



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

2018

***Wake County
North Carolina***

***Comprehensive Annual
Financial Report***

for the fiscal year ended June 30, 2018

Prepared by the Wake County Finance Department

Wake County, North Carolina

Board of County Commissioners



Jessica Holmes
Chairwoman
District 3



Sig Hutchinson
Vice Chair
District 1



Matt Calabria
District 2



Erv Portman
District 4



James West
District 5



Greg Ford
District 6



John Burns
District 7

County Administration

County Manager: David Ellis

County Attorney: Scott Warren

Clerk to the Board: Denise Hogan

Chief Operating Officer: Johnna Rogers

Chief Financial Officer: Emily Lucas

Chief Information & Innovation Officer: Bill Greeves

Wake County North Carolina

Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018

Prepared by the Wake County Finance Department:

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John T. Stephenson, CPA, Internal Audit Director
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Spencer Phillips, Senior Accountant
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Todd Taylor, Debt Manager
Tom Wester, CLGPO, Purchasing Director
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Ty Stephens, Buyer
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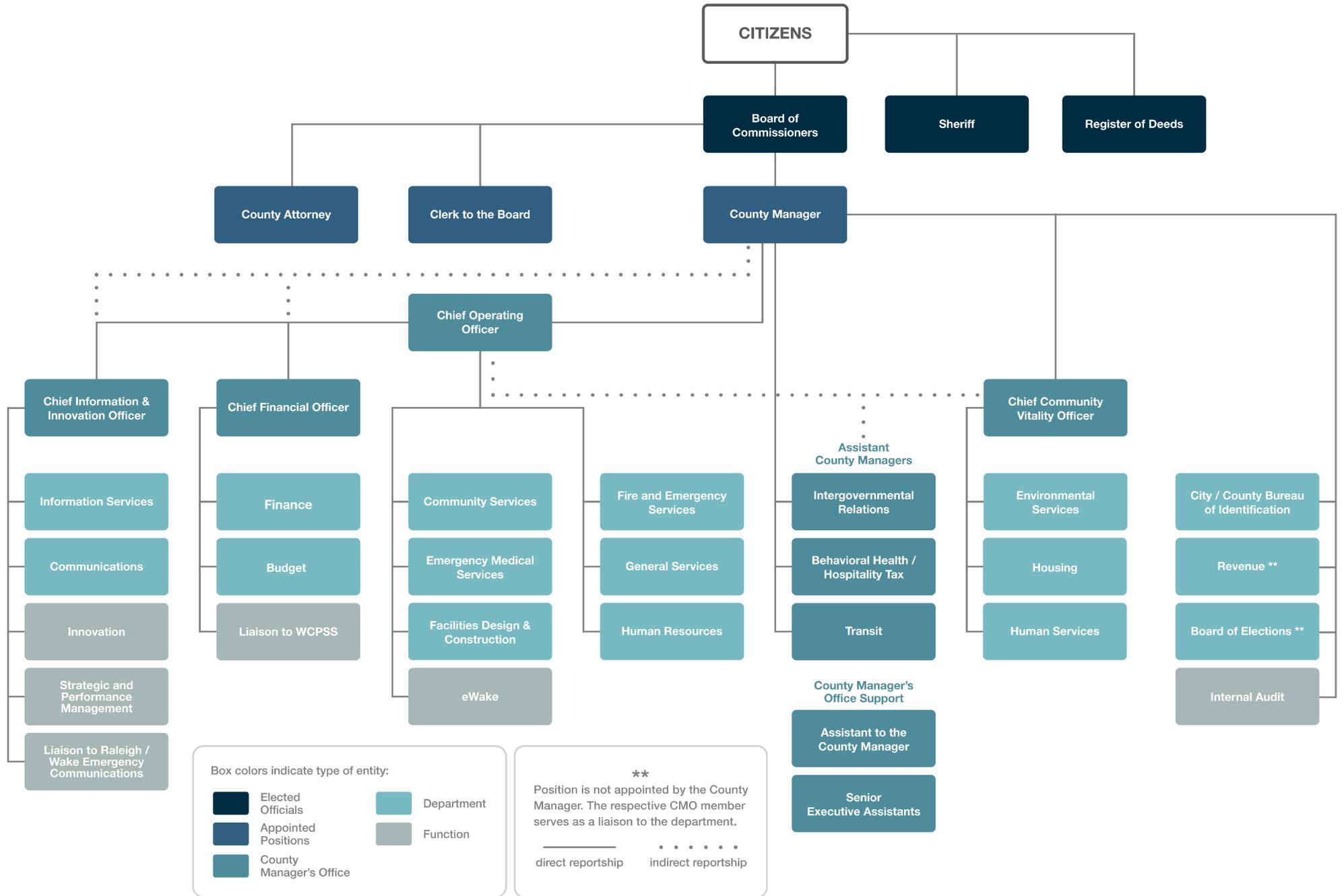
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Wake County Government





November 28, 2018

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

Promoting a vision of a county that partners with all levels of government to empower, protect, and serve its citizens through a culture of respect, collaboration, and innovation is a key goal of the Wake County Board of Commissioners. A key objective of that goal is continuing the County's strong foundation of fiscal strength to maintain the County's Aaa bond ratings with the three major rating agencies. The Comprehensive Annual Financial Report (financial statements) of Wake County, North Carolina, for the fiscal year ended June 30, 2018, demonstrates the County's continued progress towards meeting that objective. The County, like all other local governments in North Carolina, is required by state law to publish a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Each year this document is prepared to fulfill that requirement, as well as to provide details about how the County receives, spends, and accounts for its resources and provide key indicators of the County's financial condition.

The County's Finance Department prepares the financial statements and assumes all responsibility for the accuracy of the data, the completeness and fairness of the presentation, and all disclosures. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and help ensure that information is reliable for the preparation of this report. Because the cost of internal controls should not outweigh their benefits, the County's controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. Wake County officials believe the data and presentation are fair and accurate, and that everything necessary is included in this document to gain an understanding of the County's financial activities over the last fiscal year.

Wake County's financial statements have been audited by Elliott Davis, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2018, 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, 2018 are fairly presented in conformity with generally accepted accounting principles. The report of the independent auditor is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to satisfy the audit requirements imposed by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements. This is to be done with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Report of Schedule of Expenditures of Federal and State Awards and Reports on Compliance and Internal Control.

Wake County is required to present a Management's Discussion and Analysis (MD&A) as an introduction to the financial information. This analysis immediately follows the auditor's opinion and provides an overview and analysis of the County's significant transactions in fiscal year 2018. The purpose of the MD&A is to aid readers in understanding the financial impacts and their relationships as detailed in the financial statements and schedules provided. This letter of transmittal is written to compliment and not supplant the MD&A.

FINANCIAL REPORTING ENTITY

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

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

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

PROFILE OF WAKE COUNTY

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

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

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

The County is continually highlighted in national publications as one of the best places to call home. Some of those accolades from fiscal year 2018 include:

- **#2 Best Place for Business and Careers**, Forbes, October 2017
- **#2 Among Best-Performing Cities (Raleigh)** - Milken Institute, January 2018
- **#6 Among 10 Cities Primed for Economic Growth and Opportunity in 2018 (Raleigh)**, CardRates.com, February 2018
- **#2 Digital County (Population of 1,000,000 or more)**, GovTech, July 2018

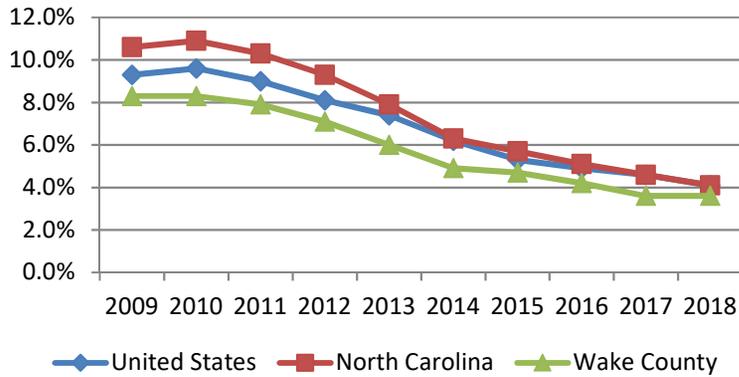
FACTORS AFFECTING FINANCIAL CONDITION

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

Unemployment Rates

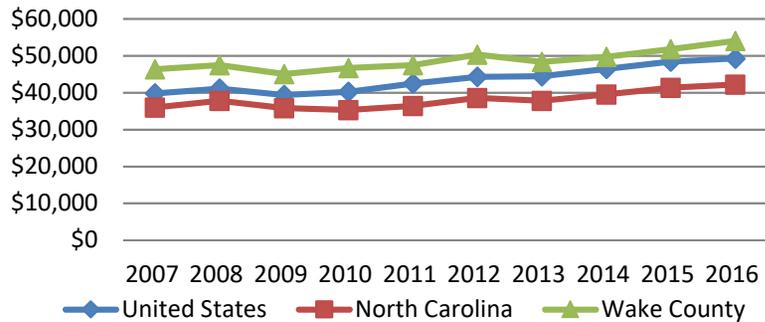
On June 30, 2018, the unemployment rate was 3.6%, which is 0.5% lower than the state and national averages. Wake County's recovery from the significant recession of the latter 2000s occurred at a faster pace than the nation and State. Now, in a return of economic stabilization and growth, the County's unemployment rate remains lower than North Carolina as a whole and the United States.

Unemployment Rate



Our residents' per capita income, as reported by the U.S. Bureau of Economic Analysis, also shows increases and strength relative to the state and the nation.

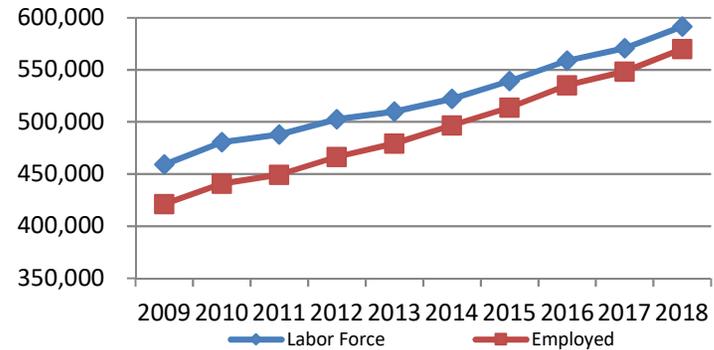
Per Capita Personal Income



Job Growth and Investment

Job growth remains strong. Wake County continues to attract diverse companies creating new jobs. Wake County Economic Development reports that 110 different companies (35 new and 75 expanding) announced a total of 7,958 new jobs worth a total of \$480 million of new investments during fiscal year 2018. In addition, prior announcements have met or exceeded hiring targets established. Such job announcements allow the County to continue to experience growth in the number of employed in Wake County and increases in both residential and commercial assessed value.

Labor Force and Number Employed



Economic Diversity

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

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

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

- The Research Triangle Foundation of North Carolina manages Research Triangle Park with a focus on orchestrating industry, university and government collaboration to attract research, scientific and technology-based organizations to support the creation of quality jobs and opportunities. RTP has more than 250 companies, collectively employing more than 50,000 people. Its top ten employers are IBM Corporation, Cisco Systems, GlaxoSmithKline, Fidelity Investments, RTI International, Credit Suisse, Lenovo, NetApp, Biogen, and the U.S. Environmental Protection Agency.
- Six public and private institutions of higher education are located in Wake County, including North Carolina State University. The university has an enrollment of approximately 34,000 students and is engaged in graduate and undergraduate education, research, and extension programs. It employs approximately 9,000 employees. The university's unique research park, Centennial Campus, hosts more than 60 companies, government agencies, and research and academic units
- Wake County is also home to Wake Technical Community College, which is part of the North Carolina Community College System. The mission of Wake Tech is to provide education and training for the workforce. It serves nearly 74,000 adults annually, with five campuses, three training centers, multiple community sites, and an array of online learning options.
- Three acute care hospital systems are located in the County and employ over 15,000 employees.
- Wake County's population is highly educated. According to the United State Census Bureau, in 2017, 52.2% of its adult population held a bachelor's degree or higher. Wake County's higher education level is consistently higher than state and national averages.

Long-Term Planning and Community Improvement Plan

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

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

In North Carolina, counties are statutorily responsible for providing facilities for both public K-12 schools and community colleges. Wake County, home to the 16th largest school district in the nation with more than 158,000 students, and the State's largest community college, requires significant investment to maintain existing facilities and invest in additional facilities for enrollment growth. Accordingly, over 80% of the County's outstanding \$2.18 billion of debt is for education related capital costs.

During fiscal year 2018, the County expanded its debt market activity by obtaining additional funding needed for new education capital needs. This included increasing the draw authorization available under one of its existing short-term construction period financing agreements, as well as issuing new limited obligation bonds. Separately, the County also converted certain education related debt from short-term construction period financing agreements to general obligation bonds. More information about the County's debt financed programs or other projects included in its Community Improvement Plan are available online at <http://www.wakegov.com/budget>.

OTHER COUNTY GOALS AND ACCOMPLISHMENTS

Wake County focuses on maintaining a high quality of life for its current and future residents. The County's population is growing by an average 67 people per day, and many of its goals and objectives center on the growing needs of the community.

To address growing needs in a public school system with nearly 160,000 students, the fiscal year 2019 budget increased funding for the Wake County Public School System by \$45 million, for an overall annual investment in public K-12 education of \$475.9 million. The County's total annual investment in the school district is a record-setting \$711.8 million for operating and capital spending. Overall, about 53 percent of the county's fiscal year 2019 General Fund budget funds Wake County Public Schools.

The fiscal year 2019 budget also includes an historic investment in housing affordability. A recurring funding stream of \$15 million a year is dedicated to increasing the stock of affordable housing in our community; 85% of those funds will go towards creating housing units, increasing home ownership opportunities, and partnering with municipalities to enhance housing opportunities county-wide. This recurring funding will also support opening a shelter for single women without children and back a county commitment to effectively end veteran homelessness by December 2021.

Over the first five years, this investment will generate \$75 million for housing affordability. It represents a 338-percent increase in funding in this area from fiscal year 2018 to fiscal year 2019.

Wake County also is investing in its parks, greenways and open space. In October, the County officially opened Turnipseed Nature Preserve, a 265-acre park featuring trails, a wildlife overlook, diverse habitats, and places to play and picnic. Wake County also expanded its greenway system by nearly 13 miles and add nearly 1,300 acres of open space over the past year.

In June, Wake County broke ground on the Cary Regional Library. The project, which is a unique partnership between Wake County and the Town of Cary, will include a new town parking deck to serve patrons of the library, Cary Arts Center, downtown park and other nearby venues. Construction of the 30,000-square-foot library and 600-space parking deck is expected to be complete by the end of 2019.

In addition, the County has launched a community-wide planning effort called PLANWake to help plan for future growth in responsible, sustainable ways. PLANWake will use public input to create a new, comprehensive plan for the County, set the long-range vision for issues like land use and environmental protection, and generate high-level policies to guide decision-making.

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, 2017. This marks the 34th consecutive year in which the County has received this recognition. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The GFOA award is valid for a period of one year.

Sustained Professional Purchasing Award

The Carolinas Association of Governmental Purchasing presented their annual award to Wake County for the fiscal year ended June 30, 2017. This is the 14th consecutive year that Wake County has received this prestigious designation. This award is presented to units of government that have demonstrated high standards in the purchasing profession. The criteria for the award include the use of technology, minority outreach, staff certification, customer and vendor training, and the use of recycled products. The award recognizes purchasing departments in North and South Carolina.

Acknowledgments

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

Respectfully submitted,

David Ellis

David Ellis
County Manager

Emily Lucas

Emily Lucas, CPA
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Wake County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Major Facilities Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Implementation of New Accounting Standard and Change in Accounting Principle

As discussed in Note 24 to the financial statements, the County adopted provisions of Governmental Accounting Standards Board (GASB) Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective July 1, 2017. Our opinions are not modified with respect to this matter.

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2018 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.



Raleigh, North Carolina

November 28, 2018



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, 2018. We encourage readers to review the information presented here in conjunction with the letter of transmittal and the County's financial statements, which follow this overview.

Financial Highlights for Wake County, North Carolina for the Year Ended June 30, 2018:

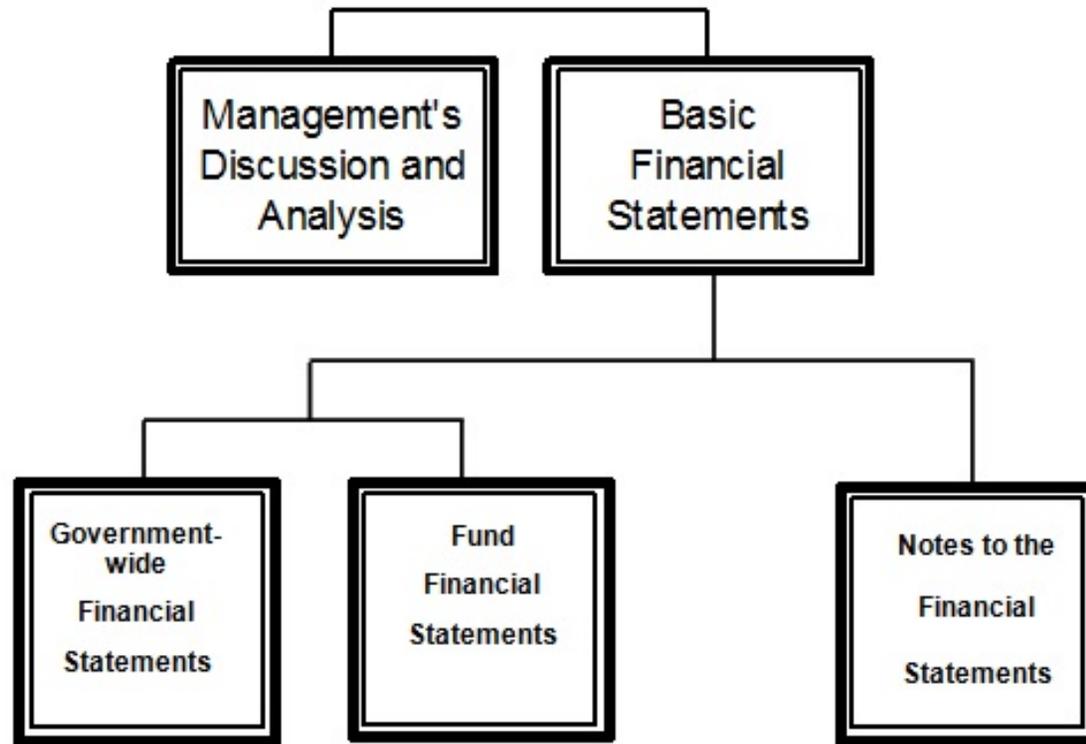
- As of June 30, 2018, the County's governmental funds reported combined ending fund balances of \$743.2 million, compared with \$675.8 million at the end of the prior fiscal year.
- The combined General Fund and Debt Service Fund fund balances are measured together to assess the County's overall fiscal health. At the end of the 2018 fiscal year, the fund balances for the County's General Fund and Debt Service Fund were \$317.6 million and \$109.0 million, respectively, compared with each fund reporting fund balances of \$296.2 million and \$120.3 million, respectively, in the prior fiscal year. The total fund balance of both funds as a percentage of combined General Fund and Debt Service Fund revenues was 33.5% as of the end of fiscal year 2018, compared to 33.6% as of the end of the 2017 fiscal year.
- The County uses a long-term financial planning model for capital budgeting purposes. The debt component of the model helps evaluate the impact of capital funding decisions on the County's financial condition and to ensure policy targets are maintained. In accordance with the model, the County allocates a portion of property taxes specifically for debt service and cash funding of its capital program. The tax rate for fiscal year 2018 was 61.50 cents, of which 18.76 cents was dedicated to capital and debt service. In addition, a portion of sales tax is transferred to the Debt Service Fund for school capital and debt service. For fiscal year 2018, the County transferred from the General Fund the following amounts: \$238.0 million to fund debt service, \$33.8 million for Wake County Public School System capital projects, \$10.0 million for Wake Technical Community College capital projects, and \$33.1 million to fund County capital projects.

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- Wake County has maintained an “Aaa” rating from Moody’s since 1973, an “AAA” rating from Standard & Poor’s Global since 1983, and an “AAA” rating from Fitch Ratings since 2000. These bond ratings are clear indications of the sound financial condition of the County. The County is one of the few counties in the country that maintains the highest financial rating from all three major rating agencies. This achievement is a key factor in allowing the County to receive low interest rates on debt issued, ultimately reducing the cost of debt to the taxpayers. The ratings from each of the agencies were reaffirmed most recently in June 2018.
- During fiscal year 2018, the County authorized \$40.1 million in draw down installment purchase agreements and issued \$60.1 million in limited obligation bonds for new school system capital project needs. The County also issued \$191.0 million in general obligation bonds to retire general obligation bond anticipation notes (BANs) authorized in February 2016 as a result of the 2013 bond referendum to support the school system's capital program and issued \$111.4 million in limited obligation bonds to retire portions of a draw down installment purchase agreement authorized in February 2017.
- During fiscal year 2018, the County authorized \$15.2 million in draw down installment purchase agreements to continue the Wake Technical Community College building program. The County also issued \$27.7 million in general obligation bonds to retire general obligation BANs authorized in February 2016 as a result of the 2012 bond referendum to support the community college's capital program and issued \$3.5 million in limited obligation bonds to retire portions of a draw down installment purchase agreement authorized in February 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 funds finance most of these activities. The business-type activities are services the County charges customers to provide. For Wake County, only the solid waste function is reported as a business-type activity. The final category is the component units. The ABC Board is legally separate from the County; however, the County exercises control over the Board by appointing its members. The ABC Board is also required to distribute its profits to the County.

The government-wide financial statements are on Pages **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 North Carolina General Statutes or the County's budget ordinance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

The **Budgetary Comparison Statements** are the next part of the fund financial statements that is presented. The County adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, management of the County, and decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether 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 also is included with the basic financial statements as an annually-budgeted major special revenue fund.

Proprietary Funds – For the fiscal year ended June 30, 2018, 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 that accounts for the activities associated with the South Wake landfill that is a partnership between the County and 11 municipalities within the County. The enterprise funds are consolidated into the business-type activities that are presented in the Statement of Net Position and the Statement of Activities. *Internal service funds* are used to account for goods or services provided to one department by another on a cost reimbursement basis. The County reports the activities associated with the Corporate Fleet Fund as an internal service fund. Because Corporate Fleet Fund activities are primarily related to governmental activities, it is consolidated primarily into the governmental activities that are presented in the Statement of Net Position and the Statement of Activities.

Agency Funds – *Agency funds* are used to account for assets the County holds on behalf of others. Wake County has three 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, and fines and forfeitures that are collected from citizens and disbursed to the school system under North Carolina law.

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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 \$1,342.9 million as of June 30, 2018. Net position is reported in three general categories: net investment in capital assets of \$540.0 million, restricted amounts totaling \$318.5 million, and an unrestricted net deficit of \$(2,201.4) 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 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 \$516.3 million in the prior year to \$540.0 million at June 30, 2018. This increase relates primarily to the County's governmental activities. The County's school and community college related debt is not included in this calculation as it is not considered capital related debt for Wake County.

The largest category of the County's net position is reported as an unrestricted net deficit. This balance is to be used to meet the government's ongoing obligations to citizens and creditors. However, under North Carolina law, the County is responsible for providing capital funding for the Wake County Public School System (WCPSS) and Wake Technical Community College (WTCC). The County has chosen to meet its legal obligation to provide WCPSS and WTCC capital funding by using a mixture of County funds and debt. The assets funded by the County are owned, utilized, and maintained by WCPSS and WTCC. Since the County, as the issuing government, acquires no capital assets, the County has incurred a debt liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the school-related debt less unspent bond proceeds was \$1,732,787,291, and the outstanding balance of the community college-related debt less unspent bond proceeds was \$259,701,372. 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.

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

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

School system debt	\$ (1,732,787,291)
Community college Debt	(259,701,372)
All other unrestricted	<u>(208,934,143)</u>
Total unrestricted (deficit)	<u><u>\$ (2,201,422,806)</u></u>

In addition, unrestricted net position for the fiscal year ending June 30, 2018 was significantly impacted by the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which increased the County's long-term liability by \$260.2 million.

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Wake County's Net Position:

	June 30, 2018 Governmental Activities	June 30, 2017 Governmental Activities	June 30, 2018 Business-type Activities	June 30, 2017 Business-type Activities	June 30, 2018 Total	June 30, 2017 Total
Current and other assets	\$ 863,741,692	\$ 781,452,489	\$ 60,505,558	\$ 67,182,498	\$ 924,247,250	\$ 848,634,987
Capital assets	848,289,883	848,050,315	22,609,239	15,068,176	870,899,122	863,118,491
Total assets	<u>1,712,031,575</u>	<u>1,629,502,804</u>	<u>83,114,797</u>	<u>82,250,674</u>	<u>1,795,146,372</u>	<u>1,711,753,478</u>
Deferred outflows of resources	51,680,843	60,222,929	260,656	322,014	51,941,499	60,544,943
Long-term liabilities/schools	1,630,307,930	1,643,576,556	-	-	1,630,307,930	1,643,576,556
Long-term liabilities/community colleges	249,141,976	241,537,159	-	-	249,141,976	241,537,159
Long-term liabilities/other	1,029,219,508	633,685,995	23,791,616	26,077,092	1,053,011,124	659,763,087
Other liabilities	121,001,058	113,573,849	7,533,673	6,192,231	128,534,731	119,766,080
Total liabilities	<u>3,029,670,472</u>	<u>2,632,373,559</u>	<u>31,325,289</u>	<u>32,269,323</u>	<u>3,060,995,761</u>	<u>2,664,642,882</u>
Deferred inflows of resources	128,783,035	99,128,317	184,376	18,623	128,967,411	99,146,940
Net position:						
Invested in capital assets	517,404,228	501,195,521	22,609,239	15,068,176	540,013,467	516,263,697
Restricted/various	308,540,955	222,312,515	9,993,083	19,253,925	318,534,038	241,566,440
Unrestricted	<u>(2,220,686,272)</u>	<u>(1,765,284,179)</u>	<u>19,263,466</u>	<u>15,962,641</u>	<u>(2,201,422,806)</u>	<u>(1,749,321,538)</u>
Total net position	<u>\$ (1,394,741,089)</u>	<u>\$ (1,041,776,143)</u>	<u>\$ 51,865,788</u>	<u>\$ 50,284,742</u>	<u>\$ (1,342,875,301)</u>	<u>\$ (991,491,401)</u>

The County funds the capital needs for both WCPSS and WTCC but does not carry the resulting assets on our financial statements; therefore, our statement of net position reports a net deficit. Despite this deficit reported in governmental activities, the County's finances continue to be strong. Our property tax collection rate is high with an overall collection percentage of 99.89%. We plan and manage revenues and expenditures through the use of financial models for the capital, debt service, and various operating budgets. The low cost of our bonded debt is a direct result of the County's triple-A bond rating by the three major rating agencies.

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Wake County's Changes in Net Position:

	For the Year Ended		For the Year Ended		For the Year Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	Governmental	Governmental	Business-type	Business-type	Total	Total
	Activities	Activities	Activities	Activities		
Revenues:						
Program revenues:						
Charges for services	\$ 84,321,005	\$ 79,234,418	\$ 26,284,880	\$ 25,419,927	\$ 110,605,885	\$ 104,654,345
Operating grants and contributions	104,380,081	126,758,134	2,433,484	2,097,102	106,813,565	128,855,236
General revenues:						
Property taxes	916,010,246	873,850,162	-	-	916,010,246	873,850,162
Sales taxes	185,587,183	177,057,150	-	-	185,587,183	177,057,150
Grants and contributions not restricted to specific programs	9,235,090	8,753,474	-	-	9,235,090	8,753,474
Other general revenues	82,554,491	73,229,821	3,070,510	2,124,418	85,625,001	75,354,239
Total revenues	1,382,088,096	1,338,883,159	31,788,874	29,641,447	1,413,876,970	1,368,524,606
Expenses:						
General government	80,185,660	99,044,204	-	-	80,185,660	99,044,204
Human services	203,680,860	213,554,750	-	-	203,680,860	213,554,750
Education	782,647,207	797,456,473	-	-	782,647,207	797,456,473
Community development and cultural	94,338,763	90,601,804	-	-	94,338,763	90,601,804
Environmental services	12,658,925	11,323,588	-	-	12,658,925	11,323,588
Public safety	197,011,329	179,665,266	-	-	197,011,329	179,665,266
General services administration	23,328,303	28,182,737	-	-	23,328,303	28,182,737
Interest on long-term debt	63,623,613	88,574,145	-	-	63,623,613	88,574,145
Solid waste	-	-	28,416,519	24,405,067	28,416,519	24,405,067
Total expenses	1,457,474,660	1,508,402,967	28,416,519	24,405,067	1,485,891,179	1,532,808,034
Increase (decrease) in net position before transfers	(75,386,564)	(169,519,808)	3,372,355	5,236,380	(72,014,209)	(164,283,428)
Transfers	450,000	450,000	(450,000)	(450,000)	-	-
Change in net position	(74,936,564)	(169,069,808)	2,922,355	4,786,380	(72,014,209)	(164,283,428)
Net position (deficit), beginning of year	(1,041,776,143)	(857,466,164)	50,284,742	45,498,362	(991,491,401)	(811,967,802)
Prior period adjustment	(278,028,382)	(15,240,171)	(1,341,309)	-	(279,369,691)	(15,240,171)
Net position (deficit), beginning of year, as restated	(1,319,804,525)	(872,706,335)	48,943,433	45,498,362	(1,270,861,092)	(827,207,973)
Net position, end of the year	\$ (1,394,741,089)	\$ (1,041,776,143)	\$ 51,865,788	\$ 50,284,742	\$ (1,342,875,301)	\$ (991,491,401)

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, 2018, were the General Fund, Affordable Housing Fund, Major Facilities Fund, Debt Service Fund, County Capital Projects Fund, School Capital Fund, Wake Community College Capital Fund, Solid Waste Operating Fund, and South Wake Landfill Partnership Fund, the last two of which are enterprise funds.

As of the close of the 2018 fiscal year, the County's total governmental funds reported combined ending fund balances of \$743.2 million, an increase of \$67.4 million from \$675.8 million for the prior fiscal year. The County's governmental fund balance increased during the fiscal year ended June 30, 2018 in large part because the County issued debt proceeds for WCPSS needs, which will be expended in future years.

