



Comprehensive Annual Financial Report for the year ended June 30, 2014



***Wake County
North Carolina***

***Comprehensive Annual
Financial Report***

for the fiscal year ended June 30, 2014

Prepared by the Wake County Finance Department

**Wake County Board of
Commissioners**



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Chair
District 2



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District 3



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Vice Chair
District 1



Caroline Sullivan
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County Manager
County Attorney
Clerk to the Board
Deputy County Manager
Deputy County Manager
Finance Director

Wake County North Carolina

Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014

Prepared by the Wake County Finance Department:

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William Spencer Phillips, *Senior Accountant*

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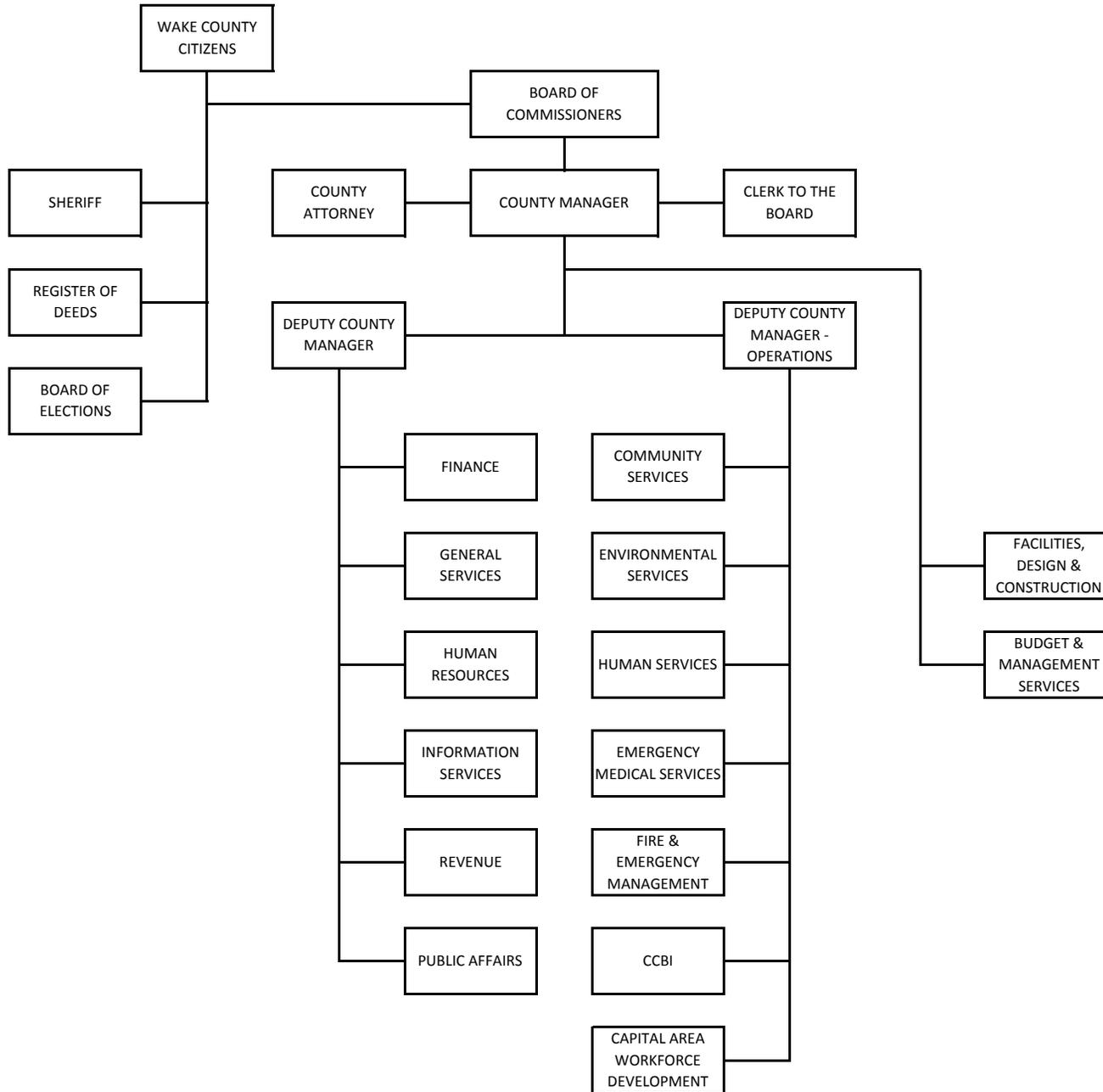
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WAKE COUNTY ORGANIZATION CHART





November 25, 2014

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

Continuing to exercise sound financial management and ensure Wake County's long term fiscal strength 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, 2014, reflects the County's progress towards that goal. The County, like all other local governments in the State, is required by state law to publish a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Each year this document is prepared to fulfill that requirement, as well as to provide details about how the County receives, spends and accounts for its resources and provide key indicators of 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. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft or misuse and help ensure that information is reliable for the preparation of this report. Because the cost of internal controls should not outweigh their benefits, the County's controls have been designed to provide reasonable, rather than absolute assurance that the financial statements are free of material misstatements. Wake County officials believe the data and presentation are fair and accurate, and that everything necessary is included in this document to gain an understanding of the County's financial activities over the last fiscal year.

Wake County Government's financial statements have been audited by Elliott Davis, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2014 are fairly presented in conformity with generally accepted accounting principles. The report of independent auditor is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to 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) as an introduction to the financial information. This analysis immediately follows the auditor's opinion and provides an overview and analysis of the County's significant transactions in fiscal year 2014, to aid readers in understanding the financial impact and the relationship to the financial statements and schedules provided. This letter of transmittal is written to complement the MD&A.

FINANCIAL REPORTING ENTITY

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

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

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

PROFILE OF WAKE COUNTY

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

- **#5 Best City to Raise Children** (Raleigh, NC) MyLife.com, June 2014
- **#4 Best City to Start a Business** (Raleigh, NC) Nerd Wallet, May, 2014
- **#1 Best City for Raising a Family** (Raleigh, NC) Forbes, April 2014
- **#4 Best Big City for Jobs in 2014** (Raleigh, NC) Forbes, April 2014
- **#10 Most Optimistic Community** (Raleigh-Cary, NC) Gallup, April 2014

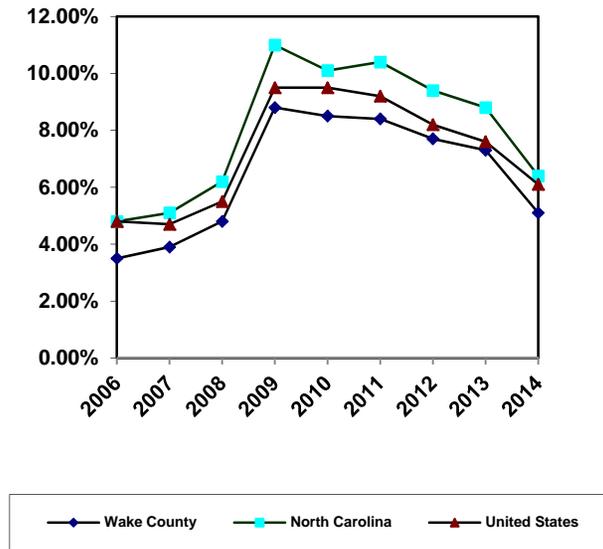
- **#10 Best Metro for Small Business** (Raleigh-Cary, NC) Bizjournals.com, April 2014
- **#4 Most Cost-Attractive Mid-Sized City for Business** (Raleigh, NC) KPMG, April 2014
- **#1 Healthiest County in NC** (Wake County, NC) CountyHealthRankings.org, March 2014
- **#3 Fastest Growing City** (Raleigh-Cary, NC) CNN Money, March 2014
- **#6 Most Affordable and Growing City in the U.S.** (Raleigh, NC) Cheapism.com, January 2014

Centrally located in the Triangle area of North Carolina, Wake County is one of the fastest growing areas in the nation and the second-most populous county in the state, with approximately 1,000,000 residents. Its 12 municipalities include Raleigh, the county seat and state capital. A mix of urban and rural areas and small towns distinguishes Wake from other counties and provides something for every lifestyle. Located in the north central section of the state on the Piedmont Plateau, Wake County is on a major industrial corridor approximately halfway between Washington, D.C., and Atlanta. North Carolina's beautiful mountains and serene beaches are each within easy driving distance. The County's topography is characterized by low, rolling hills in the northwest, changing gradually to level land in the southeast. The location, geography and climate make Wake County an enjoyable place to live, work, learn and play, while also contributing significantly to the economic viability of the region.

FACTORS AFFECTING FINANCIAL CONDITION

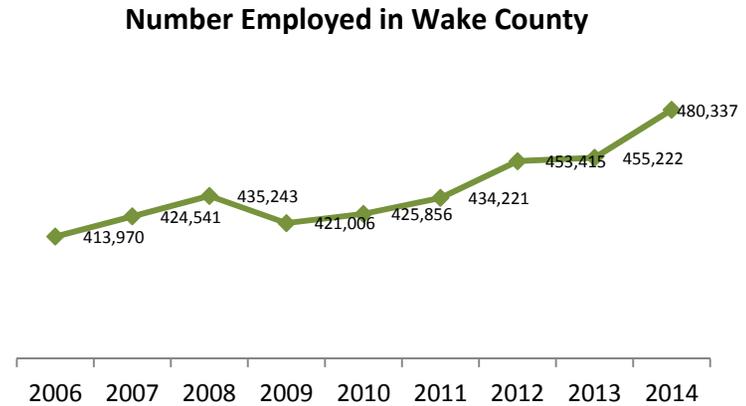
Unemployment Rates

On June 30, 2014, the unemployment rate was 5.1%, compared with 6.5% for the state and 6.1% for the nation. Even with a growing population, Wake County has seen improvement in the unemployment rate, and is at a rate below the state and the country.



Job Growth

Job growth has been strong. The number of jobs in Wake continues to increase. MetLife’s plan to bring 2,600 high-paying jobs by 2015 demonstrates our ability to continue attracting major businesses and grow jobs in Wake County. Wake County Economic Development reports that total announced jobs have grown by 45 percent between 2011 and 2013 and there has been a 71 percent increase in announced new companies and expansions from 2013.



Economic Diversity

The County’s economic profile is a mixture of manufacturing, service industries, health care, educational institutions, and State and local government. The principal executive, judicial and regulatory offices of State government and other State institutions are located in the County. Further, light manufacturing of telecommunications equipment, pharmaceuticals, electrical and machine parts, and electronic components contribute to a diversified economic base. The County is also a regional wholesale and retail trade center.

Major highlights of the County’s commercial, industrial and institutional profile include:

- The Research Triangle Park (the “RTP”), a nationally recognized center for research and light manufacturing, is partially located in the County. The RTP’s primary objective is to attract research-related institutions to the area, and currently consists of approximately 190 organizations including International Business Machines Corporation, GlaxoSmithKline, Cisco Systems, RTI International, Fidelity Investments, National Institute of Environmental Health Sciences, United States Environmental Protection Agency, Biogen IDEC and NetApp. The organizations in the RTP employ an estimated 39,000 employees. Source: Research Triangle Foundation of North Carolina website.
- Six public and private institutions of higher education are located within the County, including North Carolina State University (the “University”) in Raleigh. The University has an enrollment of over 34,000 students and is engaged in graduate and undergraduate education, research and extension programs. It employs approximately 8,000 employees. The University’s unique research park, Centennial Campus, hosts more than 60 companies, government agencies and research and academic units.
- The County is also home to Wake Technical Community College (“Wake Tech”), which is part of the North Carolina Community College System. The mission of Wake Tech is to provide education and training for the workforce. Calendar year 2013 enrollment at Wake Tech was 27,893 students in curriculum education and 41,121 students in continuing education, totaling 69,014 students.
- Three acute care hospital systems are located in the County and employ over 13,000 employees. Source: 2013 State Medical Facilities Plan; Department of Health and Human Services website, February 2013.
- The County’s population is highly educated. According to the U.S. Census Bureau, in 2012 the percentage of the County’s adult population with a high school degree or higher was 92% and the

percentage of the County’s adult population with a B.A. degree or higher was 48%. Source: U.S. Census Bureau American Community Survey, U.S. Census website, December 2013

Long-Term Planning

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

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

On July 1, 2013, the Wake County Justice Center was officially open; however, some of the services in the Justice Center began operations in June 2013. The Justice Center is 577,000 square-feet and provides public meeting space for the Board of Commissioners and administrative space for the County Manager, County Attorney, Finance, Budget, Register of Deeds, Revenue/Assessor and other support functions. The high rise building has 19 new courtrooms and associated support spaces, with the capacity to add four additional courtrooms in the future. It houses all of Wake County’s criminal courtrooms. Civil and Family Court proceedings continue to be held in the existing courthouse.

During fiscal year 2014, significant additions to the County’s debt and capital program were approved. In October 2013, voters approved \$810 million of new general obligation debt, to be combined with \$129.9 million of cash funding, and \$43.8 million of existing funds to finance the new Wake County Public School System CIP 2013 building program. This program will provide funding to meet projected growth of 8,158 elementary students by 2017 and 11,740 middle and high school students by 2018. The program would construct 16 new schools by 2018 plus add an additional 1,343 seats in 6 major renovations. Dollars would be added for critical

items such as life cycle equipment replacement, technology, security, and land acquisition. The first appropriation for this program was made in the spring of 2014. The Board of Commissioners adopted a 4.4 cent property tax increase to finance the debt and capital for the school building program as part of the FY 2015 operating budget, and two months after the end of fiscal year 2014, the County issued \$334.2 million of general obligation bonds in support of CIP 2013 (along with \$11 million of library general obligation bonds). Future debt issuances for Wake Technical Community College's 2012 building program are planned in FY 2015 and FY 2016, along with additional debt issuances for libraries and WCPSS through FY 2017.

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 capital assets, and provide new services when needed.

Wake County's capital funding program leverages debt financing to expand the County's ability to support capital projects. The County's triple-A bond rating from all three rating agencies allows the County to receive lower interest rates on debt issued for capital expenditures. Two fundamental strategies are key to the success of the 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 debt and capital financial model, as it ensures that funds are available to pay for additional debt service payments. Funding is set aside each year in the debt service fund as it is incurred in the future years of the CIP planning period. This strategy was a key component of bond referenda for schools, jail facilities, and open space passed in 2000. This key policy has continued as voters have approved additional referenda for

schools in 2003, 2006, and 2013, referenda for Wake Technical Community College in 2004, 2007, and 2012, for Libraries in 2003 and 2007, and Open Space in 2000, 2003 and 2007.

For FY 2014, the two primary funding sources for the CIP are dedicated property tax revenue (policy to fund at 15.50 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: transfers from other funds, such as the Fire Tax Fund and Major Facilities Fund, investment earnings, and fund balance appropriations.

In June 2013, Commissioners adopted a seven-year, \$457.9 million CIP for fiscal years 2014-2020 in connection with Wake County's capital planning.

The FY 2014 CIP totaled \$457.9 million of initiatives to improve the capital infrastructure of the County, of which \$115.5 million is dedicated to community college facilities. The remaining funds would be invested in several areas of capital need, including criminal justice (\$10.4 million), County building improvements (\$35.3 million), fire/rescue (\$25.1 million), economic development (\$12.9 million), open space (\$3.6 million), solid waste operations (\$19.5 million), investments in libraries (\$48.9 million), parks (\$3.6 million), public safety (\$49.2 million), and automation (\$49.0

million). The FY 2014-2020 CIP is a funded plan; the WCPSS CIP 2013 building program approved by the voters during FY 2014, supported by a 4.4 cent tax property increase implemented in FY 2015, is incorporated in the FY 2015-2021 CIP. The entire FY2014-20 CIP document can be viewed within the FY14 Budget Document at <http://www.wakegov.com/budget>.

OTHER ACCOMPLISHMENTS

Wake County has been named healthiest county in North Carolina for five straight years. In 2014, Wake County and partners launched an initiative to become the healthiest capital county in the United States.

The Emergency Medical Services (EMS) System celebrated 87 survivors of cardiac arrest in 2013, No other community in the United States benefits from a higher cardiac arrest survival rate. More ambulances are on roads at peak times to ensure the EMS system will continue to respond quickly to emergency calls in a growing county.

The County has begun work to open three Open Space properties, Robertson's Mill Pond, Turnipseed Assemblage, and Procter Farm for public access as nature preserves to be enjoyed for generations to come.

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, 2013. This marks the 30th 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, Elliott Davis, PLLC, for their assistance. The cooperation of each County department is appreciated as we work together to conduct the County's financial operations. We also express our appreciation to the members of the Wake County Board of Commissioners for their continued support, 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,

Jim Hartmann
County Manager

Susan McCullen
Susan McCullen, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Wake County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Wake County, North Carolina (the County), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wake

County Board of Alcoholic Control (the Board). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Board were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Major Facilities Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, excluding the introductory and statistical sections, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Raleigh, North Carolina
November 25, 2014



As the management of Wake County, North Carolina, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2014. We encourage readers to read the information presented here in conjunction with the letter of transmittal and the County's financial statements, which follow this overview.

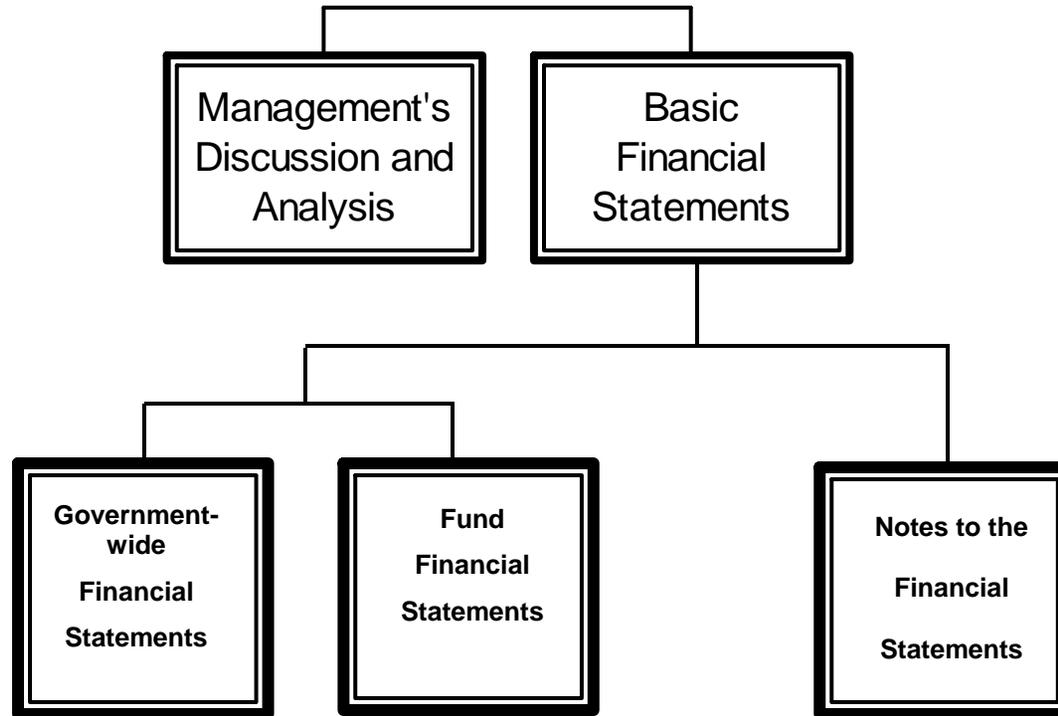
Financial Highlights for Wake County, North Carolina for the Year Ended June 30, 2014:

- As of June 30, 2014, the County's governmental funds reported combined ending fund balances of \$717.4 million, compared with \$824.5 million at the end of the prior fiscal year. All governmental fund balances were at least committed or assigned for specific purposes. There were no unassigned fund balances in the County's governmental funds as of June 30, 2014 or June 30, 2013.
- The fund balance of the County's General Fund increased by \$36.1 million during the year, compared with an increase of \$20.6 million in the prior year. This increase in the General Fund balance resulted from property tax collections that were \$29.8 million more than the property tax collections for the prior fiscal year. In addition, sales taxes collections were \$14 million more for the year ended June 30, 2014 when compared with for the prior year. The amount committed for working capital in the General Fund was \$137.8 million as of June 30, 2014, compared to \$124.0 million as of June 30, 2013.
- Wake County has maintained an "Aaa" bond rating from Moody's Investors Service since 1973, an "AAA" rating from Standard & Poor's Rating Services 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 allowing the County to receive lower interest rates on debt issued for capital expenditures, reducing the County's cost of debt to the taxpayers. These ratings were reaffirmed most recently in August 2014.
- The County measures its financial health and flexibility to meet capital needs as a ratio of fund balance as a percentage of revenues, transferring significant resources from the General Fund into the Debt Service Fund to meet future commitments. The combined General Fund and Debt Service Fund balances are measured together to assess the County's overall fiscal health. In May 2014, the Board of Commissioners adopted changes to the County's fund balance policy and debt service guidelines to formalize this measurement as part of the County's financial policies and to align its financial policies with revised rating agency criteria. These changes allowed the County to demonstrate successfully to the rating agencies the County's commitment to its triple-A credit rating and the County's due consideration of the revised rating criteria.

- The County uses a long-term financial planning model for capital budgeting purposes. The capital and debt component of the model helps to 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 2014 was 53.4 cents, of which, 15.5 cents were dedicated to capital and debt service. In addition, a portion of sales tax is transferred to the debt service fund for school capital debt service. For the fiscal year 2014, the County transferred \$193.84 million from the General Fund to fund debt service and \$37.85 million to fund capital projects.
- During fiscal year 2014, significant additions to the County's debt and capital program were approved by voters. In October 2013, voters approved \$810 million of new general obligation debt, to be combined with \$129.9 million of cash funding, and \$43.8 million of existing funds to finance the new Wake County Public School System (WCPSS) CIP 2013 building program. The first appropriation for this program was made in the spring of 2014.
- The Board of Commissioners adopted a 4.40 cent property tax increase to finance the debt and capital for the school building program as part of the FY 2015 operating budget. Two months after the end of fiscal year 2014, the County issued \$334.2 million of general obligation bonds in support of CIP 2013 (along with \$11 million of library general obligation bonds). Future debt issuances for Wake Technical Community College's 2012 building program are planned in FY 2015 and FY 2016, along with additional debt issuances for libraries and WCPSS through fiscal year 2017.

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

The two government-wide statements are each divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as education, human services, public safety, environmental services, community development and cultural services, and general government services. Property and other taxes as well as state and federal grant funds finance most of these activities. The business-type activities are services the County charges customers to provide. For Wake County, only the Solid Waste function is reported as a business-type activity. The final category is the component units. 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 **21 - 23** of this report.

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

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

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

The **Budgetary Comparison Statements** are the next part of the fund financial statements that is presented. The County adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, 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. The County's Major Facilities Fund is also included with the basic financial statements as an annually-budgeted major special revenue fund.

Proprietary Funds – For the fiscal year ended June 30, 2014, the County had three proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for solid waste operations that are County funded as well as the South Wake Landfill Partnership Fund that accounts for the activities associated with the South Wake landfill that is a partnership between the County and eleven municipalities within the County. The enterprise funds are consolidated into the business-type activities that are presented in the Statement of Net Assets and the Statement of Activities. *Internal service funds* are used to account for goods or services provided to one department by another on a cost reimbursement basis. The County also reports the activities associated with the Corporate Fleet Fund within an Internal Service Fund. Because Corporate Fleet Fund activities are primarily related to governmental activities, it is consolidated primarily into the governmental activities that are presented in the Statement of Net Position and the Statement of Activities.

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 and other post-employment benefits to employees. 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 and deferred inflows of resources exceeded assets and deferred outflows of resources by \$644.6 million as of June 30, 2014. Net position is reported in three general categories: net investment in capital assets of \$527.2 million, restricted amounts totaling \$161.6 million, and unrestricted net deficit of \$(1,333.4) million.

One portion of Wake County's net position reflects its investment in capital assets (e.g., land, buildings, vehicles, and equipment); less any related debt still outstanding that was issued to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources. The capital assets cannot be used to liquidate these liabilities. The amount reported as invested in total capital assets increased from \$494.7 million in the prior year to \$527.2 million at June 30, 2014. The largest portion of the increase relates to the County's governmental activities. The County's school-related debt is not included in this calculation as it is not considered capital related debt for Wake County.

The largest category of the County's net position is unrestricted net position. This balance is to be used to meet the government's ongoing obligations to citizens and creditors. At June 30, 2014, the unrestricted deficit of \$1,333.4 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 the debt is not financing capital assets that are owned by the County. As a result, the school debt is reportable within the unrestricted category of net position rather than as part of the category invested in capital assets.

Wake County, North Carolina
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

The breakdown of the unrestricted portion of the total net position, reduced by school bond proceeds and premiums on hand at June 30 of \$77.3 million, is defined as follows:

School System Debt	\$ (1,448,728,109)
All other unrestricted	<u>115,305,615</u>
Total unrestricted (Deficit)	<u>\$ (1,333,422,494)</u>

The amount reported in the total unrestricted category improved from \$(1,393.2) million as of June 30, 2013 to \$(1,333.4) million as of June 30, 2014, a total increase of \$59.8 million in the net position of the County. School-related debt and the associated capital expenses are not considered capital debt for the County since WCPSS, not the County, holds title to the assets purchased or constructed with the debt proceeds. Therefore, the school debt, the related capital expenses, and the associated bond proceeds are reported as part of the unrestricted component net position.

Wake County, North Carolina
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

Wake County's Net Position:

	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
	Governmental	Governmental	Business-type	Business-type	Total	Total
	Activities	Activities	Activities	Activities		
Current and other assets	\$ 792,957,910	\$ 922,636,921	\$ 62,171,174	\$ 54,594,091	\$ 855,129,084	\$ 977,231,012
Capital assets	881,030,814	865,279,696	12,753,655	13,026,721	893,784,469	878,306,417
Total assets	<u>1,673,988,724</u>	<u>1,787,916,617</u>	<u>74,924,829</u>	<u>67,620,812</u>	<u>1,748,913,553</u>	<u>1,855,537,429</u>
Deferred outflows of resources	<u>21,602</u>	<u>64,942</u>	<u>-</u>	<u>-</u>	<u>21,602</u>	<u>64,942</u>
Long-term liabilities/schools	1,510,748,616	1,641,549,119	-	-	1,510,748,616	1,641,549,119
Long-term liabilities/other	709,406,668	729,103,574	24,497,509	20,750,901	733,904,177	749,854,475
Other liabilities	82,438,835	97,100,778	5,455,884	3,060,487	87,894,719	100,161,265
Total liabilities	<u>2,302,594,119</u>	<u>2,467,753,471</u>	<u>29,953,393</u>	<u>23,811,388</u>	<u>2,332,547,512</u>	<u>2,491,564,859</u>
Deferred inflows of resources	<u>61,016,088</u>	<u>69,279,646</u>	<u>100</u>	<u>380</u>	<u>61,016,188</u>	<u>69,280,026</u>
Net position:						
Invested in capital assets	514,397,874	481,647,900	12,753,655	13,026,721	527,151,529	494,674,621
Restricted/various	154,537,617	188,697,751	7,104,803	4,542,124	161,642,420	193,239,875
Unrestricted	<u>(1,358,535,372)</u>	<u>(1,419,397,209)</u>	<u>25,112,878</u>	<u>26,240,199</u>	<u>(1,333,422,494)</u>	<u>(1,393,157,010)</u>
Total net position	<u>\$ (689,599,881)</u>	<u>\$ (749,051,558)</u>	<u>\$ 44,971,336</u>	<u>\$ 43,809,044</u>	<u>\$ (644,628,545)</u>	<u>\$ (705,242,514)</u>

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 an overall collection percentage of 99.47%.
- 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 triple-A bond rating by each of the three major rating agencies. General obligation bonds provide the County the lowest cost of debt to the tax payer and the County's triple-A bond rating allows the County to receive lower interest rates on debt issued for capital expenditures, reducing the cost of debt for the taxpayer.

