)</u>	<u>\$ (203,943,605)</u>	<u>\$ 371,569,534</u>	<u>\$ (259,830,107)</u>	<u>\$ 151,031,042</u>	<u>\$ 303,240,274</u>
Debt service as a percentage of noncapital expenditures	9.78%	10.66%	11.33%	12.52%	11.19%	11.30%	10.95%	11.51%	16.63%

Note: Due to changes in the county's fund structure connected with the implementation of GASB Statement 34, fund balance information is available back to 2002 only.

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

**Assessed Value and Actual Value of Taxable Property¹
Last Ten Fiscal Years**

Fiscal Year	Real Property	Personal Property	Public Service Companies	Total	*County-wide Tax Rate³	Special Tax Districts Tax Rate³	Average County Tax Rate³
2001 ²	46,042,127,552	9,778,590,453	3,704,776,332	59,525,494,337	0.564	0.070	0.634
2002	49,086,983,833	10,391,893,495	3,887,953,582	63,366,830,910	0.564	0.090	0.654
2003	51,858,523,059	10,521,444,050	4,074,884,981	66,454,852,090	0.564	0.100	0.664
2004	54,347,709,322	10,601,740,204	3,477,604,369	68,427,053,895	0.604	0.100	0.704
2005	56,733,308,581	10,954,988,975	3,436,614,540	71,124,912,096	0.604	0.100	0.704
2006	59,644,957,346	12,084,539,414	3,405,223,801	75,134,720,561	0.604	0.100	0.704
2007	62,996,405,923	12,506,221,915	3,341,976,693	78,844,604,531	0.634	0.100	0.734
2008	66,679,502,469	13,556,157,155	2,887,291,656	83,122,951,280	0.678	0.100	0.778
2009 ²	99,568,342,254	14,058,926,692	2,983,256,554	116,610,525,500	0.534	0.080	0.614
2010	103,093,250,199	13,015,000,000	3,050,000,000	119,158,250,199	0.534	0.080	0.614

Notes:

* Real Estate reappraisal effective.

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

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

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

Source: Wake County Revenue Department

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

	Fiscal Year									
	2001 ²	2002	2003	2004	2005	2006	2007	2008	2009 ²	2010
County Direct Rates										
County-wide Rate ¹	\$ 0.564	\$ 0.564	\$ 0.564	\$ 0.604	\$ 0.604	\$ 0.604	\$ 0.634	\$ 0.678	\$ 0.534	\$ 0.534
Various Special Tax Districts	0.070	0.090	0.100	0.100	0.100	0.100	0.100	0.100	0.080	0.080
Total average direct rate	0.634	0.654	0.664	0.704	0.704	0.704	0.734	0.778	0.614	0.614
Municipality Rates										
Town of Angier					0.460	0.500	0.530	0.530	0.530	0.530
Town of Apex	0.420	0.400	0.400	0.400	0.400	0.400	0.400	0.400	0.340	0.340
Town of Cary	0.430	0.420	0.420	0.420	0.420	0.420	0.420	0.420	0.330	0.330
Town of Clayton							0.490	0.540	0.540	0.540
Town of Fuquay-Varina	0.490	0.490	0.520	0.520	0.520	0.520	0.520	0.520	0.385	0.385
Town of Garner	0.520	0.520	0.560	0.560	0.560	0.560	0.575	0.575	0.490	0.490
Town of Holly Springs	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.415	0.415
Town of Knightdale	0.440	0.440	0.460	0.480	0.500	0.500	0.500	0.500	0.400	0.400
Town of Morrisville	0.470	0.470	0.470	0.470	0.470	0.468	0.468	0.468	0.367	0.367
City of Raleigh	0.385	0.385	0.385	0.385	0.395	0.395	0.435	0.435	0.374	0.374
Town of Rolesville	0.485	0.485	0.485	0.485	0.485	0.485	0.485	0.515	0.420	0.420
Town of Wake Forest	0.500	0.520	0.520	0.530	0.540	0.540	0.540	0.550	0.510	0.510
Town of Wendell	0.540	0.540	0.540	0.540	0.540	0.540	0.540	0.540	0.490	0.490
Town of Zebulon	0.460	0.460	0.480	0.480	0.480	0.490	0.500	0.550	0.510	0.500

Notes:

- (1) All taxable property is subject to the county-wide tax. Most property in unincorporated areas is also subject to special district taxes.
- (2) A revaluation of real property is required by N. C. General Statutes at least every eight years. Revaluation was completed for tax year 2000 (fiscal year 2001) and tax year 2008 (fiscal year 2009).