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

At the end of the 2018 fiscal year, the fund balances for the County's General Fund and the Debt Service Fund were \$317.6 million and \$109.0 million, respectively, compared to fund balances of \$296.2 million and \$120.3 million respectively in the prior fiscal year. The total fund balances of both funds compared as a percentage of combined General Fund and Debt Service Fund combined revenues, transfers in and bond premiums was 33.5% as of the end of fiscal year 2018, compared with a combined total of 33.6% as of the end of the 2017 fiscal year. The decrease resulted from an increase in combined revenue that was greater than the increase in total fund balances. The County's debt and capital model strategically uses fund balance in the Debt Service Fund for debt service expenditures, but in an amount that will not exceed the County's debt service guideline of maintaining a minimum fund balance no less than 19% in the Debt Service Fund of subsequent year debt service expenditures and the maintenance of a combined General Fund and Debt Service Fund balance of at least 30% of General Fund and Debt Service Fund combined revenues.

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

Fund Balance Policy Compliance Analysis: General Fund

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Increase (Decrease)</u>
Non-spendable:			
Inventories/noncurrent receivables	\$ 1,914,948	\$ 1,028,455	\$ 886,493
Restricted:			
Stabilization by State statute	77,084,432	73,915,152	3,169,280
Register of deeds automation	879,263	719,551	159,712
Committed:			
Revaluation reserve	3,619,442	3,187,080	432,362
LEO Separation Allowance	1,762,951	963,428	799,523
Future appropriations from excess ABC revenues	6,688,420	8,091,000	(1,402,580)
Future appropriations for behavioral health	14,869,835	14,417,533	452,302
Future insurance claims	2,500,000	-	2,500,000
Working capital	<u>208,294,319</u>	<u>193,854,538</u>	<u>14,439,781</u>
General fund balance	<u>317,613,610</u>	<u>296,176,737</u>	<u>21,436,873</u>
Subsequent Year's Adopted Budget	<u>1,331,034,000</u>	<u>1,263,318,000</u>	<u>67,716,000</u>
Fund Balance as a percentage of next year's budget (15% minimum)	<u>23.86%</u>	<u>23.44%</u>	<u>0.42%</u>
Working Capital	<u>208,294,319</u>	<u>193,854,538</u>	<u>14,439,781</u>
Working Capital as a percentage of next year's budget (10% minimum)	<u>15.65%</u>	<u>15.34%</u>	<u>0.30%</u>

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General Fund and Debt Service:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Increase (Decrease)</u>
General Fund Revenue, sales of assets & materials and transfers in	\$ 1,246,616,123	\$ 1,217,925,135	\$ 28,690,988
Debt Service Fund Revenue, transfers in, and premiums on bond issues	<u>264,277,377</u>	<u>275,339,745</u>	<u>(11,062,368)</u>
Combined revenue and transfers in	1,510,893,500	1,493,264,880	17,628,620
Less: General Fund transfers to Debt Service Fund	<u>(237,998,000)</u>	<u>(252,639,000)</u>	<u>14,641,000</u>
Combined General Fund and Debt Service Fund Revenue	\$ 1,272,895,500	\$ 1,240,625,880	\$ 32,269,620
Fund Balance			
General Fund	\$ 317,613,610	\$ 296,176,737	\$ 21,436,873
Debt Service	<u>108,974,619</u>	<u>120,290,900</u>	<u>(11,316,281)</u>
Combined Fund Balance	<u>\$ 426,588,229</u>	<u>\$ 416,467,637</u>	<u>\$ 10,120,592</u>
Fund Balance as a percentage of Current Year Revenues (30% minimum)	<u>33.5%</u>	<u>33.6%</u>	<u>(0.1)%</u>

General Fund Budgetary Highlights:

During the fiscal year ended June 30, 2018, 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 \$21.4 million during the fiscal year ended June 30, 2018, a substantial amount more than the amount of usage planned of \$11.0 million. The total of \$32.4 million difference between planned usage of fund balance and the actual increase in the fund balance resulted from actual revenues in the General Fund that were \$10.8 million more than the amounts projected in the final budget and expenditures that were \$21.6 million less than anticipated. Intergovernmental revenues for human services were \$5.7 million higher than budgeted amounts because of increased federal and state revenues for public health, child welfare and food stamp programs. The County also received a one-time transfer of \$4.0 million from the ABC Board to the County. This ABC Board amount was committed as fund balance for County needs to address substance abuse and addiction. Charges for services were \$.4 million over budgeted amounts, primarily due to additional Sheriff's fees.

Actual expenditures were \$21.6 million less than budgeted amounts resulting from lower than projected spending by most County departments, particularly Human Services, Public Safety, and General Government. The Human Services Department was underspent by approximately \$4.5 million, the result of savings on the behavioral health care managed contract, the transition of day care subsidy payments to the state, and salary savings. Public Safety expenditures were under budget by approximately \$5.6 million, primarily due to personnel vacancies.

The County's general government departments' budgets were underspent by a total of \$9.6 million. Board of Election costs were approximately \$1.2 million under budget due to reimbursements by County municipalities for election costs. Information Services budget was underspent by approximately \$1.2 million due in large part to savings on IT infrastructure, software licenses, and maintenance fees. Approximately \$1.3 million in savings is attributable to lower than anticipated reappraisal costs and contract services in the Revenue Department. Non-departmental costs were approximately \$4.4 million under budget, due to lower than budgeted costs on the County's self-insured health plan. Other savings in the budget were related to lapsed salaries from vacant positions.

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Proprietary Funds:

The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position in the proprietary fund statement of net position for the Solid Waste Operating Fund at the end of fiscal year 2018 amounted to approximately \$19.3 million, an increase of \$3.3 million from the \$16.0 million reported at the end of fiscal year 2017. This increase resulted from the completion of multiple convenience center capital projects, the costs of which previously included in restricted for Stabilization by State Statute classification. Otherwise, the differences between the two fiscal years are minimal.

Capital Asset and Debt Administration:

	Wake County Capital Assets (net of Amortization and Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 144,862,479	\$ 141,642,812	\$ 382,327	\$ 382,327	\$ 145,244,806	\$ 142,025,139
Landfills	-	-	5,566,062	6,011,029	5,566,062	6,011,029
Buildings	601,293,490	617,459,694	2,624,528	2,708,648	603,918,018	620,168,342
Machinery and equipment	4,049,747	4,917,408	177,174	132,475	4,226,921	5,049,883
Vehicles and motorized equipment	16,250,555	14,989,435	-	-	16,250,555	14,989,435
Improvements other than Buildings	12,452,223	13,291,580	303,319	320,659	12,755,542	13,612,239
Computer Software	11,636,662	14,170,590	-	-	11,636,662	14,170,590
Infrastructure	16,010,314	16,343,429	-	-	16,010,314	16,343,429
Intangibles	1,032,044	-	-	-	1,032,044	-
Construction in progress	40,702,369	25,235,367	13,555,829	5,513,038	54,258,198	30,748,405
Total	\$ 848,289,883	\$ 848,050,315	\$ 22,609,239	\$ 15,068,176	\$ 870,899,122	\$ 863,118,491

Capital assets. The County's investment in capital assets for governmental and business-type activities as of June 30, 2018, totals approximately \$870.9 million (net of amortization and depreciation). The assets include buildings, vehicles, computer software, equipment, infrastructure, as well as land and landfills.

Major capital asset transactions during the 2018 fiscal year included library construction and improvements and land purchases for the open space preservation program.

Wake County, North Carolina
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

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, 2018, the County had total general obligation bonded debt outstanding of approximately \$1.937 billion, of which \$1.577 billion and \$249 million was issued to help meet the capital needs for WCPSS and WTCC, respectively. In addition to general obligation bonded debt, the County also has outstanding capital leases, limited obligation bonds, bond anticipation notes expected to be refinanced as general obligation bonds, draw down installment notes expected to be refinanced with limited obligation bonds, and installment purchases. A summary of total outstanding debt associated with governmental activities is shown below.

Wake County's Outstanding Debt - Governmental Activities

	2018	2017
General Obligation bonds (schools)*	\$ 1,576,624,902	\$ 1,539,418,940
General Obligation bonds (community college)*	249,141,976	241,537,159
General Obligation bonds (other)*	111,702,172	120,654,145
Limited obligation bonds*	424,746,261	264,041,694
Bond anticipation notes	50,197,448	100,229,537
Draw down installment notes	3,485,580	3,928,079
Installment purchases	5,306,359	5,115,000
Capital Leases	34,333	37,553
	<hr/>	<hr/>
Total	<u>\$ 2,421,239,031</u>	<u>2,274,962,107</u>

**Includes premium on issuance cost.*

Wake County's total debt increased \$146.2 million during the fiscal year ended June 30, 2018. This increase occurred because the County issued, among other things, \$197.7 million in general obligation debt (excluding \$20.9 million in premiums) during the fiscal year, compared to the retirement of \$163.3 million in general obligation bonds (excluding \$19.5 million in premiums). The County also issued \$155.3 million in limited obligation bonds (excluding \$20.5 million in premiums) during the fiscal year, compared to the retirement of \$12.1 million in limited obligation bonds (excluding \$2.9 million premiums). These retirements and issuances were made in accordance with the County's long-term capital and debt planning model.

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

Economic Factors and Next Year's Budgets and Rates:

- The unemployment rate for Wake County was 3.6% at June 30, 2018, which remains unchanged from previous fiscal year.
- The County's assessed valuation increased approximately 2.3% from the prior fiscal year, a reflection of residential and commercial growth in the County. During 2017, the County Board of Commissioners voted to change the County's revaluation cycle from an eight-year cycle to a four-year cycle. The change in reappraisal cycles will allow the County to take advantage of the natural growth in the tax base sooner. Under the revised reappraisal schedule, the next cycle will occur in 2020 for property tax billings beginning July 1, 2021.
- Total sales tax collections continued to increase during the fiscal year ended June 30, 2018 to \$185.6 million, from \$177.1 million in the prior fiscal year, a 4.8% increase. Property transfer taxes increased 13% between fiscal year 2018 and the prior fiscal year. Similar rates of increases are projected to continue in the future for both of these revenue streams.
- Wake County continues to grow, with a population of 1,072,203 people at June 30, 2018. The school system added over 2,000 students to the public school system rolls, with a total of 160,429 enrolled for the 2017-2018 school year. School enrollment is projected to be at 162,327 for the 2018-2019 school year.
- The average yield on investments was 1.28% for the fiscal year 2018, compared to .72% for the fiscal year 2017. As in the prior fiscal years, the County has continued to utilize detailed cash flow planning which has allowed us to keep funds invested until needed for expenditures, maximizing the maturity on our investments and earnings on our portfolio. The County realized investment earnings on all funds of \$10.3 million for the fiscal year ended June 30, 2018, on an average portfolio balance of more than \$786.9 million. This compares to fiscal year 2017 earnings of \$4.5 million on an average portfolio balance of more than \$745.6 million. The County routinely holds investments until maturity to maximize earnings.

These factors and others were considered when management prepared Wake County's budget ordinance for the 2019 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2019:

Governmental Activities. The County approved an original budget of approximately \$1.3 billion for the General Fund for fiscal year 2019, which represented a \$67.7 million increase compared to the original budget for the fiscal year 2018. For the fiscal year 2019, the General Fund budget included a property tax rate of \$.6544 per \$100 of assessed value. Additionally, sales tax revenues were projected to increase by 4.4%. On the expenditure side, the County increased General Fund operating support for WCPSS by \$37.6 million to \$468.5 million. WTCC operating support increased by \$4.1 million for a total of \$25.4 million. Much of our \$1.3 billion of budget increases went to education and debt and capital expenditures. However, the County also addressed increasing demands in public safety, community health, growth and development, and workforce support.

Requests for Information:

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

Basic Financial Statements

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
As of June 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Board of Alcoholic Control
ASSETS				
Cash and investments - pooled equity	\$ 618,075,805	\$ 34,524,702	\$ 652,600,507	\$ -
Cash and investments - reserved	6,349,320	20,297,742	26,647,062	-
Cash and investments - cash equivalents	1,242,264	750	1,243,014	23,800,068
Taxes receivable (net)	60,331,852	166,084	60,497,936	-
Accounts receivable (net)	14,575,447	2,888,926	17,464,373	-
Intergovernmental receivable (net)	34,576,502	504,464	35,080,966	-
Loans receivable (net)	21,669,955	1,805,271	23,475,226	-
Special Assessments	559,267	-	559,267	-
Accrued interest receivable	3,722,240	343,484	4,065,724	-
Prepaid items	2,372,661	1,400	2,374,061	1,131,649
Internal balances	27,265	(27,265)	-	-
Inventories	419,288	-	419,288	9,687,209
Restricted assets:				
Restricted cash equivalents	97,864,712	-	97,864,712	-
Net pension asset:				
ROD Supplemental Pension	1,955,114	-	1,955,114	-
Capital assets not being depreciated:				
Land	144,862,479	382,327	145,244,806	12,522,176
Construction in progress	40,702,369	13,555,829	54,258,198	-
Intangibles	1,032,044	-	1,032,044	-
Capital assets (net of accumulated depreciation)				
Landfills	-	5,566,062	5,566,062	-
Buildings	601,293,490	2,624,528	603,918,018	12,864,599
Improvements	12,452,223	303,319	12,755,542	400,605
Machinery and equipment	4,049,747	177,174	4,226,921	693,122
Vehicles and motorized equipment	16,250,555	-	16,250,555	204,559
Computer software	11,636,662	-	11,636,662	-
Infrastructure	16,010,314	-	16,010,314	-
Total assets	1,712,031,575	83,114,797	1,795,146,372	61,303,987
DEFERRED OUTFLOWS OF RESOURCES				
LGERS Pension	40,424,493	216,188	40,640,681	1,121,737
ROD Supplemental Pension	738,414	-	738,414	-
LEO Separation Allowance	1,411,806	-	1,411,806	28,760
Outflows Other post employment benefit	9,106,130	44,468	9,150,598	234,821
Total deferred outflows of resources	51,680,843	260,656	51,941,499	1,385,318

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION (continued)
As of June 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Board of Alcoholic Control
LIABILITIES				
Accounts payable and accrued liabilities	\$ 68,192,561	\$ 4,539,791	\$ 72,732,352	\$ 11,626,947
Due to other governmental units	23,365,798	2,993,882	26,359,680	-
Unearned revenues	3,589,435	-	3,589,435	-
Accrued interest payable	25,853,264	-	25,853,264	-
Long term liabilities:				
Total pension liability - LEOSA	17,179,631	-	17,179,631	728,918
Net pension liability - LGERS	50,584,770	284,128	50,868,898	1,276,413
Total OPEB liability	396,001,005	1,933,778	397,934,783	6,638,563
Amounts due within one year:				
Capital leases	14,858	-	14,858	-
General obligation bonds - schools	149,100,340	-	149,100,340	-
General obligation bonds - community college	18,956,780	-	18,956,780	-
General obligation bonds - other	7,697,880	-	7,697,880	-
Limited obligation bonds	12,135,000	-	12,135,000	-
Installment purchases	814,000	-	814,000	-
Compensated absences payable	11,160,000	68,000	11,228,000	-
Closure/post closure costs	-	1,174,648	1,174,648	-
Risk management liabilities	7,011,979	26,667	7,038,646	-
Amounts due beyond one year:				
Capital leases	19,475	-	19,475	-
Noncurrent bond anticipation notes	50,197,448	-	50,197,448	-
Noncurrent drawdown installment purchase	3,485,580	-	3,485,580	-
General obligation bonds - schools	1,427,524,562	-	1,427,524,562	-
General obligation bonds - community college	230,185,196	-	230,185,196	-
General obligation bonds - other	104,004,292	-	104,004,292	-
Limited obligation bonds	412,611,261	-	412,611,261	-
Installment purchases	4,492,359	-	4,492,359	-
Compensated absences payable	2,208,906	16,600	2,225,506	-
Construction reserves	-	1,164,701	1,164,701	-
Closure/post closure costs	-	19,123,094	19,123,094	-
Risk management liabilities	3,284,092	-	3,284,092	-
Total liabilities	3,029,670,472	31,325,289	3,060,995,761	20,270,841
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes & deposits	8,021,069	680	8,021,749	-
LGERS Pension	1,669,949	11,505	1,681,454	36,131
ROD Supplemental Pension	247,531	-	247,531	-
LEO Separation Allowance	236,793	-	236,793	11,967
Inflows Other post employment benefit	35,261,783	172,191	35,433,974	566,852
Unamortized gains on debt refundings	83,345,910	-	83,345,910	-
Total deferred inflows of resources	128,783,035	184,376	128,967,411	614,950
NET POSITION				
Net investment in capital assets	517,404,228	22,609,239	540,013,467	26,685,061
Restricted for:				
Stabilization by state statute	307,661,692	6,505,808	314,167,500	-
Register of deeds automation	879,263	-	879,263	-
White goods	-	3,487,275	3,487,275	-
Working capital	-	-	-	4,072,514
Unrestricted (See Note 1.P)	(2,220,686,272)	19,263,466	(2,201,422,806)	11,045,939
Total net position	\$ (1,394,741,089)	\$ 51,865,788	\$ (1,342,875,301)	\$ 41,803,514

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2018

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government			
				Governmental Activities	Business-type Activities	Total	Board of Alcoholic Control
Primary Government:							
Governmental activities:							
General government	\$ 80,185,660	\$ 9,154,064	\$ 5,152,979	\$ (65,878,617)	\$ -	\$ (65,878,617)	\$ -
Human services	203,680,860	21,611,239	82,565,794	(99,503,827)	-	(99,503,827)	-
Education	782,647,207	8,000	13,673,927	(768,965,280)	-	(768,965,280)	-
Community development and cultural	94,338,763	8,315,462	1,242,013	(84,781,288)	-	(84,781,288)	-
Environmental services	12,658,925	2,995,866	175,803	(9,487,256)	-	(9,487,256)	-
Public safety	197,011,329	39,273,674	1,557,629	(156,180,026)	-	(156,180,026)	-
General services administration	23,328,303	2,962,700	11,936	(20,353,667)	-	(20,353,667)	-
Interest on long-term debt	63,623,613	-	-	(63,623,613)	-	(63,623,613)	-
Total governmental activities	1,457,474,660	84,321,005	104,380,081	(1,268,773,574)	-	(1,268,773,574)	-
Business-type activities:							
Solid waste	28,416,519	26,284,880	2,433,484	-	301,845	301,845	-
Total primary government	\$ 1,485,891,179	\$ 110,605,885	\$ 106,813,565	(1,268,773,574)	301,845	(1,268,471,729)	-
Component unit:							
Board of Alcoholic Control	\$ 134,036,972	\$ 138,891,419	\$ -				\$ 4,854,447
General revenues:							
Property taxes				916,010,246	-	916,010,246	-
Sales taxes				185,587,183	-	185,587,183	-
Occupancy and prepared food taxes				55,132,299	-	55,132,299	-
Other taxes				16,454,181	-	16,454,181	-
Grants and contributions not restricted to specific programs				9,235,090	-	9,235,090	-
Unrestricted investment earnings				9,524,439	763,080	10,287,519	64,125
Gain on sale of capital assets				748,511	-	748,511	-
Other				695,061	2,307,430	3,002,491	158,432
Total general revenues				1,193,387,010	3,070,510	1,196,457,520	222,557
Transfers				450,000	(450,000)	-	-
Total general revenues and transfers				1,193,837,010	2,620,510	1,196,457,520	222,557
Change in net position				(74,936,564)	2,922,355	(72,014,209)	5,077,004
Net position (deficit), beginning of year, originally reported				(1,041,776,143)	50,284,742	(991,491,401)	41,330,363
Prior period adjustment				(278,028,382)	(1,341,309)	(279,369,691)	(4,603,853)
Net position (deficit), beginning of year, as restated				(1,319,804,525)	48,943,433	(1,270,861,092)	36,726,510
Net position (deficit), end of year				\$ (1,394,741,089)	\$ 51,865,788	\$ (1,342,875,301)	\$ 41,803,514

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

WAKE COUNTY, NORTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2018**

	Major Funds							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 Governmental Funds	
ASSETS									
Cash and investments - pooled equity	\$ 290,635,784	\$ 7,978,574	\$ 8,170,048	\$ 94,634,035	\$ 79,866,475	\$ 89,597,107	\$ 16,894,865	\$ 26,518,451	\$ 614,295,339
Cash and investments - cash equivalents	1,241,664	-	600	-	-	-	-	-	1,242,264
Cash and investments - restricted	6,349,320	-	-	2,515,809	33,292,775	60,109,978	1,946,150	-	104,214,032
Taxes receivable (net)	48,518,653	-	4,956,524	-	89,478	6,675,344	-	91,853	60,331,852
Accounts receivable (net)	14,599,767	2,497	-	-	2,900	-	-	123,387	14,728,551
Intergovernmental receivable (net)	22,202,100	1,386,979	-	8,243,696	-	-	-	2,483,228	34,316,003
Special assessments	-	-	-	-	559,267	-	-	-	559,267
Loans receivable (net)	-	21,483,025	-	-	-	-	-	186,930	21,669,955
Accrued interest receivable	48,042	1,122	51,912	3,388,440	-	59,035	-	149,092	3,697,643
Internal balances (due from other funds)	867,660	-	-	-	-	-	-	-	867,660
Prepaid expenditures	1,465,029	170,871	-	736,761	-	-	-	-	2,372,661
Inventories	347,861	-	-	-	-	-	-	-	347,861
Total assets	<u>\$ 386,275,880</u>	<u>\$ 31,023,068</u>	<u>\$ 13,179,084</u>	<u>\$ 109,518,741</u>	<u>\$ 113,810,895</u>	<u>\$ 156,441,464</u>	<u>\$ 18,841,015</u>	<u>\$ 29,552,941</u>	<u>\$ 858,643,088</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 49,680,435	\$ 495,956	\$ 10,305,638	\$ 544,122	\$ 5,085,121	\$ -	\$ -	\$ 2,521,470	\$ 68,632,742
Due to other governmental units	107,030	753	-	-	10,245	21,145,623	2,101,890	257	23,365,798
Unearned revenue	-	-	-	-	3,589,435	-	-	-	3,589,435
Internal balances (due to other funds)	-	-	-	-	-	-	-	867,660	867,660
Total liabilities	<u>49,787,465</u>	<u>496,709</u>	<u>10,305,638</u>	<u>544,122</u>	<u>8,684,801</u>	<u>21,145,623</u>	<u>2,101,890</u>	<u>3,389,387</u>	<u>96,455,635</u>
DEFERRED INFLOWS OF RESOURCES	<u>18,874,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,622</u>	<u>18,967,427</u>

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

(Continued)

WAKE COUNTY, NORTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS (continued)

As of June 30, 2018

	Major Funds						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	
Fund Balances:								
Non-spendable:								
Inventories	\$ 347,861	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,861
Prepaid expenditures	1,465,029	170,871	-	736,761	-	-	-	2,372,661
Noncurrent receivable	102,058	-	-	-	-	-	-	102,058
Restricted:								
Stabilization by state statute	77,084,432	25,934,958	2,873,446	11,632,136	43,448,027	135,295,841	-	306,465,651
Register of deeds automation	879,263	-	-	-	-	-	-	879,263
Committed:								
Reappraisal reserve	3,619,442	-	-	-	-	-	-	3,619,442
LEO Separation Allowance	1,762,951	-	-	-	-	-	-	1,762,951
Future appropriations from local ABC revenues	6,688,420	-	-	-	-	-	-	6,688,420
Future appropriations for behavioral health	14,869,835	-	-	-	-	-	-	14,869,835
Future insurance claims	2,500,000	-	-	-	-	-	-	2,500,000
Working capital	208,294,319	-	-	-	-	-	3,998,730	212,293,049
Assigned:								
Planned expenditures	-	4,420,530	-	3,426,830	57,936,668	-	189,555	73,826,258
Future capital projects	-	-	-	-	3,741,399	-	16,549,570	24,561,896
Debt service	-	-	-	93,178,892	-	-	-	93,178,892
Unassigned	-	-	-	-	-	-	(248,211)	(248,211)
Total fund balances	<u>317,613,610</u>	<u>30,526,359</u>	<u>2,873,446</u>	<u>108,974,619</u>	<u>105,126,094</u>	<u>135,295,841</u>	<u>16,739,125</u>	<u>743,220,026</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 386,275,880</u>	<u>\$ 31,023,068</u>	<u>\$ 13,179,084</u>	<u>\$ 109,518,741</u>	<u>\$ 113,810,895</u>	<u>\$ 156,441,464</u>	<u>\$ 18,841,015</u>	<u>\$ 858,643,088</u>

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

WAKE COUNTY, NORTH CAROLINA

Reconciliation of the Balance Sheet to the Statement of Net Position As of June 30, 2018

Fund balances - governmental funds	\$	743,220,026
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		838,379,555
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		10,946,357
Net pension assets from the ROD Supplemental Retirement fund resulting from contributions greater than the amount of annual required contributions are not financial resources and therefore not reported in the funds		1,955,114
Contributions to the LGERS Pension plan, ROD Supplemental Retirement fund and Other post employment benefits in the fiscal year are deferred outflows of resources on the Statement of Net Position		26,353,973
Long-term liabilities, including bonds payable, other post employment benefits, pension liabilities and deferred portion of advanced refundings are not due and payable in the current period and therefore are not reported in the funds.		(3,014,913,795)
Pension related deferrals for the LGERS Pension plan, ROD Supplemental Retirement fund and the LEO Special Separation fund, as well as, deferrals related to Other post-employment benefits		(12,146,624)
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.		11,464,305
Net position of governmental activities	\$	<u>(1,394,741,089)</u>

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

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2018

	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	\$ 1,091,693,510	\$ -	\$ 55,132,299	\$ -	\$ 42	\$ -	\$ -	\$ 26,195,086	\$ 1,173,020,937
Intergovernmental	80,150,145	4,832,874	500,000	13,673,927	3,314,357	-	-	12,109,320	114,580,623
Charges for services	65,833,742	1,107,299	-	11,500	3,705,261	-	-	3,616,637	74,274,439
Fines and forfeitures	-	-	-	-	-	-	-	376	376
Licenses and permits	5,381,270	-	-	-	-	-	-	-	5,381,270
Investment earnings	132,282	1,442	101,629	8,757,620	-	126,139	-	354,512	9,473,624
Miscellaneous	517,335	-	-	-	173,131	-	-	2,684	693,150
Total Revenues	1,243,708,284	5,941,615	55,733,928	22,443,047	7,192,791	126,139	-	42,278,615	1,377,424,419
EXPENDITURES:									
Current:									
General government	57,987,317	-	-	1,133,777	16,103,381	-	-	94,505	75,318,980
Human services	176,884,161	5,693,079	-	-	-	-	-	15,324,647	197,901,887
Education	452,197,000	-	-	-	-	293,345,125	36,231,165	-	781,773,290
Community development and cultural	34,939,538	-	50,915,329	-	11,855,766	-	-	2,253,338	99,963,971
Environmental services	11,917,505	-	-	-	-	-	-	81,047	11,998,552
Public safety	144,864,557	-	-	-	14,529,143	-	-	28,923,580	188,317,280
General services administration	28,545,345	-	-	-	-	-	-	12,643	28,557,988
Debt service:									
Principal	-	-	-	178,804,981	-	-	-	-	178,804,981
Interest	-	-	-	93,708,750	-	-	-	-	93,708,750
Total Expenditures	907,335,423	5,693,079	50,915,329	273,647,508	42,488,290	293,345,125	36,231,165	46,689,760	1,656,345,679
REVENUES OVER (UNDER) EXPENDITURES	336,372,861	248,536	4,818,599	(251,204,461)	(35,295,499)	(293,218,986)	(36,231,165)	(4,411,145)	(278,921,260)

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

(Continued)

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS (continued) For the Year Ended June 30, 2018

	Major 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	Total Nonmajor Funds	
OTHER FINANCING SOURCES (USES):									
Transfers in	\$ 2,834,014	\$ 4,002,000	\$ -	\$ 241,085,150	\$ 34,129,000	\$ 33,778,000	\$ 11,979,150	\$ 5,306,648	\$ 333,113,962
Transfers out	(317,860,648)	-	(4,400,000)	(1,946,150)	(1,585,000)	(899,014)	(1,946,150)	(4,027,000)	(332,663,962)
Bonds issued	-	-	-	-	-	170,029,127	27,715,873	-	197,745,000
Bond anticipation notes issued	-	-	-	-	-	144,109,040	24,543,524	-	168,652,564
Repayment of bond anticipation notes	-	-	-	-	-	(190,968,780)	(27,715,873)	-	(218,684,653)
Drawdown installment notes issued	-	-	-	-	-	109,999,781	4,447,742	-	114,447,523
Repayment of drawdown installment notes	-	-	-	-	-	(111,431,377)	(3,458,645)	-	(114,890,022)
Limited obligation bonds issued	-	-	-	-	-	151,831,356	3,458,644	-	155,290,000
Installment purchases issued	-	-	-	-	-	-	-	1,294,125	1,294,125
Repayment of installment purchases	-	-	-	-	-	-	-	(75,641)	(75,641)
Premiums on issuance	-	-	-	749,180	-	40,649,653	-	-	41,398,833
Capital leases issued	16,821	-	-	-	-	-	-	-	16,821
Sale of assets and materials	73,825	-	-	-	510,521	-	-	160,213	744,559
Total Other Financing Sources (Uses)	(314,935,988)	4,002,000	(4,400,000)	239,888,180	33,054,521	347,097,786	39,024,265	2,658,345	346,389,109
NET CHANGE IN FUND BALANCES	21,436,873	4,250,536	418,599	(11,316,281)	(2,240,978)	53,878,800	2,793,100	(1,752,800)	67,467,849
Fund Balances at beginning of year	296,176,737	26,275,823	2,454,847	120,290,900	107,367,072	81,417,041	13,946,025	27,823,732	675,752,177
FUND BALANCES AT END OF YEAR	\$ 317,613,610	\$ 30,526,359	\$ 2,873,446	\$ 108,974,619	\$ 105,126,094	\$ 135,295,841	\$ 16,739,125	\$ 26,070,932	\$ 743,220,026

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

WAKE COUNTY, NORTH CAROLINA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds	\$ 67,467,849
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.	27,111,105
Depreciation expense for the fiscal year being reported, less depreciation in Corporate Fleet Fund	(27,026,795)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(139,286,498)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,474,377
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.	(33,521,522)
Contributions to the LGERS Pension plan, ROD Supplemental Retirement fund, LEO Separation Allowance and Other post employment benefits in the current fiscal year are not included on the Statement of Activities	26,353,973
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>490,947</u>
Change in net position of governmental activities	<u><u>\$ (74,936,564)</u></u>