Wake County, North Carolina
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

Wake County's Changes in Net Position:

	June 30, 2014 Governmental Activities	June 30, 2013 Governmental Activities	June 30, 2014 Business-type Activities	June 30, 2013 Business-type Activities	June 30, 2014 Total	June 30, 2013 Total
Revenues:						
Program revenues:						
Charges for services	\$ 67,458,014	\$ 71,324,932	\$ 22,641,326	\$ 21,836,839	\$ 90,099,340	\$ 93,161,771
Operating grants and contributions	124,810,587	122,185,756	1,638,999	1,601,437	126,449,586	123,787,193
General revenues:						
Property taxes	704,500,482	675,565,832	-	-	704,500,482	675,565,832
Sales taxes	141,340,059	127,273,310	-	-	141,340,059	127,273,310
Grants and contributions not restricted to specific programs	9,977,509	5,294,595	-	-	9,977,509	5,294,595
Other general revenues	57,137,462	52,648,733	4,560,230	1,312,991	61,697,692	53,961,724
Total revenues	1,105,224,113	1,054,293,158	28,840,555	24,751,267	1,134,064,668	1,079,044,425
Expenses:						
General government	61,161,278	57,447,794	-	-	61,161,278	57,447,794
Human services	199,440,132	210,045,271	-	-	199,440,132	210,045,271
Education	455,501,432	423,906,638	-	-	455,501,432	423,906,638
Community development and cultural	75,733,446	73,419,595	-	-	75,733,446	73,419,595
Environmental services	9,125,293	8,647,932	-	-	9,125,293	8,647,932
Public safety	152,696,724	139,372,822	-	-	152,696,724	139,372,822
General services administration	26,653,029	23,127,651	-	-	26,653,029	23,127,651
Interest on long-term debt	65,867,422	66,354,069	-	-	65,867,422	66,354,069
Solid waste	-	-	27,271,943	25,376,961	27,271,943	25,376,961
Total expenses	1,046,178,756	1,002,321,772	27,271,943	25,376,961	1,073,450,699	1,027,698,733
Increase (decrease) in net position before transfers	59,045,357	51,971,386	1,568,612	(625,694)	60,613,969	51,345,692
Transfers	406,320	456,000	(406,320)	(456,000)	-	-
Change in net position	59,451,677	52,427,386	1,162,292	(1,081,694)	60,613,969	51,345,692
Net position, beginning of year	(749,051,558)	(801,478,944)	43,809,044	44,890,738	(705,242,514)	(756,588,206)
Net position, end of the year	\$ (689,599,881)	\$ (749,051,558)	\$ 44,971,336	\$ 43,809,044	\$ (644,628,545)	\$ (705,242,514)

Financial Analysis of the County's Funds:

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's nine major funds, as defined by GAAP for the fiscal year ended June 30, 2014, were the General Fund, the Affordable Housing Fund, the Major Facilities Fund, the Debt Service Fund, the County Capital Projects Fund, the School Capital Fund, the Wake Community College Capital Projects Fund, the Solid Waste Operating Fund, and the South Wake Landfill Partnership Fund, the last two of which are enterprise funds.

As of the close of the 2014 fiscal year, the County's total governmental funds reported combined ending fund balances of \$717.4 million, down \$107.1 million from the \$824.5 million for the prior fiscal year. The County's governmental fund balance decreased primarily because, during the fiscal year ended June 30, 2014, the County used \$94.9 million in School Capital fund balance in accordance with the County's debt and capital model. This reduction in fund balance resulted from school capital expenditures of \$100.9 million exceeding revenues of \$6.8 million. The primary funding source of the School Capital Fund is general obligation bond proceeds, and the County did not issue any school bonds during fiscal year 2014. A total of \$49.9 million of bond proceeds were still on hand at June 30, 2014, compared with \$132.7 million at the end of the prior fiscal year. In August 2014, the County issued \$345.2 million of general obligation bonds in support of the school and library capital programs. Of this amount, \$334.2 was for the school capital program.

The General Fund is the chief operating fund of the County; however, the combined General Fund and Debt Service Fund balances are measured together to assess the County's overall fiscal health. In 2011, the Board of County Commissioners adopted a fund balance policy that required the County to maintain a total General Fund balance of at least fifteen percent (15%) and an amount committed for working capital of at least ten percent (10%) of the following fiscal year's General Fund adopted budget in order to provide the County with adequate working capital and investment income. In May of this year, the Board of Commissioners amended the fund balance policy to also require that the County maintain combined General Fund and Debt Services Fund total fund balances of at least thirty percent (30%) of the combined revenues of both funds. The most recent policy change allows the County to demonstrate our commitment to maintaining our triple-A credit rating and our serious consideration of the revised rating criteria published by two of the three major credit rating agencies during fiscal year 2014.

At the end of the 2014 fiscal year, the fund balances for the County's General Fund and the Debt Service Fund were \$232.45 million and \$135.25 million, respectively; compared with both funds reporting fund balances of \$196.31 million and \$169.05 million respectively in the prior fiscal year. The total fund balances of both funds compared as a percentage of combined general fund and debt service fund combined revenues was 35.8% as of the end of fiscal year 2014, compared with a combined total of 36.3% as of the end of the 2013 fiscal year. The percentage decrease is a result of the use of \$33.8 million of fund balance in the debt service fund, which was a planned use of fund balance. The County's debt and capital model strategically uses fund balance in the debt service fund for debt service expenditures, but in an amount that will not exceed the County's debt service guideline of maintaining a minimum 19 percent fund balance in the debt service fund of

Wake County, North Carolina
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

subsequent year debt service expenditures and the maintenance of a combined general fund and debt service fund balance of at least 30 percent of general fund and debt service fund combined revenues.

The calculations below demonstrate the County's compliance with the updated fund balance policy.

Fund Balance Policy Compliance Analysis:

General Fund:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>Increase (Decrease)</u>
Non-spendable:			
Inventories/noncurrent receivables	\$ 1,147,817	\$ 660,291	\$ 487,526
Restricted:			
Stabilization by State statute	81,561,725	60,378,072	21,183,653
Register of deeds automation	402,853	339,453	63,400
Committed:			
Revaluation reserve	3,120,450	4,093,247	(972,797)
Future appropriations from excess ABC revenues	2,650,000	6,400,000	(3,750,000)
Working capital	137,792,533	124,040,311	13,752,222
Assigned:			
Planned expenditures	5,372,283	-	5,372,283
Future insurance claims	400,000	400,000	-
	<u>232,447,661</u>	<u>196,311,374</u>	<u>36,136,287</u>
General fund balance			
	<u>1,066,422,000</u>	<u>982,800,000</u>	<u>83,622,000</u>
Subsequent Year's Adopted Budget			
	<u>21.80%</u>	<u>19.97%</u>	<u>1.82%</u>
Fund Balance as a percentage of next year's budget (15% minimum)			
Working Capital	<u>137,792,533</u>	<u>124,040,311</u>	<u>13,752,222</u>
Working Capital as a percentage of next year's budget (10% minimum)	<u>12.92%</u>	<u>12.62%</u>	<u>0.30%</u>

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General Fund and Debt Service:

	June 30, 2014	June 30, 2013	Increase (Decrease)
General Fund Revenue and transfers in	\$ 1,011,404,476	\$ 959,404,995	\$ 51,999,481
Debt Service Fund Revenue, transfers in, and premiums on bond issues	<u>208,772,460</u>	<u>235,339,980</u>	<u>(26,567,520)</u>
Combined revenue and transfers in	1,220,176,936	1,194,744,975	25,431,961
Less: General Fund transfers to Debt Service Fund	<u>(193,844,000)</u>	<u>(187,663,000)</u>	<u>(6,181,000)</u>
Combined General Fund and Debt Service Fund Revenue	\$ 1,026,332,936	\$ 1,007,081,975	\$ 19,250,961
 Fund Balance			
General Fund	\$ 232,447,661	\$ 196,311,374	\$ 36,136,287
Debt Service	<u>135,252,125</u>	<u>169,055,200</u>	<u>(33,803,075)</u>
Combined Fund Balance	<u>\$ 367,699,786</u>	<u>\$ 365,366,574</u>	<u>\$ 2,333,212</u>
 Fund Balance as a percentage of Current Year Revenues (30% minimum)	<u>35.8%</u>	<u>36.3%</u>	<u>-0.5%</u>

General Fund Budgetary Highlights:

During the fiscal year ended June 30, 2014, the County revised its General Fund budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

The fund balance of the County's General Fund increased by \$36.1 million during the fiscal year ended June 30, 2014, a substantial amount more than the amount of usage planned of (\$2.9) million. The most significant portion of the total \$39 million difference between planned usage of fund balance and the actual increase in the fund balance of the General Fund resulted from final actual revenues in the General Fund that were significantly more than the amounts projected in the final budget by \$26.1 million. Total taxes were greater than the final budgeted amount by \$12.4 million. Property tax collections exceeded the budgeted amount by \$2.6 million and improved consumer spending resulted in sales tax revenues of more than \$7.9 million over the final budgeted amount. The recovering housing market resulted in additional receipts of real property transfer taxes of \$1.7 million increase over the amount budgeted for the year. Intergovernmental revenues were greater than budgeted by \$11.2 million as a result of revenues from the Wake ABC Board totaling \$8.8 million, \$4.8 million more than budget. Also, the public health settlement from the state for the prior year was received during fiscal year 2014 at \$4.6 million, an amount greater than anticipated. Finally, the County collected \$1.6 million more in charges for services revenues for Medicaid billing than was budgeted. These increases in revenues, combined with positive expenditure budget variances totaling \$12.9 million accounted for most of the \$39 million General Fund balance increase.

Actual expenditures and transfers out in the General Fund were \$12.9 million less than budgeted amounts largely resulting from lower than projected spending by all of the County's departments, particularly Human Services, General Administration, and Public Safety. In the Human Services department, \$2.4 million of the \$6.6 million positive budget difference resulted from additional budgeted amounts that were provided for NC FAST (NC Families Accessing Services through Technology) related services as the County worked to implement new state systems for the SNAP and Medicaid programs during the fiscal year. The NC FAST system was intended to improve the business process for approving SNAP and Medicaid benefits applications which County staff are responsible for in North Carolina. However, Wake County Human Services required additional resources to manage the implementation of the system. The additional resources were committed by the Board of Commissioners prior to June 30, 2014 but expended subsequent to year end. Other Human Services programs were underspent because the transportation program expended less than the prior year. The County's general administration departments' budgets were also underspent by a total of \$2.9 million, with the largest amount being attributed to \$1.5 million of budgeted revaluation expenditures. North Carolina General Statutes require that the County build a reserve over time that will provide funding for the revaluation of property taxes that is completed every eight (8) years under NC law. These revaluation reserve amounts are currently being used to complete revaluation work

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for values that will be effective in calendar year 2016. In Public Safety, the largest portion of the \$1.8 million positive budget variance resulted primarily from savings in salaries and benefits and lowered operating costs.

Proprietary Funds:

The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position in the proprietary fund statement of net position for the Solid Waste Operating Fund at the end of the fiscal year amounted to \$25.2 million, a decrease of \$1.1 million from the \$26.3 million reported at the end of fiscal year 2013. In addition, the South Wake Landfill Fund reported an unrestricted net position of (\$.74) million for the fiscal year 2014, a decrease of \$.5 million from the (\$.24) million reported at the end of the prior fiscal year. The differences between the two fiscal years are minimal.

Capital Asset and Debt Administration

Wake County Capital Assets
(net of Amortization and Depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Land	\$ 123,411,409	\$ 111,471,138	\$ 382,327	\$ 1,875,253	\$ 123,793,736	\$ 113,346,391
Landfills	-	-	7,337,209	7,781,927	7,337,209	7,781,927
Buildings	589,497,768	267,534,033	709,320	738,491	590,207,088	268,272,524
Machinery and equipment	2,768,888	2,706,361	395,246	385,396	3,164,134	3,091,757
Vehicles and motorized equipment	12,097,313	11,140,781	-	-	12,097,313	11,140,781
Improvements other than Buildings	17,414,895	18,012,943	329,966	343,567	17,744,861	18,356,510
Computer Software	21,772,374	10,774,274	-	-	21,772,374	10,774,274
Infrastructure	9,940,660	10,262,525	-	-	9,940,660	10,262,525
Construction in progress	104,127,507	433,377,641	3,599,587	1,902,087	107,727,094	435,279,728
Total	\$ 881,030,814	\$ 865,279,696	\$ 12,753,655	\$ 13,026,721	\$ 893,784,469	\$ 878,306,417

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2014, totals \$893.8 million (net of amortization and depreciation). These assets include buildings, vehicles, computer software, equipment, infrastructure, as well as land and landfills.

Wake County, North Carolina
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

Major capital asset transactions during 2014 fiscal year included continued improvements to county buildings.

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, 2014, the County had total general obligation bonded debt outstanding of \$1.81 billion, \$1.51 billion of which was issued to help meet the capital outlay needs for the School System. In addition to general obligation bonded debt, the County also has outstanding limited obligation bonds, qualified zone academy bonds, capital leases, and installment purchases. A summary of total outstanding debt associated with governmental activities is shown below.

Wake County's Outstanding Debt - Governmental Activities

	2014	2013
General Obligation bonds (schools)	\$ 1,510,258,227	\$ 1,640,895,269
General Obligation bonds (other)	296,071,000	319,238,018
Capital leases	51,293	81,238
Limited obligation bonds	291,053,822	303,982,042
Qualified zoning academy bonds (schools)	490,389	653,850
Installment purchases	5,329,121	5,327,348
Total	<u>\$ 2,103,253,852</u>	<u>\$ 2,270,177,765</u>

Wake County's total general obligation debt decreased by \$153.8 million during the fiscal year ended June 30, 2014. This decrease occurred because \$153.8 million in general obligation bonds principal were retired and the County did not issue any additional general obligation bonds during the fiscal year. Two months after the end of fiscal year 2014, the County issued \$334.2 million of general obligation bonds in support of CIP 2013 (along with \$11 million of library general obligation bonds). All of these changes were made in accordance with the County's long-term capital planning model.

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 5.1% (percent) at June 30, 2014, compared with 7.3% at the end of the previous fiscal year. Over the past fiscal year, Wake County experienced continued improvement in the unemployment rate.
- The County has an eight year revaluation cycle for residential real 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 2013 through fiscal year 2014, the total assessed value increased from \$122.4 billion to \$127.4 billion, an increase of 4.1%. The County is currently revaluing real property for valuations that will be effective for the fiscal year beginning July 1, 2016.
- Total sales tax collections continued to increase during the fiscal year ended June 30, 2014 to \$141.3 million from \$127.3 million in the prior fiscal year, an 11% increase. Likewise, property tax collections increased from \$654.9 million in the prior fiscal year to \$684.7 in the year ended June 30, 2014, an increase of 4.5% and over last year's collections. Occupancy and prepared food and beverage taxes collections increased from the 2013 fiscal year by \$3.1 million or 8%.
- Wake County continues to grow, adding an estimated 18,735 during the fiscal year ended June 30, 2014, bringing the population to 984,568 people. The school system added an additional 3,176 students to the public school system rolls, with a total of 152,684 overall enrolled for the 2013-2014 school year.
- The average yield on investments was 0.27% for the fiscal year 2014, compared to .59% for the fiscal year 2013. As in the prior fiscal years, the County has continued to utilize detailed cash flow planning which has allowed us to keep funds invested until needed for expenditure, maximizing the maturity on our investments and our earnings on our portfolio. The County realized investment earnings on all funds of \$1.63 million for the fiscal year ended June 30, 2014, on an average portfolio balance of more than \$595 million. This compares to 2013 earnings of \$3.58 million on an average portfolio balance of more than \$602 million.
- While the yield on investments continued to fall significantly during fiscal year 2014, this low rate remained partially offset by historically low interest costs for the County's variable rate portfolio. The variable rate is reset weekly by the remarketing agent based on the minimum rate of interest necessary to enable the remarketing agent to remarket all of the weekly rate bonds in the secondary market. The rate ranged from 0.03% to 0.12% during the period July 1, 2013 through June 30, 2014. Lower costs in this portion of

the County's portfolio helped offset lower investment earnings because 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 2015 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2015

Governmental Activities: The County approved an original budget of \$1.066 billion for the General Fund for fiscal year 2015, which represented an \$83.6 million increase compared to the original budget for the fiscal year 2014. For the fiscal year 2015, the General Fund budget included a property tax increase of 4.40 cents (4.04 cents per \$100 assessed valuation) which provided \$55.7 million in property tax revenues to support debt service and cash funding for the WCPSS CIP 2013 capital projects. Additionally, sales tax revenues were projected to increase by for an additional \$15.4 million. On the expenditure side in addition to the increased debt and capital expenditures to fund the WCPSS CIP 2013, the County also increased General Fund operating support for WCPSS by \$10.2 million. Along with a reserve of \$3.75 million for locally funded teacher salary supplements, the fiscal year 2015 budget includes increases of \$3.8 million for Community Health and Vitality and \$2.6 million for public safety. The 2015 budget also included an additional \$11.1 million for other County activities such as building inspections and plan review, use of the Revenue Department reserve funds for the upcoming property tax revaluation in 2016, employee merit increases, and health insurance premiums for employees.

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 Finance Director, Wake County, North Carolina, 301 S. McDowell Street, Raleigh, NC 27601. Additional information concerning Wake County can also be obtained by referring to the County's website at <http://www.wakegov.com>. Copies of financial statements and additional information concerning the Wake County Board of Alcoholic Control, a discretely presented component unit of the County, may be obtained at 1212 Wicker Drive, Raleigh, NC 27604.

Wake County

Basic

Financial Statements

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION As of June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Board of Alcoholic Control
ASSETS				
Cash and investments - pooled equity	\$ 504,033,823	\$ 34,187,629	\$ 538,221,452	\$ -
Cash and investments - reserved	5,128,872	23,235,855	28,364,727	-
Cash and investments - cash equivalents	1,065,513	750	1,066,263	14,890,458
Taxes receivable (net)	3,558,192	-	3,558,192	-
Accounts receivable (net)	85,400,040	2,919,638	88,319,678	-
Loans receivable (net)	3,239,762	1,805,271	5,045,033	-
Accrued interest receivable	257,235	32,193	289,428	-
Prepaid items	3,996,226	1,400	3,997,626	259,077
Internal balances	11,562	(11,562)	-	-
Inventories	448,717	-	448,717	7,703,789
Net pension asset	498,536	-	498,536	-
Restricted assets:				
Cash and investments - cash equivalents with fiscal agent	185,319,432	-	185,319,432	-
Capital assets not being depreciated:				
Land	123,411,409	382,327	123,793,736	8,441,817
Construction in progress	104,127,507	3,599,587	107,727,094	-
Capital assets (net of accumulated depreciation):				
Landfills	-	7,337,209	7,337,209	-
Buildings	589,497,768	709,320	590,207,088	7,455,614
Improvements	17,414,895	329,966	17,744,861	131,770
Machinery and equipment	2,768,888	395,246	3,164,134	372,212
Vehicles and motorized equipment	12,097,313	-	12,097,313	13,212
Computer software	21,772,374	-	21,772,374	-
Infrastructure	9,940,660	-	9,940,660	-
Total assets	1,673,988,724	74,924,829	1,748,913,553	39,267,949
DEFERRED OUTFLOWS OF RESOURCES	21,602	-	21,602	-

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION As of June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Board of Alcoholic Control
LIABILITIES				
Accounts payable and accrued liabilities	\$ 49,218,800	\$ 5,455,884	\$ 54,674,684	\$ 8,545,724
Due to other governmental units	6,664,715	-	6,664,715	-
Unearned revenues	3,500,000	-	3,500,000	-
Accrued interest payable	23,055,320	-	23,055,320	-
Long term liabilities:				
Amounts due within one year:				
Capital leases	31,451	2,099	33,550	-
General obligation bonds - schools	113,754,160	-	113,754,160	-
General obligation bonds - other	22,770,840	-	22,770,840	-
Limited obligation bonds	12,140,000	-	12,140,000	-
Quality zoning academic bonds	163,461	-	163,461	-
Installment purchases	1,666,611	-	1,666,611	-
Compensated absences payable	11,129,883	80,658	11,210,541	-
Closure/post closure costs	-	6,719,000	6,719,000	-
Risk management liabilities	5,387,197	9,587	5,396,784	-
Amounts due beyond one year:				
Capital leases	19,842	3,778	23,620	-
General obligation bonds - schools	1,396,504,067	-	1,396,504,067	-
General obligation bonds - other	273,300,160	-	273,300,160	-
Limited obligation bonds	278,913,822	-	278,913,822	-
Quality zoning academic bonds	326,928	-	326,928	-
Installment purchases	3,662,510	-	3,662,510	-
Other post employment benefits	97,807,565	511,749	98,319,314	1,683,196
Construction reserves	-	845,005	845,005	-
Closure/post closure costs	-	16,325,633	16,325,633	-
Risk management liabilities	2,576,787	-	2,576,787	-
Total liabilities	2,302,594,119	29,953,393	2,332,547,512	10,228,920
DEFERRED INFLOWS OF RESOURCES				
Prepaid property taxes	1,449,801	100	1,449,901	-
Derivative liability	21,602	-	21,602	-
Unamortized gains on debt refundings	59,544,685	-	59,544,685	-
Total deferred inflows of resources	61,016,088	100	61,016,188	-
NET POSITION				
Net investment in capital assets	514,397,874	12,753,655	527,151,529	16,414,625
Restricted for:				
Stabilization by state statute	152,495,807	4,392,652	156,888,459	-
Register of deeds automation	402,853	-	402,853	-
Housing programs	1,638,957	-	1,638,957	-
White goods	-	2,712,151	2,712,151	-
Working capital	-	-	-	3,007,289
Unrestricted (See Note 1.P)	(1,358,535,372)	25,112,878	(1,333,422,494)	9,617,115
Total net position (deficit)	\$ (689,599,881)	\$ 44,971,336	\$ (644,628,545)	\$ 29,039,029

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Board of Alcoholic Control
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government			
				Governmental Activities	Business-type Activities	Total	
FUNCTIONS/PROGRAMS							
Primary Government:							
Governmental activities:							
General government	\$ 61,161,278	\$ 7,145,238	\$ 1,892,488	\$ (52,123,552)	\$ -	\$ (52,123,552)	
Human services	199,440,132	20,072,420	102,589,574	(76,778,138)	-	(76,778,138)	
Education	455,501,432	12,483	17,457,029	(438,031,920)	-	(438,031,920)	
Community development and cultural	75,733,446	6,163,223	661,337	(68,908,886)	-	(68,908,886)	
Environmental services	9,125,293	(254,415)	807,674	(8,572,034)	-	(8,572,034)	
Public safety	152,696,724	31,253,703	1,389,125	(120,053,896)	-	(120,053,896)	
General services administration	26,653,029	3,065,362	13,360	(23,574,307)	-	(23,574,307)	
Interest on long-term debt	65,867,422	-	-	(65,867,422)	-	(65,867,422)	
Total governmental activities	1,046,178,756	67,458,014	124,810,587	(853,910,155)	-	(853,910,155)	
Business-type activities:							
Solid Waste	27,271,943	22,641,326	1,638,999	-	(2,991,618)	(2,991,618)	
Total primary government	\$ 1,073,450,699	\$ 90,099,340	\$ 126,449,586	(853,910,155)	(2,991,618)	(856,901,773)	
Component unit:							
Board of Alcoholic Control	\$ 77,633,142	\$ 78,189,519	\$ -				\$ 556,377
General revenues:							
Property taxes				704,500,482	-	704,500,482	-
Sales taxes				141,340,059	-	141,340,059	-
Occupancy and prepared food taxes				41,270,144	-	41,270,144	-
Other taxes				11,435,136	-	11,435,136	-
Grants and contributions not restricted to specific programs				9,977,509	-	9,977,509	-
Unrestricted investment earnings				2,239,488	196,199	2,435,687	7,166
Gain on sale of capital assets				-	1,805,271	1,805,271	-
Other				2,192,694	2,558,760	4,751,454	14,369
Total general revenues				912,955,512	4,560,230	917,515,742	21,535
Transfers				406,320	(406,320)	-	-
Total general revenues and transfers				913,361,832	4,153,910	917,515,742	21,535
Change in net position				59,451,677	1,162,292	60,613,969	577,912
Net position (deficit), beginning of year				(749,051,558)	43,809,044	(705,242,514)	28,461,117
Net position (deficit), end of year				\$ (689,599,881)	\$ 44,971,336	\$ (644,628,545)	\$ 29,039,029

WAKE COUNTY, NORTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS As of June 30, 2014

	Major Funds							Nonmajor	Total
	General	Affordable	Major	Debt	County	School	Wake Community	Other	
	Fund	Housing	Facilities	Service	Capital Projects	Capital	College Capital	Governmental	Governmental
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Funds	Funds
ASSETS									
Cash and investments - pooled equity	\$ 185,453,468	\$ 3,964,688	\$ 4,740,589	\$ 104,464,318	\$ 73,885,655	\$ 91,353,962	\$ 11,618,115	\$ 24,858,202	\$ 500,338,997
Cash and investments - cash equivalents	1,064,883	30	600	-	-	-	-	-	1,065,513
Cash and investments - restricted	5,128,872	-	-	27,290,253	17,248,779	49,963,207	90,817,192	-	190,448,303
Taxes receivable (net)	3,411,262	-	-	-	-	-	-	146,930	3,558,192
Accounts receivable (net)	77,082,441	135,730	3,917,159	-	452,662	1,956,717	780	1,822,479	85,367,968
Loans receivable	2,404,000	-	-	-	185,762	-	-	650,000	3,239,762
Accrued interest receivable	5,724	138	2,716	226,770	-	7,114	-	12,714	255,176
Internal balances (interfund receivable)	440,709	-	-	-	-	-	-	-	440,709
Prepaid expenditures	546,325	158,085	-	3,291,701	-	-	-	-	3,996,111
Inventories	360,691	-	-	-	-	-	-	-	360,691
Total assets	\$ 275,898,375	\$ 4,258,671	\$ 8,661,064	\$ 135,273,042	\$ 91,772,858	\$ 143,281,000	\$ 102,436,087	\$ 27,490,325	\$ 789,071,422
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 35,538,848	\$ 252,566	\$ 7,663,212	\$ 20,917	\$ 2,700,294	\$ 2,247,169	\$ 3,093,070	\$ 1,393,425	\$ 52,909,501
Due to other governmental units	236,406	-	-	-	-	6,428,309	-	-	6,664,715
Unearned revenue	-	-	-	-	3,500,000	-	-	-	3,500,000
Internal balances (interfund payable)	-	-	-	-	-	-	-	440,709	440,709
Total liabilities	35,775,254	252,566	7,663,212	20,917	6,200,294	8,675,478	3,093,070	1,834,134	63,514,925
DEFERRED INFLOWS OF RESOURCES	7,675,460	-	-	-	349,304	-	-	162,683	8,187,447

WAKE COUNTY, NORTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2014**

	Major Funds							Nonmajor	Total
	General Fund	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	Other Governmental Funds	
Fund Balances:									
Non-spendable:									
Inventories	\$ 360,691	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 360,691
Prepaid expenditures	546,325	158,085	-	3,291,701	-	-	-	-	3,996,111
Noncurrent receivable	240,801	-	-	-	-	-	-	-	240,801
Restricted:									
Stabilization by state statute	81,561,725	2,209,063	997,852	226,770	6,055,590	57,319,389	780	3,685,025	152,056,194
Register of deeds automation	402,853	-	-	-	-	-	-	-	402,853
Housing programs	-	1,638,957	-	-	-	-	-	-	1,638,957
Committed:									
Revaluation reserve	3,120,450	-	-	-	-	-	-	-	3,120,450
Future appropriations from excess local ABC revenues	2,650,000	-	-	-	-	-	-	-	2,650,000
Working capital	137,792,533	-	-	-	-	-	-	2,977,920	140,770,453
Assigned:									
Planned expenditures	5,372,283	-	-	-	55,851,063	66,471,228	1,280,392	14,980,671	143,955,637
Future insurance claims	400,000	-	-	-	-	-	-	-	400,000
Future capital projects	-	-	-	-	23,316,607	10,814,905	98,061,845	3,849,892	136,043,249
Debt service	-	-	-	131,733,654	-	-	-	-	131,733,654
Total Fund Balances	232,447,661	4,006,105	997,852	135,252,125	85,223,260	134,605,522	99,343,017	25,493,508	717,369,050
Total liabilities, deferred inflows of resources, and fund balances	\$ 275,898,375	\$ 4,258,671	\$ 8,661,064	\$ 135,273,042	\$ 91,772,858	\$ 143,281,000	\$ 102,436,087	\$ 27,490,325	\$ 789,071,422

WAKE COUNTY, NORTH CAROLINA

Reconciliation of the Balance Sheet to the Statement of Net Position As of June 30, 2014