Source: Wake County Revenue Department

**Principal Property Tax Payers
June 30, 2010
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2010			Fiscal Year 2001		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Progress Energy Carolinas, Inc.	\$ 1,604,732,768	1	1.35%			
Cisco Systems Inc	512,891,145	2	0.43%			
SAS Institute Inc	414,106,978	3	0.35%	\$ 211,907,119	6	0.18%
CVM Holdings LLC	334,450,819	4	0.28%	170,805,503	7	0.14%
NC Eastern Municipal Power Agency	327,026,213	5	0.27%	377,734,679	3	0.32%
Weeks Realty LP	290,359,176	6	0.24%	266,522,446	4	0.22%
Bellsouth Tel Co	280,368,968	7	0.24%	385,137,193	2	0.32%
Time Warner Entertainment	275,160,904	8	0.23%			0.00%
G&I V LTD Partnership	241,493,575	9	0.20%			0.00%
Novartis Vaccines & Diagnostics	213,070,334	10	0.18%			0.00%
Caolina Power & Light Co.				1,954,555,733	1	1.64%
Highwoods Realty LTD				143,765,261	8	0.12%
Midway Airlines Corp.				242,873,696	5	0.20%
Public Service Co of NC				142,689,436	9	0.12%
MCI Worldcom Network Services				134,489,635	10	0.11%
	<u>\$ 4,493,660,880</u>		<u>3.77%</u>	<u>\$ 4,030,480,701</u>		<u>3.37%</u>

Source: Wake County Revenue Department

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year		Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	(Original Levy)	Adjustments		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2001	349,753,540	(3,955,817)	345,797,723	339,854,819	98.28%	5,333,022	345,187,841	99.82%
2002	371,311,309	(4,175,679)	367,135,630	359,727,946	97.98%	5,467,742	365,195,688	99.47%
2003	388,161,413	(2,532,263)	385,629,150	377,914,460	98.00%	6,944,495	384,858,955	99.80%
2004	429,108,412	(2,841,221)	426,267,191	420,310,912	98.60%	5,233,841	425,544,753	99.83%
2005	447,296,073	(2,915,368)	444,380,705	438,197,505	98.61%	5,391,208	443,588,713	99.82%
2006	471,423,336	(4,606,253)	466,817,083	460,044,525	98.55%	5,873,485	465,918,010	99.81%
2007	518,390,324	(3,827,251)	514,563,073	507,081,845	98.55%	6,221,384	513,303,229	99.76%
2008	582,905,166	(4,123,930)	578,781,236	569,645,015	98.42%	7,405,928	577,050,943	99.70%
2009	650,217,614	(10,309,075)	639,875,100	630,648,211	98.56%	6,826,753	637,474,964	99.62%
2010	657,175,469	(7,643,046)	649,532,423	640,993,333	98.69%	-	640,993,333	98.69%

Notes:

Taxes for the fiscal year ended June 30, 2010 at the collection rate of 98.69% are a composite of the following collections by category:

Vehicle taxes	91.06%
Real and personal property taxes	99.16%

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

Schedule of Ad Valorem Taxes Receivable
As of June 30, 2010

Fiscal Year	Uncollected Balance June 30, 2009	Additions	Collections and Credits	Uncollected Balance June 30, 2010
2009-2010	\$ -	\$ 649,532,423	\$ 640,993,333	\$ 8,539,090
2008-2009	7,521,368	-	5,275,863	2,245,505
2007-2008	4,678,205	-	2,947,913	1,730,292
2006-2007	1,436,226	-	176,382	1,259,844
2005-2006	974,809	-	75,736	899,073
2004-2005	833,715	-	41,722	791,993
2003-2004	746,360	-	23,922	722,438
2002-2003	793,339	-	23,144	770,195
2001-2002	1,969,754	-	29,814	1,939,940
Total	<u>\$ 18,953,776</u>	<u>\$ 649,532,423</u>	<u>\$ 649,587,829</u>	18,898,370
Less allowance for uncollectable valorem taxes receivable				<u>(11,122,793)</u>
Ad valorem taxes receivable (net)				<u>\$ 7,775,577</u>
Reconciliation with revenues:				
Taxes - ad valorem - General Fund				\$ 626,082,179
Taxes - ad valorem - Fire Tax District Fund				20,399,438
Reconciling items:				
Interest collected				2,868,955
Other adjustments				847,140
Amounts written off for tax year 1999-2000 per statute of limitations				<u>(609,883)</u>
Total collections and credits				<u>\$ 649,587,829</u>