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

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,092,032,503	\$ 1,092,032,503	\$ 1,091,693,510	\$ (338,993)
Intergovernmental	98,131,644	69,968,519	80,150,145	10,181,626
Charges for services	63,153,703	65,392,408	65,833,742	441,334
Licenses and permits	4,976,998	5,166,317	5,381,270	214,953
Investment earnings	1,220	1,220	132,282	131,062
Miscellaneous	364,522	366,469	517,335	150,866
Total Revenues	1,258,660,590	1,232,927,436	1,243,708,284	10,780,848
EXPENDITURES:				
Current:				
General government	66,582,644	67,540,090	57,970,496	9,569,594
Human services	210,575,853	181,382,512	176,884,161	4,498,351
Education	452,197,000	452,197,000	452,197,000	-
Community development and cultural	35,456,690	36,101,223	34,939,538	1,161,685
Environmental services	12,469,164	12,493,135	11,917,505	575,630
Public safety	144,527,978	150,428,304	144,864,557	5,563,747
General services administration	28,641,603	28,776,384	28,545,345	231,039
Total Expenditures	950,450,932	928,918,648	907,318,602	21,600,046
REVENUES OVER EXPENDITURES	308,209,658	304,008,788	336,389,682	32,380,894
OTHER FINANCING SOURCES (USES):				
Transfers in	2,749,014	2,834,014	2,834,014	-
Transfers out	(311,867,068)	(317,860,648)	(317,860,648)	-
Sale of assets and materials	35,500	35,500	73,825	38,325
Total Other Financing Sources (Uses)	(309,082,554)	(314,991,134)	(314,952,809)	38,325
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(872,896)	(10,982,346)	21,436,873	32,419,219
APPROPRIATED FUND BALANCE	872,896	10,982,346	-	(10,982,346)
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ -	21,436,873	\$ 21,436,873
FUND BALANCE AT BEGINNING OF YEAR			296,176,737	
FUND BALANCE AT END OF YEAR			\$ 317,613,610	

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

WAKE COUNTY, NORTH CAROLINA

**MAJOR FACILITIES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN APPROPRIATED FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Occupancy tax	\$ 26,431,000	\$ 26,431,000	\$ 25,997,116	\$ (433,884)
Prepared food tax	29,391,000	29,391,000	29,135,183	(255,817)
Intergovernmental	500,000	500,000	500,000	-
Investment earnings	-	-	101,629	101,629
Total Revenues	<u>56,322,000</u>	<u>56,322,000</u>	<u>55,733,928</u>	<u>(588,072)</u>
EXPENDITURES:				
Raleigh hold harmless - occupancy	680,000	680,000	680,000	-
Cary hold harmless - occupancy	1,289,000	1,289,000	1,267,356	21,644
Greater Raleigh Convention and Visitors Bureau	6,692,000	6,692,000	6,584,029	107,971
Centennial Authority operations 7%	3,251,000	3,251,000	3,211,664	39,336
Centennial - debt service	5,211,000	5,211,000	5,209,448	1,552
Raleigh annual distribution - \$1M	1,000,000	1,000,000	1,000,000	-
Convention Center	28,304,000	28,304,000	27,862,832	441,168
Centennial Authority facility improvements	2,500,000	2,500,000	2,500,000	-
Cary sports venue	2,600,000	2,600,000	2,600,000	-
Unallocated	395,000	395,000	-	395,000
Total Expenditures	<u>51,922,000</u>	<u>51,922,000</u>	<u>50,915,329</u>	<u>1,006,671</u>
REVENUES OVER EXPENDITURES	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,818,599</u>	<u>418,599</u>
OTHER FINANCING SOURCES (USES):				
Transfers out to General Fund	(1,400,000)	(1,400,000)	(1,400,000)	-
Transfers out to Capital Improvement Fund	(3,000,000)	(3,000,000)	(3,000,000)	-
Total Other Financing Sources (Uses)	<u>(4,400,000)</u>	<u>(4,400,000)</u>	<u>(4,400,000)</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	<u>418,599</u>	<u>\$ 418,599</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>2,454,847</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 2,873,446</u>	

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

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of June 30, 2018

	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	\$ 30,358,935	\$ 4,165,767	\$ 34,524,702	\$ 3,780,466
Cash and investments - reserved	11,819,282	8,478,460	20,297,742	-
Cash and investments - cash equivalents	-	750	750	-
Taxes receivable (net)	166,084	-	166,084	-
Accounts receivable (net)	428,102	2,460,824	2,888,926	2,152
Intergovernmental receivable (net)	504,464	-	504,464	105,243
Loan receivable	1,805,271	-	1,805,271	-
Internal balance (due from other funds)	684,737	147,162	831,899	-
Prepaid expenses	1,400	-	1,400	-
Accrued interest receivable	235,099	108,385	343,484	24,597
Inventories	-	-	-	71,427
Total current assets	<u>46,003,374</u>	<u>15,361,348</u>	<u>61,364,722</u>	<u>3,983,885</u>
Noncurrent assets:				
Capital assets not being depreciated:				
Land	382,327	-	382,327	-
Construction in progress	13,555,829	-	13,555,829	-
Capital assets (net of accumulated depreciation):				
Landfills	5,566,062	-	5,566,062	-
Buildings	2,624,528	-	2,624,528	-
Machinery and equipment	177,174	-	177,174	49,771
Vehicles	-	-	-	9,860,557
Improvements	303,319	-	303,319	-
Total non-current assets	<u>22,609,239</u>	<u>-</u>	<u>22,609,239</u>	<u>9,910,328</u>
Total assets	<u>68,612,613</u>	<u>15,361,348</u>	<u>83,973,961</u>	<u>13,894,213</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>217,069</u>	<u>43,587</u>	<u>260,656</u>	<u>218,893</u>

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

(Continued)

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS (continued) As of June 30, 2018

	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	\$ 3,528,391	\$ 1,011,401	\$ 4,539,792	\$ 481,525
Due to other governmental units	-	2,993,882	2,993,882	-
Internal balances (due to other funds)	147,162	684,737	831,899	-
Total current liabilities	<u>3,675,553</u>	<u>4,690,020</u>	<u>8,365,573</u>	<u>481,525</u>
Noncurrent liabilities:				
Net pension liability - LGERS	241,019	43,109	284,128	220,054
Total OPEB Liability	1,450,333	483,445	1,933,778	1,740,399
Amounts due within one year:				
Compensated absences	60,000	8,000	68,000	60,000
Closure/postclosure care costs	689,816	484,832	1,174,648	-
Risk management liabilities	13,034	13,632	26,666	3,166
Amounts due beyond one year:				
Compensated absences	11,666	4,934	16,600	9,467
Construction reserves	-	1,164,701	1,164,701	-
Closure/postclosure care costs	11,129,466	7,993,628	19,123,094	-
Total noncurrent liabilities	<u>13,595,334</u>	<u>10,196,281</u>	<u>23,791,615</u>	<u>2,033,086</u>
Total liabilities	<u>17,270,887</u>	<u>14,886,301</u>	<u>32,157,188</u>	<u>2,514,611</u>
	<u>139,527</u>	<u>44,849</u>	<u>184,376</u>	<u>161,455</u>
DEFERRED INFLOWS OF RESOURCES				
Net investment in capital assets	22,609,239	-	22,609,239	9,910,328
Restricted:				
Stabilization by state statute	6,032,023	473,785	6,505,808	1,196,041
White goods	3,487,275	-	3,487,275	-
Unrestricted	19,290,731	-	19,290,731	330,671
Total net position	<u>\$ 51,419,268</u>	<u>\$ 473,785</u>	<u>\$ 51,893,053</u>	<u>\$ 11,437,040</u>
Total net position	51,419,268	473,785	51,893,053	
Adjustment to reflect the consolidation of the Corporate Fleet Fund balances related to Solid Waste	(27,265)	-	(27,265)	
Net position of business-type activities	<u>\$ 51,392,003</u>	<u>\$ 473,785</u>	<u>\$ 51,865,788</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, 2018

	Business-type Activities Enterprise		Governmental Activities Internal Service	
	Major Funds		Corporate Fleet Fund	
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund		Total Business-type Activities
OPERATING REVENUES:				
Licenses and permits	\$ 7,500	\$ -	\$ 7,500	\$ -
Charges for services	9,265,811	17,011,569	26,277,380	8,537,673
Miscellaneous	2,307,402	28	2,307,430	1,911
Total Operating Revenues	11,580,713	17,011,597	28,592,310	8,539,584
OPERATING EXPENSES:				
Cost of service	9,529,087	11,826,457	21,355,544	3,512,771
Administration	1,982,741	776,653	2,759,394	1,454,305
Partner rebates	-	3,678,619	3,678,619	-
Depreciation and amortization	620,442	-	620,442	3,696,763
Total Operating Expenses	12,132,270	16,281,729	28,413,999	8,663,839
OPERATING INCOME (LOSS)	(551,557)	729,868	178,311	(124,255)
NON-OPERATING REVENUES:				
Intergovernmental	2,433,484	-	2,433,484	-
Investment earnings	564,605	198,475	763,080	50,815
Sale of assets and materials	-	-	-	561,867
Total Non-Operating Revenues	2,998,089	198,475	3,196,564	612,682
INCOME (LOSS) BEFORE TRANSFERS	2,446,532	928,343	3,374,875	488,427
TRANSFERS:				
Transfers in	992,573	-	992,573	-
Transfers out	(450,000)	(992,573)	(1,442,573)	-
Total Transfers	542,573	(992,573)	(450,000)	-
CHANGE IN NET POSITION	2,989,105	(64,230)	2,924,875	488,427
TOTAL NET POSITION, BEGINNING OF YEAR	49,436,144	873,343	50,309,487	12,190,074
Prior period adjustment	(1,005,981)	(335,328)	(1,341,309)	(1,241,461)
TOTAL NET POSITION, BEGINNING OF YEAR, AS RESTATED	48,430,163	538,015	48,968,178	10,948,613
TOTAL NET POSITION, END OF YEAR, AS RESTATED	\$ 51,419,268	\$ 473,785	\$ 51,893,053	\$ 11,437,040
Change in net position	2,989,105	(64,230)	2,924,875	
Adjustment to reflect the consolidation of the Corporate Fleet Fund activities related to Solid Waste	(2,520)	-	(2,520)	
Change in net position of business-type activities	\$ 2,986,585	\$ (64,230)	\$ 2,922,355	

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, 2018

	Business-type Activities		Governmental Activities	
	Enterprise		Internal Service	
	Major Funds			
	Solid Waste Operating Fund	South Wake Landfill Partnership Fund	Total Business-type Activities	Corporate Fleet Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 8,819,420	\$ 16,107,031	\$ 24,926,451	\$ 8,451,734
Cash payments to suppliers for goods and services	(9,359,372)	(18,472,560)	(27,831,932)	(3,734,037)
Cash payments to employees for services	(1,357,215)	(267,590)	(1,624,805)	(1,221,635)
Cash received from other operating revenues	2,314,902	28	2,314,930	1,911
Net cash provided (used) by operating activities	417,735	(2,633,091)	(2,215,356)	3,497,973
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenue	2,425,513	-	2,425,513	-
Transfers in	992,573	-	992,573	-
Transfers out	(450,000)	(992,573)	(1,442,573)	-
Net cash provided (used) by noncapital financing activities	2,968,086	(992,573)	1,975,513	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(8,161,505)	-	(8,161,505)	(4,031,903)
Proceeds from sale of assets and materials	-	-	-	741,751
Net cash used by capital and related financing activities	(8,161,505)	-	(8,161,505)	(3,290,152)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received on investments	436,756	129,505	566,261	35,061

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

(Continued)

WAKE COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (continued) For the Year Ended June 30, 2018

	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	\$ (4,338,928)	\$ (3,496,159)	\$ (7,835,087)	\$ 242,882
Cash and cash equivalents at beginning of year	46,517,145	16,141,136	62,658,281	3,537,584
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 42,178,217	\$ 12,644,977	\$ 54,823,194	\$ 3,780,466
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (551,557)	\$ 729,868	\$ 178,311	\$ (124,255)
Adjustments to reconcile operating income/loss to net cash provided (used) by operating activities:				
Depreciation and amortization	620,442	-	620,442	3,696,763
Increase in accounts receivable, taxes receivable and intergovernmental receivables	(446,391)	(904,538)	(1,350,929)	(85,939)
Decrease in inventories	-	-	-	96,211
Decrease in deferred outflows of resources	56,007	5,351	61,358	36,633
Increase/(decrease) in accounts payable, accrued liabilities and due to other governmental units	1,579,577	156,918	1,736,495	(102,660)
Decrease in noncurrent liabilities	(964,428)	(2,662,358)	(3,626,786)	(168,715)
Increase in deferred inflows of resources	124,085	41,668	165,753	149,935
Total adjustments	969,292	(3,362,959)	(2,393,667)	3,622,228
Net cash provided (used) by operating activities	\$ 417,735	\$ (2,633,091)	\$ (2,215,356)	\$ 3,497,973

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

WAKE COUNTY, NORTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
As of June 30, 2018**

	Agency Funds
ASSETS	
Cash and investments - pooled equity	\$ 549,787
Accounts receivable (net)	4,529,382
Accrued interest receivable	<u>4,404</u>
Total assets	<u><u>\$ 5,083,573</u></u>
LIABILITIES	
Other liabilities	\$ 573,627
Due to other governmental units	<u>4,509,946</u>
Total liabilities	<u><u>\$ 5,083,573</u></u>

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

Wake County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

Discretely Presented Component Unit

Wake County Board of Alcoholic Control (ABC Board)

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

The County reports the following major funds:

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

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

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

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

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

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

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

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

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

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

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

Additionally, the County reports the following fund types:

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

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 three 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; and the Fines and Forfeitures Fund, which accounts for moneys received from the court system for disbursement to the Wake County Public School System.

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

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

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

D. Budgetary Data Control

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

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

E. Deposits and Investments

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

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

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

E. Deposits and Investments (Cont.)

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

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

F. Interfund Receivables and Payables

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

G. Deferred Outflows/Inflows of Resources

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

H. Taxes Receivable - Deferred Inflows of Resources

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], ad valorem taxes for property other than vehicles are levied on July 1, the beginning of the fiscal year, and are due on September 1 (lien date); however, no penalties or interest are assessed until the following January 6. Property taxes on certain registered motor vehicles are assessed and collected throughout the year. The taxes are based on the assessed values as of January 1, 2017.

Ad valorem taxes collected within 30 days after the fiscal year end for the year ended June 30, 2018 and prior years are accrued within the funds because the amounts are considered measurable and available. The remaining ad valorem taxes receivable are not accrued, as the amount is not considered available. These taxes receivable are significantly past due and are not considered to be an available resource to finance the operations of the subsequent year. GAAP states that property taxes, which are measurable but not available, should be initially recorded as deferred inflows of resources under the modified accrual basis of accounting. The receivable amount is reduced by an allowance for uncollectible taxes and an amount equal to the net receivable is shown as deferred inflows of resources on the combined balance sheet. In addition, property taxes collected in advance of the fiscal year to which they apply are recorded as deferred inflows of resources.

I. Allowances for Uncollectible Accounts

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

J. Inventories and Prepaid Expenditures

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

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

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

K. Capital Assets

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

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

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

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

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

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

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

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

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

M. Compensated Absences

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

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

N. Net Position/Fund Balances

Net position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position 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 White Goods - portion of fund balance that is restricted by State Statute [G.S. 105-187.20-21 and G.S. 130A-309.80-86] for White Goods disposal and capital needs.

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

N. Net Position/Fund Balances (Cont.)

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

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

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

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

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

Committed for Future Insurance Claims - portion of fund balance that is committed by the Board of Commissioners to offset future health insurance claims. The County changed to a new third party administrator for health insurance which caused a delay in processing contributing to the savings experienced during fiscal year 2018. Once management determines that the additional funding is required the Board will approve the appropriation.

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

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

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

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

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

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

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

N. Net Position/Fund Balances (Cont.)

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

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

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

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

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

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

O. Defined Benefit Pension Plan

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

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

P. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between the fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains, “long term liabilities, including bonds payable, are not due in the current period and therefore are not reported in the funds.” The details of this \$(3,014,913,795) difference are as follows:

Outstanding long-term debt payable (per Note 10)	\$ (2,898,373,343)
Less:	
Accrued interest payable	(25,853,264)
Payable to granting agency	(3,825,294)
Risk management liabilities	(5,545,904)
Add:	
Portion of internal service fund's compensated absences included in Note 10	69,467
Portion of internal service fund's total OPEB liability included in Note 10	1,740,399
Portion of internal service fund's net pension employment benefits included in Note 10	220,054
Unamortized portion of deferred inflow of resources related to advanced debt refundings (to be amortized over life of debt)	<u>(83,345,910)</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (3,014,913,795)</u>

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

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states “the issuance of long term debt such as bonds and leases 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 \$(139,286,498) difference are as follows:

Debt issued or incurred:	
GO bonds issued	\$ (197,745,000)
LOB bonds issued	(155,290,000)
GO bond anticipation notes issued	(168,652,564)
Drawdown installment notes issued	(114,447,522)
Installment purchases issued	(1,294,125)
Capital leases	(16,821)
Premiums on bond issuance - GO Bonds	(20,942,170)
Premiums on bond issuance - LOB Bonds	(20,456,663)
Increases in compensated absences liability	(13,008,739)
Increases in compensated absences liability - Corporate Fleet Fund	59,277
Change in risk management liabilities	(1,042,222)
Change in deferred portion of advanced debt refundings	10,745,239
Interest expense accrual and other adjustments	(2,183,879)
Total Increases	<u>(684,275,189)</u>
Principal repayments:	
General obligation debt - schools	137,254,464
General obligation debt - community college	17,906,698
General obligation debt - other	8,178,838
Limited obligation bonds	12,135,000
Installment purchase payments	1,102,766
Capital leases	20,041
Refunded bond anticipation notes	218,684,653
Refunded drawdown installment notes	114,890,021
Current year amortization of bond premiums - GO Bonds	19,488,364
Current year amortization of bond premiums - LOB Bonds	2,907,096
Decreases in compensated absences liability	12,479,172
Decreases in compensated absences liability - Corporate Fleet Fund	(58,422)
Total Decreases	<u>544,988,691</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (139,286,498)</u>

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

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

Another element of that reconciliation states “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays increases exceeded the book value of capital asset decreases in fiscal year being reported.” The details of this \$27,111,105 difference are as follows:

Capital Asset Increases:	
Capital Asset Increases	\$ 9,647,442
Less acquisitions for the Corporate Fleet Fund	(4,031,903)
Increase in construction in progress	<u>22,053,481</u>
Total Increases	<u>27,669,020</u>
Capital Asset Decreases:	
Capital asset disposals	(4,486,848)
Add disposals for the Corporate Fleet Fund	2,907,064
Accumulated depreciation related to capital asset disposals	3,749,049
Less accumulated depreciation related to capital asset disposals in the Corporate Fleet Fund	<u>(2,727,180)</u>
Total Decreases	<u>(557,915)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 27,111,105</u>

Q. Unrestricted (deficit)

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

For school debt	\$ (1,732,787,291)
For community college debt	(259,701,372)
All other	<u>(208,934,143)</u>
Total unrestricted net position	<u>\$ (2,201,422,806)</u>

Under North Carolina law, the County is responsible for providing capital funding for the Wake County Board of Education (School System) and Wake Technical Community College (College). The County has chosen to meet its legal obligation to provide school capital funding by using a mixture of County funds and debt. The assets funded by the County are owned, utilized and maintained by the School System or the College. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the school-related debt less unspent bond proceeds was \$1,732,787,291, and the outstanding balance of the community college-related debt less unspent bond proceeds was \$259,701,372. For additional information regarding the County's debt see Note 1.M. and Note 10.

Unrestricted net position for the fiscal year ending June 30,2018 was significantly impacted by the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits other than Pensions. For additional information regarding the County's Other Post-Employment benefits see Note 17.

NOTE 2. Related Organizations

Industrial Facilities and Pollution Control Financing Authority

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

Wake County Housing Authority

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

Wake County Hospital System, Inc.

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

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

NOTE 3. Joint Ventures Without Equity Interest

Wake Technical Community College

Technical and vocational training beyond the secondary level is provided by Wake Technical Community College, with some financial assistance from the County. The College is part of the state-wide system of community colleges. The College has a twelve-member Board of Trustees, four of which are appointed by the County Board of Commissioners. The College is reported as a component unit of the State. The County has no responsibility for the designation of management and exercises no control over the operations of the College beyond its annual appropriation. The County has an ongoing financial responsibility for the College because of the statutory responsibilities to provide funding for the College's facilities. The County remitted \$21,286,000 to the College for operating purposes during the current year. In addition, the County made debt service payments of \$17,906,698 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, 2018. Complete financial statements for the College may be obtained at their administrative offices at 9101 Fayetteville Road, Raleigh, NC 27603.

Raleigh-Durham Airport Authority

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

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

Centennial Authority

The Centennial Authority is a local political subdivision of the State of North Carolina created pursuant to Section 4, Chapter 458 of the 1995 Session Laws of North Carolina. The purpose of the Authority is to study, design, plan, construct, own, promote, finance and operate a regional facility in Wake County, North Carolina. The Authority is reported as a component unit of the State. The regional facility will consist of an arena, coliseum or other buildings or both, where sports, fitness, health, recreational, entertainment, or cultural activities can be conducted. In addition, the County remitted \$3,211,664 for operations, \$5,209,448 for debt service, and \$2,500,000 for facility improvements from the occupancy and prepared food and beverage taxes for the Authority. The County does not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2018. Complete financial statements for the Authority may be obtained at their administrative offices at 1520 Blue Ridge Road, Suite 201, Raleigh, NC 27607.

Greater Raleigh Convention and Visitors Bureau

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

Funding is derived from the six percent occupancy tax levied upon the rental of rooms, lodging or similar accommodations, and from a one percent prepared food and beverage tax levied on all prepared foods and beverages sold by Wake County businesses. Monthly, the County is required to distribute to the Bureau a percentage of the tax collected with a minimum aggregate annual distribution of \$1,000,000. If tax revenues are not sufficient to fully fund the Bureau's minimum annual distributions, the County and City must fund the deficiency equally to ensure that the Bureau receives its minimum distribution of \$1,000,000 in any fiscal year. 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, 2018. 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 \$159,278,587 and a bank balance of \$160,739,810. Of the bank balance, \$1,781,163 was covered by federal depository insurance and \$158,958,647 in interest-bearing deposits was covered by collateral held under the pooling method.

NOTE 4. Deposits and Investments (Cont.)

2. Investments

As of June 30, 2018, the County had the following investments and maturities.

Investment Type	Valuation		Less Than 2 Years	2 - 3 Years	3 - 5 Years
	Measurement Method	Fair Value			
U.S. Government Treasuries	Fair Value - Level 1	\$ 368,941,138	\$ 325,805,419	\$ -	\$ 43,135,719
U.S. Government Agencies	Fair Value - Level 1	193,687,827	139,759,777	14,916,450	39,011,600
Commercial paper	Fair Value - Level 2	39,738,158	39,738,158	-	-
Other - municipal bonds	Fair Value - Level 1	2,160,325	-	-	2,160,325
N.C. Capital Management Trust - Government portfolio	Amortized cost	15,099,047	15,099,047	-	-
Total fair value		<u>\$ 619,626,495</u>	<u>\$ 520,402,401</u>	<u>\$ 14,916,450</u>	<u>\$ 84,307,644</u>

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

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

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

Credit Risk. The County has no formal policy regarding credit risk but has an informal investment policy that limits the County's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2018, the County's investments in US Treasuries and US Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac) are rated AA+ by Standard & Poor's, AAA by Fitch Ratings, and Aaa by Moody's Investors Service. The County's investments in Commercial Paper were rated A-1+ and A-1 by Standard & Poor's, P-1 by Moody's Investors Service and F-1+ by Fitch Ratings. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2018.

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

Custodial Credit Risk: For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no formal policy on custodial credit risk. At June 30, 2018, all of the County's investments were in the County's name.

NOTE 5. Receivables

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

Taxes and accounts receivables of the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund are reported net of uncollectible amounts. Total uncollectible amounts related to receivables of the current period are \$100,658 and \$7,852, respectively.

	<u>General Fund</u>	<u>Affordable Housing Fund</u>	<u>Major Facilities Fund</u>	<u>Debt Service Fund</u>	<u>County Capital Project Fund</u>	<u>School Capital Fund</u>	<u>Non Major Funds</u>	<u>Totals</u>
Taxes:								
Property taxes	\$ 6,482,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,729	\$ 7,082,966
Sales	47,108,698	-	-	-	89,478	6,675,344	10,277	53,883,797
Prepared food & occupancy	-	-	4,956,524	-	-	-	-	4,956,524
Accounts	72,623,009	52,615	-	-	2,900	-	123,387	72,801,911
Intergovernmental	22,202,100	1,386,979	-	8,243,696	4,614,478	-	2,483,228	38,930,481
Special Assessments	-	-	-	-	559,267	-	-	559,267
Loans receivable	-	27,885,885	-	-	-	-	186,930	28,072,815
Interest	48,042	1,122	51,912	3,388,440	-	59,035	149,092	3,697,643
Gross receivables	148,464,086	29,326,601	5,008,436	11,632,136	5,266,123	6,734,379	3,553,643	209,985,404
Less allowance for bad debts	(63,095,524)	(6,452,978)	-	-	(4,614,478)	-	(519,153)	(74,682,133)
Net total receivables	<u>\$ 85,368,562</u>	<u>\$ 22,873,623</u>	<u>\$ 5,008,436</u>	<u>\$ 11,632,136</u>	<u>\$ 651,645</u>	<u>\$ 6,734,379</u>	<u>\$ 3,034,490</u>	<u>\$ 135,303,271</u>

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

	<u>General Fund</u>	<u>Non Major Funds</u>	<u>Total</u>
Unavailable:			
Taxes receivable	\$ 1,029,156	\$ 81,576	\$ 1,110,732
Other receivables	9,835,447	178	9,835,625
Total Unavailable	10,864,603	81,754	10,946,357
Unearned:			
Prepaid property taxes not yet earned	7,947,359	10,868	7,958,227
Prepaid rent not yet earned	5,171	-	5,171
Deposits on account	57,672	-	57,672
Total Unearned	8,010,202	10,868	8,021,070
Total deferred inflows of resources	\$ 18,874,805	\$ 92,622	\$ 18,967,427

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, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 141,642,812	\$ 3,219,667	\$ -	\$ 144,862,479
Construction in progress	25,235,367	22,053,481	(6,586,479)	40,702,369
Intangibles	-	1,032,044	-	1,032,044
Total capital assets, not being depreciated	<u>166,878,179</u>	<u>26,305,192</u>	<u>(6,586,479)</u>	<u>186,596,892</u>
Capital assets, being depreciated:				
Buildings	798,388,121	3,580,036	-	801,968,157
Improvements other than buildings	20,539,530	58,189	(534,646)	20,063,073
Machinery and equipment	31,923,594	962,365	(263,970)	32,621,989
Vehicles and motorized equipment	44,820,411	7,211,465	(3,688,230)	48,343,646
Computer Software	25,315,880	-	-	25,315,880
Infrastructure	23,656,945	170,155	-	23,827,100
Total capital assets being depreciated	<u>944,644,481</u>	<u>11,982,210</u>	<u>(4,486,846)</u>	<u>952,139,845</u>
Less accumulated depreciation for:				
Buildings	180,928,427	19,746,240	-	200,674,667
Improvements other than buildings	7,247,950	505,040	(142,140)	7,610,850
Machinery and equipment	27,006,186	1,694,578	(128,522)	28,572,242
Vehicles and motorized equipment	29,830,976	5,740,502	(3,478,387)	32,093,091
Computer software	11,145,290	2,533,928	-	13,679,218
Infrastructure	7,313,516	503,270	-	7,816,786
Total accumulated depreciation	<u>263,472,345</u>	<u>\$ 30,723,558</u>	<u>\$ (3,749,049)</u>	<u>290,446,854</u>
Total capital assets, being depreciated, net	<u>681,172,136</u>			<u>661,692,991</u>
Governmental activities capital assets, net	<u>\$ 848,050,315</u>			<u>\$ 848,289,883</u>

NOTE 6. Capital Assets (Cont.)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 382,327	\$ -	\$ -	\$ 382,327
Construction in progress	5,513,038	8,247,186	(204,395)	13,555,829
Total capital assets, not being depreciated/amortized	<u>5,895,365</u>	<u>8,247,186</u>	<u>(204,395)</u>	<u>13,938,156</u>
Capital assets, being depreciated/amortized:				
Landfills	35,596,682	-	-	35,596,682
Buildings	3,363,470	-	-	3,363,470
Improvements	588,689	-	-	588,689
Machinery and equipment	1,016,954	118,714	-	1,135,668
Total capital assets being depreciated/amortized	<u>40,565,795</u>	<u>118,714</u>	<u>-</u>	<u>40,684,509</u>
Less accumulated depreciation/amortization for:				
Landfills	29,585,653	444,967	-	30,030,620
Buildings	654,822	84,120	-	738,942
Improvements	268,030	17,340	-	285,370
Machinery and equipment	884,479	74,015	-	958,494
Total accumulated depreciation/amortization	<u>31,392,984</u>	<u>\$ 620,442</u>	<u>\$ -</u>	<u>32,013,426</u>
Total capital assets, being depreciated/amortized, net	<u>9,172,811</u>			<u>8,671,083</u>
Business-type activities capital assets, net	<u>\$ 15,068,176</u>			<u>\$ 22,609,239</u>

Depreciation and amortization expenses were charged to functions as follows:

Governmental activities:	
General administration	\$ 4,225,092
Human services	2,919,298
Education	873,917
Community development and cultural	2,727,745
Environmental services	688,786
Public safety	15,426,643
General services administration	<u>3,862,077</u>
Total depreciation expense - Governmental activities	<u>30,723,558</u>
Business-type activities:	
Environmental services - solid waste	<u>620,442</u>
Total depreciation and amortization	<u>\$ 31,344,000</u>

NOTE 6. Capital Assets (Cont.)

As of June 30, 2018 fiscal year, the construction in progress balance for governmental activities was made up of the following projects:

Construction in Progress:

	Expended At June 30, 2018
Document Management Projects	\$ 2,573,870
Other Automation Projects	4,402,800
Judicial Facilities	2,095,006
Oak City Multi-Services Center	2,034,139
Libraries	5,518,398
Open Space Preservation	4,060,109
Water/Wastewater	192,272
800MHZ Radio Communications System	13,225,150
CAD System Replacement	4,485,098
EMS/Fire Stations	2,115,527
	<u>\$ 40,702,369</u>

NOTE 7. Interfund Receivables/Payables and Transfers

As of June 30, 2018, internal balances total \$867,660 in the governmental funds. This represents amounts due to the General Fund by non-major governmental funds for their share of cash and investments pooled equity. Internal balances in the business-type activities funds, as of June 30, 2018 are \$831,899. 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, 2018.

The County's General Fund transferred funds during fiscal year 2018 to fund debt service payments, capital improvements, economic developments and the County match for State and federal grant programs. The \$450,000 transferred from the Solid Waste Operating Fund is to cover expenses incurred by the General Fund on behalf of the solid waste program. The \$992,573 transferred from the South Wake Landfill Partnership Fund to the Solid Waste Operating Fund is for expenses incurred in the Solid Waste Operating Fund on behalf of the South Wake Landfill Fund.