Fund balances - Governmental Funds	\$ 717,369,050
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds less assets related to the Corporate Fleet Internal Service Fund	872,275,089
Taxes and other receivables will be collected after year-end, but are not available to pay for current-period expenditures and therefore are deferred in the funds	6,737,646
Net pension assets from the LEO Special Separation allowance resulting from contributions greater than the amount of annual required contributions are not financial resources and therefore not reported in the funds	498,536
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(2,297,867,417)
An internal service fund is used by management to charge the costs of fleet to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	<u>11,387,215</u>
Net deficit of governmental activities	<u>\$ (689,599,881)</u>

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended June 30, 2014

	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	Wake Community College Capital Fund		
REVENUES:									
Taxes	\$ 838,704,603	\$ -	\$ 41,240,331	\$ -	\$ 520	\$ -	\$ -	\$ 21,436,833	\$ 901,382,287
Intergovernmental	100,120,404	5,502,986	-	10,657,055	614,596	6,799,974	-	11,093,082	134,788,097
Charges for services	63,892,407	491,783	-	12,483	838,268	-	-	1,837,259	67,072,200
Fines and forfeitures	-	-	-	-	-	-	-	4,084	4,084
Licenses and permits	4,701,663	-	-	-	-	-	-	-	4,701,663
Investment earnings	46,776	(368)	20,419	2,023,018	299	51,489	-	82,072	2,223,705
Miscellaneous	1,438,478	-	-	-	-	-	-	753,826	2,192,304
Total Revenues	1,008,904,331	5,994,401	41,260,750	12,692,556	1,453,683	6,851,463	-	35,207,156	1,112,364,340
EXPENDITURES:									
Current:									
General government	43,990,791	-	-	294,713	10,145,121	-	-	71,563	54,502,188
Human services	180,846,040	7,247,175	-	-	-	-	-	9,737,959	197,831,174
Education	343,686,958	-	-	-	-	100,921,442	25,281,807	-	469,890,207
Community development and cultural	26,959,932	-	38,372,234	-	9,647,487	-	-	1,457,047	76,436,700
Environmental services	8,301,441	-	-	-	-	-	-	53,393	8,354,834
Public safety	114,486,371	-	-	-	10,816,431	-	-	21,472,009	146,774,811
General services administration	25,317,452	-	-	-	-	-	-	14,755	25,332,207
Debt service:									
Principal	-	-	-	152,250,703	-	-	-	-	152,250,703
Interest	-	-	-	90,030,119	-	-	-	-	90,030,119
Total Expenditures	743,588,985	7,247,175	38,372,234	242,575,535	30,609,039	100,921,442	25,281,807	32,806,726	1,221,402,943
REVENUES OVER (UNDER) EXPENDITURES	265,315,346	(1,252,774)	2,888,516	(229,882,979)	(29,155,356)	(94,069,979)	(25,281,807)	2,400,430	(109,038,603)

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended June 30, 2014

	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	Wake Community College Capital Fund		
OTHER FINANCING SOURCES (USES):									
Transfers in	\$ 2,500,145	\$ 830,000	\$ -	\$ 196,079,904	\$ 35,664,000	\$ -	\$ 3,685,000	\$ 2,487,043	\$ 241,246,092
Transfers out	(231,693,000)	-	(3,228,005)	-	(2,467,043)	(856,820)	-	(2,594,904)	(240,839,772)
Installment purchases issued	-	-	-	-	-	-	-	1,487,000	1,487,000
Capital leases, notes payable and installment purchases	13,796	-	-	-	-	-	-	-	13,796
Total Other Financing Sources (Uses)	(229,179,059)	830,000	(3,228,005)	196,079,904	33,196,957	(856,820)	3,685,000	1,379,139	1,907,116
NET CHANGE IN FUND BALANCES	36,136,287	(422,774)	(339,489)	(33,803,075)	4,041,601	(94,926,799)	(21,596,807)	3,779,569	(107,131,487)
Fund Balances at beginning of year	196,311,374	4,428,879	1,337,341	169,055,200	81,181,659	229,532,321	120,939,824	21,713,939	824,500,537
FUND BALANCES AT END OF YEAR	\$ 232,447,661	\$ 4,006,105	\$ 997,852	\$ 135,252,125	\$ 85,223,260	\$ 134,605,522	\$ 99,343,017	\$ 25,493,508	\$ 717,369,050

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, 2014

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

Net change in fund balances - total governmental funds	\$ (107,131,487)
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.	36,200,755
Depreciation expense for the fiscal year being reported, less depreciation in Corporate Fleet fund	(20,822,559)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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.	159,116,280
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(7,583,071)
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.	(219,951)
An internal service fund is used by management to charge the costs of the County's fleet of vehicles to individual funds. The net revenue of the internal service fund is reported within the governmental activities.	<u>(108,290)</u>
Change in net position of governmental activities	<u><u>\$ 59,451,677</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 825,306,421	\$ 826,279,421	\$ 838,704,603	\$ 12,425,182
Licenses and permits	3,624,386	3,868,641	4,701,663	833,022
Intergovernmental	87,813,713	88,936,266	100,120,404	11,184,138
Charges for services	61,400,880	62,335,541	63,892,407	1,556,866
Investment earnings	45,259	45,259	46,776	1,517
Miscellaneous	1,325,201	1,325,166	1,438,478	113,312
Total Revenues	<u>979,515,860</u>	<u>982,790,294</u>	<u>1,008,904,331</u>	<u>26,114,037</u>
EXPENDITURES:				
Current:				
General administration	46,625,492	46,962,136	43,976,995	2,985,141
Human services	183,356,024	187,460,923	180,846,040	6,614,883
Education	343,686,958	343,686,958	343,686,958	-
Community development and cultural	27,029,888	27,330,064	26,959,932	370,132
Environmental services	8,675,487	8,694,737	8,301,441	393,296
General services administration	25,656,059	25,998,605	25,317,452	681,153
Public safety	115,327,092	116,316,673	114,486,371	1,830,302
Total Expenditures	<u>750,357,000</u>	<u>756,450,096</u>	<u>743,575,189</u>	<u>12,874,907</u>
REVENUES OVER EXPENDITURES	<u>229,158,860</u>	<u>226,340,198</u>	<u>265,329,142</u>	<u>38,988,944</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,434,140	2,473,140	2,500,145	27,005
Transfers out	(231,593,000)	(231,693,000)	(231,693,000)	-
Total Other Financing Sources (Uses)	<u>(229,158,860)</u>	<u>(229,219,860)</u>	<u>(229,192,855)</u>	<u>27,005</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(2,879,662)	36,136,287	39,015,949
APPROPRIATED FUND BALANCE	-	2,879,662	-	(2,879,662)
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ -</u>	<u>36,136,287</u>	<u>\$ 36,136,287</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>196,311,374</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 232,447,661</u>	

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, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES:				
Taxes:				
Occupancy tax	\$ 17,546,000	\$ 18,330,000	\$ 19,213,443	\$ 883,443
Prepared food tax	21,496,000	22,016,000	22,026,888	10,888
Total taxes	39,042,000	40,346,000	41,240,331	894,331
Charges for services	-	-	-	-
Investment earnings	-	-	20,419	20,419
Total Revenues	39,042,000	40,346,000	41,260,750	914,750
EXPENDITURES:				
Raleigh hold harmless - occupancy	680,000	680,000	680,000	-
Cary hold harmless - occupancy	850,992	888,787	931,852	(43,065)
Greater Raleigh Convention and Visitors Bureau	4,502,138	4,691,187	4,906,510	(215,323)
Centennial Authority operations 7%	2,276,276	2,348,885	2,391,070	(42,185)
Centennial - Debt service	5,209,350	5,209,350	5,207,606	1,744
Raleigh annual distribution - \$1M	1,000,000	1,000,000	1,000,000	-
Convention Center	18,157,244	18,977,299	19,455,196	(477,897)
North Carolina Museum of Art	1,000,000	1,000,000	1,000,000	-
Centennial Authority Facility Improvements	1,000,000	1,500,000	1,500,000	-
Green Square	200,000	200,000	200,000	-
St. Augustine's	100,000	100,000	100,000	-
Cary Sports Venue	1,000,000	1,000,000	1,000,000	-
Total Expenditures	35,976,000	37,595,508	38,372,234	(776,726)
REVENUES OVER EXPENDITURES	3,066,000	2,750,492	2,888,516	138,024
OTHER FINANCING SOURCES AND (USES):				
Transfers out to General Fund	(1,171,000)	(1,210,000)	(1,237,005)	(27,005)
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	96,000	450,508	-	(450,508)
Total other financing sources (uses)	(3,066,000)	(2,750,492)	(3,228,005)	(477,513)
REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	(339,489)	\$ (339,489)
Fund Balance at beginning of year			1,337,341	
FUND BALANCE AT END OF YEAR			\$ 997,852	

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of June 30, 2014

	Business-type Activities		Governmental Activities	
	Enterprise		Internal Service	
	Major Funds			
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities	Corporate Fleet Fund
ASSETS				
Current assets:				
Cash and investments - pooled equity	\$ 31,513,441	\$ 2,674,188	\$ 34,187,629	\$ 3,694,828
Cash and investments - reserved	14,256,875	8,978,980	23,235,855	-
Cash and investments - cash equivalents	-	750	750	-
Accounts receivable (net)	818,519	2,101,119	2,919,638	32,073
Loan receivable	1,805,271	-	1,805,271	-
Internal balances (interfund receivable)	198,871	125,114	323,985	-
Prepaid expenditures	1,400	-	1,400	115
Accrued interest receivable	25,508	6,685	32,193	2,059
Inventories	-	-	-	88,026
Total current assets	<u>48,619,885</u>	<u>13,886,836</u>	<u>62,506,721</u>	<u>3,817,101</u>
Noncurrent assets:				
Capital assets not being depreciated:				
Land	382,327	-	382,327	-
Construction in progress	3,599,587	-	3,599,587	-
Capital assets (net of accumulated depreciation):				
Landfills	7,337,209	-	7,337,209	-
Buildings	709,320	-	709,320	-
Machinery and equipment	395,246	-	395,246	163,267
Vehicles	-	-	-	8,592,458
Improvements	329,966	-	329,966	-
Total non-current assets	<u>12,753,655</u>	<u>-</u>	<u>12,753,655</u>	<u>8,755,725</u>
Total assets	<u>61,373,540</u>	<u>13,886,836</u>	<u>75,260,376</u>	<u>12,572,826</u>

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of June 30, 2014

	Business-type Activities		Governmental Activities	
	Enterprise		Internal Service	
	Major Funds			
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities	
			Corporate Fleet Fund	
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	2,460,213	2,995,671	5,455,884	707,653
Internal balances (interfund payable)	125,114	198,871	323,985	-
Total current liabilities	<u>2,585,327</u>	<u>3,194,542</u>	<u>5,779,869</u>	<u>707,653</u>
Noncurrent liabilities:				
Amounts due within one year:				
Capital leases	2,099	-	2,099	-
Compensated absences	77,099	3,559	80,658	56,451
Closure/postclosure care costs	719,000	6,000,000	6,719,000	-
Risk management liabilities	9,501	86	9,587	55,990
Amounts due beyond one year:				
Capital leases	3,778	-	3,778	-
Other post employment benefits	377,079	134,670	511,749	377,079
Construction reserves	-	845,005	845,005	-
Closure/postclosure care costs	13,537,875	2,787,758	16,325,633	-
Total noncurrent liabilities	<u>14,726,431</u>	<u>9,771,078</u>	<u>24,497,509</u>	<u>489,520</u>
Total liabilities	<u>17,311,758</u>	<u>12,965,620</u>	<u>30,277,378</u>	<u>1,197,173</u>
DEFERRED INFLOWS OF RESOURCES	100	-	100	-
NET POSITION				
Net investment in capital assets	12,753,655	-	12,753,655	8,755,725
Restricted:				
Stabilization by state statute	3,397,193	995,459	4,392,652	439,613
White goods	2,712,151	-	2,712,151	-
Unrestricted	<u>25,198,683</u>	<u>(74,243)</u>	<u>25,124,440</u>	<u>2,180,315</u>
Total net position	<u>\$ 44,061,682</u>	<u>\$ 921,216</u>	<u>\$ 44,982,898</u>	<u>\$ 11,375,653</u>
Total net position	\$ 44,061,682	\$ 921,216	\$ 44,982,898	
Adjustment to reflect the consolidation of the Corporate Fleet Fund balances related to Solid Waste	<u>(11,562)</u>	<u>-</u>	<u>(11,562)</u>	
Net position of business-type activities	<u>\$ 44,050,120</u>	<u>\$ 921,216</u>	<u>\$ 44,971,336</u>	

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

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS For the Year Ended June 30, 2014

	Business-type Activities		Governmental Activities	
	Enterprise		Internal Service	
	Major Funds			
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities	Corporate Fleet Fund
OPERATING REVENUES:				
Licenses and permits	\$ 6,400	\$ -	\$ 6,400	\$ -
Charges for services	7,975,334	14,659,592	22,634,926	8,424,930
Gain on sale of capital assets	1,805,271	-	1,805,271	-
Miscellaneous	2,558,760	-	2,558,760	5,530
Total Operating Revenues	12,345,765	14,659,592	27,005,357	8,430,460
OPERATING EXPENSES:				
Cost of service	11,285,046	10,802,257	22,087,303	4,146,819
Administration	1,588,203	823,200	2,411,403	1,074,170
Partner rebates	-	2,129,551	2,129,551	-
Depreciation and amortization	642,293	-	642,293	3,334,937
Total Operating Expenses	13,515,542	13,755,008	27,270,550	8,555,926
OPERATING INCOME (LOSS)	(1,169,777)	904,584	(265,193)	(125,466)
NON-OPERATING REVENUES:				
Intergovernmental	1,638,999	-	1,638,999	-
Investment earnings	159,693	36,506	196,199	15,783
Total Non-Operating Revenues	1,798,692	36,506	1,835,198	15,783
Income (loss) before transfers	628,915	941,090	1,570,005	(109,683)
TRANSFERS:				
Transfers in	991,789	-	991,789	-
Transfers out	(406,320)	(991,789)	(1,398,109)	-
Total Transfers	585,469	(991,789)	(406,320)	-
CHANGE IN NET POSITION	1,214,384	(50,699)	1,163,685	(109,683)
TOTAL NET POSITION, BEGINNING OF YEAR,	42,847,298	971,915	43,819,213	11,485,336
TOTAL NET POSITION, END OF YEAR	\$ 44,061,682	\$ 921,216	\$ 44,982,898	\$ 11,375,653
Change in net position	\$ 1,214,384	\$ (50,699)	\$ 1,163,685	
Adjustment to reflect the consolidation of the Corporate Fleet Fund activities related to Solid Waste	(1,393)	-	(1,393)	
Change in net position of business-type activities	\$ 1,212,991	\$ (50,699)	\$ 1,162,292	

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

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended June 30, 2014

	Business-type Activities Enterprise		Governmental Activities Internal Service	
	Major Funds			
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities	Corporate Fleet Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 6,775,566	\$ 14,732,866	\$ 21,508,432	\$ 8,421,205
Cash payments to suppliers for goods and services	(8,425,863)	(11,585,830)	(20,011,693)	(4,325,418)
Cash payments to employees for services	(1,046,495)	(223,951)	(1,270,446)	(762,299)
Other operating revenues	4,370,431	-	4,370,431	5,530
Net cash provided by operating activities	1,673,639	2,923,085	4,596,724	3,339,018
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenue	1,633,143	-	1,633,143	-
Transfers in	991,789	-	991,789	-
Transfers out	(406,320)	(991,789)	(1,398,109)	-
Net cash provided (used) by noncapital financing activities	2,218,612	(991,789)	1,226,823	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Disposal of capital assets	1,510,494	-	1,510,494	756,247
Acquisition of capital assets	(1,873,170)	-	(1,873,170)	(4,464,107)
Principal payments of capital lease	(673)	-	(673)	-
Net cash used by capital and related financing activities	(363,349)	-	(363,349)	(3,707,860)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received on investments	185,527	42,936	228,463	19,168

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

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended June 30, 2014

	Business-type Activities Enterprise		Governmental Activities Internal Service	
	Major Funds			
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities	Corporate Fleet Fund
Net increase (decrease) in cash and cash equivalents	\$ 3,714,429	\$ 1,974,232	\$ 5,688,661	\$ (349,674)
Cash and cash equivalents at beginning of year	42,055,887	9,679,686	51,735,573	4,044,502
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 45,770,316	\$ 11,653,918	\$ 57,424,234	\$ 3,694,828
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (1,169,777)	\$ 904,584	\$ (265,193)	\$ (125,466)
Adjustments to reconcile operating income/loss to net cash provided (used) by operating activities:				
Depreciation and amortization	642,293	-	642,293	3,334,937
(Increase)/decrease in accounts receivable	(1,199,768)	73,274	(1,126,494)	(3,725)
(Increase)/decrease in prepaid items	385	-	385	(115)
Decrease in inventories	-	-	-	108,695
Increase in accounts payable and accrued liabilities	3,400,506	1,945,227	5,345,733	24,692
Total adjustments	2,843,416	2,018,501	4,861,917	3,464,484
Net cash provided (used) by operating activities	\$ 1,673,639	\$ 2,923,085	\$ 4,596,724	\$ 3,339,018

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of June 30, 2014

	Separation Allowance	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and investments - pooled equity	\$ 1,321,874	\$ 633,177
Accounts receivable (net)	-	3,388,307
Accrued interest receivable	<u>740</u>	<u>366</u>
Total assets	<u>1,322,614</u>	<u>4,021,850</u>
LIABILITIES		
Other liabilities	67,465	669,966
Due to other governmental units	<u>-</u>	<u>3,351,884</u>
Total liabilities	<u>67,465</u>	<u>\$ 4,021,850</u>
NET POSITION		
Held in trust for pension benefits	<u>\$ 1,255,149</u>	

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the Year Ended June 30, 2014

	Separation Allowance
Additions:	
Employer Contributions	\$ 960,030
Net investment income	<u>5,072</u>
Total additions	965,102
Deductions:	
Benefits	<u>1,154,371</u>
Net decrease	(189,269)
Net position held in trust for pension benefits:	
Beginning of year	<u>1,444,418</u>
End of year	<u><u>\$ 1,255,149</u></u>

**Wake County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2014**

**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 statements may be obtained at 1212 Wicker Drive, Raleigh, NC 27604.

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of specific functions are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges for services and grants or contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not 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. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

The County reports the following major funds:

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

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

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

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

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

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

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

Solid Waste Operating Fund - The Solid Waste Operating Fund accounts for the County's landfills, container sites, and recycling operations excluding the 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.

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

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

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

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

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

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 position available to finance the program. It is the County’s policy to first apply grant resources to such programs and then general revenues.

D. Budgetary Data Control

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

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

E. Deposits and Investments

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

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

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

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

F. Receivables and Payables

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

G. Deferred Outflows/ Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then.

H. Taxes Receivable - Deferred Inflows of Resources

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], ad valorem taxes for property other than vehicles are levied on July 1, the beginning of the fiscal year and are due on September 1 (lien date); however, no penalties or interest are assessed until the following January 6. Property taxes on certain registered motor vehicles are assessed and collected throughout the year. The taxes are based on the assessed values as of January 1, 2013.

Ad valorem taxes collected within 30 days after the fiscal year end for the year ended June 30, 2014 and prior years are accrued within the funds because the amounts are considered measurable and available. The remaining ad valorem taxes receivable are not accrued, as the amount is not considered available. These taxes receivable are significantly past due and are not considered to be an available resource to finance the operations of the subsequent year. GAAP states that property taxes, which are measurable but not available, should be initially recorded as deferred inflows of resources under the modified accrual basis of accounting. The receivable amount is reduced by an allowance for uncollectible taxes and an amount equal to the net receivable is shown as deferred inflows of resources on the combined balance sheet. In addition, property taxes collected in advance of the fiscal year to which they apply are recorded as deferred inflows of resources.

I. Allowances for Uncollectible Accounts

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

J. Inventories and Prepaid Expenditures

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

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

K. 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
Computer software	3-10 years
Infrastructure	20-50 years

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

L. 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 position. Bond premiums and discounts are deferred and amortized over the life of the bond using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

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

M. Compensated Absences

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

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

N. Net Position/Fund Balances

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

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

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

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

Committed for Future Appropriations from excess local ABC Board Revenues – portion of fund balance that was committed by the Board of Commissioners on June 17, 2013 for additional revenues received from the local ABC Board. In the fiscal year 2015 adopted budget, the Board created a reserve for \$3,750,000 to increase the appropriation to Wake County Public Schools to increase locally funded teacher supplement scale. This portion is included in Assigned fund balance – planned expenditures. Once management determines an appropriate use of the remaining funds, the Board will approve the appropriation.

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

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

N. Net Position/Fund Balances (cont.)

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

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

Future insurance claims – portion of fund balance that is available for future health, dental or risk management claims. Due to the timing and the nature of these claims, the County may have a surplus of funds at the end of a given fiscal year. These funds are set aside for future unanticipated claims.

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

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

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

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

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

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

Operating Funds – The County will maintain a combined general fund and debt service fund total fund balance of at least 30% of general fund and debt service fund combined revenues.

This commitment is reaffirmed annually in the County’s adopted budget.

**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 position:

The governmental fund balance sheet includes reconciliation between the fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains, “long term liabilities, including bonds payable, are not due in the current period and therefore are not reported in the funds.” The details of this (\$2,297,867,417) difference are as follows:

Outstanding long-term debt payable (per Note 10)	\$ (2,212,191,300)
Less:	
Accrued interest payable	(22,341,702)
Payable to granting agency	(1,712,050)
Risk management liabilities	(2,511,210)
Add:	
Portion of internal service fund's compensated absences included in Note 10	56,451
Portion of internal service fund's other post employment benefits included in Note 10	377,079
Unamortized portion of deferred inflow of resources related to advanced debt refundings (to be amortized over life of debt)	<u>(59,544,685)</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ (2,297,867,417)</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 position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states “the issuance of long term debt such as bonds and leases provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued while these amounts are deferred and amortized in the statement of activities.” The details of this \$159,116,280 difference are as follows:

Debt issued or incurred:	
Installment purchases issued	\$ (1,487,000)
Capital leases issued	(13,796)
Increases in other post employment benefit liability	(21,450,946)
Increases in other post employment benefit liability - Corporate Fleet Fund	92,065
Increases in compensated absences liability	(10,368,387)
Increases in compensated absences liability - Corporate Fleet Fund	43,289
Change in risk management liabilities	60,943
Change in deferred portion of advanced debt refundings	6,354,473
Interest expense accrual and other adjustments	<u>1,928,473</u>
Total Increases	<u>(24,840,886)</u>
Principal repayments:	
General obligation debt - schools	113,282,981
General obligation debt - other	23,167,019
Limited obligation bonds	12,140,000
Installment purchase payments	1,485,227
Qualified zone academy bonds	163,461
Current year amortization of bond premiums - GO Bonds	17,354,060
Current year amortization of bond premiums - LOB Bonds	788,220
Capital lease payments	43,741
Decreases in other post employment benefit liability	5,603,371
Decreases in other post employment benefit liability - Corporate Fleet Fund	(21,603)
Decreases in compensated absences liability	9,990,758
Decreases in compensated absences liability - Corporate Fleet Fund	<u>(40,069)</u>
Total Decreases	<u>183,957,166</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	 <u>\$ 159,116,280</u>

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

Another element of that reconciliation states “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays increases exceeded the book value of capital asset decreases in fiscal year being reported.” The details of this \$36,200,755 difference are as follows:

Capital Asset Increases:	
Capital Asset Increases	\$ 11,975,761
Less acquisitions for the Corporate Fleet Fund	(4,464,107)
Net increase in construction in progress	<u>29,715,128</u>
Total Increases	<u>37,226,782</u>
Capital Asset Decreases:	
Capital asset disposals	(6,589,429)
Add disposals for the Corporate Fleet Fund	2,877,641
Accumulated depreciation related to capital asset disposals	4,807,155
Less accumulated depreciation related to capital asset disposals in the Corporate Fleet Fund	<u>(2,121,394)</u>
Total Decreases	<u>(1,026,027)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 36,200,755</u>

P. Unrestricted (deficit)

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

For school debt	\$	(1,448,728,109)
All other		<u>115,305,615</u>
Total unrestricted net position	\$	<u>(1,333,422,494)</u>

Under North Carolina law, the County is responsible for providing capital funding for the Wake County Board of Education (the “School System”). The County has chosen to meet its legal obligation to provide school capital funding by using a mixture of County funds and general obligation debt. The assets funded by the County are owned, utilized and maintained by the school system. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the school-related debt less unspent bond proceeds was \$1,448,728,109. However, the entire amount of school debt outstanding is general obligation debt, which is collateralized by the full faith, credit, and taxing power of the County. The County is authorized and required by State law to levy ad valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year in which they become due.

**NOTE 2.
Related Organizations**

Industrial Facilities and Pollution Control Financing Authority

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

Wake County Housing Authority

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

Wake County Hospital System, Inc.

The County Board of Commissioners is responsible for appointing eight of the fourteen members of the Wake County Hospital System, Inc. (Wake Med'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 College is reported as a component unit of the State. The County has no responsibility for the designation of management and exercises no control over the operations of the College beyond its annual appropriation. The County has an ongoing financial responsibility for the College because of the statutory responsibilities to provide funding for the College's facilities. The County remitted \$16,190,938 to the College for operating purposes during the current year. In addition, the County made debt service payments of \$13,530,431 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, 2014. 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 Authority is reported as a component unit of the State. The regional facility will consist of an arena, coliseum or other buildings or both, where sports, fitness, health recreational, entertainment or cultural activities can be conducted. In addition, the County remitted \$2,391,070 for operations, \$5,207,606 for debt service and \$1,500,000 for facility improvements from the Occupancy and Prepared Food/Beverage taxes for the Authority. The County does not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2014. 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, 2014. Complete financial statements for the Bureau may be obtained at the Greater Raleigh Convention and Visitors Bureau, PO Box 1879, Raleigh, NC 27602.

**NOTE 4.
Deposits and Investments**

1. Deposits

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

At year-end, the County's deposits had a carrying amount of \$311,688,350 and a bank balance of \$313,144,393. Of the bank balance, \$1,101,583 was covered by federal depository insurance and \$312,042,810 in interest-bearing deposits was covered by collateral held under the pooling method.

2. Investments

As of June 30, 2014, the County had the following investments and maturities.

Investment Type	Fair Value	Less Than		
		2 Years	2 - 3 Years	3 - 5 Years
U.S. Government Treasuries	\$ 49,015,634	\$ 49,015,634	\$ -	\$ -
U.S. Government Agencies	391,712,649	274,193,149	53,075,650	64,443,850
N.C. Capital Management Trust - Cash portfolio	2,510,292	2,510,292	-	-
Total fair value	<u>\$ 443,238,575</u>	<u>\$ 325,719,075</u>	<u>\$ 53,075,650</u>	<u>\$ 64,443,850</u>

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

Credit Risk. The County has no formal policy regarding credit risk, but has an informal investment policy that limits the County's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2014, the County's had no investments in commercial paper. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2014. The County's investments in US Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration risk: The County has no formal policy regarding concentration risk, but has an informal investment policy that limits the amount of commercial paper and certificates of deposits to \$30 million that is allowed in any one issuer's name.

Custodial Credit Risk: For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no formal policy on custodial credit risk. At June 30, 2014, 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 Project Fund	School Capital Fund	Wake Community College Capital Fund	Non Major Funds	Totals
Property taxes	\$ 11,707,188	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 654,690	\$ 12,361,878
Accounts	18,554,192	-	-	-	54,450	-	-	-	18,608,642
Intergovernmental	67,748,015	129,898	5,231	-	103,225	1,956,717	780	1,701,411	71,645,277
Other	3,055,972	55,950	3,911,928	-	4,614,611	-	-	121,069	11,759,530
Loans receivable	2,404,000	27,827,983	-	-	185,762	-	-	650,000	31,067,745
Interest	5,724	138	2,716	226,770	-	7,114	-	12,714	255,176
Gross receivables	103,475,091	28,013,969	3,919,875	226,770	4,958,048	1,963,831	780	3,139,884	145,698,248
Less allowance for bad debts	(20,571,664)	(27,878,101)	-	-	(4,319,624)	-	-	(507,761)	(53,277,150)
Net total receivables	\$ 82,903,427	\$ 135,868	\$ 3,919,875	\$ 226,770	\$ 638,424	\$ 1,963,831	\$ 780	\$ 2,632,123	\$ 92,421,098

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 \$162,500 and \$137,273, respectively.