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

Analysis of Current Tax Levy - Countywide Levy
For the Year Ended June 30, 2010

	County-wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 116,086,847,470	\$ 0.534	\$ 641,621,708	\$ 616,502,698	\$ 25,119,010
Motor vehicles taxed at prior year's rate	2,714,576,639	0.534	14,681,994	-	14,681,994
Penalties	-		-	-	-
Total	<u>118,801,424,109</u>		<u>656,303,702</u>	<u>616,502,698</u>	<u>39,801,004</u>
Discoveries:					
Current year taxes	-		-	-	-
Prior year taxes	-		-	-	-
Penalties	-		871,767	871,767	-
Total	<u>-</u>		<u>871,767</u>	<u>871,767</u>	<u>-</u>
Abatements	(1,450,247,425)		(7,744,321)	(6,195,457)	(1,548,864)
Total property valuation	<u>\$ 117,351,176,684</u>				
Deferred Levy			101,275	101,275	-
Net levy			649,532,423	611,280,283	38,252,140
Uncollected taxes at June 30, 2009			8,539,090	5,118,050	3,421,040
Current year's taxes collected			<u>\$ 640,993,333</u>	<u>\$ 606,162,233</u>	<u>\$ 34,831,100</u>
Current levy collection percentage			98.69%	99.16%	91.06%

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities									Business-Type Activities	Percentage of Personal Income ¹		
	General Obligation Bonds	General Obligation Commercial Paper	Limited Obligation Bonds	Installment Purchases	Quality Zoning Academy Bonds	Clean Water Revolving Loans	Capital Leases	Notes Payable	Total Governmental Activities	Revenue Bonds	Total Primary Government	Per Capita ¹	
2001	637,515,000	-	-	-	-	1,427,525	303,265	-	639,245,790	13,441,805	652,687,595	2.68%	990.44
2002	782,130,000	-	-	-	-	1,189,604	86,536	-	783,406,140	10,287,604	793,693,744	3.23%	1,166.92
2003	926,625,000	-	-	-	2,288,460	951,683	118,956	-	929,984,099	6,998,403	936,982,502	3.71%	1,336.53
2004	1,123,210,000	-	-	9,474,957	2,124,999	713,763	200,710	-	1,135,724,429	-	1,135,724,429	4.18%	1,571.25
2005	1,049,485,000	-	-	8,570,962	1,961,538	475,843	607,239	-	1,061,100,582	-	1,061,100,582	3.91%	1,408.06
2006	1,020,850,000	58,250,000	-	7,763,477	1,798,077	237,923	733,181	-	1,089,632,658	-	1,089,632,658	4.01%	1,377.17
2007	1,505,200,000	-	-	7,778,972	1,634,616	-	571,090	-	1,515,184,678	-	1,515,184,678	5.14%	1,825.46
2008	1,434,595,000	-	-	8,472,500	1,471,155	-	419,418	-	1,444,958,073	-	1,444,958,073	4.43%	1,667.75
2009	1,772,370,000	-	-	9,356,965	1,307,694	-	328,068	-	1,783,362,727	-	1,783,362,727	5.08%	1,987.67
2010	1,794,370,000	-	303,480,000	8,181,909	1,144,233	-	157,095	299,767	2,107,633,004	-	1,803,853,237	4.98%	1,918.74

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

(1) See Schedule 15 for personal income and population data. 2005 and 2006 ratios are calculated using 2004 personal income.

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

General Bonded Debt Outstanding						
Fiscal Year	General Obligation Bonds	General Obligation Commercial Paper	Less: Amounts Available in Debt Service Fund	Total General Bonded Debt	Percentage of Actual Taxable Value of Property¹	Per Capita²
2001	637,515,000	-	404,000,000	233,515,000	0.39%	354.35
2002	782,130,000	-	216,000,000	566,130,000	0.89%	832.35
2003	926,625,000	-	20,000,000	906,625,000	1.36%	1,293.22
2004	1,123,210,000	-	403,600,000	719,610,000	1.05%	995.56
2005	1,049,485,000	-	718,510,000	330,975,000	0.47%	439.20
2006	1,020,850,000	58,250,000	718,500,000	360,600,000	0.48%	455.76
2007	1,505,200,000	-	1,058,390,000	446,810,000	0.57%	538.31
2008	1,434,595,000	-	911,000,000	523,595,000	0.63%	604.33
2009	1,772,370,000	-	514,500,000	1,257,870,000	1.08%	1,401.97
2010	1,794,370,000	-	391,870,000	1,402,500,000	1.18%	1,491.83