	General Fund	Affordable Housing Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	Other Governmental Funds	Solid Waste Operating Fund	Total Transfers out
General Fund	\$ -	\$ 2,502,000	\$ 237,998,000	\$ 33,119,000	\$ 33,778,000	\$ 10,033,000	\$ 430,648	\$ -	\$ 317,860,648
Major Facilities Fund	1,400,000	-	-	-	-	-	3,000,000	-	4,400,000
Debt Service Fund	-	-	-	-	-	1,946,150	-	-	1,946,150
Capital Improvements Fund	85,000	1,500,000	-	-	-	-	-	-	1,585,000
School Capital Fund	899,014	-	-	-	-	-	-	-	899,014
Wake Community College Capital Fund	-	-	1,946,150	-	-	-	-	-	1,946,150
Other Governmental Funds	-	-	1,141,000	1,010,000	-	-	1,876,000	-	4,027,000
Solid Waste Operating Fund	450,000	-	-	-	-	-	-	-	450,000
South Wake Partnership Fund	-	-	-	-	-	-	-	992,573	992,573
Total transfers in	<u>\$ 2,834,014</u>	<u>\$ 4,002,000</u>	<u>\$ 241,085,150</u>	<u>\$ 34,129,000</u>	<u>\$ 33,778,000</u>	<u>\$ 11,979,150</u>	<u>\$ 5,306,648</u>	<u>\$ 992,573</u>	<u>\$ 334,106,535</u>

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

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

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

The County is self-insured to a retention of \$1,250,000 for each workers' compensation claim and \$1,000,000 for liability claims. The County purchases commercial excess insurance for claims in excess of its self-funded retentions and other insurance and bonds to cover specific risks and individuals. 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, 2018 are as follows:

Coverage	Coverage Limits
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
Other Liability:	
General	\$2,000,000 per occurrence/ \$4,000,000 aggregate
Auto	\$2,000,000 per accident
Public Officials/Employment Practice	\$2,000,000 per wrongful act/ \$2,000,000 aggregate
Law Enforcement	\$2,000,000 per wrongful act/ \$2,000,000 aggregate
Excess	\$8,000,000 per occurrence/ \$8,000,000 aggregate

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

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

The claims liability of \$10,322,738 at June 30, 2018 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability is actuarially determined and includes an estimate for claims incurred but not reported. This entire amount is accrued and reported in the government-wide statements in the applicable governmental or business-type activities. A portion of the liability is considered due and payable and is reported in the General Fund in the fund financial statements. Changes in the fund's claims liability amount during fiscal years 2017 and 2018 are as follows:

Changes in Claims Liability

	Workers' compensation	Property and liability	Self-insured group medical	Dental benefits	Total
Balance, as of June 30, 2016	\$ 5,000,973	\$ 1,931,011	\$ 2,866,000	\$ 107,000	\$ 9,904,984
Claims incurred, fiscal year 2017	1,192,902	895,950	40,337,084	2,179,639	44,605,575
Payments and changes in estimates, fiscal year 2017	<u>(1,257,791)</u>	<u>(785,175)</u>	<u>(40,459,084)</u>	<u>(2,170,639)</u>	<u>(44,672,689)</u>
Balance, as of June 30, 2017	4,936,084	2,041,786	2,744,000	116,000	9,837,870
Claims incurred, fiscal year 2018	806,222	631,604	38,886,468	2,212,850	42,537,144
Payments and changes in estimates, fiscal year 2018	<u>(279,678)</u>	<u>(462,280)</u>	<u>(39,091,468)</u>	<u>(2,218,850)</u>	<u>(42,052,276)</u>
Balance, as of June 30, 2018	<u>\$ 5,462,628</u>	<u>\$ 2,211,110</u>	<u>\$ 2,539,000</u>	<u>\$ 110,000</u>	<u>\$ 10,322,738</u>
Amount reported in General Fund	<u>\$ 1,912,000</u>	<u>\$ 775,000</u>	<u>\$ 1,970,000</u>	<u>\$ 90,000</u>	<u>\$ 4,747,000</u>

NOTE 9. Capital Lease Obligations and Operating Leases

The County leases certain equipment under lease agreements that are classified as capital leases for accounting purposes in accordance with GAAP. Obligations of these lease agreements are accounted for in the governmental and business-type activities of the government-wide statements. At June 30, 2018, the net book value of the assets acquired through capital leases is \$24,603. The net present value of the future minimum lease payments at June 30, 2018 is \$34,333 for governmental activities, as detailed below.

The County also leases buildings, office facilities and various equipment under non-cancelable operating leases. The total costs for all operating lease expenditures for the year ended June 30, 2018 were \$3,607,994. The future minimum lease payments for non-cancelable operating leases are \$18,979,808, as detailed below.

At June 30, 2018, future minimum lease payments due under capital leases and operating leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

Year Ending June 30	Capital Leases - Governmental	Operating Leases
2019	\$ 15,752	\$ 2,583,119
2020	11,893	2,429,990
2021	6,516	1,728,821
2022	1,769	1,660,487
2023	-	1,693,627
2024-2028	-	5,837,061
2029-2033	-	2,778,703
2034-2038	-	60,000
2039-2043	-	60,000
2044-2048	-	60,000
2049-2053	-	60,000
2054-2058	-	28,000
Total minimum lease payments	35,930	\$ 18,979,808
Less: amount representing interest	(1,597)	
Net present value of the future minimum lease payments	\$ 34,333	

The County leases office space under operating lease agreements with terms generally less than one year. Minimum future rentals on non-cancelable leases with terms in excess of one year are not material to the County's financial statements. Rental revenue for the year ended June 30, 2018 was \$314,560.

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's general obligation outstanding are fixed rate and bear interest at rates varying from 2.00% to 5.40%. 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, 2018 are comprised of the following:

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%.	\$ 6,000,000
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%.	150,000,000
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%.	33,175,000
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%.	319,325,000
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%.	5,685,000
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%.	73,800,000

NOTE 10. Long-term Debt (Cont.)

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%.	\$ 66,300,000
2012B Refunding Bonds of \$75,290,000 due in periodic installments of \$5,260,000 to \$27,845,000 beginning February 1, 2018 through February 1, 2021 interest of 5.00%.	58,700,000
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%.	37,800,000
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%.	92,400,000
2014 Public Improvement Bonds of \$345,240,000 due in periodic installments of \$18,170,000 to \$18,180,000 beginning September 1, 2016 through September 1, 2034, interest of 3.25 to 5.00%.	308,890,000
2015 Public Improvement Bonds of \$94,000,000 due in periodic installments of \$4,900,000 to \$4,950,000 beginning April 1, 2017 through April 1, 2035, interest of 3.00 to 5.00%.	84,150,000
2016A Refunding Bonds of \$162,895,000 due in periodic installments of \$9,340,000 to \$27,055,000 beginning March 1, 2017 through March 1, 2026, interest of 5.00%.	126,525,000
2017A Public Improvement Bonds of 33,700,000 due in periodic installments of \$1,685,000 beginning March 1, 2018 through March 1, 2037 interest of 3.00 to 5.00%.	32,015,000
2017B School Bonds of \$82,415,000 due in periodic installments of \$4,120,000 to \$4,125,000 beginning March 1, 2018 through March 1, 2037, interest of 3.00 to 5.00%.	78,290,000
2018A Public Improvement Bonds of \$197,745,000 due in periodic installments of \$10,405,000 to \$10,455,000 beginning March 1, 2019 through March 1, 2037, interest of 3.00 to 5.00%	<u>197,745,000</u>
Total general obligation bonds outstanding	<u>\$ 1,762,270,000</u>

NOTE 10. Long-term Debt (Cont.)

General Obligation Bond Anticipation Notes:

General obligation bond anticipation notes serviced by the General Fund and payable at June 30, 2018 are comprised of the following:

Series 2016A Public Improvement Bond Anticipation Note: Up to \$262,689,625 against November 2012 and October 2013 authorization for Community College and Public Schools. Interest payable monthly at 70% of one-month LIBOR plus 44 bps. \$36,829,827 outstanding at 0.74% at June 30, 2018. Expires February 2019.	\$ 36,829,827
Series 2016B Public Improvement Bond Anticipation Note: Up to \$119,404,375 against November 2012 and October 2013 authorization for Community College and Public Schools. Interest payable monthly at 70% of one-month LIBOR plus 65 bps. \$13,018,446 outstanding at 0.969% at June 30, 2018. Expires February 2019.	13,018,446
Series 2017A Public Improvement Bond Anticipation Note: Up to \$65,598,500 against October 2013 authorization for Public Schools. Interest payable monthly at 70% of one-month LIBOR plus 44 bps. \$51,000 outstanding at 0.74% at June 30, 2018. Expires March 2020.	51,000
Series 2017B Public Improvement Bond Anticipation Note: Up to \$29,817,500 against October 2013 authorization for Public Schools. Interest payable monthly at 70% of one-month LIBOR plus 65 bps. \$298,175 outstanding at 0.969% at June 30, 2018. Expires March 2020.	<u>298,175</u>
Total bond anticipation notes outstanding	<u>\$ 50,197,448</u>

During fiscal year 2018, \$218,684,653 principal amount drawn and outstanding was retired with permanent general obligation bonds (Series 2018A Public Improvement). The County intends to retire the remaining outstanding bond anticipation notes with permanent financing over the next several years.

Drawdown Installment Notes:

Drawdown installment notes serviced by the General Fund and payable at June 30, 2018 are comprised of the following:

Series 2017 Drawdown Installment Note: Up to \$389,666,000 for full debt appropriation for fiscal years 2017 and 2018 for Public Schools and Community College. Interest payable monthly at 70% of one-month LIBOR plus 40 bp. \$3,485,580 outstanding at 2.17% at June 30, 2018. Expires February 28, 2021.	<u>\$ 3,485,580</u>
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During fiscal year 2018, \$114,890,022 principal amount drawn and outstanding under the Series 2017 program was retired with permanent limited obligation bonds (Series 2018A LOBs refunding component) and remaining undrawn authorization for the Series 2017 program was reduced an additional \$41,109,978 (Series 2018A LOBs new money component), resulting in a total \$156,000,000 reduction of the Series 2017 program maximum \$389,666,000 authorization to \$233,666,000. The County intends to retire the remaining outstanding drawdown installment notes with permanent financing over the next several years.

NOTE 10. Long-term Debt (Cont.)

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 \$6,185,000 beginning in June 2017 through June 2019; interest of 4.75% to 5.00%, collateralized by the Hammond Road Detention Center.	\$ 6,185,000
2010 Limited Obligation Bonds of \$148,860,000, due in annual installments of \$5,950,000 to \$5,955,000 beginning in January 2017 through January 2020; interest of 3.50% to 5.00%, collateralized by the Criminal Justice Center.	11,905,000
2016 Refunding Limited Obligation Bonds of \$191,835,000, due in annual installments of \$5,245,000 to \$11,585,000 beginning in December 2019 through December 2036; interest of 3.00% to 5.00%, collateralized by the Criminal Justice Center.	191,835,000
2018A Limited Obligation Bonds of \$155,290,000, due in annual installments of \$8,170,000 to \$8,175,000 beginning in August 2019 through August 2037; interest of 3.00% to 5.00%, collateralized by Apex High School, Apex, NC.	<u>155,290,000</u>
Total limited obligation bonds outstanding	<u><u>\$ 365,215,000</u></u>

NOTE 10. Long-term Debt (Cont.)

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2018 are as follows:

Year Ending June 30	Principal	Interest	Total
2019	\$ 175,755,000	\$ 79,360,219	\$ 255,115,219
2020	164,810,000	70,762,529	235,572,529
2021	148,940,000	62,540,979	211,480,979
2022	158,010,000	55,244,208	213,254,208
2023	155,465,000	47,492,515	202,957,515
2024-2028	576,640,000	135,367,663	712,007,663
2029-2033	271,570,000	43,727,854	315,297,854
2034-2037	111,080,000	7,134,923	118,214,923
	<u>\$ 1,762,270,000</u>	<u>\$ 501,630,890</u>	<u>\$ 2,263,900,890</u>

The annual requirements to amortize capital leases, installment purchases and limited obligation bond debt outstanding as of June 30, 2018 are as follows:

Year Ending June 30	Principal	Interest	Total
2019	\$ 12,963,858	\$ 14,344,378	\$ 27,308,236
2020	20,724,390	16,477,627	37,202,017
2021	20,483,333	15,350,316	35,833,649
2022	20,455,752	14,349,342	34,805,094
2023	20,394,000	13,349,520	33,743,520
2024-2028	99,949,359	51,836,797	151,786,156
2029-2033	97,195,000	28,069,313	125,264,313
2034-2038	78,390,000	7,484,094	85,874,094
	<u>\$ 370,555,692</u>	<u>\$ 161,261,387</u>	<u>\$ 531,817,079</u>

The County is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the County may have outstanding to eight percent of the appraised value of property subject to taxation less property valued for abatement. At June 30, 2018, such statutory limit of the County was \$11,537,537,106 providing a legal debt margin of \$9,203,875,834. Authorized but unissued general obligation bonds as of June 30, 2018 totaled \$147,152,552.

NOTE 10. Long-term Debt (Cont.)

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 million with the remaining \$7.580 million 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 2018 and prior years, the County has defeased various general obligation and limited obligation bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the County's government-wide financial statements. As of June 30, 2018, the amount of defeased debt outstanding was \$293,370,000.

Conduit Debt Obligations:

Wake County Industrial Facilities and Pollution Control Financing Authority has used industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from the payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State of North Carolina, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2018, there were 15 series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$590.4 million.

Debt Related to Capital Activities:

Of the total Governmental Activities debt listed, only \$366,042,462 relates to assets the County holds title. Unspent cash related to the debt amounts to \$35,156,807.

NOTE 10. Long-term Debt (Cont.)

Changes In Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 1,727,865,000	\$ 197,745,000	\$ 163,340,000	\$ 1,762,270,000	\$ 175,755,000
Plus: Premiums on issuance	173,745,244	20,942,170	19,488,364	175,199,050	N/A
Total general obligation bonds payable	1,901,610,244	218,687,170	182,828,364	1,937,469,050	175,755,000
Limited obligation bonds	222,060,000	155,290,000	12,135,000	365,215,000	12,135,000
Plus: Premiums on issuance	41,981,694	20,456,663	2,907,096	59,531,261	N/A
Total limited obligation bonds payable	264,041,694	175,746,663	15,042,096	424,746,261	12,135,000
Bond Anticipation Notes	100,229,537	168,652,564	218,684,653	50,197,448	-
Drawdown Installment Notes	3,928,079	114,447,522	114,890,021	3,485,580	-
Installment Purchases	5,115,000	1,294,125	1,102,766	5,306,359	814,000
Capital leases	37,553	16,821	20,041	34,333	14,858
Total OPEB Liability*	415,080,640	23,983,425	43,063,060	396,001,005	-
Total pension liability (LEOSSA)	16,124,717	2,154,025	1,099,111	17,179,631	-
Net pension liability (LGERS)	67,991,327	-	17,406,557	50,584,770	-
Compensated absences	12,839,341	13,008,739	12,479,174	13,368,906	11,160,000
Total Governmental Activities	<u>\$ 2,786,998,132</u>	<u>\$ 717,991,054</u>	<u>\$ 606,615,843</u>	<u>\$ 2,898,373,343</u>	<u>\$ 199,878,858</u>
Business-type activities:					
Landfill	\$ 23,860,970	\$ 1,715,627	\$ 5,278,855	\$ 20,297,742	\$ 1,174,648
Total OPEB Liability*	2,026,948	117,118	210,288	1,933,778	-
Net pension liability (LGERS)	378,634	-	94,506	284,128	-
Compensated absences	85,482	69,686	70,568	84,600	68,000
Total Business-type Activities	<u>\$ 26,352,034</u>	<u>\$ 1,902,431</u>	<u>\$ 5,654,217</u>	<u>\$ 22,600,248</u>	<u>\$ 1,242,648</u>

*Beginning balance has been restated to comply with GASB 75.

NOTE 11. Compliance Audits of Federal and State Assisted Programs

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

NOTE 12. Multiple-Employer Pension Plan Obligations

Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6.00% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2018, was 8.25% of compensation for law enforcement officers and 7.50% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$16,773,603 for the year ended June 30, 2018.

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

NOTE 12. Multiple-Employer Pension Plan Obligations (Cont.)

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

At June 30, 2018, the County reported a liability of \$50,868,898 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing updated procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the County's proportion was 3.33%, which was an increase of .11% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$17,385,679. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,930,520	\$ 1,439,937
Changes of assumptions	7,264,783	-
Net difference between projected and actual earnings on pension plan investments	12,351,030	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,320,745	241,517
County contributions subsequent to the measurement date	16,773,603	-
Total	<u>\$ 40,640,681</u>	<u>\$ 1,681,454</u>

\$16,773,603 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an decrease of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ 2,951,485
2020	15,203,317
2021	7,680,541
2022	<u>(3,649,719)</u>
	<u>\$ 22,185,624</u>

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, (a) an investment rate of return of 7.20%, net of pension plan investment expense, including inflation, (b) projected salary increases ranging from 3.50% per year to 7.75% per year and (c) an inflation component of 3.00%.

NOTE 12. Multiple-Employer Pension Plan Obligations (Cont.)

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 12. Multiple-Employer Pension Plan Obligations (Cont.)

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.20%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	\$ 152,709,583	\$ 50,868,898	\$ (34,135,923)

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

Supplemental Retirement Income Plan

Plan Description. Wake County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The plan provides retirement benefits to all employees of the County who are employed at least half time. Article 5 of the G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County's total payroll in fiscal year 2018 was \$220,091,936. The County's contributions were calculated using the base salary amount of \$220,301,451. The County made contributions amounting to \$11,015,467. Employees made voluntary contributions of \$5,452,186.

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

NOTE 13. Law Enforcement Officers' Special Separation Allowance

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

All full-time County law enforcement officers are covered by the LEOSSA. At December 31, 2016, the Valuation Date, the LEOSSA's membership consisted of:

Retirees receiving benefits	63
Active plan members	<u>389</u>
Total	<u><u>452</u></u>

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

The LEOSSA has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

NOTE 13. Law Enforcement Officers' Special Separation Allowance (Cont.)

Actuarial Assumptions. The entry age actuarial cost method was used in the December 31, 2016 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, (a) projected salary increases ranging from 3.50% to 7.35%, (b) discount rate of 3.16% and (c) an inflation component of 2.50%.

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

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

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the LEOSSA are financed by through investment earnings. The County paid \$1,123,382 as benefits came due for the reporting period.

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

At June 30, 2018, the County reported a total pension liability of \$17,179,631. The total pension liability was measured as of December 31, 2017, based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing updated procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$1,264,690. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 47,480	\$ -
Changes in assumptions	782,929	236,793
County contributions subsequent to measurement date	581,397	-
Total	<u>\$ 1,411,806</u>	<u>\$ 236,793</u>
	-	-

\$581,397 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	123,506
2020	123,506
2021	123,506
2022	130,829
2023	92,269
	<u>593,616</u>

NOTE 13. Law Enforcement Officers' Special Separation Allowance (Cont.)

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.16%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.16%) or 1-percentage-point higher (4.16%) than the current rate.

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	18,528,740	17,179,631	15,937,500

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

Total Pension Liability as of December 31, 2016	\$ 16,124,717
Changes for the year:	
Service Cost	537,880
Interest	601,201
Changes in benefit terms	-
Difference between expected and actuarial experience	58,031
Changes of assumptions and other inputs	956,913
Benefits payments	(1,099,111)
Other	-
Net changes	<u>1,054,914</u>
Total Pension Liability as of December 31, 2017	<u>\$ 17,179,631</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.86% at December 31, 2016 to 3.16% at December 31, 2017. The assumed inflation rate has been reduced from 3.00% to 2.50% and assumed wage inflation has been increased from 0.05% to 1.0%.

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2014.

NOTE 14. Register of Deeds' Supplemental Pension Fund

Plan Description. Wake County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds who is retired under the Local Governmental Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

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

NOTE 14. Register of Deeds' Supplemental Pension Fund (Cont.)

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by G.S. 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$93,890 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of \$1,955,114 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2017, the County's proportion was 11.454%, which was a increase of 1.483% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$243,040. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,561	\$ 6,300
Changes in assumptions	329,880	-
Net difference between projected and actual earnings on pension plan investments	166,200	-
Changes in proportion and differences between County contributions and proportionate share of contributions	114,883	241,231
County contributions subsequent to the measurement date	93,890	-
Total	<u>\$ 738,414</u>	<u>\$ 247,531</u>

\$93,890 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ 261,593
2020	74,007
2021	19,014
2022	42,379
	<u>\$ 396,993</u>

NOTE 14. Register of Deeds Supplemental Pension Fund (Cont.)

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, (a) an investment rate of return of 3.75%, net of pension plan investment expense, including inflation, (b) projected salary increases ranging from 3.50% per year to 7.75% per year and (c) an inflation component of 3.00%.

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2017 is 1.4%.

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

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

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (1,536,693)	\$ (1,955,114)	\$ (2,306,986)

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

NOTE 15. Total Expense, Liabilities (Assets), and Deferred Outflows and Inflows of Resources of Related Pensions

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

	LGERS	LEOSSA	RODSPF	Total
Pension Expense	\$ 17,385,679	\$ 1,264,690	\$ 243,040	\$ 18,893,409
Pension Liability (Asset)	50,868,898	17,179,631	(1,955,114)	66,093,415
Proportionate share of the pension liability	3.33%	N/A	11.454%	
Deferred Outflows of Resources:				
Differences between expected and actual experience	2,930,520	47,480	33,561	3,011,561
Changes in assumptions	7,264,783	782,929	329,880	8,377,592
Net difference between projected and actual earnings on plan investments	12,351,030	-	166,200	12,517,230
Changes in proportion and differences between contributions and proportionate share of contributions	1,320,745	-	114,883	1,435,628
Benefit payments and administrative costs paid subsequent to the measurement date	16,773,603	581,397	93,890	17,448,890
Total Deferred Outflows of Resources	<u>40,640,681</u>	<u>1,411,806</u>	<u>738,414</u>	<u>42,790,901</u>
Deferred Inflows of Resources:				
Differences between expected and actual experience	1,439,937	-	6,300	1,446,237
Changes in assumptions	-	236,793	-	236,793
Changes in proportion and differences between contributions and proportionate share of contributions	241,517	-	241,231	482,748
Total Deferred Inflows of Resources	<u>1,681,454</u>	<u>236,793</u>	<u>247,531</u>	<u>2,165,778</u>

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. For the fiscal year ended June 30, 2018, the County made contributions of \$98,299.

NOTE 17. Other Post-Employment Benefits (OPEB)

Plan Description. In addition to providing pension benefits, Wake County has elected to provide healthcare benefits, as a single-employer defined benefit plan to retirees of the County. Employees hired before July 1, 2011 who retire from the North Carolina Local Government Employees' Retirement System under early, normal or disabled retirement conditions; remained continuously employed in a benefit eligible position; and were enrolled in the County's health insurance program prior to separation from the County may continue in the County's retiree health insurance program based date of hire and years of creditable service as described in the table below.

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

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

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

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

Membership in the plan included the following at June 30, 2017, the date of the latest actuarial valuation:

Retirees receiving benefits	1,090
Active plan members	<u>2,031</u>
Total	<u><u>3,121</u></u>

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

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurements unless otherwise specified. The actuarial assumptions included a wage inflation rate of 3.5%, salary increases from 3.50% to 7.75%, discount rate of 3.56% and health care cost trends of 7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023 for Pre-Medicare and 5.50% for 2017 decreasing to an ultimate rate of 5.00% by 2020 for Medicare.

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

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

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

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

At June 30, 2018, the County reported a total OPEB liability of \$397,934,783. The total OPEB liability was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date. For the year ended June 30, 2018, the County recognized OPEB expense of \$16,261,169. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 308,940
Changes of assumptions or other inputs	-	35,125,034
County contributions subsequent to measurement date	9,150,598	-
Total	<u>\$ 9,150,598</u>	<u>\$ 35,433,974</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.01% to 3.56%.

\$9,150,598 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30:	
2019	\$ 7,839,375
2020	7,839,375
2021	7,839,375
2022	7,839,375
2023	4,076,474
Total	<u>\$ 35,433,974</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.56%) or 1-percentage point higher (4.56%) than the current discount rate.

	Discount Rate Sensitivity		
	1% Decrease (2.56%)	Current (3.56%)	1% Increase (4.56%)
Total OPEB Liability	\$ 480,929,886	\$ 397,934,783	\$ 333,960,384

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

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

	Health Care Cost Trend Rate Sensitivity		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 329,300,783	\$ 397,934,783	\$ 488,238,002

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

Total OPEB liability as of June 30, 2016	\$ 425,174,365
Changes for the year:	
Service Cost at the end of the year	11,423,301
Interest on TOL and Cash Flows	12,677,243
Changes in benefit terms	-
Differences between expected and actuarial experience	(377,290)
Changes in assumptions or other inputs	(42,896,059)
Benefit payments	(8,066,777)
Net changes	<u>(27,239,582)</u>
Total OPEB liability as of June 30, 2017	<u>\$ 397,934,783</u>

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, 2018.

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 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The current estimate of closure and postclosure maintenance and monitoring costs is approximately \$30.3 million. The landfill closure and postclosure liability of \$20,297,742 is included as a separate line item under the noncurrent liabilities in the Solid Waste Operating Fund and the South Wake Landfill Partnership Fund at June 30, 2018. 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 20 years and no additional closure costs are expected at these facilities. The County is currently responsible for monitoring these sites for an additional 10 years for post-closure care. The County continues to monitor groundwater conditions at the site. The County was required to develop a corrective action plan which included recommendations to remediation by air sparging by Monitored Natural Attenuation. This construction was completed in 2012 and the monitoring will be continued for another four years. The estimates of the costs associated with the corrective action plan are included in the post-closure estimates for these facilities.

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

The North Wake Subtitle Design Facility has been closed for approximately 10 years and no additional closure cost are expected at this facility. During calendar year 2015, the County took over operations of the North Wake landfill gas-to-energy (LFGTE) system, which was previously operated by an outside party. In doing so, the County has assumed operation and maintenance costs associated with the flare, gas wells and other system components. These associated costs have been added to the post-closure costs for the remaining post-closure period. The County will continue to monitor this facility for post-closure care for an additional 20 years.

The South Wake Subtitle Design Facility began operations in February 2008 and is in its second phase of five total phases. It is estimated to be at 22.37% capacity. At June 30, 2018, Phase 1 is at capacity has been partially closed. In July 2015, the landfill began placing waste in the new 28-acre cell (Phase 2A). The closure and postclosure costs related to Phase 2A have been included in this year's estimates. The entire landfill is estimated to close June 2047. The County will recognize the remaining estimated cost of closure and post-closure care costs of \$7.1 million as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 20. Pollution Remediation Liability

During fiscal year 2010, the County received notification from the North Carolina Department of Environment Quality (NCDEQ) regarding post closure activities associated with the closed East Wake Landfill. Groundwater contamination and other volatile compounds have been detected at levels above the State groundwater standards. NCDEQ issued a Facility Compliance Inspection Report requiring the County to implement corrective action to address five deficiencies. The County has completed the necessary corrective action in addressing all of the deficiencies. The property is divided into four areas. Areas A, B & C are managed under the jurisdiction of the Inactive Hazardous Site Pre-Regulatory Landfill Unit (PRLF), and the County has ceased all voluntary environmental assessment activities pertaining to these areas. Area D remains under the regulations of NCDEQ Solid Waste Section and is managed and paid for by the County. The County completed all work related to Area D in September 2015, and Area D now is compliant with NCDEQ Solid Waste post-closure monitoring requirements. At this time, the County is managing the necessary monitoring on an annual budgetary basis and does not anticipate the needs for additional reserves to be set aside. This will be continued to be monitored as required by NCDEQ. At June 30, 2018, no 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:	<u>\$ 317,613,610</u>
Less:	
Inventories	347,861
Prepaid expenditures	1,465,029
Noncurrent receivables	102,058
Stabilization by State Statute	77,084,432
Register of deeds automation	879,263
Reappraisal reserve	3,619,442
LEO Special Separation allowance	1,762,951
Local ABC revenues	6,688,420
Behavioral health excess revenues	14,869,835
Insurance claims	2,500,000
Working capital	<u>208,294,319</u>
Remaining fund balance	<u><u>\$ -</u></u>

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, 2018 are as follows:

General Fund	Major Funds						Nonmajor Funds
	Affordable Housing Fund	Major Facilities Fund	Debt Service Fund	County Capital Projects Fund	School Capital Fund	Wake Community College Capital Fund	Other Governmental Funds
<u>\$ 1,877,713</u>	<u>\$ 3,061,335</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,796,382</u>	<u>\$ 271,377,524</u>	<u>\$ -</u>	<u>\$ 10,384,874</u>

NOTE 21. Fund Balance (Cont.)

The following schedule provides information regarding the funding for the 15% Uncommitted Funds, as defined in the Interlocal Agreement and Amendments, within the Major Facilities Fund. To the extent that current year revenues are not sufficient for funding these projects, the County anticipates appropriating fund balance. As of June 30, 2018, fund balance in the Major Facilities Fund totaled \$2,873,446 all of which is Restricted by Stabilization by State Statute.

Fiscal Year	Cary Sports Facilities*	NC Art Museum	NC Museum of Natural Sciences	PNC Arena**	St. Augustine's College Track	NC Ballet	Competitive Projects	Total
2009	\$ -	\$ 1,000,000	\$ 1,900,000	\$ 1,500,000	\$ 300,000	\$ 100,000	\$ -	\$ 4,800,000
2010	-	1,000,000	700,000	1,000,000	100,000	-	-	2,800,000
2011	-	1,000,000	900,000	1,000,000	100,000	-	-	3,000,000
2012	-	1,000,000	900,000	1,000,000	100,000	-	-	3,000,000
2013	400,000	1,000,000	800,000	1,679,355	100,000	-	-	3,979,355
2014	1,000,000	1,000,000	200,000	1,500,000	100,000	-	-	3,800,000
2015	1,000,000	1,000,000	200,000	1,000,000	100,000	-	-	3,300,000
2016	1,300,000	1,000,000	400,000	1,000,000	100,000	-	-	3,800,000
2017	1,700,000	1,000,000	-	-	-	-	2,000,000	4,700,000
2018	2,600,000	-	-	-	-	-	2,000,000	4,600,000
Payments to Date	8,000,000	9,000,000	6,000,000	9,679,355	1,000,000	100,000	4,000,000	37,779,355
2019	2,000,000	-	-	-	-	-	2,000,000	4,000,000
2020	-	-	-	-	-	-	2,000,000	2,000,000
2021	-	-	-	-	-	-	2,000,000	2,000,000
2022	-	-	-	-	-	-	2,000,000	2,000,000
2023	-	-	-	-	-	-	2,000,000	2,000,000
Total	\$ 10,000,000	\$ 9,000,000	\$ 6,000,000	\$ 9,679,355	\$ 1,000,000	\$ 100,000	\$ 14,000,000	\$ 49,779,355

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

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

NOTE 22. Stewardship, Compliance, and Accountability

The Debt Service Fund was over budget by \$387,508. This is due to the issuance of the 2018A Limited Obligation bonds, which closed June 28, 2018. This debt financing was originally anticipated for FY2019 but was accelerated to FY2018. As such, the costs of issuance for this transaction was incurred in the Debt Service Fund in FY2018. Due to the timing of the issuance the County was unable to go back to the Board to request additional appropriation before June 30.