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

	General Fund	County Capital Project Fund	Non Major Funds	Total
Unavailable:				
Taxes receivable	\$ 2,350,616	\$ -	\$ 146,930	\$ 2,497,546
Other receivables	3,890,796	349,304	-	4,240,100
Total Unavailable	6,241,412	349,304	146,930	6,737,646
Unearned:				
Prepaid property taxes not yet earned	1,434,048	-	15,753	1,449,801
Total Unearned	1,434,048	-	15,753	1,449,801
Total deferred inflows of resources	\$ 7,675,460	\$ 349,304	\$ 162,683	\$ 8,187,447

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

NOTE 6.
Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 111,471,138	\$ 11,940,271	\$ -	\$ 123,411,409
Construction in progress	433,377,641	30,162,627	(359,412,761)	104,127,507
Total capital assets, not being depreciated	<u>544,848,779</u>	<u>42,102,898</u>	<u>(359,412,761)</u>	<u>227,538,916</u>
Capital assets, being depreciated:				
Buildings	379,086,983	337,244,584	-	716,331,567
Improvements Other than Buildings	23,870,964	-	-	23,870,964
Machinery and equipment	37,781,307	2,334,382	(3,237,214)	36,878,475
Vehicles and motorized equipment	35,220,283	6,310,052	(3,352,215)	38,178,120
Computer Software	12,204,146	13,111,734	-	25,315,880
Infrastructure	15,890,215	-	-	15,890,215
Total capital assets being depreciated	<u>504,053,898</u>	<u>359,000,752</u>	<u>(6,589,429)</u>	<u>856,465,221</u>
Less accumulated depreciation for:				
Buildings	111,552,950	15,280,849	-	126,833,799
Improvements Other than Buildings	5,858,021	598,048	-	6,456,069
Machinery and equipment	35,074,946	1,296,399	(2,261,758)	34,109,587
Vehicles and motorized equipment	24,079,502	4,546,702	(2,545,397)	26,080,807
Computer software	1,429,872	2,113,634	-	3,543,506
Infrastructure	5,627,690	321,865	-	5,949,555
Total accumulated depreciation	<u>183,622,981</u>	<u>\$ 24,157,497</u>	<u>\$ (4,807,155)</u>	<u>202,973,323</u>
Total capital assets, being depreciated, net	<u>320,430,917</u>			<u>653,491,898</u>
Governmental activities capital assets, net	<u>\$ 865,279,696</u>			<u>\$ 881,030,814</u>

NOTE 6. (Cont.)
Capital Assets

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,875,253	\$ -	\$ (1,492,926)	\$ 382,327
Construction in progress	1,902,087	1,697,500	-	3,599,587
Total capital assets, not being depreciated/amortized	<u>3,777,340</u>	<u>1,697,500</u>	<u>(1,492,926)</u>	<u>3,981,914</u>
Capital assets, being depreciated/amortized:				
Landfills	39,155,880	-	-	39,155,880
Buildings	1,166,846	-	-	1,166,846
Improvements	544,003	-	-	544,003
Machinery and equipment	751,610	164,653	-	916,263
Total capital assets being depreciated/amortized	<u>41,618,339</u>	<u>164,653</u>	<u>-</u>	<u>41,782,992</u>
Less accumulated depreciation/amortization for:				
Landfills	31,373,953	444,718	-	31,818,671
Buildings	428,355	29,171	-	457,526
Improvements	200,436	13,601	-	214,037
Machinery and equipment	366,214	154,803	-	521,017
Total accumulated depreciation/amortization	<u>32,368,958</u>	<u>\$ 642,293</u>	<u>\$ -</u>	<u>33,011,251</u>
Total capital assets, being depreciated/amortized, net	<u>9,249,381</u>			<u>8,771,741</u>
Business-type activities capital assets, net	<u>\$ 13,026,721</u>			<u>\$ 12,753,655</u>

NOTE 6. (Cont.)
Capital Assets

Depreciation and amortization expenses were charged to functions as follows:

Governmental activities:

General administration	\$ 5,194,668
Human services	1,947,373
Education	355,980
Community development and cultural	2,645,940
Environmental services	359,808
Public safety	10,189,107
General services administration	<u>3,464,621</u>

Total depreciation expense -

Governmental activities	<u>24,157,497</u>
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Business-type activities:

Environmental services - solid waste	<u>642,293</u>
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Total depreciation and amortization	<u><u>\$ 24,799,790</u></u>
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NOTE 6. (Cont.)
Capital Assets

For the 2014 fiscal year, the construction in progress expenditures for governmental activities were as follows:

Construction in Progress:	Expended At 06/30/2014
Automation	\$ 2,905,018
Crabtree Creek Watershed	172,473
Detention Facilities Expansion	12,080,988
Eastwind Development Property	510,332
EMS Station	108,155
Fire Stations	3,706,571
Inpatient Psychiatric Unit	23,853,146
Jeffcoat/Penny Road Tract Open Space	313,088
Jordan Lake Water Reclamation	5,487,895
Judicial Facilities	11,168,895
Libraries	2,391,721
Little River Reservoir	14,860,902
Medlin Farms	383,787
Mitchell Open Space	187,191
RTP Offsite Infrastructure Improvements	1,769
Schools	18,607,964
Sheriff Communications Center	1,874,915
Security Improvements	3,504,079
Southeast Regional Park	2,008,618
	<hr/>
	\$ 104,127,507
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**NOTE 7.
Interfund
Receivables/Payables and
Transfers**

As of June 30, 2014, internal balances total \$440,709 in the governmental funds. This represents amounts due to the General Fund by a non-major governmental fund for their share of cash and investments pooled equity. Internal balances in the business-type activities funds, as of June 30, 2014 are \$323,985. This represents amounts owed to the Solid Waste Operating Fund from the South Wake Landfill Partnership Fund for the County's share of the South Wake Landfill partnership rebates and amounts owed to the South Wake Landfill Partnership Fund from the Solid Waste Operating Fund for the County's portion of tipping fees owed at June 30, 2014.

The County's General Fund transferred funds during fiscal year 2014 to fund debt service payments, capital improvements, economic developments and the County match for State and Federal Grant Programs. The \$406,320 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 \$991,789 transferred from the South Wake Landfill Partnership Fund to the Solid Waste Operating Fund is for administrative expenses incurred in the Solid Waste Operating Fund on behalf of the South Wake Landfill Fund.

	General Fund	Affordable Housing Fund	Debt Service Fund	County Capital Projects Fund	Wake Community College Capital Funds	Other Governmental Funds	Solid Waste Operating Fund	Total Transfers out
General Fund	\$ -	\$ -	\$ 193,844,000	\$ 35,664,000	\$ 2,185,000	\$ -	\$ -	\$ 231,693,000
Major Facilities Fund	1,237,005	-	991,000	-	-	1,000,000	-	3,228,005
Capital Improvements Fund	-	830,000	-	-	1,500,000	137,043	-	2,467,043
School Capital Fund	856,820	-	-	-	-	-	-	856,820
Other Governmental Funds	-	-	1,244,904	-	-	1,350,000	-	2,594,904
Solid Waste Operating Fund	406,320	-	-	-	-	-	-	406,320
South Wake Partnership Fund	-	-	-	-	-	-	991,789	991,789
Total transfers in	<u>\$ 2,500,145</u>	<u>\$ 830,000</u>	<u>\$ 196,079,904</u>	<u>\$ 35,664,000</u>	<u>\$ 3,685,000</u>	<u>\$ 2,487,043</u>	<u>\$ 991,789</u>	<u>\$ 242,237,881</u>

**NOTE 8.
Risk Management**

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

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

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

The County's coverage limits, subject to the retentions and deductibles described above, at June 30, 2014 are as follows:

<u>Coverage</u>	<u>Coverage Limits</u>
Property Insurance - Building and Contents	\$ 300,000,000
Flood Insurance	50,000,000
Flood Insurance (flood zone locations)	10,000,000
Earthquake	150,000,000
Workers' Compensation	Statutory
Employers' Liability	1,000,000
General Liability, Public Officials Liability, Law Enforcement Liability and Auto Liability	10,000,000

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

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

The claims liability of \$7,973,571 at June 30, 2014 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability is actuarially determined and includes an estimate for claims incurred but not reported. This entire amount is accrued and reported in the government-wide statements in the applicable governmental or business-type activities. A portion of the liability is considered current and is reported in the General fund in the fund financial statements. Changes in the fund's claims liability amount during fiscal years 2013 and 2014 are as follows:

Changes in Claims Liability

	Workers' compensation	Property and Liability	Self-insured group medical	Dental Benefits	Total
Balance, as of June 30, 2012	\$ 4,712,418	\$ 825,354	\$ 1,915,823	\$ 143,935	\$ 7,597,530
Claims incurred, fiscal year 2013	1,288,876	653,149	27,284,524	1,825,095	31,051,644
Payments and changes in estimates, fiscal year 2013	<u>1,223,072</u>	<u>259,721</u>	<u>27,570,347</u>	<u>1,830,030</u>	<u>30,883,170</u>
Balance, as of June 30, 2013	4,778,222	1,218,782	1,630,000	139,000	7,766,004
Claims incurred, fiscal year 2014	1,323,988	552,771	21,395,000	1,780,000	25,051,759
Payments and changes in estimates, fiscal year 2014	<u>559,669</u>	<u>829,523</u>	<u>21,619,000</u>	<u>1,836,000</u>	<u>24,844,192</u>
Balance, as of June 30, 2014	<u>\$ 5,542,541</u>	<u>\$ 942,030</u>	<u>\$ 1,406,000</u>	<u>\$ 83,000</u>	<u>\$ 7,973,571</u>
Current portion of liability	<u>\$ 3,393,198</u>	<u>\$ 576,617</u>	<u>\$ 1,370,720</u>	<u>\$ 56,249</u>	<u>\$ 5,396,784</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, 2014, the net book value of the assets acquired through capital leases is \$33,230. The net present value of the future minimum lease payments at June 30, 2014 is \$51,293 for Governmental activities and \$5,877 for Business-type activities, 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, 2014 were \$3,259,468. The future minimum lease payments for non-cancelable operating leases are \$10,641,315 as detailed below.

At June 30, 2014, future minimum lease payments due under capital leases and operating leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

Year Ending June 30	Capital Leases - Governmental	Capital Leases - Business-type	Operating Leases
2015	\$ 33,174	\$ 2,382	\$ 1,400,618
2016	17,461	2,382	1,434,719
2017	2,901	1,588	1,449,111
2018	-	-	1,320,720
2019	-	-	1,104,083
2020-2024	-	-	3,857,472
2025	-	-	744,310
Total minimum lease payments	<u>53,536</u>	<u>6,352</u>	<u>\$ 11,311,033</u>
Less: amount representing interest	<u>(2,243)</u>	<u>(475)</u>	
Net present value of the future minimum lease payments	<u>\$ 51,293</u>	<u>\$ 5,877</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, 2014 was \$534,269.

**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 2.50% to 5.40%. 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 0.03% to 0.12% during the period July 1, 2013 through June 30, 2014. 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, 2014 are comprised of the following:

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 0.04% at June 30, 2014. 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 0.04% at June 30, 2014. The maximum amount of interest cannot exceed 12%.	45,000,000
2004 Refunding Bonds of \$114,380,000 due in annual installments of \$2,865,000 to \$23,870,000 beginning March 1, 2007 through March 1, 2015 interest of 4.00 to 5.00%.	2,865,000
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%.	32,235,000
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%.	1,500,000
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%.	69,000,000
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 0.08% at June 30, 2014. 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 0.08% at June 30, 2014. 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%.	30,000,000
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%.	238,000,000

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

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%.	\$ 10,990,000
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%.	110,770,000
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%.	59,715,000
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%.	377,275,000
2010D Public Improvement Qualified School Construction Bonds of \$34,910,000 due June 1, 2027, interest at 5.10%. Annual payments are required to be made into a sinking fund held by US Bank. The deposits and the interest earned on those deposits will be used to make the principal payment in June 2027.	34,910,000
2010E Public Improvement Bonds of \$18,945,000 due in periodic installments of \$1,890,000 to \$1,895,000 beginning August 1, 2011 through August 1, 2020, interest of 2.50 to 4.00%.	13,265,000
2010F Public Improvement Bonds of \$17,055,000 due in periodic installments of \$1,895,000 beginning August 1, 2021 through August 1, 2029, interest of 4.15 to 5.40%.	17,055,000
2011 Public Improvement Bonds of \$116,800,000 due in periodic installments of \$6,100,000 to \$6,150,000 beginning April 1, 2012 through April 1, 2030, interest of 3.00 to 5.00%.	98,400,000
2012A School Bonds of \$96,790,000 due in periodic installments of \$4,990,000 to \$5,100,000 beginning February 1, 2013 through February 1, 2031, interest of 3.00 to 5.00%.	86,700,000
2012B Refunding Bonds of \$75,290,000 due in annual installments of \$5,260,000 to \$27,845,000 beginning February 1, 2018 through February 1, 2021 interest of 5.00%.	75,290,000
2013A School Bonds of \$51,165,000 due in periodic installments of \$2,565,000 to \$2,700,000 beginning May 1, 2014 through May 1, 2032, interest of 2.50 to 5.00%.	48,600,000
2013B Public Improvement Bonds of \$125,250,000 due in periodic installments of \$6,000,000 to \$6,600,000 beginning May 1, 2014 through May 1, 2032, interest of 3.00 to 5.00%.	118,800,000
Total general obligation bonds outstanding	<u>\$ 1,664,875,000</u>

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

Limited Obligation Bonds:

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

2009 Limited obligation bonds of \$154,620,000, due in annual installments of \$6,180,000 through \$6,185,000 June 2036; interest of 4.75% to 5.00%, collateralized by the Hammond Road Detention Center	\$ 136,065,000
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	136,950,000
Total limited obligation bonds outstanding	<u><u>\$ 273,015,000</u></u>

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2014 are as follows:

Year Ending	Principal	Interest	Total
June 30			
2015	\$ 136,525,000	\$ 69,746,445	\$ 206,271,445
2016	155,055,000	63,563,287	218,618,287
2017	152,985,000	57,014,351	209,999,351
2018	140,655,000	50,691,834	191,346,834
2019	141,315,000	45,623,597	186,938,597
2020-2024	593,450,000	146,207,755	739,657,755
2025-2029	298,745,000	37,749,224	336,494,224
2030-2034	46,145,000	2,841,540	48,986,540
	<u><u>\$ 1,664,875,000</u></u>	<u><u>\$ 473,438,033</u></u>	<u><u>\$ 2,138,313,033</u></u>

The annual requirements to amortize capital leases, installment purchases, limited obligation bonds, notes payable and Qualified Zone Academy debt outstanding as of June 30, 2014 are as follows:

June 30	Principal	Interest	Total
2015	\$ 14,001,523	\$ 13,082,494	\$ 27,084,017
2016	13,119,122	12,582,161	25,701,283
2017	13,039,158	12,121,571	25,160,729
2018	12,777,000	11,624,989	24,401,989
2019	12,491,000	11,071,640	23,562,640
2020-2024	61,833,000	46,567,283	108,400,283
2025-2029	60,700,000	31,591,219	92,291,219
2030-2034	60,700,000	16,626,300	77,326,300
2035-2037	30,225,000	2,700,400	32,925,400
	<u><u>\$ 278,885,803</u></u>	<u><u>\$ 157,968,057</u></u>	<u><u>\$ 436,853,860</u></u>

NOTE 10. (Cont.)
Long-term Debt

The County is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the County may have outstanding to 8 percent of the appraised value of property subject to taxation less property valued for abatement. At June 30, 2014, such statutory limit of the County was \$10,194,119,298 providing a legal debt margin of \$7,299,908,495. Authorized but unissued general obligation bonds as of June 30, 2014 totaled \$950,450,000. This entire amount was for authorized but unissued new general obligation bonds.

Qualified Zone Academy Bonds:

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

Recovery Zone Economic Development Bonds – Wake County Public Schools

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

Qualified School Construction Bonds – Wake County Public Schools

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

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

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

Defeased Debt

In prior years, the County has defeased various general obligation bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the County's government-wide financial statements. As of June 30, 2014, the amount of defeased debt outstanding was \$362,500,000.

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

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, 2014, there were 17 series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$644 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, 2014, the swap had a fair value to the County of (\$21,602). Fair value was estimated by the counterparty using mark to market valuations. As of June 30, 2014, 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, 2014 was rated “A2” by Moody’s Investors Service, “A” by Standard and Poor’s, and “A” by Fitch Ratings. Since the variable interest rate the County pays on the Amended Agreement and the variable interest rate the counterparty pays to the County on the swap are based on the same calculation, the net interest rate is the 3.78% fixed swap rate and there is no interest rate or basis risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The swap may also be terminated if either party’s credit rating on its long-term unsubordinated debt falls to “Baa1” or lower by Moody’s Investors Service, “BBB+” or lower by Standard and Poor’s, and “BBB+” or lower by Fitch Ratings, or such rating is withdrawn or suspended. Termination could result in the County being required to make or being entitled to receive an unanticipated termination payment.

Swap payments and associated debt – Using the variable interest rate as of June 30, 2014 (0.06%) 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
2015	\$ 960,407	\$ 485	\$ 30,108	\$ 991,000
2016	77,694	23	1,453	79,170
Total	<u>\$ 1,038,101</u>	<u>\$ 508</u>	<u>\$ 31,561</u>	<u>\$ 1,070,170</u>

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

Changes In Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 1,801,325,000	\$ -	\$ 136,450,000	\$ 1,664,875,000	\$ 136,525,000
Plus: Premiums on issuance	158,808,287	-	17,354,060	141,454,227	N/A
Total general obligation bonds payable	1,960,133,287	-	153,804,060	1,806,329,227	136,525,000
Limited obligation bonds	285,155,000	-	12,140,000	273,015,000	12,140,000
Plus: Premiums on issuance	18,827,042	-	788,220	18,038,822	N/A
Total limited obligation bonds payable	303,982,042	-	12,928,220	291,053,822	12,140,000
Qualified Zone Academy Bonds	653,850	-	163,461	490,389	163,461
Installment Purchases	5,327,348	1,487,000	1,485,227	5,329,121	1,666,611
Capital leases	81,238	13,796	43,741	51,293	31,451
Other post-employment benefits	81,959,990	21,450,946	5,603,371	97,807,565	-
Compensated absences	10,752,254	10,368,387	9,990,758	11,129,883	11,129,883
Total Governmental Activities	<u>\$ 2,362,890,009</u>	<u>\$ 33,320,129</u>	<u>\$ 184,018,838</u>	<u>\$ 2,212,191,300</u>	<u>\$ 161,656,406</u>
Business-type activities:					
Landfill	\$ 19,845,485	\$ 3,830,384	\$ 631,236	\$ 23,044,633	\$ 6,719,000
Capital leases	-	6,550	673	5,877	2,099
Other post-employment benefits	416,121	124,946	29,318	511,749	-
Compensated absences	68,270	66,005	53,617	80,658	80,658
Total Business-type Activities	<u>\$ 20,329,876</u>	<u>\$ 4,027,885</u>	<u>\$ 714,844</u>	<u>\$ 23,642,917</u>	<u>\$ 6,801,757</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, 2014 this amount, which is not included in the financial statements because the County has no primary responsibility beyond making eligibility determinations, is approximately \$633 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 7.07% and 7.28%, 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, 2012, 2013, and 2014 were \$12,124,342, \$11,816,499 and \$12,231,569, 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 2014 was \$172,353,585. The County's contributions were calculated using the base salary amount of \$172,322,095. The County made contributions amounting to \$8,616,511. Employees made voluntary contributions of \$4,015,300.

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.

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2013, the Separation Allowance's membership consisted of:

Retirees receiving benefits	61
Active plan members	390
Total	<u>451</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 and refunds 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, 2014, the County contributed \$960,030, or 5.0% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed by the General Fund.

The annual required contribution for the fiscal year ended June 30, 2014 was determined as part of the December 31, 2012 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) a 5.00% investment rate of return and (b) projected salary increases ranging from 4.25% per year to 7.85% per year and (c) an inflation component of 3.00%. 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 dollar of pay on an open basis. The remaining amortization period at December 31, 2012 was 20 years.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the plan was 8.52 percent funded. The actuarial accrued liability for benefits was \$11,216,046, and the actuarial value of assets was \$955,207 resulting in an unfunded actuarial accrued liability (UAAL) of \$10,260,839. The covered payroll (annual payroll of active employees covered by the plan) was \$19,752,864, and the ratio of the UAAL to the covered payroll was 51.95 percent.

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 are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**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, 2012	\$ 932,644	80.08%	\$ (708,960)
June 30, 2013	950,503	101.00%	(718,487)
June 30, 2014	1,179,981	81.36%	(498,536)

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	\$ 1,160,997
Interest on net pension obligation	(35,924)
Adjustment to annual required contribution	<u>54,908</u>
Annual pension cost	1,179,981
Contributions made	<u>960,030</u>
Decrease in net pension obligation	219,951
Net pension obligation (asset), beginning of year	<u>(718,487)</u>
Net pension asset, end of year	<u><u>\$ (498,536)</u></u>

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

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

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three (93%) of the amount in the fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the Department of State Treasurer in administering the Fund. For the fiscal year ended June 30, 2014 the County's actual and required contributions were \$85,839.

**NOTE 16.
Post-Employment Benefits**

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

Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. Due to a surplus, a decision was made by the State to temporarily stop employer contributions to the plan as of July 1, 2012. The temporary relief is based on the number of years the County has contributed to the plan as of December 31, 2010. Therefore, for the fiscal year ended June 30, 2014 the County made no contributions to the State.

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

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

Membership in the plan included the following at December 31, 2013, the date of the latest actuarial valuation:

Retirees receiving benefits	781
Active plan members	<u>2,961</u>
Total	<u><u>3,742</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 15.80% of annual covered payroll. For the current year, the County contributed \$5,632,689 or 3.9% of annual covered payroll. The County's medical coverage is self-insured, which is administered by an outside provider. There were no contributions made by employees, except for dependent coverage for retirees in the amount of \$817,555.

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	\$	22,789,029
Interest on net OPEB obligation		3,706,925
Adjustment to annual required contribution		<u>(4,920,062)</u>
Annual OPEB cost		21,575,892
Contributions made		<u>5,632,689</u>
Increase in net OPEB obligation		15,943,203
Net OPEB liability, beginning of year		<u>82,376,111</u>
Net OPEB liability, end of year	\$	<u><u>98,319,314</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
2012	\$ 21,916,189	18.4%	\$ 65,634,043
2013	21,670,462	22.7%	82,376,111
2014	21,575,892	26.1%	98,319,314

As of December 31, 2013, 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 \$208,880,026. The covered payroll (annual payroll of active employees covered by the plan) was \$144,193,316, and the ratio of the UAAL to the covered payroll was 144.9%. 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.

The annual required contribution for the fiscal year ended June 30, 2014 was determined as part of the December 31, 2011 actuarial valuation using the projected unit credit actuarial cost method. 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, an inflation rate of 3.00% and an annual medical cost trend increase of 9.50 to 5.00 percent for pre-Medicare and 7.00 to 5.00 percent for post-Medicare, each over 7 years. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2011 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 effect on the financial position of the County as of June 30, 2014.

**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 closure and postclosure maintenance and monitoring costs is approximately \$23.7 million. The landfill closure and postclosure liability of \$23,044,633 is included as a line item under the noncurrent liabilities in the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund at June 30, 2014. The liability represents a cumulative amount reported to date based on the following facilities.

The North Wake Unlined Landfill and the Feltonville Unlined Landfill have been closed for approximately sixteen years and no additional closure costs are expected at these facilities. The County is currently responsible for monitoring these sites for an additional 15 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 estimates of the costs associated with the corrective action plan are included in the post-closure estimates for these facilities.

Both the North Wake and Feltonville Construction and Demolition facilities stopped accepting waste in fiscal year 2004. 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 Feltonville 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. 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 24 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, 2014, Phase 1 is estimated to be 87% full and will close in or around spring 2016. 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 \$.8 million as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**NOTE 20.
Pollution Remediation
Liability**

During fiscal year 2010, the County received notification from the North Carolina Department of Environment and Natural Resources Division of Waste Management (NCDENR) regarding post closure activities associated with the closed East Wake Landfill. Groundwater contamination and other volatile compounds have been detected at levels above the State groundwater standards. NCDENR has issued a Facility Compliance Inspection Report requiring the County to implement corrective action to address five deficiencies. The County has completed the necessary corrective action in addressing two of the five deficiencies related to leachate seep repairs and recordation of landfill permits. The three deficiencies remaining pertain to the condition of the existing soil landfill cap. Necessary repairs shall improve the soil cap performance and comply with the regulatory requirements. 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, 2014, \$697,463 of pollution remediation liabilities were included in accounts payable and accrued liabilities in the Solid Waste Construction Fund.

**NOTE 21.
Fund Balance**

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

Total fund balance - General Fund:	\$ 232,447,661
Less:	
Inventories	360,691
Prepaid expenditures	546,325
Noncurrent receivables	240,801
Stabilization by State Statute	81,561,725
Register of deeds automation	402,853
Revaluation reserve	3,120,450
Local ABC revenues	2,650,000
Working capital	137,792,533
Planned expenditures	5,372,283
Future insurance claims	400,000
Remaining fund balance	\$ -

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. These amounts are included in the Stabilization by State Statute amount in restricted fund balance. Amounts outstanding at June 30, 2014 are as follows:

General Fund	Affordable Housing Fund	Major Facilities Fund	Major Funds				Wake Community College Capital Fund	Nonmajor
			Debt Service Fund	County Capital Projects Fund	School Capital Fund	Other Governmental Funds		
\$ 4,699,802	\$ 2,073,195	\$ -	\$ -	\$ 9,266,470	\$ 55,355,558	\$ -	\$ 2,343,915	

**NOTE 21. (Cont.)
Fund Balance**

The following schedule provides information regarding the funding for the 15% Uncommitted Funds, as defined in the Interlocal Agreement and Amendments, within the Major Facilities Fund. To the extent that current year revenues are not sufficient for funding these projects, the County anticipates appropriating fund balance. As of June 30, 2014, fund balance in the Major Facilities Fund totaled \$997,852 all of which is Restricted by State Statute.

Fiscal Year	Cary Sports Facilities*	NC Art Museum	NC Museum of Natural Sciences	PNC Arena	St. Augustine's		Total
					College Track	Whitewater Park**	
2010	\$ -	\$ 1,000,000	\$ 700,000	\$ 1,000,000	\$ 100,000	\$ -	\$ 2,800,000
2011	-	1,000,000	900,000	1,000,000	100,000	-	3,000,000
2012	-	1,000,000	900,000	1,000,000	100,000	-	3,000,000
2013	400,000	1,000,000	800,000	1,679,355	100,000	-	3,979,355
2014	1,000,000	1,000,000	200,000	1,500,000	100,000	-	3,800,000
Payments to Date	1,400,000	5,000,000	3,500,000	6,179,355	500,000	-	16,579,355
2015	1,000,000	1,000,000	200,000	1,000,000	100,000	150,000	3,450,000
2016	1,300,000	1,000,000	400,000	1,000,000	100,000	-	3,800,000
2017	1,700,000	1,000,000	-	1,000,000	-	-	3,700,000
2018	2,600,000	-	-	2,000,000	-	-	4,600,000
2019	2,000,000	-	-	2,000,000	-	-	4,000,000
2020	-	-	-	5,000,000	-	-	5,000,000
2021	-	-	-	5,320,645	-	-	5,320,645
Total	\$ 10,000,000	\$ 8,000,000	\$ 4,100,000	\$ 23,500,000	\$ 700,000	\$ 150,000	\$ 46,450,000

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

** Appropriations have not yet been made and are pending executed funding agreements.

**NOTE 22.
Related Party
Transaction**

The County has been working with the City of Raleigh and the Wake County Board of Education (WCPSS) on a master plan involving 43 acres of landfill property. The proposed uses for this property includes a WCPSS elementary school, City of Raleigh athletic fields and community center and an EMS Station. In 2010, the parties signed an Interlocal Agreement and have been focused on the joint planning and development of the property to meet all parties needs. During 2014, the County sold the respective parcels to both the City of Raleigh and the WCPSS for the original acquisition price of the County, which was \$54,000 per acre.