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

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

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

Direct and Overlapping Governmental Activities Debt
As of June 30, 2010

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Municipality:			
Apex	\$ 25,400,000	100%	\$ 25,400,000
Cary	171,793,341	100%	171,793,341
Fuquay-Varina	8,640,000	100%	8,640,000
Garner	5,786,995	100%	5,786,995
Holly Springs	14,511,900 ¹	100%	14,511,900
Knightdale	4,128,042	100%	4,128,042
Morrisville	10,279,216	100%	10,279,216
Raleigh	241,140,000	100%	241,140,000
Rolesville	471,500	100%	471,500
Wake Forest	16,790,000 ¹	100%	16,790,000
Wendell	- ¹	100%	-
Zebulon	5,290,000 ¹	100%	5,290,000
	<u>504,230,994</u>		<u>504,230,994</u>
Overlapping debt			
	<u>504,230,994</u>		<u>504,230,994</u>
Direct debt	<u>2,107,633,004</u>		<u>2,107,633,004</u>
Total direct and overlapping debt	<u>\$ 2,611,863,998</u>		<u>\$ 2,611,863,998</u>

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

¹ Overlapping debt provided by Form LGC 129 - Annual Principal and Interest Requirements for FY09-10

Note: Percentage of overlap based on assessed property values.

**Legal Debt Margin Information
Last Ten Years**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessed Value of Property	\$ 59,525,494,337	\$ 63,366,830,910	\$ 66,454,852,090	\$ 68,427,053,895	\$ 71,124,912,096	\$ 75,134,720,561	\$ 78,844,604,531	\$ 83,122,951,280	\$ 116,610,525,500	\$ 119,158,250,199
Debt Limit, 8% of Assessed Value (Statutory Limitation)	\$ 4,762,039,547	\$ 5,069,346,473	\$ 5,316,388,167	\$ 5,474,164,312	\$ 5,689,992,968	\$ 6,010,777,645	\$ 6,307,568,362	\$ 6,649,836,102	\$ 9,328,842,040	\$ 9,532,660,016
Amount of Debt Applicable to Limit										
General Obligation Bonds	637,515,000	782,130,000	926,625,000	1,123,210,000	1,049,485,000	1,020,850,000	1,505,200,000	1,434,595,000	1,772,370,000	1,794,370,000
General Obligation Commercial Paper	-	-	-	-	-	58,250,000	-	-	-	-
Other Long Term Debt	1,427,525	1,189,604	3,240,143	12,313,719	11,008,343	9,799,477	9,413,588	9,943,655	10,664,659	313,263,004
Bonds Authorized not Issued	404,000,000	216,000,000	20,000,000	403,600,000	718,510,000	718,500,000	1,058,390,000	911,000,000	514,500,000	391,870,000
Total net debt applicable to limit	<u>1,042,942,525</u>	<u>999,319,604</u>	<u>949,865,143</u>	<u>1,539,123,719</u>	<u>1,779,003,343</u>	<u>1,807,399,477</u>	<u>2,573,003,588</u>	<u>2,355,538,655</u>	<u>2,297,534,659</u>	<u>2,499,503,004</u>
Legal Debt Margin	<u>\$ 3,719,097,022</u>	<u>\$ 4,070,026,869</u>	<u>\$ 4,366,523,024</u>	<u>\$ 3,935,040,593</u>	<u>\$ 3,910,989,625</u>	<u>\$ 4,203,378,168</u>	<u>\$ 3,734,564,774</u>	<u>\$ 4,294,297,447</u>	<u>\$ 7,031,307,381</u>	<u>\$ 7,033,157,012</u>
Total net debt applicable to limit as a percentage of debt limit	21.90%	19.71%	17.87%	28.12%	31.27%	30.07%	40.79%	35.42%	24.63%	26.22%