The Capital Area Workforce Development Fund had a deficit fund balance of \$(188,879) as of June 30, 2018. 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 grant, the entire awarded amount will be received to cure the deficit in the fund.

The Transportation Fund had a deficit fund balance of \$(59,332) as of June 30, 2018. This fund is both grant funded from federal and state sources on a reimbursement basis, as well as funded by federal, state and local sources on a fee for service basis. Due to the timing of the grant 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 in the fund.

NOTE 23. Comparative Data

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

NOTE 24. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning total OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the County related to OPEB during the measurement period (fiscal year ending June 30, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position decreased by \$278,028,382 and \$1,341,309 for the governmental and business-type activities, respectively.

NOTE 25. Subsequent Event

In August 2018 the County closed on a \$380,515,000 Series 2018 drawdown installment financing agreement with Bank of America Merrill Lynch. This agreement serves as the dedicated funding source for fiscal year 2019 full debt appropriation for both Public Schools and Community College. Three public schools are wholly pledged as collateral to the agreement. Interest is payable monthly at 79% of one-month LIBOR plus 47 basis points. The County intends to periodically retire any drawn outstanding amounts under the agreement at reoccurring intervals over the coming four years and concurrently convert to permanent financing.

NOTE 26. Discretely Presented Component Unit Disclosure

(1) Deposits

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

At June 30, 2018, the Board's deposits had a carrying amount of \$23,784,068 and a bank balance of \$22,242,236. All of the bank balance was either insured by federal depository insurance or collateralized under the pooling method.

(2) Risk Management

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

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

In accordance with G.S. 18B-700(i), each board member is bonded in the amount of \$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.

Required Supplementary Information

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

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

WAKE COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE - REQUIRED SUPPLEMENTARY INFORMATION

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

	Fiscal Year	
	2018	2017
Total Pension Liability - beginning balance	\$ 16,124,717	\$ 16,478,270
Service Cost	537,880	570,747
Interest	601,201	568,041
Changes in benefit terms	-	-
Difference between expected and actual experience	58,031	-
Changes in assumptions and other inputs	956,913	(358,851)
Benefit payments	(1,099,111)	(1,133,490)
Other	-	-
Total Pension Liability - ending balance	<u>\$ 17,179,631</u>	<u>\$ 16,124,717</u>
	-	-
Covered-employee payroll	\$ 22,378,641	\$ 21,685,204
Total Pension Liability as a percentage of covered-employee payroll	76.77%	74.36%

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

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

WAKE COUNTY, NORTH CAROLINA

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

Schedule of Changes in Total OPEB Liability and Related Ratios

	Fiscal Year 2018
Total OPEB Liability - beginning balance	\$ 425,174,365
Service Cost	11,423,301
Interest	12,677,243
Changes in benefit terms	-
Difference between expected and actual experience	(377,290)
Changes in assumptions and other inputs	(42,896,059)
Benefit payments	(8,066,777)
Other	-
	<hr/>
Total Pension Liability - ending balance	\$ 397,934,783
	<hr/>
Covered-employee payroll	\$ 115,050,642
	<hr/>
Total OPEB liability as a percentage of covered payroll	345.88%

Notes to Schedule

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

The following are the discount rates used in each period:

Fiscal Year	Rate
<hr/> 2018	<hr/> 3.56%

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

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

WAKE COUNTY, NORTH CAROLINA

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

Last Five Fiscal Years

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

Year Ended June 30 *	County's proportion of the net pension liability (asset)	County's proportionate share of the net pension liability (asset)	County's covered- employee payroll	County's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	3.13%	\$ 37,686,331	\$ 175,266,798	21.50%	94.35%
2015	2.99%	(17,635,411)	172,322,095	-10.23%	102.64%
2016	3.08%	13,836,947	180,851,503	7.65%	98.09%
2017	3.22%	68,369,961	192,564,149	35.51%	91.47%
2018	3.33%	50,868,898	206,650,926	24.62%	94.18%

Schedule of Employer Contributions

Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	County's covered- employee payroll	Contributions as a percentage of covered- employee payroll
2014	\$ 12,228,225	\$ 12,228,225	-	\$ 172,322,095	7.10%
2015	12,860,971	12,860,971	-	180,851,503	7.11%
2016	13,119,915	13,119,915	-	192,564,149	6.81%
2017	14,309,333	14,309,333	-	206,650,926	6.92%
2018	16,773,603	16,773,603	-	220,301,451	7.61%

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

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

WAKE COUNTY, NORTH CAROLINA

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
Last Five Fiscal Years

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

<u>Year Ended June 30 *</u>	<u>County's proportion of the net pension liability (asset)</u>	<u>County's proportionate share of the net pension liability (asset)</u>	<u>County's covered- employee payroll</u>	<u>County's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2014	11.18%	\$ (2,388,744)	\$ 123,821	-1900.00%	190.50%
2015	10.51%	(2,382,985)	127,567	-1868.03%	193.88%
2016	11.15%	(2,585,946)	131,075	-1972.88%	197.29%
2017	9.97%	(1,864,169)	135,158	-1379.25%	160.17%
2018	11.45%	(1,955,114)	145,882	-1340.20%	153.77%

Schedule of Employer Contributions

<u>Year Ended June 30</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>County's covered-employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
2014	\$ 85,839	\$ 85,839	-	\$ 127,567	67.29%
2015	89,188	89,188	-	131,075	68.04%
2016	91,228	91,228	-	135,158	67.50%
2017	99,851	99,851	-	145,882	67.50%
2018	93,890	93,890	-	141,474	66.37%

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

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

WAKE COUNTY, NORTH CAROLINA

GENERAL FUND COMPARATIVE BALANCE SHEETS As of June 30, 2018 and 2017

	June 30, 2018	June 30, 2017
ASSETS		
Cash and investments - pooled equity	\$ 290,635,784	\$ 263,601,115
Cash and investments - cash equivalents	1,241,664	1,078,574
Cash and investments - restricted	6,349,320	4,968,223
Taxes receivable (net)	48,518,653	45,881,251
Accounts receivable (net)	14,599,767	13,844,247
Intergovernmental receivable (net)	22,202,100	17,877,059
Accrued interest receivable	48,042	15,158
Internal balances (due from other funds)	867,660	1,861,201
Prepaid expenditures	1,465,029	557,091
Inventories	347,861	339,615
Total assets	<u>\$ 386,275,880</u>	<u>\$ 350,023,534</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 49,680,435	\$ 44,334,764
Due to other governmental units	107,030	350,282
Total liabilities	<u>49,787,465</u>	<u>44,685,046</u>
DEFERRED INFLOWS OF RESOURCES	<u>18,874,805</u>	<u>9,161,751</u>
Fund balances:		
Non-spendable:		
Non-spendable inventories	347,861	339,615
Non-spendable prepaid expenditures	1,465,029	557,091
Noncurrent receivable	102,058	131,749
Restricted:		
Stabilization by state statute	77,084,432	73,915,152
Register of deed automation	879,263	719,551
Committed:		
Reappraisal reserve	3,619,442	3,187,080
LEO Special Separation Allowance	1,762,951	963,428
Future appropriations from local ABC revenues	6,688,420	8,091,000
Future appropriations for behavioral health	14,869,835	14,417,533
Future insurance claims	2,500,000	-
Working capital	208,294,319	193,854,538
Total fund balance	<u>317,613,610</u>	<u>296,176,737</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 386,275,880</u>	<u>\$ 350,023,534</u>

WAKE COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017**

	2018		Variance Positive/(Negative)	2017
	Budget	Actual		Actual
REVENUES:				
Taxes	\$ 1,092,032,503	\$ 1,091,693,510	\$ (338,993)	\$ 1,039,995,711
Intergovernmental	69,968,519	80,150,145	10,181,626	103,631,531
Charges for services	65,392,408	65,833,742	441,334	65,421,287
Licenses and permits	5,166,317	5,381,270	214,953	5,371,824
Investment earnings	1,220	132,282	131,062	55,496
Miscellaneous	366,469	517,335	150,866	631,151
Total revenues	<u>1,232,927,436</u>	<u>1,243,708,284</u>	<u>10,780,848</u>	<u>1,215,107,000</u>
EXPENDITURES:				
Current:				
General government	67,540,090	57,970,496	9,569,594	61,404,683
Human services	181,382,512	176,884,161	4,498,351	193,273,400
Education	452,197,000	452,197,000	-	429,711,000
Community development and cultural	36,101,223	34,939,538	1,161,685	33,319,276
Environmental services	12,493,135	11,917,505	575,630	10,652,237
Public safety	150,428,304	144,864,557	5,563,747	132,464,160
General services administration	28,776,384	28,545,345	231,039	28,205,840
Total expenditures	<u>928,918,648</u>	<u>907,318,602</u>	<u>21,600,046</u>	<u>889,030,596</u>
REVENUES OVER (UNDER) EXPENDITURES	304,008,788	336,389,682	32,380,894	326,076,404
OTHER FINANCING SOURCES (USES):				
Transfers in	2,834,014	2,834,014	-	2,738,574
Transfers out	(317,860,648)	(317,860,648)	-	(309,277,263)
Sale of assets and materials	35,500	73,825	38,325	79,561
Total other financing sources (uses)	<u>(314,991,134)</u>	<u>(314,952,809)</u>	<u>38,325</u>	<u>(306,459,128)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(10,982,346)	21,436,873	32,419,219	19,617,276
APPROPRIATED FUND BALANCE	<u>10,982,346</u>	<u>-</u>	<u>(10,982,346)</u>	<u>-</u>
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>21,436,873</u>	<u>\$ 21,436,873</u>	<u>19,617,276</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>296,176,737</u>		<u>276,559,461</u>
BUDGETARY FUND BALANCE		<u>317,613,610</u>		<u>296,176,737</u>
LESS: EXPENDITURES ASSOCIATED WITH CAPITAL LEASE INCEPTION & CAPITAL DONATIONS		(16,821)		(26,472)
ADD: PROCEEDS OF CAPITAL LEASES & CAPITAL DONATIONS		16,821		26,472
TOTAL LEASE INCEPTION AND PROCEEDS		<u>-</u>		<u>-</u>
FUND BALANCE AT END OF YEAR		<u>\$ 317,613,610</u>		<u>\$ 296,176,737</u>

WAKE COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017**

	2018		Variance Positive/(Negative)	2017
	Budget	Actual		Actual
REVENUES:				
TAXES				
Ad valorem property tax - current	\$ 879,950,000	\$ 883,022,662	\$ 3,072,662	\$ 841,099,060
Ad valorem property tax - prior	2,379,500	2,304,205	(75,295)	2,997,042
Tax penalties, interest and other	2,465,000	2,477,426	12,426	2,186,725
Sales tax	191,866,000	185,587,183	(6,278,817)	177,057,150
Leased rental vehicle tax	2,550,000	3,449,435	899,435	3,377,818
Real property transfer tax	11,600,000	13,004,704	1,404,704	11,473,422
Payments in lieu of taxes	1,222,003	1,847,895	625,892	1,804,494
Total Taxes	<u>1,092,032,503</u>	<u>1,091,693,510</u>	<u>(338,993)</u>	<u>1,039,995,711</u>
LICENSES AND PERMITS				
Beer and wine licenses	72,000	88,494	16,494	72,155
Marriage licenses	204,300	176,655	(27,645)	176,549
Building and construction permits	3,369,919	3,504,855	134,936	3,522,931
Weapon permits	408,000	506,435	98,435	520,319
Other permits	1,112,098	1,104,831	(7,267)	1,079,870
Total Licenses and Permits	<u>5,166,317</u>	<u>5,381,270</u>	<u>214,953</u>	<u>5,371,824</u>

(Continued)

WAKE COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017**

	2018		Variance Positive/(Negative)	2017
	Budget	Actual		Actual
INTERGOVERNMENTAL				
Federal and State:				
Human services	\$ 62,475,246	\$ 68,201,878	\$ 5,726,632	\$ 92,577,275
Payments in lieu of taxes	255,000	344,819	89,819	328,328
Public library	450,000	606,997	156,997	583,152
Public safety	150,338	251,449	101,111	242,457
Other federal and state	2,549,047	2,620,804	71,757	2,280,029
Total Federal and State	<u>65,879,631</u>	<u>72,025,947</u>	<u>6,146,316</u>	<u>96,011,241</u>
Local:				
ABC Board	4,000,000	8,000,000	4,000,000	7,500,000
Other local	88,888	124,198	35,310	120,290
Total Local	<u>4,088,888</u>	<u>8,124,198</u>	<u>4,035,310</u>	<u>7,620,290</u>
Total Intergovernmental	<u>69,968,519</u>	<u>80,150,145</u>	<u>10,181,626</u>	<u>103,631,531</u>

(Continued)

WAKE COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive/(Negative)	Actual
CHARGES FOR SERVICES				
Environmental	\$ 375,000	\$ 338,365	\$ (36,635)	\$ 348,021
Client fees	1,239,009	1,271,170	32,161	1,217,197
Insurance	744,762	544,756	(200,006)	754,090
Medicaid fees	14,223,532	13,761,281	(462,251)	16,291,736
Medicare fees	45,033	46,356	1,323	45,690
Human services reimbursements	622,451	684,580	62,129	625,004
Inspection fees	848,427	970,911	122,484	898,687
Library fees	431,000	416,651	(14,349)	421,839
Parks & recreation fees	149,494	164,593	15,099	153,905
EMS fees	26,441,635	26,321,231	(120,404)	25,555,611
Facility use fees	250,300	206,048	(44,252)	262,621
Fire/Rescue fees	297,698	295,582	(2,116)	305,938
Sheriff fees	3,600,300	4,600,604	1,000,304	4,090,403
Planning fees	1,233,074	1,236,129	3,055	1,163,300
Court facility fees	1,100,000	1,041,301	(58,699)	1,105,701
Parking fees	1,175,749	1,214,199	38,450	1,090,721
Rental/lease income	286,869	279,038	(7,831)	286,148
Record fees	5,199,420	5,091,286	(108,134)	5,332,857
Reimbursements	3,876,886	3,620,543	(256,343)	1,887,956
Tax collection fees	933,000	945,888	12,888	909,612
Vending income	439,000	734,274	295,274	666,536
Other fees and charges	1,879,769	2,048,956	169,187	2,007,714
Total Charges for Services	65,392,408	65,833,742	441,334	65,421,287
INVESTMENT EARNINGS	1,220	132,282	131,062	55,496
MISCELLANEOUS				
Other miscellaneous	366,469	517,335	150,866	631,151
Total Miscellaneous	366,469	517,335	150,866	631,151
TOTAL REVENUES	1,232,927,436	1,243,708,284	10,780,848	1,215,107,000

(Continued)

WAKE COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017**

	2018				2017		
	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	\$ 625,783	\$ 605,316	\$ 20,467	\$ -	\$ 605,316	\$ 20,467	\$ 595,912
County manager	1,519,204	1,366,475	152,729	-	1,366,475	152,729	2,157,316
County attorney	2,847,273	2,823,850	23,423	-	2,823,850	23,423	2,546,768
Board of elections	5,948,580	4,707,572	1,241,008	8,789	4,716,361	1,232,219	6,465,162
Budget & management services	1,044,231	940,388	103,843	3,010	943,398	100,833	815,935
Communications office	996,395	964,646	31,749	3,705	968,351	28,044	-
Facilities design & construction	1,588,144	1,580,518	7,626	-	1,580,518	7,626	1,521,004
Finance	2,893,918	2,660,276	233,642	5,356	2,665,632	228,286	2,651,141
Human resources	2,763,933	2,731,035	32,898	12,887	2,743,922	20,011	2,459,933
Information services	16,685,810	15,463,231	1,222,579	77,160	15,540,391	1,145,419	14,285,938
Register of deeds	3,759,594	2,939,025	820,569	-	2,939,025	820,569	2,920,104
Revenue	9,050,519	7,795,858	1,254,661	-	7,795,858	1,254,661	7,218,359
Quasi-governmental	811,907	775,610	36,297	18,033	793,643	18,264	-
Non-departmental	14,677,343	10,289,240	4,388,103	530,060	10,819,300	3,858,043	15,183,155
Public agencies	2,327,456	2,327,456	-	-	2,327,456	-	2,583,956
Total General Government	67,540,090	57,970,496	9,569,594	659,000	58,629,496	8,910,594	61,404,683
HUMAN SERVICES							
Social services economic self sufficiency	52,585,181	51,597,944	987,237	40,093	51,638,037	947,144	81,673,991
Child welfare	30,436,568	30,133,760	302,808	67,475	30,201,235	235,333	28,101,534
Children youth and family	-	-	-	-	-	-	18,625,125
Public health	27,664,065	27,278,870	385,195	11,184	27,290,054	374,011	6,744,906
Health clinics	19,199,255	18,319,084	880,171	197,751	18,516,835	682,420	18,027,571
Administration and operations	24,063,175	23,321,185	741,990	314,389	23,635,574	427,601	22,158,764
Behavioral health - managed care	27,434,268	26,233,318	1,200,950	93,325	26,326,643	1,107,625	17,941,509
Total Human Services	181,382,512	176,884,161	4,498,351	724,217	177,608,378	3,774,134	193,273,400

Encumbrances are included for internal reporting purposes only.

(Continued)

WAKE COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017**

	2018				2017		
	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	\$ 428,820,317	\$ 428,820,317	\$ -	\$ -	\$ 428,820,317	\$ -	\$ 407,871,457
Capital outlay	1,191,669	1,191,669	-	-	1,191,669	-	1,150,969
Other restricted	899,014	899,014	-	-	899,014	-	888,574
Total Wake County Public Schools	<u>430,911,000</u>	<u>430,911,000</u>	<u>-</u>	<u>-</u>	<u>430,911,000</u>	<u>-</u>	<u>409,911,000</u>
Wake Technical College:							
Current expense	21,286,000	21,286,000	-	-	21,286,000	-	19,800,000
Total Wake Technical College	<u>21,286,000</u>	<u>21,286,000</u>	<u>-</u>	<u>-</u>	<u>21,286,000</u>	<u>-</u>	<u>19,800,000</u>
Total Education	<u>452,197,000</u>	<u>452,197,000</u>	<u>-</u>	<u>-</u>	<u>452,197,000</u>	<u>-</u>	<u>429,711,000</u>
COMMUNITY DEVELOPMENT AND CULTURAL							
Administration	743,146	654,602	88,544	-	654,602	88,544	635,360
Parks and recreation	3,064,594	3,037,190	27,404	18,483	3,055,673	8,921	2,940,282
Building inspections	5,305,566	5,005,252	300,314	1,053	5,006,305	299,261	4,614,390
Veterans services	288,643	280,255	8,388	-	280,255	8,388	254,292
Geographic information services	2,002,172	1,875,593	126,579	-	1,875,593	126,579	1,829,319
Public libraries	24,697,102	24,086,646	610,456	112,664	24,199,310	497,792	23,045,633
Total Community Development	<u>36,101,223</u>	<u>34,939,538</u>	<u>1,161,685</u>	<u>132,200</u>	<u>35,071,738</u>	<u>1,029,485</u>	<u>33,319,276</u>

Encumbrances are included for internal reporting purposes only.

(Continued)

WAKE COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017**

	2018					2017	
	Budget	Actual	Variance Budget vs. Actual Positive/(Negative)	Encumbrances	Total (Actuals plus Encumbrances)	Variance Budget vs. Actuals plus Encumbrances Positive/(Negative)	Actual
ENVIRONMENTAL SERVICES							
Environmental services	\$ 12,493,135	\$ 11,917,505	\$ 575,630	\$ 9,423	\$ 11,926,928	\$ 566,207	\$ 10,652,237
Total Environmental Services	<u>12,493,135</u>	<u>11,917,505</u>	<u>575,630</u>	<u>9,423</u>	<u>11,926,928</u>	<u>566,207</u>	<u>10,652,237</u>
GENERAL SERVICES ADMINISTRATION							
General services administration	<u>28,776,384</u>	<u>28,545,345</u>	<u>231,039</u>	<u>153,553</u>	<u>28,698,898</u>	<u>77,486</u>	<u>28,205,840</u>
Total General Services Administration	<u>28,776,384</u>	<u>28,545,345</u>	<u>231,039</u>	<u>153,553</u>	<u>28,698,898</u>	<u>77,486</u>	<u>28,205,840</u>
PUBLIC SAFETY							
Sheriff Department:							
Sheriff	45,693,274	42,847,137	2,846,137	23,178	42,870,315	2,822,959	39,559,642
Detention	<u>50,826,844</u>	<u>50,833,633</u>	<u>(6,789)</u>	<u>6,938</u>	<u>50,840,571</u>	<u>(13,727)</u>	<u>45,768,697</u>
Total Sheriff Department	<u>96,520,118</u>	<u>93,680,770</u>	<u>2,839,348</u>	<u>30,116</u>	<u>93,710,886</u>	<u>2,809,232</u>	<u>85,328,339</u>
CCBI	6,337,410	6,094,939	242,471	27,023	6,121,962	215,448	5,731,691
Emergency medical services	43,057,431	40,925,777	2,131,654	118,473	41,044,250	2,013,181	37,811,110
Fire services	2,841,834	2,543,636	298,198	11,482	2,555,118	286,716	1,754,794
Emergency management	-	-	-	-	-	-	814,176
Public safety communications	<u>1,671,511</u>	<u>1,619,435</u>	<u>52,076</u>	<u>12,229</u>	<u>1,631,664</u>	<u>39,847</u>	<u>1,024,050</u>
Total Public Safety	<u>150,428,304</u>	<u>144,864,557</u>	<u>5,563,747</u>	<u>199,323</u>	<u>145,063,880</u>	<u>5,364,424</u>	<u>132,464,160</u>
TOTAL EXPENDITURES	<u>928,918,648</u>	<u>907,318,602</u>	<u>21,600,046</u>	<u>1,877,716</u>	<u>909,196,318</u>	<u>19,722,330</u>	<u>889,030,596</u>

Encumbrances are included for internal reporting purposes only.

(Continued)

WAKE COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DETAILED BUDGET AND ACTUAL (continued)
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017**

	2018		Variance Positive/(Negative)	2017
	Budget	Actual		Actual
REVENUES OVER EXPENDITURES	\$ 304,008,788	\$ 336,389,682	\$ 32,380,894	\$ 326,076,404
OTHER FINANCING SOURCES (USES):				
Transfers in	2,834,014	2,834,014	-	2,738,574
Transfers out	(317,860,648)	(317,860,648)	-	(309,277,263)
Sale of assets & materials	35,500	73,825	38,325	79,561
Total other financing sources (uses)	(314,991,134)	(314,952,809)	38,325	(306,459,128)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(10,982,346)	21,436,873	32,419,219	19,617,276
APPROPRIATED FUND BALANCE	10,982,346	-	(10,982,346)	-
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	21,436,873	\$ 21,436,873	19,617,276
FUND BALANCE AT BEGINNING OF YEAR		296,176,737		276,559,461
FUND BALANCE AT END OF YEAR		317,613,610		296,176,737
LESS: EXPENDITURES ASSOCIATED WITH CAPITAL LEASE INCEPTION & CAPITAL DONATIONS		(16,821)		(26,472)
ADD: PROCEEDS OF CAPITAL LEASES & CAPITAL DONATIONS		16,821		26,472
TOTAL LEASE INCEPTIONS		-		-
FUND BALANCE AT END OF YEAR		\$ 317,613,610		\$ 296,176,737

WAKE COUNTY, NORTH CAROLINA

**AFFORDABLE HOUSING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (NON-GAAP BASIS)
BUDGET AND ACTUAL
From Project Inception Through June 30, 2018**

	Project Authorization	Prior Years	Actual Current Year	Total To Date
REVENUES:				
Intergovernmental	\$ 28,203,158	\$ 19,090,473	\$ 5,985,484	\$ 25,075,957
Charges for services	3,710,394	2,781,374	1,107,299	3,888,673
Investment earnings	210,326	248,944	1,442	250,386
Total Revenues	<u>32,123,878</u>	<u>22,120,791</u>	<u>7,094,225</u>	<u>29,215,016</u>
EXPENDITURES:				
Human Services				
County funded	8,400,998	2,712,797	419,732	3,132,529
Housing and community revitalization	24,485,481	15,275,470	4,770,964	20,046,434
Home grants	4,372,199	2,189,906	249,915	2,439,821
HOPWA grants	1,683,655	792,120	579,234	1,371,354
Total Expenditures	<u>38,942,333</u>	<u>20,970,293</u>	<u>6,019,845</u>	<u>26,990,138</u>
REVENUES OVER (UNDER) EXPENDITURES	(6,818,455)	1,150,498	1,074,380	2,224,878
OTHER FINANCING SOURCES (USES):				
Transfers in	8,681,455	4,679,455	4,002,000	8,681,455
Transfers out	(1,863,000)	(1,863,000)	-	(1,863,000)
Total Other Financing Sources (Uses)	<u>6,818,455</u>	<u>2,816,455</u>	<u>4,002,000</u>	<u>6,818,455</u>
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 3,966,953</u>	5,076,380	<u>\$ 9,043,333</u>
FUND BALANCE AT BEGINNING OF YEAR (Non-GAAP)			<u>3,966,953</u>	
FUND BALANCE AT END OF YEAR (Non-GAAP)			<u>\$ 9,043,333</u>	
Reconciling items for GAAP presentation:				
Fund balance at beginning of year (GAAP)			26,275,823	
Adjustments to loans			(6,192)	
Payments received on loan balances			(1,152,610)	
Change in estimate of loan portfolio allowance			332,958	
Total reconciling items:			<u>25,449,979</u>	
FUND BALANCE AT END OF YEAR (GAAP basis)			<u>\$ 30,526,359</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, 2018**

	2018		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Taxes:			
Occupancy tax	\$ 26,431,000	\$ 25,997,116	\$ (433,884)
Prepared food tax	29,391,000	29,135,183	(255,817)
Total taxes	55,822,000	55,132,299	(689,701)
Intergovernmental	500,000	500,000	-
Investment earnings	-	101,629	101,629
Total Revenues	56,322,000	55,733,928	(588,072)
EXPENDITURES:			
Raleigh hold harmless - occupancy	680,000	680,000	-
Cary hold harmless - occupancy	1,289,000	1,267,356	21,644
Greater Raleigh Convention and Visitors Bureau	6,692,000	6,584,029	107,971
Centennial Authority operations 7%	3,251,000	3,211,664	39,336
Centennial - Debt service	5,211,000	5,209,448	1,552
Raleigh annual distribution - \$1M	1,000,000	1,000,000	-
Convention Center	28,304,000	27,862,832	441,168
Centennial Authority Facility Improvements	2,500,000	2,500,000	-
Cary Sports Venue	2,600,000	2,600,000	-
Unallocated	395,000	-	395,000
Total Expenditures	51,922,000	50,915,329	1,006,671
REVENUES OVER EXPENDITURES	4,400,000	4,818,599	418,599
OTHER FINANCING SOURCES (USES):			
Transfers out to General Fund	(1,400,000)	(1,400,000)	-
Transfers out to Capital Improvement Fund	(3,000,000)	(3,000,000)	-
Total Other Financing Sources (Uses)	(4,400,000)	(4,400,000)	-
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	418,599	\$ 418,599
FUND BALANCE AT BEGINNING OF YEAR		2,454,847	
FUND BALANCE AT END OF YEAR		\$ 2,873,446	

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, 2018**

	2018		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Intergovernmental	\$ 12,783,013	\$ 13,673,927	\$ 890,914
Charges for services	-	11,500	11,500
Investment earnings	6,308,000	8,757,620	2,449,620
Total Revenues	<u>19,091,013</u>	<u>22,443,047</u>	<u>3,352,034</u>
EXPENDITURES:			
Debt service - schools	207,918,083	208,558,267	(640,184)
Debt service - community college	27,971,891	27,886,696	85,195
Debt service - other	37,470,026	37,202,545	267,481
Total Expenditures	<u>273,360,000</u>	<u>273,647,508</u>	<u>(287,508)</u>
REVENUES (UNDER) EXPENDITURES	<u>(254,268,987)</u>	<u>(251,204,461)</u>	<u>3,064,526</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	241,085,150	241,085,150	-
Transfers out	(1,946,150)	(1,946,150)	-
Premiums on issuance	-	749,180	749,180
Total Other Financing Sources (Uses)	<u>239,139,000</u>	<u>239,888,180</u>	<u>749,180</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(15,129,987)</u>	<u>(11,316,281)</u>	<u>3,813,706</u>
APPROPRIATED FUND BALANCE	<u>15,129,987</u>	<u>-</u>	<u>(15,129,987)</u>
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>(11,316,281)</u>	<u>\$ (11,316,281)</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>120,290,900</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 108,974,619</u>	

WAKE COUNTY, NORTH CAROLINA

COUNTY CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended June 30, 2018

	Project Authorization	Actual		
		Prior Years	Total To Date	
REVENUES:				
Taxes	\$ -	\$ 4,876	\$ 42	\$ 4,918
Intergovernmental	12,920,849	14,030,839	3,314,357	17,345,196
Charges for services	36,531,585	9,432,198	3,705,261	13,137,459
Investment earnings	19,150,740	17,353,189	-	17,353,189
Miscellaneous	180,079	479,791	173,131	652,922
Total Revenues	<u>68,783,253</u>	<u>41,300,893</u>	<u>7,192,791</u>	<u>48,493,684</u>
EXPENDITURES:				
Capital projects:				
Automation CIP	49,443,592	24,896,988	9,385,732	34,282,720
Community capital projects	925,000	500,000	400,000	900,000
County building improvements	70,311,170	43,603,089	6,717,649	50,320,738
Criminal justice CIP	345,003,990	340,433,807	1,059,453	341,493,260
Public libraries CIP	69,664,436	22,931,906	5,944,842	28,876,748
Open space	24,742,940	15,855,719	2,005,230	17,860,949
Parks and recreation CIP	8,405,751	5,650,700	1,577,325	7,228,025
Public safety CIP	57,437,001	18,630,263	13,469,690	32,099,953
Economic development	22,611,947	17,696,356	1,928,369	19,624,725
Program wide projects	358,000	-	-	-
Total Expenditures	<u>648,903,827</u>	<u>490,198,828</u>	<u>42,488,290</u>	<u>532,687,118</u>
REVENUES UNDER EXPENDITURES	<u>(580,120,574)</u>	<u>(448,897,935)</u>	<u>(35,295,499)</u>	<u>(484,193,434)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	225,266,231	195,058,920	34,129,000	229,187,920
Transfers out	(11,535,000)	(9,950,000)	(1,585,000)	(11,535,000)
Bonds issued	60,391,383	63,996,530	-	63,996,530
Limited obligation bonds issued	293,644,021	293,644,021	-	293,644,021
Premiums on issuance	11,140,000	11,140,000	-	11,140,000
Sale of assets and materials	1,213,939	2,375,536	510,521	2,886,057
Total Other Financing Sources (Uses)	<u>580,120,574</u>	<u>556,265,007</u>	<u>33,054,521</u>	<u>589,319,528</u>
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 107,367,072</u>	<u>(2,240,978)</u>	<u>\$ 105,126,094</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>107,367,072</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 105,126,094</u>	