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

Public safety communications was over budget by \$24,740 within the General Fund. This is due to a shortfall in interdepartmental charges to/recovered costs. User departments were billed lower than budget in FY 2014, due to the purchase of certain capital equipment being deferred. Management opted to defer this purchase until after relocation of Raleigh Wake Communications Center to their new facility, which is currently under construction.

The Major Facilities Fund expenditures were overbudget by \$776,726 and transfers were overbudget by \$27,005. Disbursements in the fund are calculated by the amount of revenue received for occupancy and prepared food and beverage taxes. Tax revenues were overbudget by \$883,443. Final revenues are received after June 30 and the County can no longer legally amend the 2014 budget.

The Capital Area Workforce Development Fund had a deficit fund balance of (\$50,544) as of June 30, 2014. This fund is entirely grant funded from federal sources on a reimbursement basis. Due to the timing of the receipts at year-end, funds were not considered available and therefore, not recognized in the current fiscal year. The County expects over the life of the grants, the entire awarded amount will be received to cure the deficit of the fund.

The Solid Waste Operating Fund expenditures were overbudget by \$291,079. The primary reason for this relates to post-closure cost estimates, that are finalized after June 30, came in higher than expected.

**NOTE 24.
Subsequent Events**

On July 18, 2014, the County secured an Installment Financing Agreement for \$1.1 million to fund telecommunications equipment. On August 19, 2014, the County issued \$345,240,000 fixed-rate general obligation bonds. The proceeds of these bonds will be used for Wake County Public Schools capital projects (\$334.24 million) and Library capital projects (\$11 million).

**NOTE 25.
Comparative Data**

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

**NOTE 26.
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, 2014, the Board's deposits had a carrying amount of \$14,425,762 and a bank balance of \$19,034,129. 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 is included in cash and cash equivalents.

NOTE 26. (Cont.)
Discretely Presented
Component Unit Disclosure

(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)
12/31/2004	\$ 2,640,759	\$ 7,147,681	\$ 4,506,922	36.95%	\$ 14,453,419	31.18%
12/31/2005	2,599,117	7,091,401	4,492,284	36.65%	14,936,129	30.08%
12/31/2006	2,504,432	7,726,749	5,222,317	32.41%	15,690,512	33.28%
12/31/2007	2,406,714	8,506,194	6,099,480	28.29%	17,086,023	35.70%
12/31/2008	2,178,004	9,001,090	6,823,086	24.20%	18,008,068	37.89%
12/31/2009	1,938,530	11,387,164	9,448,634	17.02%	18,562,071	50.90%
12/31/2010	1,657,751	10,699,329	9,041,578	15.49%	18,662,735	48.45%
12/31/2011	1,350,904	10,585,001	9,234,097	12.76%	18,748,384	49.25%
12/31/2012	1,060,674	10,859,126	9,798,452	9.77%	19,784,097	49.53%
12/31/2013	955,207	11,216,046	10,260,839	8.52%	19,752,864	51.95%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2005	\$ 498,334	130.64%
2006	599,284	89.77%
2007	551,806	115.44%
2008	618,438	100.00%
2009	693,913	100.44%
2010	768,996	96.88%
2011	965,832	77.14%
2012	924,005	80.83%
2013	943,658	101.73%
2014	1,160,997	82.69%

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	12/31/2013	Actuarial Assumptions:	
Actuarial cost method	Projected unit credit	Investment rate of return	5.00%
Amortization method	Level dollar open	Projected salary increases	4.25% to 7.85%
Remaining amortization period	17 years	Includes inflation at	3.00%
Asset Valuation method	Market Value	Cost of Living adjustments	None

WAKE COUNTY, NORTH CAROLINA

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

PAY AS YOU GO - ACTUARY METHOD

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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%
12/31/2011	-	220,874,828	220,874,828	0.00%	164,876,210	134.0%
12/31/2013	-	208,880,026	208,880,026	0.00%	144,193,316	144.9%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 14,918,567	23.0%
2009	14,918,567	26.0%
2010	14,666,675	23.7%
2011	16,289,306	15.0%
2012	22,572,789	17.9%
2013	22,572,789	21.8%
2014	22,789,029	24.7%

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	12/31/2013
Actuarial cost method	Projected unit credit
Amortization method	Level dollar amount, closed
Remaining amortization period	28 years
Asset Valuation method	Market Value of Assets

Actuarial Assumptions:	
Investment rate of return	4.50%
Medical cost trend rate - pre-Medicare	7.75% - 5.00%
Medical cost trend rate - post-Medicare	5.75% - 5.00%
Year of ultimate trend rate	2019
Includes inflation at	3.00%

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND COMPARATIVE BALANCE SHEETS As of June 30, 2014 and 2013

	June 30, 2014	June 30, 2013
ASSETS		
Cash and investments - pooled equity	\$ 185,453,468	\$ 176,582,374
Cash and investments - cash equivalents	1,064,883	1,006,033
Cash and investments - restricted	5,128,872	4,644,938
Taxes receivable (net)	3,411,262	6,849,690
Accounts receivable (net)	77,082,441	61,004,008
Loans receivable	2,404,000	4,000,000
Due from other funds	440,709	566,963
Prepaid expenditures	546,325	541,186
Accrued interest receivable	5,724	11,933
Inventories	360,691	379,368
TOTAL ASSETS	\$ 275,898,375	\$ 255,586,493
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 35,538,848	\$ 41,435,159
Due to other governmental units	236,406	259,218
Unearned revenue	-	3,600,000
Total Liabilities	35,775,254	45,294,377
DEFERRED INFLOWS OF RESOURCES		
	7,675,460	13,980,742
Fund Balance:		
Non-spendable:		
Inventories	360,691	379,368
Prepaid expenditures	546,325	541,186
Noncurrent receivable	240,801	280,923
Restricted:		
Stabilization by State statute	81,561,725	59,836,886
Register of deeds automation	402,853	339,453
Committed:		
Revaluation reserve	3,120,450	4,093,247
Future appropriations from excess		
local ABC revenues	2,650,000	6,400,000
Working capital	137,792,533	124,040,311
Assigned:		
Planned expenditures	5,372,283	-
Future insurance claims	400,000	400,000
Total Fund Balance	232,447,661	196,311,374
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 275,898,375	\$ 255,586,493

WAKE COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2014
With Comparative Actual Amounts for the Year Ended June 30, 2013**

	2014			2013
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
Taxes	\$ 826,279,421	\$ 838,704,603	\$ 12,425,182	\$ 793,285,615
Licenses and permits	3,868,641	4,701,663	833,022	4,062,881
Intergovernmental	88,936,266	100,120,404	11,184,138	94,612,804
Charges for services	62,335,541	63,892,407	1,556,866	64,535,379
Investment earnings	45,259	46,776	1,517	10,387
Miscellaneous	1,325,166	1,438,478	113,312	1,298,714
Total Revenues	<u>982,790,294</u>	<u>1,008,904,331</u>	<u>26,114,037</u>	<u>957,805,780</u>
EXPENDITURES:				
Current:				
General administration	46,962,136	43,976,995	2,985,141	41,663,173
Human services	187,460,923	180,846,040	6,614,883	184,720,084
Education	343,686,958	343,686,958	-	334,532,675
Community development and cultural	27,330,064	26,959,932	370,132	25,917,801
Environmental services	8,694,737	8,301,441	393,296	7,661,402
General services administration	25,998,605	25,317,452	681,153	22,421,170
Public safety	116,316,673	114,486,371	1,830,302	107,763,560
Total Expenditures	<u>756,450,096</u>	<u>743,575,189</u>	<u>12,874,907</u>	<u>724,679,865</u>
REVENUES OVER EXPENDITURES	<u>226,340,198</u>	<u>265,329,142</u>	<u>38,988,944</u>	<u>233,125,915</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,473,140	2,500,145	27,005	1,599,215
Transfers out	(231,693,000)	(231,693,000)	-	(214,112,000)
Total Other Financing Sources (Uses)	<u>(229,219,860)</u>	<u>(229,192,855)</u>	<u>27,005</u>	<u>(212,512,785)</u>
REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	<u>(2,879,662)</u>	<u>36,136,287</u>	<u>39,015,949</u>	<u>20,613,130</u>
APPROPRIATED FUND BALANCE	<u>2,879,662</u>	<u>-</u>	<u>(2,879,662)</u>	<u>-</u>
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>36,136,287</u>	<u>\$ 36,136,287</u>	<u>20,613,130</u>
FUND BALANCE, BEGINNING OF YEAR		<u>196,311,374</u>		<u>175,698,244</u>
BUDGETARY FUND BALANCE		<u>232,447,661</u>		<u>196,311,374</u>
LESS: EXPENDITURES ASSOCIATED WITH CAPITAL LEASE INCEPTION & CAPITAL DONATIONS		(13,796)		-
ADD: PROCEEDS OF CAPITAL LEASES & CAPITAL DONATIONS		13,796		-
TOTAL LEASE INCEPTION AND PROCEEDS		<u>-</u>		<u>-</u>
FUND BALANCE AT END OF YEAR		<u>\$ 232,447,661</u>		<u>\$ 196,311,374</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, 2014
With Comparative Actual Amounts for the Year Ended June 30, 2013**

	2014			2013
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES:				
TAXES				
Ad valorem property - current	\$ 672,345,000	\$ 674,492,324	\$ 2,147,324	\$ 645,115,894
Ad valorem property - prior	7,100,000	7,369,621	269,621	7,006,410
Tax penalties, interest and other	2,640,000	2,814,761	174,761	2,776,066
Sales	133,454,000	141,340,059	7,886,059	127,273,310
Leased rental vehicle tax	2,550,000	2,767,882	217,882	2,618,729
Real property transfer	6,960,000	8,666,734	1,706,734	7,245,385
Payments in lieu of taxes	1,230,421	1,253,222	22,801	1,249,821
Total Taxes	<u>826,279,421</u>	<u>838,704,603</u>	<u>12,425,182</u>	<u>793,285,615</u>
LICENSES AND PERMITS				
Beer and wine licenses	72,000	70,401	(1,599)	69,986
Marriage licenses	151,032	156,905	5,873	148,830
Building and construction permits	2,637,383	3,074,939	437,556	2,448,813
Weapon permits	320,000	426,086	106,086	514,950
Other permits	688,226	973,332	285,106	880,302
Total Licenses and Permits	<u>3,868,641</u>	<u>4,701,663</u>	<u>833,022</u>	<u>4,062,881</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, 2014
With Comparative Actual Amounts for the Year Ended June 30, 2013**

	2014			2013
	Budget	Actual	Variance Positive/(Negative)	Actual
INTERGOVERNMENTAL REVENUE				
Federal and State:				
Human services	\$ 81,238,438	\$ 87,303,061	\$ 6,064,623	\$ 76,839,908
Payments in lieu of taxes	255,000	282,461	27,461	270,014
Public library	525,000	533,622	8,622	527,548
Public safety	348,176	463,382	115,206	3,716,584
Others	2,477,052	2,604,524	127,472	2,483,323
Total Federal and State	84,843,666	91,187,050	6,343,384	83,837,377
Local:				
ABC Board	4,000,000	8,832,818	4,832,818	10,650,000
Human services	-	-	-	9,570
Others	92,600	100,536	7,936	115,857
Total Local	4,092,600	8,933,354	4,840,754	10,775,427
Total Intergovernmental	88,936,266	100,120,404	11,184,138	94,612,804

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, 2014
With Comparative Actual Amounts for the Year Ended June 30, 2013**

	2014			2013
	Budget	Actual	Variance Positive/(Negative)	Actual
CHARGES FOR SERVICES				
Environmental	\$ 481,655	\$ 369,714	\$ (111,941)	\$ 399,048
Client Fees	1,142,785	1,019,043	(123,742)	1,121,127
Insurance	885,000	780,909	(104,091)	977,796
Medicaid Fees	15,915,654	17,455,420	1,539,766	17,371,894
Medicare Fees	28,300	44,716	16,416	221,594
HS Reimbursements	749,789	695,135	(54,654)	627,306
Inspection Fees	517,745	823,354	305,609	635,592
Library Fees	486,500	425,873	(60,627)	497,787
Parks & Recreation Fees	130,130	132,570	2,440	130,531
EMS Fees	22,966,418	23,230,274	263,856	22,677,770
Facility Use Fees	288,200	260,586	(27,614)	297,500
Fire/Rescue Fees	239,660	265,995	26,335	231,966
Sheriff Fees	4,648,900	4,195,572	(453,328)	5,125,920
Transportation Fees	946,159	947,593	1,434	590,656
Planning Fees	354,665	650,156	295,491	412,261
Court Facility Fees	1,100,000	1,339,434	239,434	1,166,468
Parking Fees	655,000	750,595	95,595	636,342
Rental/lease income	194,320	496,184	301,864	195,165
Record Fees	5,559,198	4,582,413	(976,785)	5,726,870
Reimbursements	2,397,215	2,223,640	(173,575)	2,027,723
Tax Collection Fees	783,000	796,400	13,400	823,107
Vending Income	674,000	895,943	221,943	804,087
Other Fees and Charges	1,191,248	1,510,888	319,640	1,836,869
Total Charges for Services	62,335,541	63,892,407	1,556,866	64,535,379
INVESTMENT EARNINGS	45,259	46,776	1,517	10,387
MISCELLANEOUS				
Sale of materials and capital assets	280,674	151,509	(129,165)	242,371
Other	1,044,492	1,286,969	242,477	1,056,343
Total Miscellaneous	1,325,166	1,438,478	113,312	1,298,714
TOTAL REVENUES	982,790,294	1,008,904,331	26,114,037	957,805,780

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, 2014
With Comparative Actual Amounts for the Year Ended June 30, 2013**

	2014						2013
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Variance Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
EXPENDITURES:							
GENERAL GOVERNMENT							
County commissioners	\$ 486,973	\$ 482,934	\$ 4,039	\$ -	\$ 482,934	\$ 4,039	\$ 472,634
County manager	1,445,955	1,394,541	51,414	-	1,394,541	51,414	1,333,197
County attorney	1,649,488	1,637,393	12,095	-	1,637,393	12,095	1,482,706
Board of elections	3,379,911	3,120,750	259,161	49,983	3,170,733	209,178	4,607,893
Budget & management services	754,912	641,588	113,324	-	641,588	113,324	-
Facilities design & construction	1,212,723	1,093,800	118,923	876	1,094,676	118,047	1,068,209
Finance	2,266,601	2,139,632	126,969	67,435	2,207,067	59,534	2,681,088
Human resources	1,929,217	1,790,669	138,548	37,800	1,828,469	100,748	1,635,500
Information services	12,170,124	11,710,242	459,882	115,002	11,825,244	344,880	11,661,933
Register of deeds	2,650,766	2,493,534	157,232	-	2,493,534	157,232	2,604,115
Revenue	7,448,931	5,905,377	1,543,554	3,256	5,908,633	1,540,298	5,061,692
Non-departmental	10,085,284	10,085,284	-	44,615	10,129,899	(44,615)	7,522,955
Public agencies	1,481,251	1,481,251	-	-	1,481,251	-	1,531,251
Total General Government	46,962,136	43,976,995	2,985,141	318,967	44,295,962	2,666,174	41,663,173
HUMAN SERVICES							
Medical examiner	204,200	239,550	(35,350)	-	239,550	(35,350)	181,000
Social services economic self sufficiency	72,652,953	70,240,892	2,412,061	1,484,384	71,725,276	927,677	69,305,768
Child welfare	22,435,375	22,278,130	157,245	-	22,278,130	157,245	21,229,078
Children youth and family	16,486,578	16,245,503	241,075	-	16,245,503	241,075	13,686,819
Public health	5,743,447	5,540,225	203,222	29,856	5,570,081	173,366	10,004,793
Health clinics	16,641,642	16,313,976	327,666	34,380	16,348,356	293,286	16,160,876
Behavioral health	484,483	603,049	(118,566)	-	603,049	(118,566)	30,047,051
Behavioral health - Managed care	25,202,558	23,704,726	1,497,832	1,500,000	25,204,726	(2,168)	-
Administration and operations	27,609,687	25,679,989	1,929,698	604,675	26,284,664	1,325,023	24,034,924
Local management entity	-	-	-	-	-	-	69,775
Total Human Services	187,460,923	180,846,040	6,614,883	3,653,295	184,499,335	2,961,588	184,720,084

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, 2014
With Comparative Actual Amounts for the Year Ended June 30, 2013**

	2014						2013
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Variance Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
EDUCATION							
Wake County Public Schools:							
Current expense	\$ 323,966,127	\$ 323,966,127	\$ -	\$ -	\$ 323,966,127	\$ -	\$ 317,181,372
Capital outlay	3,529,893	3,529,893	-	-	3,529,893	-	1,160,365
Total Wake County Public Schools	327,496,020	327,496,020	-	-	327,496,020	-	318,341,737
Wake Technical College:							
Current expense	16,190,938	16,190,938	-	-	16,190,938	-	16,190,938
Total Wake Technical College	16,190,938	16,190,938	-	-	16,190,938	-	16,190,938
Total Education	343,686,958	343,686,958	-	-	343,686,958	-	334,532,675
COMMUNITY DEVELOPMENT AND CULTURAL							
Community Development:							
Administration	621,688	539,512	82,176	-	539,512	82,176	574,342
Parks and recreation	2,801,817	2,747,882	53,935	38,274	2,786,156	15,661	2,553,964
Building inspections	3,992,460	3,887,098	105,362	130	3,887,228	105,232	3,551,167
Veterans services	235,473	226,953	8,520	-	226,953	8,520	199,541
Geographic information services	1,745,650	1,732,537	13,113	1,651	1,734,188	11,462	1,624,062
Public libraries	17,932,976	17,825,950	107,026	53,227	17,879,177	53,799	17,414,725
Total Community Development and Cultural	27,330,064	26,959,932	370,132	93,282	27,053,214	276,850	25,917,801

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, 2014
With Comparative Actual Amounts for the Year Ended June 30, 2013**

	2014						2013
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Variance Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
EXPENDITURES:							
ENVIRONMENTAL SERVICES							
Environmental services	\$ 8,694,737	\$ 8,301,441	\$ 393,296	\$ 157,720	\$ 8,459,161	\$ 235,576	\$ 7,661,402
Total Environmental Services	<u>8,694,737</u>	<u>8,301,441</u>	<u>393,296</u>	<u>157,720</u>	<u>8,459,161</u>	<u>235,576</u>	<u>7,661,402</u>
GENERAL SERVICES ADMINISTRATION							
General services administration	<u>25,998,605</u>	<u>25,317,452</u>	<u>681,153</u>	<u>429,706</u>	<u>25,747,158</u>	<u>251,447</u>	<u>22,421,170</u>
Total General Services Administration	<u>25,998,605</u>	<u>25,317,452</u>	<u>681,153</u>	<u>429,706</u>	<u>25,747,158</u>	<u>251,447</u>	<u>22,421,170</u>
PUBLIC SAFETY							
Sheriff Department:							
Sheriff	36,969,270	36,107,715	861,555	5,947	36,113,662	855,608	35,591,064
Detention	<u>37,238,397</u>	<u>36,977,470</u>	<u>260,927</u>	-	<u>36,977,470</u>	<u>260,927</u>	<u>34,026,312</u>
Total Sheriff Department	<u>74,207,667</u>	<u>73,085,185</u>	<u>1,122,482</u>	<u>5,947</u>	<u>73,091,132</u>	<u>1,116,535</u>	<u>69,617,376</u>
CCBI	5,342,365	5,268,363	74,002	-	5,268,363	74,002	4,902,839
Emergency medical services	33,719,668	33,197,873	521,795	22,109	33,219,982	499,686	30,700,734
Fire and emergency management	1,957,992	1,821,229	136,763	18,776	1,840,005	117,987	1,690,655
Public safety communications	<u>1,088,981</u>	<u>1,113,721</u>	<u>(24,740)</u>	-	<u>1,113,721</u>	<u>(24,740)</u>	<u>851,956</u>
Total Public Safety	<u>116,316,673</u>	<u>114,486,371</u>	<u>1,830,302</u>	<u>46,832</u>	<u>114,533,203</u>	<u>1,783,470</u>	<u>107,763,560</u>
TOTAL EXPENDITURES	<u>756,450,096</u>	<u>743,575,189</u>	<u>12,874,907</u>	<u>4,699,802</u>	<u>748,274,991</u>	<u>8,175,105</u>	<u>724,679,865</u>

Encumbrances are included for internal reporting purposes only.

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, 2014
With Comparative Actual Amounts for the Year Ended June 30, 2013**

	2014			2013
	Budget	Actual	Variance Positive/(Negative)	Actual
REVENUES OVER EXPENDITURES	\$ 226,340,198	\$ 265,329,142	\$ 38,988,944	\$ 233,125,915
OTHER FINANCING SOURCES (USES)				
Transfers in	2,473,140	2,500,145	27,005	1,599,215
Transfers out	(231,693,000)	(231,693,000)	-	(214,112,000)
Total Other Financing Sources (Uses)	(229,219,860)	(229,192,855)	27,005	(212,512,785)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,879,662)	36,136,287	39,015,949	20,613,130
APPROPRIATED FUND BALANCE	2,879,662	-	(2,879,662)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	36,136,287	\$ 36,136,287	20,613,130
FUND BALANCE, BEGINNING OF YEAR		196,311,374		175,698,244
BUDGETARY FUND BALANCE		232,447,661		196,311,374
LESS: EXPENDITURES ASSOCIATED WITH INCEPTION OF CAPITAL LEASES AND NOTE PAYABLES		(13,796)		-
ADD: PROCEEDS OF CAPITAL LEASES AND NOTE PAYABLES		13,796		-
TOTAL LEASE INCEPTIONS		-		-
FUND BALANCE AT END OF YEAR		\$ 232,447,661		\$ 196,311,374

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, 2014**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 23,665,741	\$ 14,856,447	\$ 5,502,986	\$ 20,359,433
Charges for services	2,262,076	1,712,186	491,783	2,203,969
Investment earnings	58,615	247,719	(368)	247,351
Total Revenues	25,986,432	16,816,352	5,994,401	22,810,753
EXPENDITURES:				
Human Services				
County funded	6,601,380	3,072,618	1,046,875	4,119,493
Housing and community revitalization	17,850,013	10,294,806	4,090,000	14,384,806
Home grants	5,337,101	3,280,705	1,163,675	4,444,380
Homeless prevention grants	-	-	-	-
HOPWA grants	1,859,393	570,799	946,625	1,517,424
Total Expenditures	31,647,887	17,218,928	7,247,175	24,466,103
REVENUES OVER (UNDER) EXPENDITURES	(5,661,455)	(402,576)	(1,252,774)	(1,655,350)
OTHER FINANCING SOURCES:				
Transfers in	5,661,455	4,831,455	830,000	5,661,455
REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ -	\$ 4,428,879	(422,774)	\$ 4,006,105
Fund Balance at beginning of year			4,428,879	
FUND BALANCE AT END OF YEAR			\$ 4,006,105	

WAKE COUNTY, NORTH CAROLINA

MAJOR FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN APPROPRIATED FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014	
	Budget	Actual
REVENUES:		
Taxes:		
Occupancy tax	\$ 18,330,000	\$ 19,213,443
Prepared food tax	22,016,000	22,026,888
Total taxes	40,346,000	41,240,331
Investment earnings	-	20,419
Total Revenues	40,346,000	41,260,750
EXPENDITURES:		
Raleigh hold harmless - occupancy	680,000	680,000
Cary hold harmless - occupancy	888,787	931,852
Greater Raleigh Convention and Visitors Bureau	4,691,187	4,906,510
Centennial Authority operations 7%	2,348,885	2,391,070
Centennial Authority - debt service	5,209,350	5,207,606
Raleigh annual distribution - \$1M	1,000,000	1,000,000
Convention Center	18,977,299	19,455,196
NC Museum of Art	1,000,000	1,000,000
Centennial Authority Facility Improvements	1,500,000	1,500,000
Green Square	200,000	200,000
St. Augustine's	100,000	100,000
Cary Sports Venue	1,000,000	1,000,000
Total Expenditures	37,595,508	38,372,234
REVENUES OVER EXPENDITURES	2,750,492	2,888,516
OTHER FINANCING USES:		
Transfers out to General Fund	(1,210,000)	(1,237,005)
Transfers out to Debt Service Fund	(991,000)	(991,000)
Transfers out to Capital Improvement Fund	(1,000,000)	(1,000,000)
Total other financing uses	(3,201,000)	(3,228,005)
REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	(450,508)	(339,489)
Appropriated fund balance	450,508	-
REVENUES AND APPROPRIATED FUND BALANCE UNDER EXPENDITURES AND OTHER FINANCING USES	\$ -	(339,489)
Fund Balance at beginning of year		1,337,341
FUND BALANCES AT END OF YEAR		\$ 997,852

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, 2014**

	2014	
	Budget	Actual
REVENUES:		
Intergovernmental	\$ 12,740,984	\$ 10,657,055
Charges for services	-	12,483
Investment earnings	2,941,000	2,023,018
Total revenues	15,681,984	12,692,556
EXPENDITURES:		
Debt service - principal	152,292,218	152,250,703
Debt service - interest	90,769,193	90,030,119
Miscellaneous	319,493	294,713
Total expenditures	243,380,904	242,575,535
REVENUES UNDER EXPENDITURES	(227,698,920)	(229,882,979)
OTHER FINANCING SOURCES:		
Transfers in	196,079,904	196,079,904
Total Other Financing Sources (Uses)	196,079,904	196,079,904
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(31,619,016)	(33,803,075)
APPROPRIATED FUND BALANCE	31,619,016	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	\$ -	(33,803,075)
Fund Balance at beginning of year		169,055,200
FUND BALANCES AT END OF YEAR		\$ 135,252,125

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, 2014**

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
REVENUES:				
Taxes	\$ -	\$ 3,731	\$ 520	\$ 4,251
Intergovernmental	11,515,933	13,431,731	614,596	14,046,327
Charges for services	9,976,852	5,612,749	838,268	6,451,017
Investment earnings	22,222,205	20,634,697	299	20,634,996
Miscellaneous	1,350,890	1,357,596	-	1,357,596
Total Revenues	45,065,880	41,040,504	1,453,683	42,494,187
EXPENDITURES - CAPITAL PROJECTS:				
Capital projects:				
Automation CIP	25,776,666	10,007,251	6,332,160	16,339,411
Community capital projects	2,605,000	1,500,000	665,000	2,165,000
County building improvements	41,765,724	31,853,476	3,812,961	35,666,437
Criminal justice CIP	381,513,581	363,677,569	10,454,241	374,131,810
Public libraries CIP	17,231,926	4,742,324	1,381,729	6,124,053
Open space	19,156,936	11,585,598	4,869,883	16,455,481
Parks and recreation CIP	5,291,170	3,811,495	543,538	4,355,033
Public safety CIP	8,171,852	5,375,153	362,190	5,737,343
Water and sewer	9,257,900	5,487,895	-	5,487,895
Economic development	15,303,224	7,731,422	2,187,337	9,918,759
Program wide projects	15,032,090	-	-	-
Total Expenditures	541,106,069	445,772,183	30,609,039	476,381,222
REVENUES UNDER EXPENDITURES	(496,040,189)	(404,731,679)	(29,155,356)	(433,887,035)
OTHER FINANCING SOURCES AND (USES):				
Transfers in	193,761,212	164,394,270	35,664,000	200,058,270
Transfers out	(26,291,127)	(23,824,084)	(2,467,043)	(26,291,127)
Bonds issued	16,165,552	32,892,229	-	32,892,229
Limited obligation bonds issued	301,310,923	301,310,923	-	301,310,923
Premiums on issuance	11,093,629	11,140,000	-	11,140,000
Total Other Financing Sources and (Uses)	496,040,189	485,913,338	33,196,957	519,110,295
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 81,181,659	4,041,601	\$ 85,223,260
Fund Balance at beginning of year			81,181,659	
FUND BALANCE AT END OF YEAR			\$ 85,223,260	

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, 2014**

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 4,357,908	\$ 6,529,535	\$ 6,799,974	\$ 13,329,509
Lottery proceeds	16,613,874	16,613,874	-	16,613,874
Investment earnings	68,538,737	68,862,454	51,489	68,913,943
Miscellaneous	4,328	4,328	-	4,328
Total Revenues	<u>89,514,847</u>	<u>92,010,191</u>	<u>6,851,463</u>	<u>98,861,654</u>
EXPENDITURES - CAPITAL PROJECTS:				
Wake County Public Schools	<u>1,149,149,395</u>	<u>918,117,965</u>	<u>100,921,442</u>	<u>1,019,039,407</u>
TOTAL EXPENDITURES	<u>1,149,149,395</u>	<u>918,117,965</u>	<u>100,921,442</u>	<u>1,019,039,407</u>
REVENUES UNDER EXPENDITURES	<u>(1,059,634,548)</u>	<u>(826,107,774)</u>	<u>(94,069,979)</u>	<u>(920,177,753)</u>
OTHER FINANCING SOURCES AND (USES):				
Bonds issued	902,167,336	901,571,522	-	901,571,522
Transfers in	194,987,992	190,732,533	-	190,732,533
Transfers out	(37,520,780)	(36,663,960)	(856,820)	(37,520,780)
Total Other Financing Sources and (Uses)	<u>1,059,634,548</u>	<u>1,055,640,095</u>	<u>(856,820)</u>	<u>1,054,783,275</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 229,532,321</u>	<u>(94,926,799)</u>	<u>\$ 134,605,522</u>
Fund Balance at beginning of year			<u>229,532,321</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 134,605,522</u>	

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, 2014**

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
REVENUES:				
Investment earnings	\$ 931,794	\$ 1,538,725	\$ -	\$ 1,538,725
Total Revenues	931,794	1,538,725	-	1,538,725
EXPENDITURES - CAPITAL PROJECTS:				
Wake Technical College	266,468,564	142,018,240	25,281,807	167,300,047
TOTAL EXPENDITURES	266,468,564	142,018,240	25,281,807	167,300,047
REVENUES UNDER EXPENDITURES	(265,536,770)	(140,479,515)	(25,281,807)	(165,761,322)
OTHER FINANCING SOURCES:				
Transfers in	35,284,815	31,599,815	3,685,000	35,284,815
Bonds issued	229,081,601	228,649,170	-	228,649,170
Premiums on issuance	1,170,354	1,170,354	-	1,170,354
Total Other Financing Sources	265,536,770	261,419,339	3,685,000	265,104,339
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ -	\$ 120,939,824	(21,596,807)	\$ 99,343,017
Fund Balance at beginning of year			120,939,824	
FUND BALANCE AT END OF YEAR			\$ 99,343,017	

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 ***Capital Area Workforce Development Fund*** accounts for the federal Department of Labor grant activities conducted within the Workforce Investment 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.