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

**Demographic and Economic Statistics
Last Ten Years**

Year	Population Estimates¹	Personal Income² (thousands of dollars)	Per Capita Personal Income³	School Employment⁴	Unemployment Rate⁵
2001	658,988	\$ 24,395,403	\$ 37,012	97,583	4.0%
2002	680,159	24,608,879	36,166	101,397	5.6%
2003	701,058	25,260,035	36,016	104,373	5.3%
2004	722,817	27,164,020	37,566	108,620	4.4%
2005	753,589	29,470,723	39,095	113,547	4.1%
2006	791,214	32,581,446	41,089	119,306	3.6%
2007	830,029	35,134,837	42,242	128,072	3.5%
2008	866,410	36,190,313	41,691	134,002	4.6%
2009	897,214	*	*	137,706	8.4%
2010	940,122 ^	*	*	139,599	8.5% ^^

* Information not yet available

(1) U.S. Census Bureau, 2009 Population Estimates, Census 2000, 1990 Census

(2) Bureau of Economic Analysis Regional, Economic Information System- Bureau of Economic Analysis April 2010.

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

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

(5) Employment Security Commission of North Carolina . 2001-2010 Annual Average.

^ Projected by Wake County Planning

^^Civilian Labor Force Estimates based on 7 months average - Employment Security Commission of North Carolina

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

Employer	2010			2001		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of North Carolina	24,739	1	5.93%	23,230	1	6.40%
Wake County Public School Systems	16,755	2	4.01%	12,500	3	3.44%
International Business Machines (IBM)	10,800	3	2.59%	13,000	2	3.58%
North Carolina State University	7,500	4	1.80%	7,787	4	2.15%
WakeMed Health & Hospitals	7,100	5	1.70%	5,000	6	1.38%
GlaxoSmithKline, Inc.	6,000	6	1.44%	5,850	5	1.61%
Rex Healthcare	4,400	7	1.05%	3,779	8	1.04%
SAS Institute, Inc.	4,149	8	0.99%	3,600	9	0.99%
Cisco Systems	4,000	9	0.96%			0.00%
Wake County Government	3,494	10	0.84%			0.00%
Nortel				4,848	7	1.34%
Progress Energy				3,428	10	0.94%
	<u>88,937</u>		<u>21.31%</u>	<u>83,022</u>		<u>22.87%</u>

Source: Greater Raleigh Chamber of Commerce.

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

Function/Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General administration	332.30	353.05	365.30	380.75	392.60	419.10	474.05	330.00	327.00	294.00
Human services	1,348.85	1,372.47	1,491.84	1,581.67	1,645.42	1,666.32	1,782.67	1,609.00	1,604.00	1,623.00
Community development and cultural	238.00	239.50	240.88	240.38	247.00	275.00	300.00	255.00	254.00	287.50
Environmental services	98.75	105.00	100.00	98.00	104.00	106.00	115.00	124.00	111.00	112.00
Public safety	651.00	686.00	746.00	811.00	828.00	940.00	1,025.00	1,022.00	1,050.00	1,057.00
General services administration**	-	-	-	-	-	-	-	121.00	123.00	121.00
Total	<u>2,668.90</u>	<u>2,756.02</u>	<u>2,944.02</u>	<u>3,111.80</u>	<u>3,217.02</u>	<u>3,406.42</u>	<u>3,696.72</u>	<u>3,461.00</u>	<u>3,469.00</u>	<u>3,494.50</u>