WAKE COUNTY, NORTH CAROLINA

SCHOOL CAPITAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL For the Year Ended June 30, 2018

	Project Authorization	Actual	
		Prior Years	Total To Date
REVENUES:			
Intergovernmental	\$ 20,971,782	\$ 34,504,150	\$ -
Investment earnings	68,538,737	69,099,120	126,139
Miscellaneous	4,328	4,328	-
Total Revenues	<u>89,514,847</u>	<u>103,607,598</u>	<u>126,139</u>
EXPENDITURES:			
Wake County Public Schools	<u>2,489,377,146</u>	<u>1,756,944,313</u>	<u>293,345,125</u>
Total Expenditures	<u>2,489,377,146</u>	<u>1,756,944,313</u>	<u>293,345,125</u>
REVENUES UNDER EXPENDITURES	<u>(2,399,862,299)</u>	<u>(1,653,336,715)</u>	<u>(293,218,986)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	345,338,017	322,721,533	33,778,000
Transfers out	(43,204,888)	(42,305,874)	(899,014)
Bonds issued	1,300,933,773	1,361,396,913	170,029,127
Bond anticipation notes issued	650,561,397	88,896,952	144,109,040
Repayment of bond anticipation notes	-	-	(190,968,780)
Drawdown installment notes issued	127,234,000	3,927,388	109,999,781
Repayment of drawdown installment notes	-	-	(111,431,377)
Limited obligation bonds issued	19,000,000	-	151,831,356
Premiums on issuance	-	116,844	40,649,653
Total Other Financing Sources (Uses)	<u>2,399,862,299</u>	<u>1,734,753,756</u>	<u>347,097,786</u>
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 81,417,041</u>	<u>53,878,800</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>81,417,041</u>
FUND BALANCE AT END OF YEAR			<u>\$ 135,295,841</u>

WAKE COUNTY, NORTH CAROLINA

**WAKE COMMUNITY COLLEGE CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Project Authorization	Actual		Total To Date
		Prior Years	Actual	
REVENUES:				
Investment earnings	\$ 265,187	\$ 607,120	\$ -	\$ 607,120
Total Revenues	<u>265,187</u>	<u>607,120</u>	<u>-</u>	<u>607,120</u>
EXPENDITURES:				
Wake Technical College	288,037,610	198,453,296	36,231,165	234,684,461
Total Expenditures	<u>288,037,610</u>	<u>198,453,296</u>	<u>36,231,165</u>	<u>234,684,461</u>
REVENUES UNDER EXPENDITURES	<u>(287,772,423)</u>	<u>(197,846,176)</u>	<u>(36,231,165)</u>	<u>(234,077,341)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	41,705,161	33,278,665	11,979,150	45,257,815
Transfers out	-	-	(1,946,150)	(1,946,150)
Bonds issued	183,732,978	166,962,531	27,715,873	194,678,404
Bond anticipation notes issued	57,668,131	11,332,585	24,543,524	35,876,109
Repayment of bond anticipation notes	-	-	(27,715,873)	(27,715,873)
Drawdown installment notes issued	4,448,424	691	4,447,742	4,448,433
Repayment of drawdown installment notes	-	-	(3,458,645)	(3,458,645)
Limited obligation bonds issued	-	-	3,458,644	3,458,644
Premiums on issuance	217,729	217,729	-	217,729
Total Other Financing Sources (Uses)	<u>287,772,423</u>	<u>211,792,201</u>	<u>39,024,265</u>	<u>250,816,466</u>
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 13,946,025</u>	2,793,100	<u>\$ 16,739,125</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>13,946,025</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 16,739,125</u>	

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Capital Project Funds

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

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

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

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of June 30, 2018

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
ASSETS			
Cash and investments - pooled equity	\$ 7,378,302	\$ 19,140,149	\$ 26,518,451
Taxes receivable (net)	81,576	10,277	91,853
Accounts receivable (net)	110,986	12,401	123,387
Intergovernmental receivable (net)	2,483,228	-	2,483,228
Loans receivable (net)	-	186,930	186,930
Accrued interest receivable	37,210	111,882	149,092
Total assets	<u>\$ 10,091,302</u>	<u>\$ 19,461,639</u>	<u>\$ 29,552,941</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,894,221	\$ 627,249	\$ 2,521,470
Due to other governmental units	257	-	257
Internal balances (due to other funds)	867,660	-	867,660
Total liabilities	<u>2,762,138</u>	<u>627,249</u>	<u>3,389,387</u>
DEFERRED INFLOWS OF RESOURCES	<u>92,622</u>	<u>-</u>	<u>92,622</u>
Fund balances:			
Restricted:			
Stabilization by state statute	1,204,689	8,992,122	10,196,811
Committed:			
Working capital	3,998,730	-	3,998,730
Assigned:			
Planned expenditures	2,281,334	5,571,341	7,852,675
Future capital projects	-	4,270,927	4,270,927
Unassigned	(248,211)	-	(248,211)
Total fund balances	<u>7,236,542</u>	<u>18,834,390</u>	<u>26,070,932</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,091,302</u>	<u>\$ 19,461,639</u>	<u>\$ 29,552,941</u>

WAKE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2018

	Total Nonmajor Special Revenue	Total Nonmajor Capital Project	Total
REVENUES:			
Taxes	\$ 26,195,086	\$ -	\$ 26,195,086
Intergovernmental	12,109,320	-	12,109,320
Charges for services	3,563,530	53,107	3,616,637
Fines and forfeitures	376	-	376
Investment earnings	114,311	240,201	354,512
Miscellaneous	1,256	1,428	2,684
Total Revenues	<u>41,983,879</u>	<u>294,736</u>	<u>42,278,615</u>
EXPENDITURES:			
General government	94,505	-	94,505
Human services	15,324,647	-	15,324,647
Community development and cultural	45,541	2,207,797	2,253,338
Environmental services	81,047	-	81,047
Public safety	24,219,340	4,704,240	28,923,580
General services administration	12,643	-	12,643
Total Expenditures	<u>39,777,723</u>	<u>6,912,037</u>	<u>46,689,760</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,206,156</u>	<u>(6,617,301)</u>	<u>(4,411,145)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	430,648	4,876,000	5,306,648
Transfers out	(3,017,000)	(1,010,000)	(4,027,000)
Installment purchases issued	-	1,294,125	1,294,125
Repayment of installment purchases	-	(75,641)	(75,641)
Sale of assets and materials	25,439	134,774	160,213
Total Other Financing Sources (Uses)	<u>(2,560,913)</u>	<u>5,219,258</u>	<u>2,658,345</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(354,757)</u>	<u>(1,398,043)</u>	<u>(1,752,800)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>7,591,299</u>	<u>20,232,433</u>	<u>27,823,732</u>
FUND BALANCE AT END OF YEAR	<u>\$ 7,236,542</u>	<u>\$ 18,834,390</u>	<u>\$ 26,070,932</u>

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS As of June 30, 2018

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Transportation	Total
ASSETS					
Cash and investments - pooled equity	\$ 2,996,586	\$ -	\$ 4,381,716	\$ -	\$ 7,378,302
Taxes receivable (net)	-	-	81,576	-	81,576
Accounts receivable (net)	23,030	19,823	-	68,133	110,986
Intergovernmental receivable (net)	210,200	1,186,873	199,132	887,023	2,483,228
Accrued interest receivable	8,008	-	29,446	(244)	37,210
Total assets	<u>\$ 3,237,824</u>	<u>\$ 1,206,696</u>	<u>\$ 4,691,870</u>	<u>\$ 954,912</u>	<u>\$ 10,091,302</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 317,347	\$ 569,076	\$ 35,150	\$ 972,648	\$ 1,894,221
Due to other governmental units	-	257	-	-	257
Internal balances (due to other funds)	-	826,064	-	41,596	867,660
Total liabilities	<u>317,347</u>	<u>1,395,397</u>	<u>35,150</u>	<u>1,014,244</u>	<u>2,762,138</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>178</u>	<u>92,444</u>	<u>-</u>	<u>92,622</u>
Fund balances:					
Restricted:					
Stabilization by state statute	802,091	-	402,598	-	1,204,689
Committed:					
Working capital	-	-	3,998,730	-	3,998,730
Assigned:					
Planned expenditures	2,118,386	-	162,948	-	2,281,334
Unassigned	-	(188,879)	-	(59,332)	(248,211)
Total fund balances	<u>2,920,477</u>	<u>(188,879)</u>	<u>4,564,276</u>	<u>(59,332)</u>	<u>7,236,542</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,237,824</u>	<u>\$ 1,206,696</u>	<u>\$ 4,691,870</u>	<u>\$ 954,912</u>	<u>\$ 10,091,302</u>

WAKE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended June 30, 2018

	Grants Fund	Capital Area Workforce Development	Fire Tax District	Transportation	Total
REVENUES:					
Taxes	\$ -	\$ -	\$ 26,195,086	\$ -	\$ 26,195,086
Intergovernmental	4,131,149	6,419,450	-	1,558,721	12,109,320
Charges for services	120,040	66,850	-	3,376,640	3,563,530
Fines and forfeitures	376	-	-	-	376
Investment earnings	11,916	-	103,930	(1,535)	114,311
Miscellaneous	1,256	-	-	-	1,256
Total Revenues	<u>4,264,737</u>	<u>6,486,300</u>	<u>26,299,016</u>	<u>4,933,826</u>	<u>41,983,879</u>
EXPENDITURES:					
General government	94,505	-	-	-	94,505
Human services	2,673,781	6,869,961	-	5,780,905	15,324,647
Community development and cultural	45,541	-	-	-	45,541
Environmental services	81,047	-	-	-	81,047
Public safety	942,955	-	23,276,385	-	24,219,340
General services administration	12,643	-	-	-	12,643
Total Expenditures	<u>3,850,472</u>	<u>6,869,961</u>	<u>23,276,385</u>	<u>5,780,905</u>	<u>39,777,723</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>414,265</u>	<u>(383,661)</u>	<u>3,022,631</u>	<u>(847,079)</u>	<u>2,206,156</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	430,648	-	-	-	430,648
Transfers out	-	-	(3,017,000)	-	(3,017,000)
Sale of assets and materials	-	-	-	25,439	25,439
Total Other Financing Sources (Uses)	<u>430,648</u>	<u>-</u>	<u>(3,017,000)</u>	<u>25,439</u>	<u>(2,560,913)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	844,913	(383,661)	5,631	(821,640)	(354,757)
FUND BALANCE AT BEGINNING OF YEAR	<u>2,075,564</u>	<u>194,782</u>	<u>4,558,645</u>	<u>762,308</u>	<u>7,591,299</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2,920,477</u>	<u>\$ (188,879)</u>	<u>\$ 4,564,276</u>	<u>\$ (59,332)</u>	<u>\$ 7,236,542</u>

WAKE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECT FUNDS As of June 30, 2018

	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Total
ASSETS			
Cash and investments - pooled equity	\$ 7,543,561	\$ 11,596,588	\$ 19,140,149
Taxes receivable (net)	-	10,277	10,277
Accounts receivable (net)	12,401	-	12,401
Loans receivable (net)	-	186,930	186,930
Accrued interest receivable	39,162	72,720	111,882
Total assets	<u>\$ 7,595,124</u>	<u>\$ 11,866,515</u>	<u>\$ 19,461,639</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	<u>\$ 526,555</u>	<u>\$ 100,694</u>	<u>\$ 627,249</u>
Total liabilities	<u>526,555</u>	<u>100,694</u>	<u>627,249</u>
Fund balances:			
Restricted:			
Stabilization by state statute	2,710,096	6,282,026	8,992,122
Assigned:			
Planned expenditures	2,562,198	3,009,143	5,571,341
Future capital projects	<u>1,796,275</u>	<u>2,474,652</u>	<u>4,270,927</u>
Total fund balances	<u>7,068,569</u>	<u>11,765,821</u>	<u>18,834,390</u>
Total liabilities and fund balances	<u>\$ 7,595,124</u>	<u>\$ 11,866,515</u>	<u>\$ 19,461,639</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, 2018

	Fire Capital Projects Fund	Major Facilities Capital Trust Fund	Total
REVENUES:			
Charges for services	\$ 29,086	\$ 24,021	\$ 53,107
Investment earnings	87,572	152,629	240,201
Miscellaneous	-	1,428	1,428
Total Revenues	<u>116,658</u>	<u>178,078</u>	<u>294,736</u>
EXPENDITURES:			
Capital Projects:			
Community development and cultural	-	2,207,797	2,207,797
Public safety	4,704,240	-	4,704,240
Total Expenditures	<u>4,704,240</u>	<u>2,207,797</u>	<u>6,912,037</u>
REVENUES (UNDER)			
EXPENDITURES	(4,587,582)	(2,029,719)	(6,617,301)
OTHER FINANCING SOURCES (USES):			
Transfers in	1,876,000	3,000,000	4,876,000
Transfers out	(777,000)	(233,000)	(1,010,000)
Installment purchases issued	1,294,125	-	1,294,125
Repayment of installment purchases	(75,641)	-	(75,641)
Sale of assets and materials	134,774	-	134,774
Total Other Financing Sources (Uses)	<u>2,452,258</u>	<u>2,767,000</u>	<u>5,219,258</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,135,324)	737,281	(1,398,043)
FUND BALANCES AT BEGINNING OF YEAR	<u>9,203,893</u>	<u>11,028,540</u>	<u>20,232,433</u>
FUND BALANCES AT END OF YEAR	<u>\$ 7,068,569</u>	<u>\$ 11,765,821</u>	<u>\$ 18,834,390</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, 2018

	Project Authorization	Actual		
		Prior Years	Actual	Total To Date
REVENUES:				
Intergovernmental	\$ 27,594,029	\$ 22,827,925	\$ 4,131,149	\$ 26,959,074
Charges for services	1,212,205	1,147,874	120,040	1,267,914
Fines and forfeitures	62,045	62,051	376	62,427
Investment earnings	45,492	44,239	11,916	56,155
Miscellaneous	248,237	50,088	1,256	51,344
Total Revenues	29,162,008	24,132,177	4,264,737	28,396,914
EXPENDITURES:				
General administration	774,796	611,243	94,505	705,748
Human services	18,842,767	14,432,334	2,673,781	17,106,115
Community development	792,729	528,212	45,541	573,753
Public safety	8,878,812	6,488,218	942,955	7,431,173
Environmental services	684,138	403,251	81,047	484,298
General services administration	202,748	176,689	12,643	189,332
Total Expenditures	30,175,990	22,639,947	3,850,472	26,490,419
REVENUES OVER (UNDER) EXPENDITURES	(1,013,982)	1,492,230	414,265	1,906,495
OTHER FINANCING SOURCES (USES):				
Transfers in	1,313,207	882,559	430,648	1,313,207
Transfers out	(300,000)	(300,000)	-	(300,000)
Sale of assets and materials	775	775	-	775
Total Other Financing Sources (Uses)	1,013,982	583,334	430,648	1,013,982
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	\$ -	\$ 2,075,564	844,913	\$ 2,920,477
FUND BALANCE AT BEGINNING OF YEAR			2,075,564	
FUND BALANCE AT END OF YEAR			\$ 2,920,477	

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, 2018

	Project Authorization	Actual		Total To Date
		Prior Years	Actual	
REVENUES:				
Intergovernmental	\$ 25,158,480	\$ 13,544,780	\$ 6,419,450	\$ 19,964,230
Charges for services	170,286	173,528	66,850	240,378
Miscellaneous	2,490	6,589	-	6,589
Total Revenues	25,331,256	13,724,897	6,486,300	20,211,197
EXPENDITURES:				
Title I - Adult	6,301,508	4,262,904	1,956,412	6,219,316
Title I - Dislocated Workers	2,430,708	868,439	1,441,452	2,309,891
Title I - Youth	4,402,218	2,726,806	1,629,303	4,356,109
Statewide activities	1,053,617	534,882	214,002	748,884
Dislocated Worker - supplemental	1,375,461	1,152,340	200,000	1,352,340
WIOA administration	3,016,977	1,129,530	430,555	1,560,085
AmeriCorps	808,703	595,980	23,547	619,527
National emergency grants	2,484,803	1,939,237	256,679	2,195,916
Special grants	386,000	192,163	169,762	361,925
YouthBuild	1,080,000	-	238,068	238,068
Wake Tech DOL Grants	1,991,261	127,834	310,181	438,015
Total Expenditures	25,331,256	13,530,115	6,869,961	20,400,076
REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE OVER EXPENDITURES AND OTHER USES	\$ -	\$ 194,782	(383,661)	\$ (188,879)
FUND BALANCE AT BEGINNING OF YEAR			194,782	
FUND BALANCE AT END OF YEAR			\$ (188,879)	

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, 2018**

	2018		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Taxes - ad valorem property	\$ 25,860,000	\$ 26,195,086	\$ 335,086
Investment earnings	15,000	103,930	88,930
Total Revenues	<u>25,875,000</u>	<u>26,299,016</u>	<u>424,016</u>
EXPENDITURES:			
Public Safety:			
Rural/Municipal fire districts	<u>23,479,000</u>	<u>23,276,385</u>	<u>202,615</u>
Total Expenditures	<u>23,479,000</u>	<u>23,276,385</u>	<u>202,615</u>
REVENUES OVER EXPENDITURES	2,396,000	3,022,631	626,631
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(3,017,000)</u>	<u>(3,017,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(3,017,000)</u>	<u>(3,017,000)</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(621,000)	5,631	626,631
APPROPRIATED FUND BALANCE	<u>621,000</u>	<u>-</u>	<u>(621,000)</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	5,631	<u>\$ 5,631</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>4,558,645</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 4,564,276</u>	

WAKE COUNTY, NORTH CAROLINA

**TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	2018		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Intergovernmental	\$ 2,801,595	\$ 1,558,721	\$ (1,242,874)
Charges for services	5,665,405	3,376,640	(2,288,765)
Investment earnings	-	(1,535)	(1,535)
Miscellaneous	118,000	-	(118,000)
Total Revenues	<u>8,585,000</u>	<u>4,933,826</u>	<u>(3,651,174)</u>
EXPENDITURES:			
Human services	8,730,000	5,780,905	2,949,095
Total Expenditures	<u>8,730,000</u>	<u>5,780,905</u>	<u>2,949,095</u>
REVENUES OVER EXPENDITURES	(145,000)	(847,079)	(702,079)
OTHER FINANCING SOURCES (USES):			
Sale of assets and materials	20,000	25,439	5,439
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>25,439</u>	<u>5,439</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(125,000)	(821,640)	(696,640)
APPROPRIATED FUND BALANCE	<u>125,000</u>	<u>-</u>	<u>(125,000)</u>
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>(821,640)</u>	<u>\$ (821,640)</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>762,308</u>	
FUND BALANCE AT END OF YEAR		<u>\$ (59,332)</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, 2018**

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
REVENUES:				
Charges for services	\$ 228,959	\$ 328,435	\$ 29,086	\$ 357,521
Investment earnings	72,000	314,161	87,572	401,733
Miscellaneous	80,455	80,455	-	80,455
Total Revenues	<u>381,414</u>	<u>723,051</u>	<u>116,658</u>	<u>839,709</u>
EXPENDITURES:				
Capital projects:				
Fire and rescue CIP	22,270,105	8,259,973	4,704,240	12,964,213
Total Expenditures	<u>22,270,105</u>	<u>8,259,973</u>	<u>4,704,240</u>	<u>12,964,213</u>
REVENUES UNDER EXPENDITURES	<u>(21,888,691)</u>	<u>(7,536,922)</u>	<u>(4,587,582)</u>	<u>(12,124,504)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,856,536	16,214,111	1,876,000	18,090,111
Transfers out	(2,331,000)	(1,554,000)	(777,000)	(2,331,000)
Installment purchases issued	3,357,283	2,063,158	1,294,125	3,357,283
Repayment of installment purchases	-	-	(75,641)	(75,641)
Sale of assets and materials	5,872	17,546	134,774	152,320
Total Other Financing Sources (Uses)	<u>21,888,691</u>	<u>16,740,815</u>	<u>2,452,258</u>	<u>19,193,073</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 9,203,893</u>	<u>(2,135,324)</u>	<u>\$ 7,068,569</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>9,203,893</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 7,068,569</u>	

WAKE COUNTY, NORTH CAROLINA

**MAJOR FACILITIES CAPITAL TRUST FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Project Inception Through June 30, 2018**

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
REVENUES:				
Charges for services	\$ 7,583,943	\$ 7,633,362	\$ 24,021	\$ 7,657,383
Investment earnings	-	281,286	152,629	433,915
Miscellaneous	495,000	675,581	1,428	677,009
Total Revenues	8,078,943	8,590,229	178,078	8,768,307
EXPENDITURES:				
Capital projects:				
Community development and cultural	26,376,947	13,163,340	2,207,797	15,371,137
Total Expenditures	26,376,947	13,163,340	2,207,797	15,371,137
REVENUES UNDER EXPENDITURES	(18,298,004)	(4,573,111)	(2,029,719)	(6,602,830)
OTHER FINANCING SOURCES (USES)				
Transfers in	18,921,004	16,063,651	3,000,000	19,063,651
Transfers out	(1,295,000)	(1,062,000)	(233,000)	(1,295,000)
Installment purchases issued	600,000	600,000	-	600,000
Total Other Financing Sources (Uses)	18,226,004	15,601,651	2,767,000	18,368,651
APPROPRIATED FUND BALANCE	72,000	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ 11,028,540	737,281	\$ 11,765,821
FUND BALANCE AT BEGINNING OF YEAR			11,028,540	
FUND BALANCE AT END OF YEAR			\$ 11,765,821	

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, 2018**

	Solid Waste Operating Fund	Solid Waste Capital Project	June 30, 2018	June 30, 2017
ASSETS				
Cash and investments - pooled equity	\$ 20,295,845	\$ 10,063,090	\$ 30,358,935	\$ 33,880,921
Cash and investments - reserved	11,819,282	-	11,819,282	12,636,224
Taxes receivable (net)	73,063	93,021	166,084	-
Accounts receivable (net)	428,102	-	428,102	1,038,033
Intergovernmental receivable (net)	504,464	-	504,464	-
Internal balance (due from other funds)	684,737	-	684,737	290,992
Prepaid expenses	1,400	-	1,400	1,400
Accrued interest receivable	200,661	34,438	235,099	107,250
Total assets	<u>\$ 34,007,554</u>	<u>\$ 10,190,549</u>	<u>\$ 44,198,103</u>	<u>\$ 47,954,820</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,350,747	\$ 2,177,644	\$ 3,528,391	\$ 1,950,121
Internal balance (due to other funds)	147,162	-	147,162	145,855
Closure/post-closure care reserves	11,819,282	-	11,819,282	12,636,224
Total liabilities	<u>13,317,191</u>	<u>2,177,644</u>	<u>15,494,835</u>	<u>14,732,200</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>70,315</u>	<u>-</u>	<u>70,315</u>	<u>68,242</u>
Fund balances:				
Non-spendable:				
Prepaid expenditures	1,400	-	1,400	1,400
Restricted:				
Stabilization by state statute	1,820,712	4,211,311	6,032,023	15,087,929
White goods	3,487,275	-	3,487,275	3,292,653
Assigned:				
Future capital projects	-	3,801,594	3,801,594	2,754,807
Unassigned	15,310,661	-	15,310,661	12,017,589
Total fund balances	<u>20,620,048</u>	<u>8,012,905</u>	<u>28,632,953</u>	<u>33,154,378</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,007,554</u>	<u>\$ 10,190,549</u>	<u>\$ 44,198,103</u>	<u>\$ 47,954,820</u>

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

WAKE COUNTY, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)
 SOLID WASTER OPERATING FUND
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017**

	2018		2017
	Budget	Actual	Actual
REVENUES:			
Intergovernmental	\$ 2,242,342	\$ 2,433,484	\$ 2,097,102
Charges for services	9,290,277	9,264,078	9,130,375
Licenses and permits	4,445	7,500	8,700
Investment earnings	108,681	413,098	112,158
Miscellaneous	1,861,682	2,287,402	1,906,700
Total Revenues	<u>13,507,427</u>	<u>14,405,562</u>	<u>13,255,035</u>
EXPENDITURES:			
Cost of service	11,375,736	8,523,870	6,119,414
Administration	2,278,592	1,942,877	1,885,752
Reserves	400,296	-	-
Total Expenditures	<u>14,054,624</u>	<u>10,466,747</u>	<u>8,005,166</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(547,197)</u>	<u>3,938,815</u>	<u>5,249,869</u>

WAKE COUNTY, NORTH CAROLINA

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

SOLID WASTE OPERATING FUND (CONTINUED)

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		2017
	Budget	Actual	Actual
OTHER FINANCING SOURCES (USES):			
Transfers in	992,573	992,573	1,032,390
Transfers out	(953,460)	(953,460)	(1,445,035)
Total Other Financing Sources (Uses)	39,113	39,113	(412,645)
APPROPRIATED FUND BALANCE	508,084	-	-
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 3,977,928</u>	<u>\$ 4,837,224</u>
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES:		\$ 3,977,928	\$ 4,837,224
Reconciling items:			
Compensated absences expenses		4,194	(3,793)
OPEB expenses		(25,915)	(40,055)
Risk management expenses		(5,341)	4,662
Pension expenses		(5,204)	(20,514)
Net increase/(decrease) in deferred revenue - charges for services		1,733	1,507
Miscellaneous revenues - Construction Fund		20,000	-
Investment earnings - Construction Fund		151,507	64,756
Expenditures - Construction Fund		(9,174,321)	(1,522,555)
Transfers In - Construction Fund		503,460	995,035
Acquisition of capital assets		8,161,506	1,146,772
Disposal of capital assets		-	-
Depreciation and depletion		(620,442)	(647,607)
Change in net position		<u>\$ 2,989,105</u>	<u>\$ 4,815,432</u>

WAKE COUNTY, NORTH CAROLINA

SOLID WASTE CONSTRUCTION FUND SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP BASIS) From Project Inception Through June 30, 2018

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
REVENUES:				
Charges for services	\$ 20,000	\$ -	\$ -	\$ -
Investment earnings	1,431,000	1,827,978	151,507	1,979,485
Miscellaneous	6,553,948	15,276	20,000	35,276
Total Revenues	<u>8,004,948</u>	<u>1,843,254</u>	<u>171,507</u>	<u>2,014,761</u>
EXPENDITURES:				
Enterprise infrastructure	32,762,262	10,714,592	8,668,109	19,382,701
Other	-	1,362,190	89,935	1,452,125
NOT CODED	-	-	416,277	416,277
Total Expenditures	<u>32,762,262</u>	<u>12,076,782</u>	<u>9,174,321</u>	<u>21,251,103</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(24,757,314)</u>	<u>(10,233,528)</u>	<u>(9,002,814)</u>	<u>(19,236,342)</u>
OTHER FINANCING SOURCES AND USES:				
Transfers in	23,907,314	26,745,785	503,460	27,249,245
Total other financing sources and uses	<u>23,907,314</u>	<u>26,745,785</u>	<u>503,460</u>	<u>27,249,245</u>
APPROPRIATED FUND BALANCE	<u>850,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES, AND OTHER SOURCES, OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 16,512,257</u>	<u>(8,499,354)</u>	<u>\$ 8,012,903</u>
Fund Balance at the beginning of the year			<u>16,512,257</u>	
FUND BALANCE AT THE END OF THE YEAR			<u>\$ 8,012,903</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, 2018**

	South Wake Landfill	East Wake Transfer Station	June 30, 2018	June 30, 2017
ASSETS				
Cash and investments - pooled equity	\$ 4,196,941	\$ (31,174)	\$ 4,165,767	\$ 4,069,398
Cash and investments - reserved	8,478,460	-	8,478,460	12,070,988
Cash and investments - cash equivalents	450	300	750	750
Accounts receivable (net)	655,351	1,805,473	2,460,824	1,557,593
Internal balance (due from other funds)	63,301	83,861	147,162	145,855
Accrued interest receivable	63,035	45,350	108,385	39,415
Total assets	<u>\$ 13,457,538</u>	<u>\$ 1,903,810</u>	<u>\$ 15,361,348</u>	<u>\$ 17,883,999</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 285,139	\$ 726,262	\$ 1,011,401	\$ 2,842,172
Due to other governmental units	2,993,882	-	2,993,882	1,399,938
Internal balance (due to other funds)	684,737	-	684,737	290,992
Construction reserves	-	1,164,701	1,164,701	1,058,458
Closure/post-closure care reserves	8,478,460	-	8,478,460	11,224,746
Total liabilities	<u>12,442,218</u>	<u>1,890,963</u>	<u>14,333,181</u>	<u>16,816,306</u>
	<u>12,655</u>	<u>11,452</u>	<u>24,107</u>	<u>63,633</u>
DEFERRED INFLOWS OF RESOURCES				
Fund balances:				
Restricted:				
Stabilization by state statue	769,032	1,395	770,427	548,127
Assigned:				
Planned expenditures	233,633	-	233,633	455,933
Total fund balances	<u>1,002,665</u>	<u>1,395</u>	<u>1,004,060</u>	<u>1,004,060</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,457,538</u>	<u>\$ 1,903,810</u>	<u>\$ 15,361,348</u>	<u>\$ 17,883,999</u>

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

WAKE COUNTY, NORTH CAROLINA

**SOUTH WAKE LANDFILL PARTNERSHIP FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BASIS)
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017**