Capital Project Funds

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

The ***Fire Capital Project Fund*** accounts for the acquisition of fire apparatus and equipment and renovations of fire facilities. 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, 2014**

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
ASSETS			
Cash and investments - pooled equity	\$ 8,764,233	\$ 16,093,969	\$ 24,858,202
Taxes receivable, net	146,930	-	146,930
Accounts receivable, net	1,791,434	31,045	1,822,479
Loans receivable	-	650,000	650,000
Accrued interest receivable	4,532	8,182	12,714
TOTAL ASSETS	\$ 10,707,129	\$ 16,783,196	\$ 27,490,325
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,046,849	\$ 346,576	\$ 1,393,425
Due to other funds	440,709	-	440,709
Total Liabilities	1,487,558	346,576	1,834,134
DEFERRED INFLOWS OF RESOURCES	162,683	-	162,683
Fund Balances:			
Restricted:			
Stabilization by State statute	928,417	2,756,608	3,685,025
Committed:			
Working capital	2,977,920	-	2,977,920
Assigned:			
Planned expenditures	5,150,551	9,830,120	14,980,671
Future capital projects	-	3,849,892	3,849,892
Total Fund Balances	9,056,888	16,436,620	25,493,508
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 10,707,129	\$ 16,783,196	\$ 27,490,325

WAKE COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014**

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
REVENUES:			
Taxes	\$ 21,436,833	\$ -	\$ 21,436,833
Intergovernmental	11,093,082	-	11,093,082
Charges for services	58,052	1,779,207	1,837,259
Fines and forfeitures	4,084	-	4,084
Investment earnings	29,900	52,172	82,072
Miscellaneous	53,826	700,000	753,826
Total Revenues	<u>32,675,777</u>	<u>2,531,379</u>	<u>35,207,156</u>
EXPENDITURES			
General administration	71,563	-	71,563
Human services	9,737,959	-	9,737,959
Community development	79,609	1,377,438	1,457,047
Environmental services	53,393	-	53,393
Public safety	19,372,401	2,099,608	21,472,009
General services administration	14,755	-	14,755
Total Expenditures	<u>29,329,680</u>	<u>3,477,046</u>	<u>32,806,726</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,346,097</u>	<u>(945,667)</u>	<u>2,400,430</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	137,043	2,350,000	2,487,043
Transfers out	(2,574,000)	(20,904)	(2,594,904)
Installment purchases issued	-	1,487,000	1,487,000
Total Other Financing Sources (Uses)	<u>(2,436,957)</u>	<u>3,816,096</u>	<u>1,379,139</u>
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>909,140</u>	<u>2,870,429</u>	<u>3,779,569</u>
Fund Balances at beginning of year	<u>8,147,748</u>	<u>13,566,191</u>	<u>21,713,939</u>
FUND BALANCES AT END OF YEAR	<u>\$ 9,056,888</u>	<u>\$ 16,436,620</u>	<u>\$ 25,493,508</u>

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
As of June 30, 2014

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Total
ASSETS				
Cash and investments - pooled equity	\$ 2,124,293	\$ -	\$ 6,639,940	\$ 8,764,233
Taxes receivable, net	-	-	146,930	146,930
Accounts receivable, net	467,895	1,189,945	133,594	1,791,434
Accrued interest receivable	631	-	3,901	4,532
TOTAL ASSETS	\$ 2,592,819	\$ 1,189,945	\$ 6,924,365	\$ 10,707,129
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 233,999	\$ 799,780	\$ 13,070	\$ 1,046,849
Due to other funds	-	440,709	-	440,709
Total Liabilities	233,999	1,240,489	13,070	1,487,558
DEFERRED INFLOWS OF RESOURCES	-	-	162,683	162,683
Fund Balances:				
Restricted:				
Stabilization by State statute	806,471	(50,544)	172,490	928,417
Committed:				
Working capital	-	-	2,977,920	2,977,920
Assigned:				
Planned expenditures	1,552,349	-	3,598,202	5,150,551
Total Fund Balances	2,358,820	(50,544)	6,748,612	9,056,888
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,592,819	\$ 1,189,945	\$ 6,924,365	\$ 10,707,129

WAKE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended June 30, 2014

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Total
REVENUES:				
Taxes	\$ -	\$ -	\$ 21,436,833	\$ 21,436,833
Intergovernmental	4,812,157	6,280,925	-	11,093,082
Charges for services	54,533	3,519	-	58,052
Fines and forfeitures	4,084	-	-	4,084
Investment earnings	4,321	-	25,579	29,900
Miscellaneous	21,534	-	32,292	53,826
Total Revenues	<u>4,896,629</u>	<u>6,284,444</u>	<u>21,494,704</u>	<u>32,675,777</u>
EXPENDITURES:				
General administration	71,563	-	-	71,563
Human services	3,454,097	6,283,862	-	9,737,959
Community development	79,609	-	-	79,609
Environmental services	53,393	-	-	53,393
Public safety	1,294,862	-	18,077,539	19,372,401
General services administration	14,755	-	-	14,755
Total Expenditures	<u>4,968,279</u>	<u>6,283,862</u>	<u>18,077,539</u>	<u>29,329,680</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(71,650)</u>	<u>582</u>	<u>3,417,165</u>	<u>3,346,097</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	137,043	-	-	137,043
Transfers out	-	-	(2,574,000)	(2,574,000)
Total other financing sources and uses	<u>137,043</u>	<u>-</u>	<u>(2,574,000)</u>	<u>(2,436,957)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	65,393	582	843,165	909,140
Fund Balances at beginning of year	<u>2,293,427</u>	<u>(51,126)</u>	<u>5,905,447</u>	<u>8,147,748</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,358,820</u>	<u>\$ (50,544)</u>	<u>\$ 6,748,612</u>	<u>\$ 9,056,888</u>

WAKE COUNTY, NORTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
As of June 30, 2014**

	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Total
ASSETS			
Cash and investments - pooled equity	\$ 6,752,811	\$ 9,341,158	\$ 16,093,969
Cash and investments - restricted	-	-	-
Accounts receivable, net	23,012	8,033	31,045
Loans receivable	-	650,000	650,000
Accrued interest receivable	2,950	5,232	8,182
TOTAL ASSETS	<u>\$ 6,778,773</u>	<u>\$ 10,004,423</u>	<u>\$ 16,783,196</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 129,051	\$ 217,525	\$ 346,576
Total Liabilities	<u>129,051</u>	<u>217,525</u>	<u>346,576</u>
Fund Balances:			
Restricted:			
Stabilization by State statute	1,678,295	1,078,313	2,756,608
Assigned:			
Planned expenditures	2,418,457	7,411,663	9,830,120
Future capital projects	2,552,970	1,296,922	3,849,892
Total Fund Balances	<u>6,649,722</u>	<u>9,786,898</u>	<u>16,436,620</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,778,773</u>	<u>\$ 10,004,423</u>	<u>\$ 16,783,196</u>

WAKE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECT FUNDS For the Year Ended June 30, 2014

	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Total
REVENUES:			
Charges for services	\$ 79,337	\$ 1,699,870	\$ 1,779,207
Investment earnings	22,470	29,702	52,172
Miscellaneous	-	700,000	700,000
Total Revenues	<u>101,807</u>	<u>2,429,572</u>	<u>2,531,379</u>
EXPENDITURES:			
Capital Projects:			
Community development and cultural	-	1,377,438	1,377,438
Public safety	<u>2,099,608</u>	-	<u>2,099,608</u>
Total Expenditures	<u>2,099,608</u>	<u>1,377,438</u>	<u>3,477,046</u>
REVENUES (UNDER) EXPENDITURES	<u>(1,997,801)</u>	<u>1,052,134</u>	<u>(945,667)</u>
OTHER FINANCING SOURCES:			
Transfers in	1,350,000	1,000,000	2,350,000
Transfers out	(20,904)	-	(20,904)
Installment purchases issued	<u>1,487,000</u>	-	<u>1,487,000</u>
Total other financing sources	<u>2,816,096</u>	<u>1,000,000</u>	<u>3,816,096</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	818,295	2,052,134	2,870,429
Fund Balances at beginning of year	<u>5,831,427</u>	<u>7,734,764</u>	<u>13,566,191</u>
FUND BALANCES AT END OF YEAR	<u>\$ 6,649,722</u>	<u>\$ 9,786,898</u>	<u>\$ 16,436,620</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, 2014

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
REVENUES:				
Intergovernmental	\$ 27,029,951	\$ 19,824,623	\$ 4,812,157	\$ 24,636,780
Charges for services	1,505,087	718,035	54,533	772,568
Fines and forfeitures	14,325	13,304	4,084	17,388
Investment earnings	5,127	24,609	4,321	28,930
Miscellaneous	304,946	154,163	21,534	175,697
Total Revenues	<u>28,859,436</u>	<u>20,734,734</u>	<u>4,896,629</u>	<u>25,631,363</u>
EXPENDITURES:				
General administration	446,955	235,369	71,563	306,932
Human services	19,854,723	13,299,734	3,454,097	16,753,831
Community development	666,074	198,073	79,609	277,682
Environmental services	579,396	406,967	53,393	460,360
Public safety	7,156,102	3,956,516	1,294,862	5,251,378
General services administration	64,340	45,750	14,755	60,505
Total Expenditures	<u>28,767,590</u>	<u>18,142,409</u>	<u>4,968,279</u>	<u>23,110,688</u>
REVENUES UNDER EXPENDITURES	91,846	2,592,325	(71,650)	2,520,675
OTHER FINANCING SOURCES AND (USES):				
Transfers in	275,188	138,145	137,043	275,188
Transfers out	(437,043)	(437,043)	-	(437,043)
Total Other Financing Sources and Uses	<u>(161,855)</u>	<u>(298,898)</u>	<u>137,043</u>	<u>(161,855)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(70,009)	<u>\$ 2,293,427</u>	65,393	<u>\$ 2,358,820</u>
Fund balance appropriated	<u>70,009</u>		-	
REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES	<u>\$ -</u>		65,393	
Fund Balance at beginning of year			<u>2,293,427</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 2,358,820</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, 2014**

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 22,008,782	\$ 13,259,585	\$ 6,280,925	\$ 19,540,510
Charges for services	45,385	44,895	3,519	48,414
Miscellaneous	11,596	15,693	-	15,693
Total Revenues	<u>22,065,763</u>	<u>13,320,173</u>	<u>6,284,444</u>	<u>19,604,617</u>
EXPENDITURES:				
Title I - Adult	5,945,320	3,951,684	1,717,941	5,669,625
Title I - Dislocated Workers	5,396,563	3,495,012	1,724,429	5,219,441
Title I - Youth	4,891,157	2,760,852	1,989,014	4,749,866
Statewide Activities	1,277,570	898,474	54,151	952,625
Dislocated Worker - Supplemental	175,461	152,340	-	152,340
WIA Administration	3,280,560	1,482,701	669,816	2,152,517
AmeriCorps	1,096,380	642,283	128,511	770,794
Other County	2,752	(12,047)	-	(12,047)
Total Expenditures	<u>22,065,763</u>	<u>13,371,299</u>	<u>6,283,862</u>	<u>19,655,161</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ (51,126)</u>	582	<u>\$ (50,544)</u>
Fund balance at beginning of year			<u>(51,126)</u>	
FUND BALANCE AT END OF YEAR			<u>\$ (50,544)</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, 2014**

	2014	
	Budget	Actual
REVENUES:		
Taxes - ad valorem property	\$ 20,747,000	\$ 21,436,833
Investment earnings	15,000	25,579
Miscellaneous	-	32,292
Total Revenues	<u>20,762,000</u>	<u>21,494,704</u>
EXPENDITURES:		
Public Safety:		
Rural fire districts	<u>18,222,995</u>	<u>18,077,539</u>
Total Expenditures	<u>18,222,995</u>	<u>18,077,539</u>
REVENUES OVER EXPENDITURES	2,539,005	3,417,165
OTHER FINANCING USES:		
Transfers out	<u>(2,574,000)</u>	<u>(2,574,000)</u>
REVENUES OVER/(UNDER) EXPENDITURES AND OTHER USES	(34,995)	843,165
Appropriated fund balance	<u>34,995</u>	<u>-</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER/(UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	843,165
Fund Balance at beginning of year		<u>5,905,447</u>
FUND BALANCE AT END OF YEAR		<u>\$ 6,748,612</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, 2014

	Project Authorization	Prior Years	Actual	
			Current Year	Total To Date
REVENUES:				
Charges for services	\$ 90,000	\$ 30,499	\$ 79,337	\$ 109,836
Investment earnings	72,000	184,500	22,470	206,970
Miscellaneous	-	5,872	-	5,872
Total Revenues	162,000	220,871	101,807	322,678
EXPENDITURES:				
Capital projects:				
Fire and rescue CIP	12,848,322	6,362,835	2,099,608	8,462,443
Total Expenditures	12,848,322	6,362,835	2,099,608	8,462,443
REVENUES UNDER EXPENDITURES	(12,686,322)	(6,141,964)	(1,997,801)	(8,139,765)
OTHER FINANCING SOURCES:				
Transfers in	10,082,552	11,032,716	1,350,000	12,382,716
Transfers out	(20,904)	-	(20,904)	(20,904)
Installment purchases issued	2,427,674	940,675	1,487,000	2,427,675
Total Other Financing Sources	12,489,322	11,973,391	2,816,096	14,789,487
REVENUES AND OTHER SOURCES OVER EXPENDITURES	(197,000)	5,831,427	818,295	6,649,722
Appropriated fund balance	197,000	-	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER EXPENDITURES	\$ -	\$ 5,831,427	818,295	\$ 6,649,722
Fund Balance at beginning of year			5,831,427	
FUND BALANCE AT END OF YEAR			\$ 6,649,722	

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, 2014

	Project Authorization	Actual		Total To Date
		Prior Years	Current Year	
REVENUES:				
Charges for services	\$ 542,997	\$ 6,542,997	\$ 1,699,870	\$ 8,242,867
Investment earnings	-	112,727	29,702	142,429
Miscellaneous	-	-	700,000	700,000
Total Revenues	542,997	6,655,724	2,429,572	9,085,296
EXPENDITURES:				
Capital projects:				
Community development and cultural	10,564,001	8,289,452	1,377,438	9,666,890
REVENUES UNDER EXPENDITURES	(10,021,004)	(1,633,728)	1,052,134	(581,594)
OTHER FINANCING SOURCES:				
Installment purchases issued	600,000	599,842	-	599,842
Transfers in	9,421,004	8,768,650	1,000,000	9,768,650
Total Other Financing Sources	10,021,004	9,368,492	1,000,000	10,368,492
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ -	\$ 7,734,764	2,052,134	\$ 9,786,898
Fund Balance at beginning of year			7,734,764	
FUND BALANCE AT END OF YEAR			\$ 9,786,898	

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, 2014**

	Solid Waste Operating Fund	Solid Waste Capital Project	June 30, 2014	June 30, 2013
ASSETS				
Cash and investments - pooled equity	\$ 9,150,118	\$ 22,363,323	\$ 31,513,441	\$ 30,605,470
Cash and investments - reserved	14,256,875	-	14,256,875	12,255,331
Accounts receivable, net	807,338	11,181	818,519	628,309
Internal balances (due from other funds)	198,871	-	198,871	183,814
Prepaid expenditures	1,400	-	1,400	1,785
Accrued interest receivable	11,866	13,642	25,508	51,342
TOTAL ASSETS	\$ 24,426,468	\$ 22,388,146	\$ 46,814,614	\$ 43,726,051
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 997,530	\$ 1,462,680	\$ 2,460,210	\$ 1,149,943
Internal balances (due to other funds)	125,114	-	125,114	125,371
Closure/post-closure care reserves	14,256,875	-	14,256,875	12,255,331
Total Liabilities	15,379,519	1,462,680	16,842,199	13,530,645
DEFERRED INFLOWS OF RESOURCES	46,370	-	46,370	49,624
Fund Balances:				
Non-spendable:				
Prepaid expenditures	1,400	-	1,400	1,785
Restricted:				
Stabilization by state statute	1,002,305	2,394,888	3,397,193	1,116,574
White goods	2,712,151	-	2,712,151	2,428,306
Assigned:				
Planned expenditures	-	519,801	519,801	5,496,674
Future capital projects	-	18,010,777	18,010,777	342,731
Unassigned	5,284,723	-	5,284,723	20,759,712
Total Fund Balances	9,000,579	20,925,466	29,926,045	30,145,782
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 24,426,468	\$ 22,388,146	\$ 46,814,614	\$ 43,726,051

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

WAKE COUNTY, NORTH CAROLINA

(Continued)

**SOLID WASTE OPERATING FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)
 For the Year Ended June 30, 2014
 With Comparative Actual Amounts for the Year Ended June 30, 2013**

	2014		2013
	Budget	Actual	Actual
REVENUES:			
Intergovernmental	\$ 1,496,690	\$ 1,638,999	\$ 1,601,437
Licenses and permits	6,500	6,400	7,500
Charges for services	7,819,976	7,978,308	7,593,388
Investment earnings	357,000	174,647	68,827
Miscellaneous	2,499,708	4,069,254	1,227,548
Total Revenues	<u>12,179,874</u>	<u>13,867,608</u>	<u>10,498,700</u>
EXPENDITURES:			
Cost of service	9,187,636	9,796,631	9,332,337
Administration	1,811,010	1,493,094	1,543,659
Total Expenditures	<u>10,998,646</u>	<u>11,289,725</u>	<u>10,875,996</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,181,228</u>	<u>2,577,883</u>	<u>(377,296)</u>

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, 2014
With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014		2013
	Budget	Actual	Actual
OTHER FINANCING SOURCES AND (USES):			
Transfers In	\$ 991,789	\$ 991,789	\$ 887,000
Transfers out	(20,839,320)	(20,839,320)	(1,556,000)
Capital leases issued	-	6,550	-
Expenditures associated with capital leases issued	-	(6,550)	-
Total Other Financing Sources and Uses	(19,847,531)	(19,847,531)	(669,000)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER SOURCES/(USES):	(18,666,303)	(17,269,648)	(1,046,296)
APPROPRIATED FUND BALANCE	18,666,303	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ (17,269,648)	\$ (1,046,296)
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES:		\$ (17,269,648)	\$ (1,046,296)
Reconciling items:			
Compensated absences expenses		(11,830)	(2,264)
OPEB expenses		(70,464)	(65,621)
Risk management expenses		(6,938)	376
Net increase/(decrease) in deferred revenue		(2,974)	(8,070)
Investment earnings - Construction Fund		(14,954)	5,448
Expenditures - Construction Fund		(3,368,135)	(512,506)
Transfers in - Construction Fund		20,433,000	1,100,000
Issuance of capital lease		(6,550)	-
Capital lease payments		673	-
Acquisition of capital assets		1,879,720	25,771
Disposal of capital assets		(1,510,494)	-
Loan from sale of capital assets		1,805,271	-
Depreciation and depletion		(642,293)	(632,593)
Change in net position		\$ 1,214,384	\$ (1,135,755)

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, 2014**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
REVENUES:				
Intergovernmental	\$ 115,000	\$ 75,000	\$ -	\$ 75,000
Investment earnings	1,431,000	1,553,613	(14,954)	1,538,659
Miscellaneous	7,739,881	15,275	-	15,275
Total revenues	<u>9,285,881</u>	<u>1,643,888</u>	<u>(14,954)</u>	<u>1,628,934</u>
EXPENDITURES:				
Enterprise infrastructure	23,981,145	8,385,638	3,286,370	11,672,008
Future projects	16,383,000	-	-	-
Other	-	248,076	81,765	329,841
Total expenditures	<u>40,364,145</u>	<u>8,633,714</u>	<u>3,368,135</u>	<u>12,001,849</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(31,078,264)</u>	<u>(6,989,826)</u>	<u>(3,383,089)</u>	<u>(10,372,915)</u>
OTHER FINANCING SOURCES AND USES:				
Transfers in	<u>31,078,264</u>	<u>10,865,381</u>	<u>20,433,000</u>	<u>31,298,381</u>
Total other financing sources and uses	<u>31,078,264</u>	<u>10,865,381</u>	<u>20,433,000</u>	<u>31,298,381</u>
REVENUES, OTHER SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 3,875,555</u>	17,049,911	<u>\$ 20,925,466</u>
Fund Balance at the beginning of the year			<u>3,875,555</u>	
FUND BALANCE AT THE END OF THE YEAR			<u>\$ 20,925,466</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, 2014**

	South Wake Landfill	East Wake Transfer Station	June 30, 2014	June 30, 2013
ASSETS				
Cash and investments - pooled equity	\$ 2,674,188	\$ -	\$ 2,674,188	\$ 2,088,782
Cash and investments - reserved	8,787,758	191,222	8,978,980	7,590,154
Cash and investments - cash equivalents	450	300	750	750
Accounts receivable, net	575,741	1,525,378	2,101,119	2,174,136
Accrued interest receivable	3,431	3,254	6,685	13,115
Internal balances (due from other funds)	54,539	70,575	125,114	125,371
TOTAL ASSETS	\$ 12,096,107	\$ 1,790,729	\$ 13,886,836	\$ 11,992,308
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,081,913	\$ 913,756	\$ 2,995,669	\$ 1,910,543
Internal balances (due to other funds)	198,871	-	198,871	988,728
Construction reserves	-	845,005	845,005	417,705
Closure/post-closure care reserves	8,787,758	-	8,787,758	7,590,154
Total Liabilities	11,068,542	1,758,761	12,827,303	10,907,130
DEFERRED INFLOWS OF RESOURCES	32,106	31,968	64,074	89,719
Fund Balances:				
Restricted:				
Stabilization by state statute	602,055	393,404	995,459	995,459
Assigned:				
Planned expenditures	393,404	(393,404)	-	-
Total Fund Balances	995,459	-	995,459	995,459
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 12,096,107	\$ 1,790,729	\$ 13,886,836	\$ 11,992,308

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

WAKE COUNTY, NORTH CAROLINA

**SOUTH WAKE LANDFILL PARTNERSHIP FUND
SCHEDULE OF REVENUES, EXPENDITURES AND APPROPRIATED FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
For the Year Ended June 30, 2014**

	June 30, 2014						June 30, 2013
	South Wake Landfill		East Wake Transfer Station		Total		Total
	Budget	Actual	Budget	Actual	Budget	Actual	Actual
REVENUES:							
Charges of services	\$ 10,034,948	\$ 4,805,235	\$ 4,608,052	\$ 9,880,003	\$ 14,643,000	\$ 14,685,238	\$ 14,162,115
Investment earnings	-	18,625	-	17,881	-	36,506	11,168
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	<u>10,034,948</u>	<u>4,823,860</u>	<u>4,608,052</u>	<u>9,897,884</u>	<u>14,643,000</u>	<u>14,721,744</u>	<u>14,173,283</u>
EXPENDITURES:							
Cost of service	7,287,430	7,152,164	3,566,734	3,650,093	10,854,164	10,802,257	10,465,363
Administration	151,411	160,857	622,349	637,290	773,760	798,147	781,888
Partner rebates	2,023,287	2,129,551	-	-	2,023,287	2,129,551	2,039,032
Total Expenditures	<u>9,462,128</u>	<u>9,442,572</u>	<u>4,189,083</u>	<u>4,287,383</u>	<u>13,651,211</u>	<u>13,729,955</u>	<u>13,286,283</u>
REVENUES UNDER EXPENDITURES	572,820	(4,618,712)	418,969	5,610,501	991,789	991,789	887,000
OTHER FINANCING SOURCES (USES):							
Transfers out	(825,970)	(825,970)	(165,819)	(165,819)	(991,789)	(991,789)	(887,000)
Intrafund transfers in	-	5,444,682	-	-	-	5,444,682	5,140,626
Intrafund transfers out	-	-	-	(5,444,682)	-	(5,444,682)	(5,140,626)
Total other financing sources/(uses)	<u>(825,970)</u>	<u>4,618,712</u>	<u>(165,819)</u>	<u>(5,610,501)</u>	<u>(991,789)</u>	<u>(991,789)</u>	<u>(887,000)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (253,150)</u>	<u>\$ -</u>	<u>\$ 253,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation from budgetary basis of modified accrual to full accrual basis:							
REVENUES AND OTHER FINANCING USES UNDER EXPENDITURES AND OTHER FINANCING USES						\$ -	\$ -
Reconciling items							
Net change in deferred revenue						(25,646)	81,906
Compensated absences expenses						(558)	(62)
Risk management expenses						671	(360)
OPEB expenses						(25,166)	(23,435)
Change in net position						<u>\$ (50,699)</u>	<u>\$ 58,049</u>

WAKE COUNTY, NORTH CAROLINA

**BUDGETARY BALANCE SHEET
CORPORATE FLEET FUND (NON-GAAP)
MODIFIED ACCRUAL BASIS OF ACCOUNTING
As of June 30, 2014**

	June 30, 2014	June 30, 2013
ASSETS		
Cash and investments - pooled equity	\$ 3,694,828	\$ 4,044,502
Accounts receivable, net	32,073	28,348
Prepaid expenditures	115	-
Accrued interest receivable	2,059	5,444
Inventories	88,026	196,721
TOTAL ASSETS	\$ 3,817,101	\$ 4,275,015
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 707,653	\$ 806,849
Fund Balances:		
Non-spendable:		
Inventories	88,026	196,721
Prepaid expenditures	115	-
Restricted:		
Stabilization by state statute	439,613	935,506
Assigned:		
Planned expenditures	673,228	110,002
Unassigned	1,908,466	2,225,937
Total Fund Balances	3,109,448	3,468,166
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,817,101	\$ 4,275,015

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

WAKE COUNTY, NORTH CAROLINA

CORPORATE FLEET FUND

SCHEDULE OF REVENUES, EXPENDITURES AND APPROPRIATED FUND BALANCE

BUDGET AND ACTUAL (NON-GAAP BASIS)