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

Operating Indicators By Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Administration										
Registered voters	575,146	569,222	542,763	508,218	506,186	486,456	432,176	413,657	398,454	426,375
Taxable real estate parcels	322,205	322,620	315,000	299,000	293,371	283,003	269,655	249,750	239,098	229,431
Tax bills	1,120,585	1,125,000	1,100,000	1,100,000	1,032,300	976,847	933,900	902,977	874,053	841,738
Deeds and real estate documents recorded	167,888	189,164	243,000	250,000	243,500	250,000	274,235	218,366	175,095	160,525
Acres of land being landscaped	711	661	661	645	645	617	580	551	514	477
Human Services										
Family medicaid recipients	64,595	54,904	48,408	45,300	*	41,409	36,687	*	*	*
Laboratory tests	178,068	192,753	202,375	200,228	239,180	228,300				
School nurse health support services	23,211	*	9,691	9,759	9,575	*		*	*	*
Families receiving maternal and child health case management services	4,844	5,424	2,544	2,534	3,137	*	*	*	*	*
Adult inpatient substance abuse services	641	847	861	808	800+	*	*	*	*	*
Adult care home residents served through on-site inspections	2,637	2,684	2,560	2,560	2500-3000	*	*	*	*	*
Homeless served - street outreach	241	476	389	389	201	*	*	*	*	*
Homeless sheltered at S. Wilmington St. Center	2,055	2,055	2,044	2,137	1,703	*	*	*	*	*
Persons testing for HIV/STD	10,619	10,861	21,492	12,056	1,280	*	*	*	*	*
Number of transportation trips provided	145,000	146,060	142,093	195,000	135,957	129,483				
Food assistance individuals	65,101	51,835	45,070	43,002	*	40,658	37,714	32,343	27,604	*
Education										
Students attending public school ¹	139,599	137,706	134,002	128,072	120,504	113,547	108,620	104,373	101,397	97,583
Public school teachers ²	9,277	9,546	9,204	8,644	8,385	7,757	7,435	7,600	7,200	7,050
Community college students-average semester ³	31,067	31,719	29,858	31,160	31,367	27,461	26,194	25,722	24,628	24,184
Community college faculty ⁴	1,213	1,210	1,079	1,096	1,058	1,088	1,057	1,083	999	1,013
Community Development and Cultural										
Libraries - Circulation of youth services	6,322,332	5,883,351	5,523,734	4,805,095	4,284,910	3,903,455	3,571,214	3,291,782	3,272,332	3,108,263
Libraries - Circulation of adult services	5,030,294	4,569,145	4,866,561	4,453,517	4,061,217	3,364,907	3,057,416	2,875,264	2,875,264	2,724,640
Park visitation	1,046,997	987,059	1,003,605	914,278	822,835	805,999	744,481	684,868	773,181	723,004
Residential permits issued - new	277	279	851	1,353	1,703	1,857	1,666	1,322	1,534	1,763
Commercial permits issued - new	2	11	21	11	7	8	15	12	16	29
Building permits - additional, alterations	1,307	1,258	1,639	1,289	1,226	1,181	1,241	1,087	1,169	1,126
Inspections performed	34,650	41,636	55,470	60,307	61,836	57,141	50,020	42,973	49,176	48,894
Environmental Services										
Animal control service calls	14,498	10,742	12,549	5,986	6,672	4,721	6,493	7,081	5,738	6,805
Animals impounded	12,040	11,232	11,318	10,276	10,368	6,361	8,896	8,714	7,763	*
Sanitation inspections	8,215	7,110	5,233	5,518	7,222	7,033	8,772	7,466	7,732	7,207
Public Safety										
Detention intake	35,519	31,789	31,833	31,513	*	32,269	28,000	*	*	*
Civil processes served	98,233	95,009	91,248	*	*	86,121	86,424	79,408	74,708	69,910
Pistol permits processed	15,309	20,768	12,793	10,167	*	10,271	10,170	12,430	10,617	7,775
Average daily jail population	1,341	1,366	1,237	1,222	*	1,193	1,138	890	752	821
Fire/medical incidents responded to by contracting fire departments	26,770	26,399	29,258	11,444	*	22,805	19,824	20,162	17,610	14,641
Wake EMS trips	30,434	29,283	29,132	27,369	24,849	23,266	22,310	21,448	19,676	*
Solid Waste										
Tons received at North Wake Landfill ⁴	N/A	N/A	344,467	573,477	451,919	389,268	365,326	349,902	375,365	*
Tons received at South Wake Landfill ⁵	439,069	463,126	70,669	N/A						
Tons received at Eastern Wake Transfer Station ⁶	260,333	278,464	24,802	N/A						
Household hazardous waste customers	24,449	14,471	12,423	11,679	12,088	8,975	7,470	*	*	*

* Information not available.

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

(2) Wake County Public Schools.

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

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

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

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

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

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Administration										
Rentable square footage	3,369,836	3,213,049	3,111,096	3,039,976	2,968,199	2,842,465	2,781,886	2,704,944	2,678,366	2,678,366
Human Services										
Number of centers	20	15	14	14	15	*	*	*	*	*
Education										
Number of schools	159	156	153	147	139	132	127	125	122	120
Community Development and Cultural										
Libraries - branches	20	19	19	19	17	17	17	17	17	17
Volume of library books	1,670,538	1,714,645	1,846,996	1,670,543	1,476,396	1,520,714	1,490,551	1,463,271	1,473,248	1,435,753
Number of County Parks	7	7	7	7	7	*	*	*	*	*
Number of School Parks	16	16	16	16	16	*	*	*	*	*
Public Safety										
Sheriff - Stations	5	5	5	5	5	4	4	3	2	2
Detention capacity	1,312	1,312	1,312	1,312	1,312	1,312	896	896	896	1,067
EMS - Stations	15	15	15	15	15	15	17	11	11	11

* Information not available.