	June 30, 2018						June 30, 2017
	South Wake Landfill		East Wake Transfer Station		Total		Total
	Budget	Actual	Budget	Actual	Budget	Actual	Actual
REVENUES:							
Charges for services	\$ 13,969,458	\$ 5,734,862	\$ 3,477,711	\$ 11,315,934	\$ 17,447,169	\$ 17,050,796	\$ 16,271,092
Investment earnings	52,831	124,360	-	74,115	52,831	198,475	40,804
Miscellaneous	-	28	-	-	-	28	-
Total Revenues	<u>14,022,289</u>	<u>5,859,250</u>	<u>3,477,711</u>	<u>11,390,049</u>	<u>17,500,000</u>	<u>17,249,299</u>	<u>16,311,896</u>
EXPENDITURES:							
Cost of service	8,265,569	8,294,031	3,895,971	3,531,933	12,161,540	11,825,964	10,985,952
Administration	180,651	185,463	642,902	566,680	823,553	752,143	755,008
Partner rebates	3,522,334	3,678,619	-	-	3,522,334	3,678,619	3,549,044
Total Expenditures	<u>11,968,554</u>	<u>12,158,113</u>	<u>4,538,873</u>	<u>4,098,613</u>	<u>16,507,427</u>	<u>16,256,726</u>	<u>15,290,004</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,053,735</u>	<u>(6,298,863)</u>	<u>(1,061,162)</u>	<u>7,291,436</u>	<u>992,573</u>	<u>992,573</u>	<u>1,021,892</u>
OTHER FINANCING SOURCES (USES):							
Intrafund transfers in	-	7,142,249	-	-	-	7,142,249	6,743,911
Intrafund transfers out	-	-	-	(7,142,249)	-	(7,142,249)	(6,743,911)
Transfers out	(843,386)	(843,386)	(149,187)	(149,187)	(992,573)	(992,573)	(1,032,390)
Total Other Financing Sources (Uses)	<u>(843,386)</u>	<u>6,298,863</u>	<u>(149,187)</u>	<u>(7,291,436)</u>	<u>(992,573)</u>	<u>(992,573)</u>	<u>(1,032,390)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 1,210,349</u>	<u>\$ -</u>	<u>\$ (1,210,349)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,498)</u>
Reconciliation from budgetary basis of modified accrual to full accrual basis:							
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES						-	(10,498)
Reconciling items							
Net change in deferred revenue						(39,227)	8,253
Compensated absences expenses						(3,310)	(2,043)
OPEB expenses						(8,638)	(13,353)
Risk management expenses						(13,418)	1,196
Pension expenses						363	(4,098)
Change in net position						<u>\$ (64,230)</u>	<u>\$ (20,543)</u>

WAKE COUNTY, NORTH CAROLINA

**BUDGETARY BALANCE SHEET
CORPORATE FLEET FUND (NON-GAAP)
MODIFIED ACCRUAL BASIS OF ACCOUNTING
As of June 30, 2018**

	June 30, 2018	June 30, 2017
ASSETS		
Cash and investments - pooled equity	\$ 3,780,466	\$ 3,537,584
Accounts receivable (net)	2,152	21,456
Intergovernmental receivable (net)	105,243	-
Accrued interest receivable	24,597	8,843
Inventories	71,427	167,638
TOTAL ASSETS	\$ 3,983,885	\$ 3,735,521
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 481,525	\$ 584,185
Fund Balances:		
Non-spendable:		
Inventories	71,427	167,638
Restricted:		
Stabilization by state statute	1,196,041	553,390
Assigned:		
Planned expenditures	861,642	705,334
Unassigned	1,373,250	1,724,974
Total Fund Balances	3,502,360	3,151,336
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,983,885	\$ 3,735,521

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, 2018

	2018		2017
	Budget	Actual	Actual
REVENUES:			
Charges for services	\$ 8,407,768	\$ 8,537,673	\$ 7,819,684
Miscellaneous	3,247	1,911	3,325
Investment earnings	20,000	50,815	12,398
Sale of assets and materials	511,652	741,751	537,802
Total Revenues	<u>8,942,667</u>	<u>9,332,150</u>	<u>8,373,209</u>
EXPENDITURES:			
Cost of service	8,550,076	7,542,830	7,016,086
Administration	1,621,016	1,438,296	1,306,806
Total Expenditures	<u>10,171,092</u>	<u>8,981,126</u>	<u>8,322,892</u>
REVENUES UNDER EXPENDITURES	<u>(1,228,425)</u>	<u>351,024</u>	<u>50,317</u>
OTHER FINANCING SOURCES:			
Transfers in	-	-	289,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>289,000</u>
APPROPRIATED FUND BALANCE	<u>1,228,425</u>	<u>-</u>	<u>-</u>
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES	<u>-</u>	<u>351,024</u>	<u>339,317</u>
Reconciliation from budgetary basis of modified accrual to full accrual basis:			
REVENUES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES		\$ 351,024	\$ 339,317
Reconciling items			
Net change in deferred revenue		-	-
Compensated absences expenses		(855)	5,191
OPEB expenses		(31,099)	(104,215)
Risk management expenses		12,212	18,897
Pension expenses		1,889	(18,665)
Acquisition of capital assets		4,031,903	3,565,137
Disposal of capital assets		(179,884)	(85,531)
Depreciation of capital assets		(3,696,763)	(3,488,115)
Change in net position		<u>\$ 488,427</u>	<u>\$ 232,016</u>

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

WAKE COUNTY, NORTH CAROLINA

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2018**

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
MUNICIPAL TAX FUND				
ASSETS				
Cash and investments - pooled equity	\$ 111,745	\$ 513,321,049	\$ (513,416,616)	\$ 16,178
Accounts receivable	4,327,004	4,731,219	(4,549,423)	4,508,800
Total assets	<u>\$ 4,438,749</u>	<u>\$ 518,052,268</u>	<u>\$ (517,966,039)</u>	<u>\$ 4,524,978</u>
LIABILITIES				
Other liabilities	\$ 122,629	\$ 480,949,018	\$ (481,056,615)	\$ 15,032
Due to other governmental units	4,316,120	4,515,107	(4,321,281)	4,509,946
Total liabilities	<u>\$ 4,438,749</u>	<u>\$ 485,464,125</u>	<u>\$ (485,377,896)</u>	<u>\$ 4,524,978</u>
HUMAN SERVICES FUND				
ASSETS				
Cash and investments - pooled equity	\$ 426,148	\$ 2,841,955	\$ (2,934,265)	\$ 333,838
Accounts receivable	5,187	330	(5,187)	330
Accrued interest receivable	1,276	3,154	(1,276)	3,154
Total assets	<u>\$ 432,611</u>	<u>\$ 2,845,439</u>	<u>\$ (2,940,728)</u>	<u>\$ 337,322</u>
LIABILITIES				
Other liabilities	<u>\$ 432,611</u>	<u>\$ 8,260,631</u>	<u>\$ (8,355,920)</u>	<u>\$ 337,322</u>

WAKE COUNTY, NORTH CAROLINA

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
FINES AND FORFEITURES				
ASSETS				
Cash and investments - pooled equity	\$ 64,743	\$ 2,574,617	\$ (2,439,589)	\$ 199,771
Accounts receivable	17,177	20,252	(17,177)	20,252
Accrued interest	151	1,250	(151)	1,250
Total assets	<u>\$ 82,071</u>	<u>\$ 2,596,119</u>	<u>\$ (2,456,917)</u>	<u>\$ 221,273</u>
LIABILITIES				
Other liabilities	<u>\$ 82,071</u>	<u>\$ 2,547,503</u>	<u>\$ (2,408,301)</u>	<u>\$ 221,273</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and investments - pooled equity	\$ 602,636	\$ 518,737,621	\$ (518,790,470)	\$ 549,787
Accounts receivable	4,349,368	4,751,801	(4,571,787)	4,529,382
Accrued interest receivable	1,427	4,404	(1,427)	4,404
Total assets	<u>\$ 4,953,431</u>	<u>\$ 523,493,826</u>	<u>\$ (523,363,684)</u>	<u>\$ 5,083,573</u>
LIABILITIES				
Other liabilities	\$ 637,311	\$ 491,757,152	\$ (491,820,836)	\$ 573,627
Due to other governmental units	4,316,120	4,515,107	(4,321,281)	4,509,946
Total liabilities	<u>\$ 4,953,431</u>	<u>\$ 496,272,259</u>	<u>\$ (496,142,117)</u>	<u>\$ 5,083,573</u>

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS BY FUNCTION AND CATEGORY As of June 30, 2018

Function	Land	Intangibles	Buildings	Improvements	Machinery and Equipment	Vehicles and Motorized Equipment	Computer Software	Infrastructure	Construction in progress	Total
General government	\$ 12,243,095	\$ -	\$ 64,130,277	\$ 3,171,116	\$ 6,283,670	\$ 485,841	\$ 23,434,627	\$ 340,990	\$ -	\$ 110,089,616
Human services	5,112,407	-	83,917,305	210,000	1,181,195	3,658,398	1,881,253	-	-	95,960,558
Education	1,336,910	-	30,878,188	3,947,902	-	-	-	-	-	36,163,000
Community development	101,488,591	1,032,044	104,068,746	564,904	1,374,754	154,232	-	369,318	-	209,052,589
Environmental services	17,145,437	-	4,979,210	-	186,594	376,740	-	22,500,778	-	45,188,759
Public safety	7,471,299	-	513,175,645	11,893,262	18,741,150	15,033,630	-	-	-	566,314,986
General services administration	64,740	-	818,786	275,889	4,854,626	28,634,805	-	616,014	-	35,264,860
Construction in progress	-	-	-	-	-	-	-	-	40,702,369	40,702,369
Total Governmental Capital Assets	<u>\$ 144,862,479</u>	<u>\$ 1,032,044</u>	<u>\$ 801,968,157</u>	<u>\$ 20,063,073</u>	<u>\$ 32,621,989</u>	<u>\$ 48,343,646</u>	<u>\$ 25,315,880</u>	<u>\$ 23,827,100</u>	<u>\$ 40,702,369</u>	<u>\$ 1,138,736,737</u>

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT

As of June 30, 2018

	Date of Issue	Interest Rate	Amount Issued	Debt Outstanding June 30, 2017	Net Additions (Retirements)	Debt Outstanding June 30, 2018
GENERAL OBLIGATION BONDS:						
2009A Public improvement bonds	04/01/09	4.00-5.00%	135,000,000	\$ 12,000,000	\$ (6,000,000)	\$ 6,000,000
2009B Public improvement bonds	04/01/09	4.00-5.00%	300,000,000	176,000,000	(26,000,000)	150,000,000
2009D Refunding	06/16/09	3.00-4.00%	168,980,000	10,250,000	(10,250,000)	-
2010A Public improvement bonds	03/30/10	3.00-5.00%	86,295,000	39,810,000	(6,635,000)	33,175,000
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	342,060,000	(22,735,000)	319,325,000
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	7,580,000	(1,895,000)	5,685,000
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	79,950,000	(6,150,000)	73,800,000
2012A School Bonds	02/08/12	3.00-5.00%	96,790,000	71,400,000	(5,100,000)	66,300,000
2012B Refunding	02/08/12	5.00%	75,290,000	75,290,000	(16,590,000)	58,700,000
2013A School Bonds	05/06/13	2.50-5.00%	51,165,000	40,500,000	(2,700,000)	37,800,000
2013B Public Improvement	05/07/13	3.00-5.00%	125,250,000	99,000,000	(6,600,000)	92,400,000
2014 Public Improvement	09/02/14	3.25-5.00%	345,240,000	327,060,000	(18,170,000)	308,890,000
2015 Public Improvement	04/15/15	3.00-5.00%	94,000,000	89,100,000	(4,950,000)	84,150,000
2016A Refunding	11/01/16	5.00%	162,895,000	150,280,000	(23,755,000)	126,525,000
2017A Public Improvement	03/01/17	3.00-5.00%	33,700,000	33,700,000	(1,685,000)	32,015,000
2017B School Bonds	03/01/17	3.00-5.00%	82,415,000	82,415,000	(4,125,000)	78,290,000
2018A Public Improvement	03/08/18	3.00-5.00%	197,745,000	-	197,745,000	197,745,000
Total General Obligation Bonds				<u>1,727,865,000</u>	<u>34,405,000</u>	<u>1,762,270,000</u>
OTHER LONG-TERM DEBT:						
Bond anticipation notes				100,229,537	(50,032,089)	50,197,448
Drawdown installment purchase				3,928,079	(442,499)	3,485,580
Limited obligation bonds				222,060,000	143,155,000	365,215,000
Installment purchase				5,115,000	191,359	5,306,359
Capitalized equipment leases				37,553	(3,220)	34,333
Other post-employment benefits				415,080,640	(19,079,635)	396,001,005
Net pension liability - LEOSSA				16,124,717	1,054,914	17,179,631
Net pension liability - LGERS				67,991,327	(17,406,557)	50,584,770
Compensated absences				12,839,341	529,565	13,368,906
Total other long-term debt				<u>843,406,194</u>	<u>57,966,838</u>	<u>901,373,032</u>
TOTAL GOVERNMENTAL LONG-TERM DEBT				<u>\$ 2,571,271,194</u>	<u>\$ 92,371,838</u>	<u>\$ 2,663,643,032</u>

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF LONG-TERM DEBT MATURITIES AND ANNUAL DEBT SERVICE REQUIREMENTS FOR GOVERNMENTAL ACTIVITIES As of June 30, 2018

BONDED DEBT Fiscal Year Ended June 30	PUBLIC SCHOOLS		COMMUNITY COLLEGE		OTHER		TOTAL	
	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest	Principal	Principal and Interest
2019	\$ 149,100,340	\$ 214,158,173	\$ 18,956,780	\$ 28,687,462	\$ 7,697,880	\$ 12,269,585	\$ 175,755,000	\$ 255,115,220
2020	137,998,850	195,751,088	18,200,620	27,024,098	8,610,530	12,797,343	164,810,000	235,572,529
2021	119,517,947	170,370,243	19,424,844	27,357,241	9,997,209	13,753,495	148,940,000	211,480,979
2022	129,208,971	174,178,396	19,133,653	26,152,010	9,667,376	12,923,802	158,010,000	213,254,208
2023	127,176,072	165,778,074	18,893,534	25,010,990	9,395,394	12,168,451	155,465,000	202,957,515
2024	126,244,154	158,678,790	16,665,526	21,949,021	9,285,320	11,608,886	152,195,000	192,236,697
2025	125,675,728	151,867,660	16,607,622	21,128,882	9,296,650	11,172,282	151,580,000	184,168,824
2026	82,556,765	102,807,866	13,130,445	16,894,956	5,447,790	6,883,196	101,135,000	126,586,018
2027	87,661,554	104,221,884	11,761,388	14,934,733	3,897,058	5,087,261	103,320,000	124,243,878
2028	52,751,554	65,387,849	11,761,388	14,465,525	3,897,058	4,910,870	68,410,000	84,764,244
2029-2033	207,142,392	241,348,423	47,628,526	54,329,065	16,799,082	19,620,365	271,570,000	315,297,853
2034-2037	91,798,751	97,591,484	11,383,388	12,145,855	7,897,861	8,477,586	111,080,000	118,214,925
Total Bonded Debt	1,436,833,078	1,842,139,930	223,547,714	290,079,838	101,889,208	131,673,122	1,762,270,000	2,263,892,890
OTHER LONG-TERM DEBT:								
Total limited obligation bonds, installment purchases and capitalized leases:								
2019	-	4,275,888	-	86,211	12,963,858	22,946,137	12,963,858	27,308,236
2020	8,013,432	15,039,950	161,568	303,238	12,549,390	21,858,829	20,724,390	37,202,017
2021	8,013,432	14,639,278	161,568	295,159	12,308,333	20,899,212	20,483,333	35,833,649
2022	8,013,432	14,238,606	161,568	287,081	12,280,752	20,279,407	20,455,752	34,805,094
2023	8,013,432	13,837,935	161,568	279,003	12,219,000	19,626,582	20,394,000	33,743,520
2024-2028	40,067,160	63,179,600	807,840	1,273,837	59,074,359	87,332,719	99,949,359	151,786,156
2029-2033	40,057,357	53,554,170	807,643	1,079,768	56,330,000	70,630,375	97,195,000	125,264,313
2034-2038	40,042,654	44,527,572	807,346	897,772	37,540,000	40,448,750	78,390,000	85,874,094
Total Other Long-Term Debt	152,220,899	223,292,999	3,069,101	4,502,069	215,265,692	304,022,011	370,555,692	531,817,079
TOTAL LONG-TERM DEBT	\$ 1,589,053,977	\$ 2,065,432,929	\$ 226,616,815	\$ 294,581,907	\$ 317,154,900	\$ 435,695,133	\$ 2,132,825,692	\$ 2,795,709,969

On the Statement of Net Assets as of June 30, 2018, the amounts reported as liabilities for general obligation bonds - schools, general obligation bonds - community college, general obligation bonds - other and limited obligation bonds also includes premiums on issuance of bonds of \$139,791,824, \$25,594,262, \$9,812,964 and \$59,531,261 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>Page</u>
<i>Financial Trends</i>	126
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	131
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
<i>Debt Capacity</i>	137
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
<i>Demographic and Economic Information</i>	141
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
<i>Operating Information</i>	143
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

WAKE COUNTY, NORTH CAROLINA

TABLE 1

	Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)									
	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities										
Net investment in capital assets	\$ 421,474,474	\$ 490,451,441	\$ 475,499,631	\$ 501,015,238	\$ 481,647,900	\$ 514,397,874	\$ 516,347,191	\$ 498,217,507	\$ 501,195,521	\$ 517,404,228
Restricted	248,373,467	420,636,893	313,308,968	194,344,857	205,986,156	174,547,627	384,569,749	330,499,243	222,312,515	308,540,955
Unrestricted	(1,396,418,768)	(1,682,993,506)	(1,553,597,961)	(1,496,839,039)	(1,419,397,209)	(1,380,105,906)	(1,588,121,415)	(1,686,182,914)	(1,765,284,179)	(2,220,686,272)
Total governmental activities net position	<u>(726,570,827)</u>	<u>(771,905,172)</u>	<u>(764,789,362)</u>	<u>(801,478,944)</u>	<u>(731,763,153)</u>	<u>(691,160,405)</u>	<u>(687,204,475)</u>	<u>(857,466,164)</u>	<u>(1,041,776,143)</u>	<u>(1,394,741,089)</u>
Business-type activities										
Net investment in capital assets	12,714,646	13,114,762	13,711,534	13,633,543	13,026,721	12,753,655	13,031,162	14,569,010	15,068,176	22,609,239
Restricted	6,115,191	5,874,703	3,515,460	4,034,015	4,542,124	7,104,803	5,987,408	6,056,990	19,253,925	9,993,083
Unrestricted	20,517,389	21,823,855	25,491,356	27,223,180	26,240,199	24,955,038	27,946,413	24,872,362	15,962,641	19,263,466
Total business-type activities net position	<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>44,813,496</u>	<u>46,964,983</u>	<u>45,498,362</u>	<u>50,284,742</u>	<u>51,865,788</u>
Primary government										
Net investment in capital assets	434,189,120	503,566,203	489,211,165	514,648,781	494,674,621	527,151,529	529,378,353	512,786,517	516,263,697	540,013,467
Restricted	254,488,658	426,511,596	316,824,428	198,378,872	210,528,280	181,652,430	390,557,157	336,556,233	241,566,440	318,534,038
Unrestricted	(1,375,901,379)	(1,661,169,651)	(1,528,106,605)	(1,469,615,859)	(1,393,157,010)	(1,355,150,868)	(1,560,175,002)	(1,661,310,552)	(1,749,321,538)	(2,201,422,806)
Total primary government net position	<u>\$ (687,223,601)</u>	<u>\$ (731,091,852)</u>	<u>\$ (722,071,012)</u>	<u>\$ (756,588,206)</u>	<u>\$ (687,954,109)</u>	<u>\$ (646,346,909)</u>	<u>\$ (640,239,492)</u>	<u>\$ (811,967,802)</u>	<u>\$ (991,491,401)</u>	<u>\$ (1,342,875,301)</u>

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General government	\$ 55,488,240	\$ 54,937,881	\$ 61,575,688	\$ 59,589,399	\$ 57,447,794	\$ 60,865,049	\$ 67,697,095	\$ 83,075,414	\$ 99,044,204	\$ 80,185,660
Human services	244,176,508	224,307,656	225,731,230	235,191,515	210,045,271	205,788,808	211,150,777	208,574,457	213,554,750	203,680,860
Education	661,548,515	472,748,721	457,469,350	467,744,519	423,906,638	455,501,432	555,325,661	744,326,523	797,456,473	782,647,207
Community development and cultural	59,885,379	20,597,071	62,457,707	72,248,767	73,419,595	77,962,399	82,956,045	90,192,355	90,601,804	94,338,763
Environmental services	11,846,689	6,669,967	10,261,353	8,560,310	8,647,932	9,853,941	8,376,306	25,539,274	11,323,588	12,658,925
Public safety	126,265,023	125,402,922	129,945,055	143,349,347	139,372,822	160,415,579	156,438,722	169,946,017	179,665,266	197,011,329
General services administration	26,444,850	25,927,613	24,364,454	21,913,044	23,127,651	27,622,029	26,171,169	27,303,740	28,182,737	23,328,303
Interest on long-term debt	76,911,979	131,934,858	72,727,338	92,679,977	66,354,069	65,867,422	70,672,162	114,306,796	88,754,145	63,623,613
Total governmental activities	1,262,567,183	1,062,526,689	1,044,532,175	1,101,276,878	1,002,321,772	1,063,876,659	1,178,787,937	1,463,264,576	1,508,582,967	1,457,474,660
Business-type activities:										
Solid waste	26,455,882	24,172,681	23,291,842	23,576,133	25,376,961	27,429,783	24,952,760	29,938,448	24,405,067	28,416,519
Total primary government expenses	1,289,023,065	1,086,699,370	1,067,824,017	1,124,853,011	1,027,698,733	1,091,306,442	1,203,740,697	1,493,203,024	1,532,988,034	1,485,891,179
Program Revenues										
Governmental activities:										
Charges for services:										
General government	5,631,031	6,670,497	6,193,871	7,396,357	7,831,642	7,145,238	9,352,103	9,789,639	8,064,187	9,154,064
Human services	27,828,734	30,212,823	26,662,361	25,935,891	21,954,285	20,072,420	17,306,740	20,285,322	24,154,518	21,611,239
Education	-	-	-	-	-	12,483	11,800	11,500	8,000	8,000
Community development and cultural	5,820,331	1,923,791	2,916,663	9,524,859	4,698,640	6,163,223	7,666,631	5,526,266	5,731,894	8,315,462
Environmental services	2,686,474	1,457,700	1,517,953	1,647,646	1,942,165	(254,415)	2,326,173	2,024,989	2,881,070	2,995,866
Public safety	17,649,225	17,949,739	21,772,992	29,494,441	32,543,421	31,253,703	32,842,889	34,945,056	35,528,506	39,273,674
General services administration	3,167,713	2,663,746	2,754,829	2,515,414	2,354,779	3,065,362	2,744,893	2,853,052	2,866,243	2,962,700
Operating grants and contributions:										
General government	2,754,167	2,188,124	2,646,944	3,365,340	1,883,518	1,892,488	1,798,846	16,409,314	1,282,965	5,152,979
Human services	128,697,447	127,235,785	124,614,245	119,719,778	120,556,434	101,438,548	101,650,078	106,066,571	109,785,997	82,565,794
Education	28,570,960	12,818,821	23,269,710	13,961,465	15,136,373	17,457,029	15,538,264	4,454,720	12,284,268	13,673,927
Community development and cultural	1,461,583	2,020,859	668,917	2,002,578	577,185	661,337	607,289	2,290,561	2,105,469	1,242,013
Environmental services	2,861,388	259,591	212,172	329,287	530,232	807,674	152,347	199,517	171,222	175,803
Public safety	3,372,852	2,700,697	6,101,846	3,084,164	782,594	1,389,125	1,871,402	1,859,644	1,113,285	1,557,629
General services administration	52,050	9,250	10,375	11,100	7,825	13,360	15,125	132,687	14,928	11,936
Total governmental activities program revenues	230,553,955	208,111,423	219,342,878	218,988,320	210,799,093	191,117,575	193,884,580	206,848,838	205,992,552	188,701,086
Business-type activities:										
Charges for services: solid waste	23,530,328	22,886,642	22,512,763	22,322,650	21,836,839	22,641,326	23,981,146	25,221,294	25,419,927	26,284,880
Operating grants and contributions: solid waste	1,146,661	1,390,303	1,621,434	1,688,916	1,601,437	1,638,999	1,760,881	1,964,590	2,097,102	2,433,484
Total business-type activities program revenues	24,676,989	24,276,945	24,134,197	24,011,566	23,438,276	24,280,325	25,742,027	27,185,884	27,517,029	28,718,364
Total primary government program revenues	255,230,944	232,388,368	243,477,075	242,999,886	234,237,369	215,397,900	219,626,607	234,034,722	233,509,581	217,419,450

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental activities	\$ (1,032,013,228)	\$ (854,415,266)	\$ (825,189,297)	\$ (882,288,558)	\$ (791,522,679)	\$ (872,759,084)	\$ (984,903,357)	(1,256,415,738)	(1,302,410,415)	\$ (1,268,773,574)
Business-type activities	(1,778,893)	104,264	842,355	435,433	(1,938,685)	(3,149,458)	789,267	(2,752,564)	3,111,962	301,845
Total primary government net expense	(1,033,792,121)	(854,311,002)	(824,346,942)	(881,853,125)	(793,461,364)	(875,908,542)	(984,114,090)	(1,259,168,302)	(1,299,298,453)	(1,268,471,729)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	640,238,154	651,480,015	658,044,349	666,196,637	675,565,832	704,500,482	763,304,541	836,704,096	873,850,162	916,010,246
Sales taxes	127,210,118	104,384,663	114,034,923	120,834,877	127,273,310	141,340,059	154,509,781	167,601,590	177,057,150	185,587,183
Occupancy and prepared food taxes	31,127,163	30,282,509	33,137,525	35,814,980	38,158,690	41,270,144	45,551,385	49,352,108	52,197,266	55,132,299
Other taxes	7,545,463	7,633,811	7,070,086	8,640,999	9,916,198	11,435,136	13,778,283	14,994,021	14,851,460	16,454,181
Grants and contributions										
not restricted to specific programs	5,125,653	4,410,678	8,179,519	9,500,462	5,294,595	9,977,509	7,510,466	8,708,612	8,753,474	9,235,090
Unrestricted investment earnings	15,900,340	14,450,011	9,486,862	3,778,383	2,517,197	2,239,488	1,717,475	5,157,359	4,320,332	9,524,439
Gain on sale of capital assets	-	-	-	-	-	-	-	-	855,639	748,511
Other	(3,331,974)	(3,964,766)	1,947,843	428,639	2,056,648	2,192,694	2,037,356	3,186,263	1,005,124	695,061
Transfers	312,000	404,000	404,000	404,000	456,000	406,320	450,000	450,000	450,000	450,000
Total governmental activities	824,126,917	809,080,921	832,305,107	845,598,977	861,238,470	913,361,832	988,859,287	1,086,154,049	1,133,340,607	1,193,837,010
Business-type activities:										
Unrestricted investment earnings	1,229,967	1,144,867	522,993	323,376	85,443	196,199	227,482	456,407	217,718	763,080
Other	860,960	620,963	943,682	1,817,578	1,227,548	4,364,031	1,584,738	1,279,536	1,906,700	2,307,430
Transfers	(312,000)	(404,000)	(404,000)	(404,000)	(456,000)	(406,320)	(450,000)	(450,000)	(450,000)	(450,000)
Total business-type activities	1,778,927	1,361,830	1,062,675	1,736,954	856,991	4,153,910	1,362,220	1,285,943	1,674,418	2,620,510
Total primary government	\$ (207,886,277)	\$ (43,868,251)	\$ 9,020,840	\$ (34,517,194)	\$ 68,634,097	\$ 41,607,200	\$ 6,107,417	\$ (171,728,310)	\$ (164,283,428)	\$ (72,014,209)
Change in Net Position										
Government activities	\$ (207,886,311)	\$ (45,334,345)	\$ 7,115,810	\$ (36,689,581)	\$ 69,715,791	\$ 40,602,748	\$ 3,955,930	(170,261,689)	(169,069,808)	\$ (74,936,564)
Business-type activities	34	1,466,094	1,905,030	2,172,387	(1,081,694)	1,004,452	2,151,487	(1,466,621)	4,786,380	2,922,355
Total primary government	\$ (207,886,277)	\$ (43,868,251)	\$ 9,020,840	\$ (34,517,194)	\$ 68,634,097	\$ 41,607,200	\$ 6,107,417	(171,728,310)	(164,283,428)	\$ (72,014,209)

WAKE COUNTY, NORTH CAROLINA

TABLE 3

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Non-spendable	\$ 695,291	\$ 1,012,690	\$ 753,870	\$ 680,079	\$ 660,291	\$ 1,147,817	\$ 1,141,838	\$ 1,087,851	\$ 1,028,455	\$ 1,914,948
Restricted	58,873,481	56,393,164	53,687,483	61,887,998	78,005,930	101,974,588	72,248,041	73,843,284	74,634,703	77,963,695
Committed	94,516,043	92,844,472	104,907,262	113,098,565	134,533,558	144,818,132	169,569,681	200,494,326	220,513,579	237,734,967
Assigned	2,000,000	2,000,000	103,244	31,602	400,000	5,772,283	2,679,506	1,134,000	-	-
Total General Fund	<u>\$ 156,084,815</u>	<u>\$ 152,250,326</u>	<u>\$ 159,451,859</u>	<u>\$ 175,698,244</u>	<u>\$ 213,599,779</u>	<u>\$ 253,712,820</u>	<u>\$ 245,639,066</u>	<u>\$ 276,559,461</u>	<u>\$ 296,176,737</u>	<u>\$ 317,613,610</u>
All Other Governmental Funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,449,786	\$ 3,440,499	\$ 1,054,756	\$ 963,368	\$ 907,632
Restricted	189,499,986	364,243,729	258,663,484	131,303,935	127,044,720	72,133,426	311,803,693	256,655,959	147,124,422	229,381,219
Committed	1,223,558	5,019,365	2,779,200	2,830,720	2,904,480	2,977,920	3,063,680	3,460,568	3,756,640	3,998,730
Assigned	313,895,746	442,430,960	477,307,247	449,655,862	498,239,963	406,360,257	505,942,505	234,606,723	227,731,010	191,567,046
Unassigned	-	-	-	-	-	-	-	(17,712)	-	(248,211)
Total All Other Governmental Funds	<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>	<u>\$ 824,250,377</u>	<u>\$ 495,760,294</u>	<u>\$ 379,575,440</u>	<u>\$ 425,606,416</u>