For the Year Ended June 30, 2014

	2014		2013
	Budget	Actual	Actual
REVENUES:			
Charges of services	\$ 8,581,041	\$ 8,424,930	\$ 8,331,865
Investment earnings	20,000	15,783	2,452
Miscellaneous	400,957	449,142	534,100
Total Revenues	<u>9,001,998</u>	<u>8,889,855</u>	<u>8,868,417</u>
EXPENDITURES:			
Cost of service	8,683,954	8,298,291	7,709,053
Administration	1,065,389	950,282	927,112
Reserve for replacements	264,371	-	-
Total Expenditures	<u>10,013,714</u>	<u>9,248,573</u>	<u>8,636,165</u>
REVENUES UNDER EXPENDITURES	(1,011,716)	(358,718)	232,252
APPROPRIATED FUND BALANCE	<u>1,011,716</u>	<u>-</u>	<u>-</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ (358,718)</u>	<u>\$ 232,252</u>
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES		\$ (358,718)	\$ 232,252
Reconciling items			
Compensated absences expenses		(3,220)	(763)
OPEB expenses		(70,465)	(65,619)
Risk management expenses		(50,203)	(3,963)
Acquisition of capital assets		4,464,107	3,270,506
Disposal of capital assets		(756,247)	(270,864)
Depreciation of capital assets		(3,334,937)	(3,300,614)
Change in net position		<u>\$ (109,683)</u>	<u>\$ (139,065)</u>

WAKE COUNTY, NORTH CAROLINA

(Continued)

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2014**

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
MUNICIPAL TAX FUND				
ASSETS				
Cash and investments - pooled equity	\$ 456,078	\$ 414,303,101	\$ (414,637,791)	\$ 121,388
Accounts receivable		3,478,895	(127,999)	3,350,896
TOTAL ASSETS	\$ 456,078	\$ 417,781,996	\$ (414,765,790)	\$ 3,472,284
LIABILITIES				
Other liabilities	\$ 456,078	\$ 382,816,868	\$ (383,152,546)	\$ 120,400
Due to other governmental units	-	3,351,884	-	3,351,884
TOTAL LIABILITIES	\$ 456,078	\$ 386,168,752	\$ (383,152,546)	\$ 3,472,284
HUMAN SERVICES FUND				
ASSETS				
Cash and investments - pooled equity	\$ 400,277	\$ 3,116,419	\$ (3,157,082)	\$ 359,614
Accounts receivable	-	240	-	240
Accrued interest receivable	635	281	(635)	281
TOTAL ASSETS	\$ 400,912	\$ 3,116,940	\$ (3,157,717)	\$ 360,135
LIABILITIES				
Other liabilities	\$ 400,912	\$ 8,960,784	\$ (9,001,561)	\$ 360,135

WAKE COUNTY, NORTH CAROLINA

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES For the Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
FINES AND FORFEITURES				
ASSETS				
Cash and investments - pooled equity	\$ 125,076	\$ 2,193,033	\$ (2,165,934)	\$ 152,175
Accounts receivable	52,577	37,171	(52,577)	37,171
Accrued interest	155	89	(159)	85
TOTAL ASSETS	\$ 177,808	\$ 2,230,293	\$ (2,218,670)	\$ 189,431
LIABILITIES				
Other liabilities	\$ 177,808	\$ 2,140,298	\$ (2,128,675)	\$ 189,431
DMV INTEREST PENALTIES				
ASSETS				
Cash and investments - pooled equity	\$ 45,697	\$ 2,950,433	\$ (2,996,130)	\$ -
Accrued interest	57	-	(57)	-
TOTAL ASSETS	\$ 45,754	\$ 2,950,433	\$ (2,996,187)	\$ -
LIABILITIES				
Other liabilities	\$ 4,678	\$ 41,200	\$ (45,878)	\$ -
Due to other governmental units	41,076	-	(41,076)	-
TOTAL LIABILITIES	\$ 45,754	\$ 41,200	\$ (86,954)	\$ -
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and investments - pooled equity	\$ 1,027,128	\$ 422,562,986	\$ (422,956,937)	\$ 633,177
Accounts receivable	52,577	3,516,306	(180,576)	3,388,307
Accrued interest receivable	847	370	(851)	366
TOTAL ASSETS	\$ 1,080,552	\$ 426,079,662	\$ (423,138,364)	\$ 4,021,850
LIABILITIES				
Other liabilities	\$ 1,039,476	\$ 393,959,150	\$ (394,328,660)	\$ 669,966
Due to other governmental units	41,076	3,351,884	(41,076)	3,351,884
TOTAL LIABILITIES	\$ 1,080,552	\$ 397,311,034	\$ (394,369,736)	\$ 4,021,850

WAKE COUNTY, NORTH CAROLINA

**SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS
BY FUNCTION AND CATEGORY
As of June 30, 2014**

Function	Land	Buildings	Improvements	Machinery and Equipment	Vehicles and Motorized Equipment	Computer Software	Infrastructure	Construction in progress	Total
General government	\$ 10,172,473	\$ 70,891,651	\$ 7,591,665	\$ 10,352,620	\$ 609,695	\$ 23,434,627	\$ 340,990	\$ -	\$ 123,393,721
Human services	7,050,832	58,626,841	299,147	1,922,534	2,708,679	1,881,253	-	-	72,489,286
Education	270,700	10,160,682	3,947,902	-	-	-	-	-	14,379,284
Community development	83,041,595	96,270,955	716,715	2,585,810	132,595	-	56,230	-	182,803,900
Environmental services	18,015,554	2,632,863	-	156,160	-	-	14,876,981	-	35,681,558
Public safety	4,795,515	477,664,655	11,125,751	16,055,463	8,723,736	-	-	-	518,365,120
General services administration	64,740	83,920	189,784	5,805,888	26,003,415	-	616,014	-	32,763,761
Construction in progress	-	-	-	-	-	-	-	104,127,507	104,127,507
Total Governmental Capital Assets	<u>\$ 123,411,409</u>	<u>\$ 716,331,567</u>	<u>\$ 23,870,964</u>	<u>\$ 36,878,475</u>	<u>\$ 38,178,120</u>	<u>\$ 25,315,880</u>	<u>\$ 15,890,215</u>	<u>\$ 104,127,507</u>	<u>\$ 1,084,004,137</u>

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT

As of June 30, 2014

	Date of Issue	Interest Rate	Amount Issued	Debt Outstanding June 30, 2013	Net Additions (Retirements)	Debt Outstanding June 30, 2014
GENERAL OBLIGATION BONDS:						
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
2004 Public improvement bonds	04/01/04	3.00-5.00%	130,000,000	10,000,000	(10,000,000)	-
Refunding series 2004	11/01/04	4.00-5.00%	114,380,000	6,405,000	(3,540,000)	2,865,000
Refunding series 2005	04/01/05	3.00-5.00%	33,020,000	32,360,000	(125,000)	32,235,000
2005 School bonds	11/01/05	3.25-5.00%	41,000,000	3,000,000	(1,500,000)	1,500,000
2007 Public improvement bonds	03/08/07	4.25-5.00%	455,000,000	92,000,000	(23,000,000)	69,000,000
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	36,000,000	(6,000,000)	30,000,000
2009B Public improvement bonds	04/01/09	4.00-5.00%	300,000,000	248,000,000	(10,000,000)	238,000,000
2009C Refunding	04/01/09	4.00-5.00%	66,320,000	25,140,000	(14,150,000)	10,990,000
2009D Refunding	06/16/09	3.00-4.00%	168,980,000	144,065,000	(33,295,000)	110,770,000
2010A Public improvement bonds	03/30/10	3.00-5.00%	86,295,000	66,350,000	(6,635,000)	59,715,000
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	383,320,000	(6,045,000)	377,275,000
2010D Public improvement qualified school construction bonds	06/09/10	5.10%	34,910,000	34,910,000	-	34,910,000
2010E Public Improvement	08/05/10	2.50-4.00%	18,945,000	15,160,000	(1,895,000)	13,265,000
2010F Public Improvement	08/05/10	4.15-5.40%	17,055,000	17,055,000	-	17,055,000
2011 Public Improvement	03/30/11	3.00-5.00%	116,800,000	104,550,000	(6,150,000)	98,400,000
2012A School Bonds	02/08/12	3.00-5.00%	96,790,000	91,800,000	(5,100,000)	86,700,000
2012B Refunding	02/08/12	5.00%	75,290,000	75,290,000	-	75,290,000
2013A School	05/06/13	2.50-5.00%	51,165,000	51,165,000	(2,565,000)	48,600,000
2013B Public Improvement	05/07/13	3.00-5.00%	125,250,000	125,250,000	(6,450,000)	118,800,000
Total General Obligation Bonds				1,801,325,000	(136,450,000)	1,664,875,000
OTHER LONG-TERM DEBT:						
Limited obligation bonds				285,155,000	(12,140,000)	273,015,000
Qualified zone academy bonds				653,850	(163,461)	490,389
Installment purchase				5,327,348	1,773	5,329,121
Capitalized equipment leases				81,238	(29,945)	51,293
Other post-employment benefits				81,959,990	15,847,575	97,807,565
Compensated absences				10,752,254	377,629	11,129,883
Total other long-term debt				383,929,680	3,893,571	387,823,251
TOTAL GOVERNMENTAL LONG-TERM DEBT				\$ 2,185,254,680	\$ (132,556,429)	\$ 2,052,698,251

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF LONG-TERM DEBT MATURITIES AND ANNUAL DEBT SERVICE REQUIREMENTS FOR GOVERNMENTAL ACTIVITIES As of June 30, 2014

BONDED DEBT Fiscal Year Ended June 30	PUBLIC SCHOOLS		OTHER		TOTAL	
	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest
2015	\$ 113,754,160	\$ 169,930,585	\$ 22,770,840	\$ 36,340,860	\$ 136,525,000	\$ 206,271,445
2016	132,284,375	183,303,685	22,770,625	35,314,601	155,055,000	218,618,286
2017	129,818,574	175,377,580	23,166,426	34,621,771	152,985,000	209,999,351
2018	119,887,650	160,238,612	20,767,350	31,108,222	140,655,000	191,346,834
2019	121,303,583	157,598,321	20,011,417	29,340,276	141,315,000	186,938,597
2020	108,960,755	140,876,686	20,174,245	28,521,484	129,135,000	169,398,170
2021	86,824,852	113,792,396	22,785,148	30,142,624	109,610,000	143,935,020
2022	99,365,876	122,013,746	22,164,124	28,439,545	121,530,000	150,453,291
2023	96,727,977	115,267,079	21,652,023	26,875,019	118,380,000	142,142,098
2024	95,481,059	110,143,845	19,313,941	23,585,332	114,795,000	133,729,177
2025-2029	240,471,680	267,418,662	58,273,320	69,075,562	298,745,000	336,494,224
2030-2034	23,923,459	25,107,456	22,221,541	23,879,084	46,145,000	48,986,540
Total Bonded Debt	1,368,804,000	1,741,068,653	296,071,000	397,244,380	1,664,875,000	2,138,313,033

OTHER LONG-TERM DEBT:

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

2015	163,461	163,461	13,838,062	26,920,556	14,001,523	27,084,017
2016	163,461	163,461	12,955,661	25,537,822	13,119,122	25,701,283
2017	163,461	163,461	12,875,697	24,997,268	13,039,158	25,160,729
2018	-	-	12,777,000	24,401,989	12,777,000	24,401,989
2019	-	-	12,491,000	23,562,640	12,491,000	23,562,640
2020-2024	-	-	61,833,000	108,400,283	61,833,000	108,400,283
2025-2029	-	-	60,700,000	92,291,219	60,700,000	92,291,219
2030-2034	-	-	60,700,000	77,326,300	60,700,000	77,326,300
2035-2037	-	-	30,225,000	32,925,400	30,225,000	32,925,400
Total Other Long-Term Debt	490,383	490,383	278,395,420	436,363,477	278,885,803	436,853,860
TOTAL LONG- TERM DEBT	\$ 1,369,294,383	\$ 1,741,559,036	\$ 574,466,420	\$ 833,607,857	\$ 1,943,760,803	\$ 2,575,166,893

On the Statement of Net Assets as of June 30, 2014, the amounts reported as liabilities for general obligation bonds - schools and limited obligation bonds also includes premiums on issuance of bonds of \$141,454,227 and \$18,038,823, 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>118</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>123</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>129</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>133</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>135</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 Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 287,201,644	\$ 305,583,601	\$ 341,690,913	\$ 386,657,062	\$ 421,474,474	\$ 490,451,441	\$ 475,499,631	\$ 501,015,238	\$ 481,647,900	\$ 514,397,874
Restricted	311,224,704	195,212,913	375,528,175	259,041,104	248,373,467	420,636,893	313,308,968	194,344,857	188,697,751	154,537,617
Unrestricted	(738,789,608)	(763,907,492)	(1,072,909,919)	(1,164,382,682)	(1,396,418,768)	(1,682,993,506)	(1,553,597,961)	(1,496,839,039)	(1,419,397,209)	(1,358,535,372)
Total governmental activities net position	<u>(140,363,260)</u>	<u>(263,110,978)</u>	<u>(355,690,831)</u>	<u>(518,684,516)</u>	<u>(726,570,827)</u>	<u>(771,905,172)</u>	<u>(764,789,362)</u>	<u>(801,478,944)</u>	<u>(749,051,558)</u>	<u>(689,599,881)</u>
Business-type activities										
Net investment in capital assets	12,531,246	10,193,631	10,740,531	13,000,011	12,714,646	13,114,762	13,711,534	13,633,543	13,026,721	12,753,655
Restricted	2,125,055	2,956,199	5,835,136	5,536,792	6,115,191	5,874,703	3,515,460	4,034,015	4,542,124	7,104,803
Unrestricted	13,909,783	19,118,809	20,376,207	20,810,389	20,517,389	21,823,855	25,491,356	27,223,180	26,240,199	25,112,878
Total business-type activities net position	<u>28,566,084</u>	<u>32,268,639</u>	<u>36,951,874</u>	<u>39,347,192</u>	<u>39,347,226</u>	<u>40,813,320</u>	<u>42,718,350</u>	<u>44,890,738</u>	<u>43,809,044</u>	<u>44,971,336</u>
Primary government										
Net investment in capital assets	299,732,890	315,777,232	352,431,444	399,657,073	434,189,120	503,566,203	489,211,165	514,648,781	494,674,621	527,151,529
Restricted	313,349,759	198,169,112	381,363,311	264,577,896	254,488,658	426,511,596	316,824,428	198,378,872	193,239,875	161,642,420
Unrestricted	(724,879,825)	(744,788,683)	(1,052,533,712)	(1,143,572,293)	(1,375,901,379)	(1,661,169,651)	(1,528,106,605)	(1,469,615,859)	(1,393,157,010)	(1,333,422,494)
Total primary government net position	<u>\$ (111,797,176)</u>	<u>\$ (230,842,339)</u>	<u>\$ (318,738,957)</u>	<u>\$ (479,337,324)</u>	<u>\$ (687,223,601)</u>	<u>\$ (731,091,852)</u>	<u>\$ (722,071,012)</u>	<u>\$ (756,588,206)</u>	<u>\$ (705,242,514)</u>	<u>\$ (644,628,545)</u>

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
General government	\$ 53,512,005	\$ 68,198,823	\$ 60,741,669	\$ 47,969,041	\$ 55,488,240	\$ 54,937,881	\$ 61,575,688	\$ 59,589,399	\$ 57,447,794	\$ 61,161,278
Human services	242,823,255	250,108,791	237,600,544	240,798,504	244,176,508	224,307,656	225,731,230	235,191,515	210,045,271	199,440,132
Education	389,668,265	496,720,211	523,605,091	620,118,123	661,548,515	472,748,721	457,469,350	467,744,519	423,906,638	455,501,432
Community development and cultural	45,969,169	55,385,595	48,468,336	76,626,538	59,885,379	20,597,071	62,457,707	72,248,767	73,419,595	75,733,446
Environmental services	8,233,369	8,145,774	11,663,330	11,013,142	11,846,689	6,669,967	10,261,353	8,560,310	8,647,932	9,125,293
Public safety	85,983,497	99,183,648	104,173,604	118,704,265	126,265,023	125,402,922	129,945,055	143,349,347	139,372,822	152,696,724
General services administration**	-	-	-	24,167,418	26,444,850	25,927,613	24,364,454	21,913,044	23,127,651	26,653,029
Interest on long-term debt	48,989,694	49,336,540	55,900,737	60,239,785	76,911,979	131,934,858	72,727,338	92,679,977	66,354,069	65,867,422
Total governmental activities	875,179,254	1,027,079,382	1,042,153,311	1,199,636,816	1,262,567,183	1,062,526,689	1,044,532,175	1,101,276,878	1,002,321,772	1,046,178,756
Business-type activities:										
Solid Waste	21,587,342	19,178,292	19,495,080	21,939,090	26,455,882	24,172,681	23,291,842	23,576,133	25,376,961	27,271,943
Total primary government expenses	896,766,596	1,046,257,674	1,061,648,391	1,221,575,906	1,289,023,065	1,086,699,370	1,067,824,017	1,124,853,011	1,027,698,733	1,073,450,699
Program Revenues										
Governmental activities:										
Charges for services:										
General government	10,086,239	12,027,205	13,843,797	7,949,045	5,631,031	6,670,497	6,193,871	7,396,357	7,831,642	7,145,238
Human services	57,961,578	58,876,026	32,987,888	29,716,382	27,828,734	30,212,823	26,662,361	25,935,891	21,954,285	20,072,420
Education	-	-	-	-	-	-	-	-	-	12,483
Community development and cultural	5,403,582	7,017,247	5,330,038	4,600,087	5,820,331	1,923,791	2,916,663	9,524,859	4,698,640	6,163,223
Environmental services	3,165,264	2,546,631	2,915,815	3,023,674	2,686,474	1,457,700	1,517,953	1,647,646	1,942,165	(254,415)
Public safety	13,138,405	14,143,661	14,786,145	20,066,901	17,649,225	17,949,739	21,772,992	29,494,441	32,543,421	31,253,703
General Services Administration**	-	-	-	3,672,789	3,167,713	2,663,746	2,754,829	2,515,414	2,354,779	3,065,362
Operating grants and contributions:										
General government	174,869	2,416,522	629,564	2,163,578	2,754,167	2,188,124	2,646,944	3,365,340	1,883,518	1,892,488
Human services	109,445,162	112,417,917	113,148,467	121,386,436	128,697,447	127,235,785	124,614,245	119,719,778	103,268,029	102,589,574
Education	1,603,647	8,218,405	7,000,000	20,013,316	28,570,960	12,818,821	23,269,710	13,961,465	15,136,373	17,457,029
Community development and cultural	1,955,922	2,435,970	650,276	3,529,978	1,461,583	2,020,859	668,917	2,002,578	577,185	661,337
Environmental services	184,143	358,126	100,675	520,728	2,861,388	259,591	212,172	329,287	530,232	807,674
Public safety	2,037,432	5,145,585	5,210,495	2,690,382	3,372,852	2,700,697	6,101,846	3,084,164	782,594	1,389,125
General services administration**	-	-	-	3,700	52,050	9,250	10,375	11,100	7,825	13,360
Total governmental activities program revenues	205,156,243	225,603,295	196,603,160	219,336,996	230,553,955	208,111,423	219,342,878	218,988,320	193,510,688	192,268,601
Business-type activities:										
Charges for services: solid waste	19,390,570	20,528,263	20,624,752	20,548,146	23,530,328	22,886,642	22,512,763	22,322,650	21,836,839	22,641,326
Operating grants and contributions: solid waste	969,896	1,038,558	1,102,733	1,199,844	1,146,661	1,390,303	1,621,434	1,688,916	1,601,437	1,638,999
Total business-type activities program revenues	20,360,466	21,566,821	21,727,485	21,747,990	24,676,989	24,276,945	24,134,197	24,011,566	23,438,276	24,280,325
Total primary government program revenues	225,516,709	247,170,116	218,330,645	241,084,986	255,230,944	232,388,368	243,477,075	242,999,886	216,948,964	216,548,926

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Governmental activities	\$ (670,023,011)	\$ (801,476,087)	\$ (845,550,151)	\$ (980,299,820)	\$ (1,032,013,228)	\$ (854,415,266)	\$ (825,189,297)	\$ (882,288,558)	\$ (808,811,084)	\$ (853,910,155)
Business-type activities	(1,226,876)	2,388,529	2,232,405	(191,100)	(1,778,893)	104,264	842,355	435,433	(1,938,685)	(2,991,618)
Total primary government net expense	<u>(671,249,887)</u>	<u>(799,087,558)</u>	<u>(843,317,746)</u>	<u>(980,490,920)</u>	<u>(1,033,792,121)</u>	<u>(854,311,002)</u>	<u>(824,346,942)</u>	<u>(881,853,125)</u>	<u>(810,749,769)</u>	<u>(856,901,773)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	446,187,553	468,502,179	514,897,471	579,083,019	640,238,154	651,480,015	658,044,349	666,196,637	675,565,832	704,500,482
Sales taxes	124,603,942	136,593,464	149,755,646	156,037,557	127,210,118	104,384,663	114,034,923	120,834,877	127,273,310	141,340,059
Occupancy and prepared food taxes	24,157,920	26,532,040	29,381,377	31,653,895	31,127,163	30,282,509	33,137,525	35,814,980	38,158,690	41,270,144
Other taxes	14,015,438	16,564,492	16,770,750	13,233,588	7,545,463	7,633,811	7,070,086	8,640,999	9,916,198	11,435,136
Grants and contributions										
not restricted to specific programs	4,038,667	5,704,166	5,433,654	6,066,813	5,125,653	4,410,678	8,179,519	9,500,462	5,294,595	9,977,509
Unrestricted investment earnings	14,142,548	18,525,606	35,453,214	31,454,984	15,900,340	14,450,011	9,486,862	3,778,383	2,517,197	2,239,488
Other	2,919,174	6,031,422	979,986	1,874,466	(3,331,974)	(3,964,766)	1,947,843	428,639	2,056,648	2,192,694
Transfers	200,000	275,000	298,200	306,000	312,000	404,000	404,000	404,000	456,000	406,320
Total governmental activities	<u>630,265,242</u>	<u>678,728,369</u>	<u>752,970,298</u>	<u>819,710,322</u>	<u>824,126,917</u>	<u>809,080,921</u>	<u>832,305,107</u>	<u>845,598,977</u>	<u>861,238,470</u>	<u>913,361,832</u>
Business-type activities:										
Unrestricted investment earnings	702,607	1,122,962	2,111,779	1,999,644	1,229,967	1,144,867	522,993	323,376	85,443	196,199
Other	336,267	466,064	637,251	892,774	860,960	620,963	943,682	1,817,578	1,227,548	4,364,031
Transfers	(200,000)	(275,000)	(298,200)	(306,000)	(312,000)	(404,000)	(404,000)	(404,000)	(456,000)	(406,320)
Total business-type activities	<u>838,874</u>	<u>1,314,026</u>	<u>2,450,830</u>	<u>2,586,418</u>	<u>1,778,927</u>	<u>1,361,830</u>	<u>1,062,675</u>	<u>1,736,954</u>	<u>856,991</u>	<u>4,153,910</u>
Total primary government	<u>\$ 631,104,116</u>	<u>\$ 680,042,395</u>	<u>\$ 755,421,128</u>	<u>\$ 822,296,740</u>	<u>\$ 825,905,844</u>	<u>\$ 810,442,751</u>	<u>\$ 833,367,782</u>	<u>\$ 847,335,931</u>	<u>\$ 862,095,461</u>	<u>\$ 917,515,742</u>
Change in Net Position										
Government activities	\$ (39,757,769)	\$ (122,747,718)	\$ (92,579,853)	\$ (160,589,498)	\$ (207,886,311)	\$ (45,334,345)	\$ 7,115,810	\$ (36,689,581)	\$ 52,427,386	\$ 59,451,677
Business-type activities	(388,002)	3,702,555	4,683,235	2,395,318	34	1,466,094	1,905,030	2,172,387	(1,081,694)	1,162,292
Total primary government	<u>\$ (40,145,771)</u>	<u>\$ (119,045,163)</u>	<u>\$ (87,896,618)</u>	<u>\$ (158,194,180)</u>	<u>\$ (207,886,277)</u>	<u>\$ (43,868,251)</u>	<u>\$ 9,020,840</u>	<u>\$ (34,517,194)</u>	<u>\$ 51,345,692</u>	<u>\$ 60,613,969</u>

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Non-spendable	\$ 975,930	\$ 945,986	\$ 835,378	\$ 955,310	\$ 695,291	\$ 1,012,690	\$ 753,870	\$ 680,079	\$ 660,291	\$ 1,147,817
Restricted	61,797,234	66,241,285	69,629,069	81,125,875	58,873,481	56,393,164	53,687,483	61,887,998	60,717,525	81,964,578
Committed	78,028,147	80,686,087	89,740,505	78,052,056	94,516,043	92,844,472	104,907,262	113,098,565	134,533,558	143,562,983
Assigned	10,939,413	13,016,863	11,295,161	8,905,614	2,000,000	2,000,000	103,244	31,602	400,000	5,772,283
Unassigned	12,876,239	2,362,462	-	-	-	-	-	-	-	-
Total General Fund	<u>\$ 164,616,963</u>	<u>\$ 163,252,683</u>	<u>\$ 171,500,113</u>	<u>\$ 169,038,855</u>	<u>\$ 156,084,815</u>	<u>\$ 152,250,326</u>	<u>\$ 159,451,859</u>	<u>\$ 175,698,244</u>	<u>\$ 196,311,374</u>	<u>\$ 232,447,661</u>
All Other Governmental Funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,449,786
Restricted	249,427,470	128,971,628	305,899,106	177,915,229	189,499,986	364,243,729	258,663,484	131,303,935	127,044,720	72,133,426
Committed	4,767,599	2,420,117	1,674,132	354,408	1,223,558	5,019,365	2,779,200	2,830,720	2,904,480	2,977,920
Assigned	185,469,399	108,827,367	292,834,006	172,398,031	313,895,746	442,430,960	477,307,247	449,655,862	498,239,963	406,360,257
Unassigned	-	(3,133,969)	-	(10,033,460)	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 439,664,468</u>	<u>\$ 237,085,143</u>	<u>\$ 600,407,244</u>	<u>\$ 340,634,208</u>	<u>\$ 504,619,290</u>	<u>\$ 811,694,054</u>	<u>\$ 738,749,931</u>	<u>\$ 583,790,517</u>	<u>\$ 628,189,163</u>	<u>\$ 484,921,389</u>

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 609,308,349	\$ 647,548,590	\$ 710,275,214	\$ 779,282,089	\$ 805,971,657	\$ 792,862,640	\$ 810,990,349	\$ 832,640,691	\$ 852,063,846	\$ 901,382,287
Intergovernmental	118,587,529	133,663,332	131,862,575	156,374,930	172,956,616	151,643,808	165,703,784	151,985,131	127,479,754	134,788,097
Charges for services	84,974,746	90,286,022	66,353,660	63,848,042	61,597,480	58,060,472	57,244,484	72,565,052	66,497,667	67,072,200
Fines and forfeitures	-	-	-	-	-	-	9,249	1,745	2,118	4,084
Licenses and permits	3,826,961	4,455,484	3,966,854	4,317,114	3,640,114	2,511,430	3,031,172	3,413,382	4,062,881	4,701,663
Investment earnings	13,965,562	18,210,761	34,917,361	31,505,676	16,032,292	14,450,008	9,449,429	3,765,433	2,515,686	2,223,705
Miscellaneous	1,747,001	1,967,157	1,766,839	2,209,788	1,300,892	1,589,375	1,832,334	424,000	1,371,730	2,192,304
Total revenues	832,410,148	896,131,346	949,142,503	1,037,537,639	1,061,499,051	1,021,117,733	1,048,260,801	1,064,795,434	1,053,993,682	1,112,364,340
Expenditures										
General government	54,503,193	67,496,914	69,670,869	62,616,556	57,333,739	62,312,808	59,102,157	57,101,602	53,933,135	54,502,188
Human services	242,728,896	251,447,674	237,426,103	239,200,024	245,260,302	228,226,056	225,151,612	226,219,076	203,945,270	197,831,174
Education	389,311,077	496,363,021	523,403,059	614,650,186	661,308,744	472,392,741	457,113,370	467,388,048	427,414,362	469,890,207
Community development and cultural	58,106,647	80,047,310	72,320,978	78,880,528	72,398,266	55,323,394	60,686,759	69,050,159	70,259,896	76,436,700
Environmental services	9,699,551	12,720,619	12,639,837	11,579,862	8,906,419	8,107,490	8,452,527	12,152,613	7,864,404	8,354,834
Public safety	101,784,936	111,963,564	117,581,846	137,019,013	153,430,681	174,204,071	239,028,698	209,183,377	172,509,821	146,774,811
General Services Administration**	-	-	-	24,950,463	28,402,331	24,895,202	23,820,674	21,090,881	22,429,768	25,332,207
Debt service										
Principal	70,642,456	70,480,946	71,522,353	71,574,931	94,944,496	110,568,516	118,987,473	164,498,331	145,652,849	152,250,703
Interest	44,964,694	49,736,040	52,747,094	66,048,503	58,677,460	77,807,693	84,194,136	88,561,925	89,523,701	90,030,119
Total expenditures	971,741,450	1,140,256,088	1,157,312,139	1,306,520,066	1,380,662,438	1,213,837,971	1,276,537,406	1,315,246,012	1,193,533,206	1,221,402,943
Excess of revenues over (under) expenditures	(139,331,302)	(244,124,742)	(208,169,636)	(268,982,427)	(319,163,387)	(192,720,238)	(228,276,605)	(250,450,578)	(139,539,524)	(109,038,603)
Other Financing Sources (Uses)										
Transfers in	140,916,584	147,675,732	163,553,933	201,112,793	215,254,756	223,203,272	222,033,652	256,643,030	225,977,117	241,246,092
Transfers out	(142,716,584)	(152,533,732)	(165,723,733)	(193,580,333)	(214,942,756)	(225,799,272)	(223,629,652)	(257,912,346)	(225,521,117)	(240,839,772)
Refunding bonds issued	147,400,000	41,000,000	-	-	235,300,000	383,420,000	-	75,290,000	-	-
Refunding installment purchases issued	-	-	-	-	-	-	-	-	2,234,325	-
Payment to refunded bond escrow agent	(151,425,000)	1,358,620	-	-	(256,895,981)	(449,682,612)	-	(94,006,298)	-	-
Payment to refunded escrow agent	-	-	-	-	-	-	-	-	(2,234,325)	-
Bond proceeds and premiums	5,718,339	-	580,953,020	-	489,456,200	258,034,180	163,990,302	131,715,590	203,154,626	-
Limited obligation bonds issued	-	-	-	-	-	303,480,000	-	-	-	-
Proceeds of capital leases and installment purchases	523,937	2,680,517	955,950	1,619,860	2,022,210	304,944	139,713	7,573	940,674	1,500,796
Total other financing sources (uses)	417,276	40,181,137	579,739,170	9,152,320	470,194,429	492,960,512	162,534,015	111,737,549	204,551,300	1,907,116
Net change in fund balances	\$ (138,914,026)	\$ (203,943,605)	\$ 371,569,534	\$ (259,830,107)	\$ 151,031,042	\$ 300,240,274	\$ (65,742,590)	\$ (138,713,029)	\$ 65,011,776	\$ (107,131,487)
Debt service as a percentage of noncapital expenditures	12.52%	11.19%	11.30%	10.95%	11.51%	16.63%	16.93%	19.91%	20.65%	20.44%

**Prior to Fiscal Year 2008, General services administration was included in General government 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 Rate ³	Special Tax Districts Tax Rate ³	Average County Tax Rate ³
2005	\$ 56,733,308,581	\$ 10,954,998,975	\$ 3,436,614,540	\$ 71,124,922,096	\$ 0.604	\$ 0.100	\$ 0.704
2006	59,644,957,346	12,084,539,414	3,405,223,801	75,134,720,561	0.604	0.100	0.704
2007	62,996,405,923	12,506,221,915	3,341,976,693	78,844,604,531	0.604	0.100	0.704
2008	66,679,502,469	13,556,157,155	2,887,291,656	83,122,951,280	0.634	0.100	0.734
2009 ²	99,568,342,254	14,058,926,692	2,983,256,554	116,610,525,500	0.678	0.100	0.778
2010	103,093,250,199	13,015,000,000	3,050,000,000	119,158,250,199	0.534	0.080	0.614
2011	103,067,247,714	13,630,432,081	2,837,941,846	119,535,621,641	0.534	0.080	0.614
2012	104,028,407,900	13,698,928,311	2,828,064,440	120,555,400,651	0.534	0.080	0.614
2013	105,310,957,601	14,311,760,539	2,827,432,989	122,450,151,129	0.534	0.080	0.614
2014	107,096,246,490	17,429,308,807	2,900,935,929	127,426,491,226	0.534	0.080	0.614

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										
	2005	2006	2007	2008	2009 ²	2010	2011	2012	2013	2014	
County Direct Rates											
County-wide Rate ¹	\$ 0.604	\$ 0.604	\$ 0.634	\$ 0.678	\$ 0.534	\$ 0.534	\$ 0.534	\$ 0.534	\$ 0.534	\$ 0.534	\$ 0.534
Various Special Tax Districts	0.100	0.100	0.100	0.100	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Total average direct rate	0.704	0.704	0.734	0.778	0.614	0.614	0.614	0.614	0.614	0.614	0.614
Municipality Rates											
Town of Angier	0.460	0.500	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.530
Town of Apex	0.400	0.400	0.400	0.400	0.340	0.340	0.340	0.340	0.390	0.390	0.390
Town of Cary	0.420	0.420	0.420	0.420	0.330	0.330	0.330	0.330	0.330	0.350	0.350
Town of Clayton			0.490	0.540	0.540	0.540	0.540	0.525	0.525	0.525	0.525
Town of Fuquay-Varina	0.520	0.520	0.520	0.520	0.385	0.385	0.385	0.385	0.385	0.385	0.385
Town of Garner	0.560	0.560	0.575	0.575	0.490	0.490	0.490	0.490	0.490	0.490	0.490
Town of Holly Springs	0.530	0.530	0.530	0.530	0.415	0.415	0.415	0.415	0.435	0.435	0.435
Town of Knightdale	0.500	0.500	0.500	0.500	0.400	0.400	0.410	0.410	0.410	0.430	0.430
Town of Morrisville	0.470	0.468	0.468	0.468	0.367	0.367	0.367	0.367	0.367	0.390	0.390
City of Raleigh	0.395	0.395	0.435	0.435	0.374	0.374	0.374	0.374	0.383	0.383	0.383
Town of Rolesville	0.485	0.485	0.485	0.515	0.420	0.420	0.420	0.440	0.440	0.440	0.440
Town of Wake Forest	0.540	0.540	0.540	0.550	0.510	0.510	0.510	0.510	0.510	0.510	0.510
Town of Wendell	0.540	0.540	0.540	0.540	0.490	0.490	0.490	0.490	0.490	0.490	0.490
Town of Zebulon	0.480	0.490	0.500	0.550	0.510	0.500	0.500	0.500	0.513	0.525	0.525

Notes:

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

Source: Wake County Revenue Department

**Principal Property Tax Payers
June 30, 2014
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2014			Fiscal Year 2005		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Progress Energy Carolinas, Inc.	\$ 1,624,648,025	1	1.27%	\$ 2,085,524,664	1	2.93%
SAS Institute Inc	528,745,658	2	0.41%	286,136,802	5	0.40%
Cisco Systems Inc	468,055,850	3	0.37%	375,509,383	2	0.53%
Duke Realty LP	420,526,829	4	0.33%			
Novartis Vaccines & Diagnostics	358,401,109	5	0.28%			
CVM Holdings Inc	334,466,115	6	0.26%	173,085,658	7	0.24%
Highwoods Realty LP	322,466,600	7	0.25%	165,141,699	8	0.23%
Network Appliance, Inc	307,047,690	8	0.25%			
Glaxosmithkline	242,597,402	9	0.19%	133,514,091	10	0.19%
G & I V LP	241,968,634	10	0.19%			
Public Service Co of NC				150,686,129	9	0.21%
Bell South Tel Co.				329,649,564	3	0.46%
NC Eastern Municipal Power Agency				321,779,094	4	0.45%
Weeks Realty LP				269,314,407	6	0.38%
	<u>\$ 4,848,923,912</u>		<u>3.80%</u>	<u>\$ 4,290,341,491</u>		<u>6.02%</u>

Source: Wake County Revenue Department

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
	(Original Levy)	Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy	Amount		Percentage of Adjusted Levy	
2005	\$ 447,296,073	\$ (2,915,368)	\$ 444,380,705	\$ 438,197,505	98.61%	\$ 5,510,807	\$ 443,708,312	99.85%	
2006	471,423,336	(4,606,253)	466,817,083	460,044,525	98.55%	6,062,421	466,106,946	99.85%	
2007	518,390,324	(3,827,251)	514,563,073	507,081,845	98.55%	6,582,944	513,664,789	99.83%	
2008	582,905,166	(4,123,930)	578,781,236	569,645,015	98.42%	8,022,839	577,667,854	99.81%	
2009	649,942,150	(10,067,050)	639,875,100	630,648,211	98.56%	8,244,173	638,892,384	99.85%	
2010	657,175,469	(7,643,046)	649,532,423	640,993,333	98.69%	7,609,332	648,602,665	99.86%	
2011	661,292,534	(4,849,315)	656,443,219	648,750,058	98.83%	6,621,007	655,371,065	99.84%	
2012	665,819,212	(2,298,064)	663,521,148	657,541,978	99.10%	4,712,305	662,254,283	99.81%	
2013	676,163,798	(2,306,621)	673,857,177	667,843,411	99.11%	4,212,318	672,055,729	99.73%	
2014	702,953,904	(1,690,243)	701,263,661	697,580,105	99.47%	-	697,580,105	99.47%	

Notes:

Taxes for the fiscal year ended June 30, 2014 at the collection rate of 99.47% are a composite of the following collections by category:

Vehicle taxes	96.04%
Real and personal property taxes	99.80%

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, 2014**

Fiscal Year	Uncollected Balance June 30, 2013	Additions	Collections and Credits	Uncollected Balance June 30, 2014
2013-2014	\$ -	\$ 701,263,661	\$ 697,580,105	\$ 3,683,556
2012-2013	6,013,766	-	4,308,739	1,705,027
2011-2012	2,986,037	-	1,719,172	1,266,865
2010-2011	1,274,059	-	201,905	1,072,154
2009-2010	1,067,460	-	137,702	929,758
2008-2009	1,055,800	-	73,085	982,715
2007-2008	1,163,499	-	50,117	1,113,382
2006-2007	934,269	-	35,985	898,284
2005-2006	730,840	-	20,703	710,137
Total	\$ 15,225,730	\$ 701,263,661	\$ 704,127,513	12,361,878
Less allowance for uncollectable ad valorem taxes receivable				<u>(8,803,686)</u>
Ad valorem taxes receivable (net)				<u>\$ 3,558,192</u>
Reconciliation with revenues:				
Taxes - ad valorem - General Fund				\$ 651,191,410
Taxes - ad valorem - NCVTS - General Fund				33,485,296
Taxes - ad valorem - Fire Tax District Fund				20,305,233
Taxes - ad valorem - NCVTS - Fire Tax District Fund				1,131,600
Reconciling items:				
Interest and fees collected				(2,814,761)
Refunds of NCVTS taxes				(78,349)
RTP District taxes				609,312
Prior year rebates and releases				235,172
Other adjustments				<u>62,600</u>
Total collections and credits				<u>\$ 704,127,513</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, 2014

	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	\$ 124,300,098,638	\$ 0.534	\$ 664,199,427	\$ 621,543,293	\$ 42,656,134
Motor vehicles taxed at prior year's rate	3,126,392,588	0.534	16,751,437	-	16,751,437
	25,409,712,274	0.008	21,295,453	19,304,529	1,990,924
Penalties	-		-	-	-
Total	<u>152,836,203,500</u>		<u>702,246,317</u>	<u>640,847,822</u>	<u>61,398,495</u>
Discoveries:					
Current year taxes	-		-	-	-
Prior year taxes	-		-	-	-
Penalties	-		707,587	707,587	-
Total	<u>-</u>		<u>707,587</u>	<u>707,587</u>	<u>-</u>
Abatements	(390,174,345)		(2,083,531)	(1,614,812)	(468,719)
Total property valuation	<u>\$ 152,446,029,155</u>				
Deferred Levy			393,288	393,288	-
Net levy			701,263,661	640,333,885	60,929,776
Uncollected taxes at June 30, 2013			3,683,556	1,273,636	2,409,920
Current year's taxes collected			<u>\$ 697,580,105</u>	<u>\$ 639,060,249</u>	<u>\$ 58,519,856</u>
Current levy collection percentage			99.47%	99.80%	96.04%

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

Fiscal Year	Governmental Activities									Business-Type Activities	Percentage of		
	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	Capital Leases	Total Primary Government	Personal Income ¹	Per Capita ¹
2005	\$ 1,075,969,512	\$ -	\$ -	\$ 8,570,962	\$ 1,961,538	\$ 475,843	\$ 607,239	\$ -	\$ 1,087,585,094	\$ -	1,087,585,094	3.69%	1,443.21
2006	1,046,504,574	58,250,000	-	7,763,477	1,798,077	237,923	733,181	-	1,115,287,232	-	1,115,287,232	3.42%	1,409.59
2007	1,554,112,546	-	-	7,778,972	1,634,616	-	571,090	-	1,564,097,224	-	1,564,097,224	4.45%	1,884.39
2008	1,479,851,275	-	-	8,472,500	1,471,155	-	419,418	-	1,490,214,348	-	1,490,214,348	4.12%	1,719.99
2009	1,867,469,296	-	-	9,356,965	1,307,694	-	328,068	-	1,878,462,023	-	1,878,462,023	5.26%	2,093.66
2010	1,956,072,526	-	324,671,699	8,181,909	1,144,233	-	157,095	299,767	2,290,527,229	-	2,290,527,229	6.10%	2,542.39
2011	1,991,296,438	-	323,883,480	6,961,421	980,772	-	173,449	-	2,323,295,560	-	2,323,295,560	5.78%	2,498.76
2012	1,934,669,373	-	316,910,261	5,693,721	817,311	-	132,027	-	2,258,222,693	-	2,258,222,693	5.29%	2,390.62
2013	1,960,133,287	-	303,982,042	5,327,348	653,850	-	81,238	-	2,270,177,765	-	2,270,177,765	5.32%	2,350.49
2014	1,806,329,227	² -	291,053,822	² 5,329,121	490,389	-	51,293	-	2,103,253,852	5,877	2,103,259,729	4.93%	2,177.66

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. 2013 and 2014 ratios are calculated using 2012 personal income.

(2) General Obligation Bonds and Limited Obligation Bonds include premiums on issuance of bonds of \$141,454,227 and \$18,038,823, respectively, which will be amortized over the life of its related debt.

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

General Bonded Debt Outstanding					
Fiscal Year	General Obligation Bonds	General Obligation Commercial Paper	Total General Bonded Debt	Percentage of Actual Taxable Value of Property¹	Per Capita²
2005	1,075,969,512	\$ -	\$ 1,075,969,512	1.51%	1,427.79
2006	1,046,504,574	58,250,000	1,104,754,574	1.47%	1,396.28
2007	1,554,112,546	-	1,554,112,546	1.97%	1,872.36
2008	1,479,851,275	-	1,479,851,275	1.78%	1,708.03
2009	1,867,469,296	-	1,867,469,296	1.60%	2,081.41
2010	1,956,072,526	-	1,956,072,526	1.64%	2,171.16
2011	1,991,296,438	-	1,991,296,438	1.67%	2,141.69
2012	1,934,669,373	-	1,934,669,373	1.60%	2,048.09
2013	1,960,133,287	-	1,960,133,287	1.60%	2,029.47
2014	1,806,329,227 ³	-	1,806,329,227	1.42%	1,834.64

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.

(3) General Obligation Bonds include premiums on issuance of bonds of \$141,454,227, which will be amortized over the life of its related debt.

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2014**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Municipality:			
Apex	\$ 52,700,000	100%	\$ 52,700,000
Cary	204,090,002	100%	204,090,002
Fuquay-Varina	8,525,000	100%	8,525,000
Garner	22,425,751	100%	22,425,751
Holly Springs	34,072,311	100%	34,072,311
Knightdale	12,493,794	100%	12,493,794
Morrisville	10,370,000	100%	10,370,000
Raleigh	1,532,000,000	100%	1,532,000,000
Rolesville	-	100%	-
Wake Forest	12,755,000	100%	12,755,000
Wendell	354,517 ¹	100%	354,517
Zebulon	3,250,000	100%	3,250,000
Overlapping debt	<u>1,893,036,375</u>		<u>1,893,036,375</u>
Direct debt	<u>2,103,253,852</u>		<u>2,103,253,852</u>
Total direct and overlapping debt	<u><u>\$ 3,996,290,227</u></u>		<u><u>\$ 3,996,290,227</u></u>

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

¹ Overlapping debt provided by Form LGC Confirmation for FY13-14

Note: Percentage of overlap based on assessed property values.

Legal Debt Margin Information
Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed Value of Property	\$ 71,124,912,096	\$ 75,134,720,561	\$ 78,844,604,531	\$ 83,122,951,280	\$ 116,610,525,500	\$ 119,158,250,199	\$ 119,535,621,641	\$ 120,555,400,651	\$ 122,450,151,129	\$ 127,426,491,226
Debt Limit, 8% of Assessed Value (Statutory Limitation)	\$ 5,689,992,968	\$ 6,010,777,645	\$ 6,307,568,362	\$ 6,649,836,102	\$ 9,328,842,040	\$ 9,532,660,016	\$ 9,562,849,731	\$ 9,644,432,052	\$ 9,796,012,090	\$ 10,194,119,298
Amount of Debt Applicable to Limit										
General Obligation Bonds	\$ 1,049,485,000	\$ 1,020,850,000	\$ 1,505,200,000	\$ 1,434,595,000	\$ 1,772,370,000	\$ 1,794,370,000	\$ 1,831,620,000	\$ 1,754,870,000	\$ 1,801,325,000	\$ 1,664,875,000
General Obligation Commercial Paper	-	58,250,000	-	-	-	-	-	-	-	-
Other Long Term Debt	11,008,343	9,799,477	9,413,588	9,943,655	10,664,659	313,263,004	311,595,642	303,938,059	291,217,436	278,885,802
Bonds Authorized not Issued	718,510,000	718,500,000	1,058,390,000	911,000,000	514,500,000	391,870,000	239,070,000	65,700,000	145,450,000	950,450,000
Total net debt applicable to limit	1,779,003,343	1,807,399,477	2,573,003,588	2,355,538,655	2,297,534,659	2,499,503,004	2,382,285,642	2,124,508,059	2,237,992,436	2,894,210,802
Legal Debt Margin	\$ 3,910,989,625	\$ 4,203,378,168	\$ 3,734,564,774	\$ 4,294,297,447	\$ 7,031,307,381	\$ 7,033,157,012	\$ 7,180,564,089	\$ 7,519,923,993	\$ 7,558,019,654	\$ 7,299,908,496
Total net debt applicable to limit as a percentage of debt limit	31.27%	30.07%	40.79%	35.42%	24.63%	26.22%	24.91%	22.03%	22.85%	28.39%

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 Enrollment⁴	Unemployment Rate⁵
2005	753,589	29,470,723	39,095	113,547	4.1%
2006	791,214	32,581,446	41,089	119,306	3.6%
2007	830,029	35,134,837	42,242	128,072	3.5%
2008	866,410	36,190,313	41,691	134,002	4.6%
2009	897,214	35,727,859	39,821	137,706	8.4%
2010	900,933	37,576,938	41,400	139,599	8.5%
2011	929,780	40,193,567	43,280	143,289	7.8%
2012	944,619 ^	42,693,474	44,839	145,922	7.7%
2013	965,833 ^	*	*	149,508	7.3%
2014	984,568 ^	*	63,791 #	152,684	5.1%

* Information not yet available

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

(2) Bureau of Economic Analysis Regional, Economic Information System- Bureau of Economic Analysis April 2012.

(3) Bureau of Economic Analysis Regional Economic Account -computed using Census Bureau midyear population estimates available as of April 2012.

(4) North Carolina Department of Public Instruction. 2003-2012 Final Average Daily Membership 2012 Wake County Public Schools.

(5) Employment Security Commission of North Carolina. 2003-2012 Annual Average.

^Wake County Planning Department

^^Employment Security Commission of North Carolina. Local Area Unemployment Statistics.

Wake County Planning Department - Median household income

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

Employer	2014**			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of North Carolina	24,083	1	5.01%	23,639	1	6.13%
Wake County Public School Systems	17,572	2	3.66%	12,997	3	3.37%
International Business Machines (IBM)	10,000	3	2.08%	13,000	2	3.37%
WakeMed Health & Hospitals	8,423	4	1.68%	5,000	5	1.30%
North Carolina State University	8,080	5	1.75%	7,787	4	2.02%
Cisco Systems	5,500	6	1.15%	2,500	11	0.65%
Rex Healthcare	5,400	7	1.12%	3,779	8	0.98%
SAS Institute, Inc.	5,159	8	1.07%	4,300	7	1.11%
Wake County Government	4,341	9	0.90%	3,300	9	0.86%
GlaxoSmithKline	4,140	10	0.86%	4,800	6	1.24%
NC DHHS	3,879	11	0.81%			0.00%
City of Raleigh	3,244	12	0.68%	3,000	10	0.78%
	<u>99,821</u>		<u>20.77%</u>	<u>84,102</u>		<u>21.81%</u>

Source: Greater Raleigh Chamber of Commerce.

** As of the date of publication this information was not available for 2014 . Data from 2013 has been used.

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	392.60	419.10	474.05	451.00	327.00	294.00	271.80	304.25	305.25	314.25
Human services	1,645.42	1,666.32	1,782.67	1,523.00	1,604.00	1,623.00	1,782.80	1,751.10	1,644.03	1,465.10
Community development and cultural	247.00	272.00	300.00	255.00	254.00	287.50	304.00	304.00	312.00	321.50
Environmental services	104.00	106.00	115.00	124.00	111.00	112.00	118.00	117.00	120.00	124.00
Public safety	828.00	940.00	1,025.00	959.00	1,050.00	1,057.00	1,102.00	1,199.50	1,237.50	1,285.50
General services administration**	-	-	-	-	123.00	121.00	134.00	137.00	142.50	140.00
Total	3,217.02	3,403.42	3,696.72	3,312.00	3,469.00	3,494.50	3,712.60	3,812.85	3,761.28	3,650.35

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

WAKE COUNTY, NORTH CAROLINA

TABLE 18

Operating Indicators By Function Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
Registered voters	651,341	645,419	628,953	588,701	575,146	569,222	542,763	508,218	506,186	486,456
Taxable real estate parcels	392,989	381,677	367,323	361,082	322,205	322,620	315,000	299,000	293,371	283,003
Tax bills	N/A	1,164,651	1,153,607	1,128,643	1,120,585	1,125,000	1,100,000	1,100,000	1,032,300	976,847
Deeds and real estate documents recorded	148,233	208,162	179,048	164,279	167,888	189,164	243,000	250,000	243,500	250,000
Human Services										
Family medicaid recipients	92,666	76,745	74,338	68,373	64,595	54,904	48,408	45,300	*	41,409
Laboratory tests	180,000	163,837	235,000	*	178,068	192,753	202,375	200,228	239,180	228,300
School nurse health support services	31,558	28,880	23,428	20,795	23,211	*	9,691	9,759	9,575	*
Families receiving maternal and child health case management services	6,300	4,042	4,328	5,817	4,844	5,424	2,544	2,534	3,137	*
Adult inpatient substance abuse services	N/A	336	484	687	641	847	861	808	800+	*
Adult care home residents served through on-site inspections	2,373	2,381	2,861	2,932	2,637	2,684	2,560	2,560	2500-3000	*
Homeless served - street outreach	N/A	N/A	N/A	N/A	241	476	389	389	201	*
Homeless sheltered at S. Wilmington St. Center	1,849	1,791	1,734	1,834	2,055	2,055	2,044	2,137	1,703	*
Persons testing for HIV/STD	20,364	21,107	22,420	15,597	10,619	10,861	21,492	12,056	1,280	*
Number of transportation trips provided	183,570	165,908	178,330	157,000	145,000	146,060	142,093	195,000	135,957	129,483
Food assistance individuals	38,585	*	85,892	77,068	65,101	51,835	45,070	43,002	*	40,658
Education										
Students attending public school ¹	152,684	149,508	146,687	142,997	139,599	137,706	134,002	128,072	120,504	113,547
Public school teachers ²	10,563	9,810	9,810	9,342	9,277	9,546	9,204	8,644	8,385	7,757
Community college students-average semester ³	34,427	33,338	32,236	31,559	31,067	31,719	29,858	31,160	31,367	27,461
Community college faculty ³	1,329	1,921	1,344	1,315	1,213	1,210	1,079	1,096	1,058	1,088
Community Development and Cultural										
Libraries - Circulation of youth services	6,923,255	6,912,700	7,047,064	6,147,038	6,322,332	5,883,351	5,523,734	4,805,095	4,284,910	3,903,455
Libraries - Circulation of adult services	3,467,128	3,699,333	4,212,225	4,511,679	5,030,294	4,569,145	4,866,561	4,453,517	4,061,217	3,364,907
Park visitation	1,187,986	1,113,501	1,162,246	1,129,732	1,046,997	987,059	1,003,605	914,278	822,835	805,999
Residential permits issued - new	1,367	1,239	716	369	277	279	851	1,353	1,703	1,857
Commercial permits issued - new	157	136	167	81	2	11	21	11	7	8
Building permits - additional, alterations	1,535	1,473	1,276	1,264	1,307	1,258	1,639	1,289	1,226	1,181
Inspections performed	53,517	44,329	35,510	35,537	34,650	41,636	55,470	60,307	61,836	57,141
Environmental Services										
Animal control service calls	7,786	7,644	8,260	*	14,498	10,742	12,549	5,986	6,672	4,721
Animals impounded	11,632	13,805	15,517	16,162	12,040	11,232	11,318	10,276	10,368	6,361
Sanitation inspections	8,770	9,222	*	*	8,215	7,110	5,233	5,518	7,222	7,033
Public Safety										
Detention intake	36,847	38,070	*	32,849	35,519	31,789	31,833	31,513	*	32,269
Civil processes served	65,590	70,575	93,318	96,089	98,233	95,009	91,248	*	*	86,121
Pistol permits processed	18,304	35,883	21,163	17,525	15,309	20,768	12,793	10,167	*	10,271
Average daily jail population	1,297	1,306	1,227	1,279	1,341	1,366	1,237	1,222	*	1,193
Fire/medical incidents responded to by contracting fire departments	28,429	28,675	27,645	29,012	26,770	26,399	29,258	11,444	*	22,805
Wake EMS trips	45,419	45,829	45,055	37,943	30,434	29,283	29,132	27,369	24,849	23,266
Solid Waste										
Tons received at North Wake Landfill ⁴	N/A	N/A	N/A	N/A	N/A	N/A	344,467	573,477	451,919	389,268
Tons received at South Wake Landfill ⁵	406,568	400,964	414,156	426,901	439,069	463,126	70,669	N/A	N/A	N/A
Tons received at East Wake Transfer Station ⁶	252,462	242,123	259,610	255,096	260,333	278,464	24,802	N/A	N/A	N/A
Household hazardous waste customers	36,996	29,560	30,863	27,566	24,449	14,471	12,423	11,679	12,088	8,975

* Information not available.

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

(2) Wake County Public Schools.

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

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

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

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

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

Function/Program	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Services Administration										
Rentable square footage	4,790,359	4,516,751	3,956,974	3,477,580	3,369,836	3,213,049	3,111,096	3,039,976	2,968,199	2,842,465
Human Services										
Number of centers	22	22	22	22	20	15	14	14	15	*
Education										
Number of schools	170	165	163	163	159	156	153	147	139	132
Community Development and Cultural										
Libraries - branches	20	20	20	20	20	19	19	19	17	17
Volume of library books	1,534,418	1,520,704	1,479,940	1,544,261	1,670,538	1,714,645	1,846,996	1,670,543	1,476,396	1,520,714
Number of County Parks	8	8	8	8	7	7	7	7	7	*
Number of School Parks	16	16	16	16	16	16	16	16	16	*
Public Safety										
Sheriff - Stations	9	9	9	7	5	5	5	5	5	4
Detention capacity	1,568	1,472	1,568	1312	1,312	1,312	1,312	1,312	1,312	1,312
EMS - Stations	15	15	15	15	15	15	15	15	15	15

* Information not available.