WAKE COUNTY, NORTH CAROLINA

TABLE 4

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 805,971,657	\$ 792,862,640	\$ 810,990,349	\$ 832,640,691	\$ 852,063,846	\$ 901,382,287	\$ 979,019,405	\$ 1,068,205,202	\$ 1,118,023,378	\$ 1,173,020,937
Intergovernmental	172,956,616	151,643,808	165,703,784	151,985,131	144,768,159	133,637,071	129,143,820	140,095,040	135,511,608	114,580,623
Charges for services	61,597,480	58,060,472	57,244,484	72,565,052	66,497,667	67,072,200	65,902,956	70,562,864	71,653,479	74,274,439
Fines and forfeitures	-	-	9,249	1,745	2,118	4,084	1,852	42,805	-	376
Licenses and permits	3,640,114	2,511,430	3,031,172	3,413,382	4,062,881	4,701,663	5,000,558	5,185,433	5,371,824	5,381,270
Investment earnings	16,032,292	14,450,008	9,449,429	3,765,433	2,515,686	2,223,705	1,704,516	5,128,545	4,307,934	9,473,624
Miscellaneous	917,791	824,804	665,896	335,487	1,303,583	2,099,348	1,770,877	(1,116,598)	1,001,799	693,150
Total revenues	1,061,115,950	1,020,353,162	1,047,094,363	1,064,706,921	1,071,213,940	1,111,120,358	1,182,543,984	1,288,103,291	1,335,870,022	1,377,424,419
Expenditures										
General government	57,333,739	62,312,808	59,102,157	57,101,602	53,933,135	54,502,188	63,700,606	76,489,586	76,915,004	75,318,980
Human services	245,260,302	228,226,056	225,151,612	226,219,076	203,945,270	193,958,543	208,304,473	206,528,545	213,132,353	197,901,887
Education	661,308,744	472,392,741	457,113,370	467,388,048	427,414,362	469,890,207	557,621,603	743,976,648	796,583,759	781,773,290
Community development and cultural	72,398,266	55,323,394	60,686,759	69,050,159	70,259,896	76,436,700	88,510,963	97,445,854	93,512,015	99,963,971
Environmental services	8,906,419	8,107,490	8,452,527	12,152,613	7,864,404	8,354,834	9,354,942	10,035,460	10,681,469	11,998,552
Public safety	153,430,681	174,204,071	239,028,698	209,183,377	172,509,821	145,519,662	147,823,266	162,428,708	166,933,080	188,317,280
General services administration	28,402,331	24,895,202	23,820,674	21,090,881	22,429,768	25,332,207	26,215,178	26,880,922	28,220,046	28,557,988
Debt service										
Principal	94,944,496	110,568,516	118,987,473	164,498,331	145,652,849	152,250,703	152,115,583	170,027,054	188,894,216	178,804,981
Interest	58,677,460	77,807,693	84,194,136	88,561,925	89,523,701	90,030,119	90,952,459	98,236,050	89,476,403	93,708,750
Total expenditures	1,380,662,438	1,213,837,971	1,276,537,406	1,315,246,012	1,193,533,206	1,216,275,163	1,344,599,073	1,592,048,827	1,664,348,345	1,656,345,679
Excess of revenues over (under) expenditures	(319,546,488)	(193,484,809)	(229,443,043)	(250,539,091)	(122,319,266)	(105,154,805)	(162,055,089)	(303,945,536)	(328,478,323)	(278,921,260)
Other Financing Sources (Uses)										
Transfers in	215,254,756	223,203,272	222,033,652	256,643,030	225,977,117	241,246,092	296,777,100	309,595,234	329,903,244	333,113,962
Transfers out	(214,942,756)	(225,799,272)	(223,629,652)	(257,912,346)	(225,521,117)	(240,839,772)	(296,452,100)	(309,145,234)	(329,742,244)	(332,663,962)
Refunding bonds issued	235,300,000	383,420,000	-	75,290,000	-	-	-	191,835,000	162,895,000	-
Refunding installment purchases issued	-	-	-	-	2,234,325	-	-	-	-	-
Payment to refunded escrow agent	(256,895,981)	(449,682,612)	-	(94,006,298)	(2,234,325)	-	-	(233,084,360)	(190,000,000)	-
Bonds issued and premiums	489,456,200	258,034,180	163,990,302	131,715,590	203,154,626	-	490,519,615	42,128,289	153,487,962	239,143,833
Bond anticipation notes issued	-	-	-	-	-	-	-	1,301,000	98,928,537	168,652,564
Repayment of bond anticipation notes	-	-	-	-	-	-	-	-	-	(218,684,653)
Drawdown installment notes issued	-	-	-	-	-	-	-	-	3,928,079	114,447,523
Repayment of drawdown installment notes	-	-	-	-	-	-	-	-	-	(114,890,022)
Limited obligation bonds issued	-	303,480,000	-	-	-	-	-	-	-	155,290,000
Capital leases and installment purchases issued/repaid	2,022,210	304,944	139,713	7,573	940,674	1,500,796	2,373,329	5,027	2,089,630	1,235,305
Sales of assets and materials	383,101	764,571	1,166,438	88,513	68,147	92,956	92,379	1,870,446	420,537	744,559
Total other financing sources (uses)	470,577,530	493,725,083	163,700,453	111,826,062	204,619,447	2,000,072	493,310,323	4,505,402	231,910,745	346,389,109
Net change in fund balances	\$ 151,031,042	\$ 300,240,274	\$ (65,742,590)	\$ (138,713,029)	\$ 82,300,181	\$ (103,154,733)	\$ 331,255,234	\$ (299,440,134)	\$ (96,567,578)	\$ 67,467,849
Debt service as a percentage of noncapital expenditures	11.51%	16.63%	16.93%	19.91%	20.65%	20.51%	18.34%	16.96%	16.86%	16.73%

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

Fiscal Year	Real Property	Personal Property	Public Service Companies	Total	*County-wide Tax Rate³	Special Tax Districts Tax Rate³	Average County Tax Rate³
2009 ²	\$ 99,568,342,254	\$ 14,058,926,692	\$ 2,983,256,554	\$ 116,610,525,500	\$ 0.534	\$ 0.080	\$ 0.614
2010	103,093,250,199	13,015,000,000	3,050,000,000	119,158,250,199	0.534	0.080	0.614
2011	103,067,247,714	13,630,432,081	2,837,941,846	119,535,621,641	0.534	0.080	0.614
2012	104,028,407,900	13,698,928,311	2,828,064,440	120,555,400,651	0.534	0.080	0.614
2013	105,310,957,601	14,311,760,539	2,827,432,989	122,450,151,129	0.534	0.080	0.614
2014	107,096,246,490	17,429,308,807	2,900,935,929	127,426,491,226	0.534	0.080	0.614
2015	109,552,757,999	15,528,241,566	2,866,523,443	127,947,523,008	0.578	0.080	0.658
2016	112,361,475,069	16,280,183,297	3,309,341,549	131,950,999,915	0.6145	0.080	0.6945
2017 ²	120,471,086,726	17,470,741,388	3,469,182,180	141,411,010,294	0.6005	0.096	0.6965
2018	122,874,155,245	17,897,487,797	3,447,570,780	144,219,213,822	0.6150	0.096	0.7110

Notes:

* Real estate reappraisal effective.

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

(2) A revaluation of real property is required by N.C. General Statutes at least every eight years. The last revaluation was completed tax year 2016 (for Fiscal Year 2017).

(3) Per \$100 of assessed value.

Source: Wake County Revenue Department

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

	²								²	
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
County Direct Rates										
County-wide Rate ¹	\$ 0.534	\$ 0.534	\$ 0.534	\$ 0.534	\$ 0.534	\$ 0.534	\$ 0.578	\$ 0.6145	\$ 0.6005	\$ 0.615
Various Special Tax Districts	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.096	0.096
Total average direct rate	0.614	0.614	0.614	0.614	0.614	0.614	0.658	0.6945	0.6965	0.7110
Municipality Rates										
Town of Angier	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.530	0.530
Town of Apex	0.340	0.340	0.340	0.340	0.390	0.390	0.390	0.390	0.380	0.380
Town of Cary	0.330	0.330	0.330	0.330	0.330	0.350	0.350	0.370	0.350	0.350
Town of Clayton	0.540	0.540	0.540	0.525	0.525	0.525	0.525	0.550	0.550	0.550
Town of Fuquay-Varina	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.433	0.4325
Town of Garner	0.490	0.490	0.490	0.490	0.490	0.490	0.500	0.518	0.518	0.5325
Town of Holly Springs	0.415	0.415	0.415	0.415	0.435	0.435	0.435	0.435	0.433	0.4325
Town of Knightdale	0.400	0.400	0.410	0.410	0.410	0.430	0.430	0.430	0.430	0.430
Town of Morrisville	0.367	0.367	0.367	0.367	0.367	0.390	0.390	0.410	0.390	0.390
City of Raleigh	0.374	0.374	0.374	0.374	0.383	0.383	0.404	0.421	0.418	0.4253
Town of Rolesville	0.420	0.420	0.420	0.440	0.440	0.440	0.440	0.440	0.480	0.480
Town of Wake Forest	0.510	0.510	0.510	0.510	0.510	0.510	0.520	0.520	0.520	0.520
Town of Wendell	0.490	0.490	0.490	0.490	0.490	0.490	0.490	0.490	0.490	0.490
Town of Zebulon	0.510	0.500	0.500	0.500	0.513	0.525	0.525	0.525	0.575	0.575

Notes:

- (1) All taxable property is subject to the County-wide tax. Most property in unincorporated areas also is subject to special district taxes.
- (2) A revaluation of real property is required by N. C. General Statutes at least every eight years. Revaluation was last completed for tax year 2016 (for Fiscal Year 2017).

Source: Wake County Revenue Department

**Principal Property Tax Payers
June 30, 2018
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2018			Fiscal Year 2009		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Duke Progress Energy , Inc	\$ 2,132,336,048	1	1.48%	\$ 1,650,141,270	1	1.42%
SAS Institute Inc	619,469,467	2	0.43%	426,562,616	3	0.37%
Highwood Realty LP	586,258,793	3	0.41%	232,090,013	9	0.20%
Cisco Systems Inc	439,470,508	4	0.30%	481,975,587	2	0.41%
CVM Holdings LLC	380,389,549	5	0.26%	326,074,540	4	0.28%
WMCI Raleigh LLC	327,006,252	6	0.23%			
Network Appliance Inc	294,841,890	7	0.20%			
GlaxoSmithKline	298,092,241	8	0.21%	287,583,613	5	0.25%
Lenovo US Inc	263,920,985	9	0.18%			
First Citizens Bank	257,613,014	10	0.18%			
Bellsouth Telephone				292,725,787	6	0.25%
Weeks Realty				276,806,671	7	0.24%
NC Eastern Municipal Power Agency				251,497,555	8	0.22%
Public Service of NC Inc				187,038,756	10	0.16%
	<u>\$ 5,599,398,747</u>		<u>3.87%</u>	<u>\$ 4,412,496,408</u>		<u>3.80%</u>

Source: Wake County Revenue Department

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)		Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Amount	Adjustments		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2009	\$ 649,942,150	\$ (10,067,050)	\$ 639,875,100	\$ 630,648,211	98.56%	\$ 8,335,012	\$ 638,983,223	99.86%
2010	657,175,469	(7,643,046)	649,532,423	640,993,333	98.69%	7,730,394	648,723,727	99.88%
2011	661,292,534	(4,849,315)	656,443,219	648,750,058	98.83%	6,804,898	655,554,956	99.86%
2012	665,819,212	(2,298,064)	663,521,148	657,541,978	99.10%	5,112,132	662,654,110	99.87%
2013	676,163,798	(2,306,621)	673,857,177	667,843,411	99.11%	5,202,107	673,045,518	99.88%
2014	702,953,904	(1,690,243)	701,263,661	697,580,105	99.47%	3,018,394	700,598,499	99.91%
2015	760,907,032	(664,952)	760,242,080	758,063,799	99.71%	1,923,310	759,987,109	99.97%
2016	833,221,749	(835,817)	832,385,932	831,114,362	99.85%	910,105	832,024,467	99.96%
2017	877,544,091	(7,317,373)	870,226,718	869,108,487	99.87%	607,298	869,715,785	99.94%
2018	914,686,233	(1,989,030)	912,697,203	911,681,836	99.89%	-	911,681,836	99.89%

Notes:

Taxes for the fiscal year ended June 30, 2018 at the collection rate of 99.89% are a composite of the following collections by category:

Vehicle taxes	99.50%
Real and personal property taxes	99.92%

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

Schedule of Ad Valorem Taxes Receivable
As of June 30, 2018

Fiscal Year	Uncollected Balance June 30, 2017	Additions	Collections and Credits	Uncollected Balance June 30, 2018
2017-2018	\$ -	\$ 830,246,009	\$ 828,758,262	\$ 1,487,747
2016-2017	1,476,376	-	965,443	510,933
2015-2016	539,109	-	177,644	361,465
2014-2015	341,605	-	86,634	254,971
2013-2014	735,064	-	69,876	665,188
2012-2013	861,961	-	50,302	811,659
2011-2012	901,385	-	34,349	867,036
2010-2011	909,258	-	20,995	888,263
2009-2010	821,396	-	12,700	808,696
Total	<u>\$ 6,586,154</u>	<u>\$ 830,246,009</u>	<u>\$ 830,176,205</u>	6,655,958
Less allowance for uncollectable ad valorem taxes receivable				(5,172,939)
Ad valorem taxes receivable (net)				<u>\$ 1,483,019</u>
Reconciliation with revenues:				
Taxes - ad valorem - General Fund				\$ 822,620,768
Recycling fee - Solid Waste Operating Fund				8,399,420
Reconciling items:				
Prior year taxes collected				(23,738)
Interest and other costs				(1,391,891)
Rebates and releases				3,595,352
Deferred amounts				(2,685,786)
Accruals and prepaids				(337,920)
Total collections and credits				<u>\$ 830,176,205</u>
General Fund Taxes Receivable				\$ 1,409,956
Solid Waste Fund Accounts Receivable				73,063
				<u>\$ 1,483,019</u>

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

Analysis of Current Tax Levy - Countywide Levy
For the Year Ended June 30, 2018

	County-wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate (General Fund)	141,369,499,189	0.6150	873,639,781	822,507,678	51,132,103
Motor vehicles taxed at prior year's rate	2,849,714,633	0.6005	14,314,454	-	14,314,454
Special Tax District levy	26,995,542,973	0.0960	25,955,200	23,742,622	2,212,578
Penalties	-		-	-	-
Total	<u>171,214,756,795</u>		<u>913,909,435</u>	<u>846,250,300</u>	<u>67,659,135</u>
Discoveries:					
Current year taxes	-		-	-	-
Prior year taxes	-		-	-	-
Penalties	-		776,798	776,798	-
Total	<u>-</u>		<u>776,798</u>	<u>776,798</u>	<u>-</u>
Abatements	(449,457,561)		(2,764,164)	(2,762,551)	(1,613)
Total property valuation	<u>170,765,299,234</u>				
Deferred Levy			775,134	775,134	-
Net levy			912,697,203	845,039,681	67,657,522
Uncollected taxes at June 30, 2018			1,015,367	676,325	339,042
Current year's taxes collected			<u>911,681,836</u>	<u>844,363,356</u>	<u>67,318,480</u>
Current levy collection percentage			99.89%	99.92%	99.50%

Includes Ad Valorem, Special District and NCVTS Vehicle Taxes.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities								Business-Type Activities	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹	
	General Obligation Bonds	General Obligation Bond Anticipation Notes	Drawdown Installment Notes	Limited Obligation Bonds	Installment Purchases	Qualified Zone Academy Bonds	Capital Leases	Notes Payable	Total Governmental Activities				Capital Leases
2009	\$ 1,867,469,296	\$ -	\$ -	\$ -	\$ 9,356,965	\$ 1,307,694	\$ 328,068	\$ -	\$ 1,878,462,023	\$ -	\$ 1,878,462,023	5.26%	\$ 2,094
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%	2,526
2011	1,991,296,438	-	-	323,883,480	6,961,421	980,772	173,449	-	2,323,295,560	-	2,323,295,560	5.78%	2,500
2012	1,934,669,373	-	-	316,910,261	5,693,721	817,311	132,027	-	2,258,222,693	-	2,258,222,693	5.29%	2,371
2013	1,960,133,287	-	-	303,982,042	5,327,348	653,850	81,238	-	2,270,177,765	-	2,270,177,765	5.32%	2,328
2014	1,806,329,227	-	-	291,053,822	5,329,121	490,389	51,293	-	2,103,253,852	5,877	2,103,259,729	4.93%	2,106
2015	2,142,354,768	-	-	278,125,603	4,922,510	326,928	763,502	-	2,426,493,311	3,777	2,426,497,088	4.58%	2,414
2016	1,969,481,706	1,301,000	-	279,088,791	4,007,860	163,467	390,611	-	2,254,433,435	-	2,254,433,435	4.25%	2,201
2017	1,901,610,244	100,229,537	3,928,079	264,041,694	5,115,000	-	37,553	-	2,274,962,107	-	2,274,962,107	4.29%	2,173
2018	1,937,469,050 ²	50,197,448	3,485,580	424,746,261 ²	5,306,359	-	34,333	-	2,421,239,031	-	2,421,239,031	4.28%	2,258

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. 2017 and 2018 ratios are calculated using 2016 personal income.

(2) General Obligation Bonds and Limited Obligation Bonds include premiums on issuance of bonds of \$175,199,050 and \$59,531,261, respectively, which will be amortized over the life of the related debt.

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

General Bonded Debt Outstanding					
Fiscal Year	General Obligation Bonds	General Obligation Bond Anticipation Notes	Total General Bonded Debt	Percentage of Actual Taxable Value of Property ¹	Per Capita ²
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%	2,156.86
2011	1,991,296,438	-	1,991,296,438	1.67%	2,142.72
2012	1,934,669,373	-	1,934,669,373	1.60%	2,030.91
2013	1,960,133,287	-	1,960,133,287	1.60%	2,010.34
2014	1,806,329,227	-	1,806,329,227	1.42%	1,808.70
2015	2,142,354,768	-	2,142,354,768	1.67%	2,130.88
2016	1,969,481,706	1,301,000	1,970,782,706	1.49%	1,924.22
2017	1,901,610,244	100,229,537	2,001,839,781	1.42%	1,912.36
2018	1,937,469,050 ³	50,197,448	1,987,666,498	1.38%	1,853.82

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

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

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

(3) General Obligation Bonds include premiums on issuance of bonds of \$175,199,050, which will be amortized over the life of its related debt.

Direct and Overlapping Governmental Activities Debt
As of June 30, 2018

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Municipality:			
Apex	\$ 67,085,000	100%	\$ 67,085,000
Cary	112,388,059	100%	112,388,059
Fuquay-Varina	9,580,000 ¹	100%	9,580,000
Garner	27,345,000 ¹	100%	27,345,000
Holly Springs	18,960,000	100%	18,960,000
Knightdale	3,004,000	100%	3,004,000
Morrisville	16,585,000	100%	16,585,000
Raleigh	323,520,000	100%	323,520,000
Rolesville	- ¹	100%	-
Wake Forest	29,117,000	100%	29,117,000
Wendell	-	100%	-
Zebulon	2,350,000	100%	2,350,000
Overlapping debt	<u>609,934,059</u>		<u>609,934,059</u>
Direct debt	<u>2,421,239,031</u>		<u>2,421,239,031</u>
Total direct and overlapping debt	<u>\$ 3,031,173,090</u>		<u>\$ 3,031,173,090</u>

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

¹ Overlapping debt provided by Local Government Commission (LGC) Form 129 Annual Debt Payment Notices for FY18-19.

Note: Percentage of overlap based on assessed property values.

WAKE COUNTY, NORTH CAROLINA

TABLE 14

**Legal Debt Margin Information
Last Ten Years**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Assessed Value of Property	\$ 116,610,525,500	\$ 119,158,250,199	\$ 119,535,621,641	\$ 120,555,400,651	\$ 122,450,151,129	\$ 127,426,491,226	\$ 127,947,523,008	\$ 131,950,999,915	\$ 141,411,010,294	\$ 144,219,213,822
Debt Limit, 8% of Assessed Value (Statutory Limitation)	\$ 9,328,842,040	\$ 9,532,660,016	\$ 9,562,849,731	\$ 9,644,432,052	\$ 9,796,012,090	\$ 10,194,119,298	\$ 10,235,801,841	\$ 10,556,079,993	\$ 11,312,880,824	\$ 11,537,537,106
Amount of Debt Applicable to Limit										
General Obligation Bonds	\$ 1,772,370,000	\$ 1,794,370,000	\$ 1,831,620,000	\$ 1,754,870,000	\$ 1,801,325,000	\$ 1,664,875,000	\$ 1,967,590,000	\$ 1,812,535,000	\$ 1,727,865,000	\$ 1,762,270,000
GO Bond Anticipation Notes	-	-	-	-	-	-	-	1,301,000	100,229,537	50,197,448
Other Long Term Debt	10,664,659	313,263,004	311,595,642	303,938,059	291,217,436	278,885,802	266,887,940	238,761,938	231,140,632	374,041,272
Bonds Authorized not Issued	514,500,000	391,870,000	239,070,000	65,700,000	145,450,000	950,450,000	511,210,000	509,909,000	294,865,463	147,152,552
Total net debt applicable to limit	<u>2,297,534,659</u>	<u>2,499,503,004</u>	<u>2,382,285,642</u>	<u>2,124,508,059</u>	<u>2,237,992,436</u>	<u>2,894,210,802</u>	<u>2,745,687,940</u>	<u>2,562,506,938</u>	<u>2,354,100,632</u>	<u>2,333,661,272</u>
Legal Debt Margin	<u>\$ 7,031,307,381</u>	<u>\$ 7,033,157,012</u>	<u>\$ 7,180,564,089</u>	<u>\$ 7,519,923,993</u>	<u>\$ 7,558,019,654</u>	<u>\$ 7,299,908,496</u>	<u>\$ 7,490,113,901</u>	<u>\$ 7,993,573,055</u>	<u>\$ 8,958,780,192</u>	<u>\$ 9,203,875,834</u>
Total net debt applicable to limit as a percentage of debt limit	24.63%	26.22%	24.91%	22.03%	22.85%	28.39%	26.82%	24.28%	20.81%	20.23%

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

**Demographic and Economic Statistics
Last Ten Years**

Year	Population Estimates¹	Personal Income² (thousands of dollars)	Per Capita Personal Income³	School Enrollment⁴	Unemployment Rate⁵
2009	856,492	\$ 39,424,220	\$ 44,617	137,706	8.4%
2010	883,624	41,432,611	45,683	139,599	8.3%
2011	900,933	43,320,456	46,615	143,289	7.9%
2012	929,070	46,320,314	48,626	146,687	7.1%
2013	952,143	47,064,181	48,285	149,508	6.0%
2014	974,289	50,257,552	50,294	153,039	4.9%
2015	998,691	53,028,913	51,776	155,000	4.7%
2016	1,024,198	56,592,270	54,063	156,644	4.2%
2017	1,046,791	*	*	158,374	3.6%
2018	1,072,203	*	*	160,429	3.6%

* Information not yet available

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

(2) Bureau of Economic Analysis Regional, Economic Information System - Bureau of Economic Analysis March 2016.

(3) Bureau of Economic Analysis Regional Economic Account - computed using Census Bureau midyear population estimates available as of March 2016.

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

(5) Employment Security Commission of North Carolina. June 2018 Preliminary Statewide and Local Data.

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

Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Duke University & Health System	38,591	1	6.71%			
State of North Carolina	24,083	2	4.19%	25,458	1	6.16%
Wake County Public School System	19,845	3	3.45%	16,755	2	4.06%
Wal-Mart	16,135	4	2.81%			
IBM Corporation	10,000	5	1.74%			
WakeMed Health & Hospitals	9,105	6	1.58%	6,893	4	1.67%
North Carolina State University	9,069	7	1.57%	8,000	3	1.94%
Target	8,000	8	1.39%			
UNC Rex Healthcare	7,400	9	1.29%	4,000	8	0.97%
SAS Institute, Inc.	5,632	10	0.98%	4,149	7	1.00%
GlaxoSmithKline, Inc				6,400	5	1.55%
Progress Energy				5,000	6	1.21%
Wake County Government				3,744	9	0.91%
Cisco Systems				3,600	10	0.87%
	<u>147,860</u>		<u>25.71%</u>	<u>83,999</u>		<u>20.34%</u>

Source: Greater Raleigh Chamber of Commerce.

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

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	327.00	294.00	271.80	304.25	305.25	314.25	324.50	340.50	359.50	371.75
Human services	1,604.00	1,623.00	1,782.80	1,751.10	1,644.03	1,465.10	1,571.87	1,591.60	1,627.30	1,657.37
Community development and cultural	254.00	287.50	304.00	304.00	312.00	321.50	327.50	350.50	358.50	370.50
Environmental services	111.00	112.00	118.00	117.00	120.00	124.00	134.00	138.00	145.00	154.00
Public safety	1,050.00	1,057.00	1,102.00	1,199.50	1,237.50	1,285.50	1,301.50	1,339.50	1,384.50	1,418.00
General services administration	123.00	121.00	134.00	137.00	142.50	140.00	141.00	143.00	143.00	144.00
Total	3,469.00	3,494.50	3,712.60	3,812.85	3,761.28	3,650.35	3,800.37	3,903.10	4,017.80	4,115.62

Operating Indicators By Function
Last Ten Fiscal Years

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Registered voters	725,536	701,987	676,093	631,012	651,341	645,419	628,953	588,701	575,146	569,222
Taxable real estate parcels	421,932	412,438	406,596	401,352	392,989	381,677	367,323	361,082	322,205	322,620
Tax bills	N/A	N/A	N/A	N/A	N/A	1,164,651	1,153,607	1,128,643	1,120,585	1,125,000
Deeds and real estate documents recorded	166,102	183,096	170,421	163,046	148,233	208,162	179,048	164,279	167,888	189,164
Human Services										
Family medicaid recipients	120,314	107,084	98,185	89,815	81,379	76,116	73,839	68,373	64,595	54,904
Laboratory tests	*	*	*	*	180,000	163,837	235,000	*	178,068	192,753
School nurse health support services	31,991	31,619	29,690	14,941	31,558	28,880	23,428	20,795	23,211	*
Families receiving maternal and child health case management services	5,875	*	6,151	6,008	6,300	4,402	4,328	5,817	4,844	5,424
Adult inpatient substance abuse services	N/A	N/A	N/A	N/A	N/A	336	484	N/A	687	847
Adult care home residents served through on-site inspections	2,548	2,824	2,648	2,538	2,373	2,381	2,861	2,932	2,637	2,684
Homeless served - street outreach	N/A	241	476							
Homeless sheltered at S. Wilmington St. Center	2,029	2,125	2,028	1,982	1,849	1,791	1,734	1,834	2,055	2,055
Persons testing for HIV/STD	17,398	31,594	18,958	17,919	20,364	21,107	22,420	15,597	10,619	10,861
Number of transportation trips provided	180,323	235,845	253,814	200,440	183,570	165,908	178,330	157,000	145,000	146,060
Food assistance individuals	33,188	34,596	38,071	39,235	38,585	*	85,892	77,068	65,101	51,835
Education										
Students attending public school ¹	160,429	159,549	157,180	155,184	152,384	149,508	146,687	142,997	139,599	137,706
Public school teachers ²	10,616	10,733	10,357	10,598	10,563	9,810	9,810	9,342	9,277	9,546
Community college students-average semester ³	38,800	38,800	41,566	35,080	34,427	33,338	32,236	31,559	31,067	31,719
Community college faculty ³	2,251	2,261	2,305	2,305	1,329	1,921	1,344	1,315	1,213	1,210
Community Development and Cultural										
Libraries - circulation of youth services	6,418,475	6,435,078	6,319,652	6,636,146	6,923,255	6,912,700	7,047,064	6,147,038	6,322,332	5,883,351
Libraries - circulation of adult services	3,318,177	3,263,900	2,996,607	3,104,004	3,467,128	3,699,333	4,212,225	4,511,679	5,030,294	4,569,145
Park visitation	1,296,062	1,430,828	1,252,085	1,141,594	1,187,986	1,113,501	1,162,246	1,129,732	1,046,997	987,059
Residential permits issued - new	4,115	1,041	1,521	1,347	1,367	1,239	716	369	277	279
Commercial permits issued - new	218	32	219	200	157	136	167	81	2	11
Building permits - additional, alterations	4,238	1,530	1,885	1,672	1,535	1,473	1,276	1,264	1,307	1,258
Inspections performed			59,639	53,664	53,517	44,329	35,510	35,537	34,650	41,636
Environmental Services										
Animal control service calls	8,008	6,327	7,194	7,608	7,786	7,644	8,260	*	14,498	10,742
Animals impounded	10,618	10,618	10,906	11,621	11,632	13,805	15,517	16,162	12,040	11,232
Sanitation inspections	12,285	11,919	11,911	12,545	8,770	9,222	*	*	8,215	7,110
Public Safety										
Detention intake	28,667	28,086	34,801	36,350	36,847	38,070	*	32,849	35,519	31,789
Civil processes served	55,884	55,681	80,341	78,867	65,590	70,535	93,318	96,089	98,233	95,009
Pistol permits processed	16,171	20,658	18,141	20,216	18,304	35,883	21,163	17,525	15,309	20,768
Average daily jail population	1,198	1,170	1,176	1,155	1,297	1,306	1,227	1,279	1,341	1,366
Fire/medical incidents responded to by contracting fire departments	33,865	33,847	32,595	29,928	28,429	28,675	27,645	29,012	26,770	26,399
Wake EMS trips **	70,697	72,181	70,796	67,369	63,371	62,637	62,327	37,943	30,434	29,283
Solid Waste										
Tons received at South Wake Landfill	463,683	442,659	436,632	304,672	406,568	400,964	414,156	426,901	439,069	463,126
Tons received at East Wake Transfer Station	275,504	259,473	262,153	345,615	252,462	242,123	259,610	255,099	260,333	278,464
Household hazardous waste customers	N/A	N/A	N/A	43,509	36,996	29,560	30,863	27,566	24,449	14,471

* 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.

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

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

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Services Administration										
Rentable square footage	4,851,946	4,875,024	4,875,024	4,745,845	4,790,359	4,516,751	3,956,974	3,477,580	3,369,836	3,213,049
Human Services										
Number of centers	22	22	22	22	22	22	22	22	20	15
Education										
Number of schools	183	177	177	171	170	165	163	163	159	156
Community Development and Cultural										
Libraries - branches	22	22	21	20	20	20	20	20	20	19
Volume of library books	1,586,209	1,476,330	1,393,462	1,323,870	1,534,418	1,520,704	1,479,940	1,544,261	1,670,538	1,714,645
Number of County Parks	10	9	9	8	8	8	8	8	7	7
Number of School Parks	16	16	16	16	16	16	16	16	16	16
Public Safety										
Sheriff - Stations	9	9	9	9	9	9	9	5	5	5
Detention capacity	1,522	1,552	1,568	1,568	1,568	1,568	1,568	1,312	1,312	1,312
EMS - Stations	15	15	15	15	15	15	15	15	15	15